

**CITY OF AIRDRIE
COUNCIL INVESTMENT POLICY**

Effective Date: June 4, 2018

Revision Date: _ _ _ _ _

Approved By: City Council

Approved On: June 4, 2018

Resolution #: 2018-C-141

Purpose:

To provide investment principles for managing and monitoring the investments of the City of Airdrie.

Scope/Application:

This policy applies to all employees and elected officials directly or indirectly involved with the management of investments.

Authority/Responsibility to Implement:

The Chief Administrative Officer (CAO) is the administrative head of the municipality and is granted responsibilities through the *Municipal Government Act* (MGA) including but not limited to the responsibility to ensure the policies and procedures and programs of the municipality are developed and implemented. The CAO, Chief Financial Officer (CFO) and the Manager of Treasury are the only City staff authorized to manage investments.

Definitions:

- **Liquidity:** This refers to the ability to convert an investment into cash with minimal risk associated with loss of principal or accrued interest.
- **FTSE TMX Global Debt Capital Markets:** This refers to the predominant provider of indices in Canada. The FTSE TMX indices are used as benchmarks for assets globally.
- **DBRS :** This is an independent company that investigates and reports on the credit worthiness of governments and corporations issuing securities in the global market.

Policy Statement(s):

The City of Airdrie will invest funds in a prudent manner that will provide optimum investment returns with the maximum security while meeting cash flow requirements. Investments must conform to the principles set forth below, as well as operate within the requirements under the *Municipal Government Act*.

Principles:

1. Capital Preservation

The City will ensure that the principal amount of each investment is insulated from losses due to market conditions and issuer default. To accomplish this objective, a minimum DBRS credit quality of "A (low)" or higher will be upheld for all investments.

2. Liquidity

The investment portfolio will be sufficiently liquid in order to allow the City of Airdrie to meet any projected or sudden cash flow requirement which might reasonably be expected to occur.

3. Diversification

The following investment limits are in place in order to reduce risk and ensure the portfolio remains diversified:

	Minimum	Maximum
Cash	0%	10%
Federal & Provincial Bonds Bonds Securities	20%	100%
Corporate Bonds Bonds Securities	0%	60 75%
Managed Funds	0%	60%

No more than sixty (60%) percent of the investment portfolio is to be invested with any one financial institution.

No more than twenty (20%) percent of the investment portfolio is to be invested in any one security.

4. Performance Standards

The following generally accepted market benchmarks for various asset classes will be used to assess performance:

- i. Short Term market FTSE TMX 91 day T-bill Index

- ii. Long Term market: FTSE TMX Canada Universe Bond Index

5. Safekeeping and Custody

All investment certificates shall be issued in the name of City of Airdrie and may be held for safekeeping by each financial institution.

6. Prudence

Investments are to be made with judgment and care considering the probable safety of capital and income to be derived.

Investment officers acting in accordance with this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations are reported in a timely fashion and appropriate action is taken to control adverse developments.

7. Conflict of Interest/Ethics

Officers, employees and persons involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of their responsibilities or which could impair their ability to make impartial investment decisions.

This guideline also extends to any external investment management firms utilized by Airdrie to manage its portfolio.

Strict adherence to the Chartered Financial Analyst (CFA) Institute Code of Ethics and Standards of Professional Conduct and the CFA Institute Asset Manager Code of Professional Conduct is expected.

8. Accountability and Transparency

~~Council Budget Committee~~ **The City's Community and Corporate Services Committee** on a quarterly basis will receive a cash and investment report.

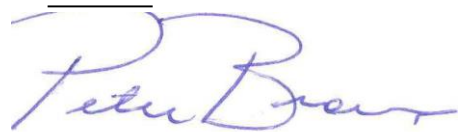
Investments shall be accounted in accordance with the Public Sector Accounting Board (PSAB).

On-going Monitoring:

The City is committed to ongoing monitoring and periodic review of this policy and related procedures as determined by the CFO.

Fiscal Sustainability Framework:

This Policy forms a part of the City of Airdrie's Fiscal Sustainability Framework. Please refer to the Fiscal Sustainability Framework for a complete listing of governing documents.



Mayor



City Clerk

Document Management Control:

Prepared by: Corporate Services Director
Owned by: Corporate Services
Dated issued: November, 2017
Next review: November, 2019
Version: 1.0