



# REPORT

To: ONE Joint Investment Board  
From: Colin MacDonald, Manager of Investments, ONE Investment  
Date: March 1, 2023  
Re: Municipal Onboarding Update  
Report: ONE JIB 2023-010

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## 1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

## 2. SUMMARY

**ONE Investment is generating significant interest in the Prudent Investment Program and is working toward meeting its strategic goal of growing the program**

ONE Investment is working on expanding the Prudent Investment Program, which is a core objective identified in the 2023-2028 Strategic Plan. To do so, ONE Investment will use its cohort-based recruitment model, which will help municipalities and ONE Investment work together to make the municipalities' transition to the prudent investor regime as smooth as possible.

Eight municipalities have expressed interest in participating in monthly information-sharing meetings. These municipalities are at different stages in the path to join the Prudent Investment Program. Two of the eight municipalities, the Town of Aurora, and the Town of Aylmer, are the closest to making final decisions.

## 3. BACKGROUND

**ONE Investment's Strategic Plan 2023-2028 includes a goal of growing participation in the Prudent Investment Program**

ONE JIB and the ONE Investment Board of Directors approved ONE Investment's 2023-2028 Strategic Plan in late 2022. One of the goals articulated in the Strategic Plan is to increase participation in the Prudent Investment Program, either through recruitment of new clients or through transitioning Legal List clients. The Strategic Plan includes a target to increase net contributions to ONE Investment.

## **ONE Investment uses a cohort-based recruitment model for the Prudent Investment Program, which was suspended during the municipal election year**

Since the inception of the founding of ONE JIB, ONE Investment has used a cohort-based learning and recruitment model to work through the steps with municipalities. Cohorts are made up of municipal staff who are working through the process of joining ONE JIB or generally exploring the prudent investor regime during the same time-period. They are encouraged to share information (e.g., council reports and questions) with each other and ONE Investment, while also developing some familiarity with their counterparts in other municipalities

The cohort-based model uses monthly recurring meetings for ONE Investment to share information and updates on resources designed to assist municipalities with the process of joining ONE JIB. Additionally, the monthly meetings provide an avenue for municipalities to share their progress, insights, challenges, and questions with each other and ONE Investment. This feedback allows ONE Investment to adapt or develop resources to assist with the municipal decision-making process. Participants in the meetings are at different stages in their progress towards joining the Prudent Investment Program. New municipalities can join at any time. This model allows ONE Investment to focus its recruitment efforts.

## **4. ANALYSIS**

### **ONE Investment is resuming the cohort-based recruitment meetings in Spring 2023 and has identified eight municipalities that are interested in participating**

ONE Investment staff have begun reaching out to municipalities that it has been in contact with over the past year to gauge interest in joining a monthly recurring meeting to discuss joining ONE JIB. These municipalities can be categorized as follows:

- **Working:** Staff have received direction from council to work with ONE Investment to pursue the prudent investor regime through ONE JIB
- **Committed:** Staff have not yet reported to council, but staff has expressed active interest in bringing a report to council on the prudent investor regime through ONE JIB
- **Interested:** Staff are evaluating their investment options and have genuine interest in the prudent investor regime but want to examine their options before making a recommendation to council

Of the eight municipalities invited to participate, two would be categorized as Working (Town of Aurora; Town of Aylmer); three would be categorized as Committed; and three are Interested. It is ONE Investment's policy to keep discussions with municipalities confidential until a report has been presented to council.

### **The Town of Aurora is expected to bring a report to council with a final recommendation on the prudent investor regime through ONE JIB in Winter or Spring of 2023**

The Town of Aurora has been exploring the option of the prudent investor regime since early 2020 and was considering becoming a founding member of ONE JIB until the pandemic shifted the municipality's priorities. The Town also embarked on developing a long-term fiscal strategy

and deferred any decisions on joining ONE JIB until completion. Once completed, its fiscal strategy identified joining the Prudent Investment Program through ONE JIB as an objective. The Town reached out to ONE Investment in January 2023 to gather the information its staff need to refine and finalize their report to council, and it is expected that the report will go to council in the late Winter or early Spring. ONE Investment is also working with staff to help them estimate their MNRI.

### **The Town of Aylmer has received direction from council to explore joining ONE JIB**

The Town of Aylmer brought a report to council in August 2022 that recommended that staff work with ONE Investment with a view to joining ONE JIB. The next step for the Town is to do their MNRI forecast, with assistance from ONE Investment staff. The Town will work with ONE Investment on developing a draft investment policy and determine the best strategy for bringing appropriate by-laws to council. Town staff have not yet determined when they will seek a decision from Council. Based on previous experience, ONE Investment staff estimate that it would take somewhere between four and 12 months, depending on Council's priorities.

## **5. CONCLUSION**

ONE Investment is making progress on adding new participating municipalities to the Prudent Investment Program, with eight municipalities currently at various stages in the process of joining ONE JIB.

Drafted by: Colin Macdonald, Manager - Investment Services

Approved by: Donna Herridge and Judy Dezell, Co-Presidents/CEO, ONE Investment