



REPORT

To: ONE Joint Investment Board
From: Bill Hughes, Chair
Date: November 18, 2020
Re: Board Governance Self Evaluation
Report: 20-032

1. RECOMMENDATIONS

It is recommended that the Board:

- 1) Receive the report Board Governance Self Evaluation for information.

2. SUMMARY

- The ONE JIB Terms of Reference contemplate an annual evaluation of the board.
- The inaugural self-evaluation will be done online and focus on the ONE JIB's start-up phase in 2020.

3. BACKGROUND

ONE JIB's Terms of Reference require an annual self-assessment

Board evaluation is a critical part of good governance and is intended to help boards improve their effectiveness. Evaluation results can inform boards' continuous improvement efforts, identify substantive and process strengths and weaknesses, help orient new board members, and validate the boards' future priorities.

Section 4.13 of ONE JIB's Terms of Reference provide direction with respect to self-assessment that has informed the design of this year's first self-assessment:

At least annually, ONE JIB must review and assess:

- a) the adequacy and effectiveness of itself and any committees or subcommittee to which ONE JIB has delegated any of its functions;
- b) the independence of its members and the compensation of its members;
- c) its effectiveness as a board, as well as the effectiveness and contribution of each of its members, including a consideration of:
 - (i) these Terms of Reference;
 - (ii) the competencies and knowledge each member is expected to bring to ONE JIB;
 - (iii) the level of complexity of the issues reasonably expected to be raised by members in connection with the matters under review by ONE JIB;
 - (iv) the attendance record of each member of ONE JIB and his or her participation in meetings;

- (v) continuing education activities and industry knowledge of each member of ONE JIB; and
 - (vi) the ability of each member to contribute the necessary time required to serve effectively on ONE JIB;
- d) its structural effectiveness, including a consideration of:
- (i) the frequency of meetings;
 - (ii) the substance of meeting agendas;
 - (iii) the policies and procedures that ONE Investment has established to refer matters to ONE JIB;
 - (iv) the usefulness of the materials provided to members of ONE JIB;
 - (v) the collective experience and background of the members of ONE JIB; and
 - (vi) the amount and form of compensation the members receive from ONE Investment.
- e) The written minutes of ONE JIB meetings at which these assessments take place shall form the basis of the records of such assessments. ONE JIB may also establish a process for and determine the frequency of additional assessments as it sees fit. ONE JIB shall consider how to respond appropriately to address any weaknesses found in a self-assessment.

4. ANALYSIS

The self-assessment will enable the board to build on what has been accomplished so far

The ONE JIB is a groundbreaking collective effort by the six Founding Municipalities. Its meetings during 2020 established the key foundations that will set the future course for the ONE JIB. Undertaking a self-assessment is a critical part of the continuous improvement process. The self-evaluation questions have been designed to focus on the key foundational work done by the ONE JIB during 2020 to identify where improvements could be made, celebrate successes, and plan future work of ONE JIB.

The self-assessment will be done online

The survey questions are included in Appendix A to allow ONE JIB members the opportunity to reflect on the questions in advance of completing the survey online. ONE Investment staff will use Survey Monkey to set up the self-evaluation survey for ONE JIB members to complete by the end of November. It will be available for three weeks. ONE Investment staff will aggregate the results of Sections A, B, C and D of the survey and report back to ONE JIB at the February 2021 meeting, with recommendations for next steps.

5. CONCLUSION

The proposed self-assessment will fulfill the requirements set out in the Terms of Reference and help the board chart a course for the future.

Appendix A ONE JIB Self-Assessment Questionnaire Fall 2020

This survey and a follow-up discussion at a ONE JIB meeting will fulfill the requirement in the ONE JIB's Terms of Reference to carry out an annual self-assessment. This year's survey emphasizes the start-up phase of ONE JIB's activities.

The rating scale for each statement is: (1) Strongly Disagree; (2) Disagree; (3) Neither agree nor disagree; (4) Agree; (5) Strongly Agree.

All ONE JIB members should answer all the questions in sections A to D.

Once completed, Sections A, B, C and D will be aggregated for discussion by the ONE JIB at a suitable time. Section E is designed for individual self-reflection; it will not be aggregated and shared with the group. The questionnaire also includes Section F, which provides optional feedback to the Chair of ONE JIB.

A. How well has the ONE JIB done its job?

1. The start-up of the ONE JIB was successful
2. The ONE JIB has approved a sound governance structure (formation agreement, ONE JIB Agreement, Terms of Reference, service agreement with ONE Investment, procedure bylaw, code of conduct)
3. The ONE JIB has selected high quality fund managers
4. The outcomes framework is an effective means of translating municipal investment objectives into asset allocations
5. The core documents (Municipal Client Questionnaire, Investment Policy Statement template, Investment Plan template) were adequately designed for the ONE JIB start-up, bearing in mind that they are about to be revised
6. The ONE JIB scrutinized the core documents with an appropriate level of diligence
7. The ONE JIB has a sound performance reporting framework in place
8. The ONE JIB is paying sufficient attention to compliance matters
9. Looking at my answers for this section, how might the ONE JIB do a better job?

My overall rating: Excellent (32+) Satisfactory (20-31) Poor (8-19)

B. How well has the ONE JIB functioned?

1. As ONE JIB members we are aware of what is expected of us
2. The agendas of ONE JIB meetings are well planned so that we can get through all necessary ONE JIB business
3. It seems like most ONE JIB members come to meetings prepared.
4. We receive written reports to the ONE JIB in advance of our meetings and with enough time

to review

5. ONE JIB members participate in discussions
6. We listen to different points of view from ONE JIB members
7. We all support the decisions we make
8. There is an appropriate balance of decision items and information items on the agendas
9. The reports to the ONE JIB are well written
10. The reports to the ONE JIB contain the information we need
11. Staff do a good job of presenting the information in their reports and answering ONE JIB members' questions
12. The training received so far has been useful (Conflict of Interest, Code of Conduct, etc.)
13. The virtual meetings are working well
14. The frequency of ONE JIB meetings is adequate for the ONE JIB to deliver on its mandate
15. Looking at my answers for this section, how might the ONE JIB do a better job?

My overall rating: Excellent (56+) Satisfactory (35-55) Poor (14-34)

C. Does the ONE JIB have effective relationships?

1. On most matters there is a clear understanding of the respective roles of the ONE JIB and staff
2. The ONE JIB is clear about its relationship with the participating municipalities
3. The ONE JIB is clear about its relationship with ONE Investment
4. The ONE JIB provides appropriate feedback to staff and is appreciative of staff efforts
5. There is good two-way communication between the ONE JIB and the ONE Investment Co-Presidents
6. The ONE JIB trusts the judgment of the ONE Investment Co-Presidents
7. There is mutual respect between staff and ONE JIB members
8. ONE JIB members have confidence in the advice provided by staff
9. ONE JIB members and staff act appropriately at ONE JIB meetings
10. The ONE JIB is sufficiently familiar with the fund managers
11. The ONE JIB is sufficiently familiar with the needs of its municipal investors
12. ONE JIB members have good relationships with each other
13. Looking at my answers for this section, how might the ONE JIB do a better job?

My overall rating: Excellent (48+) Satisfactory (30-47) Poor (12-29)

D. What should the ONE JIB's priorities be over the next 1-2 years?

1. Reviewing and revising the core documents (Municipal Client Questionnaire, Investment Policy Statement template, Investment Plan template)
2. Reviewing the outcomes framework
3. Building relationships with municipal investors
4. Gaining a better understanding of municipal finance as it relates to investment
5. Evaluating the current fund offerings (e.g., considering potential revisions to the fixed income offerings)
6. Evaluating the potential for expanded prudent investor offerings (e.g., real estate, infrastructure, private equity)

7. Developing a strategy for expanding municipal participation in the prudent investor program
8. Developing advice (guidance) for municipalities with respect to the choice of legal list or prudent investor regimes
9. Carefully monitoring fund manager performance
10. In-depth analysis of relevant investment issues (e.g., ESG, asset correlations, etc.)
11. In-depth analysis of municipal finance issues (reserve strategies, capital plans, infrastructure funding sources, etc.)
12. ONE JIB training (e.g., Institute of Corporate Directors' Non-Profit Governance Essentials course or similar training)
13. Developing a vision/mission/strategic plan for the ONE JIB with respect to municipal prudent investing
14. Others?

E. Reflecting on my performance as a ONE JIB member

This section is designed for self-reflection. It will not be shared with the ONE JIB, but it should inform your thoughts during the governance evaluation discussion.

1. I am aware of what is expected of me as a ONE JIB member
2. I have a good record of meeting attendance
3. I read the minutes, reports and other materials in advance of our ONE JIB meetings
4. I am familiar with the ONE JIB's governance policies and documents
5. I am a good listener at ONE JIB meetings
6. I follow through on things I have said I would do
7. I maintain the confidentiality of all ONE JIB decisions
8. When I have a different opinion than the majority, I raise it
9. I support ONE JIB decisions once they are made even if I do not agree with them
10. I promote municipal prudent investing and ONE JIB whenever I have a chance to do so and it is appropriate
11. I stay informed about issues relevant to municipal prudent investing and bring information to the attention of the ONE JIB
12. I am committed to the ONE JIB and the concept of prudent investing in the municipal sector
13. What additional information or skills do I need to be a better ONE JIB member?

My overall rating: Excellent (48+) Satisfactory (30-47) Poor (12-29)

F. Feedback to the Chair of the ONE JIB

This section is optional.

1. The Chair is well prepared for ONE JIB meetings
2. The Chair helps the ONE JIB stick to the agenda
3. The Chair tries hard to ensure that every ONE JIB member has an opportunity to be heard
4. The Chair is good at managing the different perspectives of ONE JIB members

5. The Chair is familiar with ONE JIB governance and procedure
6. The Chair helps the ONE JIB work well together
7. The Chair demonstrates good listening skills
8. The ONE JIB supports the Chair

My overall rating: Excellent (32+) Satisfactory (20-31) Poor (8-19)