

## REPORT TO COUNTY COUNCIL

# Investment Activity Report and Policy Review - 2024

**To:** Warden and Members of County Council

**From:** Director of Corporate Services

## RECOMMENDATIONS

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1. That Report CS 2025-08 entitled “Investment Activity Report and Policy Review - 2024”, for the year ended December 31, 2024, be received.

## REPORT HIGHLIGHTS

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- Investment deposits and cash balances at December 31, 2024 - \$275,607,529
- Investment income earned in 2024 - \$11,458,893

## IMPLEMENTATION POINTS

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This report fulfills the Treasurer’s obligation to report to Council as required under O.Reg. 438/97 of the *Municipal Act, 2001* and the County’s Investment Policy No. 6.06.

### Financial Impact

Interest income for 2024 surpassed the 2024 budget estimate by \$1,007,685. The interest revenues are allocated among general taxation; designated reserves in accordance with the Reserves Policy; and Development Charge Reserves in accordance with the Development Charges Act. Final allocations are determined based on year-end balances and will be presented in the year-end financial statement report.

Investment income in 2024 was \$365,000 lower than in 2023, primarily due to a 1.75% reduction in the overnight lending rate. Further cuts are expected into 2025 which will likely result in continued decline in investment returns. To mitigate risk and optimize returns in alignment with the Investment Policy, investments have been diversified across fixed-income securities, spanning multiple sectors with varying terms.

**Communications**

It is the opinion of the Treasurer that all investments held during the 2024 fiscal year, as reported herein, are consistent with the Investment Policy.

**2023-2026 STRATEGIC PLAN**

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Oxford County Council approved the **2023-2026 Strategic Plan** on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goal.

**Strategic Plan Pillars and Goals**

PILLAR 1	PILLAR 2	PILLAR 3
		
<b>Promoting community vitality</b>	<b>Enhancing environmental sustainability</b>	<b>Fostering progressive government</b>
		Goal 3.4 – Financial sustainability

See: [Oxford County 2023-2026 Strategic Plan](#)

**DISCUSSION**

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**Background**

The Oxford County Investment Policy, 6.06 governs the investment activities of the County in accordance with section 418 of the *Municipal Act, 2001*, and Ontario Regulation 438/97, as amended.

The Policy commits staff to “In accordance with legislation, submit to Council at least annually, a report on the financial position, investment performance, market value and compliance status of the portfolio. The investment report will include reporting requirements and should include:

- A statement about the performance of the portfolio of investments during the period covered by the report;

- A summary, by amount and percentage, of the composition of the investment portfolio;
- Year-end balance;
- Such other information that County Council may require or that, in the opinion of the Treasurer, should be included;
- A statement by the Treasurer as to whether or not, in their opinion, all investments were made in accordance with this Investment Policy.”

Further, the Policy requires an annual review be conducted to ensure the Policy remains relevant in respect to current economic and market conditions.

## Comments

Attachment 1 provides a summary of the cash and investments held by the County at December 31, 2024 along with comparative summary data for the years 2021 through to 2024. Total net investment income earned in 2024 was \$11,458,893 as compared to \$11,824,739 in 2023.

In summary, the County's investment portfolio in 2024 generated a 4.7% return on cash balances; Scotia Wealth Management investment account realized an average return of 1.0%; various fixed GICs and term notes realized an average of 5.1% return; and the municipal loan investments earned an average return of 3.6% in 2024.

Attachment 2 to this report is the *Summary of Holdings by Category and Details of Holdings on December 31, 2024* reports prepared by Scotia Wealth Management providing details of the investments held in the managed portfolio.

The initial deposit of \$10,000,000 made in September 2004 was augmented with an additional \$2,500,000 deposit in February 2005 and a further \$1,500,000 in February 2007 after receiving favourable year end reports. Late in 2010, approximately \$7.7M was reverted to cash from the Scotia Wealth Management investment account. Early 2016 and 2024, an additional \$10.0M and \$25.0M respectfully from general funds were invested in the investment account. The market value of the investment portfolio on December 31, 2024 of \$51,540,268 is the result of \$10,578,433 return since inception. For the 12 months ended December 31, 2024, the net investment income realized in the portfolio was 1.0%.

## Policy Review

Investment Policy, 6.06 has been reviewed by staff and there are no changes recommended at this time.

Due to the economic uncertainty at this time, staff will monitor the portfolio to ensure emphasis remains on preservation of capital while pursuing investment opportunities to improve those areas of the portfolio that are underperforming.

## CONCLUSIONS

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It is the opinion of the County Treasurer that all investments presently held by the County are consistent with the Investment Policy.

## SIGNATURES

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### Report author:

Original signed by

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Carolyn King, CPA, CA  
Senior Manager of Financial Services

### Departmental approval:

Original signed by

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Lynn S. Buchner, CPA, CGA  
Director of Corporate Services

### Approved for submission:

Original signed by

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Benjamin R. Addley  
Chief Administrative Officer

## ATTACHMENTS

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Attachment 1 – County of Oxford Investment Activity Report 2024  
Attachment 2 – Scotia Wealth Management Summary of Holdings by Category and Details of Holdings on December 31, 2024