

Village of Hines Creek Council Request for Decision (RFD)

Meeting:	Regular Council Meeting
Meeting Date:	November 14, 2018
Originated By:	Leanne Walmsley, Acting Chief Administrative Officer
Title:	Financial – Notice Demand Account
File:	0212

BACKGROUND/PROPOSAL:

The Notice Demand Account – or NDA for short – is an attractive alternative to Traditional Fixed Date Deposit investing (i.e. GIC) this account behaves like a cross-over between the GIC and the Deposit Account worlds by providing powerful earnings, and unmatched flexibility.

- A rate of Interest that is market-driven and competitive with GIC/FDD
- The ability to self-manage deposits – directly to the NDA, anytime, in any amount.
- Strategic withdrawals – again, self-managed and flexible, to fit your schedule – not reliant on “Investment maturity dates”

Notice Demand Accounts types

31 day NDA

The NDA with the lowest rate but the highest accessibility – you are never more than 31 days away from having full access to your funds in the NDA

60 day NDA

The middle child of the NDA family – it can be a great way to “bridge the gap” between your operating account, and the 1 yr. Cashable GIC Investment – definitely a strategic move!

90 day NDA

The best rate going on an NDA, and ideally suited to the investment dollars you can let sit for at least 90 days.

Getting into the NDA action – it’s as easy as.....

1. Decide on the length of time you can invest your funds.
2. Sign a couple forms – the Application, and the Agreement for the NDA
3. Sign and send in your Withdrawal form to give notification – we’ll set up the availability dates in you Online!

The NDA Advantage

- Keep adding funds to your NDA via Online Banking Transfers – anytime you want.
- No more maturity dates or renewals to agonize over. Total success!
- Functional account with great rates.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES

C-326-18 MOTION by Councillor Bjornson that this Council authorize Acting C.A.O. Walmsley to transfer \$1,100,000.00 (one million one hundred thousand) from general account #749-1028200-24 to guaranteed investment certificates as discussed. CARRIED.

The following requisitions come out of the year at these times:

January	Assessment, PLS Library, N.R.R.L., Insurance, Dr. Recruitment, Auditor	\$72,350.00
March	ASFF, NPHF	\$14,205.00
May	Fire Committee, Medical Clinic	\$23,750.00
June	PLS, Assessment, STARS, ASFF, NPRL, ACFA, Rec Board, Library Board etc.	\$56,750.00
September	ASFF	\$13,950.00
December	FCSS, ACFA, ASFF	\$60,370.00

COSTS/SOURCE OF FUNDING (if applicable)

In order to have money transferred out of NDA I would have to give them the 30, 60, 90 day notice to withdraw.

To put that into perspective, a 1 yr. Cashable GIC (which can be early redeemed at any time but must remain invested a minimum of 90 days in order for us to receive accrued interest) would be considered the GIC equivalent of investing for 90 days and it currently would be offered at 2.27%.

At this time, ATB NDA products for Municipal clients are priced as follows:

- 31 day NDA @ 2.3%
- 60 day NDA @ 2.4%
- 90 day NDA @ 2.5%

It is possible to get a better GIC rate if we were to lock the investment into a non-redeemable version, for example a 1 yr. Non-Redeemable GIC could be offered at

2.7%..... the trade-off of course being that we cannot access the funds at all during the year and must wait for the maturity date.

RECOMMENDED ACTION:

That Council invest \$1,100,000.00 from general account into

Initials show support- Reviewed by:	Manager:	C.A.O. <i>fw</i>
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