

**Title: INVESTMENTS**

**Policy No: 1503**

**Effective Date: August 27, 2018**

**Motion Number: 18.08.469**

**Supersedes Policy No: AD 17**

**Review Date: August 27, 2021**



**Purpose:**

The purpose of the Investment Policy is to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting our daily cash flow requirements and conforming to all provincial and other statutes governing the investment of public funds.

**POLICY**

1. This policy is established to ensure that funds which the MD of Greenview (Greenview) may receive by way of cash flows, surpluses, trust funds, reserves, or any other source, are invested to provide optimal returns after due consideration of yield, term, security and diversification.
2. This investment policy applies to all funds of Greenview on deposit or invested in investment securities.
  - a. The funds include:
    - a. Operating Funds
    - b. Reserve Funds
    - c. Any new fund created by Greenview, unless specifically exempted.

**PROCEDURE**

1. Prudence
  - 1.1 Investments are to be made with the same good judgment and care – under circumstances then prevailing - that persons of prudence, discretion and intelligence would exercise in the management of their own affairs, considering the probable safety of their capital as well as the probable income to be derived.
  - 1.2 The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and investment policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## 2. Investment Objectives

The primary objectives, in order of priority, of Greenview's investment activities, shall be:

### 2.1 Safety

Investments for Greenview shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

### 2.2 Liquidity

Greenview's investment portfolio will remain sufficiently liquid to enable Greenview to meet all operating and capital requirements, which might be reasonably anticipated.

### 2.3 Return on Investment

Greenview's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account Greenview's investment risk constraints and the cash flow characteristics of the portfolio.

## 3. Authority

3.1 Authority to manage Greenview's investment program is derived from the following:

- a. Section 250 Investments of the Alberta Municipal Government Act
- b. Greenview's Council resolutions
- c. Investment Regulations (AR 66/2000) of the Municipal Government Act
- d. Muni Fund Investment Regulations (AR 22/2010) of the Municipal Government Act

3.2 Management responsibility for the investment program is hereby delegated to the General Manager of Corporate Services, who shall establish procedures for the operation of the investment program consistent with this investment policy.

3.3 No person shall engage in an investment transaction except as provided for under the terms of this policy and the procedures established by the General Manager of Corporate Services. The external Investment Manager (if any) is required to act in the best interest of Greenview at all times.

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## 4. Ethics and Conflict of Interest

Officers and employees of Greenview, who are involved with investment decisions, and the Chief Administrative Officer:

4.1 Shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions;

4.2 Shall disclose to Greenview Council, through the Chief Administrative Officer, any material financial interests in financial institutions that conduct business within Greenview, and they shall further disclose any large personal financial/investment position that could be related to the performance of the Greenview portfolio.

5. Investments

5.1 Investments shall be restricted to those outlined in Schedule "A" of this policy. No investment instruments other than those indicated as acceptable in this policy shall be executed unless specifically approved by the Council of Greenview.

5.2 The types of investments are further limited to those authorized under Section 250 of the MGA.

6. Custody and Segregation

6.1 Investments may be held by financial institutions in bulk segregation in accounts in the name of Municipal District of Greenview (Greenview).

7. Diversification

7.1 Greenview shall diversify its investments by security type and institution. Maximum percentages of the investment portfolio that may be invested with any single issuer or within any investment type are outlined in Schedule "A".

8. Investment Terms

8.1 To the extent possible, Greenview will attempt to match its investments with anticipated cash flow requirements.

8.2 Reserve funds with no anticipated cash flow requirement may be invested in securities with maturity dates up to ten (10) years from the investment date.

9. Investment Manager

9.1 Greenview may retain the services of an external Investment Manager to provide advice and/or investment management services with respect to Greenview's investment portfolio.

10. Performance Evaluation

The investment portfolio will be designed to achieve a stated industry benchmark rate of return during a pre-set measurement period.

10.1 Greenview’s investment strategy will be active. The performance benchmarks to ensure productivity of the accounts shall be the three (3) month Government of Canada T-Bill Index and an appropriate Bond Index.

11. Reporting

11.1 The General Manager of Corporate Services will report on investment activity and returns to Greenview Council on an annual basis. Reports will include performance and interest earnings.

**Appendix**

**Schedule ‘A’ Investment Schedule**

Investment Policy No. 1503		
Schedule "A"		
Approved Investments		
Security (Securities denominated in Canadian Dollars ONLY)	Maximum % per Institution	Maximum % per Investment Type
<b>Government</b>		
Securities issued or guaranteed by:		
The Government of Canada	100%	100%
Alberta Government	100%	100%
Other Provincial Governments within Canada	30%	50%
Municipal Governments within Canada	5%	5%
<b>Banks</b>		
Securities issued or guaranteed by:		
Major Banks - Includes ONLY the following banks: Bank of Montreal,	100%	100%
Royal Bank, TD Bank, CIBC, ScotiaBank	100%	100%
Other Banks	5%	5%
Alberta Treasury Branches (ATB) (Securities issued or guaranteed by)	100%	100%
<b>Credit Unions:</b>		
Securities issued or guaranteed by:		
Alberta Credit Unions	100%	100%
Other Credit Unions	5%	5%
<b>Trust Companies:</b>		
(Securities issued or guaranteed by)	5%	5%
School Divisions, School Districts, Hospital District, Health Region, Regional Service Commissions	0%	0%
<b>Pooled Funds:</b>		
In accordance with the Municipal Government Act and related documents.	100%	100%
<b>Corporations:</b>		
Shares	0%	0%
* The percentage requirement must be met when the investment is made.		