

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 28, 2022

Item 2, Report No. 36, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on September 28, 2022.

2. INVESTMENT POLICY UPDATE

The Committee of the Whole recommends approval of the recommendations contained in the report of the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer, dated September 20, 2022:

Recommendations

1. That the City of Vaughan's updated Investment Policy No. 12.C.14 as contained in Attachment 1, be approved; and
2. That the Investment Policy No. 12.C.14 replace the previous Investment Policy No. FPDF – 003.

Committee of the Whole (2) Report

DATE: Tuesday, September 20, 2022

WARD(S): ALL

TITLE: INVESTMENT POLICY UPDATE

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To obtain Council's approval for an updated City of Vaughan Investment Policy (No. 12.C.14).

Report Highlights

- The City's Investment Policy provides a governance framework for the prudent management of the City's surplus funds and investment portfolio, in accordance with the Municipal Act.
- The effective management of the City's funds and investment portfolios play an important role in the overall financial health of the corporation.
- The Investment Policy was updated to reflect changes to legislation (Ontario Reg. 438/97), provide flexibility to adjust to changing market conditions, expand permitted eligible investments to maximize returns and help support City's long-range financial sustainability.
- All updates made are in compliance to the Municipal Act.

Recommendations

1. That the City of Vaughan's updated Investment Policy No. 12.C.14 as contained in Attachment 1, be approved; and
2. That the Investment Policy No. 12.C.14 replace the previous Investment Policy No. FPDF – 003.

Background

The Municipal Act is the governing legislation for the investment of municipal surplus funds. Ontario Regulation 438/97 outlines the criteria for eligible investments. The City's Investment Policy conforms to this legislation and acts as the governing parameters in managing the City's investment portfolios.

A key component of sound financial management requires periodic reviews and updates to the City's Investment Policy to ensure that it remains relevant and continues to guide and support the City's financial health and long-term sustainability. The Investment Policy was last updated and approved by Council in April 2015.

Previous Reports/Authority

Not applicable.

Analysis and Options

A detailed review of the current investment policy was undertaken by staff. Proposed updates to the Policy were developed based on the City's Fiscal Sustainability Framework Guiding Principles endorsed by Council, legislative changes to the Municipal Act, investment best practices, and a jurisdictional scan of neighbouring municipalities.

The proposed updates were made to the City's short-term and long-term portfolio investment parameters to:

- reflect changes to legislation - Ontario Reg 438/97;
- expand the range of eligible investments to maximize yields;
- enhance ability to respond to changes in market conditions;
- closely align to neighbouring municipalities; and
- support the City's long range financial sustainability.

The amendments to the policy essentially consists of minor increases in both the portfolio and individual limits in various sectors, but especially the Federal, Provincial and Schedule I Banks where there is the potential to earn higher investment income in response to changes in the market. Additionally, new permitted eligible investments (corporate debt/commercial paper) were added to allow for more investment options. All these updates are in conformance with the Municipal Act.

Attachment 2 provides a detailed comparison of the investment parameters of the previous policy versus the updated policy.

It is important to note that key elements of the current investment policy are and continued to be applicable. Except for housekeeping amendments, these key elements remained unchanged with this update, including City's investment objectives, management structure, delegation of authority, risk management and diversification, reporting and custody.

Financial Impact

The effective management of the City's funds and optimization to the City's investment portfolio play an important role in the overall financial health of the corporation. The Investment Policy provides parameters for the investment of the City's available funds and helps to support long term financial sustainability. Investment income from City's investments are allocated to reserves/reserve funds and the operating budget, which helps reduce tax levy requirements.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

The recommended updates to the investment policy will support the City's long-range financial sustainability. It will enhance ability to respond to changes in market conditions, expand eligible investment options to maximize returns, and reflect changes to legislation. The recommendations, as outlined in this report, are in accordance with the Municipal Act and the criteria for eligible investments under Ontario Regulation 438/97.

For more information, please contact:

Michael Marchetti, Director of Financial Planning & Development Finance & Deputy City Treasurer, Ext. 8271.

Kenneth Quan, Manager, Corporate Financial Planning & Analysis, Ext. 8029.

Attachments

1. Updated City of Vaughan Investment Policy (No. 12.C.14).
2. Highlights of changes to the policy.

Prepared by

Alex Ly, Senior Analyst, Investments, Ext. 8312

Approved by



Michael Coroneos, Deputy City
Manager, Corporate Services, City
Treasurer and Chief Financial Officer

Reviewed by



Nick Spensieri, City Manager

THE CORPORATION OF THE CITY OF VAUGHAN

CORPORATE POLICY

POLICY TITLE: INVESTMENT POLICY

POLICY NO.: 12.C.14

Section:	Finance & Budgets		
Effective Date:	July 18, 2022	Date of Last Review:	Click or tap to enter a date.
Approval Authority: Council	Policy Owner: DCM, Corporate Services & CFO		

POLICY STATEMENT

The Investment Policy ("Policy") governs the management of surplus funds and investments for the City of Vaughan (the "City").

PURPOSE

This Policy provides a governance framework for the prudent management of the City's surplus funds and investment portfolio, within an acceptable risk tolerance level and in accordance with existing legislation to ensure the integrity of the investment management program.

SCOPE

This Policy applies to all financial assets, not immediately required, held in the City's current, reserve, and trust funds.

This Policy applies to all City employees who are responsible for the control, administration, and reporting of investments managed by the City.

LEGISLATIVE REQUIREMENTS

The City will manage the investment of surplus cash in accordance with the provisions of section 418 of the *Municipal Act, 2001* (the Act) which states:

418 (1) A municipality may invest in prescribed securities, in accordance with the prescribed rules, money that it does not require immediately including,

POLICY TITLE: INVESTMENT POLICY

POLICY NO.: 12.C.14

- (a) Money in a sinking, retirement, or reserve fund;
- (b) Money raised or received for the payment of a debt of the municipality or interest on the debt; and
- (c) Proceeds from the sale, loan, or investment of any debentures.

In addition, *Ontario Regulation 438/97: Eligible Investments, Related Financial Agreements and Prudent Investment* applies in respect of investments made under section 418 of the *Municipal Act, 2001*.

DEFINITIONS

- 1. Asset Backed Securities (ABS):** Bonds or notes backed by financial assets. Typically, these assets consist of credit card receivables, auto loans, lines of credit, and home equity loans.
- 2. Benchmarks:** A standard against which the performance of an investment portfolio, or its component parts, can be measured. Index-based benchmarks are generally broad market indices (for example FTSE Canada Universe Bond Index).
- 3. Bond:** A debt security issued by such entities as corporations, governments, or their agencies, for example statutory authorities, in return for cash from lenders and investors. A bond holder is a creditor of the issuer and not a shareholder. The issuer of a bond is effectively a borrower and is required to pay interest to creditors (lenders) throughout the life of the bond.
- 4. Credit Risk:** The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.
- 5. CHUMS Financing Corporation (CHUMS):** A subsidiary of the Municipal Finance Officers Association of Ontario (MFOA) which in conjunction with the Local Authority Services Limited (LAS) operates the ONE Investment Program, an investment pool in which local governments can invest.
- 6. Diversification:** A process of investing assets among a range of security types by class, sector, maturity, and quality rating.
- 7. FTSE Canada Indices:** Indices tabulated by FTSE Russell, a leading provider of fixed income performance benchmarks and database in Canada.
- 8. Interest Rate Risk:** The risk is the possibility that the value of an investment will decline due to an unexpected change in interest rates.
- 9. Liquidity Risk:** The risk that the City may not have access to cash in a timely fashion or would have to pay an unacceptable premium to convert investments

POLICY TITLE: INVESTMENT POLICY

POLICY NO.: 12.C.14

into cash. *Cash flow liquidity risk* is whether the City can fund its liabilities. *Market liquidity risk* is the inability to easily convert an investment to cash.

10. Local Authorities Service Limited (LAS): A subsidiary of the Association of Municipalities of Ontario ('AMO') which in conjunction with CHUMS operates the ONE Investment Program, an investment pool in which local governments can invest.

11. Maturity (Term): The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder.

12. ONE Investment Program: A professionally managed group of investment portfolios that meets eligibility criteria as defined by regulations under the *Municipal Act, 2001*.

13. Safekeeping: Holding of assets (e.g., securities) by a qualified financial institution (e.g., bank) on behalf of the investor. It can also be referred to as "Custody" or "Custodian."

14. Schedule I Banks: A Canadian financial institution regulated by the *Bank Act* and are domestic institutions in Canada authorized to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation.

15. Schedule II Banks: Foreign bank subsidiaries authorized under the *Bank Act* to accept deposits, which may be eligible for deposit insurance provided by the Canada Deposit and Insurance Corporation. Foreign bank subsidiaries are controlled by eligible foreign institutions.

16. Schedule III Banks: Foreign bank branches of foreign institutions that have been authorized under the *Bank Act* to do banking business in Canada.

17. Securities: A security is an exchangeable, negotiable instrument representing financial value. Securities are broadly categorized into debt securities (such as banknotes, bonds, and debentures) and equity securities, e.g., common stocks, and derivative contracts, such as forwards, futures, options, and swaps.

POLICY

1. OBJECTIVES

In order of priority, the City's investment objectives are:

1.1. Compliance with statutory requirements

- 1.1.1. All investment activities will be governed by the *Municipal Act*. Investments will be those deemed eligible under *Ontario Regulation 438/97*, unless limited further by Council.

1.2. Capital Preservation

- 1.2.1. Investments will be undertaken in a manner that seeks to protect and preserve capital of the overall portfolio.
- 1.2.2. Staff will endeavor to mitigate Credit Risk and Interest Rate Risk for both individual Securities and the overall portfolio as follows:
- 1.2.2.1. Limiting investments to safer types of Securities and investment grade issuers;
 - 1.2.2.2. Investing in Securities with varying maturities;
 - 1.2.2.3. Diversifying the investment portfolio; and,
 - 1.2.2.4. Establishing parameter limits with respect to credit ratings, sectors, issuers, and terms.
- 1.2.3. The portfolio limitations described in Appendix A and B reflect the requirements of the current legislation and the City's own guidelines on prudent investment standards. All eligible investments must adhere to these limits.

1.3. Maintenance Of Liquidity

- 1.3.1. Liquidity is important to ensure the availability of funds to meet operating requirements. The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be anticipated. The portfolio will consist of securities with active secondary or resale markets to ensure appropriate liquidity is maintained.

1.4. Competitive Rate Of Return

- 1.4.1. The investment portfolio will be designed with the objective of attaining a competitive average market return throughout budgetary and economic cycles, considering the investment objectives and risk constraints of this policy.
- 1.4.2. The investment portfolio will be managed with prudent investment principles with the goal of maximizing long-term rate of return within established risk parameters.
- 1.4.3. Return on investments is of secondary importance compared to the safety of principal and liquidity objectives.

2. STANDARD OF CARE

2.1. Prudence

2.1.1. Investments will be made with care, skill, prudence, judgement, and diligence that incorporates acceptable risk and return objectives suitable to the City.

2.2. Ethics and Conflicts of Interest

2.2.1. All officers and City employees involved in the investment process will refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions.

2.3. Authority to Invest

2.3.1. The Deputy City Manager, Chief Financial Officer & Treasurer (Treasurer) will have overall responsibility for the City's investment portfolio. The Director, Financial Planning and Development Finance & Deputy Treasurer (Director) will be responsible for the implementation of the investment program and the establishment of investment procedures consistent with this investment policy.

2.3.2. The Director will exercise control over administration of the investment program and be responsible for all transactions undertaken. The Director may delegate responsibility for the day-to-day management of the portfolio to subordinate authorized staff within established guidelines.

2.3.3. The City's authorized staff are responsible for day-to-day functions of the investment portfolio, including but not limited to, recommending asset mix and investment products, executing investment transactions, monitoring portfolio parameters, cashflows and risk metrics, and record keeping, reporting and accounting.

3. PERMITTED INVESTMENTS

3.1. The City will invest funds not immediately needed in accordance with a prescribed list of securities (credit rating requirements may apply) as set out in Ontario Regulation 438/97. Prescribed list includes:

3.1.1. Government issued or guaranteed bonds, debentures, promissory notes, or other form of indebtedness;

3.1.2. Bank and financial institution bonds, debentures, deposit receipts, notes, or similar instruments;

3.1.3. Certain corporate debt (i.e., bonds) or other form of indebtedness;

3.1.4. Certain Asset Backed Securities and corporate paper; and,

3.1.5. Joint investment pools (ONE investment funds)

4. CREDIT RATINGS

- 4.1. The City will invest in Securities that meet the credit rating requirements established under Ontario Regulations 438/97. The credit ratings listed are established by Dominion Bond Rating Service (DBRS), Standard and Poor's (S&P), Fitch Ratings (Fitch), and Moody's Investor Service (Moody's).
- 4.2. Credit ratings will be monitored on an ongoing basis. Should a rating change result in a security not meeting the established minimum credit grade, it will be liquidated to bring portfolio into compliance within 180 days of becoming aware of the credit downgrade.

5. DIVERSIFICATION

- 5.1. The City will diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by asset types, security sectors, number of instruments invested in and length of maturity.

6. RISK MANAGEMENT

- 6.1. The City will manage overall portfolio risk by:
 - 6.1.1. Limiting investment in Securities to those that have high credit ratings;
 - 6.1.2. Investing in mainly liquid marketable Securities which have an active secondary market to ensure appropriate liquidity;
 - 6.1.3. Setting portfolio parameter limits in asset sectors and individual issuers; and
 - 6.1.4. Limiting to Canadian dollar investments.

7. INVESTMENT PORTFOLIOS AND PERFORMANCE BENCHMARK

The City's investment program will consist of a short-term ("Money Market") portfolio and a long-term ("Bond") portfolio, as described in Appendix A and Appendix B.

7.1. Short-Term Portfolio

- 7.1.1. The short-term portfolio will consist of eligible investments with a portfolio weighted average maturity term no greater than 365 days. No more than 50% of the portfolio to hold securities with term to maturity exceeding 1 year, but less than 2 years. These funds are generally needed in the short term to meet on-going needs and obligations of the City. A minimum of 15% of overall available funds will be invested in this portfolio to maintain adequate liquidity to meet daily operating needs.

7.1.1.1. **Investment parameters:** Appendix A provides the investment parameters for the short-term portfolio, including sectors and allowable percentages that may be held at any time within the portfolio.

7.1.1.2. **Performance Measurement and Benchmark:** The performance benchmark is the Bank of Canada 91-Day Treasury Bill Yield.

7.2. Long-Term Portfolio

7.2.1. The long-term portfolio will consist of eligible investments with a portfolio weighted average maturity term maximum of 8 years. No more than 50% of the portfolio to hold securities with term to maturity exceeding 10 years.

7.2.1.1. **Investment parameters:** Appendix B provides the investment parameters for the long-term portfolio, including sectors and allowable percentages that may be held at any time within the portfolio.

7.2.1.2. **Performance Measurement and Benchmark:** The performance benchmark will be based on a proportional blend of applicable components of the following indices: FTSE Canada Universe All Government Bond Index and FTSE Canada Short Term Government Bond

8. SECURITIES LENDING

8.1. The City may engage in the practice of Securities lending as provided in Section 421 of the *Municipal Act, 2001* to enable the City to increase its return on its custodial portfolios by lending certain assets to recognized borrowers for a fee.

8.2. The terms and conditions of any Securities lending program will be set out in a contract with the Custodian. The contract will specify the City's portion of the relevant revenues as well as a full indemnity clause for the City.

9. SAFEKEEPING AND CUSTODY

9.1. All Securities will be held for Safekeeping in the name of the City of Vaughan by financial institutions approved by the City. Individual accounts will be maintained for each portfolio.

9.2. The Custodian will issue a Safekeeping receipt to the City for each investment transaction, listing the specific instrument, rate, maturity, and other pertinent information.

9.3. On a monthly basis, the Custodian will provide statements listing all Securities held for the City, all investment activity, the book value of holdings and the market value as of month-end.

POLICY TITLE: INVESTMENT POLICY

POLICY NO.: 12.C.14

10.AUTHORIZED INVESTMENT DEALERS

- 10.1.The City is to transact all securities purchase/sales only with approved financial institutions through a competitive process. The City will accept the offer which (a) optimizes the investment objective of the overall portfolio; and (b) has the highest rate of return with the maturity required.
- 10.2.To ensure competitive selection of investments, the City is authorized to establish corporate trading account agreements with the following financial institutions:
- 10.2.1. TD Canada Trust
 - 10.2.2. CIBC Wood Gundy
 - 10.2.3. BMO Nesbitt Burns
 - 10.2.4. RBC Dominion Securities
 - 10.2.5. Scotia Capital
 - 10.2.6. National Bank
 - 10.2.7. Raymond James
 - 10.2.8. ONE Investment Program; and
 - 10.2.9. Other eligible financial institutions, as deemed appropriate by the Treasurer.

11.REPORTING

- 11.1.In accordance with *Ontario Regulation 438/97*, the Treasurer will prepare and provide to Council annually an investment report containing:
- 11.1.1. A statement about the performance of the investment portfolio during the period covered by the report;
 - 11.1.2. A statement by the Treasurer as to whether, in their opinion, all investments were made in accordance with the City's Investment Policy;
 - 11.1.3. A listing of the type of Securities in which the portfolio invested during the period;
 - 11.1.4. Other information that the Council may require or that, in the opinion of the Treasurer, should be in the report, including:
 - 11.1.4.1. Percentage of total portfolio that each type of investment represents.
 - 11.1.4.2. A listing of the Securities held by the portfolio at the date of the report.
- 11.2.Additionally, in accordance with the *Municipal Act*, if an investment is made that is inconsistent with the Investment Policy, the Treasurer will report the inconsistency to Council within 30 days after becoming aware of it.

POLICY TITLE: INVESTMENT POLICY

POLICY NO.: 12.C.14

ADMINISTRATION

Administered by the Office of the City Clerk.

Review Schedule:	3 Years If other, specify here	Next Review Date:	Click or tap to enter a date.
-------------------------	-----------------------------------	--------------------------	-------------------------------

Related Policy(ies):	
-----------------------------	--

Related By-Law(s):	
---------------------------	--

Procedural Document:	
-----------------------------	--

Revision History

Date:	Description:
--------------	---------------------

18-Jul-22	Review and update of Policy
-----------	-----------------------------

Click or tap to enter a date.	
-------------------------------	--

Click or tap to enter a date.	
-------------------------------	--

THE CORPORATION OF THE CITY OF VAUGHAN

APPENDIX

APPENDIX TITLE: SHORT-TERM INVESTMENT PORTFOLIO

APPENDIX NO.: A

APPENDIX						
SHORT-TERM INVESTMENT PORTFOLIO						
Investment Limitations						
			Minimum Credit Rating			
			Meet at least one of the following			
Sector / Securities	Portfolio Limit %	Individual Limit % ¹	DBRS	S&P	Fitch	Moody's
FEDERAL						
Government of Canada	100	100	N/A	N/A	N/A	N/A
Federal Guarantees	100	50	N/A	N/A	N/A	N/A
PROVINCIAL²	100	50	R1 High	A-1	F1	P-1
	80	40	R1 Mid	A-1	F1	P-1
	35	10	R1 Low	A-2	F1	P-1
Provincial Total	100					
BANKS						
Schedule I Banks	100	50	R1 High	A-1	F1	P-1
	80	40	R1 Mid	A-1	F1	P-1
	35	15	R1 Low	A-2	F1	P-1
Schedule II Banks	15	5	R1 High	A-1	F1	P-1
	10	3	R1 Mid	A-1	F1	P-1
Schedule III Banks	5	2	R1 Low	A-2	F1	P-1
Banks Total	100					
OTHER						
Asset Backed Securities ³	20	5	R1 Mid	A-1	F1	P-1
Credit Unions and Loan/Trust Corporations ³	30	10	N/A	N/A	N/A	N/A
Commercial Paper/Corporate Debt ³	20	5	R1 Mid	A-1	F1	P-1
Other Total	30					
Term Limitation						
PORTFOLIO weighted average term maximum is 1 year. No more than 50% of the portfolio to hold securities with term to maturity exceeding 1 year, but less than 2 years.						
Notes:						
¹ Exposure percentage limitations to be applied to the book value of the total portfolio						
² Includes Provincial Guarantees						
³ Maximum term to maturity of 1 year						

THE CORPORATION OF THE CITY OF VAUGHAN

APPENDIX

APPENDIX TITLE: LONG TERM INVESTMENT PORTFOLIO

APPENDIX NO.: B

APPENDIX						
LONG-TERM INVESTMENT PORTFOLIO						
Investment Limitations						
			Minimum Credit Rating			
			Meet at least one of the following			
Sector / Securities	Portfolio Limit %	Individual Limit %	DBRS	S&P	Fitch	Moody's
FEDERAL						
Government of Canada	100	100	N/A	N/A	N/A	N/A
Federal Guarantees	50	35	N/A	N/A	N/A	N/A
Federal Total	100					
PROVINCIAL¹						
	75	40	AAL	AA-	AA-	Aa3
	45	25	AL	A-	A-	A3
	15	5	BBB	BBB	BBB	Baa2
Provincial Total	75					
MUNICIPALS						
Municipals and School	40	10	AAA	AAA	AAA	Aaa
	35	10	AAL	AA-	AA-	Aa3
	15	5	A	A-	A-	A2
Municipals Total	40					
BANKS						
Schedule I Banks	50	25	AL	A-	A-	A3
Schedule II Banks	15	10	AL	A-	A-	A3
Schedule III Banks	10	3	AL	A-	A-	A3
Banks Total	50					
OTHER						
Asset Backed Securities	10	3	AAA	AAA	AAA	Aaa
Loan/Trust Corporations and Other Corporations	15	3	AL	A-	A-	A3
Other Total	15					
ONE FUND²						
Money Market	10	N/A	N/A	N/A	N/A	N/A
Government Bond	10	N/A	N/A	N/A	N/A	N/A
Equity	10	N/A	N/A	N/A	N/A	N/A
Corporate Bond	10	N/A	N/A	N/A	N/A	N/A
ONE Fund Total	20	N/A				
Term Limitation						
PORTFOLIO weighted average term maximum is 8 years.³ No more than 50% of the portfolio to hold securities with term to maturity exceeding 10 years.						
Notes:						
¹ Includes Provincial Guarantees						
² One Fund is an Investment Pool which municipalities can invest & is administered by LAS and CHUMS Financing Corp.						
³ The Benchmark used is 35% FTSE Canada Universe All Government Bond Index and 65% FTSE Canada Short Term Government Bond Index						

ATTACHMENT 2



Investment Policy Update: Highlights of changes to investment parameters.

(comparison of old vs. updated policy)

Short-term portfolio	Current Policy		Updated Policy		Comments
Sector / Securities	Portfolio Limit %	Individual Limit %	Portfolio Limit %	Individual Limit %	
Provincial (R1-Low)	20	5	35	10	Provincial bonds offer attractive yields and are guaranteed by the issuing province. The change in limits potentially enhance returns.
BANKS					
Schedule I Banks (R1-Low)	20	5	35	15	Change allows for greater investment opportunities and ability to adjust to changing capital market conditions. Canadian banks are well capitalized and liquid.
OTHER					
Credit Unions and Loan/Trust Corporations	30	5	30	10	Change allows for greater investment opportunities to maximize yields
Commercial Paper/ Corporate Debt	N/A	N/A	20	5	New eligible investment option. Investments must meet the minimum short term credit rating of R1 Mid.

Long-term portfolio	Current Policy		Updated Policy		Comments
Sector / Securities	Portfolio Limit %	Individual Limit %	Portfolio Limit %	Individual Limit %	
FEDERAL					
Government of Canada -Fed Guarantees	50	25	50	35	Government of Canada bonds are the safest and most liquid. The change provides ability to respond to market environment and potential to maximize returns.
PROVINCIAL (AA)	70	35	75	40	Provincial bonds are safe and liquid. Changes allow for greater investment opportunities to enhance returns and better align with neighbouring municipalities.
(A)	35	15	45	25	
MUNICIPALS					
Municipals and School Boards (AA)	25	5	35	10	Changes allow for greater investment options to maximize yields and adjust to changing market conditions.
BANKS					
Schedule I Banks	50	20	50	25	Amendments to O Reg 438/97 minimum credit rating for banks and corporate bonds from AA(L) to A-. Changes allow for greater investment options, ability to adjust to market conditions, and opportunities to enhance returns.
Schedule II Banks	15	5	15	10	