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**DATE:** February, 2016  
**TO:** Council and Members of the Water Board  
**FROM:** Arryn McNichol  
Treasurer  
**SUBJECT:** Investment Report

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**Recommendation:**

It is recommended that Council and Members of the Water Board receive this report for information.

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**1. PURPOSE**

The Township of Alnwick/Haldimand, through its water account, invested \$500,000 in surplus funds on June 25, 2012. The primary purpose of investing this money is to build a larger cash reserve for the water department for when assets age and its replacement becomes an issue.

This report will also serve to satisfy Regulation 438/97 of the Municipal Act, 2001, which requires an investment report to be delivered to Council annually. This report will comment on portfolio performance and investment composition. It will also provide a treasurers statement with respect to the investments adherence to the municipality's investment policy.

**2. ANALYSIS**

- The Township of Alnwick/Haldimand has \$421,465 invested in conformance with the Township's Investment Policy
- The mix of investments in the Townships portfolio consists of \$97,000 in a short term GIC, \$465.42 in cash, and \$324,000 in medium and long term

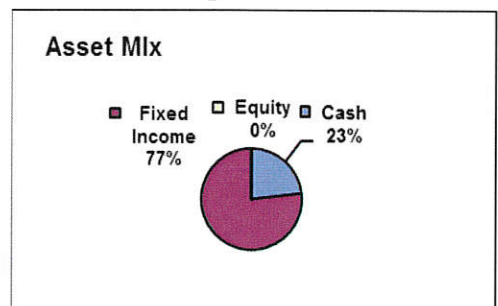
GICs in a ladder structure. This will ensure we take advantage of future interest rate increases.

- Based on our investments, the yield will be 2.53% versus the 0.95% (Prime less 1.75%) we currently receive on our bank accounts. This will amount to roughly an extra \$6,000 in investment income per year
- There are no ongoing management fees
- Ontario regulations place significant restrictions on the quality of the investments. This will significantly mitigate risk. All GICs are below \$100,000 which makes them Canada Deposit Insurance Corporation (CDIC) insured.

The following table illustrates the investment portfolio of the Township

**Township of Alnwick-Haldimand  
Period Ending December 31,  
2015  
Water Investments**

Cash	97,465	20%
Fixed Income	324,000	80%
Equity	0	0%
<b>Total</b>	<b>421,465</b>	<b>100%</b>



Name	Weighting	Amount	Yield %	Income
-	<b>1</b>			
Cash		465		
1 yr Cashable GIC		97,000	2.40	2,328.00
		0		0.00
	23.1%	97,465		
<b>Fixed Income</b>				
2 yr GIC	23.0%	97,000	2.55	2,473.50
3 yr GIC	23.3%	98,000	2.61	2,557.80
3 yr GIC	5.9%	25,000	2.61	652.50
4 yr GIC	1.7%	7,000	2.50	175.00
4 yr GIC	23.0%	97,000	2.55	2,473.50
<b>Total</b>		<b>421,465</b>		<b>10,660.30</b>

**Total Income \$10,660**  
**Average Yield (%) 2.53**

### **3. FINANCIAL IMPLICATIONS**

- While there are no direct financial implications associated with this report, an increase in investment income will be reflected in the annual financial statements.

### **4. LOCAL MUNICIPAL IMPACT**

There is no direct impact on the local municipalities.

### **5. CONCLUSION**

This report provides the information necessary to provide Council and the Members of the Water Board with an overview of our investments. It will also provide disclosure under Ontario Regulation 438/97 that requires municipalities to report annually to Council on investments and a treasurers statement ensuring the investments conform to our investment policy.

Submitted by:

*Arryn McNichol*

Arryn McNichol  
Municipal Treasurer