



Committee of the Whole

Meeting Date: April 14, 2026

Submitted by: Nikki Nourse, Director of Finance/County Treasurer

Subject: Investment Policy

BACKGROUND:

The Corporation of the County of Middlesex is required to manage its financial assets in accordance with the *Municipal Act, 2001* and Ontario Regulation 438/97 (Eligible Investments), as amended. The legislation requires municipalities to adopt and maintain a formal investment policy outlining investment objectives and guidelines prior to undertaking investment activities.

The County's existing Investment Policy, attached hereto as Appendix A, originally established in 1997, provides high-level direction to invest surplus funds in a prudent manner to maximize returns while minimizing risk and maintaining liquidity. While this policy has supported investment activities to date, it is limited in scope and does not fully reflect current legislative requirements, evolving best practices, or the increasing complexity of municipal investment management.

The proposed Investment Policy, attached hereto as Appendix B, is intended to replace the existing policy in its entirety. It provides a more comprehensive and modern framework to guide the management of all financial assets held within the County's Operating, Reserve, and Trust Fund portfolios.

ANALYSIS:

The proposed Investment Policy establishes a detailed and structured framework for investment decision-making, grounded in the principles of financial stewardship, preservation of capital, liquidity, risk management, and return optimization.

In contrast to the current policy, the updated policy:

- Provides clearly defined investment objectives and a formal hierarchy prioritizing capital preservation and liquidity;
- Establishes detailed risk management parameters, including diversification requirements, credit rating thresholds, and issuer limits;

- Expands guidance on eligible investments in accordance with updated provisions under Ontario Regulation 438/97, including U.S. dollar investments and revised credit rating standards;
- Formalizes roles and responsibilities for Council, the Director of Financial Services, the Finance Department, and the Investment Manager;
- Introduces enhanced governance practices, including defined approval processes, performance monitoring, and reporting requirements; and
- Establishes procedures for addressing non-compliance, including the development of “workout plans” where required.

Overall, the proposed policy aligns the County’s investment practices with current legislation and industry best practices, while improving clarity, accountability, and transparency.

FINANCIAL IMPLICATIONS:


The adoption of the proposed Investment Policy is not expected to have a direct budgetary impact. However, replacing the existing policy with a more comprehensive framework will strengthen the County’s approach to investment management.



Enhanced governance, diversification, and performance monitoring are expected to:

- Protect the County’s financial assets;
- Maintain sufficient liquidity to meet operational requirements;
- Reduce exposure to financial and market risks; and
- Support the achievement of stable and optimized investment returns over time.

ALIGNMENT WITH STRATEGIC FOCUS:

This report aligns with the following Strategic Focus, Goals, or Objectives:

Strategic Priority	Goal	Objectives
Collaboration & Partnerships 	Strengthen collaboration with local municipalities and regional partners to improve economic efficiency, enhance service delivery, and support regional development in alignment with community priorities	<ul style="list-style-type: none"> • Improve communication and transparency through open engagement, accessible information, and informed decision-making.

Strategic Priority	Goal	Objectives
<p>Sustainable Infrastructure Development</p> 	<p>Expand and upgrade critical infrastructure to enhance resilience, efficiency, and accessibility while prioritizing sustainability and long-term cost-effectiveness</p>	<ul style="list-style-type: none"> • Enhance and maintain road infrastructure to improve connectivity, traffic efficiency, and encourage active transportation, while preserving the unique character of municipal main streets. • Pursue funding and grants for infrastructure projects to deliver lasting benefits while providing predictable costs for taxpayers. • Invest in sustainable infrastructure opportunities that incorporate climate resilience measures to mitigate extreme weather impacts and reduce overall environmental impact.
<p>Adaptability and Agility</p> 	<p>Modernize the County’s administrative capabilities to strengthen decision-making, improve service delivery, and achieve better community outcomes</p>	<ul style="list-style-type: none"> • Transform, modernize and continuously improve administrative systems and processes to increase efficiency and enhance the experience of residents and partners. • Strengthen internal administrative capabilities to ensure key support services have the necessary resources to meet community needs and support organizational growth.

RECOMMENDATION:

THAT the Investment Policy report be received for information;

AND THAT the Investment Policy be approved.