



REPORT

REPORT TO: Mayor Bonnette and Members of Council

REPORT FROM: Dana Stanescu, Accounting Supervisor

DATE: June 23, 2020

REPORT NO.: CORPSERV-2020-0016

RE: 2019 Annual Report on Investments and Cash Management

RECOMMENDATION:

THAT Report No. CORPSERV-2020-0016 dated June 23, 2020 regarding the 2019 Annual Report on Investments and Cash Management be received for information.

BACKGROUND:

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

COMMENTS:

In 2019, investment income of \$2,849,787 was allocated to the following:

Operating Fund	\$1,733,843
Reserves & Reserve Funds	\$ 442,377
Trust Funds	\$ 61,377
Deferred Revenue & DCs	\$ 612,190
Total	<u>\$2,849,787</u>

The total investment income of \$2,849,787 provided an average rate of return of 2.85% (2018 – 2.76%).

The cash and investment management portfolio, as of December 31, 2019, at book value consisted of the following:

Cash	\$ 4,246,424
Region of Halton	\$89,870,127
Total	<u>\$94,116,551</u>

The average rate of return on the investment portfolio is similar to the prior year, with an average rate of return of 2.85%. 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 2019, the Town earned \$1,733,843 of interest income on its operating fund which surpassed the budgeted earnings of \$1,155,000. The excess earnings of \$578,843 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:

The recommendations within this report support Council's strategic priority regarding financial sustainability:

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 black ink, appearing to read "M. J. Leighton".

Moya Jane Leighton, Town Treasurer and Director of Accounting

A handwritten signature in black ink, appearing to read "C. Mills".

Chris Mills, Commissioner of Corporate Services

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

Brent Marshall, Chief Administrative Officer