



Corporate Governance Committee

931 Yonge Street
Toronto M4W 2H2

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The Corporate Governance Committee of Toronto Community Housing Corporation met on September 30, 2011, in the Main Floor Conference Room, 931 Yonge Street, commencing at 9:05 a.m.

Committee	Christian Buhagiar, Chair	Regrets:	none
Directors present:	Jennifer Wood Ms. Catherine Wilkinson		
Additional Directors present:	Norman (Bud) Purves, Chair of the Board of Directors		
Also present:	Marta Asturi, Assistant Corporate Secretary and Legal Counsel Paul Chisolm, General Manager, Access Housing Connections Inc. Michelle Haney-Kileeg, General Manager Mitzie Hunter, Chief Administrative Officer Len Koroneos, Chief Executive Officer (Interim) Bronwyn Krog, Vice President and Chief Development Officer Brian Laur, Manager, Risk Management and Insurance Hugh Lawson, Director - Strategic Planning & Stakeholder Relations Deborah Simon, Chief Operating Officer Michael Vear, Sr. Manager, Audit and Compliance Howie Wong, Corporate Secretary and General Counsel		

The Chair called the meeting to order and Ms. Mirela Bolentiru served as recording secretary.

ITEM 1: DECLARATION OF CONFLICT OF INTEREST

The Chair requested members of the Corporate Governance Committee to indicate any agenda item in which they had a conflict of interest, together with the nature of the interest. **None were declared.**

ITEM 2: APPROVAL OF AGENDA

Motion carried **ON MOTION DULY MADE** by Jennifer Wood, seconded by Catherine Wilkinson, the Corporate Governance Committee unanimously approved the agenda with the recommendation that Item 6H "Fire and Life Safety Update" be deferred to the Building and Investment Committee and the Tenant and Community Services Committee for their joint review.

ITEM 3 APPROVAL OF PREVIOUS MINUTES

There were no minutes presented as this meeting was the first meeting of the Corporate Governance Committee.

ITEM 4 BUSINESS ARISING FROM THE MINUTES AND COMMITTEE ACTION ITEMS UPDATE

There was no business arisen from minutes as there were no minutes presented.

ITEM 5 REPORT FROM THE CHAIR Verbal Report

The Chair welcomed Committee members and presented the Committee with a verbal report, including the following highlights:

- Emphasized the importance of the minutes as legal, official documents and recommended to the Committee that the minutes should be circulated a few days after each meeting.
- Requested that a rolling Action Item List be created after each Committee meeting and distributed to all Committee members and executives with the recommendation to the Board of Directors that all action items include:
 - Assigned lead;
 - Timeline; and
 - Status.
- Plan and organize a Board of Directors strategic mini-retreat (half day) before the end of the year, in preparation for the February 2012 retreat.
- Recommended research on best practices in the governance field, benchmarking with effective boards from other large, complex organizations.
- Tone at the top is incredibly important.

Motion carried **ON MOTION DULY MADE** by Mr. Norman (Bud) Purves, seconded by Jennifer Wood, the Corporate Governance Committee unanimously received the verbal report with the recommendation that a Board of Directors mini-retreat be held before the end of the year.

ITEM 6 A REVIEW OF COMMITTEES STRUCTURES AND TERMS OF REFERENCE OF COMMITTEES CGC:2011-02

Motion carried The Corporate Governance Committee had before it the above-captioned report (CGC:2011-02) from the Interim Chief Executive

Officer.

The Chair advised the Committee that he has held discussions about the Terms of Reference with each of the other Committee Chairs.

A thorough discussion ensued regarding the appropriate delineation of responsibilities between the various committees.

It was noted that some responsibilities are shared amongst committees. The Committee requested joint meetings to address overlapped issues between Corporate Affairs and Audit Committee and Corporate Governance Committee, and between Tenant and Community Services Committee and Building and Investment Committee.

The Committee recommended that a Board of Directors Charter be drafted in the near future for recommendation to the Board.

The Committee recommended that oversight of the subsidiaries be articulated within the revisions and subject to functional separation between the committees such as:

- Governance (AGM, appointment of their own Board of Directors) – falls under Corporate Governance Committee;
- Business establishment – falls under the Corporate Affairs and Audit Committee;
- Quarterly Performance Reporting – falls under the most responsive committee

A discussion ensued on the appropriateness and value of establishing an Executive Committee of the Board and concluded that the perceived value of such a committee would be limited, that the proposed responsibilities are better-suited to being handled through revisions to the terms of references of the other committees of the Board, and that leading practice is moving boards away from having executive committees. The Committee shall report back to the Board regarding its deliberations and advise the Board that it is not bringing forth a recommendation to establish an Executive Committee of the Board.

Motion carried **ON MOTION DULY MADE** by Mr. Norman (Bud) Purves, seconded by Ms. Jennifer Wood, the Corporate Governance Committee unanimously received the report for information and recommended that:

- the Corporate Governance Committee empower the Chair to work with management to revise all committee mandates, taking into consideration discussions with other committee Chairs and its own discussion;
- all amendments to the Terms of Reference be re-circulated to the Corporate Governance Committee by e-mail; and
- all amended Terms of Reference be forwarded to the Board of Directors with the Committee's recommendation for approval.

ITEM 6B SHAREHOLDER DIRECTION UPDATE

CGC:2011-03

Motion carried The Corporate Governance Committee had before it the above-captioned report (CGC:2011-03) from the Interim Chief Executive Officer.

Ms. Michelle Haney-Kileeg informed the Committee that the City wants to revise the current Shareholder Direction. Ms. Catherine Wilkinson advised the Committee that the City has to give the Corporation a six-month notice if it wants to revise the Shareholder Direction.

The Committee requested to be provided with the amended Shareholder Direction. In response, Mr. Len Koroneos informed the Committee that he will present the amended draft to the Committee, as soon as it is received from the City Manager.

The Committee requested that the Board of Directors have a dialog with the City with respect to the Shareholder Direction. The Committee further suggested that the City representatives should discuss the Shareholder Direction with the Committee at a future meeting.

The Committee requested that a summary with all useful and not useful assets of the Corporation be presented at the October 21, 2011 Board of Directors meeting; it should be embedded in the Corporation's strategic plan.

In response to a question raised, Mr. Len Koroneos informed the Committee that management framed out a list of the changes the Corporation would like to have in the Shareholder Direction and the City has been provided with that list.

Mr. Len Koroneos informed the Committee that management will prepare and present to the Committee, in a report format, the following

information:

- current status – if the Corporation’s mandate remains the same, then more funding will be needed;
- amended status – the Corporation can match the City’s changes;
- there is more in this mandate than management can handle;
- there is a shift in the staff’s morale;
- Corporation’s mission and values remain the same, or will they change?

The Committee will report back to the Board of Directors on the status of the new amended Shareholder Direction, at the October 21, 2011 meeting.

Motion carried **ON MOTION DULY MADE** by Mr. Norman (Bud) Purves, seconded by Ms. Jennifer Wood, the Corporate Governance Committee unanimously received the report for information.

ITEM 6C 2011-2012 BOARD WORK PLAN CGC:2011-04

The Corporate Governance Committee had before it the above-captioned report (CGC:2011-04) from the Interim Chief Executive Officer.

Motion carried **ON MOTION DULY MADE** by Ms. Catherine Wilkinson, seconded by Ms. Jennifer Wood, the Corporate Governance Committee unanimously received the report for information.

ITEM 6D TORONTO COMMUNITY HOUSING POLICY CGC:2011-05
MANAGEMENT PROCESS

Motion carried The Corporate Governance Committee had before it the above-captioned report (CGC:2011-05) from the Interim Chief Executive Officer.

Mr. Hugh Lawson informed the Committee that the Policy Management Process was framed out in writing at a request of the former Board of Directors.

In response to a question raised, Mr. Hugh Lawson informed the Committee that usually, a policy is reviewed annually, or every other year according to the specifications of each policy.

The Committee suggested that tenant consultations should be part of tenants' policy development process.

In response to a question raised, Mr. Hugh Lawson informed the Committee that there are no standards and guidelines in place when a policy is created. Currently, the policy staff group is working on developing such standards and guidelines.

The Committee requested that:

- management develop a standard format with respect to policy review and implementation to include guidelines, communication plan, and review schedule;
- management bring this framework and present it to the Committee at its November 24, 2011 meeting.

In response to a question raised, Mr. Hugh Lawson informed the Committee that when the Board of Directors approves a policy, while management does not provide any feed back to the Board of Directors on how the new policy rolls out, the new policy is communicated properly and in due time to the tenants.

The Committee requested that a binder with all the Corporation's policies and guidelines be provided to the Committee members at the November 24, 2011 Committee meeting.

The Committee suggested that there should be flexibility into timing of policy review (i.e., Procurement Policy).

The Committee will report back to the Board of Directors on the Corporation's Policy Management Process at its October 21, 2011 meeting.

Motion carried **ON MOTION DULY MADE** by Ms. Jennifer Wood, seconded by Ms. Catherine Wilkinson, the Corporate Governance Committee unanimously received the report for information.

ITEM 6E DIRECTOR EDUCATION AND BOARD DEVELOPMENT

CGC:2011-06

Motion carried The Corporate Governance Committee had before it the above-captioned report (CGC:2011-06) from the Interim Chief Executive Officer.

Mr. Christian Buhagiar pointed out that to be an effective board member and good governance; this can be achieved through commitment to Director Education and Board of Directors Development.

Mr. Christian Buhagiar will draft a policy on Director Education and Board Development, e-mail it to the Committee for approval and forward it to the Board of Directors at its October 21, 2011 meeting for adoption. The Committee will make a recommendation to the Board of Directors for a budget on this matter.

- Motion carried* **ON MOTION DULY MADE** by Ms. Catherine Wilkinson, seconded by Ms. Jennifer Wood, the Corporate Governance Committee unanimously received the report for information and recommended that:
- Mr. Christian Buhagiar work with management to draft a policy on Director Education and Board of Directors Development, e-mail it to the Committee for approval and forward it to the Board of Directors at its October 21, 2011 meeting for adoption.

**ITEM 6F COMPLIANCE, ETHICS AND ENTERPRISE RISK
MANAGEMENT OVERVIEW**

CGC:2011-01

Motion carried The Corporate Governance Committee had before it the above-captioned report (CGC:2011-01) from the Interim Chief Executive Officer.

Mr. Michael Vear presented the Committee with a brief historical summary of the Compliance, Ethics and Enterprise Risk Management.

The Committee requested that a copy of the Richter Report be provided to the Committee members after the meeting.

Mr. Christian Buhagiar clarified that while Enterprise Risk is a process affecting the entire Corporation, the pilot projects are specific to certain areas of the Corporation. Ms. Michelle Haney-Kileeg informed the Committee that the pilot projects intended to build an understanding of the Enterprise Risk Management. She also reported that yesterday management received the report from KPMG Inc., the company that was engaged to conduct the pilot projects. Management will present the KPMG Report to the Committee as soon as it is ready for signing off. Mr. Christian Buhagiar proposed that the Enterprise Risk Pilot Project partner from KPMG be in attendance at the November 28, 2011 Committee meeting.

The Committee recommended that the ERM compliance framework sit with the Corporate Governance Committee. He also recommended that the functional items and the Auditor General's Recommendations Report go to the Corporate Affairs and Audit Committee.

In response to a question raised, Ms. Michelle Haney-Kileeg informed the Committee that the staff members assigned to implementing policies are different from the staff members assigned to ensure compliance with policies implemented.

The Committee recommended a certification process as he would like to find the balance between onerous process and directors' liability and owner's responsibility.

Motion carried **ON MOTION DULY MADE** by Ms. Jennifer Wood, seconded by Ms. Catherine Wilkinson, the Corporate Governance Committee unanimously received the report for information and as background to its work plan.

ITEM 6G Q2 2011 QUARTERLY PERFORMANCE AND PROGRESS REPORT

CGC:2011-07

The Corporate Governance Committee had before it the above-captioned report (CGC:2011-07) from the Interim Chief Executive Officer.

Motion carried **ON MOTION DULY MADE** by Ms. Catherine Wilkinson, seconded by Ms. Jennifer Wood, the Corporate Governance Committee unanimously received the report for information.

ITEM 6H FIRE AND LIFE SAFETY UPDATE

CGC:2011-08

Motion carried The Corporate Governance Committee had before it the above-captioned report (CGC:2011-08) from the Interim Chief Executive Officer.

The Committee requested that the report on Fire and Life Safety Update be deferred to the Tenant and Community Services Committee and Building and Investment Committee, for their joint review. The Committee also requested that this item be added on the Committee's

Motion carried Work Plan at a later date.

Mr. Christian Buhagiar pointed out that while on the first page of the report the chart shows an increase in the number of fires over the years, it does not provide any insight with respect to the reasons why it happened. He recommended that the data used should be more comparable to similar data to add value to discussion.

Mr. Norman (Bud) Purves requested a presentation on all policies in this area, respecting fire alarms, sprinklers, first response policy, etc. and how management addresses this topic.

Ms. Catherine Wilkinson expressed concerns with respect to pages 6 and 8 of the report:

- page 6 mentions twice the training the Toronto Fire Service offered to tenants;
- page 8 under “Implications and Risks” mentions that “...will continue to experience fires.” - Ms. Catherine Wilkinson recommended that the current wording be reformulated.

In response, Mr. Len Koroneos explained the Committee that the wording intended to be very general and to suggest that in the Corporation’s communities fire hazards are more likely to happen than in other communities.

Christian Buhagiar requested that management spell out better the risks and implications. Ms. Jennifer Wood recommended that due to higher risks in the Corporation’s communities there should be an in-depth process in place to minimize risks.

In response to a question raised, Ms. Deborah Simon informed the Committee that staff worked on an up-to-date list of all accessible units (mentioned on page 8 of the report) through the 2011 Unit Inspections Program; now the list is accessible through Easy Trac.

Mr. Len Koroneos informed the Committee that the Corporation is strengthening re: fire by implementing now a centralized system versus the old decentralized system.

The Committee requested that fire strengthening be articulated in the report for joint submission to the Tenant and Community Services and Building and Investment Committees.

Motion carried **ON MOTION DULY MADE** by Mr. Norman (Bud) Purves, seconded by Ms. Jennifer Wood, the Corporate Governance Committee unanimously received the report for information and recommended that the report, subject to re-wording the sections mentioned above, be forwarded to the Tenant and Community Services and Building and Investment Committees for their joint consideration and review.

IN CAMERA PROCEEDINGS

Motion carried **ON MOTION DULY MADE** by Ms. Catherine Wilkinson, seconded by Ms. Jennifer Wood, the Corporate Governance Committee resolved to meet *in camera* to consider items 8A and 8B.

PUBLIC PROCEEDINGS

At 12:10 p.m. the Chair announced the resumption of the public proceedings and the public meeting reconvened at that time.

Motion carried **ON MOTION DULY MADE** by Ms. Catherine Wilkinson, seconded by Ms. Jennifer Wood, the Corporate Governance Committee ratified the actions authorized during the *in camera* meeting.

ADJOURNMENT

The meeting of the Corporate Governance Committee was adjourned at 12:10 p.m.

Secretary

Chair, Corporate Governance Committee