

Report

Date February 21, 2023
Subject North Cowichan Investment Policy

File:

PURPOSE

To establish guidelines for municipal staff to adhere to when investing public funds.

BACKGROUND

North Cowichan currently has investments for all its reserve funds with the Municipal Finance Authority in the Government Focused Ultra-short Bond Fund and the Pooled High Interest Savings Account. These pooled investment funds offer diversification and security while providing easy accessibility to add and access funds.

However, North Cowichan has no formalized investment policy to establish an investment philosophy and risk tolerance that will assist in providing staff direction when making investment decisions.

DISCUSSION

The *Community Charter*, Section 183, specifies the investments that local governments may utilize as follows:

- a) securities of the Municipal Finance Authority;
- b) pooled investment funds under section 16 of the [Municipal Finance Authority Act](#);
- c) securities of Canada or of a province;
- d) securities guaranteed for principal and interest by Canada or by a province;
- e) securities of a municipality, regional district or greater board;
- f) investments guaranteed by a chartered bank;
- g) deposits in a savings institution or non-equity or membership shares of a credit union; and,
- h) other investments specifically authorized under this or another Act.

The Policy (Attachment 1) incorporates best practices of other local governments in British Columbia.

The uncertainty of the investment market for the past three years due to the COVID-19 pandemic has facilitated the need to establish an investment policy to help maximize investment income and avoid any potential losses to the principal.

OPTIONS

1. (Recommended Option)

- THAT Council approve the Investment Policy as drafted and attached to the Senior Manager, Financial Services' report dated February 21, 2023.

2. THAT Council approve the Investment Policy attached to the Senior Manager, Financial Services' report dated February 21, 2023, with the following changes:
- *(Council to identify any words to be stricken, replaced or added to specific sections of the policy)*

IMPLICATIONS

This comprehensive investment policy directs staff to protect the principal and achieve the highest return, thus allowing staff to maximize earnings while balancing cash flow needs.

RECOMMENDATION

THAT Council approve the Investment Policy as drafted and attached to the Senior Manager, Financial Services' report dated February 21, 2023.

Report prepared by:

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Report reviewed by:



Talitha Soldera
General Manager, Corporate Services

Approved to be forwarded to Council:



Ted Swabey
Chief Administrative Officer

Attachment: Draft Investment Policy