



Staff Report

Finance – Budgets & Accounting

Report To: COW-Finance, Admin, Fire, Legal, Community Services
Meeting Date: June 5, 2023
Report Number: FAF.23.054
Title: Investment Report
Prepared by: Brenna Agnew, Accounting Analyst

A. Recommendations

THAT Council receive Staff Report FAF.23.054, entitled “Investment Report” for information purposes.

B. Overview

The Town’s financial investments are governed by the Council approved “Investment Policy” FS.08.11, as amended. The purpose of the policy is to invest all available funds in a prudent manner to maximize the rate of return while minimizing the degree of risk to the principal, while ensuring an adequate level of liquidity within the legislated guidelines. This report outlines the investment activities for 2022.

C. Background

In accordance with the Town’s Investment Policy Section V, Part (a), Council shall be updated on the status of the investments on an annual basis or upon request.

Typically, the Town invests in fixed income type securities over shorter terms. The Town has been able to achieve relative moderate returns and benefit from a higher interest environment in comparison to earlier years of the COVID-19 pandemic. Staff continues diligently working with professionals in the field.

D. Analysis

Investments held by the Town at December 31, 2022 totaled \$66.8 million (2021 - \$72.8 million), detailed in 2022 Summary of Investments. The decrease of \$6 million is related to an increase in Capital Projects and the requirement to fund those projects. The pandemic led to a delay of numerous projects and 2022 saw many delayed projects move forward.

These investments generated \$2,103,400 in interest revenue for the Town (2021 - \$582,685). The sharp increase to interest revenue in comparison to 2021 is due to raising interest rates resulting in a higher rate of return.

The Town's bank accounts with TD earn interest at prime less 1.95%. These accounts began 2022 earning an interest rate of 0.50%. At the end of 2022 these accounts earned an interest rate of 4.34%.

The Town's investments are diversified into cash and cash equivalents, and variable rate deposits such as high interest savings accounts and Guaranteed Investment Certificates (G.I.C.).

The 2023 outlook on interest revenue from investments is a continued relative rate of return. Short-term investments are displaying steady interest rates for 2023. Staff will continue to research opportunities to maximize the portfolio's returns.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

F. Environmental Impacts

None.

G. Financial Impacts

The Town earned a total of \$2,103,400 in interest on bank accounts and investments in the General and Reserve Funds in 2022 compared to \$582,685 earned in 2021.

Interest income of \$2,103,400 was allocated as follows:

Development Charges: \$817,421

Reserve Funds: \$917,000

General Fund: \$368,979

This interest earned is included in the Town's operating budget. Interest Earned on the Reserve Funds and Development Charges is available to fund projects.

H. In Consultation With

Ruth Prince, Director of Finance & Information Technology Services
Sam Dinsmore, Deputy Treasurer/Manager of Budgets and Accounting

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.

Any comments regarding this report should be submitted to Brenna Agnew, Accounting Analyst finance@thebluemountains.ca.

J. Attached

1. 2022 Summary of Investments

Respectfully submitted,

Brenna Agnew
Accounting Analyst

For more information, please contact:
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Report Approval Details

Document Title:	FAF.23.054 Investment Report.docx
Attachments:	- FAF.23.054 Attachment 1 (2022 Summary of Investments).pdf
Final Approval Date:	May 25, 2023

This report and all of its attachments were approved and signed as outlined below:

Sam Dinsmore - May 25, 2023 - 11:59 AM

Ruth Prince - May 25, 2023 - 1:02 PM