

CITY OF MARTENSVILLE
INVESTMENT POLICY BYLAW
NUMBER: #09-18

A BYLAW OF THE CITY OF MARTENSVILLE TO ESTABLISH AN INVESTMENT POLICY

WHEREAS Section 132(1) of the Cities Act states that, a council shall, by bylaw, establish an investment policy setting out the types of investments in which the city is authorized to invest its available funds.

Now therefore, the Council of the City of Martensville enacts as follows:

1. PURPOSE

- 1.1 The purpose of this policy is to provide specific guidelines regarding the management and governance of the City of Martensville's Investments.

2. POLICY

- 2.1 That the City of Martensville's Corporate Services Department invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City.

2.2 Investment Guidelines

a) Definitions:

- i) Short Term Investments - any cash or liquid securities, which have a term to maturity of three hundred and sixty-five (365) days or less.
- ii) Long Term Investments - any fixed income securities which have a maturity date that is greater than one (1) year.
- iii) Funds - are those City of Martensville assets held in various bank accounts and invested in a variety of securities for the benefit of the City.

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b) Portfolio Objectives:

- i) The Director of Corporate Services will be responsible for the investment program of the City and for ensuring that investments made strictly adhere to the objectives as stated.
- ii) The Director of Corporate Services is to minimize the use of the City's bank line of credit. A report must be submitted to the City Manager detailing the circumstances that have occurred that have put the City in an overdraft state thus using the bank line of credit.
- iii) The priorities for the investing of funds are as follows:
 - legality of investments;
 - preservation of principle;
 - maintenance of liquidity;
 - competitive rate of return

2.3 Investment Criteria:

The City of Martensville shall invest only in the following types of investments:

- a) Government obligations (i.e. Treasury Bills, Notes, Strip Coupons, Debentures and/or Bonds) issued directly or indirectly by the Federal Government, an agency or any of the Provinces with an appropriate credit rating.
- b) Securities of the Municipality or any other Municipal Corporation, School Division or Health Region in Saskatchewan.
- c) Canadian Chartered Bank Securities, being Guaranteed Investment Certificates, Bearer Discount Notes, Deposit Receipts, Term Notes, Certificates of Deposit, Bankers Acceptances, Bonds and Strip Coupons with an appropriate credit rating.
- d) Commercial Paper, Bonds, Debentures and Strip Coupons issued of Canadian companies with an appropriate credit rating.
- e) According to The Cities Act and/or its Regulations.

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The following will also apply:

- a) Short Term Investments: All short-term investments must carry a rating of:
 - i) Money Market Ratings: R-1 High or R-1 Middle
 - ii) Bond Ratings: AAA or AA
- b) Long Term Investments: All long-term investments must carry a rating of:
 - i) Bond Ratings: AAA or AA

Ratings used will be from one or more agencies: Canadian Bond Rating Service, Dominion Bond Rating Service, Standard and Poor's Credit Rating Service, and Moody's Investor Services.

2.4 Payment and Safe Keeping

Any combination of two of the Mayor, Deputy Mayor, City Manager, and Director of Corporate Services, shall be allowed signing authority for the disbursements of funds to purchase the investment.

A dealer or financial institution, as approved by the City Manager and the Director of Corporate Services will hold securities purchased in safekeeping.

2.5 Responsibility

City Council:

- a) Adopt the City of Martensville Investment Policy Bylaw.
- b) Ensure that as part of the annual audit, performed by the external auditors, the Investment Policy Bylaw No. 09-18 is adhered to.

City Manager:

- a) That the Investment Policy Bylaw be implemented, monitored, reviewed and ensure that all proposed changes to these guidelines are firstly approved by City Council.

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- b) Review the Investment Policy Bylaw on an annual basis with the Director of Corporate Services to ensure that it remains consistent with the overall objectives of the City and prudent and conservative investment practices. This policy may be reviewed and updated more frequently if necessary.

Director of Corporate Services:

- a) Ensure that the investment portfolio is sufficiently liquid to enable the City of Martensville to meet all operation requirements, which might be reasonably anticipated.
- b) Ensure that the investment portfolio attains a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.
- c) Is responsible for the day to day management of the investment of surplus funds as identified in this policy.
- d) Is responsible for reconciling all investments to the general ledger and submitting quarterly a listing of the City's investment portfolio to the City Manager and City Council.
- e) Is jointly responsible, for the custody, control and safekeeping of all investment securities owned by the City of Martensville.

2.6 Procedures

The Director of Corporate Services will:

- a) Review the total amount of funds available and make decisions as to term and type of securities, taking into consideration the existing portfolio and anticipated cash requirements.
- b) Forecast the cash requirements of the City's Capital and Operating budgets by noting any large intended withdrawals and deposits for the current and subsequent years.

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- c) Assess the risk/return nature of investments, liquidity and duration of portfolio when deciding upon investment vehicles, always keeping in mind Section 2.2 (b) Investment Objectives.
- d) When an investment whose rating is downgraded below the investment policy guidelines, ensure it is sold as soon as practical without compromising the portfolio.

2.7 This bylaw will take effect upon final passage thereof.

Read a first time this 18th day of September. 2018.
Read a second time this 18th day of September. 2018.
Read a third and final time this 18th day of September. 2018.

Mayor

City Clerk