

MEETING NOTICE

**Regular Board Meeting
Wednesday February 20, 2019
6:00 pm via Teleconference**

**Teleconference Meeting - Out of town, dial: 1-866-398-6951
In town, dial: 416-849-1983
Participant code: 868985#**

To: Members of the Toronto Lands Corporation

Board Members: David Crombie (Chair), Alexander Brown, Michael Fenn, Chris Moise, Patrick Nunziata, Brenda Patterson, Jennifer Quinn, Sheerin Sheikh, Jennifer Story and Steven Zakem

AGENDA

1. Call to Order
2. Approval of Agenda
3. Declarations of Possible Conflict of Interests
4. Approval of Minutes
 - November 20, 2018 (Board Meeting) Page 1
 - January 9, 2019 (Organizational Board)
5. Report No. 13 From the Nominating and Governance Committee Page 6
6. Management Report to Board, February 2019 (Rpt No. 2019-02-663) Page 8
7. Transition Report, Phase Three (Rpt No. 2019-02-664) Page 14
8. New Business
9. Adjournment

**Board Meeting
Report No. 55**

November 20, 2018

A regular meeting convened at 6:00 pm., Tuesday, November 20, 2018, at the Office of Aird and Berlis – 181 Bay Street, Suite 1800, with David Crombie, Chair of the Committee, presiding.

The following members were present: David Crombie (Chair), Alexander Brown, Jerry Chadwick, Michael Fenn, Gerri Gershon, Avtar Minhas, Brenda Patterson, Jennifer Quinn, Sheerin Sheikh and Steven Zakem

1. Call to Order

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

2. Approval of the Agenda

On a motion by D. Crombie seconded by S. Sheikh, the Chair moved to re-order the agenda following Item No. 4 to address matters on the in-camera agenda.

The motion was carried.

3. Declarations of Possible Conflict of Interest

There were no declarations of conflict of interest reported.

4. Approval of Minutes

- October 4, 2018 (Board)
- November 20, 2018 (Audit Committee)
- November 20, 2018 (Finance Committee)

The Minutes were approved as distributed.

On a motion by S. Zakem seconded by M. Fenn, the meeting moved into the in-camera portion of the meeting at 6.02 p.m.

5. Management Report to Board, November 2018

The CEO provided the highlights:

- Lockie – Land Donation. Agreement finalized
- Nelson A. Boylen – Arbitration begins in December, update on results will be provided to Board
- Greenwood – In October 2018, the site was declared surplus for sale superseding a previous surplus for lease TDSB motion. In accordance with On. Reg. 444/98 the French Public Board has first right of purchase and subsequently has expressed its interest in acquiring the site. TLC anticipates the sale of the site to close in early spring.
- Davisville – TLC and the City of Toronto are finalizing a Share Use Agreement for an equitable exchange of leased TDSB lands for a 49 year period whereby the City is to build an aquatic centre pool on the school site and provide day-time access to TDSB students. The TDSB in addition to grant access to leased lands will provide access to the expanded gymnasium of which the City will be using for community based programs.

The CEO noted this current Board meeting is the first Board meeting in which the TLC Board has convened under TLC's new and expanded mandate with the added system wide TDSB portfolios relating to Leasing and Partnerships, Land Use Planning and real estate. The expanded leasing and partnership portfolio has added over 1000 tenancies from TDSB operating schools to TLC's management with a significant portion attributed to child-care. The Land Use Planning and Real-Estate matters require TLC's expertise that now impact all 600 school sites and surrounding communities.

M. Fenn seconded by G. Gershon moved:

That the report, Management Report to Board, November 2018, be received.

The motion was carried.

6. Bloor-Dufferin: Short-Term Initiative

Purchase of the site, Capital Development approached TLC with a proposal to enter into a temporary access agreement for a portion of the south-west corner of Bloor Dufferin, in order to improve the area with a community engagement centre/sales office, an artist's alley and market square. This will take the form of a container markets, community access and school use. The proposed use would be in some aspect similar to the overall redevelopment scheme.

The developer was seeking permission to proceed with discussions and an application with the City of Toronto to allow this temporary site improvement and thereby commencing a detail design. If this concept is approved by the City, TLC will prepare a temporary access agreement and terms of use, specifically school benefits, for the short-term initiative.

M. Fenn seconded by A. Brown moved:

That the report *Bloor Dufferin: Short-Term Initiative*, be received for information.

The motion was carried.

7. TLC Transition Plan, Phase 2

The CEO provided an update to the Board on the Human Resource, Financial and space implications given the expanded mandate of TLC with transition from TDSB effective as of September 1st, 2018. An ongoing update will be provided on a quarterly basis with the third update forthcoming to the first Board meeting early in the new year.

J. Quinn seconded by S. Sheikh moved:

That the report, TLC Transition Plan, Phase 2 be received for information.

The motion was carried.

8. Resolution into Committee of the, In Camera

The Committee of the Whole did not re-convene in private session. Committee of the Whole adjourned at 7:28 p.m.

9. Committee of the Whole rises and reports and reconvenes in Public

10. Upcoming Proposed Meeting Dates

It was noted a 2019 Board schedule has not yet been established as TLC awaits TDSB's organizational Board meeting in December 2019. Once this meeting has occurred, TLC will forward to the Board a draft schedule. For the interim, initial January 2019 dates are being proposed to address immediate priorities.

11. New Business

None Noted.

12. Adjournment

On a motion by A. Minhas seconded by G. Gershon the meeting adjourned at 8:23 p.m.

**Organizational Board Meeting
Rpt No. 56**

Wednesday January 9, 2019

A meeting was convened at 12:00 pm, Wednesday January 9, 2019, via teleconference, with David Crombie, Chair of the Board, presiding.

The following Directors were present via teleconference: Alexander Brown, Michael Fenn, Chris Moise, Patrick Nunziata, Brenda Patterson, Jennifer Quinn, Sheerin Sheikh, Steven Zakem and Jennifer Story.

1. Call to Order

The meeting was called to order by the Chair David Crombie

2. Approval of the Agenda

C. Moise 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. TLC Board Representation on TLC Committees

D. Sage noted TLC has three (3) established standing committees and one (1) sub-committee in accordance with Shareholder's Direction and TLC Bylaws. Annually, TLC has an organizational Board meeting to align with the TDSB's organizational Board meeting in order to appoint members to its Committees. At this time, TLC has three letters of representation identifying recommendations for committee membership.

At the same time, TLC since 2010 had a governance subcommittee known as Swim Toronto in which the Committee was responsible for pool operations under the purview of TLC. With pool operations having been returned to TDSB on the basis of TDSB approved expanded mandate for TLC, along with the pool staff complement transferred to TDSB in September 2018, TLC's former pool portfolio was eliminated and as a result is recommending the pools governance sub-committee be dissolved.

J. Story seconded by S. Sheik moved:

1. That the following Letters of Representation (see Appendices A-C), appointing Directors to each of TLC's committees be approved:

- i. Letter of Representation on the TLC Nominating and Governance Committee;**
- ii. Letter of Representation on the TLC Finance Committee; and,**
- iii. Letter of Representation on the TLC Audit Committee.**

And,

2. That the Toronto Lands Corporation pools governance subcommittee, Swim Toronto, established in 2010, be dissolved.

The motion was carried.

5. New Business

None noted.

6. Adjournment

At 12:20 p.m. J. Quinn seconded by S. Zakem, the meeting adjourned.

Nominating and Governance Committee Meeting
Rpt No. 13

January 15, 2019

A meeting was convened at 5:30 pm, Tuesday January 15, 2019, via teleconference, with David Crombie, Chair of the Committee, presiding.

The following Directors were present via teleconference: Michael Fenn, Chris Moise and S. Zakem

1. Call to Order

The meeting was called to order by the Chair David Crombie

2. Approval of the Agenda

C. Moise 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. Board Governance

D. Sage noted that the governance committee has been convened to begin reviewing the Board's corporate governance documents including its bylaws, committee terms of reference, and Director and Officer Authorities with the aim to update documents to ensure consistency with TLC's new and expanded mandate.

Following a preliminary review of TLC's foundational documents, a number of items have been identified that need to be added, deleted or changed to reflect the new mandate, noting such items as:

- The Ontario Business Corporations Act as well as TLC's Bylaws identify the title of the head of an organization as the Chief Executive Officer (CEO), however the TDSB system eliminated the word/title of Chief in all executive positions;
- Financial affairs relating to banking, borrowing arrangements and transacting;
- Quorum of Board and Committee meetings;
- Delegated Authority for the CEO;
- Committee structure including should TLC be adding any additional committees? Should membership change? And, overall frequency of meetings. The TLC and TDSB currently

have an ad hoc executive committee for example that consists of the Chair of TDSB, Director of Education, the Chair of TLC and CEO of TLC that meets quarterly to discuss strategic directions and to apprise the Chair of TDSB of TLC reports going forward to TDSB's Committee of the Whole - Should this committee be formalized?

- Nature of reporting to TDSB – Should the TLC-TDSB reporting structure be included in TLC bylaws?

On a final note, the CEO identified that the terms of four of six Citizen Directors are set to expire by the end of 2019. With these Citizen Directors having significant historical knowledge of the Corporation and its operations, the expiry of their terms comes at a critical juncture for TLC particularly with the expanded mandate. As a result, the CEO is requesting from the Committee to: (1) undertake a review of Director terms with the aim to enter into a cycle of staggered appointments/terms such that future turnover of citizen Directors does not significantly impact business continuity and (2) determine if Directors whose terms are expiring in 2019 would be willing to remain on the Board for an extended period of time to allow for the implementation of new staggered terms.

Action Items:

1. Staff to undertake a review of all foundation and corporate governance documents and create a blacklined version of materials.
2. Staff to report back to the Nominating and Governance Committee with the blacklined materials for committee review and next steps.

C. Moise seconded by M. Fenn moved:

That the report, *Board Governance*, be received for information.

The motion was carried.

5. New Business

None noted.

6. Adjournment

At 5:52 p.m. M. Fenn seconded by S. Zakem, the meeting adjourned.

**TORONTO LANDS CORPORATION
Management Report to the Board, February 2019**

To: Chair and Members of the Toronto Lands Corporation

Date: 20 February 2019

Recommendation:

That the report, *Management Report to the Board, February 2019*, be received.

Rationale

This report provides an overview and update with regard to work in progress on each of TLC's business areas and specific project files within the TLC portfolio as directed by TDSB.

Context

Real Estate Portfolio:

Baycrest Public School 145 Baycrest Ave, (Ward 8)

In April of 2017, TDSB declared Baycrest Public School surplus to its needs and referred the property to TLC for "sale" purposes. In August of 2017 the property was circulated within the public sector and to TDSB partners pursuant to Regulation 444/98 of the Education Act. As a result of the circulation, TCDSB exercised its priority right of offer and entered into a conditional agreement of purchase and sale providing for a future valuation date of November 2018 and a closing date approximately 3 to 4 months thereafter. The delayed closing and valuation were stipulated by TLC in response to a TDSB request to allow time for funding to be secured and renovations to be completed at Sir Sandford Fleming in order to accommodate the relocation of the Baycrest students and a third party operated day care.

In accordance with the terms of the selling agreement, both parties secured independent appraisals and joint terms of reference for a third appraisal. The selling price will be the average of the two highest appraisals.

The selling agreement allows TDSB to lease back the property until September 2020 while the Sir Sandford Fleming renovations are completed.

Once the price is finalized, any sale remains conditional upon the approval of the two Boards and the MOE.

Lawrence-Midland Lands 1555 Midland Avenue & 2740 Lawrence Avenue East (Ward 19)

The sale of these 2 properties began in May 2018 with a 6-week bidding period followed by a second round of bids due on June 12, 2018. The properties were then put under a conditional sales contract to allow for buyer due diligence to include discussions with the planning department and the local councilor regarding the potential scale and type of development. The due diligence period was extended several times in order for the buyer to gain greater certainty of what they could finalize and the selling price they could justify. Due to the estimated cost to remove contaminated soils and a

lower than expected achievable density, the buyer initially sought a reduction of the purchase price and then was unable to proceed because of the lack of support from its acquisition committee.

As a result, TLC has now entered into a conditional agreement of sale with the initial second ranking bidder. The buyer has until March 22, 2019 to waive its due diligence condition.

The closing date for both parcels was always scheduled to occur after TDSB new replacement school was completed, tentatively scheduled for September 2019.

**Nelson A. Boylen and Buttonwood
155 Falstaff Ave. (Ward 2) and 100 Allanhurst Dr. (Ward 6)**

The Toronto Catholic District School Board (TCDSB) and TLC have been working towards a resolution to agree on a sale price of the Boylen and Buttonwood properties. Recently, both parties exchanged appraisal reports as required for the Arbitration hearing. The exchange of reports presented another opportunity to review and negotiate which would avoid a costly Arbitration hearing. All parties negotiated and a settlement was reached for the sale of the two sites to the TCDSB. Ministry approval was required by the TCDSB and was obtained within a very short timeline. The transactions are both set to close on March 7, 2019. This disposition will result in the public asset being retained by another school board to serve the needs of students and community.

**Greenwood Secondary School
800 Greenwood Ave. (Ward 15)**

In accordance with O. Reg. 444/98, the Greenwood school property, commenced surplus for sale circulation in January, 2019. By letter dated, January 28, 2019, the existing Tenant, Conseil Scolaire Viamonde (CSV) expressed an interest in acquiring the property. Subsequently, an appraiser has been engaged to establish an estimate of market value and draft agreements will shortly be exchanged between the parties. As under the Regulation, CSV has the first right of acquisition it remains reasonable to commence discussions between the parties. Should any other public agency declare an interest, we will advise accordingly but first will make every effort to complete a transaction with CSV. CSV intentions are to continue to operate the building as a school with the property remaining with a public agency.

**Sir Robert Borden
200 Poplar Rd. (Ward 19)**

Completion of the Regulatory disposition process as of March 8, 2017, resulted in no public interest. A Steering Committee led by TLC to engage potentially City or Provincial interest concluded with additional information that identified community need without any funding partners. The surplus TDSB site was then placed on the open market for disposition and a few offers were received for consideration. All offers were conditional and TLC proceeded to enter into an agreement with one of the reputable purchasers. Just before the date to waive the condition, the Purchaser advised it would not be completing the transaction. As in any conditional agreement, there remains no requirement to explain a decision as it is the normal practice to allow for due diligence for potential buyers. At this time, TLC is exploring all opportunities as the site remains on the open market.

**Former Canadian Tire Property, Block 20
1019 Sheppard Ave. E (Ward 13)**

The TDSB had the opportunity to exercise an option it had with the City of Toronto to acquire approximately 1.799 acres of land at the former Canadian Tire property at Leslie Street and Sheppard Avenue East. With TDSB Board and Ministry approval received, the TDSB exercised its option in 2018 and in accordance with the agreement; the transaction is to close on or before May 18, 2019. However, the City would like a sale subject to a substantial easement that would materially interfere with any proposed school. TLC, with TDSB and the City were trying to negotiate reciprocal easements that would also provide a benefit to the school board. At this time, it appears all opportunities have been exhausted and the TLC has advised the City that if easements cannot be finalized that meet the needs of both parties; it will proceed to close the transaction as stated within the options agreement.

**New Davisville Public Elementary School
43 Millwood Rd. (Ward 8)**

After many months of negotiations with the City of Toronto, TLC has now a fully executed long-term (49 year) ground lease at the Davisville property. To recap, the negotiated terms and conditions will allow students the opportunity of 4 hours a day of free swim at the City Aquatic Centre, once constructed. An expanded gymnasium at the school will be available to the student community every day throughout the school year and some evenings and weekends the community will enjoy City programming at the gymnasium. The end result is truly a long term community hub that will bring a multitude of benefits and enhancements to the students and the community at large for years to come.

Leasing and Partnerships:

McCowan Public School 425 McCowan Road (Ward 17)

The McCowan Public School (37,835 sf.) was first declared surplus for lease in October 2012. After clearing Regulation 444/98 of the Education Act (the "Regulation"), TLC leased the property to a private school (34,469 sf.) and a daycare (3,366 sf.). The five year lease term of the private school tenant will expire on August 31, 2019 and the tenant is not renewing. As a result, in November of 2018 TLC requested and secured a new surplus for lease declaration from TDSB. Expressions of interest under the recent recirculation are due by April 4, 2019.

To be proactive TLC has also listed the property for lease with Colliers with an understanding that acceptance of any offers will be conditional upon clearing the Regulation.

Because TDSB has chosen to select this site as a potential holding site during construction at another nearby school, TLC is required to include in any new lease a continuing right of termination subject to prior notice. If issued the notice must stipulate that the lease will terminate on the 1st June 30th falling on or after the anniversary of the notice date.

Community Partnership Leases

- Two new partnership leases were recently entered into with the Native Family and Child Services of Toronto who will operate Early Learning Centres at the Emily Carr and Bala Public schools. Rental rates are cost recovery and leases can be terminated on 6 months notice pur-

suant to TDSB and Provincial policies governing partnership leases in operating schools. Stated lease term is 5 years. These leases will improve the accessibility of social service program delivery tailored specifically the unique requires of the native population.

- TLC staff are working to convert existing partnership tenants to an updated consistent form of lease and pricing structure
- The community partnership approval process can be very lengthy due to the need for;
 - a. the school administration to;
 - identify possible room options
 - consider classroom reassignments to isolate and consolidate proposed tenant usage in a single location
 - evaluate the impact on site control and school safety
 - consult with the school advisory counsel
 - b. Facilities Services staff to identify and cost physical separations required to isolate the school from tenant programming/use
 - c. leasing staff to;
 - secure evaluate documents evidencing the tenants financial position
 - secure TDSB committee and Board approval for proposed new leases

Since taking over the process, TLC staff has taken steps to better educate leasing prospects with the multilevel and potentially lengthy approval and evaluation process.

- Upon taking over the TDSB real estate lease files TLC staff have identified a wide variety of portable rental arrangements involving both TDSB and tenant supplied portables. While the original intention was to adopt the existing community partnership approach to these arrangements for existing overhaul leases or any new leases, existing provincial policy is specific to excess building space in operating school where operating costs are incurred in any event. This cost saving objective does not really apply to portable leases. TLC staff will be considering a possible consistent approach / Board policy to apply to portable leases.

Child Care Leases

- TLC leasing and legal staff have finalized a new multi-purpose lease form that combines three previous stand-alone agreements relating to i) City funded occupancies, ii) the use of shared rooms by before and after school supervisory programs and iii) direct pay exclusive use agreements all involving a single child care provider.

The new form also provides includes a lease default provision where a childcare operator no longer qualifies for program subsidies, a TDSB policy pre-conditions for operators located in TDSB operating schools.

- Existing child care lease forms and approval processes can be prone to a lack of clarity relating to room identifiers, use provisions and pre-approval requirements relating to Alternative Shared Space. These rooms are shared with the TDSB operating school program and are to be pre-licensed alternative locations when regular shared space must be either temporarily used for operating school programming or custodial functions. This lack of clarity has resulted in conflicts between the school administration, the child care operator and the TDSB permit department. TLC staff are working with legal counsel and TDSB Early Years

program specialists to modify both the standard form of lease and the new space request forms initially completed by the tenant and TDSB early years and later signed/approved by the school principal.

Norseman and the Elms City Pool Leases 105 Norseman St, (Ward 3) and 45 Golfdown Dr. (Ward 1)

In 1973 the Board of Education for the Borough of Etobicoke and the Corporation of the Borough of Etobicoke entered in to a joint funding and shared use agreement providing for the construction and lease of swimming pool facilities to be constructed on the grounds of the Elms Junior Middle School and Norseman Junior Middle School and to be operated by the Borough. Both agreements provided for:

- 50/50 sharing of the construction cost;
- an initial lease term of 10 years;
- shared use by the school including an initial time allocation of 27% of total pool activity;
- proportionate co-funding of the pool building operating costs reflective of each party's hours of use;
- future mutual agreement on the amount, sharing, timing of future capital expenditures;
- the designation of the Borough as the day to day operator;

Based upon the file review completed to date and discussions with City staff it appears that a formal renewal agreement was never entered into although,

- i) the City submitted a draft new lease agreement to the Board in November of 1993 that was never signed; and,
- ii) regular shared use by TDSB ended sometime after amalgamation due to the Board not wanting and/or able to firmly commit to the required co-funding commitment.

The City recently approached TDSB and indicated a desire to enter into a new lease guaranteeing it sufficient lease term to justify planned major capital expenditures / improvements.

Based upon recent discussions the parties are close to final agreement on the key business terms of new 10 to 20 year lease arrangements. These agreements will require the approval of the TDSB Board of Trustees and the Minister of Education.

In order to ensure the proposed business terms are part of an overall TDSB City pools strategy, TLC staff and TDSB's Capital Strategies and Property Management committee will be holding a joint planning session to review all City pool agreements including the pending June 2019 expiry of the master lease agreement covering 28 TDSB pools that are exclusively leased to the City of Toronto after the regular school day.

Land Use Planning:

Choice Properties REIT 2238 Dundas Street West and 1515 Bloor Street West (former West Park SS) (Ward 7)

On December 6, 2018 a letter was sent to Acting Associate Director, Planning and Facilities of the Toronto Catholic School Board (TCDSB) from the Toronto Lands Corporation (TLC) requesting that the TCDSB consider surrendering its lease rights in order to allow for a new replacement high school to be built on a different location within the same site. Staff further requested that the TCDSB submit a

draft proposal to the TLC to better understand what TCDSB would require in a new school. Although the proposed redevelopment may be a complicated undertaking, involving several parties, this first step is guided by the terms and conditions of the existing lease.

On December 21, 2018 the Director of Education of the TCDSB responded to this request by recommending that both parties consent to the submission of the required planning applications and the establishment of a joint staff committee to negotiate an agreement between both boards and Choice REIT.

On January 11, 2019 TLC responded by reiterating its support of the planning applications going forward and committing to further discussions with TCDSB staff on this redevelopment proposal. By permitting this planning application to proceed, greater clarity around the residential, business and commercial use of the TDSB lands will provide greater insight towards a settled agreement. To support this initiative, TLC staff has prepared a letter of consent to the City of Toronto Planning Department advising that on behalf of the TDSB, TLC consents to CP REIT Ontario Properties Limited submitting a zoning bylaw amendment application which includes land owned by the TDSB. Choice REIT has yet to submit the application. On February 8th, 2019 a meeting was held to discuss and explore the mutual benefits of advancing this very unique redevelopment opportunity. These discussions are ongoing and remain very positive. An update on the project will be brought forward to the next TLC Board meeting.

Routing

TLC Board: February 20, 2019

From

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

GO5 (2019 Board Mtgs/20 Feb 2019/Mgmt Report to TLC Board, Feb, 2019)lp.8000
Last update: February 14, 2018

TORONTO LANDS CORPORATION
TLC Transition Plan, Phase Three

To:	Chair and Members of the Toronto Lands Corporation (TLC)
Date:	20 February 2019

Recommendation:

That the report *TLC Transition Plan, Phase Three*, be received for information.

Rationale

In February, 2018 TDSB expanded the TLC's mandate to include among other things, carriage of TDSB's complete inventory of real-estate, land use planning, leasing and partnerships matters. Following TDSB direction, September 1, 2018 was established to be the initializing date of portfolios and functional transition. Recognizing that transition will incrementally occur over the 2018-19 fiscal year, ongoing communication with the Board has been established by way of a "Transition Update" report. With the last report dated November 2018, this report represent the third update as we proceed towards full implementation of the TDSB approved TLC expanded mandate.

Context

Phase Three, highlights:

TLC Resources:

- Effective September 1, 2018, four TDSB positions and associated staff were seconded to TLC. One incumbent remains on parental leave with a return date of June 27th 2019. This is a real-estate and leasing lawyer's position that is temporarily being filled through an external agency. The four seconded positions were deemed by TDSB to be permanent positions of TLC effective January 1, 2019.
- The Executive Officer has previously undertaken the necessary human resource procedures and established TLC's senior management team. The senior team has since worked together, relying on TDSB's human resource protocols to develop and fill essential staff positions in support of the startup of TLC's expanded mandate. Recruitment is underway to fill one remaining vacancy in land use planning.
- The Executive Officer and the TDSB's Director of Education designate, Acting Associate Director, continue to work together on all operational aspects of the transfer of responsibilities and resources in support of the expanded mandate. The organization's resources and positions remain under structural review by the Executive Officer and will be finalized as a part of the 2019-20 budget development and approval process.
- As part of the TLC's 2019-20 budget assembly and to validate TDSB salary grid placements and market alignment, TLC has commissioned, through a procurement bid process the external services of a HR firm. The scope of work includes a review of the TLC organizational structure, job analyses and evaluation to clearly define and outline roles and responsibilities, benchmarking and consistency with TDSB's pay equity plan in the broader scope of public sector accountability. The input from the external review will form a part of the 2019-20 TLC

Budget preparation. This review will also be foundational in TLC's longer-term HR initiatives such as organizational effectiveness, process improvement, performance management, executive coaching and knowledge transfer as it is a goal to focus on organizational success through its people.

TLC Office Space:

As previously reported, the increase in staff compliment required TLC's office space and layout at 60 St. Clair East to be re-evaluated. To this end, an increase in functional capacity has been committed for a 7 year period and a redesign of the working space completed.

At this time, TLC awaits a finalized construction permit in order to commence office renovations. A summary of next steps is identified below:

- Building permits from the City, expected for March 2019;
- Construction to be tendered with a start date of approximately 4-6 weeks of tender award;
- Estimated renovation timeline 8 weeks;
- Staff to be temporarily relocated during renovation period.
- Furniture and equipment analysis completed and scheduled.
- Staff expected to be operational back at 60 St. Clair E. by June 2019

Governance:

As of November 28, 2018, the TDSB Board approved a revised and restated Shareholder's Direction between the TLC and TDSB. A copy is attached for your reference.

- In December 2018, TDSB re-appointed the Honourable David Crombie, as Chair of TLC and four new Trustee Directors: A. Brown, C. Moise, P. Nunziata and J. Story
- In January 2019, the TLC Board re-affirmed the terms of the six Citizen Directors:
 - M. Fenn;
 - S. Sheikh;
 - J. Quinn
 - S. Zakem
 - B. Patterson
- The Governance Committee is now undertaking a review of:
 - TLC Bylaws for alignment with expanded mandate;
 - Committee Structure and Terms of Reference; and,
 - Expiring terms of Citizen Directors
 - Policy and procedure review
- Established:
 - Quarterly reporting to TDSB's Committee of the Whole – scheduled for Feb27th, 2019
 - Quarterly meetings with TDSB Chair, Director of Education, Chair TLC, CEO TLC

Operational - Service Agreement

Contained with the TDSB's approval of the amended Shareholder's Direction dated November 2018, is the required completion of a Service Agreement that captures and clarifies roles and responsibilities between TDSB and TLC operations. The Service agreement is to be presented in April for approval by TDSB.

The Service Agreement is an essential component required for the finalization of TDSB's and TLC's organizational structure, including staff and resource allocation. Currently, development of the Service Agreement is underway to effectively balance service levels, revenue and cost allocations for both the subsidiary and Shareholder. As an outcome, a revised financial accounting and reporting system is required in order track and monitor operations both on a macro and micro basis as well as satisfying and supporting the fiduciary and accountability responsibilities of TLC's Board of Directors.

Another component in defining roles, responsibilities and overall public accountability will be the outcome of the CEO's request for TDSB Internal Audit support. The CEO has invited TDSB Internal Audit to assist in a pre and post operational review seeking observations relating to functional controls, project service delivery and alignment of TDSB/TLC's policies and procedures from an overall public accountability perspective. The completion of the audit engagement is expected in March.

The Service Agreement and Audit observations will contribute to establishing effective go forward internal controls, risk management strategies, governance processes and organizational control all leading to establishing the right design of financial systems, financial reporting, compliant with all approving authorities.

Key Milestone Initiatives:

- Strategic planning session with TLC Board January 22, 2019 – complete
- Service Agreement – In progress completion mid-March 2019
- Internal Audit Report – In progress completion mid-March 2019
- Final TLC Strategic Planning Session March 21, 2019
- Development of Annual Plan based on the strategic direction
- Completion of Service Level Agreement April, 2019
- Development of a 2019-2020 Budget to support the Annual Plan – February - March 2019
- Development of financial reporting system Mar-May, 2019
- Develop 2019-2020 Key Performance indicators in April-May in support of the Annual Plan
- Seek TLC approval on L/T Strategic Plan, 2019/20 Annual Plan, 2019/20 Budget, May 2019

Operational Matters:

- Introduced TLC and its new expanded mandate through announcement ad placed in an important industry publication and circulated via email to selected key stakeholders, municipal and provincial partners.
- Initiated website makeover with content revisions and navigation changes. Major website refresh and branding project to take place in 2019.

From:

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

(G05 Board Rpts\2019\Feb 20, 2019\TLC Transition Plan Phase 3) lp.9906
Last update: February 13, 2019