

1. Purpose:

It is the policy of the Town of Mahone Bay to invest funds surplus to current requirements at an optimum level of return while at the same time ensuring that the principal amount of all investments is preserved. This policy establishes standards for the investment activities of the Town.

2. Objectives:

Since the investment activity of the Town deals with the use of public funds, a policy of conservative investing which does not necessarily produce the highest rate of return is required. The following investment objectives are stated in order of importance:

1. Preservation of the principal amount of all investments;
2. Maintenance of adequate liquidity of all investments;
3. Maximize the rate of return on all investments within the limits of the above objectives;
4. Diversification of investments to avoid incurring unreasonable risks regarding specific investment types or individual financial institutions;

3. Scope:

This policy applies to the following funds of the Town of Mahone Bay:

- General Operating Fund
- General Capital Fund
- Town of Mahone Bay Water Utility Operating Fund
- Town of Mahone Bay Water Utility Capital Fund
- Town of Mahone Bay Electric Utility Operating Fund
- Town of Mahone Bay Electric Utility Capital Fund
- Special Reserve Fund, Equipment Section
- Special Reserve Fund, Capital Section
- Special Reserve Fund, Operating Section
- Town of Mahone Bay Cemetery Commission Operating Fund

This policy does not apply to the pension plan for the employees of the Town of Mahone Bay or debenture sinking funds managed by the Nova Scotia Municipal Finance Corporation.

4. Investment Committee:

The Audit and Finance Committee established pursuant to the Town's Committees Policy shall serve as the Investment Committee for the Town and shall make recommendation to Council on all policies and amendments pertaining to investments.

At the direction of the CAO, the Treasurer / Manager of Finance shall conduct the day to day investment activities of the Town within the limits of this Investment Policy.

5. Investment Process:

The Treasurer / Manager of Finance shall:

1. Determine the amount to be invested by referring to cash flow forecast (cash budget).
2. Determine the length of time to invest the funds and the flexibility of that term. The term is determined by the constraints of the cash flow forecast and section IX of this policy.
3. Provide a copy of this policy to participating banks, brokers, credit unions or trust companies and inform them of the following:
 - a. Amount of investment
 - b. Term
 - c. Flexibility
 - d. Entities not eligible for investment (see item VI)
 - e. Time and date by which rates are to be received (normally 11:00 am)A minimum of two quotations are to be received on the investment of all funds in excess of \$25,000
4. Record reach rate as it is received and note all information
5. Select investment based on comparison of rates and fees (a reduction of up to five basis points will be accepted on federal government securities).
6. Inform both successful and unsuccessful financial institutions or brokers.
7. Transfer funds to successful institutions and record entries in general ledger.

6. Safekeeping:

Except for those investments available only in bearer form, all investments shall be in the name of the Town of Mahone Bay. Registered securities are to bear the name of the Town of Mahone Bay. Registered securities are to bear the name of the Town of Mahone Bay. The Town 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. Certificates of Investment documentation, if not held by financial institutions, may be kept in the Town vault.

7. Eligible Investments:

The following are eligible investments for the Town of Mahone Bay:

- a. The bank accounts of the Town of Mahone Bay
- b. The Government of Canada and its agencies
- c. The Province of Nova Scotia and its agencies
- d. Other provincial governments and their agencies
- e. Chartered Banks and Trust Companies with a rating guide of R1 medium or better
- f. Credit Unions covered by the Credit Union Insurance Deposit Corporation
- g. Other institutions covered by the Canadian Deposit Insurance Corporation
- h. Investment pools approved by the Minister of Housing and Municipal Affairs.

Investment of the Town's funds in Equity Investments is not eligible. However, the Town may accept donations of Equity Investments in accordance with the Town's Donations Policy.

8. Size of Investments:

The total investment with institution included under subsections d and e above is limited to \$100,000. The total investment with an institution included under subsections f and g above shall not exceed \$60,000 or the total insured deposits, whichever is greater. There are no limits or investments with institutions included under subsections a, b, c and h above. All investments of the Town of Mahone Bay shall be denominated in Canadian dollars.

9. Maximum Term of Investments

- a. The maximum term of investments made with institutions included under subsection a above is (2) years. The maximum term of investments made with

institutions included under subsections b and c above is five (5) years. The maximum term of all other investments is one (1) year.

Clerk's Annotation for Official Policy Book	
Date of notice to Council Members of Intent to Consider [minimum 7 days notice]	January 23, 2020
Date of Passage of Policy	February 11, 2020
_____	_____
Town Clerk	Date

