



COMMUNITY & CORPORATE SERVICES – AGENDA REPORT

Meeting Date: 25 March 2025

Subject: 2024 Fourth Quarter Cash and Investment Report

Directorate: Corporate Services and CFO

Issue:

The Standing Committee is being asked to accept the 2024 Fourth Quarter Cash and Investment Report for information.

Policy / Council Direction:

As per the investment policy, this standing committee in place of the Council Budget Committee on a quarterly basis will receive a cash and investment report.

Background:

At the end of December, the City's cash and investment balance was \$305,958,411, which is a decrease from the balance at the end of September, of \$330,800,972. This relates to a draw down in investments as well as a lower general bank balance related to paying for planned capital projects from both grant and reserve dollars.

The Balance consists of:

General Bank	\$ 24,471,940
BMO Nesbitt Burns Cash Account	1,512,424
TD Waterhouse Cash Account	47,868
CIBC Cash Account	37,130
Scotiabank Cash Account	48,247
Total Cash	\$26,117,609
Investments	279,840,807
Total Cash and Investments	\$305,958,411

Interest Earned:

The following is a summary of the estimated budgeted investment income earned compared to actual for the year. The City has a number of investment instruments that are principle protected, but do not typically receive regular interest payments. Interest is received only when the market hits certain targets, or a premium is paid when the investments are called. Some large Principle Protected Notes were called in in the last quarter of 2024 resulting in extraordinary investment income being received. These investments were not due to mature this fiscal year.

	Budget	Actual
Operating	\$2,445,740	\$7,589,939
Capital	\$1,400,000	\$2,777,759
Total	\$3,845,740	\$10,367,698

Rates of Return

The following table displays the annualized rates of return compared to the previous quarter. Rates have changed due to the maturity and purchase of new investments. Returns are expected to trend upward over time, as older low yield bonds are sold or mature which will then be replaced by higher return investments.

The City has a strong investment policy and purposely diversifies by investing in a variety of products with varying maturity dates to protect against a big effect to the overall portfolio when the market swings either way. The larger gains on bonds relate to investments being called early that were not due to mature yet.

Annualized Rate of Return	September 2024	December 2024
Bonds - TD	2.27%	2.83%
Bonds - Scotia	3.54%	3.13%
Managed Funds - TD	2.87%	2.87%
Managed Funds - BMO	2.32%	2.32%
Managed Funds - Scotia	2.80%	3.14%
Bonds and Notes - CIBC	2.19%	4.50%

There are also a number of securities such as principally protected notes that do not factor into the annualized rate of return. The gains are recognized as they are received, mature or are called. The total value of these investments held as of December 31, 2024 was \$131,841,223 an increase from the balance at the end of September 2024 of \$114,403,800. It is important to note that if these funds do not perform to a gain, no return is made on them, and only the principle is returned. Due to this risk, the potential gain is higher than the interest earning potential on our other bonds.

	2024 \$ Sold	2024 Return
Other Principally Protected Securities - TD	12,000,000	11.96%
Other Principally Protected Securities - Scotia	19,600,000	15.27%
Other Principally Protected Securities - CIBC	16,747,700	7.71%

Administration Recommendation:

That the Standing Committee accept the report entitled “2024 Fourth Quarter Cash and Investment Report” for information.

Alternatives/Implications:

N/A

Budget Implications:

N/A

Communications and Engagement:

N/A

Recommendation:

That the Standing Committee accept the report entitled “2024 Fourth Quarter Cash and Investment Report” for information.

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Manager Treasury

Staff Presenter:	Monica Labait
External Presenter:	N/A
Department:	Corporate Services
Reviewed by:	Shannon Schindeler
Attachments:	#1: 2024 Q4 Investment Portfolio #2: 2024 Q4 Cash Position