



**WATERFRONT**Toronto

# Board of Directors Meeting (Quayside Specific)

TUESDAY JULY 31, 2018 8:30AM TO 11:00AM

WATERFRONT TORONTO

20 BAY STREET, SUITE 1310

TORONTO, ON, M5J 2N8



## WATERFRONToronto

### Meeting Book - Board of Directors Meeting (Quayside Specific)

8:30 a.m.	1. Motion to Approve Meeting Agenda	Approval	H. Burstyn
8:35 a.m.	2. Declaration of Conflicts of Interest	Declaration	All
8:40 a.m.	<b>3. Consent Agenda</b> a) Minutes of June 28, 2018 Meeting b) Minutes of the July 9, 2018 Meeting  Draft - Minutes of June 28, 2018 Board Meeting - Page 3  Draft - Minutes of July 9, 2018 Board Meeting - Page 13	Approval	All
8:45 a.m.	4. Chairs Opening Remarks	Information	H. Burstyn
8:50 a.m.	5. Motion to go into Closed Session	Approval	All
	<b>Closed Session Agenda</b> The Board will discuss the matters outlined below in a Closed Session as permitted by By-Law No.2 of the Corporation. The exception relied for the discussion of Item 6, being the Plan Development Agreement, in Closed Session is Section 6.1.1(l) of By-Law No. 2 (a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the Corporation). The Board will continue in Open Session at the end of the Closed Session to discuss and vote on any resolutions pertaining to the Closed Session.		
10:45 a.m.	7. Motion to go into Open Session	Approval	All
	<b>Open Session Agenda</b>		
10:55 a.m.	9. Chairs Closing Remarks	Approval	H. Burstyn
11:00 a.m.	10. Motion to Terminate the Meeting	Approval	All

**MINUTES of the Meeting of the Board of Directors of the  
Toronto Waterfront Revitalization Corporation  
20 Bay Street, Suite 1310, Toronto, Ontario  
Thursday, June 28, 2018 at 8:30 a.m. local time.**

**PRESENT:** Helen Burstyn, Chair  
Susan Henderson  
Sevaun Palvetzian (from 8:44 a.m.)  
Jeanhy Shim  
Janet Rieksts-Alderman (to 12:30 p.m.)  
Mazyar Mortazavi  
Steve Diamond  
Julie Di Lorenzo  
Denzil Minnan-Wong (from 8:44 a.m. to 12:38 p.m.)  
Michael Nobrega (from 9:43 a.m.)

**ABSENT:** Mohamed Dhanani  
Meric Gertler

**IN ATTENDANCE** Will Fleissig (President & CEO, Waterfront Toronto (WT))  
Chris Glaisek (Senior V.P Planning & Design, WT)  
Julius Gombos (Vice President Project Delivery, WT)  
Cameron McKay (Vice President Communications, WT)  
Kristina Verner (VP Innovation, Sustainability and Prosperity, WT)  
Meg Davis (Chief Development Officer, WT)  
Marisa Piattelli (Chief Strategy Officer, WT)  
David Kusturin (Chief Project Officer, WT)  
Lisa Taylor (Chief Financial Officer, WT)  
Ian Beverley (General Counsel, WT)  
Rose Desrochers (Director, HR and Admin, Waterfront Toronto)  
Ed Chalupka (Director, Government Relations, WT)  
Carol Webb (Project Communications Manager, WT)  
Louroz Mercader (Comms. and Public Engagement Manager, WT)  
Kayly Henderson (Human Resources Coordinator, WT)  
Mary Scotland (Executive Liaison and Assistant to the CEO, WT)  
Aina Adeleye (Board Administrator, WT)

Also in attendance for part or all of the meeting, were George Zegarac, Deputy Minister - Ontario Ministry of Infrastructure (MOI), Lynn Kekanovich, Senior Policy Lead, MOI, Bruce Singbush, Assistant Deputy Minister, MOI, Ruvimbo Musiyiwa, MOI, David Stonehouse, Director, Waterfront Secretariat, City of Toronto, Robin Cardozo, Board Chair Representative, Barry Reiter (by phone), Partner, Bennett Jones LLP, Mike Del Ben, Vice President, Hub International, Jim White, Director, Hub International, Maria Ruberto, VP, Hub International, Ryan Brown, Manager Lender Insurance, Intech Risk Management, Stephanie Ward, Senior

Manager, KPMG LLP, Brad Ferguson, Partner, KPMG LLP and Rosemary Frey, member of the public.

The Chair, Helen Burstyn, took the chair and appointed Ian Beverley to act as secretary of the meeting.

With notice of the meeting having been sent to all Directors in accordance with the Corporation's By-laws and a quorum of Directors being present, the Chair called the meeting to order at 8:33 a.m. and declared that the meeting was duly constituted for the transaction of business.

#### **1. Motion to Approve Agenda**

The Board agreed that the revised Code of Conduct for Directors should be removed from the consent agenda to form a substantive agenda item at the meeting. It was agreed that the revised Code of Conduct would be considered as Item 6 of the agenda, with all subsequent items on the Agenda to be renumbered accordingly.

**ON MOTION** duly made by Susan Henderson, seconded by Janet Rieksts-Alderman and carried, it was **RESOLVED** that the Agenda for the June 28, 2018 meeting was approved as amended.

#### **2. Declaration of Conflicts of Interest**

There were no conflicts of interest declared.

#### **3. Consent Agenda**

The draft Minutes of the May 30, 2018 Board meeting and the engagement of Infrastructure Ontario for realty services were presented for approval. The Corporate & Project reporting and Board Calendar (June 14- Dec 2018) were presented for information.

**ON MOTION** duly made by Susan Henderson, seconded by Steve Diamond and carried, it was **RESOLVED** that:

- the Minutes of the May 30, 2017 meeting of the Board of Directors were approved as presented;
- the engagement of Infrastructure Ontario for realty services was approved as presented; and
- the Corporate & Project reporting and Board Calendar (June 14- Dec 2018) were received for information.

#### **4. Chairs Remarks**

Helen Burstyn reminded the Board of the upcoming meetings scheduled on July 9, 2018

to review the Plan Development Agreement and on July 31, 2018 to consider whether to approve the agreement.

Helen Burstyn informed the Board that she had attended a meeting with federal Minister of Infrastructure – Minister Amarjeet Sohi, along with members of Management and federally appointed directors, the previous week. Janet Rieksts-Alderman concurred with her that the meeting was very productive and successful. The Minister had expressed satisfaction and continued support of the work undertaken thus far by Waterfront Toronto.

Helen Burstyn introduced George Zegarac, Deputy Minister, Ontario Ministry of Infrastructure to the meeting and invited him to provide an update from the province following the recent provincial election. Mr. Zegarac stated that the ministers of the new government were to be announced the next day. He stated that the memo on public-sector spending restraint announced the previous week by the incoming provincial government was intended to contain public spending until the new government had settled into office. He stated that the Port Lands Flood Protection and Quayside projects were still of great importance to the Ministry. Waterfront Toronto and other agencies are expected to continue operations with minimal interruption.

## 5. **CEO Report**

Will Fleissig referenced the CEO report provided in the meeting materials which was taken as read. The CEO Report provided an update on the following matters:

**Port Land Flood Protection (PLFP):** at this meeting, the Board will be asked to approve hard costs in the amount of \$136.7 Million, which has already been approved by the Finance, Audit and Risk Management (FARM) Committee at its last meeting. This request has also been accepted and approved by the Capital Peer Review Panel and Port Lands Executive Steering Committee. The project is at 30% design completion. There were no significant deviations from the baseline schedule to be noted at this time.

**Human Resources:** staff salary recommendations will be discussed later in the meeting. MNP LLP continues to support the Corporation on implementing several major change initiatives and has developed a comprehensive training program for the Enterprise Resource Planning (ERP) system implementation for roll out in August and September.

**Five Year Strategic Business Plan:** KPMG was hired to support and facilitate management and Board development of the Five Year Strategic Business Plan.

**Enterprise Risk Management Process and Risk Register:** The first internal audit (to assess the design and operating effectiveness of the Corporation's IT Security framework on Cybersecurity) is underway. The results will be communicated to the FARM Committee at its September 20, 2018 meeting.

**Quayside Update:** An update on the Quayside project will be provided by the Investment

Real Estate and Quayside Committee report later in this meeting.

**Waterfront Toronto Digital Strategy Advisory Panel (“DSAP”):** The inaugural meeting of DSAP was held on June 7, 2018. The Panel will review the digital governance schedule of the Plan Development Agreement prior to the final version of the document being brought forward for Board consideration.

**Communications:** The dedicated project website for PLFP was now live at PortLandsTO.ca. The website contains, amongst others, a document library filled with reports, studies and public presentations. Tweets and Facebook posts were sent to promote the site and to create public awareness. As at June 14, 2018, 105,876 people had visited the website.

**Development Updates:** Mr. Fleissig referred to updates on Waterfront Innovation Centre (WIC), Block 3 (GBC) and East Bayfront Development (EBF).

**York St. and Rees St. Parks Design Competition:** Mr. Fleissig referred to updates on York Street Park and Rees Street Park.

Mr. Fleissig provided updates on the following construction projects:

- **Jack Layton Ferry Terminal Phase 1A**
- **The Bentway**
- **Waterfront Transit Reset**
- **Gardiner Public Realm & Lake Shore Boulevard**
- **Waterfront Vision**

**Health and Safety:** No Health and Safety incidents to report.

## 6. **Revised Code of Conduct for Directors**

Ian Beverley presented the revised Code of Conduct (the “Code”) for directors noting that it had been updated from the last draft (which was over ten years old). The new Code has been prepared by Barry Reiter’s team at Bennett Jones LLP. Mr. Beverley highlighted the key changes which include:

- Restructured to be more readable and more usable
- Broader disclosure of potential conflict of interest situations by expanded definition of “family” and new definition of “Business Associates”
- Link to Procurement Policy
- Process for evaluating potential conflicts of interest and process for providing waivers, where appropriate, and factors to consider.

Julie Di Lorenzo noted the provision of the Code which places a duty on the directors to act in the best interest of Waterfront Toronto noting that this needed to be re-emphasized with the Board.

Julie Di Lorenzo and Denzil Minnan-Wong were of the view that clause 5.1, which restricts directors from making public comments about Waterfront Toronto, may hinder communications with the stakeholders they represent and prevent them from stating their opinion on the Corporation's affairs to the public. The Board agreed that there needed to be clarity on the protocol for addressing the public. Generally, it was agreed that questions requiring statements on behalf of the Corporation from the media or public should be directed to the Chair and the CEO.

The Board directed that the proposed new Code be revised in line with the above and presented for approval thereafter.

## **7. Waterfront Toronto Insurance & Benchmarks**

At 9:24 a.m. Ian Beverley introduced Barry Reiter, Partner, Bennett Jones LLP, Mike Del Ben, Vice President, Hub International, Jim White, Director, Hub International, Maria Ruberto, VP, Hub International, Ryan Brown, Manager Lender Insurance, Intech Risk Management (the "Insurance Advisers") to the meeting.

Ms. Ruberto gave an overview of the Corporation's corporate insurance program including information about directors & officers insurance, liability insurance, contractor's pollution liability insurance and other corporate coverages. In response to questions from the Board regarding the benchmarking used for Waterfront Toronto's insurance, Mr. Del Ben explained that information from U.S. based construction and engineering, real estate management and development, transportation-infrastructure and non-profit firms were used as benchmarks as the business of these types of firms was most similar to that of Waterfront Toronto. There were no other organisations identical to the Corporation to be used for benchmarking.

The Board asked questions about the risks posed by Waterfront Toronto's operations. It was explained that these risks were considered quite low because, apart from construction project risks which are handled under dedicated insurance programs, the Corporation's operating risks involved low risk activities related to the operation of parking lots and non-industrial commercial tenancies. Mr. Brown added that, for the \$1.25 Billion Port Lands Flood Protection Project, a separate dedicated insurance program controlled by Waterfront Toronto was recommended by his firm and has been put in place by Waterfront Toronto.

The Board discussed several examples of risks and liabilities applicable to the work of the Corporation, including those relating to environmental contamination and posed questions to the Insurance Advisers. The Board requested that a follow-up presentation be provided in the fall with a focus on the risks posed by environmental contamination and the way in which those risks are mitigated and managed.

It was also agreed that the Investment, Real Estate and Quayside committee should

undertake a risk assessment of the Quayside project.

## **8. Committee Reports**

### **a) Investment, Real Estate and Quayside (IREQ) Committee**

Mazyar Mortazavi explained that the IREQ Committee had met frequently in the previous weeks and extensively reviewed the draft Plan Development Agreement (PDA). He commended Management on the hard work undertaken to get the PDA to the current state. Susan Henderson commended members of the Committee on the time and dedication to the PDA. Briefing sessions for Directors have been scheduled for the first week of July for those wanting additional information on the agreement.

Mr. Mortazavi informed the Board that a hard copy of the PDA as well as ancillary documents would be provided to each member of the Board who have executed the standard directors confidentiality agreements.

### **b) Stakeholder Relations Committee**

Sevaun Palvetzian presented the report of the Stakeholder Relations Committee which was taken as read. This new committee met for the first time on June 8, 2018 to review, amongst others, its mandate on communications, partnership and philanthropy. Planning for the communications rollout of the PDA is underway (Counsel Public Affairs has been engaged to support in this regard).

The Board agreed that the communications plan for the release of the PDA should be reviewed by the committee

Ms. Palvetzian explained that two members of the new Premier's transition team are familiar already with Waterfront Toronto from their time in federal office and Management plans to leverage on this to aid Government Relations with the new cabinet.

She reported that the Committee received management reports on its proposed approach and methodology to qualifying existing and new partnerships. An assessment of the current approach to partnerships is ongoing and a report containing a proposal on the Corporation's strategy is being developed.

She further reported that the Committee supported Management's view of retaining expertise to develop a corporate philanthropic framework that will identify and optimize funding opportunities. However, the Committee was of the view that a philanthropy program required thoughtful consideration and planning with consideration to the broader Five-Year Strategic Business Plan.

### **c) Finance, Audit and Risk Management Committee**

Janet Rieksts-Alderman noted that there were four items for presentation at the day's meeting one of which had already been received under the consent agenda.

i) *Capital Approval*

Ms. Rieksts-Alderman stated that the committee's recommendations on the capital approval of \$136.7 Million request from Management was being deferred for presentation at the July 31, 2018 Board meeting. The committee needed further clarification and information on some aspects of the project which required more time.

ii) *Year-End Financial Statements*

The audited Financial Statements for the fiscal year ended March 31, 2018 were presented by BDO LLP (BDO) to the FARM Committee. BDO issued an unqualified audit opinion and there were no deficiencies in the internal controls over financial reporting identified during the audit. Ms. Rieksts-Alderman explained that the Committee had requested for additional disclosure regarding Capital Assets on the Financial Statements and these are reflected in the Financial Statements. The FARM Committee also directed that the cost associated with the Quayside project should be provided to the IREQ Committee for tracking.

**ON MOTION** duly made by Janet Rieksts-Alderman, seconded by Susan Henderson and carried, it was **RESOLVED** that the Financial Statements for the year ended March 31, 2018 were approved as presented.

iii) *2017/18 Annual Report (Section 3 – Financials)*

Ms. Rieksts-Alderman reported that the FARM Committee had reviewed the financials section of the Annual Report. Members of the Committee provided feedback to Management all of which are now reflected in the report. She advised that the FARM Committee had approved the financial information in the Annual Report and that the review of the non-financial sections of the document was to be reviewed by the Chairs Committee.

d) **Chairs Committee**

i) *2017/18 Annual Report*

Helen Burstyn presented the 2017/2018 Annual Report, which was taken as read, for approval. She informed the Board that the Corporation had been accepted for registration as a qualified donee with Canada Revenue Agency. Mazyar Mortazavi added that the Five Year Strategic Plan should include strategies for taking full advantage of this new status.

The Board commended Management on the Annual Report. It was agreed that further suggestions on the layout of the Annual Report should be forwarded to Management as soon as possible as the report was due by June 30, 2018.

**ON MOTION** duly made by Steven Diamond, seconded by Susan Henderson and carried, it was **RESOLVED** that the 2017/2018 Annual Report is approved as presented **SUBJECT** to any further amendments proposed by members of the Board.

ii) *Staff Salary Recommendation*

Helen Burstyn reported that the CEO presented the staff salary recommendation for the approval of the Chairs Committee. The recommendation included a mid level salary merit adjustment for Manager, Professional and Support Staff, and the Executive (except for the CEO), an adjustment to salary ranges for fourteen staff and small fund to recognize non-executive staff for extraordinary performance. Ms. Burstyn advised that the Chairs Committee had made comments and proposed amendments to the recommendation which had been approved by the Committee.

Will Fleissig explained that this was being brought to the Board for information purposes. Ian Beverley clarified that the Chairs Committee mandate only requires a review of the CEO's recommendation and that the Delegations of Authority approved by the Board at its June 13, 2017 meeting provide the CEO along with the CFO to implement annual staff salary changes and that there was therefore no need for the Board to approve the recommendation. Rose Desrochers explained that the staff recommendation consisted of variable pay for fiscal year ended March 31, 2018 as provided in the staffs' contract of employment and salary adjustment to staffs' pay going forward. The CEO's recommendation was as follows:

- A. For the Manager, Professional and Support Staff level, the recommended salary matrix with a mid-level salary merit adjustment of 2.5%.
- B. For the Director and Executive Management level, the recommended salary matrix with a mid-level salary merit adjustment of 2.25%.
- C. A discretionary pool of \$16,500 for the CEO to reward non-executive staff for extraordinary performance.

Mr. Fleissig confirmed that the above recommendations were within the budget approved by the Board in the corporate plan.

Sevaun Palvetzian suggested that, given the memo on public-sector spending restraint discussed with George Zegarac earlier in the meeting, the CEO should defer payment of the staff salary recommendations until he obtained confirmation that the spending did not contravene the memo. The Board agreed to Sevaun Palvetzian's suggestion and directed the CEO to consult with the Ministry of Infrastructure before proceeding.

Susan Henderson stressed the need to carefully manage communication of the deferral to the staff.

Helen Burstyn announced that the meeting needed to go into Closed Session for the discussion of the next part of the Chairs Committee report.

**9. Motion to go into Closed Session**

In accordance with By-Law No.2 of the Corporation and **ON MOTION** made by Janet Rieksts-Alderman, seconded by Susan Henderson and carried, the Board **RESOLVED** to go into Closed Session to discuss Item 9 (now Item 10) being the Chairs Committee report on the Performance Assessment for the CEO for the period April 1, 2017 to March 31, 2018. The exception to the Open Meeting Law relied on for the discussion Item 10 in Closed Session is Section 6.1(1)(b), being a discussion of personal matters about an identifiable individual, including employees of the Corporation. The Chair requested members of the public to leave the meeting.

**10. Chairs Committee Report – Performance Assessment for the CEO for the Period April 1, 2017 to March 31, 2018.**

The Board requested that members of management depart the meeting for this agenda item. Members of management departed the meeting and the discussion continued in camera.

**11. Motion to go into Open Session**

**ON MOTION** made by Susan Henderson, seconded by Mazyar Mortazavi and carried, the Board **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for members of the public to return to the meeting. Members of the public were invited to join the meeting.

**12. Resolutions Arising from the Closed Session**

There were no resolutions arising from the Closed Session discussion.

**13. Five Year Strategic Plan**

At 12:51p.m. Stephanie Ward, Senior Manager, KPMG LLP, Brad Ferguson, Partner, KPMG LLP joined the meeting to present KPMG's strategic framing report for the development of the Corporation's Five Year Strategic Business Plan (Business Plan) covering the fiscal year 2019/20 to 2023/24. The Business Plan is a legislative requirement of the Corporation which must be finalised and approved by December 31, 2018.

KPMG's framing report contained the key principles and six strategic questions. These were derived following sessions with senior Management and direction from the Chairs Committee at its June 14, 2018 meeting. Stephanie Ward requested for input and feedback from the Board.

There was a robust discussion and Members of the Board generally agreed with the principles and strategic questions presented by KPMG. The Board sought clarification on aspects of the principles to which the KPMG team provided responses. It was agreed that further questions/comments should be forwarded in writing by Board members. The Board agreed that KPMG could proceed based on the principles presented. The Board noted that it might be necessary to schedule a Board meeting in September/October specifically for the review of the Business Plan.

**14. Motion to go into Closed Session**

The Board agreed that Item 14, being an update on Personnel Matters, was not necessary for this meeting.

**15. Closing Remarks**

The Chair thanked everyone for attending the meeting. She reminded the Board of the date of the next meeting and wished everyone a safe trip to their destination.

**16. Adjournment of the Meeting**

There being no further business, **ON MOTION** made by Sevaun and seconded by Susan Henderson and carried, it was **RESOLVED** that the meeting be adjourned at 1:20 p.m. local time.

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Chairman

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Secretary of the Meeting

**MINUTES of the Meeting of the Board of Directors of the  
Toronto Waterfront Revitalization Corporation  
20 Bay Street, Suite 1310, Toronto, Ontario  
Monday, July 9, 2018 at 8:30 a.m. local time.**

**PRESENT:** Helen Burstyn, Chair  
Susan Henderson (Acting Chair)  
Michael Nobrega (Interim CEO)  
Meric Gertler  
Denzil Minnan-Wong (from 10:08 a.m.)  
Julie Di Lorenzo  
Sevaun Palvetzian (from 8:46 a.m.)  
Jeanhy Shim  
Mazyar Mortazavi  
Steve Diamond

**ABSENT:** Mohamed Dhanani  
Janet Rieksts-Alderman

**IN ATTENDANCE:** Meg Davis (Chief Development Officer, Waterfront Toronto)  
Julius Gombos (Vice President Project Delivery, Waterfront Toronto)  
David Kusturin (Chief Project Officer, Waterfront Toronto)  
Kristina Verner (Vice President Innovation, Sustainability and Prosperity)  
Chris Glaisek (Senior V.P Planning & Design, Waterfront Toronto)  
Marisa Piattelli (Chief Strategy Officer, Waterfront Toronto)  
Ian Beverley (General Counsel, Waterfront Toronto)  
Michael Bernstein (Special Investment Advisor, Waterfront Toronto)  
Kathleen Niccols (Governance Consultant, Waterfront Toronto)  
Aina Adeleye (Board Administrator, Waterfront Toronto)

**VIA PHONE:** Michael Bernstein (Special Investment Advisor, Waterfront Toronto)

Also, in attendance for part or all the meeting were David Stonehouse, Director, Waterfront Secretariat, City of Toronto, Gordon F. Willcocks, Legal Adviser, McCarthy Tétrault LLP, Abraham Costin, Legal Adviser, McCarthy Tétrault LLP, George S. Takach, Legal Adviser, McCarthy Tétrault LLP, Godyne Sibay, Legal Adviser, McCarthy Tétrault LLP, Chantal Bernier, Advocate-Conseil, Dentons, Stephen Barter, Consultant, Wilton Capital Advisers Ltd (UK) and Rosemary Frey, member of the public.

**1. Appointment of Acting Chair**

Susan Henderson informed the Board that Helen Burstyn was abroad and will be joining the meeting via telephone and consequently, an Acting Chair needed to be appointed to lead the meeting.

**ON MOTION**, duly made by Meric Gertler, seconded by Mazyar Mortazavi and carried, it was **RESOLVED** that, in accordance with Section 6.7 of By-Law No.1 of the Corporation, Susan Henderson be appointed to act as the Chair to preside over the July 9, 2018 Board of Directors Meeting of Waterfront Toronto.

The Acting Chair, Susan Henderson, took the chair and appointed Ian Beverley to act as secretary of the meeting.

With notice of the meeting having been sent to all Directors in accordance with the Corporation's By-laws and a quorum of Directors being present, the Acting Chair called the meeting to order at 8:33 a.m. and declared that the meeting was duly constituted for the transaction of business.

**2. Motion to Approve Agenda**

**ON MOTION** duly made by Jeanhy Shim, seconded by Mazyar Mortazavi and carried, it was **RESOLVED** that the Agenda for the July 9, 2018 meeting be approved as tabled.

**3. Declaration of Conflicts of Interest**

There were no conflicts of interest declared.

**4. Appointment of Interim Chief Executive Officer**

**ON MOTION**, duly made by Meric Gertler, seconded by Mazyar Mortazavi and carried, it was **RESOLVED**:

- That the resignation of Will Fleissig as the Chief Executive Officer (CEO) of Toronto Waterfront Revitalization Corporation (the "Corporation") effective Wednesday July 4, 2018 be accepted by the Board with gratitude for his visionary leadership of the Corporation during his tenure; and
- That, in accordance with the provisions of Section 7.4 and 7.6 (2) of By-Law No 1 of the Corporation, Michael Nobrega be appointed as the interim CEO to fill the vacancy of the CEO until a new CEO is appointed by the Board or any such time as may be determined by the Board.

Members of the Board expressed appreciation for Mr. Fleissig's contribution to the Corporation throughout his tenure.

**5. Acting Chairs Remarks**

Susan Henderson announced that the day's meeting would be focused on the Capital Approval as well as the update on the Plan Development Agreement (PDA) negotiations which would be discussed in the closed session of the meeting.

## 6. Finance, Audit and Risk Management (FARM) Committee Report

### *Capital Approval - Site Preparation and Early Construction Works*

On behalf of Janet Rieksts-Alderman, Susan Henderson reported that the FARM Committee is recommending approval of the Capital Investment (defined below).

For context, David Kusturin reminded the Board that the total costs for the Port Lands Flood Protection (PLFP) projects is \$1.185 Billion as approved by the Board of Directors on October 25, 2016 and as contained in the tri-government Contribution Agreement of May 1, 2018. So far, \$198.5 Million soft costs have been approved by the Board of which \$44.1 Million have been committed and \$23.8 Million has actually been spent.

He explained that eight of the ten required full-time personnel to manage the outsourced design, engineering, consulting, construction and program management of over 2,000 professionals for the project, have been employed.

Mr. Kusturin explained that the \$136.7 Million (the “Capital Investment”) being presented for the approval of the Board represents 11.5% of the total project costs. The Capital Investment was reviewed by the Capital Peer Review Panel on June 13, 2018 and the Executive Steering Committee on June 20, 2018 and no material concerns were raised. In addition, Management will be procuring the services of an independent Capital Project Monitor to provide assessments of the project to the FARM Committee. The Board requested that the findings and assessments of the Capital Project Monitor be presented to the Board in the report of the FARM Committee.

Mr. Kusturin responded to questions from members of the Board regarding project risks, the review process undertaken, potential additional costs due to widening of project scope, design risks and overlay of the project against the City of Toronto Planning Development Master plan.

Julie Di Lorenzo posed questions regarding the potential liability of directors and proposed that approval of the Capital Investment be delayed for 30 to 60 days to permit further investigation of such matters.

Susan Henderson explained that following the decision at the Board meeting held June 28, 2018 to defer the capital approval to the July 9, 2018 meeting, Management was authorised to spend up to \$5 Million out of the \$136.7 Million capital approval to avoid construction delay costs, pending the approval of the Board, and that this needed to be ratified by the Board.

**ON MOTION** duly made by Jeanhy Shim, seconded by Julie Di Lorenzo and carried, it was **RESOLVED** that the authorization of Management on June 28, 2018 to proceed with spending up to \$5 Million (out of the total \$136.7 Million Capital Investment pending approval of the Board) on the Port Lands Flood Protection project to avoid construction delay costs, is ratified by the Board.

**ON MOTION** duly made by Meric Gertler, seconded by Steven Diamond and carried, it was **RESOLVED** that the entire capital investment of \$136,700,000 for Site Preparation and Early Construction Work on the Port Lands Flood Protection project is approved by the Board. Julie Di Lorenzo dissented to the motion.

**7. Motion to go into Closed Session**

In accordance with By-Law No.2 of the Corporation and **ON MOTION** made by Meric Gertler, seconded by Steve Diamond and carried, the Board **RESOLVED** to go into Closed Session to discuss Item 8 on the agenda, being an update on the Plan Development Agreement Negotiations. The exception to the Open Meeting Law relied on for the discussion of Item 6 in Closed Session is Section 6.1(1)(l) of By-law No. 2, being a discussion of a position, plan, procedure, criteria or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the Corporation.

The Chair requested members of the public to leave the meeting.

**8. Update on Plan Development Agreement Negotiations**

Stephen Barter, Julius Gombos, Meg Davis and the Co-Chairs of the IREQ Committee provided the Board with an update on the PDA negotiations.

**9. Motion to go into Open Session**

**ON MOTION** made by Sevaun Palvetzian, seconded by Denzil Minnan-Wong and carried, the Board **RESOLVED** to go into Open Session. The Acting Chair indicated that it was now in order for members of the public to return to the meeting. Members of the public were invited to join the meeting.

**10. Resolutions Arising from the Closed Session**

There were no resolutions arising from the Closed Session discussion.

**11. Adjournment of the Meeting**

There being no further business, **ON MOTION** made by Mazyar Mortazavi, seconded by Denzil Minnan-Wong and carried, it was **RESOLVED** that the meeting be adjourned at 11:38 a.m. local time.

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Acting Chairman

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Secretary of the Meeting