

2020 Investment Report

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Correspondence for Information Only
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Recommended by:	General Manager of Corporate Services

Report Summary

This report provides information regarding the investment activities for the year and certifies that all investments made in the year 2020 were in compliance with both City's Investment Policy (Bylaw 2010-246F) and Ontario Regulations 655/05.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report supports Council's strategic pillar of Responsive, Fiscally Prudent, Open Governance.

Financial Implications

There are no financial implications associated with this report.

Background

In accordance with the City's Investment Policy (Bylaw 2010-246F), there is a requirement that the Treasurer present an investment report to Council annually.

This report summarizes the investment activities for the year and certifies that all investments made in the year 2020 were in compliance with both the policy and the Ontario Regulation 655/05.

The City of Greater Sudbury's investment portfolio, at cost, was as follows:

	December 31, 2020	December 31, 2019
Long Term Investment	\$136,703,238	\$120,527,633
Short Term Investment	\$377,667,080	\$184,945,606
Total Investment Portfolio	\$514,370,318	\$305,473,239

The breakdown of these investments is as follows:

	December 31, 2020	December 31, 2019

Canada Bonds	\$882,517	\$648,715
Provincial Bonds	\$107,538,624	\$71,446,932
Municipal Bonds	\$9,507,623	\$18,985,523
Term Deposits, GIC's, etc	\$396,441,554	\$214,392,069
Total	\$514,370,318	\$305,473,239

The large increase in the investment portfolio at the end of 2020 was due mainly to the \$200,000,000 of debt secured in March of 2020. To date approximately \$170,000,000 of this debt remains available for investment. To ensure liquidity of these funds for use on the large projects, these funds were invested in short term investments.

During the year, 93 (2019 -50) separate investment transactions were completed. Interest earned on investments, excluding capital gains, plus interest earned on average daily bank balances, yielded an average rate of return of 1.89% (2019 – 2.58%).

Interest earnings of \$3,610,345 (2019 - \$5,368,937) were credited to reserve and trust funds. The balance of investment income was earned by capital and operating funds. In accordance with the investment policy, the investment income earned by the capital fund was attributed to the operating fund. Including interest earned from the bank, other sources, and capital gains, the operating fund was credited with \$8,496,542 (budget \$3,805,000) interest revenue. In 2019, \$4,527,223 of interest revenue was credited to the operating fund.