

Priorities Committee Meeting_Jun12_2018

STRATEGIC INITIATIVE AND UPDATE**Strathcona County Investments****Report Purpose**

To present information about Strathcona County's investments to Priorities Committee.

Strategic Plan Priority Areas

Economy: n/a

Governance: Investments allow for strong fiscal planning and management.

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: FIN-001-007: Investments

Legislative/Legal: The Municipal Government Act (MGA), RSA 2000, c. M-26, section 250 prescribes the authorized investments for a municipality. The Municipal Government Act (MGA), Investment Regulation, Alberta Regulation 66/2000

Interdepartmental: All departments

Summary

At the April 17, 2018 meeting of Council, the following Information Requests were made:

1. What are the restrictions in the MGA and limitations set in policy that prevents consideration of higher yield investments?
2. Please provide a more accurate picture of our investments - including both income on investments and the gains component.

Investments contribute to the stability and financial foundation of Strathcona County by supporting strong fiscal planning and management, while providing income and inflation protection to assist in the delivery of quality programs and services. Investment objectives in order of priority are capital preservation (safety of capital), liquidity (access to funds), and rate of return.

The investments consist of taxpayer funds held in Strathcona County treasury as reserves, deferred revenue/grants, and deposits. They are safeguarded through the guidelines of the County Investment Policy, FIN-001-007: Investments (Enclosure 1), the restrictions of the Municipal Government Act, section 250, Authorized Investments (Enclosure 2), and Investment Regulation 66/2000 (Enclosure 3).

Investment income is reported using Public Service Accounting Standards (PSAS) and communicated to Council in the Quarterly Management reports. Total returns on investments are reported separately from PSAS. Included in the total return calculation are realized capital gains/losses from bonds sold prior to maturity, other interest income, and unrealized gain/losses based on market values. All these components become the total return when consolidated together.

The Investment Return Analysis (Enclosure 4) provides a detailed breakdown of the components of the total return for the prior 5 years.

Enclosures

- 1 Policy FIN-001-007 Investments Policy
- 2 Municipal Government Act, Section 250, Investments
- 3 Alberta Municipal Government Act, Investment Regulation 66/2000
- 4 2018 Investment Return Analysis
- 5 Investments Presentation