

POLICY 25-06

Investments

DATE OF ADOPTION:	June 3, 2025	MOTION NUMBER:	25/06/83
DATE OF AMENDMENT:		DEPARTMENT:	Corporate Services

PURPOSE

To establish the process by which the Town of Vermilion may make investments with its money in accordance with the Municipal Government Act to maximize investment revenue while responsibly safeguarding the interests of the taxpayers.

DEFINITIONS

Administration is the administrative Employees of the Town of Vermilion.

Call for Investments is a process by which the Town of Vermilion will seek competitive investment opportunities from local financial institutions.

CAO is the Chief Administrative Officer for the Town of Vermilion.

Director is a person employed by the Town of Vermilion who is in charge of an activity, department or organization, as delegated by the CAO.

Employee is an employee of the Town of Vermilion.

Liquidity is the ability to convert an investment into cash without the loss of principal and/or earning a reasonable rate of return.

Manager is a person employed by the Town of Vermilion who is in charge of an activity, department or organization, as delegated by the CAO.

Tendering Process is the circulation of a call for investments to seek competitive investment opportunities from financial institutions that may not be local to the Town of Vermilion.

Town is the Town of Vermilion in the Province of Alberta.

Town Business is professional services rendered for or on behalf of the Town of Vermilion.

Yield is the optimum rate of return on an investment.

SCOPE

This policy applies to All Members of Council and/or all Employees of the Town of Vermilion.

TASK	TITLE OR DEPARTMENT OF PERSON RESPONSIBLE
APPROVAL OF POLICY & AMENDMENTS	Council
HANDLING INQUIRIES & COMMUNICATING POLICY	Chief Administrative Officer
MONITORING REVIEWS & IMPLEMENTATION	Director of Corporate Services

GUIDING PRINCIPLES

- The CAO and/or the Director of Corporate Services have the authority to manage the Town's investments.
- As delegated by the CAO, the Director of Corporate Services must:
 - Establish appropriate guidelines, procedures and internal controls to achieve the objectives identified within this policy;
 - Oversee the overall implementation strategy process;
 - Ensure that non-negotiable cash and short-term investment certificates and records are maintained appropriately; and
 - Provide a summary of the investment activities of the Town in the form of a quarterly report to Council listing the specific investment, interest rate, maturity date, and any other pertinent information deemed appropriate by the CAO.
- New investments shall be made through a Call For Investments or Tendering Process, as determined by the CAO and/or Director of Corporate Services.
- Investment proposals received through a Call For Investments and/or Tendering Process shall be evaluated based on:
 - Term;
 - Liquidity;

- Risk; and
 - Yield.
- Cash flow must be closely monitored in order to accurately project the amount of cash available for investment and the length of time any cash invested would be made available again.
- As cash flows are significantly impacted by large capital projects, Directors and Managers shall be asked for project outflows by the Director of Corporate Services during the annual budgeting process.
- A combination of redeemable and non-redeemable investments may be used in order to maximize the benefit to the Town so long as they adhere to the terms of this policy and Town bylaws.
- This policy hereby rescinds the Town of Vermilion's previous Investment Policy approved by Council on September 25, 1997 via motion 97-09-166.

ELIGIBILITY

- This policy applies to all monies under the management of the Town of Vermilion with the exception of cash allocated through the budgeting process and approved by Council toward the immediate payment of operational and capital expenditures which may not be used for investment purposes.
- An investment must not be made if it will cause an overdraft in the Town's bank accounts or require interim financing.
- The maximum term of any investment is not to exceed five (5) years.
- At any time, the total investments at any one financial institution must not equate to over sixty percent (60%) of the reserve balance stated in the prior year's audited financial statements.