

Report to Council



Date: November 8, 2021
To: Council
From: City Manager
Subject: Investment of Kelowna Funds Policy
Department: Financial Services

Recommendation:

THAT Council receives, for information, the report from Financial Services dated November 8, 2021 regarding the Investment of Kelowna Funds Policy.

AND THAT Council adopts the revisions to Council Policy No. 316, the Investment of Kelowna Funds Policy as outlined in the report from the Corporate Financial Planning Manager dated November 8, 2021.

Purpose:

To update the Council Policy no. 316 regarding Investment of Kelowna Funds.

Background:

MFABC is offering a new investment fund to local governments intended for long-term investments called the Diversified Multi-Asset Class pooled investment fund ("DMAC"). The DMAC will enable the City of Kelowna to optionally invest a portion of its investment portfolio within a professionally-managed portfolio of global stocks, bonds and other assets.

A multi-asset class global portfolio can offer superior risk-adjusted returns and can enhance some risk characteristics of a fixed-income only reserves portfolio, as long as the time horizon for the investment is long-term in nature.

The proposed updates to Council Policy no. 316 will permit the City of Kelowna to invest monies into the DMAC that have been determined by the Financial Officer to be long-term in nature, to a maximum of 25% of the investment funds.

In addition, updates are being proposed to Council Policy no. 316 that will:

- Allow for a higher proportion of funds to be invested in fixed income securities or investments issued by provincial governments and large Canadian banks.
- Update performance benchmarks and identify performance objectives for the DMAC.

Conclusion:

The revised Investment of Kelowna Funds Policy will allow for investment of Kelowna funds within the DMAC.

Internal Circulation:

Divisional Director, Financial Services
Divisional Director, Partnership and Investments

Considerations applicable to this report:

Community Charter, section 183
Principles and Strategies for Financial Strength and Stability

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Submitted by: K Hughes, Corporate Financial Planning Manager

Approved for inclusion:



Genelle Davidson, Divisional Director Financial Services