

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: May 24, 2013

SUBJECT: APPOINTMENT OF A NEW PENSION FUND SOCIETY BOARD
OF DIRECTOR

ACTION ITEM

RECOMMENDATION

It is recommended that the TTC Board:

- 1) Approve appointing Ms. Gemma Piemontese as a Director of the TTC Pension Fund Society.

FUNDING

There are no funding issues as the Directors receive no remuneration.

BACKGROUND

Mr. Andy Byford resigned as a Director effective April 16, 2013 leaving a vacancy on the TTC Pension Fund Society Board.

The Pension Fund Society was established on January 3, 1940 and as of December 31, 2012 has net assets of \$4.2 Billion. The Society has approximately 12,745 Active Members and 6,935 Pensioners as of February 28, 2013.

DISCUSSION

Bylaw 3.01(1) of the TTC Pension Fund Society states that the Society shall be administered by a Board of ten Directors, who must be Regular Members of the Society, five of whom shall be appointed by the TTC Board and five of whom are appointed by Local 113 of the ATU.

With the resignation of Mr. Byford, it is recommended that Ms. Piemontese be appointed a Director of the TTC Pension Fund Society. As a senior executive of the TTC, Ms. Piemontese will bring her human resource management and business expertise to the table, which will be beneficial in the management of a \$4.2 Billion pension plan.

At its meeting on May 7, 8, 9 and 10, 2013, City of Toronto Council adopted Government Management Committee Report 21.9 Toronto Transit Commission (TTC) Pension Fund Society (Society): Preliminary Analysis, OMERS Options and, amongst other items, requested the TTC Board and the Board of Directors of the TTC PFS to conduct a formal review of the TTC PFS plan

documents to ensure transparency in governance and several other items. Notwithstanding this request, there is an immediate need to fill the existing vacant director's position on the TTC PFS board of Directors.

JUSTIFICATION

In accordance to the Bylaws of the TTC Pension Fund Society this vacancy must be filled.

May 9, 2013
44.54.58

Attachment 1 - Bylaw 3.01 (1) of the TTC Pension Fund Society

BYLAW NUMBER 3

ADMINISTRATION

3.01 BOARD OF DIRECTORS

- (1) The Affairs of the Society shall be administered by a Board of ten Directors, who must be Regular Members of the Society, five of whom shall be appointed from time to time by the Commission, and five of whom shall be appointed from time to time by Local 113 of the Amalgamated Transit Union.
- (2) If a vacancy should occur in any of the foregoing Directorships, the organization that made the original appointment shall appoint a Director to fill the vacancy.
- (3) Should any Director appointed under these Bylaws be unable or unwilling for any reason to act as a Director at any Board or general meeting, the other Directors representing the organization which appointed this Director may by notice in writing to the Secretary appoint a voting substitute for the meeting.
- (4) Six Directors shall form a quorum for the transaction of business at a meeting
- (5) Meetings of the Board shall be held in the head offices of the Society, or at another location as agreed by the Directors or by telephone or other electronic means through which every person attending the meeting can communicate simultaneously with all other persons attending the meeting. Regular meetings shall be held as frequently as the Board shall from time to time determine. Special meetings may be called at the discretion of the President, and no formal notice of any meeting shall be necessary if all the Directors are present or if those absent have signified their consent to the holding of such meeting and their inability to attend. Notices of any regular or special meetings shall be delivered by hand, mail, facsimile or email transmission, telephoned, or communicated personally to each Director not less than two days before the meetings is to take place. Any Director may waive the giving of notice of any meeting.
- (6) A resolution signed by all of the Directors is valid and effective as if passed at a meeting of the Board.

- (7) The Directors may pass a resolution removing a Director from the Board where the Directors consenting to the resolution reasonably believe that the Director who is the subject of the resolution is acting in bad faith or in breach of fiduciary duty or where the Directors consenting to the resolution become aware that a Director has been charged with a criminal offence. Before such resolution is passed, the Director who is the subject of the resolution shall be provided with 30 days notice to respond to the concerns about his/her conduct. Such resolution must have the consent of at least seven Directors to be valid. The Directors shall give notice of the removal of the Director to the organization which originally appointed the Director and to the Director being removed forthwith.

3.02 POWERS OF THE BOARD

Without in any way restricting or limiting the general powers of the Board of Directors, as conferred upon them by the Corporations Act or any other statute or law or by the Letters Patent or Bylaws of the Society, the Board of Directors shall have power:

- (1) To cause to be made, executed and done for the Society, in the name of the Society, or on behalf of the Society, all deeds, contracts, agreements, documents, powers of attorney or other instruments, or any matter or thing which the Society may lawfully make, execute or do.
- (2) Subject to any specific Bylaw of the Society, to authorize any Officer or Member of the Society or any other person or agent in the name and on the behalf of the Society to do any or all the following matters or things:
 - (a) To execute and deliver deeds, mortgages, hypothec, charges, conveyances, transfers and assignments of property, real or personal, or both, agreements, contracts, releases, receipts and discharges for the payment of money or other obligations, and generally all other documents of any nature whatsoever.
 - (b) To draw, accept, make, endorse, sign, countersign, or otherwise execute and deliver bills of exchange, cheques, promissory notes or other negotiable instruments or other obligations for the payment of money.
 - (c) To make, execute and deliver transfers and acceptances of shares, stocks, bonds, debentures, debenture stock, obligations and generally all other documents of any nature whatsoever.
 - (d) To make, execute and deliver transfers and acceptances of shares, stocks, bonds, debentures, debenture stock, obligations, choses in