

Municipality of West Elgin

Schedule “A” to By-Law #2023-XX

Policy 3.5 Municipal Investment Policy

Effective Date:

Review Date:

Policy Statement

It is the policy of the Municipality of West Elgin to invest municipal funds in a manner which will provide the highest rate of return with the maximum security while meeting the daily cash flow demands of the municipality and complying with Section 418 of the Ontario Municipal Act 2001, as amended and Ontario Regulation 438/97 Eligible Investments and Related Financial Agreements, as amended.

Purpose

The purpose of this Policy is to establish and maintain practices and procedures, in regards, to investing public funds.

1. Guiding Principles

1.1. Adhere to Statutory Requirements

All investment activities shall comply with the relevant sections of any applicable legislation and related regulations.

1.2. Preservation of Principal

Safety of principal is a primary objective of the Investment Policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of the principal in the overall portfolio.

1.3. Maintenance of Liquidity

Liquidity is measured by the ease with which investments can be converted to cash. The investments shall remain sufficiently liquid to meet all operating or cash flow requirements.

1.4. Competitive Rate of Return

The Municipality’s funds shall be invested to maximize the rate of return, without compromising the legality, security or principal, and liquidity objectives outlined above. Investments are generally limited to relatively low risk securities in anticipation of earning a fair return relative to the assumed risk.

2. Scope

This policy applies to all investments made by the Municipality on its own behalf and on behalf of the West Elgin Community Board of Management and Tri-County Water Board which the Municipality is Operating Authority.

3. Responsibilities

3.1. Authority

All long-term investments for the Municipality are to be authorized by Council. Long-term investments are those with original maturity dates exceeding 365 days.

The authority to invest in short-term investments and to manage and implement the investment program is granted to the CAO/Treasurer who is responsible for ensuring that all Municipal investments conform to this Policy.

3.2. Reporting

The CAO/Treasurer, in accordance with Section 8(1) of O.Reg. 438/97, will submit to Council an annual report on investment activity and returns.

4. Investment – Instruments

4.1. Guaranteed Investment Certificate (GIC)

Investments which are direct obligations of or guaranteed by the Canadian Imperial Bank of Commerce (CIBC) Global Transaction Banking, in particular the CIBC Special Offer GIC.

4.2. ONE-The Public Sector Group of Funds

Money Market Fund and/or High Interest Savings Account (HISA). Surplus municipal funds, as determined by the CAO/Treasurer, shall be invested in either the Money Market Fund or HISA depending on current interest rates.