
City of Kelowna
MEMORANDUM

DATE: January 13, 2005
FILE: 1860-01

TO: City Manager

FROM: Director of Financial Services

RE: **AUTHORIZATION TO ESTABLISH TRADING ACCOUNTS WITH
INVESTMENT DEALERS**

Report prepared by the Investments & Payroll Manager

RECOMMENDATION:

THAT the City establish and maintain with Prospera Credit Union; Dixon, Mitchell, Rae Investment Council Inc. (DMR); First Associates Investments Inc.; and Credit Union Central of British Columbia (CUCBC), one or more trading accounts to deal in securities in accordance with the standards described in the report of the Director of Financial Services dated January 13, 2005.

AND THAT Prospera Credit Union, DMR, First Associates Investments Inc., and CUCBC be provided with the signatures of the Director of Financial Services, the Investment & Payroll Manager, and the Financial Accounting & Systems Manager as the Trading Officers and Signing Officers for the City of Kelowna.

BACKGROUND:

The City of Kelowna has established similar accounts to deal in securities with RBC Dominion Securities, Inc., with CIBC Wood Gundy – White Rock, and with CIBC Wood Gundy - Kelowna, with HSBC Bank Canada, with Raymond James Ltd., with BMO Nesbitt Burns and Dundee Securities. Establishing accounts with Prospera Credit Union, Dixon Mitchell Rae, First Associates Investments Inc., and Credit Union Central of BC will provide additional investment options for the City.

All investment products offered, and agreements made with the City, must be in accordance with City of Kelowna policy #316, "Investment of City of Kelowna Surplus Funds" and the requirements of the Community Charter of the Province of British Columbia.

Financial Services staff will recommend additions and deletions to the City's list of approved investment brokers and dealers on an annual basis. Additions to the list will be based on application from specific brokers over the course of the prior year and deletions will be based on whether or not the City has, or has had, outstanding investments with a particular broker or dealer in the prior two years.

STANDARDS:

- Trading account dealings shall be on a cash settlement basis.
- Newly established trading accounts shall be notified in writing and provided a copy of the City's Policy #316, "Investment of City of Kelowna Surplus Funds".
- Trading accounts shall be entitled to act and rely upon the actions, orders, and trading instructions of the Trading Officers and Signing Officers or given in accordance with these instructions without making or continuing any investigations or inquiries into the propriety of such actions, orders and instructions.

Paul Macklem

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