

MINUTES of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at 20 Bay Street, Suite 1310, Toronto, Ontario on Wednesday, June 29, 2016 at 8:30 a.m. local time.

PRESENT: Mark Wilson, Chair  
Helen Burstyn  
Michael Copeland  
Steve Diamond  
Susan Henderson  
Julie Di Lorenzo  
David Johnson  
Ross McGregor

ABSENT: Mohamed Dhanani  
Denzil Minnan-Wong

The following additional persons were in attendance throughout the meeting, unless otherwise indicated: Will Fleissig, President and Chief Executive Officer; Chad McCleave, Chief Financial Officer; Marisa Piattelli, Chief Administrative Officer; David Kusturin, Chief Operating Officer; Chris Glaisek, Vice President Planning & Design; Meg Davis, Chief Development Officer; Ian Beverley, General Counsel; Amanda Santo, Director, Dave Madeira, Senior Construction Manager; and Sonya Pead, Associate Legal Counsel.

Also in attendance was Irene Bauer of the City of Toronto.

The Chair, Mark Wilson, took the chair and appointed Ann Landry 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 declared the meeting duly constituted for the transaction of business.

**1. Motion to Approve Agenda**

**ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Meeting Agenda was approved.

**2. Declaration of Conflicts of Interest**

There were no conflicts declared.

### 3. Consent Agenda

**ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Consent Agenda comprising the minutes of the April 27, 2016 meeting of the Board of Directors and the Board Committee membership was approved.

### 4. CEO Report

Will Fleissig referred to his report which updated the Board on the following matters and is posted publicly on the Corporation's website:

#### *West Don Lands*

- West Don Lands Development
- Corktown Common
- Cherry Street Transit
- Cooper Koo Family YMCA
- Public Art
- Construction Liaison Committee ("CLC")
- WDL Memorandum of Understanding ("MOU")

#### *East Bayfront*

- Servicing
- Bayside
- Bayside Public Realm
- Waterfront Innovation Centre (Blocks 1 &2)
- George Brown College ("GBC")
- Quayside
- Public Art

#### *Port Lands*

- Port Lands Planning Framework/Villiers Island Precinct Plan/Transportation and Servicing Master Plan EA
- Port Lands Flood Protection Due Diligence Status

#### *Other*

- Expo 2025
- Central Waterfront Appeals/Ontario Municipal Board Settlements
- Project 2016A
- Health and Safety
- Environment and Innovation - Resiliency and Innovation Framework
- Government Relations
- Queens Quay
- Project: Under Gardiner ("PUG")
- Jack Layton Ferry Terminal and Harbour Square Park Master Plan
- Lower Yonge Precinct
- Waterfront Transit "Reset"

- Partnerships
- Visioning Exercise

Mr. Fleissig provided verbal reports on the following matters:

- The Innovation Centre and the Menkes Delivery Agreement;
- The waterfront transit reset and how the private sector might participate in the initiative – Waterfront Toronto is working with the City of Toronto and reviewing the new analytics;
- Jack Layton Ferry Terminal – a look at multiple sources of funding/revenue – Waterfront Toronto is working with the City of Toronto’s Parks Department and looking at the ways in which people get around the city – mobility, transit, pedestrian, bicycle, etc.; and
- The Visioning Session - over the summer the results of the exercise will be fed into a set of priorities and a strategic road map that will inform all future strategic plans – a potential plan for 2017/18 will be brought to the Board at the October Board meeting.

Mr. Fleissig responded to questions from the Board and advised that the items were tabled for information purposes only.

## 5. Committee Chair Reports

### Finance, Audit and Risk Management (“FARM”) Committee

#### *Audited Financial Statements*

The Chair of the FARM Committee, David Johnson, tabled the audited Financial Statements for the year ended March 31, 2015. He provided an overview of said Financial Statements and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the audited Financial Statements for the period ended March 31, 2016 were approved.

#### *2015/16 Management Report*

The Chair of the FARM Committee tabled the 2015/16 Management Report and provided a brief overview of the Report. Discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the 2015/16 Management Report was approved.

#### *Quarterly Board Report*

David Kusturin tabled the Quarterly Financial Variance Report and Work Package Risk/Status Report, as at the close of Q3, FY 2015/16. He advised that the reports summarize the budget, commitment, current costs, forecast costs, budget variance and risk status of each active project at the close of each fiscal quarter.

He provided detailed reports on Bayside External Services, Port Lands Flood Protection and Enabling Infrastructure and Project: Under Gardiner, and responded to questions from the Committee.

## Human Resources and Compensation Committee

A report on Management recommendations for annual staff salary adjustments was tabled and Michael Copeland, a member of the Human Resources and Compensation Committee, provided an overview of the discussions that took place at the Human Resources and Compensation Committee meeting held on June 9, 2016. He reiterated the Corporation's accomplishments that Waterfront Toronto employees have worked very hard and successfully to deliver, often under a heavy and dynamic workload. He further reiterated that the Committee ensured that discussions regarding compensation were overlaid with an understanding of the necessary fiscal prudence and government spending restraint in mind.

Comparable salary information from both the public and private sectors for the past seven years were tabled to inform the discussion, along with a summary of the results of the Corporation's performance review process (Planning for Success). Variable compensation was also discussed.

A fulsome discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Board of Directors approved the following recommendations of the Human Resources and Compensation Committee:

1. For the Director and Executive Management level, the recommended salary matrix with a mid-level salary merit adjustment of 1.5%.
2. For the Manager, Professional and Support Staff, the recommended salary matrix with a mid-level salary merit adjustment of 2.0%.
3. A discretionary pool of \$15,000 for the CEO to reward non-executive staff for extraordinary performance.

David Johnson voted against the motion.

### **6. Project: Under Gardiner Update and Contracting Strategy**

David Kusturin presented the contracting strategy options for the Project: Under Gardiner highlighting the following:

- Proposed Phase 1 Project Scope;
- Contracting Options Analysis; and
- Scheduling and Next Steps.

He referred to the conclusions on how to procure a contractor for PUG being:

- Construction Management with negotiated Guaranteed Maximum Upset Price ("GMUP") achieves critical project requirements to the greatest extent;
- Option exists to revert to Construction Management ("CM") with Sequential Sub-trade Tenders if GMUP cannot be concluded;
- Both options are fully open book and transparent; and
- Project Executive Steering Committee, comprised of the Matthews Foundation and the City of Toronto and Waterfront Toronto staff, concurs with recommended approach.

He then referred to Management's recommendations being:

- Proceed with Construction Management RFQ process after City Council approval;
- RFP and Contract award to be subject to funding being confirmed once project Operations and Maintenance condition has been satisfied;
- Contract to include the initial option to negotiate a GMUP with the CM prior to completion of construction drawings and sub-trade procurement; and
- If GMUP cannot be negotiated, CM to procure all sub-trades in a sequential tendering process in order to achieve schedule.

Mr. Kusturin responded to questions from the Board and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Board of Directors hereby approve Management's recommendations with regard to the Project: Under Gardiner contracting strategy.

## **7. Port Lands Flood Protection and Enabling Infrastructure – Due Diligence Update**

David Kusturin presented an update on the Port Lands Flood Protection ("PLFP") and Enabling Infrastructure Due Diligence Report which updates the interim report addressing the following:

- site grading assumptions;
- earthwork quantities;
- construction and phasing assumptions;
- updated cost estimates;
- risk profile and quantification;
- project scheduling;
- industry market sounding;
- update to the 2012 development market demand forecast;
- update to the urbanMetrics Economic Benefits analysis;
- development charges ("DC") analysis; and
- procurement and project execution plans.

Mr. Kusturin provided further updates on the following elements:

- results of the peer review;
- project cost;
- current project scope;
- project delivery options assessment;
- key market sounding results;
- project delivery options;
- non-financial decision factors;
- value for money analysis assumptions;
- project delivery options assessment;
- outstanding due diligence elements;
- additional due diligence and project planning; and
- next steps.

Mr. Kusturin noted that Waterfront Toronto's government partners requested that the updated financial information on the project not be made public at this time as they have not had an opportunity to review and consider it and discuss any unresolved matters with Waterfront Toronto.

He responded to questions from the Committee and advised that the update was for information purposes only.

## **8. Waterfront Transit Reset**

Chris Glaisek presented a report on the Waterfront Transit Reset highlighting the following:

- The need for a city-wide waterfront transit line;
- Phasing of the waterfront transit study:
  - Phase 1 will establish a clear vision and identifies reasonable alternative concepts for a waterfront transit solution;
  - Phase 2 includes feasibility studies, potential environmental assessment(s), implement short term strategic improvements that minimize long term throwaway costs, and advancing a business case and pursuing funding opportunities.
- Vision for waterfront transit;
- Objectives;
- Evaluation process;
- Evaluation framework;
- Study area segments including Long Branch to Humber River, Humber River to Strachan Avenue, Strachan Avenue to Parliament Street, and Parliament Street to Woodbine Avenue;
- Study timeline; and
- Eastern waterfront transit financing.

He responded to questions from the Board members and advised that the presentation was for information purposes only.

## **9. Environmental Issues**

Ian Beverley advised that there were no new environmental issues to report.

## **10. Motion to go into Closed Session**

**ON MOTION** duly made, seconded and carried, the Board **RESOLVED** to go into closed session in accordance with Section 190.2(b) of the City of Toronto Act ("COTA") and Section 6.1.1(b) of By-Law No. 2 of the Corporation (*Personal Matters about an identifiable individual, including employees of the Corporation*).

The Chair indicated to members of the public present and Management that it was in order for them to depart the meeting. Members of the public and Management left the meeting at 12:00 noon. The meeting was then adjourned at 12:00 noon to be momentarily reconvened as a closed session with the only the Board, CEO and Director of Human Resources in attendance.

Mark Wilson acted as Secretary of the meeting during the closed session.

Closed Session

**12:00 noon**

**11. Performance Assessments of Individual Executives for the period April 1, 2015 – March 31, 2016**

*A confidential report in accordance with By-Law No. 2, Section 6.1.1(b) – Personal matters about an identifiable individual, including employees of the Corporation*

The CEO provided confidential performance assessments of the senior management team for information and discussion.

The CEO and Director of Human Resources left the meeting.

**12. CEO Results**

*A confidential report in accordance with By-Law No. 2, Section 6.1.1(b) – Personal matters about an identifiable individual, including employees of the Corporation*

The Chair provided a confidential performance assessment and compensation recommendations for the current CEO for the period January 1, 2016 to March 31, 2016 and discussion ensued.

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

In accordance with Section 190 of COTA and By-Law No. 2 of the Corporation, and the closed session discussion having been completed, **ON MOTION** duly made, seconded and carried, the Board **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for Management and members of the public to return to the meeting. Management and members of the public returned to the meeting at 12:25 p.m.

**Public Session**  
**12:25 p.m.**

**14. Resolutions Arising during the Closed Session**

As a result of the closed session discussion, the following resolution was proposed and voted on in the open session:

**ON MOTION**, duly made, seconded and carried, be it **RESOLVED** that the Board of Directors hereby approve the compensation recommendations for the CEO provided by the Human Resources and Compensation Committee and the Chair of the Board.

**15. Termination of the Meeting**

There being no further business, **ON MOTION**, duly made, seconded and carried, it was **RESOLVED** that the meeting be terminated at 12:30 p.m. local time.

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Chairman

Secretary of the Meeting