



**Mike Mayes, Director  
Financial Services/Treasurer**

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November 24, 2014

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## **CORPORATE SERVICES INFORMATION REPORT - FINANCIAL SERVICES - 2014-51**

**TO:** Mayor Tony Van Bynen and Members of Council

**SUBJECT:** 3<sup>rd</sup> Quarter Investment Report

**ORIGIN:** Director, Financial Services/Treasurer

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*In accordance with the Procedure By-law, any Member of Council may request this Information Report be placed on an upcoming Committee of the Whole agenda for discussion.*

### **COMMENTS**


#### **Background**

In addition to the annual reporting required under the Investment Policy, the Investment Strategy proposed that for at least the first year, there should be quarterly reports. This is the third quarterly report for 2014.

#### **Highlights**

1. Term Deposit Royal Bank for \$20 million – this is a very competitive rate (1.43%) held in a flexible vehicle.
2. Solar Panels and Honeywell Phase 2 Energy Retrofit Project – the interest rate for non-traditional investments for Town capital projects, is the prime rate – currently 3%.
3. The 2013 investment revenue budget was increased by \$50,000. The 2014 budget was increased by a further \$75,000, bringing the total requirement for incremental investment income to \$125,000 (\$93,750 as at the end of the 3<sup>rd</sup> quarter).

As detailed in Appendix A, the return on investments for the first 9 months of 2014 was \$412,498. This is \$159,601 better than our benchmark and provides an additional \$93,750 for our operating results and \$65,851 for our reserve funds.

A decorative graphic in the bottom right corner consisting of several curved, parallel lines of varying thickness, creating a sense of motion or a stylized signature.

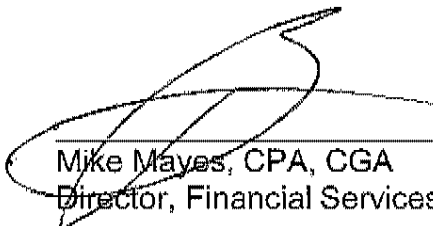
Follow up on next steps from previous reports


As trustee for the Elman Campbell Trust Fund, and in consultation with the Museum Board, a \$300,000 5-year GIC was purchased. As of the end of September, this had earned \$742.19 in interest, which is \$310.68 more than the account would have otherwise earned. These funds are ~~solely for the use of the Trust Fund and are therefore not consolidated in our results.~~

A staff report with recommendations will come forward in 2015 when the Capital Financing Sustainability Strategy is finalized. Multi-year budgeting will be initiated and will include the integration of strategic land purchases. At that time the long-term cashflow projection will be revised.

**CONTACT**

For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at [mmayes@newmarket.ca](mailto:mmayes@newmarket.ca)

  
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Mike Mayes, CPA, CGA  
Director, Financial Services /Treasurer

  
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Anita Moore, AMCT  
Commissioner, Corporate Services

MM/nh  
Attachment

- 1) Appendix A - Investment Summary for the Nine Months Ended September 30, 2014 (1 pg.)

**Appendix A**

**Investment Summary for the Nine Months Ended September 30, 2014**

Description	Principal Amount		Starting Date	Term	January 1 to September 30, 2014				
	2014-01-01	2014-09-30			Interest Rate	Return on Investment	Benchmark Return	Incremental Income	
CIBC - GIC	\$5,000,000	\$5,000,000	2013-11-01	2 Years	2.10%	\$78,534	\$46,747	\$31,788	
Term deposit - Royal Bank	\$20,000,000	\$20,000,000	2014-02-07	1 year and 2 days	1.43%	\$184,137	\$160,959	\$23,178	
Loan - Newmarket Soccer Club Development Charges and Planning Fees	\$69,570	\$65,082	2011-09-30	10 Years	4.00%	\$1,991	\$622	\$1,369	
Loan - Newmarket Soccer Club Indoor Facility Mortgage	\$2,800,000	\$2,324,050	2013-12-20	3 Years *	Prime Rate** +2%	\$102,170	\$25,542	\$76,627	
Loan - Solar Panels	\$277,060	\$271,039	2013-12-01	10 Years	Prime Rate**	\$5,984	\$2,493	\$3,491	
Loan - Honeywell Phase 2 Energy Retrofit Project	\$1,187,476	\$3,709,179	2013-12-10	15 years	Prime Rate**	\$39,682	\$16,534	\$23,148	
<b>Total</b>	<b>\$29,334,106</b>	<b>\$31,369,350</b>				<b>\$412,498</b>	<b>\$252,897</b>	<b>\$159,601</b>	
								Incremental investment income included in 2014 Operating Budget, transferred to the Tax-Supported Operating Fund in 2014 per the Investment Strategy	<b>\$93,750</b>
								Incremental investment income allocated to reserve funds in 2014 per the Investment Strategy	<b>\$65,851</b>

\*The Town has the option to extend the loan for two additional periods of one year at the Town's discretion.

\*\* The prime rate for this reporting period is 3%.