

MEETING NOTICE

Regular Meeting

Tuesday June 12, 2018

7:00 pm, Location: Aird & Berlis LLP, Brookfield Place, 181 Bay Street,
Suite 1800

To: Members of the Toronto Lands Corporation

Board Members: David Crombie (Chair), Alexander Brown, Jerry Chadwick,
Michael Fenn, Gerri Gershon, Avtar Minhas, Brenda Patterson, Jennifer Quinn,
Sheerin Sheikh and Steven Zakem

AGENDA

1. Call to Order
2. Approval of Agenda
3. Declarations of Possible Conflict of Interest
4. Approval of Minutes Page 1
 - April 17, 2018
 - May 30, 2018
5. Report No. 21 from the Finance Committee Page 5
6. Report from the Audit Committee See committee materials
 - Presentation of Audit Plan for 2017-18, by Deloitte Consultants (Rpt. #2018-06-648)

Approval of Audit Plan Required
7. Update: TLC Transition Plan, Phase 1 Page 7
(Report #: 2018-06-649)
8. Resolution into Committee of the Whole, In-Camera
9. Committee of the Whole rises and reports and reconvenes in Public
10. New Business

11. Adjournment

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Updated: June 6, 2018

Board Meeting
Rpt No. 51

April 17, 2018

A regular meeting was convened at 6:00 pm, Tuesday April 17, 2018, at the offices of Aird and Berlis, 181 Bay St., Suite 1800, Toronto, Ontario, with David Crombie, Chair of the Board, presiding.

The following Directors were present: A. Brown, G. Gershon, J. Quinn, A. Minhas, M. Fenn, B. Patterson, S. Sheikh (by phone), and, S. Zakem

Regrets Expressed by: J. Chadwick

In attendance from TDSB: Craig Snider

1. Call to Order

The meeting was called to order by the Chair David Crombie

2. Approval of the Agenda

J. Quinn seconded by M. Fenn moved that the agenda be moved as distributed.

The motion was carried.

3. Declarations of possible conflict of interest

None noted.

4. Approval of Minutes

- February 20, 2018, Swim Toronto
- February 20, 2018, Board Meeting

B. Patterson moved by S. Zakem moved that the Minutes be approved.

The motion was carried.

5. Management Report to Board, April 2018

The following highlights of the report were provided:

Greenwood:

- The lease agreement with Conseil Scolaire Viamonde (CSV) has been entered into with a start date of April 1, 2018, for a 2-year period.
- TDSB planning advised that the province prefers that this site be owned by CSV and will likely be bringing forward a surplus declaration to TDSB in June 2018.

Lawrence-Midland:

- The 9 acre vacant parcel is now listed on the open market with a submission deadline of May 30th, 2018.
- The new school is under construction and approx.35 percent complete.
- The second site, David and Mary Thompson will close once building of the new school is complete.

Nelson A. Boylen:

- TLC continues to negotiate with the Toronto Catholic District School Board (TCDSB) who has opted for arbitration which is now set for December 2018.
- TLC is trying to determine if there is any way to expedite the disposition on the basis of a provincial request. The TCDSB has access to EDCs but they can only use a portion of EDC funding for the purchase as this will be an elementary school site. The province would be required to fund the remaining portion of the secondary site.

Davisville:

- A new school is being built on the site in which the City is contributing \$6.8M, towards the project in order for the City to build an aquatic centre.
- An agreement in principle has been reached for the shared-used of facilities. TDSB planning is moving forward with securing SPA approval.

Sir Robert Borden

- TLC has been holding the site as a result of a provincial interest to secure a portion of the site for a community hub. Through a Working Committee, TLC, TDSB, the City and the Province have been working through a process using a similar approach to the Bloor-Dufferin site. At the same time, TLC is completing due diligence activities to prepare the property for a market offering by the end of May 2018. The market offering would provide awareness of the City and Provincial interest in the develop of a local community hub.

M. Fenn seconded by S. Zakem moved that the report be received.

The motion was carried.

6. TLC's New Mandate

D. Sage provided an update to the Board with respect to the TDSB approved mandate for TLC. It was noted that a transition team has been formed to (1) assess the various implications of the functions being transferred and (2) outline next steps to work through the transition process.

Given the volume of work to be delivered on, D. Sage noted he wants to ensure TLC has the necessary expertise on staff to address the incoming projects and functions. As a result, D. Sage emphasized that establishing a TLC Senior Team would be key as a first phase in the transition. D. Sage also noted that it is TDSB's intent for a revised Shareholder's Direction to be presented in June to both the TLC and TDSB Boards, in order to provide TLC with the necessary authority to begin operations.

Directors noted a critical component in the transition is to create a framework within which TLC can and will operate. In order to ensure successful outcomes, this framework should be guided by the approved core principles of the organization which are the key new pillars of TLC.

Directors further suggested that a future TLC structure (both Board and operations) needs to be connected to an enabling governance model. The structure should be reviewed from a governance perspective engaging Directors through a facilitator/consultant in one or multiple working sessions in order to develop a framework that is functional and allows the organization to operationalize its work. Revisions to the Shareholder's Direction would come next, followed by a strategic plan. Being mindful of the influence of the upcoming provincial and municipal election, which can impact TLC operations, it was suggested that transition may be slow.

As a result, the Board recommended that TLC table a report at the next meeting of the Board to address TLC-TDSB transition to its expanded mandate and that TLC engage a facilitator/consultant to assist TLC and the Board in this process.

S. Sheikh seconded by G. Gershon moved that:

- (1) The report be received for information; and**
- (2) TLC staff undertake the Board's direction with respect to engaging a facilitator/consultant to assist in developing a structure for the TLC Board and management.**

The motion was carried.

7. Resolution into Committee of the Whole, In-Camera

At 6:40 p.m. the meeting moved into the in-camera portion.

8. New Business

None noted.

9. Adjournment

At 6:58 p.m. J. Quinn seconded by M. Fenn, the meeting adjourned.

**Board Meeting
Report No. 52**

May 30, 2018

A regular meeting was convened at 12:00 pm, May 30, 2018 via teleconference with David Crombie, Chair of the Board, presiding.

The following Directors were present: J. Chadwick, G. Gershon, M. Fenn, A. Minhas, B. Patterson, and S. Zakem

Regrets Expressed by: A. Brown, J. Quinn and S. Sheikh

In attendance from TDSB: Craig Snider

1. Call to Order

The meeting was called to order by David Crombie, Chair, presiding.

2. Approval of the Agenda

The Agenda was approved as distributed.

3. Declarations of Possible Conflict of Interest

There were no declarations of possible conflict of interest.

4. Resolution into Committee of the Whole

At 12:07 p.m. G. Gershon seconded by J. Chadwick, the meeting moved into the in-camera portion of the meeting.

5. Committee of the Whole Rises and Reports and Reconvenes in Public

6. New Business

None noted.

7. Adjournment

At 12:17 p.m., on a motion of M. Fenn, seconded by A. Minhas the meeting adjourned.

**Finance Committee Meeting
Report No. 21**

May 15, 2018

A regular meeting convened at 4:30 pm., Tuesday, May 15, 2018, via teleconference, with Sheerin Sheikh, Chair of the Committee, presiding.

The following members were present: J. Chadwick, and J. Quinn

The following members expressed regrets: A. Brown and B. Patterson

The following from TDSB were in attendance: Craig Snider, Janna Lagaev and Marisa Chiu

1. Call to Order

The meeting was called to order by Sheerin Sheikh, Chair, Finance Committee, presiding.

2. Approval of the Agenda

J. Chadwick seconded by J. Quinn, moved:

That the agenda be approved as distributed.

The motion was carried.

3. Declarations of Possible Conflict of Interest

There were no declarations of conflict of interest reported.

4. Operating Report for 6 months: September 1, 2017 to February 28, 2018

Committee members had for their consideration the *Operating Report for 6 months: September 1, 2017 to February 28, 2018* report.

Opening discussion focussed on the presentation/format of the operating reports. It was noted that at the November 2017, Finance meeting, the Chair expressed concerns that not all TLC operational activity is fully reflected in TLC's operating report. To follow up on the issues raised and to pursue a more transparent reporting structure, the Finance Committee requested that an alternate presentation of the operating report be considered with a focus on: (1) capturing all revenues and expenditures in the TLC portfolio

including for example pools revenue which is not currently identified in the operating report, while the staffing expenditure is; and, (2) illustrating a comparison of actuals year to year rather than to budget.

TDSB Finance and TLC staff advised that although a new presentation was being considered, an alternate presentation was not brought forward for the May 2018 finance committee meeting due to TLC's recent TDSB approved expanded mandate. Knowing that a different budget format combined with significant changes in financial reporting will be required to reflect TLC's new and expanded portfolio, it was decided that the current level of presentation of financial reporting would remain status quo for the 2017-18 fiscal year. Revisions to financial reporting along with consultation with the Finance Committee would be a collaborative approach to addressing the financial reporting needs entering the 2018-19 fiscal year.

The Finance Committee, having been apprised by staff provided further direction whereby:

1. TLC continue with its existing financial reporting format for the year ending 2017-18;
2. TDSB Finance and the CEO undertake to review the reporting requirements and provide an update as a part of the current year- end reporting; and,
3. The Chair of the Finance Committee and CEO, meet to frame a reporting methodology that would provide accountability and completeness of financial reporting under the new mandate. From this methodology, TLC and TDSB staff will further collaborate and develop a refashioned template for presentation at the next meeting of the Finance Committee in fall 2018.

Additional Action Items for TLC Staff:

1. Ensure the agenda item *new business* is included on future agendas for both public and in-camera meetings.
2. Minutes of the Finance Committee shall be sent to all Committee members for their review and feedback within five (5) business days following a meeting. This will create an opportunity for the Finance members to respond before the Minutes are forwarded to the next meeting of the TLC Board for approval.

J. Quinn seconded by J. Chadwick moved that:

That the Operating Report: September 1, 2017 – February 28, 2018 be received.

The motion was carried.

5. Resolution into Committee of the Whole

At 4:50 p.m. the Committee convened in private session.

6. Adjournment

At 5:09 p.m. on a motion from J. Chadwick seconded by J. Quinn the meeting adjourned.

TORONTO LANDS CORPORATION
TLC Transition Plan, Phase 1

TO Chair and Members of the Toronto Lands Corporation 12 June 2018

RECOMMENDATION **IT IS RECOMMENDED THAT** the report, *TLC Transition Plan, Phase 1*, be adopted.

RATIONALE **Background**

Shareholder (TDSB) Approved Expanded Mandate for TLC:

The TDSB Board at its meeting of March 21, 2018 approved the following expanded mandate for the TLC:

That the Toronto Lands Corporation remain a stand-alone entity, with the following renewed focus and mandate, as presented in the report, be approved:

- *remain a wholly-owned subsidiary of the Toronto District School Board;*
- *(ii) focus changed from selling surplus properties to strategic and proactive management of the Board's entire real estate portfolio to ensure that financial and social values are maximized and that the Board's interest is protected in all land and real estate matters;*
- *(iii) focus on redevelopment opportunities, active land use planning, community hubs and other joint ventures.*

At the same meeting, the TDSB Board also approved:

That the core principles in support of the renewed focus and mandate for the Toronto Lands Corporation, as presented in the [Toronto Lands Corporation: Expanding Mandate] report, be approved.

Corporate Vision

Given TDSB's renewed endorsement of TLC, TLC will be re-positioning the corporation with a focus on preserving public assets. TLC will take the lead and develop a comprehensive and coordinated city-wide strategy toward the modernization of schools and the integration of social benefits that strengthen communities.

Corporate Principles

With a realization within all three levels of government that public assets would be better served through preservation and shared use, TLC will become a leader by example having its future decision-making guided by the following core principles:

- That TDSB lands are to be preserved as public assets to the maximum extent possible;
- That TDSB's delivery of a strong public education system in the future depends on continuous modernization of TDSB schools;
- That maximizing TDSB land value extends beyond financial and is to include community and social value; and,
- That TDSB must be kept financially whole in developing local and sustainable public service destinations on school board lands which supports the community hub initiative of all three levels of government

Corporate Culture

From a TLC organizational and operational perspective, all efforts will be made toward creating a culture of success that will be defined through its support for encouraging entrepreneurship, creativity and its courage to pioneer change. As leaders, the TLC Senior Team will build and strengthen partner relationships with communities, agencies the City and Province. In support of this desired outcome, an enabling but balanced governance model will be required that provides for delegated authority, flexibility and trust. Currently the Board is working through its evaluation of the Shareholder's Direction and related structures.

IMPLEMENTATION AND REVIEW

At its April 2018 Board meeting, staff reported that TLC and TDSB Executive staff formed a Transition Team to work through operational realignment issues and assess the required support necessary for TLC to be successful. As the transitions team continues its work, work flow will gradually migrate between the two organizations. The following Phase 1, Transition Plan is presented to highlight a few areas requiring management's attention as the governance model is being developed:

Resources:

- To provide a structural organizational framework representing best thinking of resource requirements to support the portfolio, a draft TLC staffing chart has been developed. Further evaluation of areas of responsibility being transferred to TLC along with the skills and expertise re-

quired to staff the new portfolio will continue to be evaluated against the proposed organization chart before final presentation to the Board is made. The proposed organizational structure to support the portfolio is reflected in *Appendix A – Proposed TLC Organizational Chart*.

- As an initial step to addressing the staffing needs, the Executive Officer will undertake all necessary Human Resource recommended procedures to establish the TLC Senior Team and Corporate Communications Officer. It is anticipated that key components of this team can be complete prior to September start-up.
- Following the appointment of the Senior Team, each senior manager will be responsible for building their teams within the staffing compliment. This component of the transition plan and progress will form a part of the Board's update in the fall.

TLC Office Space Requirement:

In order to accommodate an expanded staff compliment, existing office space requires reconfiguring and ready for operations. TLC's current lease has 3 years remaining and contains an option for a 5-year renewal. To capitalize on TLC's existing location and availability of space, drawings have been requested through TDSB's Architectural Design Services team who have demonstrated that in-suite renovations can accommodate the proposed staffing compliment. Based on the design concept, the following action will be undertaken:

- Assume current subtenant office space in the amount of 900 sq/ft, to add an additional workstations;
- Reconfigure existing office space; and,
- Negotiate, at market, office lease terms for an extended 5-year period. Preliminary design and construction estimates would add approximately \$25,000 of amortized expense each year over an eight year period. This additional expenditure will be included in the 2018-19 Budget.

The existing office premises offer an efficient floor plan that minimizes new construction and can accommodate TLC's space needs. When TLC was requested to vacate its original renovated premises at Davisville Public School a detailed analysis was undertaken to determine the value added and benefits of third party office space versus reconstructing office space in a TDSB school location. TLC worked with TDSB Planning to locate a school space, however; due to challenges with accessibility, washroom separation from students, visitors entering TLC Offices on a school site, daily disruptions due to incompatible school/business

functions, hours of operation, potential to reclaim space by the school due accommodation needs, and proximity to transit, it remains in TLC's operating interest to continue to lease space at 60 St. Clair East.

Governance Reform:

At the TLC Board meeting on April 17, 2018, the TLC Board decided that while an amended Shareholder's Direction is required, establishing a high functioning governance model first that fully and accurately addresses the expanded mandate, is also critical. As a result, the TLC Board decided that staff seek the expertise of a professional Facilitator/Governance Consultant. TLC has since engaged *Governance Solutions Inc.* to assist TLC with the following:

- Articulate the principles, strategy and culture that TLC aspires to in order to succeed with its expanding mandate;
- Facilitate a workshop with the TLC Board of Directors on June 12, 2018 presenting a straw model which would address internal governance arrangements and external governance arrangements;
- Facilitate further informed dialogue and consensus building on the preferred governance model following the June 12th workshop;
- Present finalized framework to the TLC Board at its September 25, 2018 Board meeting;
- Draft proposed revisions to relevant governance documentation to reflect best practices, including but not limited to:
 - The TLC-TDSB Shareholder's Direction,
 - The Management Services Agreement,
 - Governance Policies and Procedures, and,
- Present a revised Shareholder's Direction for approval to the TLC and TDSB Board for approval no later than October, 2018.
- Guidance to successfully implement the framework.

TLC Budget

The Executive Officer, TLC and Executive Officer, Finance, TDSB, have agreed to undertake the development of a new financial model that will adequately address the reporting requirements from a governance and operational level. This refashioned framework along with revenue and expense allocation methodology will form a part of the 2018-19 Budget for presentation to the Finance Committee and Board in November 2018.

A mapping and timeline of TLC's Transition Plan is reflected in *Appendix B*.

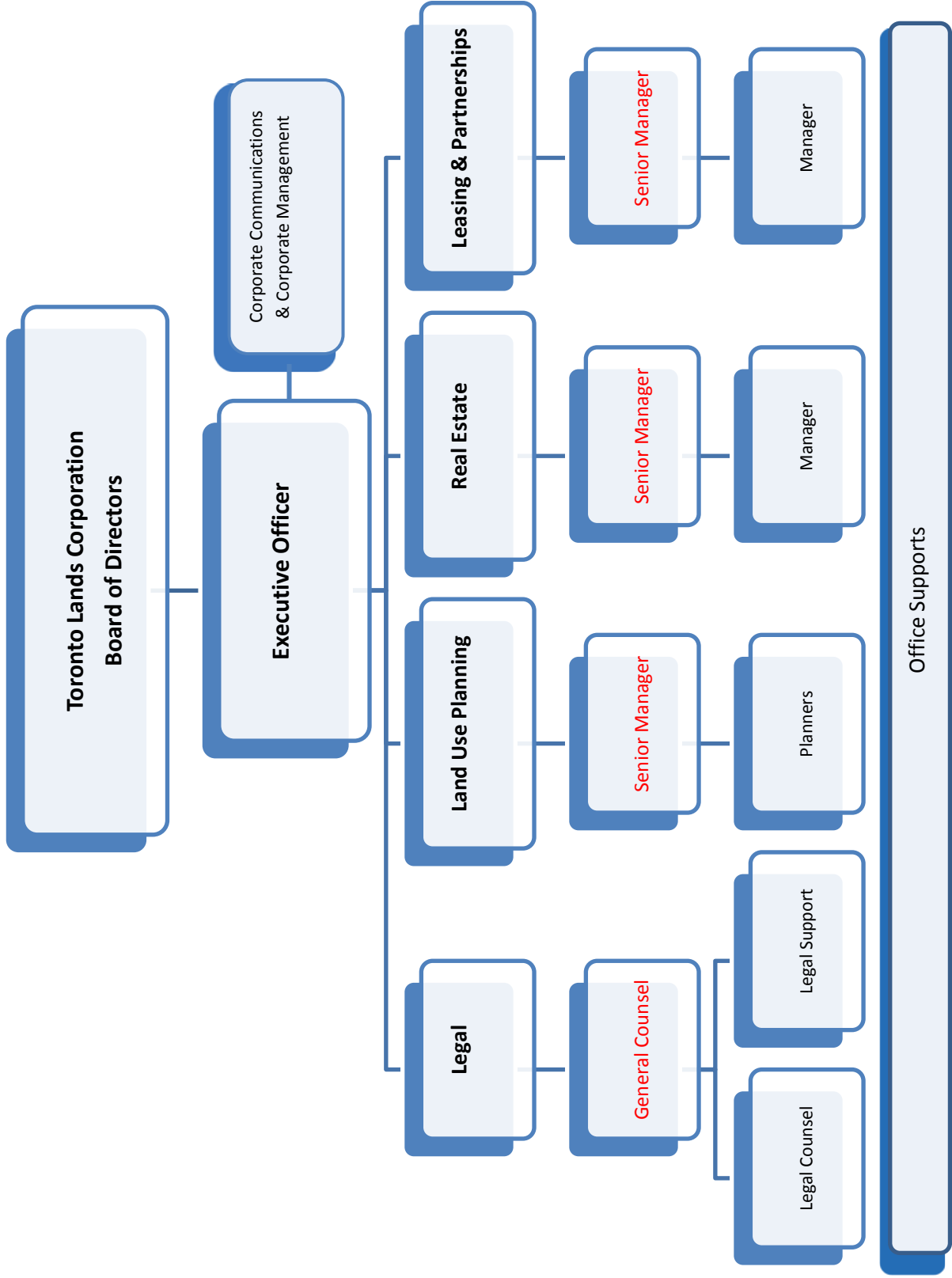
APPENDICES Proposed TLC Organizational Chart: Appendix A
Transition Plan Timeline: Appendix B

FROM Daryl Sage, Executive Officer, Toronto Lands Corporation, at dsage.tlc@tdsb.on.ca or at 416-393-0575.

ROUTING TLC Board 12 June 2018

GO5(2018 Board reports/June 12 2015/2018-06-649)lp.8000 Last update: June 4, 2018

Proposed Organizational Structure



Legend:
Red: Denotes Senior Team

TLC Transition Plan – Timeline

