



**INVESTMENT POLICY ADVISORY COMMITTEE
MINUTES
July 22, 2015**

PRESENT: Mr. Shawn Williams, Co-Chair
Mr. Kim Houston
Mr. Daniel Hudgin
Ms. Dorothy MacCurdy
Mr. Michael Conde

REGRETS: Councillor Steve Craig, Co-Chair

STAFF: Mr. Jerry Blackwood, Manager of Revenue
Mr. Liam MacSween, Legislative Assistant
Ms. Cathy Collett, Legislative Support

The following does not represent a verbatim record of the proceedings of this meeting.

The agenda, supporting documents, and information items circulated to the Committee are available online: <http://www.halifax.ca/boardscom/ipac/index.php>

The meeting was called to order at 12:04 p.m. and adjourned at 12:27 p.m.

1. CALL TO ORDER

The Chair called the meeting to order at 12:04 p.m. in the Media Room, 1st Floor, City Hall, Halifax.

2. APPROVAL OF MINUTES – April 2, 2015

MOVED by Ms. Dorothy MacCurdy, seconded by Mr. Kim Houston that the minutes of April 2, 2015 be accepted as presented. MOTION PUT AND PASSED.

3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

MOVED by Ms. Dorothy MacCurdy, seconded by Mr. Kim Houston that the order of business be approved as presented. MOTION PUT AND PASSED.

4. BUSINESS ARISING OUT OF THE MINUTES - None

5. NEW BUSINESS

5.1 Treasurer's Report – Quarter Ending March 31, 2015

The following was before the committee:

- *A memorandum from the Deputy Treasurer dated July 6, 2015*

Mr. Shawn Williams, Deputy Treasurer, outlined the Treasurer's Report dated July 6, 2015. As he explained, 44 money market investments were made this Quarter, at a cost of \$90,235,000 with an average term to maturity of 100 days. The predominant strategy was to allocate funds to the investment bank accounts and to use Government instruments to manage sector weights and cover cash needs when necessary. In this Quarter, two Floating Rate Notes matured totaling \$7,000,000.00. The total amount of funds held in investment bank accounts was \$119,666,094 and the incremental income for the Quarter was \$102,198.

In terms of policy compliance, Mr. Williams informed the Committee that there was no loss of capital and no overdraft charges were incurred during this Quarter. The rate of return (ROR) was above median for the year ending March 31, 2015 before allowing for fees that could have been paid to an external management firm, thus staff maintains the ROR Objective of the Investment Policy has been met.

Mr. Williams responded to questions from the Committee.

Mr. Williams asked the Committee for feedback on the possibility of raising the limits on funds held in financial institutions. The limit is currently set at 50% of the portfolio, but since bank accounts have significantly better interest rates than governmental institutions, Mr. Williams suggested that raising this percentage might be something the Committee could consider in the future.

The Committee discussed the pros and cons of raising the percentage held in financial institutions and decided to revisit the question at the next meeting.

Mr. Williams and Mr. Blackwood responded to questions from committee members.

5.2 Draft Investment Policy Advisory Committee Report to the Audit and Finance Committee for Quarter Ending December 31, 2014

The following was before the committee:

- *Investment Policy Advisory Report to the Audit and Finance Committee for Quarter Ending March 31, 2015*

The report was received as submitted.

MOVED by Ms. Dorothy MacCurdy, seconded by Mr. Daniel Hudgin that the report be forwarded to the Audit & Finance Standing Committee for approval.

MOTION PUT AND PASSED.

6. INFORMATION ITEMS/OPTIONAL READING

6.1 Bloomberg View – “Pity the Oil Forecasters”

6.2 Bloomberg View – “Where Have All the Consumers Gone?”

6.3 Bloomberg View – “Average Returns, Rarer Than You Think”

6.4 Bloomberg View – “What Causes Recessions?”

7. NEXT MEETING DATE – TBD.

8. ADJOURNMENT

The meeting was adjourned at 12:27 p.m.

Cathy Collett
Legislative Support