

Toronto Investment Board - Appointment of Public Members

Date: September 12, 2017

To: Facilities and Finance Nominating Panel

From: City Clerk

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

This report deals with personal matters about identifiable individuals who are being considered for appointment to the Toronto Investment Board.

SUMMARY

The Facilities and Finance Nominating Panel will conduct interviews for the Chair of the Toronto Investment Board during its meeting on September 19, 2017 and recommend six candidates, including a Chair, to City Council for appointment as public members.

RECOMMENDATIONS

The City Clerk recommends that:

1. The Facilities and Finance Nominating Panel recommend six candidates to City Council for appointment to the Toronto Investment Board, at pleasure of Council, as follows:

- a) 3 candidates for a term of office ending on October 4, 2019, and until successors are appointed;
- b) 2 candidates for a term of office ending on October 4, 2021, and until successors are appointed; and
- c) 1 candidate, who will serve as Chair, for a term of office ending on October 4, and until a successor is appointed.

2. The Facilities and Finance Nominating Panel direct that the confidential information contained in Confidential Attachments 1, 2, 3, and 4, remain confidential in their entirety as they relate to personal matters about identifiable individuals being considered for appointment to the Toronto Investment Board.

FINANCIAL IMPACT

There are no financial implications arising from this report.

DECISION HISTORY

At its meeting on March 28-29, 2017, City Council established the Toronto Investment Board and delegated authority for the Board to manage and oversee the City's investments of funds not immediately required by the City. City Council also directed that the Facilities and Finance Nominating Panel short-list, interview, and recommend candidates to City Council for appointment:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX23.2>

During its meeting on June 20, 2017, the Facilities and Finance Nominating Panel identified 21 candidates to be interviewed for appointment to the Toronto Investment Board:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.NF10.2>.

During its meeting on June 22, 2017, the Facilities and Finance Nominating Panel re-opened Item NF11.1 -Toronto Investment Board - Selection of Candidates for Interviews and identified one additional candidate to be interviewed for appointment the Toronto Investment Board:

<http://app.toronto.ca/tmmis/decisionBodyProfile.do?function=doPrepare&meetingId=12628#Meeting-2017.NF12>

At its meeting on June 23, 2017, the Facilities and Finance Nominating Panel deferred consideration of Item NF13.1 to permit the City Clerk to engage an executive search consultant to assist with the selection of a candidate for the Chair position of the Toronto Investment Board.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.NF14.1>

COMMENTS

Composition of the Toronto Investment Board

The Board has a total of seven members, including:

- Six public members, one of whom serves as the Chair; and

- The City Treasurer appointed under the City of Toronto Act, 2006, i.e., the Deputy City Manager and Chief Financial Officer under the City's administrative structure.

Board members should meet certain Council-approved qualifications

In addition to the eligibility requirements set out below, the public members should collectively represent a range of skills, knowledge and experience in the following:

- Executive level experience in a major public or private organization;
- Senior level experience in the investment industry such as the management of institutional portfolios including pension funds, endowments, foundations, mutual funds, and closed-end funds;
- Professional skills relating to investment and/or debt management as well as an understanding of risk and financial administration within the framework of the prudent investor standard;
- Post-graduate degree in any one of the fields of: finance, business, economics, risk management, accounting, public administration or related fields that may include certification such as CFA designation, Canadian Investment Manager Certification or equivalent;
- Possession of sound judgement and knowledge of good governance; and
- Understanding of the principles of public accountability and integrity.

A minimum of three Board members must have senior level experience in the investment industry such as the management of institutional portfolios including pension funds, endowments, foundations, mutual funds, and closed-end funds.

Members must satisfy certain eligibility requirements

All members of the public who apply to serve on the Toronto Investment Board must satisfy the following eligibility requirements in order to be selected for appointment:

- Must be a resident of the City of Toronto;
- Must be at least 18 years old;
- Cannot be a City employee, employee of City agencies or corporations, or Member of Council with the exception of the Treasurer required under the City of Toronto Act, 2006; and
- Must not have declared bankruptcy, or had disciplinary action by a security regulator or self-regulating investment organization in the past twenty years.

City Council appoints the Board's Chair

In addition to the above qualifications for public members, the Chair of the Toronto Investment Board should bring the following skills, experience, and expertise:

- Leadership and administrative skills;
- Highly developed chairing and facilitation skills; and
- The ability to effectively represent the Board and communicate with City Council, City Committees, the media and general public.

City Clerk staff engaged an executive search consultant for the recruitment of the Chair position

As requested by the Facilities and Finance Nominating panel, the City Clerk staff retained executive search firm, Odgers Berndston to assist with the selection of a candidate for the Chair position of the Toronto Investment Board. To find qualified profiles the firm targeted candidates within their network who possessed the requisite experience and knowledge. They also looked for candidates with a track record as a recognized industry leader, ideally with experience in similar organizations that operate within the commercial and public spheres. These individuals will have the ability to address the financial, investment and economic issues in the complex, multi-stakeholder, politically challenging environment in which the Board will operate.

Significant outreach was conducted for this new opportunity

To attract qualified candidates, City Clerk's staff promoted the opportunity to more than 25 professional and community organizations, including the Institute of Corporate Directors, Women in Capital Markets, CFA Society Toronto, Financial Executives International, the Association of Canadian Pension Management, the Institute of Public Administration of Canada, Women Get on Board, the Pension Investment Association of Canada, DiverseCity on Board, the Canadian Board Diversity Council and Pride at Work. Staff also invited individuals with the required qualifications and eligibility to consider applying.

Staggered terms are recommended for Board members

Staggered terms are recommended with three public members including Chair being appointed for four years and three public members being appointed for an initial two years as a one-time transitional measure to ensure Board continuity.

City Council has approved the staggering of board terms that are not otherwise prescribed by law so that half of each board retires every two years. The members appointed for an initial two-year term will not have that term count toward the term limit under the Public Appointments Policy, and may apply to serve again following their two-year appointment.

There are currently six positions under consideration

The Facilities and Finance Nominating Panel must recommend public members to fill six positions on the Board.

Public release of names of recommended candidates

The names of the recommended candidates will be publicly reported once the Facilities and Finance Nominating Panel forwards its recommendations to City Council.

CONTACT

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SIGNATURE

Ulli S. Watkiss
City Clerk

ATTACHMENTS

Confidential Attachment 1 – List of Candidates, Qualifications, and Confidential Voluntary Diversity Information Summary and Applications for Appointment to the Toronto Investment Board (previously distributed with Item NF11.1)

Confidential Attachment 2 - Candidate evaluation package provided by Odgers Berndston for the Appointment of Chair to the Toronto Investment Board (previously distributed with Item NF15.1)

Confidential Attachment 3 – Interview Schedule for the Toronto Investment Board Interviews on September 19, 2017 (to be circulated under separate cover)

Confidential Attachment 4 – Interview Questions for Toronto Investment Board Interviews on September 19, 2017 (to be circulated under separate cover)