INFORMATION REQUEST

INFORMATION REQUEST #: IR-14-25

REQUESTED BY: **Councillor Bennett**

TOPIC: Rate of Return on Reserves

DATE OF REQUEST: Prior to GPC Meeting 2025

DATE OF RESPONSE: November 17, 2025

QUESTION:

What is the current rate of return on our reserves? Has there been any discussion about investing a small portion in blue-chip stocks?

Response

The current rate of return on our investments is averaging 3.47%. Municipalities are restricted in what they can invest in by section 250 of the Municipal Government Act (MGA), which identifies private corporations as a restricted investment which can only be done by ministerial approval.

Generally, municipalities only invest in principle protected low-risk investments such as government securities and certain types of bonds. The City's investment policy goes in further detail on approved investments. See excerpt from the policy below.

Schedule "A" – Approved Investments

Investment Description	*Total Portfolio Limit	**Minimum DBRS Rating (Short-Term)	**Minimum DBRS Rating (Long-Term)
Government:			
Instruments issued or guaranteed by:			
Government of Canada	75%	R1L	A
Provincial Governments within Canada	75%	R1L	A
Municipal Governments within Canada	50%	R1M	AA
Schedule 1 Chartered Banks:			
Obligations of, or guarantees of:			
Per any Financial Institution	75%	R1M	A
Provincially Guaranteed Financial Institutions (1)			
Province of Alberta Treasury Branches Servus Credit Union	75%	R1L	A

Here is the link to the City's investment policy for more information.

Background
Shared in the response above.

Financial Implications/Taxation Impact
None

Contact: Francine Pitcher, Director, Finance