DEC 04 2015

Mayor John Tory
Office of the Mayor
City Hall, 2nd Floor
100 Queen Street West
Toronto ON M5H 2N2

Dear Mayor Tory,

I am pleased to inform you that the Province of Ontario has approved the reforms to Ontario Regulation 610/06 (Financial Activities) to provide the City of Toronto with a framework to invest according to the prudent investor standard.

This reform is a demonstration of the province’s strong commitment to supporting the City as it looks at ways to enhance its long-term financial sustainability. The reforms provide the City with the discretion to invest in any security that meets its fiduciary responsibility under the prudent investor standard. This standard is similar to that which governs trustees and pension administrators. These reforms are expected to enable the City of Toronto to earn better risk-adjusted returns on its investments.

The reforms require the City to establish an independent board, which will be responsible for managing its investments. The City has two years to put in place this board and meet other regulatory requirements to invest according to the prudent investor standard. This authority will come into force on January 1, 2018. Until then, the City has to invest according to the prescribed eligible list of securities.

I wish the City the best as it moves forward to implement the changes necessary to use this new investment authority.
Best regards,

Ted McMeekin
Minister

c: The Honourable Kathleen Wynne, Premier of Ontario
   The Honourable Charles Sousa, Minister of Finance