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Halifax Regional Council
June 26, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Councillor Bill Karsten, Co-Chair, Investment Policy Advisory Committee


Derek Tynski, Co-Chair, Investment Policy Advisory Committee

DATE: June 18, 2007

SUBJECT: Investment Policy Advisory Committee Report - Quarter Ending
March 31, 2007

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. An amended Policy, as recommended by the Investment Policy Advisory Committee, was approved by Council November 22, 2005 and by the Minister December 14, 2005. Policy approvals are 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 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, 2007 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, 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 @ March 31, 2007 (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 Bill Karsten, 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. 490-6471 

**Total Investments
Sector Weights
@ March 31, 2007**

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	\$107,980,337	74%	\$145,867,603	100%	\$37,887,266	26%
Federal Government	Open	\$79,025,920	54%				
Business Development Bank	Open	\$9,588,600	7%				
Canada Mortgage & Housing Corp	Open	\$3,735,788	3%				
Canadian Wheat Board	Open	\$3,841,640	3%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$11,788,390	8%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$10,950,150	8%	\$145,867,603	100%	\$134,917,453	92%
Total Alberta (R-1 High)	Open	\$4,963,950	3%	\$36,466,901	25%	\$31,502,951	22%
Alberta (R-1 High)	Open	\$0					
Alberta Capital Finance Authority (R-1 High)	Open	\$0					
Alberta Treasury Branches (R-1 High)	Open	\$4,963,950					
British Columbia (R-1 High)	Open	\$5,986,200	4%	\$36,466,901	25%	\$30,480,701	21%
Manitoba (R-1 Mid)	Open			\$36,466,901	25%	\$36,466,901	
New Brunswick (R-1 Mid)	Open	\$0		\$36,466,901	25%	\$36,466,901	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$36,466,901	25%	\$36,466,901	
Nova Scotia (R-1 Low)	Closed			\$36,466,901	25%	\$36,466,901	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$36,466,901	25%	\$36,466,901	
Ontario (R-1 High)	Open	\$0	0%	\$36,466,901	25%	\$36,466,901	25%
Prince Edward Island (R-1 Low)	Closed			\$36,466,901	25%	\$36,466,901	
Quebec (R-1 Mid)	Open	\$0		\$36,466,901	25%	\$36,466,901	
Saskatchewan (R-1 Mid)	Open			\$36,466,901	25%	\$36,466,901	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$36,466,901	25%	\$36,466,901	25%
Calgary (R-1 High)	Open			\$14,586,760	10%	\$14,586,760	10%
Edmonton (R-1 High)	Open			\$14,586,760	10%	\$14,586,760	10%
	BA's Schedule A						
	Canadian Banks R-1						
Financial Institutions & their Guarantees	Mid	-\$26,937,116	18%	\$36,466,901	25%	\$9,529,785	7%
Bank of Montreal (R-1 High)	Open	\$9,975,350	7%	\$14,586,760	10%	\$4,611,410	3%
Bank of Nova Scotia (R-1 High)	Open	\$7,969,890	5%	\$14,586,760	10%	\$6,616,871	5%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$9,951,710	7%	\$14,586,760	10%	\$4,635,050	3%
National Bank of Canada (R-1 Mid)	Closed			\$14,586,760	10%	\$14,586,760	
Royal Bank (R-1 High)	Open	\$1,396,710	-1%	\$14,586,760	10%	\$15,546,594	11%
Royal Bank - Effective Cash		(\$2,356,543)					
Toronto Dominion (R-1 High)	Open	\$0	0%	\$14,586,760	10%	\$14,586,760	10%
Corporations & their Guarantees	Closed						
Total Cash and Equivalents		\$145,867,603	100%				
FIXED (Bonds, etc. over one year)							
Province of Nova Scotia (A-Low)	Open (Special)	\$18,900,000					
Federal Government (AAA)		\$23,682,115	14%	\$169,549,718	100%	\$37,887,266	22%
TOTAL FIXED		\$42,582,115					
EQUITIES							
Bank of Montreal		\$6,410					
TOTAL EQUITIES		\$6,410					
TOTAL INVESTMENTS		\$188,456,128					
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$14,251,497					
TOTAL INVESTMENTS & O/S Cheques Coverage		\$202,707,627					

Operating Fund
Sector Weights
@ March 31, 2007

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	\$0	0%	\$0	100%	\$0	100%
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	100%	\$0	100%	\$0	0%
Total Alberta (R-1 High)	Open	\$0	0%	\$0	25%	\$0	25%
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	25%
Manitoba (R-1 Mid)	Open			\$0	25%	\$0	
New Brunswick (R-1 Mid)	Open	\$0		\$0	25%	\$0	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$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 High)	Open	\$0	100%	\$0	25%	(\$0)	-75%
Prince Edward Island (R-1 Low)	Closed			\$0	25%	\$0	
Quebec (R-1 Mid)	Open	\$0		\$0	25%	\$0	
Saskatchewan (R-1 Mid)	Open			\$0	25%	\$0	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$0	25%	\$0	25%
Calgary (R-1 High)	Open			\$0	10%	\$0	10%
Edmonton (R-1 High)	Open			\$0	10%	\$0	10%
BA's Schedule A							
Financial Institutions & their Guarantees	Mid	\$0	0%	\$0	25%	\$0	25%
Bank of Montreal (R-1 High)	Open	\$0	0%	\$0	10%	\$0	10%
Bank of Nova Scotia (R-1 High)	Open	\$0	0%	\$0	10%	\$0	10%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	10%
National Bank of Canada (R-1 Mid)	Closed			\$0	10%	\$0	
Royal Bank (R-1 High)	Open	\$0	0%	\$0	10%	\$0	10%
Royal Bank - Effective Cash		\$0	}				
Toronto Dominion (R-1 High)	Open	\$0	0%	\$0	10%	\$0	10%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
Total Investments		\$0	100%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$14,251,497					
Total Cash and Investments		\$14,251,497					

Capital Funds
Sector Weights
@ March 31, 2007

Schedule C

	<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	\$0	0%	\$0	100%	\$0	100%
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	100%	\$0	100%	\$0	0%
Total Alberta (R-1 High)	Open	\$0	0%	\$0	25%	\$0	25%
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	25%
Manitoba (R-1 Mid)	Open			\$0	25%	\$0	
New Brunswick (R-1 Mid)	Open	\$0		\$0	25%	\$0	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$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 High)	Open	\$0	100%	\$0	25%	(\$0)	-75%
Prince Edward Island (R-1 Low)	Closed			\$0	25%	\$0	
Quebec (R-1 Mid)	Open	\$0		\$0	25%	\$0	
Saskatchewan (R-1 Mid)	Open			\$0	25%	\$0	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$0	25%	\$0	25%
Calgary (R-1 High)	Open			\$0	10%	\$0	10%
Edmonton (R-1 High)	Open			\$0	10%	\$0	10%
	BA's Schedule A						
	Canadian Banks R-1						
Financial Institutions & their Guarantees	Mid	\$0	0%	\$0	25%	\$0	25%
Bank of Montreal (R-1 High)	Open	\$0	0%	\$0	10%	\$0	10%
Bank of Nova Scotia (R-1 High)	Open	\$0	0%	\$0	10%	\$0	10%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$0	0%	\$0	10%	\$0	10%
National Bank of Canada (R-1 Mid)	Closed			\$0	10%	\$0	
Royal Bank (R-1 High)	Open	\$0	0%	\$0	10%	\$0	10%
Royal Bank - Effective Cash		\$0	}				
Toronto Dominion (R-1 High)	Open	\$0	0%	\$0	10%	\$0	10%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc over one year)	Closed						
Total Cash and Equivalents		\$0	100%				

Reserve Funds
Sector Weights
@ March 31, 2007

Schedule D

<u>Category</u>	<u>Status</u>	<u>Cumulative</u> <u>Amount Invested</u> <u>@ Book Value</u>	<u>%</u>	<u>Guideline Limit</u>	<u>%</u>	<u>Limit Available</u>	<u>%</u>
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	\$105,854,280	74%	\$142,995,577	100%	\$37,141,297	26%
Federal Government	Open	\$77,469,955	54%				
Business Development Bank	Open	\$9,399,807	7%				
Canada Mortgage & Housing Corp	Open	\$3,662,232	3%				
Canadian Wheat Board	Open	\$3,766,001	3%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$11,556,284	8%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$10,734,549	8%	\$142,995,577	100%	\$132,261,028	92%
Total Alberta (R-1 High)	Open	\$4,866,213	3%	\$35,748,894	25%	\$30,882,681	22%
Alberta (R-1 High)	Open	\$0					
Alberta Capital Finance Authority (R-1 High)	Open	\$0					
Alberta Treasury Branches (R-1 High)	Open	\$4,866,213					
British Columbia (R-1 High)	Open	\$5,868,336	4%	\$35,748,894	25%	\$29,880,558	21%
Manitoba (R-1 Mid)	Open			\$35,748,894	25%	\$35,748,894	
New Brunswick (R-1 Mid)	Open	\$0		\$35,748,894	25%	\$35,748,894	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$35,748,894	25%	\$35,748,894	
Nova Scotia (R-1 Low)	Closed			\$35,748,894	25%	\$35,748,894	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$35,748,894	25%	\$35,748,894	
Ontario (R-1 High)	Open	\$0	0%	\$35,748,894	25%	\$35,748,894	25%
Prince Edward Island (R-1 Low)	Closed			\$35,748,894	25%	\$35,748,894	
Quebec (R-1 Mid)	Open	\$0		\$35,748,894	25%	\$35,748,894	
Saskatchewan (R-1 Mid)	Open			\$35,748,894	25%	\$35,748,894	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$35,748,894	25%	\$35,748,894	25%
Calgary (R-1 High)	Open			\$14,299,558	10%	\$14,299,558	10%
Edmonton (R-1 High)	Open			\$14,299,558	10%	\$14,299,558	10%
BA's Schedule A							
Canadian Banks R-1							
Financial Institutions & their Guarantees	Mid	\$26,406,748	18%	\$35,748,894	25%	\$9,342,147	7%
Bank of Montreal (R-1 High)	Open	\$9,778,942	7%	\$14,299,558	10%	\$4,520,615	3%
Bank of Nova Scotia (R-1 High)	Open	\$7,812,968	5%	\$14,299,558	10%	\$6,486,590	5%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$9,755,768	7%	\$14,299,558	10%	\$4,543,790	3%
National Bank of Canada (R-1 Mid)	Closed			\$14,299,558	10%	\$14,299,558	
Royal Bank (R-1 High)	Open	\$1,369,210	-1%	\$14,299,558	10%	\$15,240,488	11%
Royal Bank - Effective Cash		(\$2,310,140)					
Toronto Dominion (R-1 High)	Open	\$0	0%	\$14,299,558	10%	\$14,299,558	10%
Corporations & their Guarantees	Closed						
Total Cash and Equivalents		\$142,995,577	77%				
FIXED (Bonds, etc. over one year)							
Province of Nova Scotia (A-Low)	Open (Special)	\$18,900,000					
Federal Government		\$23,627,940	23%	\$166,623,517	100%	\$37,141,297	22%
TOTAL Investments		\$185,523,517					

**Trust Funds
Sector Weights
@ March 31, 2007**

Schedule E

<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	\$2,126,055	74%	\$2,872,028	100%	\$745,973	26%
Federal Government	Open	\$1,555,963	54%				
Business Development Bank	Open	\$188,793	7%				
Canada Mortgage & Housing Corp	Open	\$73,555	3%				
Canadian Wheat Board	Open	\$75,639	3%				
Export Development Canada	Open						
Farm Credit Corp	Open	\$232,105	8%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	\$215,601	8%	\$2,872,028	100%	\$2,656,427	92%
Total Alberta (R-1 High)	Open	\$97,737	3%	\$718,007	25%	\$620,270	22%
Alberta (R-1 High)	Open	\$0					
Alberta Capital Finance Authority (R-1 High)	Open	\$0					
Alberta Treasury Branches (R-1 High)	Open	\$97,737					
British Columbia (R-1 High)	Open	\$117,864	4%	\$718,007	25%	\$600,143	21%
Manitoba (R-1 Mid)	Open			\$718,007	25%	\$718,007	
New Brunswick (R-1 Mid)	Open	\$0		\$718,007	25%	\$718,007	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			\$718,007	25%	\$718,007	
Nova Scotia (R-1 Low)	Closed			\$718,007	25%	\$718,007	
Nova Scotia Municipal Finance Corp (R-1 Low)	Closed			\$718,007	25%	\$718,007	
Ontario (R-1 High)	Open	\$0	0%	\$718,007	25%	\$718,007	25%
Prince Edward Island (R-1 Low)	Closed			\$718,007	25%	\$718,007	
Quebec (R-1 Mid)	Open	\$0		\$718,007	25%	\$718,007	
Saskatchewan (R-1 Mid)	Open			\$718,007	25%	\$718,007	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	\$0		\$718,007	25%	\$718,007	25%
Calgary (R-1 High)	Open			\$287,203	10%	\$287,203	10%
Edmonton (R-1 High)	Open			\$287,203	10%	\$287,203	10%
BA's Schedule A							
Canadian Banks R-1							
Financial Institutions & their Guarantees	Mid	\$530,372	18%	\$718,007	25%	\$187,635	7%
Bank of Montreal (R-1 High)	Open	\$196,407	7%	\$287,203	10%	\$90,795	3%
Bank of Nova Scotia (R-1 High)	Open	\$156,921	5%	\$287,203	10%	\$130,281	5%
Canadian Imperial Bank of Commerce (R-1 Mid)	Open	\$195,942	7%	\$287,203	10%	\$91,261	3%
National Bank of Canada (R-1 Mid)	Closed			\$287,203	10%	\$287,203	
Royal Bank (R-1 High)	Open	\$27,500	-1%	\$287,203	10%	\$306,101	11%
Royal Bank - Effective Cash		(\$46,399)					
Toronto Dominion (R-1 High)	Open	\$0	0%	\$287,203	10%	\$287,203	10%
Corporations & their Guarantees	Closed						
FIXED (Bonds, etc. over one year)	Closed						
Total Cash and Equivalents		\$2,872,028	98%				
FIXED (Bonds, etc. over one year)							
Federal Government & its Guarantees							
Federal Government		\$54,175					
TOTAL FIXED		\$54,175	2%				
EQUITIES							
Bank of Montreal		\$6,410					
TOTAL EQUITIES		\$6,410	0%				
TOTAL INVESTMENTS		\$2,932,613	100%				