

## REPORT

**REPORT TO:** The Chair and Members of Community and Corporate Affairs Committee

**REPORT FROM:** Dana Stanescu, Accounting Supervisor

**DATE:** March 15, 2019

**REPORT NO.:** CORPSERV-2019-0014

**RE:** 2018 Annual Report on Investment and Cash Management

### RECOMMENDATION:

THAT Report No. CORPSERV-2019-0014 dated March 15, 2019 regarding the 2018 Annual Report on Investment and Cash Management be received for information.

### BACKGROUND:

The purpose of this report is to provide information on the investment and cash management performance of the Town as required under the provision regulating municipal investments (Ontario Regulation 438/97).

### COMMENTS:

In 2018, investment income of \$2,548,242 was allocated to the following:

Operating Fund	\$1,437,676
Reserves & Reserve Funds	\$ 482,915
Trust Funds	\$ 145,305
Deferred Revenue / DCs	\$ 468,676
General Deferred Revenue	\$ 13,670
<b>Total</b>	<b><u>\$2,548,242</u></b>

The total investment income of \$2,548,242 provided an average rate of return of 2.76% (2017 – 2.78%).

The cash and investment management portfolio, as of December 31, 2018, at book value consisted of the following:

Cash	\$ 4,196,438
Region of Halton	<u>\$78,373,779</u>
<b>Total</b>	<b><u>\$82,570,217</u></b>

The average rate of return on the investment portfolio is similar to the prior year, with an average rate of return of 2.76%. The investment portfolio is managed by the Region of Halton and a detailed report on the performance of the program as a whole is reported annually to the Regional Administration and Finance Committee. In 2018, the Town earned \$1,437,676 of interest income on its operating fund which surpassed the budgeted earnings of \$900,000. The excess earnings of \$537,676 were transferred to the contingency reserve as per the General Reserve and Reserve Fund policy.

Appendix A sets out the reporting requirements of the Treasurer as prescribed under the provisions regulating municipal investments (Ontario Regulation 438/97). Appendix B sets out the current cash management and investment guidelines. These guidelines are reviewed annually to ensure they reflect the investment objectives of the Town. The guidelines are based on the investment limitations established by Halton Region, as all external investments of the Town are made through the joint municipal investment pool managed and maintained by the Region.

#### **RELATIONSHIP TO STRATEGIC PLAN:**

This report supports the following strategic objective from Council's 'Top Eight' priorities, 2014-2018:

Establish sustainable financing, asset management and master plans to acquire, operate, maintain, renew and replace infrastructure.

#### **FINANCIAL IMPACT:**

There is no financial impact directly associated with this report.

#### **CONSULTATION:**

Town staff consults with the Halton Region's Investments group periodically to monitor pooled investments and ensure the guidelines reflect the most up to date Regional policies.

#### **PUBLIC ENGAGEMENT:**

There is no public engagement associated with this report.

#### **SUSTAINABILITY IMPLICATIONS:**

The Sustainability Implications of the recommendations of this report were reviewed against the requirements of the Town's Sustainability Implications Worksheet. The

Worksheet is completed for substantial non-administrative reports, major projects, studies, policies and initiatives that are relevant to advancing the Town's economic, cultural, environmental and social wellbeing, and quality of life. Since this report is none of the latter, the Sustainability Implications section is not applicable to this report.

**COMMUNICATIONS:**

There is no communications impact associated with this report.

**CONCLUSION:**

This report fulfills the requirement of Ontario Regulation 438/97 regarding municipal investments.

Reviewed and Approved by,

A handwritten signature in dark ink, appearing to read "M. J. Leighton".

Moya Jane Leighton, Manager of Accounting and Town Treasurer

A handwritten signature in dark ink, appearing to read "Jane Diamanti".

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in dark ink, appearing to read "Brent Marshall".

Brent Marshall, Chief Administrative Officer