

COUNCIL POLICY



INVESTMENT

Policy #: FIN-106-2024

Section: Finance

Rescind Policy #: n/a

Legislative Reference: Municipal Government Act, RSA 2000 c M-26, Section 250.

1. POLICY STATEMENT

1.1 The Town of Smoky Lake is committed to strong financial leadership and planning to ensure long-term viability of the municipality. It is the policy of the Town of Smoky Lake to conform to all provincial statutes and regulations governing the investment of municipal funds. Municipal funds will be invested in a manner that meets the following objectives:

- a) Maintain the safety of investment principal.
- b) Meet daily cash flow requirements.
- c) Provide competitive investment returns.

2. PURPOSE

2.1 This policy is established to ensure that funds which the Town may receive by way of cash flows, surpluses, grants, reserves, or any other source are considered for Investment purposes, and if so chosen, to provide optimal returns after due consideration of risk, yield, term, diversification, and security.

3. DEFINITIONS

3.1 "Bank Accounts" means the accounts held at financial institutions that hold the Town's monetary assets which are not including in the Investment Portfolio.

3.2 "CAO" shall mean the Chief Administrative Officer of the Town of Smoky Lake.

3.3 "Council" means the duly elected Council of the Town of Smoky Lake.

3.4 "Investment(s)" means a monetary instrument that generates a rate of return for the Town which is included in the Investment Portfolio.

3.5 "Town" shall mean the Municipal Corporation of the Town of Smoky Lake.

3.6 "Staff" means a person who reports directly or indirectly to the CAO and provides services for the Town under an employment agreement.

4. GOALS

4.1 The primary objectives in order of priority, shall be:

- 4.1.1 Security – preservation of capital and protection of Investment.
- 4.1.2 Return – attain highest rates available in compliance and approval Investments (below).
- 4.1.3 Liquidity – maintenance of sufficient cash on hand to meet operating requirements.
- 4.1.4 Legality – conform with Provincial regulations and legislation.

5. POLICY

5.1 To integrate security, revenue, liquidity, and diversity priorities into an overall Investment strategy, the Town shall invest in the instruments and securities that are outlined in the Municipal Government Act, RSA 2000, c M-26 and related regulations. These instruments and securities must be issued or guaranteed by:

- a) The Government of Canada, any of the provinces or territories of Canada, and any of the municipalities in Alberta.
- b) Related corporations of the provincial governments.
- c) A bank, treasury branch, credit union, trust corporation.

5.2 Other parameters for acquiring the types of instruments and securities are outlined as follows:

- a) They may be in the form of units of pooled funds of all or any of the Investments described above.
- b) Investments are obtained solely in securities held in Canadian currency.

5.3 Council and the CAO delegate authority and responsibility for the day-to-day management of the Investment Portfolio to designated Staff. These management responsibilities include but are not limited to:

- a) Selecting Investment vehicles including financial institutions.
- b) Reviewing Investment alternatives.
- c) Acquiring and redeeming Investments.
- d) Monitoring the Investment Portfolio and related revenues.
- e) Planning cash flows.
- f) Transferring funds between the Investment Portfolio and Bank Accounts.
- g) Confirming that Investments are physically secured.
- h) Reporting quarterly to Council on the overall status of the Investment.

6. ETHICS AND CONFLICT OF INTEREST

6.1 Staff involved in the Investment process shall refrain from personal business activity that could conflict with proper execution of the Investment Portfolio, or which could impair their ability to make impartial Investment decisions.

7. RESPONSIBILITIES

7.1 The CAO and/or designate has the responsibility for managing and administering the Investment policy.

	DATE	RESOLUTION NUMBER
Approved	June 10, 2024	320-2024

Original Signed
Amy Cherniwchan
Mayor

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Dawn Phillips
Chief Administrative Officer