

**TO: Mayor Avis & Members of Council**  
**FROM: Laurie Lindberg, Treasurer**  
**DATE: September 4, 2018**  
**SUBJECT: ONE Investment Program**

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## **BACKGROUND**

At the June 25, 2018 Council Meeting, the BDO Canada LLP auditors, Jeff Savage and Jon Evans made note that the ONE Fund Investments had severely declined and the change in market value was more than the interest earned for 2017.

Administration, as a follow-up has looked into what our options are to minimize further investment value decline and to reinvest into interest yielding accounts that are not tied to Money Market and Bond Fund investments as we cannot forecast a return for these type of investment markets. At the present time, CIBC Variable Rate GIC's are yielding 2.05% and the High Interest Savings Accounts (HISA) through ONE Investment Program are at 2.165%.

We were unable to transfer our investments directly from ONE Investment Program Money Market and Bond Fund. We first had to redeem our investment funds, set up High Interest Savings Accounts and then transfer the value of the Money Market/Bond Fund received into the new HISA accounts. This leaves us with the change in market value loss on investments to consider for this year.

One consideration is to transfer the accumulated surplus to up to December 31, 2017 of \$378,269.19 to cover the Reserve Fund \$310,618.34 and Cemetery Fund \$42,989.89, which represents the decrease in investments from the December general ledger balance and the actual value of the investments received on redemption. The balance of accumulated surplus of \$24,660.96 could then be allocated to the Reserve Funds and Cemetery Fund proportionally as a partial recoupment of unrealized interest recorded to date.

## **RECOMMENDATION**

The Administration & Finance Executive Committee recommend that Council authorize the \$378,269.19 accumulated surplus as at December 31, 2017 be allocated to the Reserve Fund in the amount of \$310,618.34 and Cemetery Fund in the amount of \$42,989.89 to cover the unrealized change in Money Market and Bond ONE Investment Program redemption. Further that the remaining \$24,660.96 accumulated surplus balance be allocated to the Reserve Funds and Cemetery Fund proportionally as a partial recoupment of unrealized interest recorded to date for 2018.

Council Approval of This Report Will approve the Administration & Finance Executive Committee recommendation to authorize the \$378,269.19 accumulated surplus as at December 31, 2017 be allocated to the Reserve Fund in the amount of \$310,618.34 and Cemetery Fund in the amount of \$42,989.89 to cover the unrealized change in Money Market and Bond ONE Investment Program redemption. Further that the remaining \$24,660.96 accumulated surplus balance be allocated to the Reserve Funds and Cemetery Fund proportionally as a partial recoupment of unrealized interest recorded to date for 2018.