



Investment Committee Meeting Minutes Teleconference

November 5, 2015 8:30AM

Members present:	Jacoline Loewen (Chair) Rob Roberti Bill Crossland Susan Mclean Jason Kotler Graham McBride Lisa DeMarco
Regrets:	Matthew Z. Leibowitz Councillor Mike Layton Bill Tapscott
Also present:	Julia Langer, Chief Executive Officer, TAF Tim Stoate, Vice-President, Impact Investing, TAF Richard Rysak, Director of Finance, TAF Bryan Purcell, Director of Policy and Programs, TAF Amanda Iadipaolo, Executive Coordinator, TAF Ryan Kuruliak, Proteus Investment Advisors Ltd Marco Iacampo, Manager of HELP, City of Toronto (for Item 3)

1. Welcome & Introductions

2. Minutes of the Investment Committee – September 10, 2015

Two amendments were made to the September 10 Investment Committee minutes: item 5, line 2 should read “relative fixed costs versus variable costs” and item 5, line 4 should read “will be examined”.

On a motion by Susan McLean, seconded by Rob Roberti, the Committee approves the minutes as amended.

3. Loan Loss Reserve for Property-Assessed Financing

Marco Iacampo, Manager of the City of Toronto’s Home Energy Loan Program (HELP) provided an update on Toronto’s Home Energy Loan Program (HELP). The City has requested that TAF consider establishing a Loan Loss Reserve (LLR) that would be used to reimburse first mortgage lenders for the amount of the arrears on HELP loans in the case of mortgage default because obtaining the mortgage lender consent for HELP loans has been a major barrier for applicants due to the fact that CMHC has indicated their insurance will not cover this loss.

The Investment Committee is open to exploring this and asked for a) a scenario analysis of the risk, including implications of downward trend in the real estate market (drawing on examples in other jurisdictions), of foreclosure, size of loans, types of measures financed, etc., and b) analysis of how property-assessed financing programs have been undertaken, underwritten, insured and are performing in other jurisdictions, for instance the PACE program in California, including any LLR.

4. Q3 Reports

Ryan Kuruliak of Proteus Performance Management provided an update on the financial results to September 31, 2015. TAF's financial position is strong and overall assets remained steady even in a down quarter. Generation and Green Chip both had above-benchmark returns this quarter. Cash values are higher than normal, but this will change over the next few months as a number of approved commitments are finalized.

Richard Rysak indicated that TAF is will re-balance by year-end to meet SIOP asset mix targets.

Graham McBride moved a motion to re-balance in Q4 though sale of both Generation and Green Chip in proportion to the size of TAF's holdings, and to revisit the approach re-balancing at the next meeting. Seconded by Ms. McLean and all other members approved.

5. Direct Investment Reporting

TAF is initiating the new methodology for analyzing the Direct Investment portfolio. This methodology was proposed at the June 2015 Investment Committee meeting and includes regular (semi-annual) tracking and analysis/evaluation of four key parameters: Performance; Diversification; Outlook and Impact. The content has been updated with the selection of a benchmark for evaluating performance.

The Committee asked Richard and Ryan to populate the charts and bring them back to the Investment Committee for review.

6. Windmill Green Condo Loan

Tim Stoate briefed the Committee on the interest rate clause in the Windmill Green Condo Loan agreement.

Mr. Roberti moved to accept consideration of a reduced interest rate only after the end of the indemnity period. Seconded by Jason Kotler, all other members approved.

7. ESPA Transaction: Rouge Valley Co-op Update

Tim Stoate briefed the Committee on the status of the Rouge Valley Co-op ESPA, particularly discussions with the mortgage holder, CMHC. If the ESPA terms and conditions are not agreed by December 2015, \$180K of special social housing utility incentives will expire and the deal cannot proceed.

8. Solar Thermal Asset Recovery Update

This report on activity and results was received by the Investment Committee. As requested by Rob Roberti, staff will provide a cash flow report once the assets are up and running.

9. Strategic Planning for Non-Building Direct Investments

The Investment Committee was informed about TAF's upcoming brainstorm session on non-retrofit financing.

10. Member Recruitment

Julia Langer reminded Committee members to provide suggestions for potential new members with experience in marketable securities and investment policy.

11. Green Chip Green Bond Fund

Ryan presented a new product from Green Chip. The Investment Committee deferred discussion on greening TAF's bond portfolio to a future meeting.

There being no further business, the meeting was adjourned.