

MINUTES of the public portion of the 62nd meeting of the Board of Directors of Waterfront Toronto held at at the Offices of Waterfront Toronto, 20 Bay Street, Suite 1310, Toronto, Ontario on Tuesday, June 26, 2007, at 9:00 a.m., local time.

PRESENT: Mark Wilson, Chair
Bill Charnetski
Jack Cockwell
Vivien Dzau
Kevin Garland
Janet Graham
Ross McGregor
Mayor David Miller
John Ronson
Peter Smith

ABSENT: Renato Discenza
Sue Dabarno

The following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and Chief Executive Officer; Robert Siddall, Chief Financial Officer; Victor Wong, V.P. Legal; Kristin Jenkins, V.P. Communications and Marketing; Marisa Piattelli, V.P. Government Relations and Special Projects; Christopher Glaisek, V.P. Planning and Design; Andrew Gray, V.P. Development, East Bayfront; Meg Davis, V.P. Development, West Don Lands; David Whyte, V.P. Construction; Paul Mantini, Bennett Jones LLP; Allan Leibel, Goodmans LLP, Elaine Baxter-Trahair, City Secretariat; John Piper, Special Assistant to the Mayor; Ian Smith, Oliver Wyman - Delta Organization & Leadership.

The Chairman, Mark Wilson, continued in the chair, and Ann Marie Landry continued to act as secretary of the meeting.

1. Approval of Minutes

The minutes of the public portion of the 61st meeting of the Board held on May 15, 2007 were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the 61st meeting of the Board held on May 15, 2007 be approved.

2. Governance

The mandates of the Audit Committee and the Finance and Risk Management Committee were tabled and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the mandates of the Audit Committee and the Finance and Risk Management Committee be and are hereby approved.

Further, **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Board ratifies the following documents approved and signed at the March 6, 2007 Board

meeting:

- Indemnification Agreement
- Code of Conduct and Conflict of Interest Procedures
- Disclosure Statement

3. CEO Report

John Campbell tabled reports and information on various matters, which included the following subjects and information and on which the following Board and Management comments were made:

- *Don River Park* - a groundbreaking event took place on June 25, 2007 for the Don River Park Flood Protection - LLI Sewer and the Request for Qualifications (“RFQ”) went out to developers.

The Chair congratulated Management on issuing the RFQ and stated that engaging the private sector is a major milestone for the Corporation.

- *Affordable Housing* - The Corporation is tasked with setting aside 20% of the land planned for residential development in the waterfront free of charge for affordable rental housing and securing another 5% in low end of market ownership housing in each of its precincts. An affordable housing agreement between Waterfront Toronto, the Ministry of Public Infrastructure Renewal and the City of Toronto is being negotiated and the Affordable Housing Task Force (“AHTF”) has prepared a draft Affordable Housing Implementation Strategy that identifies a number of ways to meet the objectives.

There are concerns around the funding of this initiative and the AHTF is exploring ways in which to fund this as well as potential partnerships with organizations such as Habitat for Humanity and Options for Homes. In the meantime, the Toronto Community Housing Corporation (“TCHC”) is continuing to move forward with their designs.

- *East Bayfront Development Update* - The Corporation continues to work with City Staff on the transfer of East Bayfront (“EBF”) lands from the Toronto Economic Development Corporation (“TEDCO”) to the City of Toronto which will enable the Corporation to deal with one party in the future. This approach will simplify the Corporation’s engagement of the market in terms of the Corporation’s direct responsibility for detailed discussions and negotiations and will clarify with whom the market will be entering into leases, commercial and otherwise. The transfer of lands to the City is subject to the Corporation satisfying City conditions related to EBF critical path deliverables and other obligations on the Corporation to minimize, and where possible, eliminate the City’s and TEDCO’s exposure to the potential liability (environmental and other) as an owner or previous owner of the lands. Once these conditions are fulfilled to the City’s satisfaction, the City will direct TEDCO to transfer the lands to the City.

The Corporation is focusing on non-residential development on the south side of Queen's Quay and leaving residential development to the north side of Queen's Quay.

- *Dedicated Staff Resources* - The Corporation has entered into a one year agreement with the Toronto and Region Conservation Authority for the salary and associated expenses of one dedicated staff to manage intergovernmental approvals (Department of Fisheries and Oceans and Ministry of Natural Resources) related to the waterfront initiative. The Corporation has also been requested by City Public Works, City Planning and the provincial Ministry of the Environment for dedicated staff to handle waterfront related work. Management is supportive of this and is contemplating entering into formal agreements with each of the agencies with understood budgets and expected time/value deliverables in terms of efficiencies such as turn around times, coordination of agencies, coordination of information and information sharing, and identifiable leads within agencies.

4. Departmental Reports

John Campbell tabled the departmental reports and the following Board and Management comments were made:

- *Financial Statements* - The financial statements for the year ending March 31, 2007 were prepared, audited and presented to the Audit Committee on June 21, 2007 for their review and recommendation to the Board and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the financial statements for the year ending March 31, 2007 be approved.

Vivien Dzau advised that the Auditors commended Management and Staff for their efforts and cooperation.

- *2011 Deliverables* - There was concern regarding the Corporation's accomplishments by the year 2011 and what the Corporation will have to show for 10 years of work and millions of public dollars spent. It was agreed that Management will develop a "snapshot" of the expected completed projects in the year 2011 and will table this at the next meeting.
- *Project Schedules* - The Board requested that transit be included in the project schedules which will reiterate the Corporation's continued dedication to leading with public realm projects and transit.

5. Value for Money Audit

Vivien Dzau tabled the final Value for Money Audit (“VFM”) final report and provided a brief overview of the process. She introduced Ian Smith of Oliver Wyman Delta Organization and Leadership who presented the Board with their report, key findings and a high level implementation plan highlighting the following:

- The purpose of the report was to determine the extent to which the Corporation has provided value for money in executing its mandate and programs focusing on the procurement process, the executive compensation process and the overall project management approach and practices end-to-end. It will also provides the Corporation with the information necessary to assure that it has the organizational capability to meet its goals and deliver its future programs.
- Key findings and recommendations include:
 - The Corporation is providing value for money;
 - Progress has been made on the waterfront yet expectations are mounting;
 - There is overall support for the Corporation’s strategic direction;
 - Attracting private sector investment is a priority;
 - The Corporation has defined its role in leading the revitalization;
 - Continuing to focus on, and improve, the ongoing working relationships with Governments will contribute to faster and more successful revitalization;
 - The role of the Board should be confirmed;
 - The role of the Intergovernmental Steering Committee should be confirmed;
 - The requirements and implications of the existing memoranda of understanding need to be understood and addressed;
 - The need for existing committees and task forces should be reviewed;
 - Even though the Corporation is providing value for money, there are opportunities for improvement;
 - The existing organizational design can work;
- A high level implementation plan to include:
 - Confirm the final organizational design and inform the Board and staff accordingly ;
 - Develop job descriptions to support any changes in roles and responsibilities;
 - Confirm the recommendations to be further pursued as a result of the VFM Audit and develop a detailed implementation plan - submit plan to Board for approval;
 - Confirm the recommendations to be further pursued as a result of the review of government linkages and processes and develop a detailed implementation plan - submit plan to Board for approval;

- Develop a communication strategy and plan to roll out the approved changes and related implementation plans to key stakeholders;
- Submit Plan to Board for approval;
- Monitor and report on the progress of implementation of the approved recommendations to the Board (through the Audit Committee as requested by the Corporation), Governments and other key stakeholders on an ongoing basis.

Ms. Dzau also tabled Management's responses to the Audit and a draft action plan and advised that the Audit Committee will oversee the implementation of the action plan.

The Chair thanked the members of the VFM Audit Steering Committee for their efforts during this arduous process. Board members reiterated the Chair's sentiments and the general consensus is that the VFM Audit is good news as most of the recommendations are looking forward not correcting past problems.

Elaine Baxter-Trahair was asked to provide comments on the report. She advised that the Governments, at a director level, have been meeting to develop an action plan to address the recommendations of the report as well as implementation. She advised that this plan will be tabled at the Intergovernmental Steering Committee meeting on July 19, 2007.

Discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Board has received the Report and Action Plan and approves the Audit Committee overseeing the implementation of said Action Plan.

6. Long Term Plan

John Campbell tabled the Long Term Plan update addressing the negative impact on projects due to funding shortfalls associated with the Long Term Plan agreed upon by the three levels of Government. He advised that Management will concentrate on mobilizing capital to implement the vision while completing the necessary preliminary work. Specifically, Management will be engaged in preliminary and design work immediately that accommodate the Long Term Plan approved by the Board in February, 2007. He advised that capital shortfalls to the plan will be addressed in 2008 to allow the Corporation to "build-out" to that plan. It was agreed that the Board must actively engage with the Governments on the Long Term Plan and the Chair will send a letter to the three levels of Government in an attempt to resolve the strategic funding issue.

Discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that implementation of the Long Term Plan as tabled be and is hereby approved.

It was agreed that the Long Term Plan will be regularly reviewed by the Finance and Risk Management Committee who will report to the Board.

7. Other Business

It was agreed that a Strategy Session of the Board will be scheduled for January or February, 2008.

8. Environmental Issues

Victor Wong advised that there were no issues to report at the present time.

9. Termination of the Meeting

There being no further business, **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the meeting be terminated.

Chair

Secretary of the Meeting