

City of Kelowna

Regular Council Meeting

AGENDA



Monday, November 23, 2015

9:00 am

Knox Mountain Meeting Room (#4A)

City Hall, 1435 Water Street

Pages

1. Call to Order
2. Confirmation of Minutes 2 - 7

Chauffeur Permit Appeal Hearing - October 20, 2015
AM Meeting - November 9, 2015
3. Reports

3.1 Council Policy Library Review (3) 60 m 8 - 22

To review Council Policy Numbers 06 and 316 of the Council Policy Library.
4. Resolution Closing the Meeting to the Public

THAT this meeting be closed to the public pursuant to Section 90(1) (a) and (e) of the *Community Charter* for Council to deal with matters relating to the following:
 - Position Appointment; and
 - Acquisition, Disposition, or Expropriation, of Land or Improvements.
5. Adjourn to Closed Session
6. Reconvene to Open Session
7. Issues Arising from Correspondence & Community Concerns

7.1 Mayor Basran, re: Issues Arising from Correspondence 30 m
8. Termination



City of Kelowna Chauffeur's Permit Appeal Hearing Minutes

Date: Tuesday, October 20, 2015
 Location: Kelowna Boardroom, Third Floor
 City Hall, 1435 Water Street

Council Members Present: Mayor Colin Basran and Councillors Gail Given, Tracy Gray, Charlie Hodge, Brad Sieben*, Mohini Singh and Luke Stack

Council Members Absent: Councillors Maxine DeHart and Ryan Donn

Staff Present: Acting City Manager, Doug Gilchrist; and City Clerk, Stephen Fleming

Guests: RCMP Stg. Patti Cook; RCMP Stg. Tim Montieth; Jasvinder Sohal, Ramanjeet Sohal and Phil Patara

(*denotes partial attendance)

1. Call to Order

Mayor Basran called the Hearing to order at 4:02 p.m.

2. Chauffeur's Permit Appeal Hearing - Jasvinder Sohal

RCMP:

- Outlined the circumstances of the RCMP files identified in the RCMP letter.

Councillor Sieben joined the Hearing at 4:05 p.m.

RCMP:

- Made comment on the issues influencing the decision.
- Responded to questions from Council.

Phil Patara:

- Spoke on behalf of Jasvinder Sohal.
- Provided the reasons why Mr. Sohal is not a risk to members of the public.

Ramanjeet Sohal, Son of Jasvinder Sohal:

- Advised that he is here with his mother, sister and brother.
- Addressed the issues raised by the RCMP.
- Confirmed that driving a cab is the family's only source of income.
- Responded to questions from Council.

Council:

- Considered the decision from the perspective of public safety.
- Believes that Jasvinder Sohal's ability to drive a cab is in the best interests of the family.

Moved By Councillor Hodge/Seconded By Councillor Stack

CP001/15/10/20 THAT the Chauffeur Permit for Jasvinder Sohal be issued;

AND THAT the Permit be up for renewal upon Jasvinder Sohal's next birthday, being October 2, 2016.

Carried

3. Termination

The Hearing was terminated at 5:13 p.m.

Mayor

/scf/slh

City Clerk



City of Kelowna Regular Council Meeting Minutes

Date: Monday, November 16, 2015
 Location: Knox Mountain Meeting Room (#4A)
 City Hall, 1435 Water Street

Council Members Present: Deputy Mayor Maxine DeHart and Councillors Ryan Donn, Gail Given, Tracy Gray, Charlie Hodge, Brad Sieben, Mohini Singh and Luke Stack

Council Members Absent: Mayor Colin Basran

Staff Present: City Manager, Ron Mattiussi; City Clerk, Stephen Fleming; Divisional Director, Active Living & Culture, Jim Gabriel*; Community & Neighbourhood Services Manager, Louise Roberts*; Recreation Technician, Amber Gilbert*; and Legislative Systems Coordinator, Sandi Horning

(*denotes partial attendance)

1. Call to Order

Deputy Mayor DeHart called the meeting to order at 9:03 a.m.

2. Confirmation of Minutes

Moved By Councillor Gray/Seconded By Councillor Stack

R875/15/11/16 THAT the Minutes of the Regular AM Meeting of November 9, 2016 be confirmed as circulated.

Carried

3. Reports

3.1 Youth Development and Engagement Grant Program

Divisional Director, Active Living & Culture:

- Introduced the Report to Council and provided background information.

- Displayed a PowerPoint presentation summarizing the proposed grant program and responded to questions from Council.
- Will be attempting to connect this program with Local Government Awareness Week.
- There is no budget impact as the funds will be transferred from an already existing budget.

Staff:

- Displayed a PowerPoint presentation summarizing the framework for the Youth Development and Engagement Grant Program and responded to questions from Council.

City Manager:

- Provided background information regarding the previous Youth Advisory Committee and the Mayor's Youth Forum.

Moved By Councillor Given/Seconded By Councillor Donn

R876/15/11/16 THAT Council receives, for information, the Report from the Community & Neighbourhood Services Manager dated November 10, 2015, which outlines the development of a Youth Development and Engagement Grant;

AND THAT Council approves, in principle, the development of a Youth Development and Engagement Grant as outlined in the Report dated November 10, 2015 from the Community & Neighbourhood Services Manager;

AND FURTHER THAT Council directs staff to prepare Youth Development and Engagement Grant Guidelines and report back to Council.

Carried

3.2 Civic and Community Awards Steering Committee Terms of Reference

Staff:

- Displayed a PowerPoint presentation summarizing the Civic & Community Awards Steering Committee's draft Terms of Reference and responded to questions from Council.

Moved By Councillor Given/Seconded By Councillor Donn

R877/15/11/16 THAT Council receives, for information, the Report from the Community & Neighbourhood Services Manager dated November 10, 2015, which outlines the development of a Civic and Community Awards Steering Committee Terms of Reference;

AND THAT Council approves the Civic and Community Awards Steering Committee Terms of Reference as outlined in the Report dated November 10, 2015, from the Community & Neighbourhood Services Manager;

AND FURTHER THAT Council endorses the current Steering Committee members, identified in Appendix #2 of the Report dated November 10, 2015 from the Community & Neighbourhood Services Manager, to a term to run concurrent with Council's term.

Carried

3.3 Draft 2016 Council Meeting Schedule

City Clerk:

- Displayed the draft 2016 Council Meeting Schedule and responded to questions from Council.

Council:

- Requested the following changes be made to the draft 2016 Council Meeting Schedule:
 - o Add a regular meeting on Monday, August 29th;
 - o Clearly identify September 8th as an evening meeting;
 - o Move the March 8th Public Hearing to March 1st;
 - o Move the March 22nd Public Hearing to March 15th
 - o Move the September 13th Public Hearing to September 6th; and
 - o Add a Public Hearing on Tuesday, September 20th.

Moved By Councillor Donn/Seconded By Councillor Stack

R878/15/11/16 THAT Council receives, for information, the report of the City Clerk dated November 16, 2015 regarding the Draft 2016 Council Meeting Schedule;

AND THAT Council directs staff to bring forward the draft 2016 Council Meeting Schedule, as amended, to an afternoon meeting for Council's consideration

Carried

The meeting recessed at 10:53 a.m. The meeting reconvened at 11:01 a.m.

7. Issues Arising from Correspondence & Community Concerns

7.1 Councillor Gray, re: BlueDot Initiative

Councillor Gray:

- Inquired as to whether other Councillors have been contacted by representatives of the BlueDot group.

City Clerk:

- Clarified how staff responds to requests to appear before Council.

Council:

- Agreed to continue responding to requests to appear as we have been.

7.2 Councillor Given, re: Council Parking Stall Enforcement

Moved By Councillor Given/Seconded By Councillor Stack

R879/15/11/16 THAT Council directs staff to install new parking signage at the Council parking stalls to discourage visitors from parking there;

AND THAT Council direct staff that no further enforcement action is to take place with respect to the Council parking stalls.

Carried

Councillor Sieben - Opposed.

7.3 Councillor Singh, re: Relocation of "The Metro"

Councillor Singh:

- Inquired if other Councillors had received concerns regarding the potential relocation of "The Metro" out of downtown.

City Clerk:

- Advised that as of last week, no application has been submitted.

4. Resolution Closing the Meeting to the Public

Moved By Councillor Stack/Seconded By Councillor Donn

R880/15/11/16 THAT this meeting be closed to the public pursuant to Section 90(1) (e) of the *Community Charter* for Council to deal with matters relating to the following:

- Acquisition, Disposition, or Expropriation, of Land or Improvements.

Carried

5. Adjourn to Closed Session

The meeting adjourned to a closed session at 11:46 a.m.

6. Reconvene to Open Session

The meeting reconvened to an open session at 11:52 a.m.

7. Issues Arising from Correspondence & Community Concerns

7.4 Deputy Mayor DeHart, re: Vancouver Short-Term Rental Housing

Deputy Mayor DeHart:

- Spoke to the issue of a large number of vacant homes and homes with secondary suites being used as short-term rentals in Vancouver.

City Manager:

- Advised that vacation rentals are not a new issue.
- Enforcement has been on a complaint basis rather than on a pro-active basis.

Moved By Councillor Stack/Seconded By Councillor Sieben

R881/15/11/16 THAT Council directs staff to investigate the extent of the short-term vacation rental issue within the City of Kelowna and report back to Council.

Carried

Councillor Donn - Opposed.

7.5 City Manager, re: Paris Terrorist Attacks

City Manager:

- Confirmed that the City lowered its flags with respect to the recent events in Paris, France.
- The flags were lowered sometime on Saturday and will be raised at sunset today.

8. Termination

The meeting was declared terminated at 12:14 p.m.

Deputy Mayor DeHart

/slh

City Clerk

Report to Council



Date: November 23, 2015
File: 0160-20
To: City Manager
From: Deputy City Clerk
Subject: Council Policy Library Review (3)

Recommendation:

THAT Council receives the Council Policy Library Review (3) report of the Deputy City Clerk, dated November 23, 2015 for information;

AND THAT Council considers for review as presented in the report of the Deputy City Clerk, dated November 23, 2015, the following Council Policies;

Policy 06 - All Candidates Forum - Civic Elections

Policy 316 - Investment of City of Kelowna Surplus Funds

AND THAT Council rescinds Council Policy 06, All Candidates Forum - Civic Elections as recommended in the report of the Deputy City Clerk, dated November 23, 2015;

AND FURTHER THAT Council amends Council Policy 316 - Investment of City of Kelowna Surplus Funds as outlined in the report of the Deputy City Clerk, dated November 23, 2015;

Purpose:

To review Council Policy Numbers 06 and 316 of the Council Policy Library.

Background:

On May 25, 2015 Council directed a review of the Council Policy library be conducted during Monday AM regular meetings.

A Council Policy is created through a resolution of council to provide strategic direction on governance, programs and services at the City of Kelowna. A review of the Council Policy Library will provide Council with an opportunity to ensure their policy library is both current and reflects alignment with current Council priorities.

Policy Review:

A Council Policy provides clarity around a stated principle or goal, and is a means for common understanding of who/what the policy applies to, and how to comply. The following policies have been evaluated for the third session of the Council Policy Library review:

Policy 06 - All Candidates Forum - Civic Elections

Recommendation: Rescind

The policy to provide a facility at no rental charge for the purpose of an All Candidates Forum during each civic election was created following a grant-in-aid request from the Kelowna Jaycees for the purpose of an all candidates forum for the 1976 election.

Currently, candidate forums are organized by various organizations and/or individuals in the community, and coordinated at a time and place that meets their respective criteria. As written, the policy does not contemplate multiple requests, or criteria for submitting or approving a request.

Council has since clarified a process to apply for grants for facility rentals through the introduction of a Grant-in-Aid program. In order to proceed with an application for this type of grant request, the program identifies the following two conditions must be met:

1. there is a demonstrated inability to raise the funds necessary for rental of the facility; and
2. that the use of the facility by the applicant serves a community need or purpose.

Staff recommend Policy 06 be rescinded, and consider the existing grant-in-aid program criteria sufficient to meet the policy objective.

Policy 316 - Investment of City of Kelowna Surplus Funds

Recommendation: Amend as attached

In 2004 The City of Kelowna hired a consultant to review the administration policy for investments to bring it up to best practice standards. When this work was complete the policy was formalized and presented as a Council Policy. This was done to provide a comprehensive investment policy that was open and transparent, giving confidence to both Council and the taxpayers of Kelowna.

The reasons for updating the policy today include that:

- Council has directed a review all Council Policies
- Best practices have changed
- The new Financial Model requires up-to-date policies
- There are new procedures for handling Cemetery Care Maintenance Funds
- The sale of the City's Electrical Utility and subsequent purchase of Fortis Inc. Common Shares
- The economy has changed significantly since the current policy was created

As Financial Services and the Office of the City Clerk reviewed the Council Policy it was determined that a large part of the policy was administrative, therefore those sections have been updated and included as part of the procedures in the Financial Services Investment

Portfolio Program, and will continue to be updated as required in order to meet best practices.

The proposed amendments in the attached draft policy maintain the original intent which was to have Council provide the framework for investing surplus funds for the City through an open and transparent policy. Through this policy, Council clearly sets out the primary portfolio constraints to determine the level of risk the city is willing to take in order to maximize returns within legislative requirements. It also provides a structure for the Financial Officer to report back to Council on the portfolio performance.

Internal Circulation:

Systems & Reporting Manager, Financial Services

Director, Financial Services

Divisional Director, Corporate & Protective Services

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

K. Needham

Deputy City Clerk

Approved for inclusion:



R. Mayne, Divisional Director

cc: Financial Services



City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4
250 469-8500
kelowna.ca

Council Policy

All Candidates Forum – Civic Elections

APPROVED November 9, 1976

RESOLUTION: R375/10/04/26
REPLACING: R1039/08/11/24; R342/99/04/26; R-1976/11/09
DATE OF LAST REVIEW: April 2010

The City of Kelowna will provide a facility for the purpose of an "All Candidates Forum" during each Civic Election. The forum is to be non-partisan and open to the electors city-wide. The source of funding to cover the rental charge will be determined by the Council of the day.

REASON FOR POLICY

To establish a policy for provision of a facility at no rental charge during each civic election.

LEGISLATIVE AUTHORITY

Local Government Act, Sec. 176(1)(c)

PROCEDURE FOR IMPLEMENTATION

Facility booking to be confirmed through Recreation and Cultural Services by the Office of the City Clerk who will then advance a recommendation to Council.



City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4
250 469-8500
kelowna.ca

Council Policy

Investment of City of Kelowna Surplus Funds

APPROVED August 30, 2004

RESOLUTION: R435/14/06/16

REPLACING: R375/10/04/26; R1039/08/11/24; R841/04/08/30

DATE OF LAST REVIEW: April 2010

The City of Kelowna's investment portfolio assets are approximately \$175 million including funds used for the financing of internal projects, at the date of adoption of this policy. Of this total, the City maintains sufficient short term liquid assets to enable it to meet its annual operating budget as required. Currently this is approximately \$66 million per annum but this is subject to change at any time. As a result of the uncertain nature of future expenses, the portfolio focuses on high quality, liquid securities.

The City delegates the management of the Fund to various agents including certain Officers of the City. The Officers of the City include:

- ☐ Director of Financial Services
- ☐ Systems and Reporting Manager ("The Manager")
- ☐ Financial Accounting Manager

The City, however, retains overall responsibility for the Fund.

Fund management responsibilities have been allocated as follows:

The City, through Council, will:

1. Adopt a Statement of Investment Policies and Procedures;
2. Provide the designated Officers with an estimate each year of the total amount that might be withdrawn from the portfolio in the coming year via the annual budgeting process;
3. Receive annual reports from the designated Officers on the performance of the portfolio in the first quarter of the following year;
4. Receive recommendations from the designated Officers concerning the continuing appropriateness of the Policy, and make policy changes as appropriate.

The designated Officers of the City will:

- make recommendations to City Council concerning the establishment of a Statement of Investment Policies and Procedures;
- calculate the rates of return on the entire Fund, based on book and market values;
- review the Policy at least annually and make recommendations to City Council for any changes considered appropriate;
- select investment dealers and institutions (the "Brokers") to assist the Manager in meeting performance objectives for the Fund;
- review the Fund's performance on a regular basis, and provide reports to the Audit Committee at least quarterly and to City Council at least annually; and
- be responsible for the delegation of any responsibility not specifically mentioned in this Policy.

The Manager will:

- select specific investments for investment by the Fund, recognizing the quality and diversification requirements established in this Policy, and subject to approved signing authority;
- ensure that the sum of all cash, the current account, money market securities, and coupon income expected from bonds in a year are sufficient to cover the disbursements expected to be paid from the Fund in that year;
- seek to maximize the investment return on the Fund, after ensuring that the foregoing liquidity, quality and diversification requirements have been satisfied;
- manage the securities held by the Fund in accordance with this Policy and applicable legislation.

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

The Broker(s) will:

- provide the Manager with 15 business days advance notice of upcoming maturities;
- provide the Manager with the credit quality rating of each security at the time of purchase,
- for securities held by the Fund that have been downgraded, provide the Manager with notice of the new quality rating within 30 days of the downgrade;
- provide the Manager with monthly, written reports of investment performance results;
- bring new investment opportunities to the attention of the Manager.
- provide custody of the Fund investments and maintain records of all transactions;
- provide the City with monthly portfolio statements of the Fund's holdings and of transactions over the period;
- report the rates of return on the Fund, based on book and market values to the Manager; and
- provide the Manager with written, quarterly confirmation of compliance with this Policy.

A. PERMITTED AND PROHIBITED INVESTMENTS

The following are the investments permitted in the Fund.

1. Eligible Securities as defined in Section 183 of the Community Charter, SBC, Chapter 26, 2003 as amended.
2. Investments in internally financed City of Kelowna projects are permitted.
3. All investments must be denominated in Canadian dollars

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.

B. INVESTMENT PERFORMANCE OBJECTIVES

The City must maintain adequate liquid assets to meet ongoing annual operating expenses. The City also desires to preserve and enhance the "real" value of invested capital. That is, the City's Surplus Funds should earn a rate of return that is greater than the rate of inflation. A supplementary objective, taking into account the foregoing objectives, is to maximize the return of the total Fund.

Taking into account the above fund objectives and the structure and composition of the portfolio, the following are the investment performance objectives for the Fund:

- The primary performance objective for the entire Fund is to achieve a rate of return over moving three year periods of 1.5% over the Canada Consumer Price Index for All items, as listed on the "Benchmarks" page of the monthly fund review on www.globefund.com/
- The secondary performance objective for the entire Fund is to achieve performance of 1.5% over the return of the DEX91 Day TBill over three year moving periods, as listed in Mercer's quarterly survey of Canadian Institutional Pooled Funds and found on www.mercerhr.ca/
- The third performance objective for the entire Fund is to achieve performance of 1.5% over the median return of money market funds as described in Mercer's quarterly survey of Canadian Institutional Pooled Funds and found on www.mercerhr.ca/
- Additional performance objectives for the entire Fund are to achieve performance that matches or exceeds the Municipal Finance Authority of British Columbia (MFA) Intermediate Fund and Money Market Fund for the same time frame.

C. INVESTMENT CONSTRAINTS

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

1. All securities held in the portfolio shall have a maturity of ten years or less, however it is understood that the majority of assets will be invested in securities with a maturity considerably shorter than this ten year maximum. Overall, the total portfolio shall have an average term to maturity of no greater than three years.
2. Overall, securities in the total portfolio shall have an average quality rating of at least AA.
3. The quality rating of any security will be established at the time of acquisition of the security. In the case where the security is rated by more than one of the three agencies listed, the lowest of the ratings will apply. Any securities acquired shall have a rating of at least "A" as defined by the following ratings agencies: Moody's, S&P (Standard & Poor's)/CBRS (Canadian Bond Rating Service) or DBRS (Dominion Bond Rating Service). A designated rating shall include all sub-classifications. For instance, an "A" rating by S&P/CBRS shall include "A-", "A" and "A+".
4. For guidance on the rating of short-term investments (including money market securities and fixed income investments that mature in less than one year) the deemed rating of any such security will be established, at the time of acquisition of the security of fund, as follows:

- a. "AAA" if the Eligible Security meets the following rating criteria from one of the following credit rating agencies: Moody's, S&P/CBRS or DBRS.

S&P/CBRS	A1+
Moody's	P1(Aaa)
DBRS R1	(High)

- b. "AA" if the Eligible Security meets the following rating criteria from one of the following credit rating agencies: Moody's, S&P/CBRS or DBRS.

S&P/CBRS	A1
Moody's	P1 (Aa)
DBRS R1	(Middle)

- c. "A" if the Eligible Security meets the following rating criteria from one of the following credit rating agencies: Moody's, S&P/CBRS or DBRS.

S&P/CBRS	A1
Moody's	P1 (A)
DBRS R1	(Low)

5. For guidance on the rating of cash, including the current account, the deemed rating will be "AAA";
6. For guidance on the rating of term deposits issued by a Credit Union, the deemed rating will be "A";
7. For guidance on the rating of term deposits issued by a bank, the deemed rating will be the rating on the bonds issued by that bank;
8. For guidance on the rating of the MFA (Municipal Finance Authority) Money Market Fund, the deemed rating will be "AAA";
9. The portfolio's investments in the bonds (fixed income investments maturing in one year or more) of any one issuer will be limited to an aggregate market value limit based on the rating of the security, as set out below:

Rating of Security	Government Securities	Other Securities
A	5% of portfolio	2% of portfolio
AA	10% of portfolio	5% of portfolio
AAA	No limit	10% of portfolio

D. INVESTMENT CONSTRAINTS (CON'T)

10. If any security receives a credit downgrade while it is held in the portfolio, then the Broker must notify the Manager in writing within 30 days of the downgrade.

11. If any security receives a credit downgrade while it is held in the portfolio, which has the effect of rendering the security an ineligible investment within the prescribed credit guidelines, then the Broker must notify the Manager in writing within 30 days of the downgrade. The Broker, in consultation with the Manager, shall use its best judgement to determine whether the rating is likely to be restored within a reasonable period of time.

- If so, the Manager may authorize the Broker to retain the investment, and the Broker shall keep the Manager informed of its rating.
- If not, the Manager shall take all reasonable steps to liquidate the investment in an orderly fashion with due regard to price and liquidity constraints.

E. DIVERSIFICATION

1. Bonds held by the Fund will be diversified by sector, as follows:

Sector	Range (%)
Government of Canadas	30 – 60
Provincials	30 – 60
Municipals	0 – 10
Corporates	0 – 20

- The maximum exposure to bonds of a single province 20% of the total Fund in aggregate market value.
- The maximum exposure to bonds of a single corporate entity is 5% of the total Fund in aggregate market value.
- The maximum exposure for a single internally financed project is 15% of the total Fund in aggregate market value.
- The maximum exposure for all internally financed projects is 30% of the total Fund in aggregate market value.

D. OTHER CONSTRAINTS

- The Fund shall not borrow funds to acquire securities or otherwise deal in margin trading.
- No investments will be made in instruments that provide for reduced rates to the investor based on increasing market rates.
- All investments will be made in accordance with the Code of Ethics and Standards of Practice of the Association for Investment Management and Research (<http://www.aimr.org/standards/>).

REASON FOR POLICY

To ensure funds are invested such that disbursements and expenses can be met as required.

LEGISLATIVE AUTHORITY

Community Charter, SBC, Chapter 26, 2003, Sections 146, 149 and 183.

PROCEDURE FOR IMPLEMENTATION

As outlined in this policy.



City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4
250 469-8500
kelowna.ca

Council Policy

Investment of City of Kelowna Surplus Funds

ESTABLISHED: August 30, 2004

Contact Department: Financial Services

Guiding Principle

The City's assets, in the form of cash flow and reserved funds, are to be safeguarded and maximized within excepted risk tolerance.

Purpose

To outline the portfolio framework for the investment of public funds in order to invest public funds in a manner which will provide the optimal blend of investment return and security while meeting the daily cash flow demands of the City.

Application

This Policy applies to:

- The investment of all cash assets of the City
- The investment of the City Cemetery Care Maintenance Fund (CCMF) assets
- City owned Fortis Inc. Common Shares

Policy Statements:

1. Responsibility for the investment of municipal funds is derived from Section 149 of the Community Charter with the appointment of the Financial Officer.
2. The Director of Financial Services, as the Financial Officer, will assign managerial oversight for the investment of municipal funds through the establishment of a Financial Services Investment Portfolio Program.
3. Authorized Investments:
 - Investment of municipal funds as permitted in Section 183 (b) of the Community Charter and Section 16 of the Municipal Finance Authority Act;
 - Investments in internally financed City of Kelowna projects; and
 - The purchase and sale of specific Fortis Inc. common shares pursuant to *Community Charter* s.185, and as explicitly approved by the Province of British Columbia, Inspector of Municipalities on May 14, 2013.
4. Prohibited Investments:
 - Investments in shares, warrants, or other equities, convertible debt securities, derivatives, swaps, options or futures
 - No other equity shares are permitted other than the Fortis Common Shares included in "Authorized Investments".
 - Investment categories that are not explicitly permitted

5. Portfolio Constraints to set the risk tolerance of the investment portfolio:

a. Investments held by the Fund will be diversified as follows:

Rating	Up to %
AAA	100%
AA	80%
A	60%

The portfolio will have a minimum of "A" rated investments but only up to 60% (maximum risk allowed).

b. The maximum exposure to a single government (Government of Canada, BC MFA, Provincial, Municipal) or corporation, as a % of the total portfolio will be as follows:

Rating	Government	Corporation
AAA	70%	40%
AA	50%	30%
A	30%	20%

c. The maximum exposure for a single internally financed project is 15% of the total Fund.

d. The maximum exposure for all internally financed projects is 30% of the total Fund.

6. Performance objectives:

- To achieve an average rate of return greater than the Canada Consumer Price Index for All items.
- To achieve an average rate of return greater than the DEX₉₁ Day TBill as described in the Mercer's quarterly survey of Canadian Institutional Pooled Funds..
- To achieve an average rate of return greater than the median return of money market funds as described in the Mercer's quarterly survey of Canadian Institutional Pooled Funds.
- To achieve performance that matches or exceeds the Municipal Finance Authority of British Columbia (MFA) Intermediate Fund and Money Market Fund for the same time frame.

7. The Financial Officer will provide Council with an annual report on the performance of the portfolio in the first quarter of the following year.

Amendments

August 30, 2004 – R841/04/08/30 – Council Policy 316 introduced

November 24, 2008 – R1038/08/11/24 –Policy Review, updated position titles

April 26, 2010 – R375/10/04/26 –replaced bullet under Investment Performance Objectives

June 16, 2014 – R435/14/06/16 - amendments to re-align portfolio to capitalize on higher returns

COUNCIL POLICY REVIEW

November 23, 2015



COUNCIL POLICY

Purpose

To provide strategic direction related to:

- Governance
- Programs
- Services

In alignment with:

- A clear objective, Council Priority

POLICY REVIEW WORKSHOP

Each Policy is evaluated based on:

- ▶ Policy Objective
- ▶ Policy Effectiveness
- ▶ Policy Effort

A summary of each evaluation will include a proposed action/actions.

POLICY 06

ALL CANDIDATES FORUM - CIVIC ELECTIONS

Evaluation		
Policy Objective	<i>Why does it exist?</i>	Grant-in-Aid request in 1976 by the Kelowna Jaycees
Policy Effectiveness	<i>How is it working?</i>	<ul style="list-style-type: none"> -lack of direction/clarity for public -no clear process/criteria -Office of the City Clerk as contact
Policy Effort	<i>What is required to comply?</i>	<ul style="list-style-type: none"> -rental space -staff administration
Evaluation Summary	<ul style="list-style-type: none"> -not demonstrated need from public -lack of clarity, potential duplication of staff effort (Clerks/ALC) -well defined process and criteria in the Grant-in-Aid Program -define as a specific community purpose in existing program 	
Proposed Action	Rescind	

POLICY 316 - INVESTMENT OF CITY OF KELOWNA SURPLUS FUNDS

Evaluation

Policy Objective	<i>Why does it exist?</i>	To provide primary portfolio constraints for investing surplus funds for the City
Policy Effectiveness	<i>How is it working?</i>	-limits ability to maximize assets in response to economy
Policy Effort	<i>What is the cost?</i>	-responsiveness; seeking direction from Council on fluctuation in economy, ie: diversification
Evaluation Summary	-intention of policy not clear; shift focus on risk tolerance, performance objectives and reporting -ensure flexibility within restraints using Financial Services Investment Portfolio program guidelines, following established financial principles	
Proposed Action	Amend	