



REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: November 27, 2024
Re: Municipality of Clarington, Township of Central Frontenac and Municipality of Red Lake – Request to Join ONE JIB
Report: ONE JIB 2024-061

1. RECOMMENDATIONS

It is recommended that the Board:

1. Accept the Municipality of Clarington, the Township of Central Frontenac and the Municipality of Red Lake as Participating Municipalities with ONE JIB.
2. Authorize the Chair and Board Secretary to execute ONE JIB Agreements on behalf of ONE JIB with the Municipality of Clarington, the Township of Central Frontenac and the Municipality of Red Lake as Participating Municipalities with ONE JIB

2. SUMMARY

The Municipality of Clarington (Clarington), the Township of Central Frontenac (Central Frontenac) and the Municipality of Red Lake (Red Lake) each have authorized the execution of the ONE JIB Agreement once ONE JIB accepts each as a Participating Municipality. All Municipalities have completed the necessary steps to enter into the ONE JIB Agreement. The ONE JIB Agreement is the primary operating document for municipalities that have decided to invest their money that they do not require immediately under the prudent investor regime through ONE JIB. ONE Investment is also a party to the Agreement. ONE Investment provides support and administrative services to the other parties.

3. BACKGROUND

ONE JIB is the only joint investment board currently constituted under the *Municipal Act*

Historically, Provincial legislation has restricted municipal investments of money not required immediately (MNRI) to a limited number of securities prescribed by regulation, often referred to as the Legal List. With amendments to municipal legislation and the formation of ONE JIB, municipalities that join ONE JIB can invest in any type of security under the prudent investor regime. Before investing with ONE JIB, a municipality must formally opt into the prudent investor regime by passing an enabling by-law and must execute the ONE JIB Agreement.

Municipal legislation permits ONE JIB to accept any municipality in Ontario into the Prudent Investment Program

Under the *Municipal Act* (the Act) and *Ontario Regulation 438/97* (the Regulation), a municipality must delegate its investment powers and duties in respect of its MNRI to an Investment Board or a Joint Investment Board before its MNRI can be invested under the prudent investor regime.

The ONE JIB Agreement is the formal document that establishes the terms and conditions under which ONE JIB agrees to invest on behalf of a municipality

The ONE JIB Agreement is the primary operating document for municipalities that have decided to invest their MNRI under the prudent investor regime through ONE JIB. It governs the relationship between ONE JIB and a Participating Municipality and is a foundational legal agreement that can only be amended in accordance with the procedures set out in the Agreement. The agreement was last approved by the Joint Investment Board on February 28, 2024 via ONE JIB report [2024-15](#).

4. ANALYSIS

Three Municipalities have completed all the necessary steps to join ONE JIB as a Participating Municipality

Clarington, Central Frontenac and Red Lake have passed their by-laws, authorizing investing their individual MNRI into the Prudent Investment Program of ONE JIB pursuant to section 418.1 of the *Act*:

- The Municipality of Clarington passed By-Law 2024-016 on April 22, 2024
- The Township of Central Frontenac passed By-Law 2024-026 on August 13, 2024
- The Municipality of Red Lake passed By-Law 52-2024 on October 21, 2024

If ONE JIB confirms its acceptance of these Municipalities as Participating Municipalities under the ONE JIB Agreement, the “Prudent Effective Date”, or the date after which section 418.1 will apply to Clarington, Central Frontenac and Red Lake, will be the agreed upon effective date for their ONE JIB Agreements. The approved Investment Plan(s) can be implemented on or after that date.

Clarington has adopted an Investment Policy Statement with objectives, risk tolerances and investment horizons and there are no restrictions or clauses that would limit ONE JIB’s ability to manage its MNRI prudently and effectively

Clarington has adopted an Investment Policy Statement (IPS) which can be found as an attachment to ONE JIB Report 2024-66. Clarington is using a three-year time frame to define MNRI. The IPS demonstrates that Clarington has considered all matters required by legislation in setting its investment objectives and has done so in concert with ONE Investment and the external sub-investment manager, Phillips, Hager & North Institutional (PH&N).

In the opinion of the Chief Investment Officer, the IPS of Clarington would not conflict with

the mandates of the Prudent Investment Program and would not limit ONE JIB's ability to manage Clarington's MNRI prudently and effectively.

Clarington has submitted a Municipal Client Questionnaire (MCQ) and indicates that it will invest \$20 million of MNRI. Further details on the MCQ are provided in ONE JIB Report 2024-66.

Central Frontenac has adopted an Investment Policy Statement with objectives, risk tolerances and investment horizons and there are no restrictions or clauses that would limit ONE JIB's ability to manage its MNRI prudently and effectively

Central Frontenac has adopted an Investment Policy Statement (IPS) which can be found as an attachment to ONE JIB Report 2024-67. Central Frontenac is using a two-year time frame to define MNRI. The IPS demonstrates that Central Frontenac has considered all matters required by legislation in setting its investment objectives and has done so in concert with ONE Investment and the external sub-investment manager, PH&N Institutional.

In the opinion of the Chief Investment Officer, the IPS of Central Frontenac would not conflict with the mandates of the Prudent Investment Program and would not limit ONE JIB's ability to manage Central Frontenac's MNRI prudently and effectively.

Central Frontenac has submitted a MCQ and indicates that it will invest \$2.8 million of MNRI. Further details on the MCQ are provided in report ONE JIB 2024-67.

Red Lake has adopted an Investment Policy Statement with objectives, risk tolerances and investment horizons and there are no restrictions or clauses that would limit ONE JIB's ability to manage its MNRI prudently and effectively

Red Lake has adopted an Investment Policy Statement (IPS) which can be found as an attachment to ONE JIB Report 2024-69. Red Lake is using a three-year time frame to define MNRI. The IPS demonstrates that Red Lake has considered all matters required by legislation in setting its investment objectives and has done so in concert with ONE Investment and the external sub-investment manager, PH&N Institutional.

In the opinion of the Chief Investment Officer, the IPS of Red Lake would not conflict with the mandates of the Prudent Investment Program and would not limit ONE JIB's ability to manage Red Lake's MNRI prudently and effectively.

Red Lake has submitted a MCQ and indicates that it will invest \$2.2 million of MNRI. Further details on the MCQ are provided in ONE JIB Report 2024-69.

5. CONCLUSION

ONE Investment recommends that ONE JIB agree to accept the Municipality of Clarington, the Township of Central Frontenac and the Municipality of Red Lake as Participating Municipalities and authorize ONE Investment to work with the Chair and Secretary of ONE

JIB and the Municipalities to execute the ONE JIB Agreements and any other necessary documentation.

Drafted by: Jennifer Hess, Manager Investment Services

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