

MUNICIPALITY OF THE COUNTY OF
ANTIGONISH

TOPIC:	Investment Policy
POLICY NUMBER:	13
DATE APPROVED:	April 16, 1996 (Min#92)
DATE REVISED:	

The Municipality of the County of Antigonish has, from time to time, surplus funds available for short-term investments. The funds available for these investments are derived from reserve funds, accumulated surpluses, positive cash flows, etc.

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

OBJECTIVES

The following objectives are stated in order of importance as a guide for the development of the Investment Policy.

1. Preservation of the principal amount of all investments
2. Maintenance of the liquidity of all investments
3. Maximization of the rate of return of all investments.

Preservation of principal amount implies a policy of conservative investing that will not necessarily produce the highest rate of return. Therefore, emphasis must be placed on the most important objective of this policy (i.e. to ensure that financial risk is minimized). It is therefore the policy of the Municipality of the County of Antigonish to invest its surplus sums of money in money market investments while emphasizing the protection of the principal amount of all investments.

INVESTMENT PROCESS

1. Determine the amount to be invested by the Municipality through the preparation of a cash flow budget.
2. Determine the length of time to invest the funds and the flexibility of that term. The term is determined within the constraints of the cash flow budget. Flexibility of the term of the investment may range from one week to a specific date.
3. Provide copy of Policy (which includes list of eligible investments) to participating banks, brokers, or trust companies.
4. Phone banks, brokers, or trust companies and inform them of the following:
5. Amount to invest
6. Term

7. Flexibility
8. Time which rates to be received (normally 11:00am)
9. Record each rate as it is received noting all information
10. Select investment based on comparison of rates
11. Advise successful financial institution/broker.
12. Transfer the funds to the successful bidder and record the necessary entries in the appropriate ledgers.
13. Every investment is to be in the name of the Municipality of the County of Antigonish except those that are available in bearer form. Bearer Bonds should be the exception and not the rule.
14. Registered securities are to bear the name of the County of Antigonish. The Municipality requires Receipt of Documentation in the form of a Certificate from the borrower, or a confirmation by a broker or banker that the documentation is held in safe keeping.
15. Custodial arrangements will be made with the Municipality's banker.
16. Any investments made are to be reported to the Municipality's Finance Committee at its next regular meeting.

INVESTMENT GUIDELINES

Eligible Investments

The following are eligible investments for the Municipality of the County of Antigonish:

- a) Federal Government and its agencies
- b) Province of Nova Scotia and its agencies
- c) Provincial Governments and their agencies
- d) Charter banks (See Appendix "A")
- e) Trust companies (to maximum covered by Canada Deposit Insurance)
- f) Credit Unions covered by the Nova Scotia Stabilization Fund.
- g) Institutions covered by the Canada Deposit Insurance up to the insured limit.
- h) Investment pools approved by the Minister of Municipal Affairs.
- i) Investments in agencies of the Municipality of the County of Antigonish. In cases where these investments exceed two (2) years, they are to be repaid using a serial debenture type annual repayment schedule.

SIZE OF INVESTMENTS

The total investment with any individual institution covered under subsections (d) and (f) above will be limited to a maximum of \$200,000.00 with the exception of the Municipality's financial institution.

MAXIMUM TERM OF INVESTMENTS

Federal Government and its agencies	5 years
Provincial Government and its agencies	5 years
Chartered Banks, Trust Companies, Credit Unions	3 years
Institutions covered by the Canada Deposit Insurance	2 years
Investment Pools approved by the Minister of Municipal Affairs	2 years
Agencies of the Municipality of the county of Antigonish	15 years

INVESTMENT COMMITTEE

The Investment Committee shall consist of the Warden, Chair of the Finance Committee, Clerk/Treasurer, and Comptroller. The Committee may also consult with any other person(s) whose advice is deemed to be desirable.

APPENDIX "A"

1. Canadian Imperial Bank of Commerce (CIBC)
2. Bank of Nova Scotia (Scotia Bank)
3. Royal Bank of Canada (Royal Bank)
4. Bergengren Credit Union