



University of Toronto

BUSINESS AFFAIRS

TO: Business Board

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DATE: May 14, 2010 for June 17, 2010

AGENDA ITEM: 6(a)

ITEM IDENTIFICATION:

Revisions to the University of Toronto Asset Management Corporation (UTAM) By-Law

JURISDICTIONAL INFORMATION:

The Board is responsible for “financial policy, including policy delegating financial authority”. Clause 64 of the UTAM By-Law requires that amendments to specific clauses require the approval of the Business Board

PREVIOUS ACTION TAKEN:

The UTAM Board and members approved the changes at their meetings on June 1, 2010 subject to approval of the Business Board. The changes will take effect June 25.

HIGHLIGHTS:

The revisions to the UTAM by law are intended to implement the recommendations of the President’s Investment Review Committee as described in the report delivered in December 2009. The effect of the changes will be to reduce the size of the board from 13 to 5. Four of the directors will be ex officio voting members; one will be a representative from the Faculty Association (UTFA) as required by the recent arbitration award. The Board will be responsible for the governance of the corporation and not for the oversight of its investment management. For University funds, oversight of investments will be the responsibility of the President, with the advice of an expert investment committee. For the pension fund, it is anticipated that oversight of investments will become the responsibility of the proposed Pension Committee.

The size of the board will require it to assume the responsibilities previously carried out by the separate Audit and compliance Committee and Compensation Committee.

Other changes are to bring consistency to numbering of clauses.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The Business Board will continue to have overall responsibility for the financial health of the University and will continue to receive reports on investment strategy and performance. Governance of UTAM as a corporation will be clearly defined with these By-Law changes. Oversight of investments will be the responsibility of the University President with the advice of his Investment Committee. When it is operational, the Pension committee will be responsible for oversight of the investment of the Pension Funds.

RECOMMENDATION:

It is recommended:

Subject to Governing Council approval of the proposed amendments to section 5.1 of the Business Board terms of reference

that the proposed amendments to sections 4, 6, 7 and 8 of the University of Toronto Asset Management Corporation By-Law as contained in Attachment 1 hereto, be approved, with effect from June 25, 2010