

**Subject: Investment Report for 2020 Fiscal Year**

**Department: Corporate Services**

**Division: Finance**

**Report #: CPS-2021-024**

**Meeting Date: 2021-04-12**

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## Recommendations

**For the information of Council.**

## 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 as at December 31, 2020 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 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). Income earned of \$39,541 in 2020 was automatically reinvested and equates to a 0.93% effective rate of interest earned. The market value of this investment at December 31, 2020 was \$4,258,158.

### TD Canada Trust

The Town currently holds short-term investments of \$11,247,646 with TD Canada Trust Bank. A list of these investments can be found in Appendix A – Investment Summary, under the subtitle Schedule 1: Cash Equivalents held with TD Canada Trust. Income earned of \$209,646 in 2020 was automatically reinvested.

### Edward Jones Investments

The Town has invested \$1,250,710 with Edward Jones Investments in a variety of bonds. Appendix A – Investment Summary, under the subtitle Schedule 2: Bonds held with Edward Jones provides a summary of the portfolio holdings as at December 31, 2020. In 2020, these investments earned \$19,463 of interest income that was automatically reinvested.

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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

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## **Financial Impact**

Investment activities during 2020 earned a total of \$268,650 in interest income. General funds invested earned interest of \$39,541 that is recorded as investment income for the Town. Trust Funds invested earned interest of \$44,883 that is recorded as investment

income for the Town. Reserve Funds invested earned interest of \$184,226 that is apportioned to the various reserve funds that were invested.

Respectfully submitted

Reviewed by

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**Attachment(s):** 1. Appendix A: 2020 Investment Summaries