



CITY OF
FORT SASKATCHEWAN

**Request for Decision
Regular Council Meeting – May 14, 2024**

Investment Policy

Motion:

That Council adopt revised Investment Policy FIN-010-C.

Purpose:

The purpose of this report is to provide Council with a proposal to update the Investment Policy FIN-010-C.

Background:

On [April 26, 2022](#), Council approved the current revision of [Investment Policy FIN-010-C](#).

In early 2024, administration engaged the Hobson & Chahal Advisory Group of CIBC Wood Gundy to provide Investment Advisory Services.

On [April 16, 2024](#), the Committee of the Whole was presented with proposed amendments to Investment Policy FIN-010-C by Administration and the Hobson & Chahal Advisory Group of CIBC Wood Gundy.

Summary Analysis:

Hobson & Chahal have recommended several changes to our Investment Policy that further mitigate risk and to ensure that the policy is appropriate for the current market environment.

Significant amendments include:

- Changes to holding restrictions in the Long Term Portfolio;
- Changes to the return and performance standards; and
- Add reference to the CFA Institute Code of Ethics and Standards of Professional Conduct and the CFA Institute Asset Manager Code to the Conflict of Interest/Ethics section.

Administration is recommending these changes be adopted to increase portfolio diversification and potential future returns while reducing the City's risk exposure. The revised Investment Policy FIN-010-C is attached as Appendix A.

Financial Implications:

These changes are expected to result in higher returns over time compared to investing under the current policy.

Internal/External Impacts:

These amendments are not expected to have internal or external impacts and will not result in a significant change in processes.

Diversity Impacts:

These amendments are not expected to impact accessibility of services, diversity of opportunities, or require a communication plan.

Risk Analysis:

These changes are expected to reduce the risk of investment concentration while increasing the ability to invest in high quality securities that have superior returns.

Plans/Standards/Legislation:

- Section 250 of the MGA, RSA 2000, c M-26
- Investment Regulation, Alta Reg 66/2000

The proposed amendments align to the City’s Strategic Plan by making continuous improvements to the City’s treasury management and investment practices.

City’s Strategic Plan:

Goal - Operational Excellence and Continuous Improvement (continuous improvement; constantly looking for ways to improve our services through innovative practices, technology, collaboration, and consultation).

Administrative Recommendation:

Administration Recommends that Council adopt revised Investment Policy FIN-010-C.

Attachments:

1. Appendix A – Revised Investment Policy FIN-010-C – Clean Version
2. Appendix B – Revised Investment Policy FIN-010-C – Tracked Changes

Prepared by: Clayton Northey Date: May 2, 2024
Manager, Accounting and Reporting, Finance Services

Approved by: Jeremy Emann Date: May 3, 2024
Chief Financial Officer

Approved by: Janel Duguid-Smith Date: May 3, 2024
Deputy City Manager, Infrastructure & Planning Services

Approved by: Troy Fleming Date: May 3, 2024
City Manager