

## **GOVERNANCE STRUCTURE OF THE INVESTMENT BOARD**

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### **1. Mandate and Authority**

The Investment Board is a City board, established under subsection 46(2) of Ontario Regulation 610/06 under the City of Toronto Act, 2006, responsible to control and manage the City's investments of funds not immediately required by the City pursuant to the prudent investment standard and an Investment Policy adopted by City Council.

The Board will adopt and follow an Investment Plan that implements the City's Investment Policy. The Investment Plan shall deal with how the Board will invest the City's money and set out its projections of the proportions of the City's portfolio of investments to be invested.

The Board may retain agents to act on their behalf pursuant to the requirements in Ontario Regulation 610/06.

### **2. Board Composition and Term**

The Investment Board will be composed of seven (7) members, including a Chair and one of the members will be the City's statutory Treasurer appointed under the City of Toronto Act, 2006.

The term for Investment Board members will be four (4) years until successors are appointed, served at the pleasure of City Council. The maximum term pursuant to the City of Toronto Act, 2006 is two (2) four (4) year terms. Staggered terms will be implemented with three (3) members being appointed for two (2) years to ensure Board continuity.

### **3. Eligibility**

Officers and employees of the City and Council members are prohibited from appointment to the Investment Board with the exception of the Treasurer required under the City of Toronto Act, 2006. Members are also required to meet the eligibility requirements pursuant to the City's Public Appointments Policy. Members must not have declared bankruptcy, or had disciplinary action by a security regulator or self-regulating investment organization in the past twenty (20) years.

#### **4. Accountability and Reporting**

At least annually, following City Council's review of the Investment Policy, the Board will review its Investment Plan and update it as required. The Board will submit an annual report to City Council about the performance of the City's investment portfolio.

#### **5. Member Qualifications**

Public members of the Board shall collectively represent a range of skills, knowledge and experience to discharge their duties in an effective manner including:

- 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 (3) 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.

#### **6. Chair Qualifications**

In addition to the qualifications of Board Members, the Chair will be required to demonstrate the following qualifications:

- 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.

#### **7. Citizen Appointment Process**

The City Clerk's Office will be responsible for the citizen recruitment and application process. The Facilities and Finance Nominating Panel will review, short-list and interview applicants and recommend candidates for appointment by City Council.

## **8. Remuneration**

Members will be remunerated \$10,000 annually, \$750 per board meeting and \$500 per business meeting up to a maximum of \$25,000.

The Chair will be remunerated \$50,000 annually, \$750 per board meeting, and \$500 per business meeting up to a maximum of \$65,000.

## **9. Meeting Management and City Liaison**

The City Clerk will provide meeting management support to the Investment Board and Corporate Finance will be the City liaison to the Board.