

Investment Policy, Municipality of Arran-Elderslie, May 26, 2025

1. PURPOSE:

This policy establishes guidelines for municipal investments, as defined by and in compliance with the requirements of S. 418 to S. 420 of the Municipal Act, 2001 and of O.Reg. 438/97.

2. GOALS:

The goal of this policy is to invest all available funds of the municipality in a prudent manner so as to maximize the rate of return while minimizing the degree of risk and ensuring an adequate level of liquidity.

3. SCOPE:

This investment policy applies to any investment of the financial assets of the Municipality, including Revenue, Capital Reserve and Trust Funds.

4. OBJECTIVES:

The primary objectives in order of priority shall be:

- Adherence to statutory requirements;
- Preservation of capital;
- Maintaining liquidity; and
- Earning a competitive rate of return.

5. AUTHORIZED INVESTMENTS:

The eligible securities are prescribed under Ontario Regulation 438/97 (including any future revisions), attached as Schedule A to this policy. In addition, the Municipality restricts investments to be with the entities listed in sub-sections i, ii, and iii below, as well as CIBC, and/or in One Investment's High Interest Savings Accounts and Legal List Portfolios. The Treasurer will attempt where possible to diversify the investments, so the certificates are covered under the Bank of Canada Deposit Insurance Act.

Deposits guaranteed or endorsed by,

- i. A bank listed in Schedule I, II or III to the *Bank Act* (Canada),
- ii. A loan corporation or trust corporation registered under the *Loan and Trust Corporations Act*, or

- iii. A credit union or league to which the *Credit Unions and Caisses Populaires Act, 1994* applies.

To the extent possible, the Municipality shall attempt to match its investments with anticipated cash flow requirements.

6. GRAVEL PIT ROAD DAMAGE DEPOSITS

Gravel Pit Road Damage Deposits are invested in a manner that is mutually agreeable to the gravel pit owner and the Treasurer and may involve a Canadian Schedule 1 bank other than CIBC.

7. REPORTING REQUIREMENTS:

The Treasurer or designate has a specific responsibility to prepare and provide an annual investment report to Council. O. Reg. 438/97, s.8 (1). This report shall contain the following information:

- a statement about the performance of the portfolio of investments of the municipality during the period covered by the report
- a description of the estimated proportion of the total investments of a municipality that are invested in its own long-term and short-term securities to the total investment of the municipality and a description of the change, if any, in the estimated proportion since the previous year's report
- a statement by the treasurer as to whether or not, in his or her opinion, all investments were made in accordance with the investments policies and goals adopted by the municipality

8. AUTHORITY:

Responsibility for the investment program of the municipality is hereby delegated to the Treasurer, or designate, as appropriate.