



## Terms of Reference

<b>Committee Name:</b> MPUC Sale Proceeds Investment Committee	<b>Committee Type:</b> Advisory
Staff Support/Departmental Support: <b>Treasurer and/or designate</b>	Created by: <b>Resolution 2019-211</b>
Date Approved: <b>August 14, 2019</b>	Amendments:

### Mandate/General Statement

On November 27, 2017 the Council of the Town of Midland approved via Resolution No. 2017-490 the establishment of two separate funds from the net proceeds of the sale of MPUC shares to Newmarket-Tay Power:

- the Midland Public Utility Commission (“MPUC”) Legacy Fund in the amount of \$10,500,000; and
- the balance to the Midland Community-Wide Initiatives Fund in the amount of +/- \$10,000,000

This policy sets out the parameters under which these two funds will be managed as defined by and in compliance with the requirements of s. 418 to s. 420 of the Municipal Act, 2001 and of O.Reg. 438/97.

Eligible investments are those specified in the Town of Midland Investment Policy as those portfolios administered by LAS (AMO) and MFOA through One Investment.

Policy Statement for Midland Public Utility Commission (“MPUC”) Legacy Fund:

*It is the intention of the Town of Midland to hold the amount of \$10,500,000 in the MPUC Legacy Fund in perpetuity while making annual withdrawals from investment earnings to contribute towards the Town of Midland's capital needs.*

*The MPUC Legacy Fund is established based on the desire of the Council of the Town of Midland to keep the MPUC legacy alive for current and future residents. The intention is the MPUC Legacy Fund will be used for the benefit of the community and as recognition of the community benefit that the MPUC provided.*

Policy Statement for the Midland Community-Wide Initiatives Fund:

*It is the intention of the Town of Midland that the funds held in the Community-Wide Initiatives Fund be used to provide an Internal Bank should an opportunity arise where Council determines these funds (or a portion of these funds) could be more appropriately directed.*

*The Community-Wide Initiatives Fund operating as an Internal Bank would provide funds at market rates for projects for which the fund's use is specifically approved by Council. All borrowing from the Initiatives Fund would be supported by a Promissory Note and would require repayments in the same manner as any external debt issue to ensure future restoration of capital.*

On November 26, 2018 the Council of the Town of Midland adopted By-law 2018-77 to enter into the Agency Agreement between CHUMS Financing Corporation and Local Authority Services, as Agent, and with eligible investors with respect to the use of ONE Investment for these two newly created funds.

## **Strategic Plan Priorities/ Legislative Requirements**

### ***Pillar One – Accountable, Responsive and Innovative Governance***

### **Committee Composition**

1. There shall be four (4) voting members of the MPUC Sale Proceeds Investment Committee (“Committee”), to be appointed by Council for a term to coincide with the current Term of Council and shall consist of:
  - The Mayor
  - One Member of Council
  - Two Public Members
2. There is no legislative/statutory requirement for Council representation.
3. The Human Resources Committee of Council shall review all Committee applications and evaluate same prior to providing appropriate recommendation(s) for Council’s consideration.

### **Committee Criteria**

1. Public Members shall be appointed based on the degree of their demonstrated experience, skills and/or knowledge in one or more of the following:
  - Financial management;
  - Oversight of or demonstrated experience and understanding of financial fund management and investments;
  - Extensive experience at a Senior level within a private company or public sector organization.
  - Residency will not be a limiting factor for consideration
2. Ineligibility

Public members of the Committee will be ineligible for appointment if they or their immediate family members are, or in the 12 months prior to an appointment taking effect, were employees, officers, directors or agents of:

- ONE Investment;
  - The Town's bank of record;
  - Any such body or organization that has within the past 12 months or is currently involved in receiving/making application for funding from either the Legacy Fund or the Community-Wide Initiatives Fund.
3. Members must be able to commit the necessary time to Committee meetings and events (if applicable).
  4. Members shall provide adequate notice to staff if unavailable to attend meetings.
  5. Members should demonstrate a strong interest in the Committee mandates.
  6. Members shall conduct themselves as a representative of the Town and adhere to the Town's Code of Conduct for Boards and Committees.
  7. Resignations from Committee members shall be tendered in writing to the Clerk or designated staff support. The Clerk will advise Council.
  8. Attendance
    - a) If a member is absent for three (3) consecutive meetings and the Chair of the Committee has not granted permission for same, the Chair shall notify Council in writing concerning the absence.
    - b) Upon notification by the Committee Chair regarding the absence, Council may declare the seat of any member of the Committee vacant.

## **Committee Duties**

The purpose of the Committee is to provide oversight in the investment of the net proceeds of the sale of the MPUC. The Committee shall;

1. Review the investment performance of the Fund and the Fund Managers in accordance with the MPUC Sale Proceeds Investment Policy.
2. Review the current investment guidelines for the Legacy Fund and the Community-Wide Initiatives Fund;
3. Make recommendations to Council with respect to changes to the MPUC Sale Proceeds Investment Policy.

## **Staff Support and Duties**

1. Support staff shall consist of the Treasurer and/or designate and other staff as may be required.
2. The Treasurer or designated staff support shall confirm meeting dates and provide proper notice.
3. The Treasurer or designated staff support shall publish and distribute agendas, and record and distribute the minutes to the Committee for approval.

## **Meetings**

1. The Committee shall meet annually and on an as needed basis. Notice of meeting dates shall be provided to the public in accordance with the Town's Procedural By-law. Meetings shall be at the discretion of the Chair.
2. Meetings shall be held at the Town Municipal Offices or in such other place as appointed.
3. A quorum for meetings shall be 50% plus one (1) of the voting members.
4. Items which are recommendations to Council shall follow the form of a Committee resolution.
5. Committee meetings shall follow the Town Procedural By-law as amended from time to time.

## **Reporting Structure**

1. The Committee shall report at least annually to Council through the Treasurer (or designate) by way of a Committee report. Report format shall be in accordance with the Town's standard report format.
2. Minutes of the Committee meetings shall be approved by the Committee at its next meeting and forwarded to Council as information through the Council Information Package (CIP).

## **Budget**

Not applicable.

## **Remuneration**

Not applicable.

## **Review of Terms of Reference / Sunset Clause**

Prior to the end of the first quarter of the fourth Year of the Council Term, the Committee shall review the Terms of Reference and recommend to Council any amendments by way of a Committee report.

## **Definitions**

For the purpose of this by-law, the following definitions shall apply:

1. “Committee” means the MPUC Sale Proceeds Investment Committee established by Council;
2. “Council” means the governing body of the Town of Midland;
3. “Councillor” means an elected official of the Town of Midland;
4. “Mayor” means the elected official and head of the Council for the Town of Midland;
5. “Member” means an individual appointed to the Committee;
6. “MPUC Sale Proceeds Investment Policy” means the policy approved by Council to set out the parameters under which the MPUC Legacy Fund and the Community Wide Initiatives Fund will be managed.
7. “Treasurer” means the Director of Finance/Treasurer for the Corporation of the Town of Midland.
8. “Town” means the Corporation of the Town of Midland.

## **Attachment**

1. MPUC Sale Proceeds Investment Policy