

## **Amendment to Non-Competitive Purchase Order 6048061 for the Retainer with Koskie Minsky for Work on Investment Manager Documentation for the Toronto Investment Board**

**Date:** December 9, 2025

**To:** City Council

**From:** Chief Financial Officer and Treasurer, City Solicitor, Chief Procurement Officer

**Wards:** All

### **SUMMARY**

---

The purpose of this report is to request authority to amend Purchase Order number 6048061 issued to Koskie Minsky LLP (KM) for the provision of legal services. The total amendment being requested is \$223,625 net of all applicable taxes and charges (\$227,561 net of HST Recoveries). Given the length of time required to negotiate and complete agreements with new Investment Managers (IM), a request to extend the deadline of the retainer to December 31, 2027, is also being recommended.

The additional funds are required to continue work for contracts, tax advice, and other related documentation for external investment managers (IM) working as agents for the Toronto Investment Board ("Board") including the recent request for documentation update from the IM as well as fulfilling the final IM mandates as required by Statement of Investment Policy and Procedures (SIPP).

KM was retained in July 2018 by Legal Services through a non-competitive contract in order to expedite changes in provincial legislation that came into effect on January 1, 2018. KM has drafted and negotiated ten agreements to date on behalf of the TIB.

The current retainer ended in July 2023 however, the carryover of ongoing work that started before this deadline with the two external IMs was completed in August 2024 along with reaching a total of \$476,375 on the overall retainer for KM. While no additional work has been required since this time, there has been recent request to update documentation with one of the recently mandated IM which involves a very short and immediate timeline. In addition, as part of the Council-adopted Statement of Investment Policy and Procedures (SIPP), the TIB would like to initiate a search for two additional IMs to complete the overall requirements outlined in the Policy.

## RECOMMENDATIONS

---

The Chief Financial Officer and Treasurer, City Solicitor, and Chief Procurement Officer recommend that:

1. City Council, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Finance Control By-Law) authorize the City Solicitor to amend Purchase Order number 6048061 issued to Koskie Minsky LLP for the provision of retainer services by increasing the over all value by \$223,625 net of all applicable taxes and charges (\$227,651 net of HST Recoveries), increasing the non-competitive contract from \$476,375 net of all applicable taxes and charges (\$484,759 net of Recoveries) to \$700,000 net of all applicable taxes and charges (\$712,320 net of HST Recoveries) and extending the validity date from December 31, 2024 to December 31, 2027.

## FINANCIAL IMPACT

---

This report is seeking approval to increase the funding commitment for the amendment of the Retainer Agreement with Koskie Minsky LLP by \$223,625 net of all applicable taxes and charges (\$227,651 net of HST recoveries), funded from Non-Program Budget for the Toronto Investment Board in 2025, 2026, and 2027. An annual budgeted amount of \$200,000 for Legal Fees has been included in the Toronto Investment Board Non-Program Budget since its inception in 2017. This increase to the retainer for Koskie Minsky LLP is not expected to have an additional financial impact to the overall Operating Budget.

Funding is included in the 2025 Non-Program Operating Budget - Investment Board Account and will be included in the respective 2026 - 2027 Operating Budget submissions for consideration as part of the 2026 and future budget processes. Funding details are summarized in Table 1 below.

**Table 1 - Value of Requested Amendment (net of HST Recoveries)**

Cost Centre	Cost Element	Amount
NP8174	CE4010	\$227,651

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## DECISION HISTORY

---

At its meetings held on June 25 and 26, 2025 City Council received the report City of Toronto Investment Report for the Year 2024 from the Chief Financial Officer and Treasurer. This report provided the performance and compliance information and also provided for a review of the Investment Policy:

[Agenda Item History - 2025. EX24.9 \(toronto.ca\)](#)

## COMMENTS

---

### Background

#### Toronto Investment Board

In November 2015, the Province amended Ontario Regulation 360/15 under the City of Toronto Act, 2006 which replaced the prescribed list of investments with what is known as the prudent investor standard. The prudent investor standard is not prescriptive and is used in situations where a trustee has fiduciary responsibility over funds that should be invested according to the beneficiaries' unique situation and to consider the risk and return profile of the entire portfolio rather than only of individual securities or asset classes. This change removed the previous investment limitations and allowed the City to be responsible for its investment decisions as a prudent investor. The change required the City to establish an independent local board that would have fiduciary duty over the City's funds that were not immediately required. This local board can hire agents (external investment managers) which would carry out the fiduciary duty of the board.

Although this new provincial regulation was announced in late 2015, the effective date for this change was January 1, 2018. During this transition period the City created the Toronto Investment Board (Board) and appointed six independent members who have substantial knowledge and experience in the financial markets. In addition, City Council approved a new Investment Policy reflecting a target asset mix with 70 percent allocated to fixed income, 20 percent to global equities and 10 per cent to real assets to diversify the investment risk. Prior to the creation of the Board, the City's investments were all managed internally by City staff and were limited to a prescribed list of eligible investments set by the province in the legislation. This prescribed list limited the City investments to primarily government bonds and some high-quality bonds of financial institutions.

While the Board would be responsible for "funds not immediately required", internal staff continue to manage the Short-Term Fund to meet City's liquidity needs while maximizing investment return in accordance with the regulation.

During 2018, the Board chose eight external investment managers to manage the fixed income (70 per cent) and global equity (20 per cent) allocations as outlined in their Investment Plan. The new investment policy and plan, in conjunction with the investment consultant and investment managers, were expected to result in improved investment returns over the longer-term while also reducing overall portfolio risk.

There was a transition period before reaching the long-term target asset mix and realizing optimal long-term returns. During this time the investment portfolio phased in greater use of a broader range of investments that became available. Although portfolio risk continues to be reduced, the potential for volatility in short-term returns still exists.

In June 2018, Council approved the creation of the Investment Income Stabilization Reserve. This reserve was established for the purpose of stabilizing investment income contributions to the operating budget by minimizing in-year variances. The reserve receives funds in years when investment income exceeds budget and funds are withdrawn in years when investment income is below budget.

During 2019, invested assets in both the Long Term Fund and the Sinking Fund were managed by four external fixed income investment managers (70 per cent) and two global equity pooled fund managers (7 per cent). The third global equity pooled fund manager was added in February 2020 for both the Long Term Fund and the Sinking Fund. The fourth and final global equity pooled fund manager was added in December 2020 and January 2021 for the Long Term Fund and the Sinking Fund respectively. Both fixed income and equity asset classes are fully funded in accordance with the target asset mix in the Investment Policy. Approximately 90 percent of the Long Term Fund and the Sinking Fund were managed by external investment managers selected by the Board by December 31, 2022.

The four fixed income investment managers are Connor, Clark & Lunn Investment Management (CC&L) and Leith Wheeler Investment Counsel Ltd (LW) for the Long Term Fund, as well as Fiera Capital (Fiera LDI) and Addenda Capital (Addenda) for the Sinking Fund.

The four global equity pooled fund managers are Oakmark Global Pooled Fund II (Oakmark), Pier 21 WorldWide Equity Pool (Pier 21), Fiera Capital Common Contractual Fund (which is now called the Fiera Capital Global Equity Focused Fund or Fiera GEFF), and Legal & General Investment Management (LGIM) for both the Long Term Fund and the Sinking Fund.

The Board has selected two real asset investment managers UBS and CBRE. UBS was funded in July 2024 and CBRE was funded in December 2024. The Board will continue to evaluate investment opportunities in real assets to fulfill the target asset mix.

## **Koskie Minsky LLP (KM)**

There are several factors to consider for the recommended increase in both the amount and term of the retainer:

### **1. Need for Immediate Assistance**

One of the current external IMs (CBRE) has requested changes to their documentation with sign-off from the Board by December 19 2025. The normal course of action is to have the changes reviewed and vetted by the external legal firm before the Board signs the updated documentation.

## **2. Understanding of the Unique Requirements for the City of Toronto and its Investment Board**

KM has covered the needs of the City since 2017 and understands the unique nature of the changes in the legislation/regulation under the City of Toronto Act (COTA) and how it fits within the investment industry. At the time, it was a very different approach for municipalities to adopt the “prudent investor standard” in addition to work within this framework and how it fit with COTA as well as working with external investment managers to explain the City’s unique needs. Switching legal firms would require more time and additional costs to get the new firm started.

## **3. Continuity of Coverage**

KM has reviewed and negotiated all ten mandates for the Toronto Investment Board and has an intimate knowledge of the contracts and agreements. Moving to a new firm would create additional time and costs to review all of this material.

## **4. Quality and Delivery of Assignments**

The information, guidance, materials received from KM has been excellent and exceed expectations. KM is always aware of strict timelines and have delivered the information within the necessary timeframe.

## **5. Protecting the Interest of the City of Toronto**

KM always has the interest and needs of the City and the Toronto Investment Board before everything else. They have adhered strictly to specific guidelines established at the start of the relationship in 2017.

## **6. Need for Outside Legal Counsel**

Because Legal Services does not have the in-house expertise on investment management agreements, specialized external support is required to properly assess and negotiate these documents. For this reason, the City has relied on KM to date to provide this expertise.

In summary, continuing with KM would result in time efficiencies as well as overall lower costs to the City.

## **CONTACT**

---

Randy LeClair, Director, Capital Markets  
Tel: 416-397-4054; E-mail: [Randy.LeClair@toronto.ca](mailto:Randy.LeClair@toronto.ca)

Angelina Shi, Solicitor, Municipal Law  
Tel: 416-392-4780; E-mail: [Angelina.Shi@toronto.ca](mailto:Angelina.Shi@toronto.ca)

Marianne Gonzalez Angulo, Acting Manager, Purchasing & Materials Management  
Tel: 416-338-3109; E-mail: [Marianne.gonzalezangulo@toronto.ca](mailto:Marianne.gonzalezangulo@toronto.ca)

## **SIGNATURE**

---

Stephen Conforti  
Chief Financial Officer and Treasurer

Wendy Walberg  
City Solicitor

Geneviève Sharkey  
Chief Procurement Officer