



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

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CORPORATE SERVICES INFORMATION REPORT - FINANCIAL SERVICES - 2014-34

TO: Mayor Tony Van Bynen and Members of Council

SUBJECT: 2nd Quarter Investment Report

ORIGIN: Director, Financial Services/Treasurer

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 second 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 2014 investment revenue budget was increased by another \$75,000. As 2013 had already been increased by \$50,000, this brings the total requirement for incremental investment income to \$125,000 (\$62,500 as at the end of the 2nd quarter).

As detailed in Appendix A, the return on investments for the first 6 months of 2014 was \$257,014. This is \$101,079 better than our benchmark and provides an additional \$62,500 for our operating results and \$38,579 for our reserve funds.



Follow up on next steps from previous reports

Although the Museum Board has not yet completed a long-term cash requirement plan, the Trust Funds have been invested. This will be reflected in the 3rd quarter report.

When we finalize the Capital Financing Sustainability Strategy (a staff report with recommendations is anticipated in the spring of 2015) and initiate multi-year budgeting, which will integrate strategic land purchases, 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



Mike Mayes, CGA
Director, Financial Services / Treasurer



Anita Moore, AMCT
Commissioner, Corporate Services

MM/nh
Attachment

- 1) Appendix A (1 pg.)

Appendix A

Investment Summary for the Six Months Ended June 30, 2014

Description	Principal Amount		Starting Date	Term	January 1 to June 30, 2014			
	2014-01-01	2014-06-30			Interest Rate	Return on Investment	Benchmark Return	Incremental Income
CIBC - GIC	\$5,000,000	\$5,000,000	2013-11-01	2 Years	2.10%	\$52,068	\$30,993	\$21,075
Term deposit - Royal Bank	\$20,000,000	\$20,000,000	2014-02-07	1 year and 2 days	1.43%	\$112,049	\$97,945	\$14,104
Loan - Newmarket Soccer Club Development Charges and Planning Fees	\$69,570	\$65,082	2011-09-30	10 Years	4.00%	\$1,343	\$420	\$923
Loan - Newmarket Soccer Club Indoor Facility Mortgage	\$2,800,000	\$2,800,000	2013-12-20	3 Years *	Prime Rate** +2%	\$69,425	\$17,357	\$52,068
Loan - Solar Panels	\$277,060	\$271,039	2013-12-01	10 Years	Prime Rate**	\$3,989	\$1,662	\$2,327
Loan - Honeywell Phase 2 Energy Retrofit Project	\$1,187,476	\$2,627,803	2013-12-10	15 years	Prime Rate**	\$18,140	\$7,558	\$10,582
Total	\$29,334,106	\$30,763,924				\$257,014	\$155,935	\$101,079
Incremental investment income included in 2014 Operating Budget, transferred to the Tax-Supported Operating Fund in 2014 per the Investment Strategy								\$62,500
Incremental investment income allocated to reserve funds in 2014 per the Investment Strategy								\$38,579

*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%.