

United Townships of Head, Clara & Maria  
Municipal Council

Type of Decision									
Meeting Date	Nov 13, 2015				Report Date	Nov 1, 2015			
Decision Required		Yes	X	No	Priority		High	x	Low
Direction		Information Only		X	Type of Meeting	X	Open		Closed

REPORT TITLE
Treasurer's Report - Information Only # 13/11/15/803

**Treasurer's Report - Investment Basics & Beyond Seminar**

On Oct 15<sup>th</sup> 2015, I attended training on Investment Basics and Beyond. The seminar provide an understanding of investment rules and opportunities to help with the investment of municipal funds to meet short, medium and long term infrastructure funding challenges. The following was discussed:

**Eligible Investments**

- o Money Market, Government Bonds, Corporate Bonds, and Stocks. As you go from the money market to stocks, the risk increases.

**Investment risk**

- o for each investment there are risk factors and different classes of investments have different risk profiles; i.e. generally lower risk investments have lower expected returns, but greater certainty of capital preservation;

**The importance of developing a cash flow forecasting**

- o To determine when you need the money and how much you can invest;
- o To identify information resources used to develop your cash flow forecast;
- o To establish the appropriate level of detail for forecasts in the short, medium and long term;
- o To undertake historical and future trend analysis;
- o To consult with other departments;
- o To develop a computer model to track your cash flows;
- o To forecast a return on each investment and the duration of each investment;
- o To maximize your investment income potential;

**The requirements before and after investing as indicated in the Municipal Act 2001**

- o Create an investment policy as per Section 7;
- o Annual reporting as per section 8 & Section 8.1 by the Treasurer;

**The One Investment Portfolio Options**

**Money Market**

- o short term 1 month to 18 months;

- preserve capital and maintain liquidity while maximizing short-term income such as Canadian treasury bills;

### **Bonds**

- medium term 18 months to 3 years;
- provide a higher return over longer investment horizons through diversified investments such as federal, provincial bonds;

### **Universe Corporate Bonds**

- medium-longer term 4+ years;
- investment in highly rated corporate bonds maturing over a wide time frame such as Canadian corporate bonds, federal and provincial bonds;

### **Canadian Equity**

- long term 5+ years;
- a diversified, conservatively managed portfolio of equity securities issued by Canadian corporations ;

### **Investing Gas Tax Funds**

- a municipality can now invest their gas tax payments with the One Investment Program for up to five years. The investment will be locked in for the chosen investment term to provide for competitive returns and to minimize investment risk.

### **Investment Options**

- Locked in for 1 to 5 years;
- The allocations are designed by experts to minimize risk & maximize returns over the chosen investment period; *i.e.* When you invested in a fixed 5-year investment on March 31, 2009, and ending on March 31, 2014, you would have earned an annual rate of return of 3.49%.

Noella LeBreton  
Treasurer/Deputy Clerk