



# Staff Report

## Finance – Budgets & Accounting

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**Report To:** COW\_Finance\_Admin\_Fire\_Community\_Services  
**Meeting Date:** May 21, 2024  
**Report Number:** FAF.24.017  
**Title:** 2023 Investment Report  
**Prepared by:** Sam Dinsmore, Acting Director of Finance/Treasurer

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### A. Recommendations

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THAT Council receive Staff Report FAF.24.017 entitled “2023 Investment Report” for information purposes.

### B. Overview

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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 2023.

### C. Background

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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, as liquidity is important. Staff continues diligently working with professionals in the field.

### D. Analysis

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Investments held by the Town on December 31, 2023, totaled \$62.3 million (2022 - \$66.8 million), detailed in 2023 Summary of Investments. The decrease of \$4.5 million is related to an increase in Capital Projects and the requirement to fund those projects, specifically the Thornbury Wastewater Treatment Plant Expansion.

These investments generated \$3.6 million in interest revenue for the Town (2022 - \$2.1 million). The sharp increase to interest revenue in comparison to 2022 is due to raising interest rates resulting in a higher rate of return.

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 2024 outlook on interest revenue from investments is a continued relative rate of return. Short-term investments are displaying steady interest rates into 2024. Staff are expecting a slow-down in the interest earned as more of the principle will be spend on large scale capital projects in 2024 and 2025. Staff will continue to work with experts in the field to maximize the portfolio's returns.

## **E. Strategic Priorities**

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### **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**

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None.

## **G. Financial Impacts**

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The Town earned a total of \$2.3 million in interest on bank accounts and investments in the General and Reserve Funds in 2023 compared to \$2.1 million earned in 2022.

Interest income was allocated as follows:

- Development Charges and other Obligatory Reserve Funds: \$1.35 million
- Discretionary Reserve Funds: \$1.44 million
- General Fund: \$810,000

The interest earned on the general fund is included in the Town's operating budget and offsets property tax. Interest Earned on the Discretionary and Obligatory Reserve Funds are available to fund projects.

## **H. In Consultation With**

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N/A

## **I. Public Engagement**

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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 Sam Dinsmore, Acting Director of Finance / Treasurer [directorfit@thebluemountains.ca](mailto:directorfit@thebluemountains.ca).

## **J. Attached**

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1. 2023 Summary of Investments

Respectfully submitted,

Sam Dinsmore  
Acting Director of Finance / Treasurer

For more information, please contact:  
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**Report Approval Details**

Document Title:	FAF.24.017 2023 Investment Report.docx
Attachments:	- FAF.24.017 Attachment 1 (2023 Summary of Investments).pdf
Final Approval Date:	May 9, 2024

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

**Sam Dinsmore - May 9, 2024 - 1:32 PM**