

REQUEST FOR PROPOSAL
INVESTMENT MANAGEMENT SERVICES

RFP #029-19



CITY OF PORT ALBERNI
www.portalberni.ca

CLOSING LOCATION:

City Hall
City of Port Alberni
4850 Argyle Street
Port Alberni, BC V9Y 1V8

CLOSING DATE AND TIME:

Three (3) complete copies of each proposal must be received
by 2:30 p.m. local time on
January 7, 2020

CONTACT PERSON:

Rosalyn Macauley, Deputy Director of Finance
Tel: (250) 720-2812 Fax: (250) 723-1003
e: rosalyn_macauley@portalberni.ca

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RFP #029-19 – Investment Management Services
Closing date: January 7, 2020

REQUEST FOR PROPOSAL #029-19 – Investment Management Services

This completed Request for Proposal must be received in the office of the City of Port Alberni **not later than 2:30 pm local time, January 7, 2020**, to the attention of:

Rosalyn Macauley, Deputy Director of Finance
City Hall, City of Port Alberni
4850 Argyle Street
Port Alberni, BC V9Y 1V8
email: rosalyn_macauley@portalberni.ca

Note: Office Hours 8:30 AM to 4:30 PM

Paper proposal submissions must have 3 copies and be delivered in a sealed envelope and labelled "Request for Proposal #029-19 – Investment Management Services."

Proposals may be submitted by email with the subject line "Request for Proposal #029-19 – Investment Management Services."

Enquires about this request shall be directed only to Rosalyn Macauley, Deputy Director of Finance

Tel: (250) 720-2812; fax: (250) 723-1003; e-mail: rosalyn_macauley@portalberni.ca

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1.0 GENERAL

1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP)

The City of Port Alberni is requesting proposals from Financial Institutions that are interested in providing the City with Investment Management services. The City is committed to providing its citizens with quality customer service, and we expect this same quality of service from our financial institution. The administrative requirements, terms and conditions stated in this Request for Proposal are as envisioned by the City at the time of writing, but these may change or be refined in the course of the evaluation and negotiation process.

The City of Port Alberni has undertaken this Request for Proposal with the intention to possibly enter into an agreement with one of the proponents. This Request for Proposal does not constitute an offer, and the City will not have any liability or obligation to anyone in connection with this Request for Proposal unless an agreement is approved by City Council, and executed and delivered in writing.

The City of Port Alberni may, among the submissions received, deal or negotiate with any party as the City of Port Alberni sees fit, and with more than one such party concurrently. In no event will the City of Port Alberni be required to offer any modified terms to any other party. The City of Port Alberni shall incur no liability to any person as a result of such negotiations or modifications.

1.2 OBJECTIVES OF THE REQUEST FOR PROPOSAL

Financial Institutions are invited to expand their response to this RFP to cover more features or extra performance provided that they meet the minimum specifications.

The City of Port Alberni reserves the right to use and include any ideas, concepts, alternate solutions, extra features, enhancements and performance concepts presented in any proposal, whether or not that proposal is selected by City of Port Alberni.

The evaluation of responses will be based on a number of factors, weighted according to the needs and judgment of the City of Port Alberni. The highest return or any Proposal will not necessarily be selected. Any implication that the highest return or any Proposal will be accepted is hereby expressly negated. The City of Port Alberni reserves the right to accept the Proposal which it deems most advantageous, and the right to reject any or all Proposals, in each case without giving any notice. In no event will the City of Port Alberni be responsible for the costs of preparation or submission of any Preliminary Submission or Proposal.

1.3 RFP DISTRIBUTION AND ENQUIRIES

This RFP document has been posted to the City's website, CivicInfoBC, and BCBid.

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Proponents must ensure that they have received all addenda and the complete Request for Proposal. The complete document consists of sixteen (16) pages including the Title Page, RFP #029-19 document, Appendix 1 Proposal Submission Form, and Appendix 2 Investment Policy Statement.

All enquiries related to this Request for Proposal are to be directed in writing, only to the Director of Finance (or designate) at the contact address below:

Rosalyn Macauley, Deputy Director of Finance
City of Port Alberni
4850 Argyle Street
Port Alberni, BC V9Y 1V8

Tel: (250) 720-2812
Fax: (250) 723-1003
e: rosalyn_macauley@portalberni.ca

Information obtained from any other source is not official and should not be relied upon. Enquiries and responses will be recorded and will be distributed to all Proponents who have registered with the Deputy Director of Finance as having received a copy of this Request for Proposal.

1.4 RFP TERMINOLOGY

Throughout this RFP terminology is used as follows:

"must", "mandatory", "required" means a requirement that must be met in order for the proposal to receive consideration;

"Proponent" means an individual or a company that submits, or intends to submit, a proposal in response to this "Request for Proposal";

"Proposal" means any proposal made or submitted by anyone in connection with this Request for Proposal or the subject matter hereof;

"Contract" means the written agreement resulting from this Request for Proposal executed by the City of Port Alberni and the Contractor, it being understood that it may be the case that no contract will result;

"City", "Municipality", "CPA", "we" all mean City of Port Alberni;

"Director of Finance" and "Deputy Director of Finance" mean the person acting as the Director of Finance for the City of Port Alberni or designate;

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"Financial Institution", "Bank" all mean Chartered Bank, Investment Management Firm, or Credit Union.

1.5 CONFIDENTIALITY AND FREEDOM OF INFORMATION LEGISLATION

All documents, including proposals, submitted to the City of Port Alberni become the property of the City of Port Alberni. They will be received and held in confidence by the City of Port Alberni, subject to the provision of the Freedom of Information and Protection of Privacy Act.

Information pertaining to the City of Port Alberni obtained by the Proponent as a result of participation in this project is confidential and must not be disclosed without written authorization from the City of Port Alberni.

2.0 TERMS AND CONDITIONS

2.1 ESTIMATED TIME FRAME

The following timetable outlines the anticipated schedule for the Request for Proposal and contract process. The timing and the sequence of events resulting from this Request for Proposal may vary and shall ultimately be determined by the City.

EVENT	ANTICIPATED DATE
Request for Proposal is issued	November 4, 2019
Deadline for Receipt of Questions	December 9, 2019
Addenda Issued (if required)	December 16, 2019
Request for Proposal closes	January 7, 2020 2:30 pm local time
Services Commencement date	April 1, 2020

2.2 RESPONSIBILITY OF PROPONENT

Proponents shall be responsible for informing themselves as to the contents and requirements of this RFP. Each proponent is solely responsible to ensure that they have obtained and considered all information necessary to understand the requirements of this RFP and to prepare and submit their proposal. The City will not be responsible for any loss, damage or expense incurred by a proponent as a result of any inaccuracy or incompleteness in this RFP, or as a result of any misunderstanding or misinterpretation of the terms of the RFP on the part of any proponent.

2.3 ONE PROPOSAL ONLY

One proposal only will be considered from each Proponent, to be submitted in a sealed envelope clearly marked, "Request for Proposal #029-19 – Investment Management Services" and include 3 complete copies.

As an alternative, one proposal may be submitted by email with the subject line "Request for Proposal #029-19 – Investment Management Services" to Cathy Rothwell, Director of Finance at: rosalyn_macauley@portalberni.ca.

2.4 EVALUATION CRITERIA

The City of Port Alberni will not be limited as to its criteria for evaluation of Proposals. The following items should be included in the proposal submissions and may be used as a basis for evaluation:

- a) Cover letter;
- b) Executive summary of your proposal;
- c) Qualifications and location of the primary person who would be the City's contact, including the location of the branch of your financial institution that will be handling the City's investment requirements;
- d) References from other municipal clients where the proponent has supplied a similar Investment Management service;
- e) A detailed description of how you propose to comply with the requirements listed under "Description of the City's Basic Requirements", Section 4.2, including the City's Investment Policy Statement;
- f) **A detailed description of any additional services your financial institution can provide and any cost implications;**
- g) Costs and Compensation to the City:
 - Investment Management Fees;
 - Miscellaneous Costs.
- g) Customer Service – The City is looking for a financial institution that provides premium customer service. From enquiries, to troubleshooting, to problem-solving, etc., please describe how your institution plans on providing customer service and your anticipated response times.

- h) Such other information the proponent may consider relevant.

2.5 EVOLUTION OF CRITERIA

The City of Port Alberni has not exhaustively identified the considerations and criteria that may influence its decision. The City of Port Alberni reserves the right to take into account factors and considerations, and to give varying weight to various factors, as it sees fit in its judgment as being in the best interests of the City of Port Alberni, in the course of its decision making process.

2.6 EVALUATION

An evaluation committee made up of City staff will be reviewing proposal submissions. The City reserves the right to accept any or none of the proposals submitted and will evaluate proposals based on the best value and not necessarily the lowest cost. Please refer to the Evaluation Criteria outlined in Section 2.5.

2.7 PROPOSAL SUBMISSION/CONDITIONS

2.7.1 Proposal Submission

Proposal submissions must include a completed Proposal Submission Form, with all addenda acknowledged. See Appendix 1.

The Proponent's Submission Form must be fully and properly completed and conform to these Instructions for Submission. Submissions which are incomplete, conditional or obscure may be rejected.

Proposal submissions must include a covering letter including an executive summary. Proponents should clearly show their complete company name, nearest location to the City of Port Alberni, and name and telephone number of the primary contact person(s).

Three paper copies of the complete Proposal must be provided; alternatively the Proposal may be emailed.

Proponents must ensure that they have received all addenda and the complete Request for Proposal.

2.7.2 Enquiries, Errors, Omissions and Addenda

All communications regarding the submission must be directed to the person(s) identified under Section 1.3 of this Request for Proposal.

Proponents must obtain their own information on all matters and things that may in any way influence them in making their submissions.

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Proponents must satisfy themselves in all respects as to the risks and obligations to be undertaken by them in order to fulfil their obligations.

Communications to the City of Port Alberni may be made only by Proponents and not by prospective subcontractors, material suppliers or others.

If a Proponent discovers any inconsistency, discrepancy, ambiguity, or omission in the Proposal Documents, it must notify the Director of Finance immediately in writing.

The City of Port Alberni may provide additional information, clarification or modification by written addenda. All such addenda shall be incorporated into and become part of the Proposal Documents. The City of Port Alberni shall not be bound by verbal or other information explanations or clarifications not contained in such addenda.

Proponents should note that the Proposal Submission Form requires an acknowledgement of receipt of all addenda. Addenda will be available from the person(s) named in Section 1.3. Parties submitting proposals are responsible to ensure that they are aware and have received all addenda, and are advised to check immediately prior to submitting their Proposal Submission Form.

The City of Port Alberni will assume that all statements, verbal or in writing, made by persons submitting Proposals are true, accurate, complete and not misleading. All such statements will constitute representations and warranties made to the City of Port Alberni.

Requirements outlined in the Request for Proposals shall not be interpreted in a way that would exclude warranties as to fitness for the purpose, suitability, or any other implied warranties.

2.7.3 Conditions

Proponents are advised that after receipt of proposals they may be required to provide to the City of Port Alberni additional information concerning themselves or their Proposal including further details or breakdowns.

Proposals which contain qualifying conditions or otherwise fail to conform to these Instructions for Submissions may be disqualified or rejected. Anything to the contrary herein notwithstanding, the City of Port Alberni may at its sole discretion elect to retain for consideration proposals which are non-conforming, and may waive irregularity, failure to comply or time stipulations required by these Instructions for Submission. The stipulations herein are for the sole benefit of the City of Port Alberni and may be waived by the City of Port Alberni unilaterally.

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2.7.4 Proposal Transmission

Proposal submissions must be received **no later than 2:30 pm local time on January 7, 2020** in order to be considered.

Proposals on paper must be submitted (3 copies) enclosed in a sealed envelope, clearly marked “**Request for Proposal #029-19 – Investment Management Services**”, and directed to the person identified under Section 1.3 of this Request for Proposal.

Proposals may be submitted by email with the subject line “**Request for Proposal #029-19 – Investment Management Services**” to the person identified under Section 1.3 of this Request for Proposal.

Late proposals will not be accepted.

Proponents mailing proposals, or sending by courier, should allow sufficient delivery time to ensure the timely receipt by the Director of Finance. **Proposals submitted by facsimile will not be considered.**

2.7.5 Withdrawal of Proposal

By submission of a clear and detailed written notice, the proponent may amend or withdraw its proposal prior to the closing date and time. No proponent may withdraw their proposal for a period of ninety (90) days after the actual closing date and time.

2.7.6 No Claim for Compensation

Except as expressly and specifically permitted in these instructions to proponents, no Proponent shall have any claim for any compensation of any kind whatsoever, as a result of participating in the RFP, and by submitting a proposal each proponent shall be deemed to have agreed that it has no claim.

2.8 Cancellation and Termination of Services

The City reserves the right to cancel this Request for Proposal at any time and for any reason, and will not be responsible for any loss, damage, cost or expense incurred or suffered by any proponent as a result of that cancellation.

The City reserves the right to terminate any contract resulting from this Request for Proposal with thirty (30) days written notice of termination. In the event of termination, the Contractor will have no right of action against the City for damages; however, termination would not, in any manner, limit the City’s right to bring action against the Contractor for damages for breach of contract.

3.0 GENERAL REQUIREMENTS

3.1 References

Proponents shall include three (3) references of other municipal organizations for which their company has provided similar services. With each reference, proponents shall include the organization's name, address, phone number, as well as the name and position of a person the City may contact at the organization. The City reserves the right to contact references without prior notification to the proponent.

3.2 CONTRACT ASSIGNABILITY

This contract is not assignable by the Financial Institution without the prior written consent of the City.

3.3 OFFER ACCEPTANCE

This offer is irrevocable and open for acceptance for a period of ninety (90) days after the closing date for receipt of proposals. The City reserves the right to accept the offer which it deems most advantageous, based on its evaluation criteria.

4.0 SPECIFICATIONS

4.1 TERM OF AGREEMENT

The Contract term, upon acceptance of proposal(s), shall be April 1, 2020 and continue uninterrupted until March 31, 2025, subject to the terms outlined in the City's Investment Policy Statement.

4.2 DESCRIPTION OF THE CITY'S BASIC REQUIREMENTS

A copy of the City's Investment Policy Statement is attached for your reference as Appendix 2.

The City normally has 11 Reserve Funds and 1 General Revenue Fund invested. The General Revenue Fund balance fluctuates according to property tax revenue received and cash flow requirements; and the Reserve Fund balances fluctuate according mostly to capital project commitments. The General Revenue Fund investment balance ranges from a low of approximately \$6M to a high of \$22M, and has the most activity with transfers in and out according to cash flow requirements. The Reserve Funds, in aggregate, average approximately \$10M. The Reserve Funds have little activity.

Depending on limitation of policy and investment returns, the City prefers that all of the funds be kept separate, as the bylaws that govern the use of the reserves are applicable to the particular reserve.

APPENDIX 1

This Form to be Completed by Proponent

1. PROPOSAL SUBMISSION FORM		
<p>The enclosed proposal is submitted in response to the Request for Proposal #029-19 – Investment Management Services. Through submission of this proposal the undersigned agrees, on behalf of the company named below, to all of the terms and conditions as identified in the Request for Proposal #029-19 – Investment Management Services. This Proposal is valid and enforceable for at least ninety (90) days following the closing date.</p> <p>The undersigned further agrees that they have read this request in its entirety, understand its meaning and effect on their Proposal, agree to the terms and conditions, and comply with all requirements.</p> <p>The undersigned warrants that they have the authority to bind the company to this contract.</p>		
Company Name:		
Address:		City:
Postal Code:	Phone:	Fax:
E-mail:		Date:
Signature of Signing Officer:		Print Name:
Title of Signing Officer:		

2. Addenda	
<p>The Proponent acknowledges the receipt and understanding of the following addenda and has included all factors stated in the addenda in their response to this request.</p>	
Addendum Number:	Date Received:
Signature of Signing Officer:	Print Name:
Title of Signing Officer:	

APPENDIX 2

TITLE: FINANCE – INVESTMENT POLICY				
EFFECTIVE DATE: Oct. 15, 2019	DEPARTMENT: Finance	AUTHORIZED BY: Council	REPLACES: Dec. 10, 2018	PAGE 1 OF 9

PURPOSE OF THE POLICY

The purpose of this Policy is to provide a framework for the prudent investment of the City of Port Alberni's funds.

SECTION I: POLICY

It is the policy of the City of Port Alberni to invest public funds with prudent management and within prescribed limits to provide an optimal blend of return on investment and preservation of principal while meeting short and long term cash flow and liquidity demands of the City of Port Alberni, and complying with statutory requirements of the *Community Charter* and the *Municipal Finance Authority Act*.

1. SCOPE

This Policy applies to the investment of all cash and short-term assets of the City of Port Alberni. The City of Port Alberni's invested funds will be divided into operating, capital, and reserves. Investment value will be reported at cost.

2. OBJECTIVES

Principal

Protection

Preservation of capital is the foremost objective of the investment program. Investments shall be undertaken in a manner that ensures the preservation of capital, while managing credit risk and interest rate risk.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio structure should be such that maturities coincide with cash requirements, as much as reasonably possible. Since all possible cash requirements cannot reasonably be anticipated, the portfolio should consist largely of securities with active secondary markets.

Return on Investment

The Fund shall be constructed with the objective of attaining, at minimum, a benchmark rate of return throughout varying budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the preservation of capital and liquidity objectives.

Adherence to Statutory Requirements

Investment guidelines for municipal funds are provided in Section 183 of the *Community Charter*

(Appendix C) and Section 16 of the *Municipal Finance Authority Act* (Appendix D).

SOCIAL RESPONSIBILITY

Where possible and practical, social responsibility will be considered in the selection of investments that meet the policy's objective.

3. STANDARD OF

CARE Prudence

Investments shall be made with judgment and care, exercised with consideration of safety of capital foremost for those acting in accordance with the investment policy.

Internal Controls

Management shall establish a system of internal controls, which shall be documented in writing, and reviewed by the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties. The Investment Manager must adhere to the Code of Ethics and Standards of Professional Conduct of the CFA Institute.

4. ETHICS & CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity with the same individual(s) with whom business is conducted on behalf of the City of Port Alberni. Individuals involved with the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program or impair their ability to make impartial investment decisions.

SECTION II: INDIVIDUAL RESPONSIBILITIES

1. DELEGATION OF AUTHORITY

Authority to manage the City of Port Alberni's investment program is derived from *Section 149* of the *Community Charter* (Appendix B).

The City of Port Alberni delegates the management of the Fund to certain Officers of the City of Port Alberni. The Officers of the City of Port Alberni include Director of Finance and Deputy Director of Finance.

Any purchase or sale transactions contemplated for a City investment account must be authorized by an individual specified in the Client Broker Agreement as authorized to do so. Such authorized individuals will be limited to the City's banking signatories: Mayor, and Director of Finance. A signature stamp will suffice in the absence of original signatures.

Fund Management responsibilities have been allocated as follows:

Council – Audit Committee

- Receive quarterly reports from the designated Officers on the performance of the portfolio at the Audit Committee Meetings.
- Review the policy annually.

Officers' Responsibilities

- Review the Policy periodically and if appropriate make recommendations to City Council for changes.
- Ensure that the sum of all cash, the current account, money market securities, and coupon income expected from the fixed income instruments (i.e. bonds, GICs etc.) in a year are sufficient to cover the disbursements expected to be paid from the portfolio in that year.
- Appointment of the Investment Manager will be made through a Request for Proposals process to be undertaken by the Director of Finance and overseen by the Chief Administrative Officer. Proposals will be accepted from selected firms meeting

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minimum guidelines set out in this policy. The evaluation of responses will be based on a number of factors, weighted according to the needs and judgment of the City of Port Alberni.

- The successful proponent will enter into a formal Client Broker Agreement with the City of Port Alberni.
- A Request for Proposals or Request for Quotes will be prepared at the outset of adoption of this policy, and in five year intervals thereafter.
- The City retains the right to replace the Investment Manager at any time. Reasons for replacement include:
 - The Investment Manager's performance falling below expected performance levels, not reasonably explained by their investment style being out of favour temporarily, as measured rolling five year periods;
 - Changes to the Investment Manager's style or process; and
 - Changes to key investment personnel.
- Review the Fund's performance on a regular basis and provide quarterly reports to the Audit Committee at the Audit Committee Meetings.
- To be responsible for the delegation of any responsibility not specifically mentioned in this Policy.

The Investment Manager's Responsibilities

- Select specific investments, recognizing the quality and diversification requirements established in this Policy, and subject to approved signing authority.
- Seek to maximize and preserve the investment return, after ensuring that the foregoing liquidity, quality and diversification requirements have been satisfied.
- Where possible and practical, socially responsible investing criteria will be applied to the selection of investments and preference given to organizations that adopt a socially responsible investment platform.
- Manage the securities held in accordance with this Policy and applicable legislation.
- Provide the Director of Finance (who will then provide to the Audit Committee) with quarterly written reports that include periodic rates of return for the portfolio; details of investments; and a statement of compliance with this IPS.
- Provide the necessary information for the Director of Finance and Audit Committee to review the IPS and the Investment Manager's performance.
- Identify provisions in the IPS that may need revision due to changes in investment strategies or markets.

The Investment Manager and designated Officers of the City of Port Alberni may from time to time engage consultants or other advisors to assist them in fulfilling their responsibilities.

2. AUTHORIZED INVESTMENT DEALERS AND FINANCIAL INSTITUTIONS

A list will be maintained by the Investment Manager of approved investment dealers and financial institutions authorized to provide investment services. All qualified bidders for investment transactions will be members in good standing of the Investment Industry

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Regulatory Organization of Canada (“IIROC”), Mutual Fund Dealers Association (“MFDA”) or the B.C. Securities Commission.

Preference will be given to investment dealers and financial institutions who are members of the Responsible Investment Association (“RIA”).

SECTION III: INVESTMENT OPPORTUNITIES

Permitted investments are as follows:

- Eligible Securities as defined in *Section 183* of the *Community Charter* (Appendix C) and *Section 16* of the *Municipal Finance Authority Act* (Appendix D).
- Investments in internally financed projects.

All investments must be denominated in Canadian dollars.

Certain of the funds are statutory reserve funds; and interest earned thereon must be retained in the fund according to the Bylaw pertinent to the fund.

Investments in shares, warrants, or other equities, convertible debt securities, derivatives, swaps, options or futures are prohibited, and all investment categories that are not explicitly permitted are prohibited.

SECTION IV: RATINGS AND CONSTRAINTS

1. RISK TOLERANCE

All securities must be readily marketable.

Investments held must be rated by at least one rating agency, namely Moody’s, Standard & Poor’s (S&P) or Dominion Bond Rating Service (DBRS). All investments must be Investment Grade (at least BBB by S&P, or equivalent by DBRS or Moody’s.), as classified in Appendix A. In the case where a security is rated by more than one agency listed, the higher ratings will apply.

The total portfolio will be limited to the following credit rating thresholds on a weighted average basis (as defined by S&P or equivalent – see Appendix A):

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Rating	Up to %
AAA	100%
AA	90%
A	70%
BBB	30%

Securities downgraded below the policy standard are to be disposed of as expeditiously as possible.

The maximum exposure to a single investment security, as a percentage of the total portfolio cannot exceed 10%.

Due to market fluctuations, maximum percentages may be exceeded from time to time. Securities need not be liquidated to rebalance the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

2. PORTFOLIO CONSTRAINTS

The primary constraints relate to safety of invested capital and maintaining the liquidity of the portfolio.

- All securities held in the portfolio shall have a maturity of five years or less, however it is understood that the majority of assets will be invested in securities with a maturity considerably shorter than this five year maximum.
- Cash: The deemed rating for cash, including the current account and any High Interest Savings Accounts, will be equal to the rating of the institution it is being held in.
- Credit Union Deposits: The deemed rating for securities issued by a Credit Union will be equal to the rating of the province that the credit union resides in.
- Bank Deposits: The deemed rating for securities issued by a bank will be equal to the credit rating of that bank.
- Securities issued by a Government entity: The deemed rating for securities issued by a Government entity will be equal to the credit rating of that municipality, province, country, or equivalent.

3. OTHER CONSTRAINTS

- The Fund shall not borrow funds to acquire securities or otherwise deal in margin trading.
- All investments will be made in accordance with the Code of Ethics and the Charter Financial Analyst standards (<https://www.cfainstitute.org/ethics/codes/code-of-ethics-standards-of-conduct-guidance>).
- All investments are to follow the constraints in this Investment Policy. If an investment opportunity not exceeding 15% of the total portfolio lies outside the Policy constraints and is eligible under S. 183 of the *Community Charter*, an exception may be made, with Council approval.

SECTION V: REPORTING

1. REPORTING

The investment manager will provide a quarterly report to Council on the performance of the portfolio, to be presented to the Audit Committee at the quarterly Audit Committee Meetings, and an annual report to Council during the first quarter of the following year.

2. DEPARTMENT INVESTMENT POLICY ADOPTION

The investment policy shall be approved by Council for the City of Port Alberni, on recommendation from the Director of Finance and the Chief Administrative Officer. The policy shall be reviewed periodically as required due to changes in the economy or the City of Port Alberni's requirements. Modifications made thereto must be approved by the Council.

SECTION VI: APPENDICES

APPENDIX A – CREDIT RATINGS

Grade	Moody's		Standard & Poor's		DBRS	
	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term
Investment Grade	Aaa	P-1	AAA	A-1+	AAA	R-1 (high)
	Aa1	P-1	AA	A-1	AA (high)	R-1 (high)
	Aa2	P-1	AA	A-1	AA	R-1 (middle)
	Aa3	P-1	AA	A-1	AA (low)	R-1 (middle)
	A1	P-1	A	A-2	A (high)	R-1 (low)
	A2	P-1	A	A-2	A	R-1 (low)
	A3	P-1	A	A-2	A (low)	R-1 (low)
	Baa1	P-2	BBB	A-3	BBB (high)	R-2 (high)
	Baa2	P-2	BBB	A-3	BBB	R-2 (middle)
	Baa3	P-3	BBB	A-3	BBB (low)	R-2 (low)
Speculative Grade	Ba1	NP	BB	B	BB (high)	R-3
	Ba2	NP	BB	B	BB	R-4
	Ba3	NP	BB	B	BB (low)	R-4
	B1	NP	B	B	B (high)	R-4
	B2	NP	B	B	B	R-5
	B3	NP	B	B	B (low)	R-5
	Caa1	NP	CCC	C	CCC	R-5
	Caa2	NP	CCC	C	CCC	R-5
	Caa3	NP	CCC	C	CCC	R-5
	Ca	NP	CC	C	CC	R-5
	C	NP	R	R	C	R-5
			D	D	D	D

APPENDIX B – COMMUNITY CHARTER (SECTION 149)

Financial officer

One of the municipal officer positions must be assigned the responsibility of financial administration, which includes the following powers, duties and functions:

- receiving all money paid to the municipality;
- ensuring the keeping of all funds and securities of the municipality;
- investing municipal funds, until required, in authorized investments;
- expending municipal money in the manner authorized by the council;
- ensuring that accurate records and full accounts of the financial affairs of the municipality are prepared, maintained and kept safe;
- exercising control and supervision over all other financial affairs of the municipality.

APPENDIX C – COMMUNITY CHARTER (SECTION 183)

Investment of municipal funds

Money held by a municipality that is not immediately required may only be invested or reinvested in one or more of the following:

- a. securities of the Municipal Finance Authority;
- b. pooled investment funds under section 16 of the Municipal Finance Authority Act;
- c. securities of Canada or of a province;
- d. securities guaranteed for principal and interest by Canada or by a province;
- e. securities of a municipality, regional district or greater board;
- f. investments guaranteed by a chartered bank;
- g. deposits in a savings institution, or non-equity or membership shares of a credit union;
- h. other investments specifically authorized under this or another Act.

Appendix D – MUNICIPAL FINANCE AUTHORITY ACT (SECTION 16)

Short term pooled investment funds

(1) The authority may enter into agreements with public institutions and institutions prescribed under subsection (7) under which, on the terms and conditions established in the agreements, the authority, in its own name or otherwise, holds and invests money received from the institution for the purpose of investment in pooled investment funds as permitted for the institution.

(2) The authority has the power to provide for the creation and management of pooled investment funds for the purposes of subsection (1).

The trustees may invest money received for investment in a pooled investment fund in any of the following:

- a. securities that are obligations of or are guaranteed by Canada, a Province, or the United States of America;
- b. fixed deposits, notes, certificates and other short term paper of or guaranteed by a savings institution, including swapped deposit transactions in the currency of the United States of America;
- c. securities issued by the authority, a municipality or regional district in British Columbia, or by a local, municipal or regional government in another province;
- d. commercial paper issued by a company incorporated under the laws of Canada or of a province, the securities of which are rated in the highest rating category by at least 2 recognized security rating institutions;
- e. investments permitted under the provisions of the Trustee Act respecting the investment of trust property by a trustee;
- f. despite the provisions of the Financial Administration Act, pooled investment portfolios established under that Act.

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(3) If money is to be invested in a pooled investment portfolio under subsection (3) (f), the Minister of Finance may enter into agreements with the authority to sell units of participation in a portfolio to the authority.

(4) At the first meeting of the authority in each year, the trustees must present a report respecting the previous year to the authority, stating all of the following:

- a. the pooled investment funds established;
- b. the public institutions investing in each fund;
- c. the volume of investments made in respect of each fund.

(5) The trustees may delegate to a committee of one or more of its trustees and officers its powers under this section, subject to the limitations the trustees may impose.

(6) The Lieutenant Governor in Council may, by regulation, prescribe institutions as institutions for which investments services may be provided under this section.