



COUNCIL POLICY

NAME Investment Policy	POLICY NUMBER C-05-22
DEPARTMENT: Corporate Services	ATTACHMENTS

DATE APPROVED: August 15, 2022	REVISION DATE: 2025
SUPERSEDES:	

1. POLICY STATEMENT

The Town of Drumheller will invest public funds in a prudent manner that will provide optimum investment returns with maximum security while meeting any cash flow requirements and conforming to all provincial and other statutes governing the investment of public funds.

2. PURPOSE OF POLICY

To provide general investment principles, rules, and delegated authority for managing and monitoring the investments of the Town of Drumheller ("Town").

Adherence to the Investment Policy will ensure compliant and effective investment management and assist in achieving the Town's strategic goals and objectives.

3. SCOPE

All those involved with the management of the Town investments are required to comply with the contents of this policy.

4. DEFINITIONS

- a. "Investment officers" means officers within the Town of Drumheller in charge of managing and making investment decisions
- b. "Custodian or Portfolio Investment Manager" means an approved financial institution authorized to conduct portfolio investment management services for public bodies in Canada
- c. "Chief Administrative Officer or CAO" means the Chief Administrative Officer of the Town of Drumheller and/or their appointed delegate
- d. "Chief Financial Officer or CFO" means the Chief Financial Officer of the Town of Drumheller and/or their appointed delegate

5. INVESTMENT PRINCIPLES

Prudence

Investments are to be made with judgment and care, under prevailing circumstances, which persons of discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the 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.

Capital Preservation

The Town recognizes its fiduciary responsibility for the stewardship of funds it has been entrusted with. Therefore, a prime objective of this policy is to ensure that the principal amount of each investment is insulated from losses due to market conditions and issuer default.

Liquidity

The investment portfolio will be sufficiently liquid to enable the Town to meet any projected or sudden cash flow requirement which might reasonably be expected to occur. Liquidity refers to the ability to convert an investment into cash with minimal risk associated with loss of principal or accrued interest, considering any costs related to converting investments into cash.

Return on Investment

The investment portfolio shall be designed with the objective of achieving a rate of return comparable to an appropriate bond indexed fund, taking into consideration investment risk constraints and the cash flow characteristics of the portfolio.

Diversification

The Town must diversify its investments by security type and institution. Maximum percentages to be invested with any single issuer or investment vehicle will be determined by Administration in collaboration with the Custodian.

6. STEWARDSHIP

Safekeeping and Custody

All investment certificates shall be issued in the name of Town. Investment certificates may be held for safekeeping by the financial institution.

Responsibility for safeguarding assets, income collection, settlement of investment transactions, and accounting for investment transactions is delegated to a trust company custodian duly registered in Canada.

Conflict of Interest / Ethics

Officers, employees, custodians, 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. All individuals involved in the investment process shall disclose to the CAO any material interests in financial institutions that conduct business with the Town.

7. AUTHORITY

The management responsibility for the investment program is hereby delegated to the Chief Financial Officer ("CFO") who shall establish procedures and controls for the operation of the investment program consistent with this policy. The CFO may delegate the administrative responsibilities of the investment program to other Town employees.

The CFO may engage the services of a portfolio investment manager (custodian) to actively invest funds for the Town.

8. POLICY REVIEW

Administration will review this policy every three years. Administration will present any required revisions to this policy to Council for review and approval when needed.



MAYOR



CHIEF ADMINISTRATIVE OFFICER

REVISIONS	
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