

Report FR-CS-17-16

To: Chair Eccles and Members of the Corporate Services Committee
From: Kevin Wepler, Director of Finance
Meeting Date: May 24, 2016
Subject: **2015 Investment Report**
Status: Recommendation adopted by Committee as presented per Resolution CS47-16; Endorsed by County Council June 7, 2016 per Resolution CC70-16;

Recommendation(s)

THAT Report FR-CS-17-16 regarding the 2015 Investment Report be received for information.

Background

The County's financial investments are governed by the Council approved "Cash and Investment Management Policy". The policy applies to all investments of Revenue Funds, Reserves and Reserve Funds, and Trust Funds of the County of Grey. The assets of the County shall be invested and reinvested in consideration of the following:

- Ensure the preservation of the capital in the overall portfolio.
- Remain sufficiently liquid to meet all operating or cash flow requirements and to minimize temporary borrowing requirements.
- Obtain a competitive rate of return to maximize the return earned on its portfolio by seeking competitive bids for investment products, seeking information and advice from the financial sector professionals and to assess the market conditions relative to the County's need for cash.
- Ensure that the net revenue budgeted from investments in a fiscal year and used in the calculation of the County's tax rate is not greater than 1% of own purpose levy and that any revenue that is budgeted that exceeds this threshold shall be placed in a one-time funding reserve for use in funding non-recurring expenditures.
- The County shall invest only in securities that are expressed or payable in

Canadian dollars.

This report provides a summary of the County's cash holdings and investment portfolio as of December 31, 2015.

2015 Cash Holdings and Investments

The attachment titled Investment Activity Report – 2015, provides a snapshot of the cash holdings and investments held by the County at December 31, 2015. The County's portfolio totaled approximately \$59 million with net investment income earning \$798,087 in 2015.

With Investment rates at or near historic lows, purchases in 2015 with longer maturities were reduced in order to keep funds available for when higher rates and opportunities became available. As well, funds have been kept to shorter terms in order to provide future funds for the potential renovation/expansion of the County's Administration Building, thereby reducing the requirement to debenture this project, if approved.

Financial/Staffing/Legal/Information Technology Considerations

The 2016 Budget was developed with investment income being lower than previous budget years. Finance staff will continue to review the County's investment portfolio with the goal of trying to maximize returns at an acceptable level of risk, as per the County's Cash and Investment Management Policy.

Link to Strategic Goals/Priorities

Communication is a key value to the County's Strategic Plan. This report provides information to Council and ratepayers in regards to the County's 2015 cash holdings and investments.

Attachments

Attachment - Investment Activity Report - 2015

Respectfully submitted by,

Kevin Weppler
Director of Finance

County of Grey
Investment Activity Report - 2015

	General Revenue	Reserve & Reserve Funds	Total	Issuer	Type of Instrument	Issue Date	Maturity Date	Purchase Price	Market Value	Rate / Yield	2015 Investment Income	% of Portfolio
Cash on hand and on deposit												
Chartered Banks												
General	\$22,298,795.62			TD Canada Trust							\$209,892.73	
General	\$4,578.18			CIBC							\$27.99	
Affordable Housing Ownership	\$0.00			TD Canada Trust							\$506.96	
Social Housing	\$0.00			TD Canada Trust							\$2,575.29	
Social Services	\$245,353.09			CIBC								
Long Term Care	\$15,519.00			CIBC								
Development Charges		\$4,459,067.76		TD Canada Trust							\$35,044.28	
Total Cash	\$22,564,245.89	\$4,459,067.76	\$27,023,313.65					Average		1.047%	\$248,047.25	45.83%
Investment												
TD Canda Trust		\$0.00		Toronto Dominion Bank	Term Deposit	18-Feb-2014	17-Feb-2015	\$3,184,756.75		1.450%	\$5,987.66	0.00%
TD Canda Trust		\$0.00		Toronto Dominion Bank	Term Deposit	8-Dec-2014	8-Dec-2015	\$3,197,927.90		1.500%	\$44,848.40	0.00%
TD Canda Trust		\$3,245,896.82		Toronto Dominion Bank	Term Deposit	8-Dec-2015	8-Feb-2016	\$3,245,896.82		1.100%	\$2,347.72	5.50%
TD Canda Trust		\$0.00		Toronto Dominion Bank	Term Deposit	5-Jan-2015	6-Jul-2015	\$3,120,266.29		1.470%	\$22,871.12	0.00%
TD Canda Trust		\$0.00		Toronto Dominion Bank	Term Deposit	6-Jul-2015	4-Sep-2015	\$3,143,137.41		1.160%	\$5,993.49	0.00%
TD Canda Trust		\$0.00		Toronto Dominion Bank	Term Deposit	4-Sep-2015	4-Nov-2015	\$3,149,130.90		0.930%	\$4,894.53	0.00%
TD Canda Trust		\$0.00		Toronto Dominion Bank	Term Deposit	4-Nov-2015	4-Dec-2015	\$3,154,025.43		1.010%	\$2,618.27	0.00%
TD Canda Trust		\$3,156,643.70		Toronto Dominion Bank	Term Deposit	4-Dec-2015	2-Feb-2016	\$3,156,643.70		1.100%	\$2,568.56	5.35%
TD Canda Trust		\$0.00		Toronto Dominion Bank	Term Deposit	1-Dec-2014	1-Dec-2015	\$3,099,823.47		1.150%	\$42,622.58	0.00%
TD Canda Trust		\$3,146,320.82		Toronto Dominion Bank	Term Deposit	1-Dec-2015	1-Mar-2016	\$3,146,320.82		1.150%	\$2,973.91	5.34%
TD Canda Trust		\$0.00		Toronto Dominion Bank	Term Deposit	23-Dec-2014	23-Dec-2015	\$5,000,000.00		1.600%	\$78,246.58	0.00%
TD Canda Trust		\$5,080,000.00		Toronto Dominion Bank	Term Deposit	23-Dec-2015	23-Feb-2016	\$5,080,000.00		1.120%	\$1,247.04	8.61%
TD Canda Trust		\$5,081,000.00		Toronto Dominion Bank	Term Deposit	23-Dec-2014	22-Jun-2016	\$5,000,000.00		1.620%	\$81,028.76	8.62%
CIBC		\$3,000,000.00		CIBC Wood Gundy	GIC	13-May-2014	13-May-2016	\$3,000,000.00		1.900%	\$57,000.00	5.09%
Meridian		\$0.00		Meridian	GIC	23-Aug-2014	23-Feb-2015	\$1,041,989.21		2.200%	\$4,169.08	0.00%
Meridian		\$0.00		Meridian	GIC	14-May-2014	14-May-2015	\$1,000,770.79		1.950%	\$7,164.41	0.00%
Meridian		\$1,076,723.29		Meridian	GIC	13-Feb-2015	23-Feb-2016	\$1,076,723.29		1.850%	\$16,599.50	1.83%
Meridian		\$1,020,285.82		Meridian	GIC	14-May-2015	14-May-2016	\$1,020,285.82		1.900%	\$12,268.59	1.73%
RBC		\$3,000,000.00		RBC Dominion Securities	GIC	20-May-2014	20-May-2017	\$3,000,000.00		2.035%	\$60,799.10	5.09%
One Fund - Universe Corp Bond		\$1,718,552.75		MFS Invest. Man. Canada	Bond				\$1,710,001.06	2.430%	\$41,468.42	2.91%
One Fund - Bond Fund		\$2,419,826.49		MFS Invest. Man. Canada	Bond				\$2,373,759.88	2.220%	\$52,322.05	4.10%
Total Investments		\$31,945,249.69	\$31,945,249.69								\$550,039.77	54.17%
Total Cash Holdings and Investments			\$58,968,563.34								\$798,087.02	