

**Subject: Investment Report for the 2023 Fiscal Year**

**Department: Corporate Services**

**Division: Finance**

**Report #: CPS-2024-027**

**Meeting Date: 2024-04-29**

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## **Recommendations**

**That report CPS-2024-027, Investment Report for the 2023 Fiscal Year, be received.**

## **Background and Analysis**

[Ontario regulation 438/97](#) (as amended) of the Municipal Act, 2001, requires the Treasurer to annually report on investment activity to Council. The legislation requires the Treasurer to report on compliance with the Act, the municipality's investment policy, performance, and composition of the current investment portfolio. The Regulation defines which investments are prescribed that the municipality may invest in.

Council adopted By-Law 65-2013, an update to the Town's Investment Policy number F-007 in July of 2013. This policy, in conjunction with the Regulation, governs the management of the Town's investments.

The Town's investment portfolio at December 31, 2023 meets the requirements under Ontario Regulation 439/97 of the Municipal Act, 2001 and the Town's Investment Policy. The Town has purchased investment funds through three (3) Brokers: [ONE Investment Program](#), [TD Canada Trust](#) and [Edward Jones Investments](#). Appendix A to this report provides a summary of the short-term investments held with TD Canada Trust and bonds held with Edward Jones Investments.

### One Investment Program

In 2014, the Town invested \$4,000,000 in the ONE Investment Program. The ONE Investment Program is administered by LAS (subsidiary of the Association for Municipalities of Ontario) and CHUMS Financing Corporation (Subsidiary of the Municipal Finance Officers' Association of Ontario). A summary of this investment can

be found in Appendix A – 2023 Investment Summary, under the subtitle Schedule 1: Money Market Portfolio held with ONE Investment. Investment returns of \$154,740 achieved in 2023 were automatically reinvested. This equates to a 3.57% rate of return for the period. This investment was redeemed in full on December 8, 2023, and the proceeds were moved to a High Interest Savings Account within the same program on December 22, 2023. As a result of the transfer, a gain of \$14,906 was realized.

### TD Canada Trust

The Town currently holds short-term money-market investments of \$11,739,482 with TD Canada Trust Bank. A list of these investments can be found in Appendix A – 2023 Investment Summary, under the subtitle Schedule 2: Cash Equivalents held with TD Canada Trust. Investment interest of \$451,958 was earned in 2023 and was automatically reinvested. This equates to a 3.85% rate of return for the period.

### Edward Jones Investments

The Town has invested \$1,264,852 with Edward Jones Investments in a variety of bonds. In Appendix A – 2023 Investment Summary, under the subtitle Schedule 3: Bonds held with Edward Jones Investments, a summary of the portfolio holdings is provided. In 2023, these investments earned interest of \$62,311, all of which were automatically reinvested. The overall rate of return for the period was 5.90%.

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## **Strategic Alignment**

### **Orangeville Forward – Strategic Plan**

Priority Area: Strong Governance

Objective: This report supports the Town's objective of financial responsibility.

### **Sustainable Neighbourhood Action Plan**

Theme: Corporate and Fiscal

Strategy: Demonstrate municipal leadership by considering the environment, social, and economic impacts of all Town decisions.

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## **Notice Provisions**

None

## Financial Impact

Investment activities during 2023 earned an aggregate total of \$669,009 in interest income. This investment returns are outlined in the chart below.

Fund	Investment Returns	Action
General Funds	\$154,740	Recorded as 2023 investment income to the Town.
Trust Funds	89,640	Apportioned to the various trust funds that contributed to the investment.
Reserve Funds	424,629	Apportioned to the various reserve funds that contributed to the investment.
<b>Total</b>	<b>\$669,009</b>	

As part of the on-going efforts towards a long-term integrated financial strategy, Town staff will be working towards an updated Investment Policy and overall Investment strategy for the Town's general funds, trust funds and reserve funds. This strategy when available will be presented to Council for approval.

Respectfully submitted by

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Reviewed by

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**Attachment(s):** 1. Appendix A - 2023 Investment Summary