



REPORT

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: November 29, 2023
Re: Board Governance Self-Evaluation Report – Fall 2023
Report: ONE JIB 2023-O6O

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the Board Governance Self-Evaluation Report.
2. Direct ONE Investment staff to bring forward the 2024 Board Governance Self-Evaluation Survey in the fourth quarter.

2. SUMMARY

The Board Governance Self-Evaluation was completed by board members in October 2023. The response rate was 66%.

2023 in-person conferences and events provided ONE JIB members with many opportunities to meet and learn from municipal investors.

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 board's future priorities. As contemplated in section 4.13 of ONE JIB's Terms of Reference, the ONE JIB directed ONE Investment staff to develop an online self-assessment. The first self-assessment survey was completed in Fall 2020, and a self-assessment survey has been completed every Fall since 2020.

The self-assessment is part of the continuous improvement process

The ONE JIB is a groundbreaking collective effort by the six Founding Municipalities. 2023 saw growth in the number of Participating Municipalities, development of a Large Municipality Offering and changes to the Government Bond Fund mandate through the work of the New Products Committee. Undertaking a self-assessment is a critical part of the continuous improvement process. The self-evaluation questions were designed to identify where

improvements could be made, celebrate successes, and plan the future work of ONE JIB.

4. ANALYSIS

How well has ONE JIB done its job?

The survey received a 66% response rate from ONE JIB members who indicated that ONE JIB is making good decisions within a strong governance framework. The use of a consent agenda was designed to help ONE JIB focus on key areas of business and deal with matters that support the key business through consent. The use of this agenda technique will be even more valuable as the number of Participating Municipalities increases. Table 1, identified areas of focus, were those identified by ONE JIB members in the 2023 survey.

Table 1 - Areas of Focus for 2024

| Key ONE JIB Areas of Focus | ONE Investment Response |
|--|---|
| The Outcomes Framework is an effective means of translating municipal reserves and investment objectives into asset allocations. | Consistently identified by ONE JIB as an area of focus. ONE JIB has identified the need to continuously refine the framework. The ongoing work of the New Products Committee on the OCIO Offering will influence future revisions to the Outcomes Framework. |
| The core documents (Municipal Client Questionnaire, Investment Policy Statement template, Investment Plan template) are adequately designed to meet ONE JIB's needs. | Consistently identified by ONE JIB as an area of focus. ONE Investment is reviewing these documents after the recent onboarding of new Participating Municipalities. The results of the MCQ and Investment Plan review will come forward to ONE JIB in Fall 2023. |

How well has ONE JIB functioned?

Members indicate the ongoing investment in municipal finance training is helpful and would like to see it continue. The introduction of the quarterly municipal insights report is designed to provide regular opportunities to consider municipal finance issues. Table 2 identifies the areas most frequently mentioned in the survey as areas of focus in 2024.

Table 2 - Functional Areas of Focus

| Key ONE JIB Areas of Focus | ONE Investment Response |
|--|---|
| The reports to ONE JIB are well written. | Consistently identified by ONE JIB as an area of focus. ONE Investment has made progress on improving the reports to ONE JIB. The focus for 2023 will be synthesizing technical information into easily understood concepts with clear options for consideration by ONE |

| Key ONE JIB Areas of Focus | ONE Investment Response |
|--|---|
| | JIB. |
| ONE JIB receives written reports in advance of our meetings and with enough time to review them. | ONE Investment staff remain committed to providing ONE JIB agenda packages seven days in advance of meetings. |

Does ONE JIB have effective relationships?

ONE JIB members agree members are respectful and listen closely.

Table 3 - Effective Relationships Areas of Focus

| Key ONE JIB Areas of Focus | ONE Investment Response |
|---|--|
| The ONE JIB is sufficiently familiar with the needs of its municipal investors. | A new quarterly report to ONE JIB called Municipal Insights will keep ONE JIB up to date on recent and continuing developments within the municipal sector, including feedback from municipal investors. |
| ONE JIB members have good relationships with each other. | The pandemic forced virtual meetings for over two years. ONE JIB is now meeting in person for all regularly scheduled meetings. The virtual option will be available in the case of special meetings or as directed by the Chair under the Procedure By-law. |

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

This part of the survey offered Board members 14 different topics for consideration as priorities. Table 4 reflects the top two highest-ranked priorities.

Table 4 - ONE JIB Priorities Next 1-2 Years

| Key ONE JIB Areas of Focus | ONE Investment Response |
|--|---|
| Growing assets under management through the OCIO model | ONE Investment staff will continue to work with ONE JIB through its New Products Committee to launch the OCIO Offering with a target of the first dollar invested by July 1, 2024. |
| Develop a data strategy informed by systematic data collection and filling data gaps | Staffing challenges have delayed this work in the middle of 2023. As of late 2023, ONE Investment is fully staffed, and work has resumed on a single database – the first step in the data strategy. This work will continue into 2024. |

Timing of the annual self-evaluation

The response rate for the annual survey was lower than in previous years. The survey was moved to October this year in hopes of improving response rate. Staff will release the 2024 survey immediately after ONE JIB's meeting in September 2024.

5. CONCLUSION

ONE JIB's Governance Self-Evaluation achieved a 66% response rate. The survey results were helpful by informing the 2024 Futures List, but a higher response rate would provide for more meaningful input from ONE JIB. Two key priorities for 2024 will be growing assets under management through the OCIO model and developing a data strategy. Both are directly supportive of ONE JIB's Strategic Plan.

Drafted by: Judy Dezell, Co-President/CEO

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