



TOWN OF HINTON INVESTMENT POLICY Policy No. CORP. 019

Created By: Corporate Services
 Approved By: Town Council
 Revised By: Town Council

Approved On:
 Revised On:

1. POLICY STATEMENT

The Town of Hinton will invest public funds in a manner that provides as high an investment return as possible with the maximum security.

2. GOALS

The primary objectives in order of priority, shall be:

Security-preservation of capital and protection of investment principal

Return-attain highest rates available in compliance with approved investments (below)

Liquidity-maintenance of sufficient cash on hand to meet operating requirements

Legality-conform with Provincial regulations and legislation

3. APPROVED INVESTMENTS & INSTITUTIONS

Investment	Maximum % of Portfolio or Maximum \$ Amount	Maximum Term
<ul style="list-style-type: none"> • Term Deposits • Savings Deposit Accounts • Guaranteed Investment Certificates (GIC's) 	<ul style="list-style-type: none"> • 100% • No maximum amount 	<ul style="list-style-type: none"> • 2 years
<ul style="list-style-type: none"> • Bankers' Acceptances 	<ul style="list-style-type: none"> • 20% (in any one corporation) • \$2,000,000 (in any 	<ul style="list-style-type: none"> • No restriction

	one corporation)	
<ul style="list-style-type: none"> • Treasury Bills • Canada Savings Bonds • Government of Canada Bonds 	<ul style="list-style-type: none"> • 30% • \$2,500,000. 	<ul style="list-style-type: none"> • No restriction

All investments shall be with issuers that are rated “A” or higher by Dominion Bond Rating Service

Approved Financial Institutions are:

- Canadian Chartered Banks
- Alberta Treasury Branches
- Canadian Credit Unions

4. **PROCEDURES**

Safekeeping & Custody:

- a) Any investment certificates issued to the Town Of Hinton shall be issued in the name of the Town Of Hinton.
- b) Investment certificates may be held by the financial institution for safekeeping, but they must be in the name of the Town Of Hinton.

Maturity of Investment:

1. Upon maturity (or new purchase) of an investment, current interest rates will be compared with the financial institution under contract with the Town Of Hinton **and** at least one other financial institution.
2. Funds shall be invested at the financial Institution that provides optimal returns after due consideration of yield, term, security and diversification.

5. **ETHICS AND CONFLICT OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

6. **RESPONSIBILITIES**

The Director of Corporate Services has the responsibility for managing and administering the investment policy.

MUNICIPAL GOVERNMENT ACT

Investments

Authorized investments

250(1) In this section, "securities" includes bonds, debentures, trust certificates, guaranteed investment certificates or receipts, certificates of deposit, deposit receipts, bills, notes and mortgages of real estate or leaseholds and rights or interests in respect of a security.

(2) A municipality may only invest its money in the following:

- (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, school district, 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);
- (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.

(3) The approval of the Minister under subsection (2)(e) may contain conditions and a municipality may not acquire shares of a corporation under subsection (2)(e) if the acquisition would allow the municipality to control the corporation.

(4) In addition to the investments referred to in subsection (2), the Minister may by regulation allow one or more municipalities to invest their money in other investments described in the regulation.

(5) Nothing in this section prevents a municipality from acquiring a share or membership in a non-profit organization.

1994 cM-26.1 s250;1994 cR-9.07 s25(24)