THE REGIONAL MUNICIPALITY OF YORK

Housing York Inc.
November 12, 2008
Report of the
Treasurer and General Manager

DELEGATION OF SIGNING AUTHORITIES FOR OPERATING AND CAPITAL RESERVE INVESTMENTS

1. RECOMMENDATION

It is recommended that:

1. The delegation of authority for the management of Housing York Inc. operating and capital reserve investments be updated to include the Treasurer or Assistant Treasurer in combination with the General Manager or Assistant General Manager.

2. PURPOSE

This report purposes to augment the delegation of authorities surrounding Housing York Inc.'s investment transactions for the purpose of strengthening the review and approval process.

3. BACKGROUND

Investment authorities are currently delegated to the Treasurer

In April 2003, the Board delegated authority for Housing York Inc. investment decisions to the Treasurer. At that time Housing York Inc.'s only investment was the capital reserve fund held in a bank account. These funds were subsequently placed with Phillips, Hager and North under the mandatory housing provider investment program as required by the *Social Housing Reform Act, 2000.*

In November 2005, the Board approved Housing York Inc.'s investment policy which included the capital reserve fund as well as surplus operating funds. The purpose of the policy was to set investment objectives as Housing York Inc. expanded its investment opportunities. There was no change to approval authorities identified at that time.

Housing York Inc. is now managing several operating investments in addition to the pooled capital reserve fund. The number of investment decisions and complexity has increased accordingly. In order to strengthen approval processes, two signing officers are proposed.

4. ANALYSIS AND OPTIONS

Multiple signing authorities increases due diligence

Delegating authority for investment decisions to multiple officers adds an additional level of expertise and thoroughness to transactional approvals.

Over the years Housing York Inc. has diversified its asset allocations into three housing provider funds with Phillips, Hager and North and five bonds with various financial institutions. All of these investments comply with Housing York Inc.'s investment policy and are subject to ongoing review in relation to cash flow needs, maturity dates, and market conditions.

Currently, all investment recommendations are proposed by senior finance staff at Housing York Inc., reviewed by York Region treasury staff, and then endorsed by the Assistant General Manager of Housing York Inc. before the Treasurer's authority is exercised.

It is recommended that the review process by the Assistant General Manager be formalized into an approval process with the Treasurer. It is further recommended that two alternates be added so that a combination of one authority from Housing York Inc. and one from York Region Finance Department is required to complete an investment transaction.

This approach is similar to Housing York Inc. bank accounts where two signatures are required on banking documents. There are also two alternates identified in the banking relationship.

The proposed signing authorities would be as follows:

- The approval of the Treasurer or Assistant Treasurer in combination with the approval of the General Manager or Assistant General Manager.

The signing authorities mirror those established at the outset of Housing York Inc. by delegating to positions in the corporation rather than to specific people in those positions. This gives the corporation more flexibility when turnover occurs in various positions. The Treasurer of the corporation is the Commissioner of Finance for the Region (currently Lloyd Russell), the Assistant Treasurer is the Director, Financial Services (currently Warren Marshall), the General Manager is the formerly named position of Commissioner of Community Services and Housing (currently Joann Simmons), and the Assistant General Manager is the formerly named position of Director of Housing (currently Sylvia Patterson).

5. FINANCIAL IMPLICATIONS

As at December 31, 2007, Housing York Inc. had investments totalling $4.7 million in the pooled capital investment program and $3.6 million from retained earnings funds.

Two instruments totalling $1.5 million representing retained earnings reserve funds are expected to mature later this year and it is expected that both will be reinvested.

A draw on the Phillips, Hager & North pooled capital investment will also be proposed in December to fund the 2008 capital program that was approved in the budget.

A full summary of investment activity is reported in the year-end financial statements.

6. LOCAL MUNICIPAL IMPACT

The return that Housing York Inc. earns on its investments adds to the financial soundness of the housing corporation. Housing York Inc.'s programs and services benefit residents in all nine municipalities in York Region.

7. CONCLUSION

The delegation of authority for the management of Housing York Inc. operating and capital reserve investments should be updated to include the Treasurer or Assistant Treasurer in combination with the General Manager or Assistant General Manager.

For more information on this report, please contact Sylvia Patterson, Assistant General Manager, Housing York Inc. at extension 2091.

The Senior Management Group has reviewed this report.

Recommended by:

Sylvia Patterson
Assistant General Manager

Approved for Submission:

Lloyd Russell Treasurer	Joann Simmons General Manager

November 3, 2008

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