



City of Delta
COUNCIL REPORT
Regular Meeting

To: **Council**

From: **Finance Department**

Date: **February 25, 2026**

Investment Policy Update

The following report has been reviewed and endorsed by the City Manager's Office.

▪ **RECOMMENDATION:**

THAT the updated City of Delta Investment Policy be approved.

▪ **PURPOSE:**

The purpose of this report is to seek Council approval for updates to the City of Delta's Investment Policy.

▪ **BACKGROUND:**

The City of Delta's Investment Policy provides guidance for the investment of City funds. The Policy requires compliance with Section 183 of the *Community Charter*, and is based on three objectives:

- 1) Safety of principal through placing funds with a diverse portfolio of institutions with high credit worthiness.
- 2) Liquidity sufficient to enable the City to meet all reasonably anticipated cash flow requirements.
- 3) Return on investment designed to attain a maximum risk-adjusted return, subject to the constraints of safety of principal and liquidity requirements.

The Investment Policy was last updated at the May 6, 2024 Regular Council meeting.

▪ **DISCUSSION:**

The City actively manages the investment portfolio to ensure it remains diversified, sufficient to meet cash requirements, and invested with issuers that maintain strong credit ratings, as per the investment policy. In 2025, the average portfolio balance increased by approximately \$50 million compared to 2024, bringing the annual average between \$350-\$400 million. Throughout the year, treasury staff pursued strategies to improve investment performance. As a result, the short-term annual return exceeded the Government of Canada 1-Month Treasury Bill, and the long-term annual return outperformed the Government of Canada 5–10 Year Bond. Overall, the portfolio annual yield was approximately 4% in 2025.

Due to the growth in the portfolio since the last update and bank mergers, the Policy limits to some categories of permitted institutions have become increasingly restrictive. The percentage of the portfolio that Delta is permitted to hold for Schedule 1 chartered banks is still relevant, but the dollar value limits by issuer are low relative to the total portfolio. Increasing the limits per issuer will ensure the portfolio remains in compliance with the Policy without compromising in diversification or yield. The dollar value limit of the portfolio that Delta is permitted to hold for Schedule 2 chartered banks remains relevant, but the percentages have been reduced to correspond with the dollar value limits.

The proposed changes are as follows:

Issuer / Class	DBRS or Comparable Rating		Limits per Issuer % of portfolio / up to maximum dollar value (\$M)	
	Short Term	Long Term	Existing	Proposed *
Schedule 1 Chartered Bank **	R-1 (high)	A or higher	30% / \$75	30% / \$100
	R-1 (middle)		20% / \$50	20% / \$70
	R-1 (low)		10% / \$30	10% / \$35
Schedule 2 Chartered Bank ***	R-1 (high)	A or higher	20% / \$20	5% / \$20
	R-1 (middle)		10% / \$10	5% / \$10

*Summarized on page 6 of Attachment A.

** Schedule 1 Chartered Banks are domestic banks regulated by the Federal Bank Act

*** Schedule 2 Chartered Banks are federally regulated subsidiaries of a foreign bank

The City of Delta maintains a listing of approved issuers which is included in the Investment Policy. The listing includes six Schedule 1 Chartered Banks, Central 1 Credit Union, the Municipal Finance Authority of B.C., Government of Canada and provincial governments. In compliance with the Investment Policy and at the discretion of the General Manager, Finance, issuers may be added or removed from this list. There are no planned changes at this time.

The attached Policy also includes housekeeping updates, such as revisions to the glossary of terms, modernization of terminology, and improvements for clarity.

Implications:

Financial Implications - Updates to Delta's Investment Policy help to fulfill the City's fiduciary responsibility and allow staff to manage the portfolio effectively.

▪ **CONCLUSION:**

It is recommended that the updated City of Delta Investment Policy dated February 2026, provided in Attachment A, be approved.



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▪ **ATTACHMENT:**

A. City of Delta Investment Policy February 2026