



PO Box 1749
Halifax, Nova Scotia
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Item No. 7
Halifax Regional Council
September 14, 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: August 23, 2010

SUBJECT: **Investment Policy Advisory Committee Report - Quarter Ending June 30, 2010**

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 June 30, 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 @ June 30, 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
@ June 30, 2010**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	29,774,660	11%	281,006,232	100%	251,231,572	89%
Federal Government	Open	29,774,660	11%				
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	146,315,974	52%	281,006,232	100%	134,690,258	48%
Total Alberta (R-1 High)	Open	10,950,050	4%	70,251,558	25%	59,301,508	21%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	10,950,050					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	41,015,614	15%	70,251,558	25%	29,235,944	10%
Manitoba (R-1 Mid)	Open	0	0%	70,251,558	25%	70,251,558	25%
New Brunswick (R-1 Mid)	Open	0	0%	70,251,558	25%	70,251,558	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			70,251,558	25%	70,251,558	25%
Ontario (R-1 High)	Open	65,506,058	23%	70,251,558	25%	4,745,500	2%
Quebec (R-1 Mid)	Open	28,844,252	10%	70,251,558	25%	41,407,306	15%
Saskatchewan (R-1 Mid)	Open	0	0%	70,251,558	25%	70,251,558	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		70,251,558	25%	70,251,558	25%
Calgary (R-1 High)	Open			28,100,623	10%	28,100,623	10%
Edmonton (R-1 High)	Open			28,100,623	10%	28,100,623	10%
Financial Institutions & their Guarantees /Corporations		104,915,598	37%	140,503,116	50%	35,587,518	13%
	BA's Schedule A Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	81,866,663	29%	140,503,116	50%	58,636,453	21%
Bank of Montreal (R-1 High)	Open	13,977,360	5%	28,100,623	10%	14,123,263	5%
Bank of Nova Scotia (R-1 High)	Open	20,147,016	7%	28,100,623	10%	7,953,607	3%
Canadian Imperial Bank of Commerce (R-1 High)	Open	24,064,879	9%	28,100,623	10%	4,035,744	1%
Royal Bank (R-1 High)	Open	0	8%	28,100,623	10%	4,423,215	2%
Royal Bank - Effective Cash		23,677,408					
Toronto Dominion (R-1 High)	Open	0	0%	28,100,623	10%	28,100,623	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	23,048,935	8%	70,251,558	25%	47,202,623	17%
National Bank of Canada (R-1 Mid)	Open	11,065,385	4%	14,050,312	5%	2,984,927	1%
OMERS Realty Corporation (R-1 High)	Open	0	0%	14,050,312	5%	14,050,312	5%
CDP Financial Inc (R-1 High)	Open	0	0%	14,050,312	5%	14,050,312	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	14,050,312	5%	14,050,312	5%
Desjardins Total		11,983,550	4%	14,050,312	5%	2,066,762	1%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	11,983,550					
Total Cash and Equivalents		281,006,232	100%				
FIXED (Bonds, etc. over one year)							
Federal Government		4,970,235	2%				
Total Fixed		4,970,235					
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		285,982,877					
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$13,479,206	*				
Total Investments and O/S Cheques Coverage		299,462,083					

**Operating Funds
Sector Weights
@ June 30, 2010**

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	18,944,090	11%	178,789,864	100%	159,845,774	89%
Federal Government	Open	18,944,090	11%				
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	93,093,356	52%	178,789,864	100%	85,696,508	48%
Total Alberta (R-1 High)	Open	6,966,956	4%	44,697,466	25%	37,730,510	21%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	6,966,956					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	26,096,133	15%	44,697,466	25%	18,601,333	10%
Manitoba (R-1 Mid)	Open	0	0%	44,697,466	25%	44,697,466	25%
New Brunswick (R-1 Mid)	Open	0	0%	44,697,466	25%	44,697,466	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			44,697,466	25%	44,697,466	25%
Ontario (R-1 High)	Open	41,678,148	23%	44,697,466	25%	3,019,318	2%
Quebec (R-1 Mid)	Open	18,352,119	10%	44,697,466	25%	26,345,347	15%
Saskatchewan (R-1 Mid)	Open	0	0%	44,697,466	25%	44,697,466	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		44,697,466	25%	44,697,466	25%
Calgary (R-1 High)	Open			17,878,986	10%	17,878,986	10%
Edmonton (R-1 High)	Open			17,878,986	10%	17,878,986	10%
Financial Institutions & their Guarantees /Corporations		66,752,418	37%	89,394,932	50%	22,642,514	13%
	BA's Schedule A						
	Canadian Banks R-1						
Tier 1 - Financial Institutions & their Guarantees	Mid	52,087,562	29%	89,394,932	50%	37,307,370	21%
Bank of Montreal (R-1 High)	Open	8,893,078	5%	17,878,986	10%	8,985,909	5%
Bank of Nova Scotia (R-1 High)	Open	12,818,514	7%	17,878,986	10%	5,060,473	3%
Canadian Imperial Bank of Commerce (R-1 High)	Open	15,311,249	9%	17,878,986	10%	2,567,737	1%
Royal Bank (R-1 High)	Open	0	8%	17,878,986	10%	2,814,265	2%
Royal Bank - Effective Cash		15,064,721					
Toronto Dominion (R-1 High)	Open	0	0%	17,878,986	10%	17,878,986	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	14,664,856	8%	44,697,466	25%	30,032,610	17%
National Bank of Canada (R-1 Mid)	Open	7,040,337	4%	8,939,493	5%	1,899,156	1%
OMERS Realty Corporation (R-1 High)	Open	0	0%	8,939,493	5%	8,939,493	5%
CDP Financial Inc (R-1 High)	Open	0	0%	8,939,493	5%	8,939,493	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	8,939,493	5%	8,939,493	5%
Desjardins Total		7,624,519	4%	8,939,493	5%	1,314,974	1%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	7,624,519					
Total Investments		178,789,864	100%				
Interest Bearing Bank Accounts - O/S Cheque Coverage		\$13,479,206	*				
Total Investments and O/S Cheques Coverage		192,269,070					

**Capital Funds
Sector Weights
@ June 30, 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	5%	0	0%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	0					
Total Cash and Equivalents			0	0%			

**Reserve Funds
Sector Weights
@ June 30, 2010**

	Category Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees							
Federal Government	Open	10,475,723	11%	98,867,412	100%	88,391,688	89%
Business Development Bank	Open	10,475,723	11%				
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							
Total Alberta (R-1 High)	R-1 Mid or Greater	51,478,864	52%	98,867,412	100%	47,388,548	48%
Alberta (R-1 High)	Open	3,852,595	4%	24,716,853	25%	20,864,258	21%
Alberta Capital Finance Authority (R-1 High)	Open	0					
Alberta Treasury Branches (R-1 High)	Open	3,852,595					
British Columbia (R-1 High)	Open	0					
Manitoba (R-1 Mid)	Open	14,430,668	15%	24,716,853	25%	10,286,185	10%
New Brunswick (R-1 Mid)	Open	0	0%	24,716,853	25%	24,716,853	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open	0	0%	24,716,853	25%	24,716,853	25%
Ontario (R-1 High)	Open	23,047,227	23%	24,716,853	25%	1,669,626	2%
Quebec (R-1 Mid)	Open	10,148,375	10%	24,716,853	25%	14,568,478	15%
Saskatchewan (R-1 Mid)	Open	0	0%	24,716,853	25%	24,716,853	25%
Municipal Governments & their Guarantees*							
Calgary (R-1 High)	R-1 Mid or Greater	0		24,716,853	25%	24,716,853	25%
Edmonton (R-1 High)	Open			9,886,741	10%	9,886,741	10%
	Open			9,886,741	10%	9,886,741	10%
Financial Institutions & their Guarantees /Corporations							
BA's Schedule A							
Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	28,803,436	29%	49,433,706	50%	20,630,270	21%
Bank of Montreal (R-1 High)	Open	4,917,704	5%	9,886,741	10%	4,969,037	5%
Bank of Nova Scotia (R-1 High)	Open	7,088,396	7%	9,886,741	10%	2,798,346	3%
Canadian Imperial Bank of Commerce (R-1 High)	Open	8,466,831	9%	9,886,741	10%	1,419,910	1%
Royal Bank (R-1 High)	Open	0	0%	9,886,741	10%	1,556,235	2%
Royal Bank - Effective Cash		8,330,506					
Toronto Dominion (R-1 High)	Open	0	0%	9,886,741	10%	9,886,741	10%
Tier 2 - Financial Institutions & Corporations							
National Bank of Canada (R-1 Mid)	R-1 Mid/High***	8,109,388	8%	24,716,853	25%	16,607,465	17%
OMERS Realty Corporation (R-1 High)	Open	3,893,173	4%	4,943,371	5%	1,050,197	1%
CDP Financial Inc (R-1 High)	Open	0	0%	4,943,371	5%	4,943,371	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	4,943,371	5%	4,943,371	5%
Desjardins Total		4,216,215	4%	4,943,371	5%	727,156	1%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	4,216,215					
Total Cash and Equivalents		98,867,412	100%				
FIXED (Bonds, etc. over one year)							
Federal Government		4,970,235	5%				
Total Fixed		4,970,235					
Total Investments		103,837,647					

**Trust Funds
Sector Weights
@ June 30, 2010**

Category	Status	Cumulative Amount Invested @ Book Value	%	Guideline Limit	%	Limit Available	%
CASH & EQUIVALENTS							
Federal Government & its Guarantees	Open	354,846	11%	3,348,956	100%	2,994,110	89%
Federal Government	Open	354,846	11%				
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	1,743,754	52%	3,348,956	100%	1,605,202	48%
Total Alberta (R-1 High)	Open	130,500	4%	837,239	25%	706,739	21%
Alberta (R-1 High)	Open	0					
Alberta Capital Finance Authority (R-1 High)	Open	130,500					
Alberta Treasury Branches (R-1 High)	Open	0					
British Columbia (R-1 High)	Open	488,813	15%	837,239	25%	348,426	10%
Manitoba (R-1 Mid)	Open	0	0%	837,239	25%	837,239	25%
New Brunswick (R-1 Mid)	Open	0	0%	837,239	25%	837,239	25%
New Brunswick Municipal Finance Corp (R-1 Mid)	Open			837,239	25%	837,239	25%
Ontario (R-1 High)	Open	780,683	23%	837,239	25%	56,556	2%
Quebec (R-1 Mid)	Open	343,758	10%	837,239	25%	493,481	15%
Saskatchewan (R-1 Mid)	Open	0	0%	837,239	25%	837,239	25%
Municipal Governments & their Guarantees*	R-1 Mid or Greater	0		837,239	25%	837,239	25%
Calgary (R-1 High)	Open			334,896	10%	334,896	10%
Edmonton (R-1 High)	Open			334,896	10%	334,896	10%
Financial Institutions & their Guarantees /Corporations		1,250,356	37%	1,674,478	50%	424,122	13%
BA's Schedule A Canadian Banks R-1							
Tier 1 - Financial Institutions & their Guarantees	Mid	975,665	29%	1,674,478	50%	698,813	21%
Bank of Montreal (R-1 High)	Open	166,578	5%	334,896	10%	168,317	5%
Bank of Nova Scotia (R-1 High)	Open	240,107	7%	334,896	10%	94,789	3%
Canadian Imperial Bank of Commerce (R-1 High)	Open	286,799	9%	334,896	10%	48,097	1%
Royal Bank (R-1 High)	Open	0	8%	334,896	10%	52,715	2%
Royal Bank - Effective Cash		282,181					
Toronto Dominion (R-1 High)	Open	0	0%	334,896	10%	334,896	10%
Tier 2 - Financial Institutions & Corporations	R-1 Mid/High***	274,691	8%	837,239	25%	562,548	17%
National Bank of Canada (R-1 Mid)	Open	131,874	4%	167,448	5%	35,574	1%
OMERS Realty Corporation (R-1 High)	Open	0	0%	167,448	5%	167,448	5%
CDP Financial Inc (R-1 High)	Open	0	0%	167,448	5%	167,448	5%
Ontario Infrastructure Projects Corporation (R-1 High)	Open	0	0%	167,448	5%	167,448	5%
Desjardins Total		142,817	4%	167,448	5%	24,631	1%
Desjardins Group (R-1 High)	Open	0					
Caisse Centale Desjardins (R-1 High)	Open	142,817					
Total Cash and Equivalents		3,348,956	100%				
Equities							
Bank of Montreal		6,410					
Total Equities		6,410					
Total Investments		3,355,366					