



## STAFF REPORT ACTION REQUIRED

### Nomination of Replacement Toronto Trustee for the Move Ontario Trust

<b>Date:</b>	September 25, 2008
<b>To:</b>	Executive Committee
<b>From:</b>	City Manager
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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To recommend the nomination of a replacement Toronto trustee to the Move Ontario Trust, originally established by the Province to fund its share of the Toronto-York Spadina Subway Extension Project (“the Project”).

#### **RECOMMENDATIONS**

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**The City Manager recommends that:**

1. Council nominate Mr. Cameron S. Weldon, Acting Deputy City Manager and Chief Financial Officer, for appointment as the City of Toronto’s Municipal Trustee on the Move Ontario Trust; and
2. Council direct that, going forward, the City of Toronto’s nominee for Municipal Trustee on the Move Ontario Trust shall be the person holding the position of Deputy City Manager and Chief Financial Officer.

#### **Financial Impact**

There is no financial impact associated with this report.

## **DECISION HISTORY**

As part of the Ontario Budget, on March 23, 2006 the Province announced the creation of the Move Ontario Trust (“the Trust”) to manage funds that it had committed toward the Toronto-York Spadina Subway Extension. The Trust has received deposits from the Province of \$870 million, and an additional \$75 million from the Federal Government (attributed under the Public Transit Capital Trust). The beneficiaries of the Trust are the City of Toronto and York Region.

The Trust is structured with three Trustees, one from each of the City of Toronto, the Regional Municipality of York, and the Province. At its meeting of September 25, 26, 27, 2006, City Council adopted recommendations of Policy and Finance Committee Report No 7, Clause 35, <http://www.toronto.ca/legdocs/2006/agendas/council/cc060925/pof7rpt/cl035.pdf>

nominating Mr. Joseph P. Pennachetti, the (then) Deputy City Manager and Chief Financial Officer, as the City’s Trustee.

The other two Trustees are Mr. Lloyd Russell, Commissioner of Finance and Treasurer, Regional Municipality of York, and Mr. Bruce McCuaig, Deputy Minister, Ministry of Transportation, Province of Ontario.

## **ISSUE BACKGROUND**

Under the terms of the Declaration of Trust, the Trustees are required to act honestly and in good faith with a view to the best interests of the municipal beneficiaries and must exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. The Trustees have broad authority in respect of administering the Trust's affairs.

Given the interregional nature of the Project, the Project governance structure includes an “Executive Task Force” (ETF) mandated to perform a Project oversight function in order to ensure Project delivery in accordance with Council directions, and to serve as Project liaison to Councils/ Committees of both the City and York Region. The ETF is comprised of senior municipal staff, including the City Manager, and the Chief Administrative Officer of York Region as co-chairs.

(approved by City Council at its meeting of May 23, 24, 25, 2007, Executive Committee Report No 8.5

<http://www.toronto.ca/legdocs/mmis/2007/ex/reports/2007-04-30-ex08-cr.pdf>)

Due to the nature and requirements of the Trustee’s obligations under the Declaration of Trust document, an individual may not have a simultaneous role as both a Trustee and a member of the ETF without a conflict of interest concern.

At its meeting of September 24, 2008, City Council adopted the recommendations of Executive Committee Report EX23.2, appointing Mr. Joseph P. Pennachetti as City Manager, and Mr. Cameron S. Weldon as Acting Deputy City Manager and Chief Financial Officer, effective October 6, 2008.

## **COMMENTS**

The City Manager has a role on the ETF, and may not simultaneously continue acting in the role of Trustee. Therefore, as City Manager, Mr. Joseph Pennachetti must submit his resignation as a Trustee for the Move Ontario Trust.

In order for the City to have continued representation on the Trust board, the City must nominate a replacement Trustee for appointment to the Trust. This report recommends that Council nominate Mr. Cameron S. Weldon, Acting Deputy City Manager and Chief Financial Officer, for appointment as the City's Municipal Trustee on the Move Ontario Trust. Additionally, in order to avoid the necessity for further reports on this issue, this report recommends that going forward, the City of Toronto's nominee for Municipal Trustee on the Trust shall be the person holding the position of Deputy City Manager and Chief Financial Officer.

## **CONTACT**

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## **SIGNATURE**

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Shirley Hoy  
City Manager