

Municipality of West Elgin

Schedule “A” to By-Law #2023-29

Policy 3.5 Municipal Investment Policy

Effective Date: April 27, 2023

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

This policy establishes guidelines for municipal investments, as defined by and in compliance with the requirements of s. 418 to s. 420 of the Municipal Act, 2001 and of O.Reg.438/97. The goals of this policy are to ensure compliance with legislation and to establish a reporting practice to council, where, at least annually, a full disclosure of information relating to municipality held investments is provided.

1. Policy

It is the policy of the Corporation of The Municipality of West Elgin to ensure.

- a. All investments are in compliance with O.Reg.438/97 and with s.418 to s.420 of the Municipal Act.
- b. Preservation of capital
- c. Maintenance of liquidity
- d. Competitive return on investments

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. Authorized Investments

The eligible securities are prescribed under Ontario Regulation 438/97 attached as schedule A to this policy.

In addition, the Municipality further restricts investments to:

- a. Guaranteed Investment Certificates;
- b. The Money Market Fund, the Bond Fund, the Corporate Bond Fund and the Equity Fund, operated by One - The Public Sector Group of Funds;
- c. Deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments issued, guaranteed or endorsed by,
 - (i) a bank listed in Schedule I, II or III to the Bank Act (Canada),
 - (ii) a loan corporation or trust corporation registered under the *Loan and Trust Corporations Act*, or
 - (iii) a credit union or league to which *the Credit Unions and Caisses Populaires Act*, 1994 applies.

The Treasurer will attempt where possible to diversify the investments so that certificates are covered under the Bank of Canada Deposit Insurance Act.

4. Currency

The Municipality shall not invest in a security that is expressed or payable in any currency other than Canadian dollars. O. Reg. 438/97, s.6 (1).

6. Reporting

The Treasurer or designate has a specific responsibility to prepare and provide, at least annually, an annual investment report to the council. O. Reg. 438/97, s.8 (1). This report shall contain the following information:

- a. A statement about the performance of the portfolio of investments of the Municipality during the period covered by the report;
- b. An estimated proportion of the long-term and short-term securities compared to the total investments and a description of the change, if any, in that estimated proportion since the previous year's report;
- c. A statement by the treasurer as to whether, in his or her opinion, all investments were made in accordance with the investments policies and goals adopted by the municipality; and
- d. A record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale price of each security.

7. Authority

Authority to invest public funds is derived from section 418 to section 420 of the Municipal Act, 2001. In accordance with section 418(5) of the Municipal Act, management responsibility for the investment program of the municipality is hereby delegated to the Treasurer.