

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M5G 2E5
Tel. 416-585-7000
Fax 416-585-6470
www.ontario.ca/MAH

**Ministère des
Affaires municipales
et du Logement**

Bureau du ministre

777, rue Bay, 17^e étage
Toronto ON M5G 2E5
Tél. 416-585-7000
Télééc. 416-585-6470
www.ontario.ca/MAH



DEC 04 2015

68262

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

Dear Mayor Tory, *Edna:*

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,

A handwritten signature in black ink, appearing to read 'Ted McMeekin', written over the text 'Best regards,'.

Ted McMeekin
Minister

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