



The Municipal Corporation of the Town of Fort Erie

By-law No. 97-2017

Being a By-law to Amend the Town of Fort Erie Investment Policy By-law No. 109-2015 (Portfolio and Institutional Limits for Credit Unions)

Whereas By-law No. 109-2015 was passed by the Municipal Council of the Town of Fort Erie on August 17, 2015 to adopt an Investment Policy for the Town of Fort Erie; and

Whereas Report No. CS-15-2017 was considered at the Council-in-Committee Meeting held on August 21, 2017, and subsequently approved by Council to repeal and replace Appendix "B" to the Investment Policy to implement a change in the portfolio and institutional limits for Credit Unions; and

Whereas it is deemed desirable to amend the Investment Policy to implement a change in the portfolio and institutional limits for Credit Unions;

Now therefore the Municipal Council of The Corporation of the Town of Fort Erie enacts as follows:

1. **That** Appendix "B" to Schedule "A" of By-law No. 109-2015 is repealed and replaced with Appendix "B" attached hereto as Schedule "A" and forming part of this by-law.
2. **That** the Clerk of the Town is authorized to effect any minor modifications, corrections or omissions, solely of an administrative, numerical, grammatical, semantical or descriptive nature to this by-law or its schedules after the passage of this by-law.

Read a first, second and third time and finally passed this 28th day of August, 2017.

Mayor

Interim Clerk

I, _____, the Clerk, of The Corporation of the Town of Fort Erie certifies the foregoing to be a true copy of By-law No. 97-2017 of the said Town. Given under my hand and the seal of the said Corporation, this _____ day of _____, 20____

Schedule "A" to By-law No. 97-2017

Investment Policy

APPENDIX "B" – Eligible Investments, Diversifications and Ratings

Category	Limitations			
	Minimum credit		Portfolio Limit	Institutional Limit
	S/T	L/T		
Federal Government				
Government of Canada and Federal Guarantees			100%	100%
Provincial				
Provincial Governments and Provincial Guarantees	R-1 mid	A	100%	25%
Municipal Finance Authority of BC			20%	20%
Municipalities and Boards				
Other municipalities		A (low)	25%	10%
School board or similar		AA(low)	5%	5%
Banks/Corporates				
Sch I Banks	R-1 mid	AA(low)	75%	25%
Sch II Banks	R-1 mid	AA(low)	20%	10%
Total Banks			80%	
Loan or Trust companies	R-1 mid	AA(low)	10%	5%
Credit Unions	R-1 mid	AA(low)	15%	10%
One Investment Program - Money Market			50%	N/A
One Investment Program - Bond			25%	N/A
One Investment Program - Equity			25%	N/A
Total One Funds			50%	

Dominion Bond Rating Service ("DBRS") provides ratings on institutional quality. A company having an R-1 rating is a high-grade prime credit. It has a very high ability to repay its current liabilities as they become due. The strength of various liquidity ratios is unquestioned and alternative sources of funds to commercial paper exist. The outlook for future liquidity and the trend of these ratios should be favourable. The level of profitability has been reasonable and relatively stable with only modest fluctuations. No substantial qualifying negative factors exist and the firm is of sufficient size to be a strong influence in its industry. DBRS also indicates where within the rating classification the company falls (high, middle or low).

Commercial Paper and Short Term Debt

<u>Symbol</u>	<u>Credit Quality</u>
R-1 (high)	Highest
R-1 (middle)	Superior
R-1 (low)	Satisfactory
R-2 (high)	Adequate
R-2 (middle)	Adequate
R-2 (low)	Adequate
R-3 (high)	Speculative
R-3 (middle)	Speculative
R-3 (low)	Speculative
D	In Arrears
NR	Not rated

Bond and Long Term Debt

<u>Symbol</u>	<u>Credit Quality</u>
AAA	Highest
AA	Superior
A	Satisfactory
BBB	Adequate
BB	Speculative
B	Highly Speculative
CCC	Very Highly Speculative
CC	Very Highly Speculative
C	Very Highly Speculative
D	In Arrears