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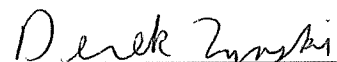
Item No. 3

Halifax Regional Council
April 22, 2008

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: April 8, 2008

SUBJECT: Investment Policy Advisory Committee Report - Quarter Ending
December 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. Amendments to the Policy, as recommended by the Investment Policy Advisory Committee (the Committee), were approved by Council and the Minister in 2005 and 2007. Policy approvals are in accordance with Section 100 of the *Municipal Government Act*.

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 December 31, 2007 and accepts the report and the findings contained in the report that the investment activities reported for that Quarter are in compliance.

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

**Investment Policy Advisory Committee Report
Quarter Ending December 31, 2007
Council Report**

- 3 -

April 22, 2008

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, 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 

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

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	69,838,171	27%	257,416,682	100%	187,578,511	73%
Federal Government	Open	59,604,680	23%				
Business Development Bank	Open	5,872,980	2%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	4,360,511	2%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	63,554,091	25%	257,416,682	100%	193,862,591	75%
Total Alberta (R-1 High)	Open	7,845,780	3%	64,354,170	25%	56,508,390	22%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	7,845,780					
British Columbia (R-1 High)	Open	6,073,334	2%	64,354,170	25%	58,280,836	23%
Manitoba (R-1 Mid)	Open	0	0%	64,354,170	25%	64,354,170	
New Brunswick (R-1 Mid)	Open	8,844,020	3%	64,354,170	25%	55,510,150	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			64,354,170	25%	64,354,170	
Ontario (R-1 High)	Open	21,357,675	8%	64,354,170	25%	42,996,495	17%
Quebec (R-1 Mid)	Open	19,433,282	8%	64,354,170	25%	44,920,888	
Saskatchewan (R-1 Mid)	Open		0%	64,354,170	25%	64,354,170	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		64,354,170	25%	64,354,170	25%
Calgary (R-1 High)	Open			25,741,668	10%	25,741,668	10%
Edmonton (R-1 High)	Open			25,741,668	10%	25,741,668	10%
Financial Institutions & their Guarantees /Corporations		124,024,420	48%	128,708,341	50%	4,683,921	2%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	101,047,476	39%	128,708,341	50%	27,660,865	11%
Bank of Montreal (R-1 High)	Open	19,376,175	8%	25,741,668	10%	6,365,493	2%
Bank of Nova Scotia (R-1 High)	Open	23,743,213	9%	25,741,668	10%	1,998,455	1%
Canadian Imperial Bank of Commerce (R-1 High)	Open	24,260,235	9%	25,741,668	10%	1,481,433	1%
Royal Bank (R-1 High)	Open	6,966,610	4%	25,741,668	10%	14,735,153	6%
Royal Bank - Effective Cash		4,039,905					
Toronto Dominion (R-1 High)	Open	22,661,338	9%	25,741,668	10%	3,080,330	1%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	22,976,944	9%	64,354,170	25%	41,377,226	16%
National Bank of Canada (R-1 Mid)	Open	11,051,564	4%	12,870,834	5%	1,819,270	1%
OMERS Realty Corporation (R-1 High)	Open	0	0%	12,870,834	5%	12,870,834	5%
CDP Financial Inc (R-1 High)	Open	0	0%	12,870,834	5%	12,870,834	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	12,870,834	5%	12,870,834	5%
Desjardins Total		11,925,380	5%	12,870,834	5%	945,454	0%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	11,925,380					
Total Cash and Equivalents		257,416,682	100%				
FIXED (Bonds, etc. over one year)		13,088,041	5%				
Federal Government							
Total Fixed		13,088,041					
Equities		6,410					
Bank of Montreal							
Total Equities		6,410					
Total Investments		270,511,133					
Interest Bearing Bank Accounts - O/S Cheque Coverage		14,110,062	*				
Total Investments and O/S Cheques Coverage		284,621,195					

SCHEDULE B

Operating Funds
Sector Weights
@ December 31, 2007

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	29,961,951	27%	110,436,828	100%	80,474,877	73%
Federal Government	Open	25,571,582	23%				
Business Development Bank	Open	2,519,624	2%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	1,870,745	2%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	27,265,957	25%	110,436,828	100%	83,170,871	75%
Total Alberta (R-1 High)	Open	3,365,994	3%	27,609,207	25%	24,243,213	22%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	3,365,994					
British Columbia (R-1 High)	Open	2,605,580	2%	27,609,207	25%	25,003,627	23%
Manitoba (R-1 Mid)	Open	0	0%	27,609,207	25%	27,609,207	
New Brunswick (R-1 Mid)	Open	3,794,259	3%	27,609,207	25%	23,814,948	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			27,609,207	25%	27,609,207	
Ontario (R-1 High)	Open	9,162,863	8%	27,609,207	25%	18,446,344	17%
Quebec (R-1 Mid)	Open	8,337,261	8%	27,609,207	25%	19,271,946	
Saskatchewan (R-1 Mid)	Open		0%	27,609,207	25%	27,609,207	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		27,609,207	25%	27,609,207	25%
Calgary (R-1 High)	Open			11,043,683	10%	11,043,683	10%
Edmonton (R-1 High)	Open			11,043,683	10%	11,043,683	10%
Financial Institutions & their Guarantees /Corporations		53,208,920	48%	55,218,414	50%	2,009,494	2%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	43,351,358	39%	55,218,414	50%	11,867,056	11%
Bank of Montreal (R-1 High)	Open	8,312,761	8%	11,043,683	10%	2,730,922	2%
Bank of Nova Scotia (R-1 High)	Open	10,186,306	9%	11,043,683	10%	857,377	1%
Canadian Imperial Bank of Commerce (R-1 High)	Open	10,408,119	9%	11,043,683	10%	635,564	1%
Royal Bank (R-1 High)	Open	2,988,813 }	4%	11,043,683	10%	6,321,671	6%
Royal Bank - Effective Cash		1,733,199 }					
Toronto Dominion (R-1 High)	Open	9,722,160	9%	11,043,683	10%	1,321,522	1%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	9,857,562	9%	27,609,207	25%	17,751,645	16%
National Bank of Canada (R-1 Mid)	Open	4,741,339	4%	5,521,841	5%	780,503	1%
OMERS Realty Corporation (R-1 High)	Open	0	0%	5,521,841	5%	5,521,841	5%
CDP Financial Inc (R-1 High)	Open	0	0%	5,521,841	5%	5,521,841	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	5,521,841	5%	5,521,841	5%
Desjardins Total		5,116,223	5%	5,521,841	5%	405,618	0%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	5,116,223					
Total Investments		110,436,828	100%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		14,110,062	*				
Total Investments and O/S Cheques Coverage		124,546,890					

**Capital Funds
Sector Weights
@ December 31, 2007**

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						
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	
New Brunswick (R-1 Mid)	Open	0	0%	0	25%	0	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			0	25%	0	
Ontario (R-1 High)	Open	0	0%	0	25%	0	0%
Quebec (R-1 Mid)	Open	0	0%	0	25%	0	
Saskatchewan (R-1 Mid)	Open		0%	0	25%	0	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		0	25%	0	0%
Calgary (R-1 High)	Open			0	10%	0	0%
Edmonton (R-1 High)	Open			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	5%	0	0%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents		0	0%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		0	*				
Total Investments and O/S Cheques Coverage		0					

SCHEDULE D

**Reserve Funds
Sector Weights
@ December 31, 2007**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	39,092,222	27%	144,090,117	100%	104,997,894	73%
Federal Government	Open	33,363,981	23%				
Business Development Bank	Open	3,287,426	2%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	2,440,815	2%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	35,574,681	25%	144,090,117	100%	108,515,435	75%
Total Alberta (R-1 High)	Open	4,391,710	3%	36,022,529	25%	31,630,819	22%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	4,391,710					
British Columbia (R-1 High)	Open	3,399,575	2%	36,022,529	25%	32,622,954	23%
Manitoba (R-1 Mid)	Open	0	0%	36,022,529	25%	36,022,529	
New Brunswick (R-1 Mid)	Open	4,950,479	3%	36,022,529	25%	31,072,050	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			36,022,529	25%	36,022,529	
Ontario (R-1 High)	Open	11,955,052	8%	36,022,529	25%	24,067,477	17%
Quebec (R-1 Mid)	Open	10,877,865	8%	36,022,529	25%	25,144,664	
Saskatchewan (R-1 Mid)	Open		0%	36,022,529	25%	36,022,529	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		36,022,529	25%	36,022,529	25%
Calgary (R-1 High)	Open			14,409,012	10%	14,409,012	10%
Edmonton (R-1 High)	Open			14,409,012	10%	14,409,012	10%
Financial Institutions & their Guarantees /Corporations		69,423,213	48%	72,045,058	50%	2,621,845	2%
	BA's Schedule A						
Tier 1 - Financial Institutions & their Guarantees	Canadian Banks R-1 Mid	56,561,768	39%	72,045,058	50%	15,483,290	11%
Bank of Montreal (R-1 High)	Open	10,845,899	8%	14,409,012	10%	3,563,113	2%
Bank of Nova Scotia (R-1 High)	Open	13,290,368	9%	14,409,012	10%	1,118,644	1%
Canadian Imperial Bank of Commerce (R-1 High)	Open	13,579,773	9%	14,409,012	10%	829,239	1%
Royal Bank (R-1 High)	Open	3,899,590	4%	14,409,012	10%	8,248,067	6%
Royal Bank - Effective Cash		2,261,355					
Toronto Dominion (R-1 High)	Open	12,684,783	9%	14,409,012	10%	1,724,228	1%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	12,861,445	9%	36,022,529	25%	23,161,084	16%
National Bank of Canada (R-1 Mid)	Open	6,186,161	4%	7,204,506	5%	1,018,344	1%
OMERS Realty Corporation (R-1 High)	Open	0	0%	7,204,506	5%	7,204,506	5%
CDP Financial Inc (R-1 High)	Open	0	0%	7,204,506	5%	7,204,506	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	7,204,506	5%	7,204,506	5%
Desjardins Total		6,675,284	5%	7,204,506	5%	529,222	0%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	6,675,284					
Total Cash and Equivalents		144,090,117	100%				
FIXED (Bonds, etc. over one year)							
Federal Government		13,033,866	8%				
Total Fixed		13,033,866					
Total Investments		157,123,983					

SCHEDULE E

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

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	783,997	27%	2,889,738	100%	2,105,740	73%
Federal Government	Open	669,117	23%				
Business Development Bank	Open	65,930	2%				
Canada Mortgage & Housing Corp.	Open	0	0%				
Canadian Wheat Board	Open	0	0%				
Export Development Canada	Open						
Farm Credit Corp	Open	48,951	2%				
Provincial Governments & their Guarantees	R-1 Mid or Greater	713,453	25%	2,889,738	100%	2,176,285	75%
Total Alberta (R-1 High)	Open	88,076	3%	722,434	25%	634,358	22%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	88,076					
British Columbia (R-1 High)	Open	68,179	2%	722,434	25%	654,256	23%
Manitoba (R-1 Mid)	Open	0	0%	722,434	25%	722,434	
New Brunswick (R-1 Mid)	Open	99,282	3%	722,434	25%	623,152	
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			722,434	25%	722,434	
Ontario (R-1 High)	Open	239,759	8%	722,434	25%	482,675	17%
Quebec (R-1 Mid)	Open	218,156	8%	722,434	25%	504,278	
Saskatchewan (R-1 Mid)	Open		0%	722,434	25%	722,434	
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		722,434	25%	722,434	25%
Calgary (R-1 High)	Open			288,974	10%	288,974	10%
Edmonton (R-1 High)	Open			288,974	10%	288,974	10%
Financial Institutions & their Guarantees /Corporations		1,392,288	48%	1,444,869	50%	52,581	2%
Tier 1 - Financial Institutions & their Guarantees	BA's Schedule A Canadian Banks R-1 Mid	1,134,350	39%	1,444,869	50%	310,518	11%
Bank of Montreal (R-1 High)	Open	217,515	8%	288,974	10%	71,458	2%
Bank of Nova Scotia (R-1 High)	Open	266,539	9%	288,974	10%	22,434	1%
Canadian Imperial Bank of Commerce (R-1 High)	Open	272,343	9%	288,974	10%	16,630	1%
Royal Bank (R-1 High)	Open	78,207 }	4%	288,974	10%	165,416	6%
Royal Bank - Effective Cash		45,352 }					
Toronto Dominion (R-1 High)	Open	254,394	9%	288,974	10%	34,580	1%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	257,937	9%	722,434	25%	464,497	16%
National Bank of Canada (R-1 Mid)	Open	124,064	4%	144,487	5%	20,423	1%
OMERS Realty Corporation (R-1 High)	Open	0	0%	144,487	5%	144,487	5%
CDP Financial Inc (R-1 High)	Open	0	0%	144,487	5%	144,487	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	144,487	5%	144,487	5%
Desjardins Total		133,873	5%	144,487	5%	10,614	0%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	133,873					
Total Cash and Equivalents		2,889,738	100%				
FIXED (Bonds, etc. over one year)							
Federal Government		54,175	2%				
Total Fixed		54,175					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		2,950,323					