

TOWN OF WOLFVILLE POLICY

Title: INVESTMENT POLICY	
Policy No.: 1221-31	Supersedes: Policy Approved March 20, 1995
Effective Date: November 15, 1999	Approval By Council Resolution No.: 17-11-99

Purpose:

To provide a policy permitted under the Municipal Government Act Section 100 (1) (b) for the investment of funds surplus to current requirements at an optimum level of return while ensuring the principal amount of investment is preserved. This policy applies to surplus cash balances held in the General Operating Fund, Water Utility, Water Capital Fund, General Capital Fund, Special Reserve Funds, and any other funds within the control of the Town..

Since this investment activity deals with the use of public funds, it is essential that a clear policy exists to be used as a guide by Town staff who must ensure that detailed procedures are implemented in accordance with stated policy.

Definitions:

Investment Committee: A Committee consisting of the Mayor, Deputy Mayor, Chief Administrative Officer and Town Clerk Treasurer.

Town Clerk Treasurer: Acts as Investment Officer who is authorized to execute decisions made by the Investment Committee and carry out the investment process outlined in Appendix A of this policy.

Chief Administrative Officer: Acts as an alternate to the Town Clerk Treasurer in executing decisions of the investment committee and carrying out the investment process outlined in Appendix A of this policy.

Policy Statement:

1.0 Objectives:

1.1 **Safety:** Preservation of the principal amount implies a policy of conservative investing which will not necessarily produce the highest rate of return. Therefore, it is the policy of the

Town Of Wolfville to invest its excess cash in money market investments while emphasizing the protection of the principle amount of all investments.

1.2 Liquidity:

The Town's investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

1.3 Yield:

The investment portfolio shall be designed with the objective of attaining a market rate of return subject to the objective of safety set out above.

1.4. Diversification:

The investment portfolio of the Town shall be managed in a manner which meets liquidity requirements, minimizes risk, and earns a market rate of return. The minimum standards and guidelines for permissible investments and the maximum amounts and terms for each type of investment are set out in Section 4 of this policy.

2.0 Prudence:

Investments shall be made with judgement and care under circumstances then prevailing with persons of prudence, discretion and intelligence exercised in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. Neither the Investment Officer (Town Clerk Treasurer) or other member of the Committee shall engage in personal or business activities which would profit from or be affected by the carrying out of their responsibilities as investors of the Town's funds that would result in personal gain.

3.0 The Investment Committee's duties will be as follows:

3.1 To review and approve investment proposals from financial institutions utilizing the current Town Investment Policy.

3.2 A minimum of three members of the committee must be consulted and agree on the selection of investment(s) proposed.

3.3 To recommend to Council changes, deletions or additions to the Investment Policy as considered appropriate.

3.4 Consult with any other person or persons whose advice is deemed to be desirable.

3.5 Make all reasonable efforts to assess the financial soundness of the firms providing quotations.

3.6 Reserve the right not to accept any investment option submitted as the result of calls for quotations.

4.0 Minimum standards and guidelines for competitive bids, and the maximum amounts and terms for each type of investment:

4.1 Federal government, and its agencies; No dollar limit, Maximum 2 Year Term

4.2 Province of Nova Scotia, and its agencies; No dollar limit, Maximum 2 Year Term.

4.3 Any Provincial governments, or its agencies when their credit rating (Canadian Bond Rating Service or Dominion Bond Rating Service) is A or greater; No dollar limit, Maximum 2 Year Term.

4.4 Chartered banks, trust companies, and credit unions; operating in the Province Of Nova Scotia; Dollar limit of \$200,000.00 Maximum 1 Year Term.

4.5 Commercial Paper with a Canadian Bond Service rating of A-2 or higher or Dominion Bond Service Rating of R1 or higher, Dollar limit of \$200,000.00 Maximum 1 Year Term.

4.6 Institutions covered by Canadian Deposit Insurance up to the insured limit; Maximum 2 Year Term

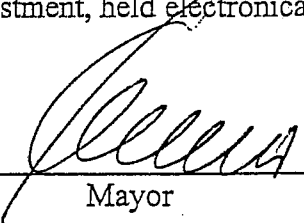
4.7 Investment pools approved by the Minister of Housing and Municipal Affairs; \$200,000.00 dollar limit, Maximum 2 Year Term. For comparative purposes the most recent rate of return for the period of time determined in Appendix A will be utilized in selecting an investment in any approved pooled investment program.

4.8 Deposits in accounts at the Town's financial institutions. No Dollar or term limits.

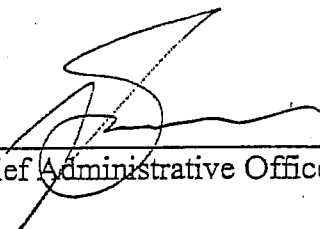
4.9 All investments should be denominated in Canadian Dollars.

5.0 Safekeeping:

Any investment statement or purchase confirmation resulting from the acceptance of an investment should be forwarded to the Town Clerk Treasurer for safekeeping. This should not preclude the option of having certificates held by financial institutions or if a book based investment, held electronically.



Mayor





Chief Administrative Officer

November 24/99

Date

29/11/99

Date

DEPARTMENT OF HOUSING & MUNICIPAL AFFAIRS	
Recommended for approval of the Minister	
	
Deputy Minister	
APPROVED this	7 day
of February	2000
	
Minister of Housing & Municipal Affairs	

APPENDIX A

The procedure of acquiring investments will be as follows:

- 1.0 The Investment Committee determines the amount to be invested by referring to cash flow forecast.
- 2.0 The Investment Committee determines the length of time to invest the funds and the flexibility of that term. The term is determined by receiving input from the Town Clerk Treasurer or Chief Administrative Officer. The term is also determined within the constraints of the cash flow forecast. Flexibility on the term of the investment may range from one week to a date specified.
- 3.0 Provide an updated copy of the policy, or see that an updated copy of the policy (which includes a listing of eligible investments) is provided to participating banks, brokers, or trust companies.
- 4.0 Phone banks, brokers, or trust companies and inform them of the following:
 - amount to invest
 - term
 - flexibility of term
 - time and date that rates are to be received at the Town Office in person, by mail, courier or by facsimile.
- 5.0 Record each rate as it is received noting all information.
- 6.0 Consult with members of the Investment Committee. The selection of the investment(s) shall be made based on comparison of rates and subject to Section 3 of the investment policy.
- 7.0 Advise the successful bidder and ensure that the investment amount(s) and the rate(s) are confirmed. Advise the unsuccessful bidders that they were not successful. The specifics of the investment chosen are not normally revealed.
- 8.0 Take action to issue cheque or arrange for bank transfer payable to successful financial institution. (Financial institution to pay bank charges for bank transfers if any.)
- 9.0
 - (1) Every investment is to be in the name of the Town of Wolfville.
 - (2) Registered securities are to bear the name of the Town of Wolfville.
- 10.0 The Town requires receipt of documentation in the form of a certificate from the financial institution or a confirmation of purchase. It also requires confirmation by a broker or banker that the documentation is held in safekeeping by those institutions. Certificates of investment documentation, if not held by financial institutions, shall be kept in the Town vault.

11.0 Any investments made are to be reported to Town Council at its next Committee of Council meeting. The report shall include the principle amounts of investments, what the investments are, as well as maturity dates and yields. The report shall include details of other investment options received but not selected as well as the current interest rate received on bank deposits held.