

**Priorities Committee Meeting\_Apr22\_2025**


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**STRATEGIC INITIATIVE AND UPDATE**
**CIBC Wood Gundy Investment and Economic Update**
**Report Purpose**

To provide the Priorities Committee with an investment and economic update from CIBC Wood Gundy.

**Our Strategic Goals**

Goal 4 - Municipal Excellence

Goal 4 Priority - Optimal use of resources that meets the community's needs

**Report**

As part of a comprehensive review of our business model, we assessed our return on investments and identified opportunities to improve the management of County funds.

This review led to updates in our investment policy, which was approved by Council on November 28, 2023 (enclosure 1). The revised policy enhanced diversification while maintaining a strong risk management framework, ensuring a more effective and sustainable investment strategy. These changes also helped mitigate potential interest rate risk. As we transitioned our business model Wood Gundy was selected to manage our investment portfolio.

Investment update

The County held \$298.2 million in investments as of December 31, 2024. The County's investment portfolio consists of term deposits and notes, government guaranteed bonds, principal protected notes, and corporate bonds with superior credit quality, either AAA, AA, A, or R-1. As per the County's investment policy, corporate bonds can only make up a maximum of the mid-term and long-term portfolios.

<b>Investment portfolio</b>				
	<b>Balance at December 31, 2024</b>	<b>2024 weighted average return</b>	<b>Balance at December 31, 2023</b>	<b>2023 weighted average return</b>
Operating portfolio (terms up to two years)	\$90.4 million	5.14%	\$127.1 million	5.51%
Mid to long-term portfolio (two to 15 years)	\$207.8 million	4.50%	\$169.2 million	2.86%
<b>Total investments</b>	<b>\$298.2 million</b>	<b>4.72%</b>	<b>\$296.3 million</b>	<b>3.91%</b>

In 2024, the weighted average investment return on the County's mid to long-term portfolio exhibited a substantial increase of 1.64%, reaching 4.50% compared to 2.86% in 2023.

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The impact of our revised investment approach is evident in the following five-year trend of investment income:

<b>Investment income</b>	
<b>Year</b>	<b>Actual</b>
2024	\$17,413,765
2023	\$14,230,086
2022	\$11,479,284
2021	\$9,082,902
2020	\$9,864,875

By adjusting our investment approach, we have realized an increase in investment income, strengthening our municipality's financial position.

Investment and economic update

Woody Gundy will be presenting an update on our investment portfolio and providing insights into the current economic landscape.

**Council and Committee History**

November 28, 2023 Council approved Policy FIN-001-007 as revised.

**Other Impacts**

**Policy:** n/a

**Financial/Budget:** Yes

**Legislative/Legal:** n/a

**Interdepartmental:** n/a

**Master Plan/Framework:** n/a

**Enclosures**

- 1 FIN-001-007 Investments Policy
- 2 CIBC Wood Gundy presentation