



**INVESTMENT POLICY ADVISORY COMMITTEE  
MINUTES  
April 13, 2017**

**PRESENT:** Councillor Russell, Walker, Co-Chair  
Renée Towns, Co-Chair  
Scarlett Kelly  
Kim Houston

**REGRETS:** Daniel Hudgin  
Dorothy MacCurdy

**STAFF:** Sheilagh Edmonds, Legislative Assistant  
Jerry Blackwood, Manager of Revenue

*The following does not represent a verbatim record of the proceedings of this meeting.*

*The agenda is available online: <http://legacycontent.halifax.ca/boardscom/ipac/170413ipac-Agenda.php>*

*The meeting was called to order at 12:00 p.m. and recessed at 12:30 p.m.*

**1. CALL TO ORDER**

Renée Towns, Co-Chair called the meeting to order at 12 noon. She introduced and welcomed Scarlett Kelly to the Committee, noting that she was recently appointed by Regional Council.

**2. APPROVAL OF MINUTES – December 13, 2016**

MOVED by Councillor Walker, seconded by Kim Houston

**THAT the minutes of December 13, 2016 be approved.**

**MOTION PUT AND PASSED.**

**3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS**

Additions:

There were no additions or deletions to the agenda.

MOVED by Councillor Walker, seconded by Kim Houston

**THAT the agenda be approved as presented.**

**MOTION PUT AND PASSED.**

**4. BUSINESS ARISING OUT OF THE MINUTES**

**5. NEW BUSINESS**

**5.1 Treasurer's Report – Quarter Ending December 31, 2016**

The following was before the Committee:

- A memorandum dated April 13, 2016 from Renée Towns, Deputy Treasurer, Finance & ICT

Renee Towns provided an overview of the Treasurer's Report, highlighting the following points:

- Over the Quarter there were 16 investments at a cost of \$201 million versus the previous year when during the same Quarter there were 54 investments at a cost of \$186 million—the variance in the amounts is around the timing of cash flows received
- The investment accounts earn approximately \$118,000 over what they would have made with Bankers' Acceptances.
- Investment income is over budget and this is partially due to the Citadel Hill PILT settlement
- There have been no changes to the bond pool, and the next maturity for the bond pool is June of 2017.
- Operating balances are higher than the previous year by approximately \$33 million and this is attributed to timing of tax and deed transfer tax received.
- Using the RBC Money Market Survey, the 3 month return is .22% which is just at the first quartile of the survey and the one year return is 0.87%, which is just below the first quartile of the survey; have met the objective of a competitive rate of return; the performance continues to be due to the investment bank accounts while the rates of return on the government portion of the portfolio continue to remain low.

- Consensus is that the Bank of Canada will be on hold for 2017 and will not see any rate increases until Q2 of 2018; don't expect our strategy to change much, will continue to look for opportunities
- Staff has met their policy objectives—we have preserved our capital, we have liquidity, and we have competitive rates of return.

Renee responded to questions. In response to a question in regard to GIC's, she clarified that changes to the Investment Policy were approved March 9 (by the Department of Municipal Affairs), and this would enable staff to go in to bank GIC's. She added that it is exciting to now be able to look at different investment strategies, and to look at the longer term.

## **5.2 Draft Investment Policy Advisory Committee Report to Audit & Finance Committee for Quarter Ending December 31, 2016**

The following was before the Committee:

- A draft (unsigned) report dated April 13, 2017 from the Co-Chairs of the Investment Policy Advisory Committee

For the information of the new member, Renee provided an overview of the purpose of the report, explaining that the report is a short summary which states that staff have reviewed the report with the Committee and are adhering to their principles. Renee advised that the total portfolio is \$497,606,111 as of December 31, 2016.

MOVED by Kim Houston, seconded by Scarlett Kelly

**THAT the Investment Policy Advisory Committee forward the report - Quarter ending December 31, 2016 to the Audit and Finance Standing Committee.**

**MOTION PUT AND PASSED.**

## **6. INFORMATION ITEMS / OPTIONAL READING**

### **6.1 CIBC Economic Insights: “Canadian Inflation: Tame but not THAT Tame”**

The following was before the Committee:

- An article from the February 15, 2017 issue of CIBC Capital Markets Economic Insights entitled, *Canadian Inflation: Tame, But not That Tame*, by Avery Shenfeld and Nick Exarhos

### **6.2 CIBC Economic Insights: “Provincial Potential: The Longer Term Impact of Lower Oil Prices”**

The following was before the Committee:

- An article from the February 15, 2017 issue of CIBC Capital Markets Economic Insights entitled, *Provincial Potential: The Longer-term Impact of Lower Oil Prices* by Andrew Grantham

## **7. NEXT MEETING DATE:**

The Co-Chair advised that the next meeting would be held in June, with the date to be determined.

## **8. ADJOURNMENT**

The meeting adjourned was at 12:30 p.m.

Sheilagh Edmonds  
Legislative Assistant