



# REPORT

To: ONE Joint Investment Board  
From: Judy Dezell, Co-President/CEO ONE Investment  
Date: November 18, 2020  
Re: ONE JIB Recruitment Process  
Report: 20-O30

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## 1. RECOMMENDATIONS

It is recommended that the Board:

- 1) Approve the ONE JIB Recruitment Process report
- 2) Approve the ONE JIB Skills Matrix attached as Appendix A
- 3) Approve the ONE JIB Director Job Description attached as Appendix B
- 4) Direct ONE staff to provide the board with the next review of the skills matrix in Fall 2021.

## 2. SUMMARY

- ONE JIB needs to establish a clear process that Founding Municipalities and broader public can understand, as it recruits to fill two vacancies on the Board.
- ONE JIB needs to review and approve the skills matrix and job description, two key recruitment tools in ensuring that the board has both a broad range of skills and in-depth expertise
- Good governance suggests the skills matrix should be reviewed at least annually.
- The process outlined is supported by the report on the Nominating Committee.

## 3. BACKGROUND

### **ONE JIB is a skills-based board**

ONE Investment worked with the Founding Municipalities to create the ONE JIB, as required by the *Municipal Act, 2001* and Part II of *Ontario Regulation 438/97*. ONE JIB is a skills-based board with up to nine members. In addition to the municipal treasurer perspective, the skills sought for the board include investment industry experience in a range of products and markets, as well as risk management, compliance and accounting perspectives. ONE JIB launched in spring 2020 with seven members and immediately created a Nominating Committee to recruit for the one municipal treasurer position that was open. With the recent resignation of a board member, there are currently two vacancies.

### **A clear and transparent recruitment process should be followed to fill the vacancies on ONE JIB**

ONE JIB's members were initially approved by the Founding Municipalities; however, once ONE JIB

was established, the Terms of Reference make it the responsibility of ONE JIB to establish a Nominating Committee to fill future vacancies. The process outlined within this report reflects section 4.3 of the Terms of Reference for the ONE JIB:

### ***Section 4.3 Appointment of Members and Nominating Committee***

*The Founding Municipalities have appointed the initial members of ONE JIB. Subsequent members of ONE JIB, including those appointed to fill vacancies as referred to in Section 4.6, are to be appointed as follows by the then incumbent members of ONE JIB and with the approval of ONE Investment.*

*ONE JIB and ONE Investment may form a nominating committee (the “Nominating Committee”), made up of no fewer than three and no more than nine members to identify individuals to fill vacancies on ONE JIB. The Chair of the Nominating Committee shall be a member of ONE JIB. The other members of the Nominating Committee need not be members of ONE JIB and may be senior officers of ONE Investment and/or representatives of the Participating Municipalities. The Nominating Committee, in recommending a new member or reappointing a member, shall consider:*

- a. the competencies and skills ONE JIB, as a whole, should possess;*
- b. the competencies and skills of each other member of ONE JIB; and*
- c. the competencies and skills the prospective member would bring to ONE JIB.*

*The then incumbent members of ONE JIB and ONE Investment shall give consideration to individuals nominated by the Nominating Committee and a new member shall be appointed with the affirmative vote of a simple majority of members, and the approval of ONE Investment.*

As a municipal board, it is important that ONE JIB clearly establish a recruitment process with timelines that the Founding Municipalities and broader public can follow. Table 1 identifies an estimated timeline for the recruitment process.

*Table 1 – Recruitment Process Timeline*

| <b>Activity</b>                           | <b>November</b> | <b>December</b> | <b>January</b> | <b>February</b> | <b>March</b> |
|---|-----------------|-----------------|----------------|-----------------|--------------|
| Establish Recruitment Process             |                 |                 |                |                 |              |
| Review Skills Matrix and Job Description  |                 |                 |                |                 |              |
| Establish Nominating Committee            |                 |                 |                |                 |              |
| Public Post Opportunity                   |                 |                 |                |                 |              |
| Close Public Posting                      |                 |                 |                |                 |              |
| Interview Potential Candidates            |                 |                 |                |                 |              |
| Report of Nominating Committee to ONE JIB |                 |                 |                |                 |              |
| Orientation of New ONE JIB Members        |                 |                 |                |                 |              |
| First Meeting for new ONE JIB Members     |                 |                 |                |                 |              |

## 4. ANALYSIS

### **Good governance practices suggest reviewing the skills matrix**

An effective visual tool in recruiting for a broad range of skills is the skills matrix. ONE Investment created a skills matrix, attached as Appendix A, to recruit for ONE JIB. Now that ONE JIB is a functioning board with six meetings completed it marks a good time to review the skills matrix to identify potential skill gaps, as well as consider where ONE JIB would like to head in the future in terms of product offerings. The inventory of skills identified in the skills matrix was last reviewed, by ONE, in January 2020 prior to the launch of the ONE JIB.

The skills matrix is comprehensive from the perspective of the ONE JIB's mandate. Currently, ONE Investment is not recommending any changes to the skills inventory.

### **Even stronger investment expertise would benefit the board**

ONE JIB may want to consider adding to the investment expertise already offered by existing board members. Taking into consideration the Outcomes Framework and potential future product offerings, the ONE JIB could benefit from individuals with experience in portfolio management in equities, fixed income and alternatives. Experience with investment products and operations would also be useful.

### **A job description is beneficial to potential candidates**

To help potential candidates assess fit with the ONE JIB, a job description to supplement the skills matrix would be beneficial. ONE Investment, in conjunction with the Founding Municipalities, has developed a job description, attached as Appendix B, that should be reviewed before the recruitment process starts. It was last reviewed by ONE Investment in February 2020.

### **A Nominating Committee should be established to recruit for ONE JIB**

Based on the revised skills matrix and as contemplated in the ONE JIB Terms of Reference, the ONE JIB should appoint a Nominating Committee to advertise and interview potential candidates with a goal of having a new ONE JIB member in place in early 2021. A separate Nominating Committee report provides recommendations for the committee's membership, considering the goal of adding more investment expertise to the board.

## 5. CONCLUSION

ONE JIB has an opportunity to expand its skill set while undertaking a clear recruitment process that is transparent to Founding Municipalities and the broader public.

Drafted by Judy Dezell, Co-President/CEO

Approved for submission by: Judy Dezell and Donna Herridge - Co-Presidents/CEO

## Appendix A

Collectively the members of the Joint Investment Board represent a range of skills, knowledge, and experience to execute their duties in an effective manner.

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|   |   |   |   |   |   |   |   |  |  |
|---|---|---|---|---|---|---|---|--|--|
| <b>Strategy</b> <ul style="list-style-type: none"> <li>Demonstrates strategic and innovative thought leadership</li> <li>Ability to analyze issues and make decisions that support the prudent investment mandate</li> </ul>  | X | X |   | X | X | X |   |  |  |
| <b>Education and Professional Designations</b> <ul style="list-style-type: none"> <li>Post graduate degree in the fields of finance; business; economics; risk management; accounting; public administration; law; policy; or related fields; or</li> <li>Certification such as the CFA Charter holder, Canadian Investment Manager Certification, CPA, MBA etc.</li> </ul>       | X | X | X | X | X | X | X |  |  |
| <b>Financial Literacy and Risk Management</b>   |   |   |   |   |   |   |   |  |  |
| <b>Risk Management</b> <ul style="list-style-type: none"> <li>Understands risk and financial administration within the framework of the prudent investor standard</li> <li>Ability to identify potential risks through knowledge of risk management programs</li> <li>Experience/knowledge of the risks inherent in the operations of an investment management program</li> </ul> |   |   | X | X | X | X | X |  |  |
| <b>Financial Literacy</b> <ul style="list-style-type: none"> <li>Ability to read, understand and analyze financial statements and reports</li> <li>Experience with financial accounting standards, internal controls, reporting and valuations</li> <li>Understanding of investment accounting and performance measurement standards</li> </ul>                                   | X | X | X | X | X | X | X |  |  |
| <b>Board Knowledge, Skills and Experience</b>   |   |   |   |   |   |   |   |  |  |
| <b>Board Governance/Knowledge</b><br>Understands:   | X | X | X | X | X | X | X |  |  |

|  |   |   |   |   |   |   |   |  |  |
|--|---|---|---|---|---|---|---|--|--|
| <ul style="list-style-type: none"> <li>• structure and rules of a Board of Directors and the relationship with Management/ONE Investment Staff</li> <li>• guidelines involved in disclosing information, maintaining privacy and confidentiality</li> <li>• importance of the governance role and the difference between managing and monitoring/oversight</li> <li>• Willing to engage in discussions with differences of opinion, but able to “speak with one voice” on Board decisions</li> </ul> |   |   |   |   |   |   |   |  |  |
| <b>Oversight Experience</b> <ul style="list-style-type: none"> <li>• Knowledge, experience or demonstrated understanding of the responsibilities involved in overseeing investments and being part of a Board</li> <li>• Experience providing advice in a fiduciary capacity</li> </ul>  |   |   | X | X | X | X |   |  |  |
| <b>Government/Policy Experience</b>  |   |   |   |   |   |   |   |  |  |
| <b>Governmental Policy Experience</b> <ul style="list-style-type: none"> <li>• Knowledge, experience and demonstrated understanding of the workings of government and public policy</li> <li>• Experience in developing public policy with respect to economics and finance</li> <li>• Strong understanding of relevant regulatory regimes</li> </ul>  |   |   |   |   |   | X | X |  |  |
| <b>Municipal Finance Experience</b> <ul style="list-style-type: none"> <li>• Understanding of key concepts, issues, and practices in municipal finance</li> <li>• Oversight of municipal investments</li> </ul>  | X | X |   |   |   | X |   |  |  |
| <b>Public Funds and Institutions</b> <ul style="list-style-type: none"> <li>• Understands the principles of public accountability and integrity</li> <li>• Comfortable with public transparency</li> <li>• Has experience working with/for public institutions/entities</li> </ul>   | X |   |   | X |   | X | X |  |  |
| <b>Investment Knowledge, Skills and Experience</b>   |   |   |   |   |   |   |   |  |  |
| <b>Investments/Portfolio Management - Equities</b> <ul style="list-style-type: none"> <li>• Hands-on experience managing investment portfolios in equities</li> </ul>  |   |   |   |   | X |   |   |  |  |

|   |  |  |   |   |   |   |  |  |  |
|---|--|--|---|---|---|---|--|--|--|
| <ul style="list-style-type: none"> <li>Knowledge and understanding of the workings of equity investment markets</li> </ul>  |  |  |   |   |   |   |  |  |  |
| <b>Investments/Portfolio Management – Fixed Income</b> <ul style="list-style-type: none"> <li>Hands-on experience managing fixed income investment portfolios</li> <li>Knowledge and understanding of the workings of fixed income markets</li> </ul>   |  |  | X |   |   |   |  |  |  |
| <b>Investments/Portfolio Management – Alternatives</b> <ul style="list-style-type: none"> <li>Hands-on experience managing investment portfolios in alternative investments</li> <li>Knowledge and understanding of the workings of public and/or private markets for alternative investments such as infrastructure, private debt, private equity, and real estate</li> </ul>                            |  |  |   |   |   |   |  |  |  |
| <b>Investment Products</b> <ul style="list-style-type: none"> <li>Understands the differences between various investment products and structures such as pooled funds, mutual funds, exchange traded funds, commingled accounts, including costs, suitability for institutional/municipal investors, tax implications</li> <li>Expertise in launching/implementing various investment products</li> </ul> |  |  |   | X |   |   |  |  |  |
| <b>Investments/Managing Investment Risk</b> <ul style="list-style-type: none"> <li>Experience in managing risk inherent in investment strategies though techniques such as asset allocation, diversification, hedging etc.</li> <li>Understands the key concepts related to building efficient portfolios</li> <li>Understands asset/liability techniques</li> </ul>                                      |  |  | X | X | X | X |  |  |  |
| <b>Investments/Operations</b> <ul style="list-style-type: none"> <li>Understands the various operational and accounting issues related to investment operations, investment funds</li> </ul>  |  |  |   | X |   |   |  |  |  |







## APPENDIX B

### ONE Joint Investment Board Member Job Description

The ONE Joint Investment Board (ONE JIB) was established by the Founding Municipalities as a Joint Investment Board under section 202 of the *Municipal Act, 2001* and in accordance with Part II of Ontario Regulation 438/97 to invest money not required immediately on behalf of each Founding Municipality investing in the prudent investor regime. Further, the Founding Municipalities welcome Participating Municipalities to participate in ONE JIB.

#### Board Responsibilities

Each ONE JIB Member shall perform the functions mandated by, and otherwise comply with, the *Municipal Act, 2001*, Part II of Ontario Regulation 438/97, other applicable legislation including securities legislation and the ONE JIB's Terms of Reference, Code of Conduct and Procedural By-law.

#### Term

ONE JIB Members are appointed for a term of up to three years.

#### Requirements

- Commitment to the work of ONE Investment.
- Knowledge and skills in one or more areas of ONE Joint Investment Board Member Skills Mat.

#### Responsibilities

The ONE JIB Member must:

- Attend regular board meetings and important related meetings.
- Commit to participate actively in the ONE JIB work as required.
- Stay informed about investment matters, prepare themselves well for meetings, and review and comment on minutes, reports and decisions.
- Get to know other ONE JIB members and build a collegial working relationship that contributes to consensus.
- Be an active participant in annual evaluation and planning efforts.
- Approve, where appropriate, policy and other recommendations received from ONE Investment's Management Committee.
- Monitor all ONE JIB policies.
- Assist in developing and maintaining positive relations among the ONE JIB members, ONE Investment staff and municipal investors to enhance ONE Investment's mission.



### Time Required

The ONE JIB will meet between four and six times per year in Toronto. Meetings are generally a half day. Advance preparation time for each meeting will also be required.

### Qualifications

ONE JIB Members must be individuals who meet the following criteria:

- be an individual of eighteen (18) or more years of age;
- be a resident of the Province of Ontario;
- cannot be an employee of a municipality, employee of municipal agencies or corporations, or a Member of Council except for the Treasurer required under the *Municipal Act, 2001*;
- not be declared incapable by a court in Canada or any other country; and,
- not having been declared bankrupt or had disciplinary action by a security regulator or self-regulating investment organization in the past twenty years.

### Remuneration

ONE JIB Members will receive an annual \$5,000 retainer and \$750 per board meeting. In addition, all ONE JIB Members will also be compensated \$500 for attending business meetings of the ONE JIB. Municipal Treasurer Representatives will not be eligible for remuneration.

Created: July 6, 2018

Updated: February 19, 2020