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APPOINTMENT OF YORK REGION'S TRUSTEE FOR THE MOVE ONTARIO TRUST

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report dated April 21, 2011, from the Chief Administrative Officer.

1. RECOMMENDATION

It is recommended that Bill Hughes, Commissioner of Finance and Treasurer, be appointed as the Regional Municipality of York's Municipal Trustee for the Move Ontario Trust effective June 13, 2011.

2. PURPOSE

This report recommends a replacement trustee representing York Region on the Move Ontario Trust, a trust fund established by the Province of Ontario to provide funding for the Toronto-York Spadina Subway Extension project.

3. BACKGROUND

Move Ontario Trust funds Toronto-York Spadina Subway Extension project

As part of the Ontario Budget on March 23, 2006, the Province announced the creation of the Move Ontario Trust to manage the provincial funds that it had contributed and committed toward the Toronto-York Spadina Subway Extension project. Financial contributions have been made by the Province to the Trust and the principal of the Trust plus interest income is used to provide funding for the project.

The Trust is overseen by three trustees with one trustee appointed by each of the Province, the City of Toronto and York Region. In May 2006 Lloyd Russell, Commissioner of Finance and Treasurer, was appointed by Council as York's trustee. With his impending retirement a replacement is now required.

4. ANALYSIS AND OPTIONS

Role of the Trustees

The Trustees assume a stewardship role for the investment and disbursement of Trust funds. They are accountable to the Province, each municipality and the contractors with respect to the funds held by the Trust. The Trustee must be thoroughly informed on the fine details of

the project yet sufficiently removed to render, and be seen to render, objective decisions with respect to investment activities and the disbursement of funds.

The Trustees must also distribute annually all taxable income and net realized capital gains earned by the trust, so that the Trust will not have any tax liability under Part I of the *Tax Act* in any taxation year. The distribution of taxable income to the beneficiaries will be in the same proportion as the allocation of the trust assets.

The Commissioner of Finance and Treasurer is a position that has the knowledge and qualifications necessary to assume the Municipal Trustee role for the Region of York. Accordingly it is recommended that the new incumbent in the position be named as the replacement trustee.

5. FINANCIAL IMPLICATIONS

There are no direct financial implications to the Region of the appointment. The Trust provides a significant share of project costs and therefore its effective management provides a financial benefit to the Region.

6. LOCAL MUNICIPAL IMPACT

There is no direct impact on local municipalities as a result of this report.

7. CONCLUSION

The Move Ontario Trust was established to manage the provincial funds that it had contributed and committed toward the Toronto-York Spadina Subway Extension project. The Trust is overseen by three trustees with one trustee appointed by each of the Province, the City of Toronto and York Region. This report recommends the appointment of Bill Hughes, Commissioner of Finance & Treasurer, as the York Region trustee effective June 13, 2011.

For more information on this report, please contact Lloyd Russell at Ext. 1600.