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Halifax Regional Council
April 20, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Derek Tynski
Derek Tynski, Chair, Investment Policy Advisory Committee

DATE: April 5, 2004

SUBJECT: Investment Policy Advisory Committee Report - Quarter Ending
December 31, 2003

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 on May 14, 2002. The Policy was approved in accordance with Section 100 of the *Municipal Government Act*.

The mandate of the Investment Policy Advisory Committee (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.

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 December 31, 2003 and accepts the report and the findings contained in the report that the investment activities reported 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, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

N/A

ATTACHMENTS

Sector Weight Schedules @ December 31, 2003 (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: Investment Policy Advisory Committee

Date: March 31, 2004

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

**Total Investments
Sector Weights
@ December 31, 2003**

Schedule A

	<u>Category Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$159,990,901	69%	\$231,942,295	100%	\$71,951,394	31%
Federal Government	Open	\$124,370,981	54%				
Business Development Bank	Open	\$5,866,920	3%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$24,785,550	11%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$4,967,450	2%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$27,406,343	12%	\$231,942,295	100%	\$204,535,952	88%
Total Alberta (R-1 High)	Open	\$0	0%	\$57,985,574	25%	\$57,985,574	25%
Alberta (R-1 High)	Open	\$0					
Alberta Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open						
British Columbia (R-1 Mid)	Open			\$57,985,574	25%	\$57,985,574	25%
Manitoba (R-1 Low)	Closed			\$57,985,574	25%	\$57,985,574	
New Brunswick (R-1 Low)	Closed			\$57,985,574	25%	\$57,985,574	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$57,985,574	25%	\$57,985,574	
Nova Scotia (R-1 Low)	Closed			\$57,985,574	25%	\$57,985,574	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$57,985,574	25%	\$57,985,574	
Ontario (R-1 Mid)	Open	\$27,406,343	12%	\$57,985,574	25%	\$30,579,231	13%
Prince Edward Island (R-1 Low)	Closed			\$57,985,574	25%	\$57,985,574	
Quebec (R-1 Low)	Closed			\$57,985,574	25%	\$57,985,574	
Saskatchewan (R-1 Low)	Closed			\$57,985,574	25%	\$57,985,574	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$57,985,574	25%	\$57,985,574	25%
Calgary (R-1 Mid)	Open			\$23,194,230	10%	\$23,194,230	10%
Edmonton (R-1 High)	Open			\$23,194,230	10%	\$23,194,230	10%
Winnipeg (R-1 Mid)	Open			\$23,194,230	10%	\$23,194,230	10%
BA's Schedule A							
Financial Institutions & their Guarantees	Mid	\$44,545,051	19%	\$57,985,574	25%	\$13,440,523	6%
Bank of Montreal (R-1 Mid)	Open	\$3,983,800	2%	\$23,194,230	10%	\$19,210,430	8%
Bank of Nova Scotia (R-1 Mid)	Open	\$6,952,250	3%	\$23,194,230	10%	\$16,241,980	7%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$17,735,970	8%	\$23,194,230	10%	\$5,458,260	2%
Laurentian Bank (R-1 Low)	Closed			\$23,194,230	10%	\$23,194,230	
National Bank of Canada (R-1 Low)	Closed			\$23,194,230	10%	\$23,194,230	
Royal Bank (R-1 Mid)	Open	\$0	6%	\$23,194,230	10%	\$10,316,458	4%
Royal Bank 1 Day BA		\$12,877,771					
Toronto Dominion (R-1 Mid)	Open	\$2,995,260	1%	\$23,194,230	10%	\$20,198,970	9%
Corporations & their Guarantees	Closed						
TOTAL CASH & EQUIVALENTS		\$231,942,295	100%				
FIXED (Bonds, etc. over one year)							
Federal Government & its Guarantees		\$54,175					
Federal Government		\$54,175					
TOTAL FIXED		\$54,175					
EQUITIES							
Bank of Montreal		\$6,410					
TOTAL EQUITIES		\$6,410					
TOTAL INVESTMENTS		\$232,002,880					
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$13,008,151					
TOTAL INVESTMENTS & O/S Cheques Coverage		\$245,011,031					

**Operating Fund
Sector Weights
@ December 31, 2003**

Schedule B

<u>Category</u>	<u>Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$57,874,899	69%	\$83,902,502	100%	\$26,027,604	31%
Federal Government	Open	\$44,989,795	54%				
Business Development Bank	Open	\$2,122,292	3%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$8,965,892	11%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$1,796,919	1%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$9,913,935	12%	\$83,902,502	100%	\$73,988,568	88%
Total Alberta (R-1 High)	Open	\$0	0%	\$20,975,626	25%	\$20,975,626	25%
Alberta (R-1 High)	Open	\$0					
Alberta Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open						
British Columbia (R-1 Mid)	Open			\$20,975,626	25%	\$20,975,626	25%
Manitoba (R-1 Low)	Closed			\$20,975,626	25%	\$20,975,626	
New Brunswick (R-1 Low)	Closed			\$20,975,626	25%	\$20,975,626	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$20,975,626	25%	\$20,975,626	
Nova Scotia (R-1 Low)	Closed			\$20,975,626	25%	\$20,975,626	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$20,975,626	25%	\$20,975,626	
Ontario (R-1 Mid)	Open	\$9,913,935	12%	\$20,975,626	25%	\$11,061,691	13%
Prince Edward Island (R-1 Low)	Closed			\$20,975,626	25%	\$20,975,626	
Quebec (R-1 Low)	Closed			\$20,975,626	25%	\$20,975,626	
Saskatchewan (R-1 Low)	Closed			\$20,975,626	25%	\$20,975,626	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$20,975,626	25%	\$20,975,626	25%
Calgary (R-1 Mid)	Open			\$8,390,250	10%	\$8,390,250	10%
Edmonton (R-1 High)	Open			\$8,390,250	10%	\$8,390,250	10%
Winnipeg (R-1 Mid)	Open			\$8,390,250	10%	\$8,390,250	10%
BA's Schedule A							
Financial Institutions & their Guarantees	Canadain Banks R-1 Mid	\$16,113,668	19%	\$20,975,626	25%	\$4,861,957	6%
Bank of Montreal (R-1 Mid)	Open	\$1,441,095	2%	\$8,390,250	10%	\$6,949,156	8%
Bank of Nova Scotia (R-1 Mid)	Open	\$2,514,898	3%	\$8,390,250	10%	\$5,875,352	7%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$6,415,787	8%	\$8,390,250	10%	\$1,974,464	2%
Laurentian Bank (R-1 Low)	Closed			\$8,390,250	10%	\$8,390,250	
National Bank of Canada (R-1 Low)	Closed			\$8,390,250	10%	\$8,390,250	
Royal Bank (R-1 Mid)	Open	\$0	6%	\$8,390,250	10%	\$3,731,862	4%
Royal Bank 1 Day BA		\$4,658,388					
Toronto Dominion (R-1 Mid)	Open	\$1,083,501	1%	\$8,390,250	10%	\$7,306,749	9%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
Total Investments		\$83,902,502	100%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$13,008,151	*				
Total Cash and Investments		\$96,910,652					

**Capital Fund
Sector Weights
@ December 31, 2003**

Schedule C

		<u>Cumulative</u> <u>Amount Invested</u> <u>@ Book Value</u>	%	<u>Guideline Limit</u>	%	<u>Limit</u> <u>Available</u>	%
<u>Category</u>	<u>Status</u>						
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						
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 Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open	\$0					
British Columbia (R-1 Mid)	Open			\$0	25%	\$0	0%
Manitoba (R-1 Low)	Closed			\$0	25%	\$0	
New Brunswick (R-1 Low)	Closed			\$0	25%	\$0	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$0	25%	\$0	
Nova Scotia (R-1 Low)	Closed			\$0	25%	\$0	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$0	25%	\$0	
Ontario (R-1 Mid)	Open	\$0	0%	\$0	25%	\$0	0%
Prince Edward Island (R-1 Low)	Closed			\$0	25%	\$0	
Quebec (R-1 Low)	Closed			\$0	25%	\$0	
Saskatchewan (R-1 Low)	Closed			\$0	25%	\$0	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$0	25%	\$0	0%
Calgary (R-1 Mid)	Open			\$0	10%	\$0	0%
Edmonton (R-1 High)	Open			\$0	10%	\$0	0%
Winnipeg (R-1 Mid)	Open			\$0	10%	\$0	0%
	BA's Schedule A						
	Canadian Banks R-1						
Financial Institutions & their Guarantees	Mid	\$0	0%	\$0	25%	\$0	0%
Bank of Montreal (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Bank of Nova Scotia (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Laurentian Bank (R-1 Low)	Closed			\$0	10%	\$0	
National Bank of Canada (R-1 Low)	Closed			\$0	10%	\$0	
Royal Bank (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Royal Bank 1 Day BA		\$0	}				
Toronto Dominion (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	0%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
Total Investments		\$0	0%				

**Reserve Funds
Sector Weights
@ December 31, 2003**

Schedule D

<u>Category Status</u>	<u>Cumulative Amount Invested @ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>	
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$100,198,145	69%	\$145,259,434	100%	\$45,061,289	31%
Federal Government	Open	\$77,890,315	54%				
Business Development Bank	Open	\$3,674,300	3%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$15,522,546	11%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$3,110,985	2%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$17,163,881	12%	\$145,259,434	100%	\$128,095,554	88%
Total Alberta (R-1 High)	Open	\$0	0%	\$36,314,859	25%	\$36,314,859	25%
Alberta (R-1 High)	Open	\$0					
Alberta Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open						
British Columbia (R-1 Mid)	Open			\$36,314,859	25%	\$36,314,859	25%
Manitoba (R-1 Low)	Closed			\$36,314,859	25%	\$36,314,859	
New Brunswick (R-1 Low)	Closed			\$36,314,859	25%	\$36,314,859	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$36,314,859	25%	\$36,314,859	
Nova Scotia (R-1 Low)	Closed			\$36,314,859	25%	\$36,314,859	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$36,314,859	25%	\$36,314,859	
Ontario (R-1 Mid)	Open	\$17,163,881	12%	\$36,314,859	25%	\$19,150,978	13%
Prince Edward Island (R-1 Low)	Closed			\$36,314,859	25%	\$36,314,859	
Quebec (R-1 Low)	Closed			\$36,314,859	25%	\$36,314,859	
Saskatchewan (R-1 Low)	Closed			\$36,314,859	25%	\$36,314,859	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$36,314,859	25%	\$36,314,859	25%
Calgary (R-1 Mid)	Open			\$14,525,943	10%	\$14,525,943	10%
Edmonton (R-1 High)	Open			\$14,525,943	10%	\$14,525,943	10%
Winnipeg (R-1 Mid)	Open			\$14,525,943	10%	\$14,525,943	10%
BA's Schedule A							
Financial Institutions & their Guarantees	Mid	\$27,897,408	19%	\$36,314,859	25%	\$8,417,450	6%
Bank of Montreal (R-1 Mid)	Open	\$2,494,950	2%	\$14,525,943	10%	\$12,030,993	8%
Bank of Nova Scotia (R-1 Mid)	Open	\$4,354,014	3%	\$14,525,943	10%	\$10,171,930	7%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$11,107,577	8%	\$14,525,943	10%	\$3,418,366	2%
Laurentian Bank (R-1 Low)	Closed			\$14,525,943	10%	\$14,525,943	
National Bank of Canada (R-1 Low)	Closed			\$14,525,943	10%	\$14,525,943	
Royal Bank (R-1 Mid)	Open	\$0 }	6%	\$14,525,943	10%	\$6,460,930	4%
Royal Bank 1 Day BA		\$8,065,013 }					
Toronto Dominion (R-1 Mid)	Open	\$1,875,854	1%	\$14,525,943	10%	\$12,650,090	9%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
Total Investments		\$145,259,434	100%				

**Trust Funds
Sector Weights
@ December 31, 2003**

Schedule E

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$1,917,857	68%	\$2,840,944	100%	\$923,087	32%
Federal Government	Open	\$1,490,871	52%				
Business Development Bank	Open	\$70,328	2%				
Canada Mortgage & Housing Corp.	Open	\$0	0%				
Canadian Wheat Board	Open	\$297,112	10%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$59,546	2%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$328,528	12%	\$2,840,944	100%	\$2,512,416	88%
Total Alberta (R-1 High)	Open	\$0	0%	\$710,236	25%	\$710,236	25%
Alberta (R-1 High)	Open	\$0					
Alberta Municipal Finance Corp (R-1 High)	Open						
Alberta Treasury Branches (R-1 High)	Open						
British Columbia (R-1 Mid)	Open			\$710,236	25%	\$710,236	25%
Manitoba (R-1 Low)	Closed			\$710,236	25%	\$710,236	
New Brunswick (R-1 Low)	Closed			\$710,236	25%	\$710,236	
New Brunswick Municipal Finance Corp (R-1 Low)	Closed			\$710,236	25%	\$710,236	
Nova Scotia (R-1 Low)	Closed			\$710,236	25%	\$710,236	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$710,236	25%	\$710,236	
Ontario (R-1 Mid)	Open	\$328,528	12%	\$710,236	25%	\$381,708	13%
Prince Edward Island (R-1 Low)	Closed			\$710,236	25%	\$710,236	
Quebec (R-1 Low)	Closed			\$710,236	25%	\$710,236	
Saskatchewan (R-1 Low)	Closed			\$710,236	25%	\$710,236	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0	0%	\$710,236	25%	\$710,236	25%
Calgary (R-1 Mid)	Open			\$284,094	10%	\$284,094	0%
Edmonton (R-1 High)	Open			\$284,094	10%	\$284,094	0%
Winnipeg (R-1 Mid)	Open			\$284,094	10%	\$284,094	0%
BA's Schedule A							
Financial Institutions & their Guarantees	Mid	\$533,974	19%	\$710,236	25%	\$176,262	6%
Bank of Montreal (R-1 Mid)	Open	\$47,755	2%	\$284,094	10%	\$236,339	8%
Bank of Nova Scotia (R-1 Mid)	Open	\$83,339	3%	\$284,094	10%	\$200,756	7%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$212,606	7%	\$284,094	10%	\$71,488	3%
Laurentian Bank (R-1 Low)	Closed			\$284,094	10%	\$284,094	
National Bank of Canada (R-1 Low)	Closed			\$284,094	10%	\$284,094	
Royal Bank (R-1 Mid)	Open	\$0	5%	\$284,094	10%	\$129,725	5%
Royal Bank 1 Day BA		\$154,370					
Toronto Dominion (R-1 Mid)	Open	\$35,905	1%	\$284,094	10%	\$248,189	9%
Corporations & their Guarantees	Closed						
TOTAL CASH & EQUIVALENTS		\$2,780,359	98%				
FIXED (Bonds, etc. over one year)							
Federal Government & its Guarantees							
Federal Government		\$54,175	2%				
TOTAL FIXED							
EQUITIES							
Bank of Montreal		\$6,410	0%				
TOTAL EQUITIES							
Total Investments		\$2,840,944	100%				