

# COUNTY OF ST. PAUL NO. 19

*Our Mission - To create desirable rural experiences*



## ADM-29 Investments Policy

Department: Administration

### POLICY OBJECTIVE:

The County of St. Paul is committed to effectively manage its investment portfolio and maximize the return on cash investments while minimizing risk and conforming with Section 250 of the Municipal Government Act and Investment Regulation 374/94.

#### 1.0 Definitions

- 1.1 “Best Possible Rate” means the Rate of Interest that can be obtained within the guidelines of this policy.
- 1.2 “Long Term Investments” means investments made for a period of more than 730 days (2 years)
- 1.3 “Unrestricted Surplus Funds” means funds available for investment purposes not assigned to a specific purpose where investment income accrues to general revenue and will be invested into a more liquid fund.
- 1.4 “Reserve Accounts - means funds that have been appropriated for a particular purpose. Interest accrued on the investments will be reinvested and increase the value of the reserve account.
- 1.5 “Restricted Surplus Funds” means funds approved by Council resolution for a specific purpose where investment income accrues to general revenue.
- 1.6 “Short Term Investments” means investments made for a period of less than 730 days.
- 1.7 “Surplus Cash” means funds as determined by Administration, as being more than those needed to pay the expected upcoming expenditures.

#### 2.0 Policy Statements

- 2.1 The primary objectives of the Investment Program, in priority order, shall be to:
  - (a) Adhere to Statutory Requirements. All investment activities shall be governed by the Municipal Government Act, as amended from time to time. All investments will be deemed eligible under the MGA and Alberta Regulation, unless limited further by Council resolution.
  - (b) Preserve Capital – Guarantee of the principal is essential in the investment program. Investments shall be undertaken in a manner to ensure the preservation of capital in the overall portfolio.

- (c) Maintain Liquidity. If cash flows are unpredictable, liquidity must be preserved to manage for unplanned events.
- (d) Maximize Rate of Return. Obtain the best ongoing return possible subject to the constraints of this policy and applicable legislation.

### **3.0 Objectives**

- 3.1 The Chief Administrative Officer or designate will make investments for restricted and non-restricted funds in accordance with this policy to obtain the Best Possible Rate and term, while considering the cash flow needs of the County.
- 3.2 A minimum of three quotations shall be requested for all short term or long-term investments.
- 3.3 The Chief Administrative Officer will accept the offer that optimizes the investment objectives of the portfolio for short-term and long-term investments.
- 3.4 Long Term Investments will require authorization of Council.
- 3.5 Written records of each transaction shall be retained, including the name of the institution solicited, rate quoted, description of the security, investment selected as well as any other consideration that impacted the decision. If the highest yield security was not selected, an explanation describing the rationale shall be included with the record.
- 3.6 All investments must maintain 100% principal guarantee.
- 3.7 An investment will not be made if it will cause an overdraft in the operating bank account, requiring interim financing.
- 3.8 The Chief Administrative Officer or designate may invest surplus cash in any of the following vehicles as per Section 250 of the Municipal Government Act:
  - (a) securities issued or guaranteed by
    - (i) the Crown in right of Canada or an agent of the Crown, or
    - (ii) the Crown in right of a province or territory or an agent of a province or territory.
  - (b) securities of a municipality, school division, hospital district, health region under the Regional Health Authorities Act or regional services commission in Alberta;
  - (c) securities that are issued or guaranteed by a bank, treasury branch, credit union or trust corporation;
  - (d) units in pooled funds of all or any of the investments described in clauses (a) to (c).
- 3.9 The Chief Administrative Officer or designate may invest surplus cash in any bank, credit union or financial institution providing Provincial investment guarantees remain in place.

3.10 The Chief Administrative Officer will not make an investment referred to in Section 250(2)(e) of the Municipal Government Act:

- (e) shares of a corporation incorporated or continued under the Canada Business Corporations Act (Canada) or incorporated, continued or registered under the Business Corporations Act if the investment is approved by the Minister.

The Chief Administrative Officer will not apply for Ministerial Approval to make such an investment without Council approval.

3.11 The Chief Administrative Officer or designate will submit monthly reports to Council with a summary of the investments and rates.

3.12 The Chief Administrative Officer shall establish an annual process of review by the County's auditor. The review will provide assurance of compliance with governing legislation and this policy.

Council Approval: September 13, 2022