



MINUTES of the meeting of the Toronto Global Audit and Finance Committee
held at 225 King Street West, Suite 901, Toronto, Ontario
on Thursday, March 29, 2018 at 2:00 p.m.

Present: Satish Rai, Committee Chair
Mark Cohon, Board Chair (via teleconference)
Janet Ecker, Vice Chair (via teleconference at 3:30 p.m.)
Nitin Kawale
Sriram Iyer (via teleconference)

By Invitation: Toby Lennox - Chief Executive Officer, Toronto Global
Winston Young - Chief Financial Officer, Toronto Global, TPLC
Dan Silverman - Exec. VP, Investment Attraction, Toronto Global (arrived at 3:10 p.m.)
Ellen Mitchell - Governance Secretary, Toronto Global
Nicole Guy - Recording Secretary, MinuteTakers Inc. (via teleconference)

1. **CALL TO ORDER**

- (a) *Notice and Quorum* – Proper notice having been given and there being a quorum present, S. Rai called the meeting to order at 2:10 p.m. and presided as Chair.
- (b) *Conflict of Interest Declaration* – No conflict of interest was declared under the *Municipal Conflict of Interest Act* and the *Ontario Business Corporations Act*.

2. **APPROVAL OF PREVIOUS MINUTES**

The Chair asked for any errors or omissions in the Minutes of the Audit and Finance Committee meeting dated November 20, 2018 that were distributed prior to the meeting.

The Minutes were received as presented.

3. **MATTERS ARISING FROM THE MINUTES**

- (a) *Insurance Coverage* – W. Young clarified the Side A, B and C coverage for Directors and Officers liability. It was noted that coverage is up to \$2 million for individuals, and a combined aggregate of \$2 million.
- (b) *Work Plan* – W. Young reported that the Committee Work Plan will be revised and reviewed by the Chair, then distributed via email in April.

4. **2018 FISCAL Q3 REPORT**

W. Young presented the Q3 financial statements, with highlights noted as follows:

- (a) *Status Update* – Expenses are currently \$260,000 better than budget and are projected to run to approximately \$6.1 million by the end of March 2018. Major positive variances were noted in Salaries and Benefits and in travel costs, with a negative variance related to the cost to prepare the Amazon bid. A total \$300,000 favourable variance is projected for the end of the year. Confirmation is pending regarding the amount of the HST rebate that will be received, which is estimated to contribute another \$250,000 favourable variance. T. Lennox advised that the Amazon bid book has provided additional value, as it is helping build the regional profile and generating interest from other companies.
- (b) *Salaries and Benefits* – Upon inquiry, it was clarified that the normal run rate for Salaries and Benefits is approximately \$4.5 million. The budget for the current year was planned for \$4 million, and the actual cost has been lower, due to delays in hiring and a few departing employees. Going into the next budget, this amount is expected to be ramped up to the \$4.5 million target to allow for a full staff complement. T. Lennox provided a brief staffing update for information.

5. **SHARED SERVICES AGREEMENT UPDATE**

T. Lennox provided an update on the status of the agreement with the new Create TO organization for shared services, with highlights noted as follows:

- (a) *Shared Services* – It was noted that Create TO will be providing services at least until June 2018, but it is not expected that this arrangement will continue long term. Toronto Global will be investigating similar agencies that may be able to provide the necessary services in future. Upon inquiry, it was clarified that there is currently no concern that services from Create TO will be terminated in the short term.
- (b) *Office* – Concern was expressed regarding the lack of office space as the staff number grows. Alternative arrangements are currently being investigated.

6. **2018/2019 BUSINESS PLAN**

The draft Business Plan was presented for review, and T. Lennox provided an overview. Highlights of discussion were noted as follows:

- (a) *Overview* – The process of reviewing and drafting the Business Plan was outlined for information. This Plan focuses on ensuring a full complement of staff, and on solidifying the pipeline. It was noted that social media has shown to have a significant impact, as demonstrated during the Amazon campaign. This is reflected in an increase to the marketing and communications budget, as outlined in the business plan and in a separate, more detailed, Marketing and Communications plan for Toronto Global.

Additional research work, including a tech study in partnership with Waterloo, has also been included in the Business Plan.

- (b) *Metrics* – Upon inquiry, it was clarified that there are metrics in the Plan to measure the organization’s performance; this will be continually updated based on past learnings. The office will be starting pilot projects with the municipalities to collect information that will help improve performance in certain areas.
- (c) *Cash Flow* – It was noted that municipal partners do not provide funding at regular intervals, Federal funds are based on reimbursement, and Provincial funding is currently being renegotiated. As expenses can also be fairly unpredictable, maintaining carryover to cover expenditures is expected to continue. Upon inquiry, it was clarified that the Business Plan does clarify the purpose of the carryover; it was suggested that a Balance Sheet type outline be included in the Plan to clarify the apparent disparity between the budgeted funding versus expenditures.
- (d) *2017 KPIs* – A Member inquired regarding the achieved targets for the past year. It was noted that an annual report is being prepared and will be provided for review. It is estimated that approximately 25 closes are anticipated, and capital expenditures, as a result of investments, will be less than expected. T. Lennox suggested that it was vastly overestimated what the capacity of the organization would be in its first year when the original targets were estimated. It was also suggested that the number of jobs created best demonstrates the true value of the agency, and should be included as a main target going forward. The criteria for closing a win were outlined for information, and a list of companies closed during the last year were provided for information; a member suggested including a breakdown of what percentage of each metric each individual company represents.
- (e) *2018 KPIs* – The Plan proposes that the four main objectives should be the number of closed wins, the number of jobs that a company will hire within three years, capital investment, and the number of targets transferred into the sales funnel. Teams are being asked to focus on diversifying the pipeline. Discussion ensued and it was suggested that a metric be added to measure client service satisfaction. A Member inquired how the Board can validate that the opportunities that are transferred into the pipeline are real opportunities, to enable them to properly track KPI achievements.
- (f) *Pipeline* – The current pipeline report was presented for review, and D. Silverman provided an overview.

7. **NEW / OTHER BUSINESS**

No other business was brought before the meeting.

8. **DATE OF NEXT MEETING**



The next meeting of the Toronto Global Audit and Finance Committee will be held on Tuesday, June 12, 2018 at 2:00 p.m.

9. **ADJOURNMENT**

There being no further business, the meeting was concluded at 3:24 p.m. for an in-camera session.

A handwritten signature in blue ink, appearing to read "Sally".

Chair
