

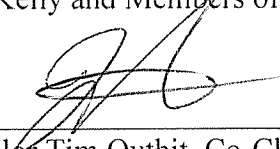


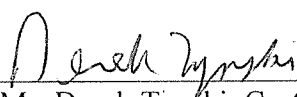
PO Box 1749
Halifax, Nova Scotia
B3J 3A5, Canada

Item No. 3
Halifax Regional Council
June 15, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


Councillor Tim Outhit, Co-Chair, Investment Policy Advisory Committee


Mr. Derek Tynski, Co-Chair, Investment Policy Advisory Committee

DATE: May 28, 2010

SUBJECT: **Investment Policy Advisory Committee Report - Quarter Ending
March 31/10**

INFORMATION REPORT

ORIGIN

The Halifax Regional Municipality Investment Policy requires that the Investment Policy Advisory Committee report to Council on compliance by staff with the Investment Objectives of the Investment Policy not less frequently than quarterly.

BACKGROUND

The Halifax Regional Municipality Investment Policy (the Policy) was adopted by Council April 23, 2002 and was approved by the Minister of Service Nova Scotia and Municipal Relations (the Minister) on May 14, 2002. Amendments to the Policy, as recommended by the Investment Policy Advisory Committee (the Committee), were approved by Council and the Minister in 2005, 2007, 2008 and 2010. Policy approvals are in accordance with Section 121 of the Halifax Regional Municipality Charter.

The mandate of the Committee is to recommend an investment policy to Council as well as provide ongoing monitoring of investment activities. Following adoption and approval of the Policy, the activities of the Committee have shifted to the monitoring role as well as annual reviews of the Policy.

DISCUSSION

The Investment Policy Advisory Committee is pleased to provide this report to Council under the provisions of the Policy. The primary focus of this report will be to report on compliance with the objectives of the Policy.

The six objectives of the Policy, stated in order of priority of importance, are as follows:

1. Adherence to Legal Requirements
2. Preservation of Capital
3. Liquidity
4. Diversification of Investment Portfolio
5. Competitive Return on Investments
6. Regular Review of Performance

Copies of the Sector Weight schedules recommended under the Policy are attached.

The Committee has reviewed the information provided by staff in the Treasurer's report to the Committee for the Quarter ending March 31, 2010 and accepts the report and the findings contained in the report that the investment activities reported for that Quarter are in compliance with the Policy.

BUDGET IMPLICATIONS

N/A

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

The Committee has been advised by staff that this report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

Investment activities are reported Quarterly to the Investment Policy Advisory Committee. The majority of members of this Committee (3 of 5) are volunteers from the general public. The Committee reports to Council Quarterly on staff's compliance with the Investment Policy. In addition, the Committee conducts an annual review of the Investment Policy and makes recommendations to Council for any changes considered appropriate.

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules @ March 31, 2010 (Schedules A, B, C, D & E)

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Approved by: Councillor Tim Outhit, Co-Chair, Investment Policy Advisory Committee
Derek Tynski, Co-Chair, Investment Policy Advisory Committee

Report Prepared by: Derek Tynski, Co-Chair, Investment Policy Advisory Committee

**Total Investments
Sector Weights
@ March 31, 2010**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	30,819,900	18%	169,253,414	100%	138,433,514	82%
Federal Government	Open	30,819,900	18%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	109,478,611	65%	169,253,414	100%	59,774,803	35%
Total Alberta (R-1 High)	Open	14,743,440	9%	42,313,354	25%	27,569,914	16%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	14,743,440					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	40,314,489	24%	42,313,354	25%	1,998,865	1%
Manitoba (R-1 Mid)	Open	0	0%	42,313,354	25%	42,313,354	25%
New Brunswick (R-1 Mid)	Open	0	0%	42,313,354	25%	42,313,354	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			42,313,354	25%	42,313,354	25%
Ontario (R-1 High)	Open	42,563,781	25%	42,313,354	25%	-250,427	0%
Quebec (R-1 Mid)	Open	11,856,901	7%	42,313,354	25%	30,456,453	18%
Saskatchewan (R-1 Mid)	Open	0	0%	42,313,354	25%	42,313,354	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		42,313,354	25%	42,313,354	25%
Calgary (R-1 High)	Open			16,925,341	10%	16,925,341	10%
Edmonton (R-1 High)	Open			16,925,341	10%	16,925,341	10%
Financial Institutions & their Guarantees /Corporations		28,954,903	17%	84,626,707	50%	55,671,804	33%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	28,954,903	17%	84,626,707	50%	55,671,804	33%
Bank of Montreal (R-1 High)	Open	9,999,000	6%	16,925,341	10%	6,926,341	4%
Bank of Nova Scotia (R-1 High)	Open	8,994,450	5%	16,925,341	10%	7,930,891	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	6,994,330	4%	16,925,341	10%	9,931,011	6%
Royal Bank (R-1 High)	Open	0	2%	16,925,341	10%	13,958,218	8%
Royal Bank - Effective Cash		2,967,123					
Toronto Dominion (R-1 High)	Open	0	0%	16,925,341	10%	16,925,341	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	0	0%	42,313,354	25%	42,313,354	25%
National Bank of Canada (R-1 Mid)	Open	0	0%	8,462,671	5%	8,462,671	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	8,462,671	5%	8,462,671	5%
CDP Financial Inc (R-1 High)	Open	0	0%	8,462,671	5%	8,462,671	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	8,462,671	5%	8,462,671	5%
Desjardins Total		0	0%	8,462,671	5%	8,462,671	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		169,253,414	100%				
FIXED (Bonds, etc. over one year)		4,968,662	3%				
Federal Government		4,968,662	3%				
Total Fixed		4,968,662					
Equities		6,410					
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		174,228,486					
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$20,282,456	*				
Total Investments and O/S Cheques Coverage		194,510,942					

SCHEDULE B

**Operating Funds
Sector Weights
@ March 31, 2010**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	10,238,091	18%	56,224,450	100%	45,986,358	82%
Federal Government	Open	10,238,091	18%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	36,367,802	65%	56,224,450	100%	19,856,648	35%
Total Alberta (R-1 High)	Open	4,897,637	9%	14,056,112	25%	9,158,475	16%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	4,897,637					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	13,392,108	24%	14,056,112	25%	664,005	1%
Manitoba (R-1 Mid)	Open	0	0%	14,056,112	25%	14,056,112	25%
New Brunswick (R-1 Mid)	Open	0	0%	14,056,112	25%	14,056,112	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			14,056,112	25%	14,056,112	25%
Ontario (R-1 High)	Open	14,139,302	25%	14,056,112	25%	-83,190	0%
Quebec (R-1 Mid)	Open	3,938,755	7%	14,056,112	25%	10,117,357	18%
Saskatchewan (R-1 Mid)	Open	0	0%	14,056,112	25%	14,056,112	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		14,056,112	25%	14,056,112	25%
Calgary (R-1 High)	Open			5,622,445	10%	5,622,445	10%
Edmonton (R-1 High)	Open			5,622,445	10%	5,622,445	10%
Financial Institutions & their Guarantees /Corporations		9,618,556	17%	28,112,225	50%	18,493,669	33%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	9,618,556	17%	28,112,225	50%	18,493,669	33%
Bank of Montreal (R-1 High)	Open	3,321,577	6%	5,622,445	10%	2,300,868	4%
Bank of Nova Scotia (R-1 High)	Open	2,987,875	5%	5,622,445	10%	2,634,570	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	2,323,453	4%	5,622,445	10%	3,298,992	6%
Royal Bank (R-1 High)	Open	0	2%	5,622,445	10%	4,636,794	8%
Royal Bank - Effective Cash		985,651 }					
Toronto Dominion (R-1 High)	Open	0	0%	5,622,445	10%	5,622,445	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	0	0%	14,056,112	25%	14,056,112	25%
National Bank of Canada (R-1 Mid)	Open	0	0%	2,811,222	5%	2,811,222	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	2,811,222	5%	2,811,222	5%
CDP Financial Inc (R-1 High)	Open	0	0%	2,811,222	5%	2,811,222	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	2,811,222	5%	2,811,222	5%
Desjardins Total		0	0%	2,811,222	5%	2,811,222	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Investments		56,224,450	100%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$20,282,456	*				
Total Investments and O/S Cheques Coverage		76,506,905					

SCHEDULE C

**Capital Funds
Sector Weights
@ March 31, 2010**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	0	0%	0	100%	0	0%
Federal Government	Open	0	0%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open	0	0%				
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	0	0%	0	100%	0	0%
Total Alberta (R-1 High)	Open	0	0%	0	25%	0	0%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	0	0%	0	25%	0	0%
Manitoba (R-1 Mid)	Open	0	0%	0	25%	0	0%
New Brunswick (R-1 Mid)	Open	0	0%	0	25%	0	0%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	0	25%	0	0%
Ontario (R-1 High)	Open	0	0%	0	25%	0	0%
Quebec (R-1 Mid)	Open	0	0%	0	25%	0	0%
Saskatchewan (R-1 Mid)	Open	0	0%	0	25%	0	0%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		0	25%	0	0%
Calgary (R-1 High)	Open	0		0	10%	0	0%
Edmonton (R-1 High)	Open	0		0	10%	0	0%
Financial Institutions & their Guarantees /Corporations		0	0%	0	50%	0	0%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	0	0%	0	50%	0	0%
Bank of Montreal (R-1 High)	Open	0	0%	0	10%	0	0%
Bank of Nova Scotia (R-1 High)	Open	0	0%	0	10%	0	0%
Canadian Imperial Bank of Commerce (R-1 High)	Open	0	0%	0	10%	0	0%
Royal Bank (R-1 High)	Open	0	0%	0	10%	0	0%
Royal Bank - Effective Cash	0 }						
Toronto Dominion (R-1 High)	Open	0	0%	0	10%	0	0%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	0	0%	0	25%	0	0%
National Bank of Canada (R-1 Mid)	Open	0	0%	0	5%	0	0%
OMERS Realty Corporation (R-1 High)	Open	0	0%	0	5%	0	0%
CDP Financial Inc (R-1 High)	Open	0	0%	0	5%	0	0%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	0	5%	0	0%
Desjardins Total	0	0	0%	0	5%	0	0%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		0	0%				

SCHEDULE D

Reserve Funds
Sector Weights
@ March 31, 2010

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	19,967,324	18%	109,654,401	100%	89,687,077	82%
Federal Government	Open	19,967,324	18%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	70,928,032	65%	109,654,401	100%	38,726,369	35%
Total Alberta (R-1 High)	Open	9,551,849	9%	27,413,600	25%	17,861,751	16%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	9,551,849					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	26,118,594	24%	27,413,600	25%	1,295,007	1%
Manitoba (R-1 Mid)	Open	0	0%	27,413,600	25%	27,413,600	25%
New Brunswick (R-1 Mid)	Open	0	0%	27,413,600	25%	27,413,600	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			27,413,600	25%	27,413,600	25%
Ontario (R-1 High)	Open	27,575,845	25%	27,413,600	25%	-162,245	0%
Quebec (R-1 Mid)	Open	7,681,744	7%	27,413,600	25%	19,731,856	18%
Saskatchewan (R-1 Mid)	Open	0	0%	27,413,600	25%	27,413,600	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		27,413,600	25%	27,413,600	25%
Calgary (R-1 High)	Open			10,965,440	10%	10,965,440	10%
Edmonton (R-1 High)	Open			10,965,440	10%	10,965,440	10%
Financial Institutions & their Guarantees /Corporations		18,759,046	17%	54,827,201	50%	36,068,155	33%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	18,759,046	17%	54,827,201	50%	36,068,155	33%
Bank of Montreal (R-1 High)	Open	6,478,063	6%	10,965,440	10%	4,487,377	4%
Bank of Nova Scotia (R-1 High)	Open	5,827,245	5%	10,965,440	10%	5,138,196	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	4,531,424	4%	10,965,440	10%	6,434,016	6%
Royal Bank (R-1 High)	Open	0	2%	10,965,440	10%	9,043,127	8%
Royal Bank - Effective Cash		1,922,313 }					
Toronto Dominion (R-1 High)	Open	0	0%	10,965,440	10%	10,965,440	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	0	0%	27,413,600	25%	27,413,600	25%
National Bank of Canada (R-1 Mid)	Open	0	0%	5,482,720	5%	5,482,720	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	5,482,720	5%	5,482,720	5%
CDP Financial Inc (R-1 High)	Open	0	0%	5,482,720	5%	5,482,720	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	5,482,720	5%	5,482,720	5%
Desjardins Total		0	0%	5,482,720	5%	5,482,720	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		109,654,401	100%				
FIXED (Bonds, etc. over one year)							
Federal Government		4,968,662	4%				
Total Fixed		4,968,662					
Total Investments		114,623,063					

**Trust Funds
Sector Weights
@ March 31, 2010**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	614,485	18%	3,374,563	100%	2,760,078	82%
Federal Government	Open	614,485	18%				
Business Development Bank	Open	0	0%				
Canada Mortgage & Housing Corp	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	0	0%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	2,182,777	65%	3,374,563	100%	1,191,786	35%
Total Alberta (R-1 High)	Open	293,954	9%	843,641	25%	549,687	16%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	293,954					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	803,788	24%	843,641	25%	39,853	1%
Manitoba (R-1 Mid)	Open	0	0%	843,641	25%	843,641	25%
New Brunswick (R-1 Mid)	Open	0	0%	843,641	25%	843,641	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			843,641	25%	843,641	25%
Ontario (R-1 High)	Open	848,634	25%	843,641	25%	-4,993	0%
Quebec (R-1 Mid)	Open	236,402	7%	843,641	25%	607,239	18%
Saskatchewan (R-1 Mid)	Open	0	0%	843,641	25%	843,641	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		843,641	25%	843,641	25%
Calgary (R-1 High)	Open			337,456	10%	337,456	10%
Edmonton (R-1 High)	Open			337,456	10%	337,456	10%
Financial Institutions & their Guarantees /Corporations		577,301	17%	1,687,282	50%	1,109,981	33%
	BA's Schedule A Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	577,301	17%	1,687,282	50%	1,109,981	33%
Bank of Montreal (R-1 High)	Open	199,359	6%	337,456	10%	138,097	4%
Bank of Nova Scotia (R-1 High)	Open	179,331	5%	337,456	10%	158,126	5%
Canadian Imperial Bank of Commerce (R-1 High)	Open	139,452	4%	337,456	10%	198,004	6%
Royal Bank (R-1 High)	Open	0	2%	337,456	10%	278,298	8%
Royal Bank - Effective Cash		59,158					
Toronto Dominion (R-1 High)	Open	0	0%	337,456	10%	337,456	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	0	0%	843,641	25%	843,641	25%
National Bank of Canada (R-1 Mid)	Open	0	0%	168,728	5%	168,728	5%
OMERS Realty Corporation (R-1 High)	Open	0	0%	168,728	5%	168,728	5%
CDP Financial Inc (R-1 High)	Open	0	0%	168,728	5%	168,728	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	168,728	5%	168,728	5%
Desjardins Total		0	0%	168,728	5%	168,728	5%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		3,374,563	100%				
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,380,973					