

Information Items



Week Ending September 20, 2019

Reports

1. 2019 Interim Investment Performance Report

Intergovernmental Consultations

1. Proposed changes to Provincial laws on Joint and Several Liability
2. Proposed Provincial Policy Statement (PPS) Changes

Correspondence

1. City of Guelph Response to Intergovernmental Consultation RE: Kick Style Electric Scooter (E-Scooter)
2. Crime Stoppers Guelph Wellington RE: Fall 2019 Newsletter

Boards and Committees

1. None

Items Available in the Clerk's Office

1. None

Information Report



Service Area	Corporate Services
Date	Friday, September 20, 2019
Subject	2019 Interim Investment Performance Report
Report Number	CS-2019-25

Executive Summary

Purpose of Report

To report on the interim 2019 investment portfolio performance and holdings as required by Ontario Regulation 438/97 of the Municipal Act and the City's Council-approved Investment Policy.

Key Findings

The carrying value of the total investment portfolio as of June 30, 2019 is \$295.1 million, plus cash holdings of \$111.3 million for a total of \$406.4 million. The market value of the total investment and cash holdings as at June 30, 2019 is \$409.5 million (June 30, 2018: \$371.9 million).

Total investment income as of June 30, 2019 is \$6.1 million, which included interest earned on investments and cash of \$3.3 million and \$2.8 million of dividends, gains and other charges. This surpassed the June 30, 2018 earnings by \$900 thousand. This computes to an average rate of return of 2.33 per cent (December 31, 2018: 2.19 per cent).

The City has managed its investment portfolio in accordance with Ontario Regulation 438/97 of the Municipal Act and in accordance with the current City's Council-approved Investment Policy.

Staff continue to be innovative in order to diversify the City's investment portfolio including increasing contributions to the One Fund portfolios, considering partnerships with other municipalities and continuing to monitor the broader municipal response to the Prudent Investor Status regulation changes.

Financial Implications

Investment income reduces the amount otherwise required from property taxation to finance City services, as well as increases the value of reserve funds used to finance future expenditures.

Report

Background

Ontario Regulation 438/97 of the Municipal Act requires a municipality to adopt a statement of investment policies and goals and requires an investment report provided to Council at least annually. This report has been prepared in compliance with this regulation.

The primary objectives of the investment policy are as follows:

- Adherence to statutory requirements;
- Preservation of capital;
- Maintaining liquidity; and
- Earning a competitive rate of return.

Provincial legislation requires that the Treasurer submit an investment report to Council each year, or more frequently as specified by Council. The City's current Investment Policy requires a report on the financial position, investment performance, market value, and compliance status of the portfolio at least twice per year.

Definitions

Carrying Value: The portion of an asset's value not depreciated. Carrying value is not market value, which is determined by market forces, such as stock prices; also called book value.

Market Value: The current price at which a security can be sold.

Face Value: The value of a bond or another type of debt instrument at maturity; also called par value.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. Yield reflects coupon, term, liquidity and credit quality.

A. Statement of Performance

The investment and cash positions of the City are as follows:

Classification of Investment	Carrying value as of June 30, 2019	Carrying value as of June 30, 2018
Long-term	\$148,008,627	\$188,535,921
Short-term	\$147,096,250	\$105,559,311
Total Investments	\$295,104,877	\$294,095,232
Cash	\$111,344,208	\$75,144,061
Total Cash and Investments	\$406,449,085	\$369,239,293

As at June 30, 2019, the carrying value of the investment portfolio is \$295.1 million plus cash holdings of \$111.3 million, totaling \$406.4 million. Interest earned on investment and cash as of June 30, 2019 is \$6.1 million, which surpassed the June

30, 2018 earnings by \$900 thousand. This computes to an average rate of return of 2.33 per cent (June 30, 2018: 2.05 per cent).

The market value of the total investment and cash as at June 30, 2019 is \$409.5 million (June 30, 2018: \$371.9 million). The City's investment portfolio as at June 30, 2019 is provided in the Investment Portfolio by Issuer (Attachment-2) and the Investment Portfolio by Security (Attachment-3).

Cash Activity

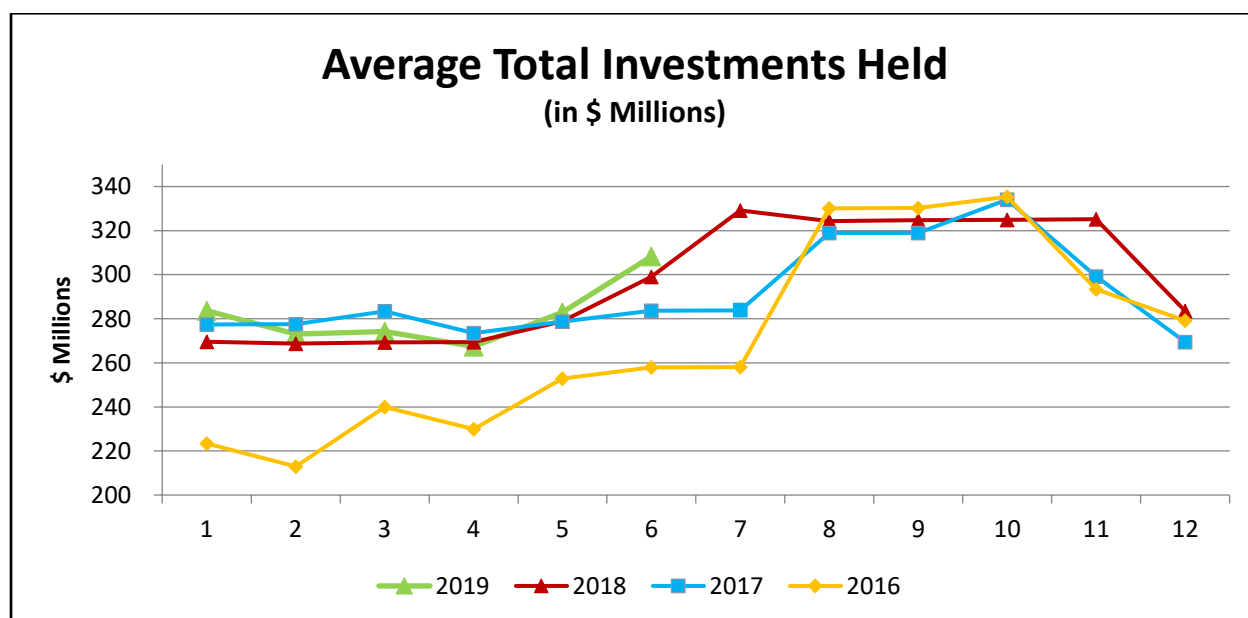
Throughout 2018, the Bank of Canada has made several rate hikes, including one in the last quarter of 2018, which increased the policy interest rate to 1.75 per cent. However, despite market speculation of increases, the rate has remained stable throughout the first six months of 2019. Rate increases represent favourable outcomes for the City's interest earned on cash balances, as it is significantly dependent on prime.

The cash balance of \$111.3 million at June 30, 2019 may appear higher than expected, however several significant transactions were deposited at the end of June; such as property tax collections of \$13.2 million, debt issuance of \$33 million and a \$10 million dollar Guaranteed Investment Certificate redemption. Approximately \$70 million of funds were invested in early July. Staff continue to monitor the cash flow on a monthly basis to ensure that any excess cash is invested earning the highest rate possible.

Investment Portfolio

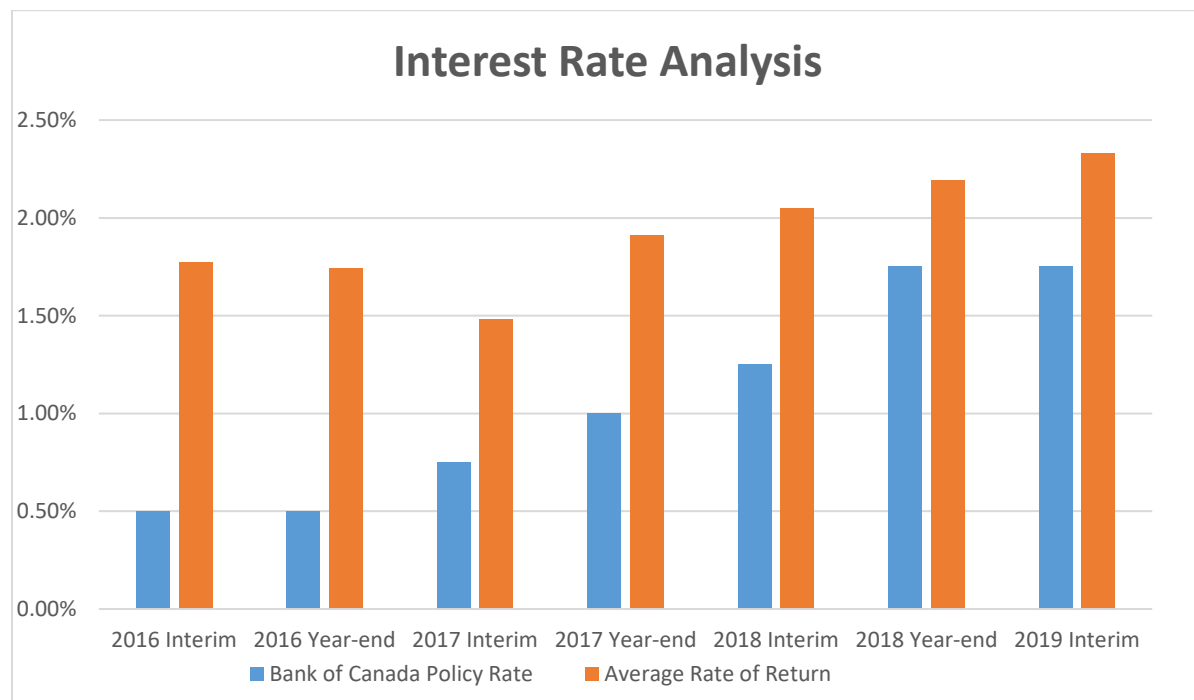
Consistent with the trend year-over-year, the City typically builds cash and investments throughout May to October, then balances decline in the last quarter, as funds are required for capital needs. Figure 1 shows the average investment portfolio (excluding cash holdings) and this annual trending over four years.

Figure 1



The City has earned a total of \$3.3 million (June 30, 2018: \$2.7 million) on its investment portfolio which excludes interest earned on cash balances of \$681 thousand. This represents an average rate of return of 2.34 per cent. As Canadian policy rates increase, typically the market does not see an immediate impact on investment returns as there is a time lag between investment brokers becoming more competitive and passing the rate benefits externally to primary markets. As illustrated in Figure 2 below, the Bank of Canada policy rate has recently stabilized and the City's average rate of return continues to increase over time.

Figure 2

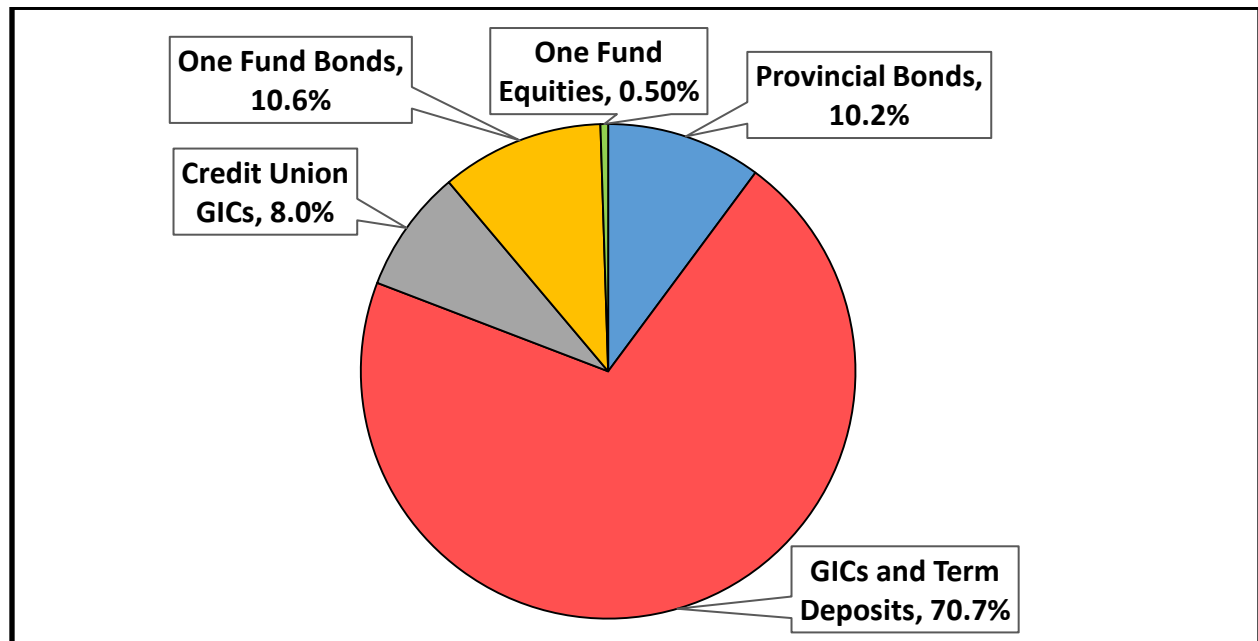


In addition to this, prior to the policy rate increases, the City had locked in at rates that are no longer favourable in today's market; however this is expected in a balanced portfolio. Staff continually monitor all investments through the approved investment advisor list to determine early redemption options when the benefit outweighs any penalties incurred. In the last quarter, staff sold approximately \$5 million units of a provincial bond as part of this review. The trade extended the bond five months past its original maturity, and generated a \$201 thousand gain.

As depicted in Figure 3 below, the majority of the City's investment portfolio is comprised of Guaranteed Investment Certificates (GICs) and Term deposits primarily because these investments are heavily dependent on prime rate. In today's market, GICs and term deposits have higher yields because of their close correlation with Bank of Canada interest rates; comparative to a very flat or inverted bond yield. In addition to this, GICs and term deposits are typically less risky as they have guaranteed returns. Market speculation suggests that the Bank of Canada will lower the policy interest rate in last half of 2019. Due to the uncertainty, the interest rate options for short-term and long-term investments are very close, approximately 5-10 basis points between one and five year maturities.

Therefore, reinvested funds have been more attractive for short-term options and GICs.

Figure 3



On June 26, 2018, Council had approved the Investment Policy to increase the allowable holdings of Joint Municipal Investment Boards by five per cent and designate the One Fund Canadian Equity Portfolio as an allowable investment option. In response, the City has purchased \$2 million of Canadian equities through the One Fund Investment Portfolio in early June. As of June 30, 2019 the equity fund market value was approximately \$29 thousand higher than the original investment.

In 2015, the City purchased \$40 million of Universal Corporate Bonds through the One Fund Investment Portfolio. As of June 30, 2019, the fund has reinvested approximately \$3.8 million dividends, recognized \$179 thousand in realized gains and increased approximately \$198 thousand in market value.

Staff continue to be innovative in order to diversify the City's investment portfolio including increasing contributions to the One Fund Investment Portfolios, considering partnerships with other municipalities and continuing to monitor the broader municipal response to the Prudent Investor Status regulation changes.

B. Own Securities

The City has not invested in its own long-term or short-term securities.

C. Investment Policy and Regulation Investment Standard Compliance

In order to aid in the achievement of the primary objectives of the Investment Policy, the policy places restrictions and limitations on investment quality, diversification, and term. The current portfolio is in compliance with the Municipal

Act and Ontario Regulation 438/97 and within the targets set out in the City's Investment Policy.

Financial Implications

Investment income reduces the amount otherwise required from property taxation to finance City services, as well as increases the value of reserve funds used to finance future expenditures.

Consultations

N/A

Corporate Administrative Plan

Overarching Goals

Financial Stability

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Our Resources - A solid foundation for a growing city

Attachments

Attachment-1: Investment Reporting Requirements

Attachment-2: City of Guelph Investment Portfolio by Issuer - Short-term and Long-term Investments at June 30, 2019

Attachment-3: City of Guelph Investment Portfolio by Security at June 30, 2019

Departmental Approval

Jade Surgeoner, CPA, CA, CIA, Manager of Financial Reporting and Accounting

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Attachment-1 to CS-2019-25

Investment Reporting Requirements

These investment reporting requirements are in accordance with Ontario Regulation 438/97 of the Municipal Act, 2001.

1. Statement of Performance
The City of Guelph has earned an average return of 2.33 per cent on its investments and cash as at June 30, 2019.
2. Investments in Own Securities
None of the 2019 investments of the City have been invested in its own long-term or short-term securities.
3. Record of Own Security Transactions
None of the 2019 investments of the City have been invested in its own long-term or short-term securities.

Statement of Treasurer re: City of Guelph Investment Policy Compliance

I, Tara Baker, General Manager, Finance and City Treasurer for the City of Guelph, hereby state that:

All investments have been made in accordance with the O.R. 438/97.



Tara Baker, CPA, CA
General Manager, Finance and City Treasurer

Attachment-2 to CS-2019-25

City of Guelph Investment Portfolio by Issuer - Short-term and Long-term Investments at June 30, 2019

Short-term Investment Portfolio – Term to Maturity (Days)

Issuer	Yield	Maturity	Carrying Value \$	30-Jun-19	Restriction	Exceeded
Meridian Credit Union	1.40%	Liquid	1,880	N/A	364	-
Meridian Credit Union	2.50%	Liquid	114,759	N/A	364	-
RBC Dominion Securities	0.70%	Liquid	154,798	N/A	364	-
Bank of Montreal HISA	2.61%	Liquid	10,003,342	N/A	364	-
One Investment HISA	2.42%	Liquid	53,366,085	N/A	364	-
RBC Dominion Securities	1.20-2.82%	Various<1 year	9,942,576	<364	364	-
RBC Dominion Securities	2.15%	19-Aug-19	10,000,000	50	364	-
Meridian Credit Union	3.02%	14-Sep-19	17,833,419	76	364	-
Meridian Credit Union	2.94%	04-Nov-19	3,860,250	127	364	-
CIBC	2.99%	06-Dec-19	19,819,141	159	364	-
TD Wealth	2.50%	06-Jan-20	15,000,000	190	364	-
Meridian Credit Union	3.00%	08-Feb-20	5,000,000	223	364	-
Meridian Credit Union	2.90%	21-May-20	2,000,000	326	364	-

Short-term Investment Total Carrying Value \$147,096,250

Long-term Investment Portfolio – Term to Maturity (Years)

Issuer	Yield	Maturity	Carrying Value \$	30-Jun-19	Restriction	Exceeded
Joint Municipal Investments - Bond	Variable	Liquid	43,259,141	Current	N/A	-
Joint Municipal Investments - Equity	Variable	Liquid	2,029,125	Current	N/A	-
RBC Dominion Securities	1.60%-3.22%	Various>1 year	7,963,135	>365-4.3	5	-
Meridian Credit Union	2.70%	21-Nov-20	3,853,220	1.4	10	-
CIBC	2.25%	21-Jan-21	14,500,000	1.6	10	-
TD Wealth	1.78%	11-Jul-21	29,954,400	2.0	10	-
National Bank	1.81%	14-Nov-22	5,000,000	3.4	10	-
BMO Wealth Management	3.04%	02-Dec-22	5,000,010	3.4	10	-
CIBC-Provincial	3.30%	02-Dec-24	3,698,413	5.4	20	-
CIBC-Provincial	3.30%	15-May-25	5,060,988	5.9	20	-
TD Wealth	2.05%	13-Aug-25	10,000,000	6.1	10	-
CIBC-Provincial	4.08%	02-Dec-26	7,690,195	7.4	20	-
National Bank	2.00%	04-May-27	10,000,000	7.8	10	-

Long-term Investment Total Carrying Value \$148,008,627

Attachment-3 to CS-2019-25

City of Guelph Investment Portfolio by Security at June 30, 2019

Securities	Investment Value \$	Investment Percentage of Holdings	Policy Maximum Portfolio Percentage Limit
Federal			
Government of Canada			100%
Federal Guarantees			50%
Provincial Governments & Provincial Guarantees	41,268,748	10.2%	75%
Country Other than Canada			5%
Municipal			
City of Guelph			50%
Other Municipalities & OSIFA – AAA & AA			50%
Other Municipalities & OSIFA – A			10%
School Board, Ont. University, Local Board, Conservation Authority, Public Hospital, Housing Corp.			20%
Financial Institutions			
Schedule I Banks	287,228,543	70.7%	75%
Schedule II and III Banks			25%
Loan or Trust Corporations, Credit Union	32,663,528	8.0%	10%
Supranational Financial Institution or Government Organization			25%
Corporate Debt			25%
Commercial Paper			15%
Joint Municipal Investment Pools - Bonds	43,259,141	10.6%	15%
Joint Municipal Investment Pools – Equity	2,029,125	0.5%	5%
TOTAL	\$406,449,085	100.00%	

Provincial/Federal Consultation Alert							
Title	Ministry	Consultation Deadline	Summary	Proposed Form of Input	Rationale	Lead	Link to Ministry Website
Proposed changes to Provincial laws on Joint and Several Liability	Ministry of the Attorney General	September 27, 2019	The Ministry of the Attorney General is seeking input from municipalities on joint and several liability, insurance costs, and the 'liability chill' affecting the delivery of everyday public services.	Written comments submitted to the Ministry of the Attorney General	Changes could see lower insurance costs and reduced liability exposure for Ontario municipalities	Legal, Realty, and Court Services	https://www.attorneygeneral.jus.gov.on.ca/english/

Provincial/Federal Consultation Alert							
Title	Ministry	Consultation Deadline	Summary	Proposed Form of Input	Rationale	Lead	Link to Ministry Website
ERO#019-0279 Proposed Provincial Policy Statement (PPS) Changes	Ministry of Municipal Affairs and Housing	October 21, 2019	<p>The Province is proposing changes to the PPS to support Ontario’s Housing Supply Action Plan and recent changes to the land use planning system including Bill 108, More Homes, More Choice Act, 2019 and A Place to Grow: Growth Plan for the Greater Golden Horseshoe.</p> <p>Proposed changes include:</p> <ol style="list-style-type: none">1) Increasing Housing Supply and Mix including increasing the planning horizon from 20 to 25 years, increasing housing land supply from 10 to 12 years, and adding flexibility to the settlement area boundary expansion process.2) Protecting the Environment and Public Safety including enhancing direction to prepare for the impacts of a changing climate, and enhancing stormwater management policies.3) Reducing Barriers and Costs including requiring municipalities to fast-track development applications for certain proposals (e.g. housing), and refocusing energy policies to support a broad range of energy types and opportunities.4) Supporting Rural, Northern and Indigenous Communities including enhanced municipal engagement with Indigenous communities on land use planning.5) Supporting Certainty and Economic Growth including encouraging municipalities to assess locally-identified	Written comments submitted through ERO. Council will be requested to endorse a proposed response at the October 16 Planning Meeting prior to submitting comments through the ERO.	The PPS is the consolidated statement of the provincial government’s policies on land use planning that guides municipal decision making. Under the Planning Act municipal decisions on land use planning matters “shall be consistent with” the PPS. An endorsed Council response ensures that Council members are informed of the proposed changes and have an opportunity to contribute to the City’s response.	Planning and Building Services	https://ero.ontario.ca/notice/019-0279

			employment areas when undertaking an official plan update, and providing municipalities with greater control over employment area conversions.				
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Ministry of Transportation
Road Safety Policy Office
Safety Policy and Education Branch
87 Sir William Hearst Avenue
Building "A", Room 212
Toronto, Ontario
M3M 0B4

Re: Kick Style Electric Scooter (E-Scooter)

The City of Guelph acknowledges the efforts being made by the Ministry of Transportation (MTO) to promoting the highest standards of safety for all Ontarians who travel on our roads, including drivers, cyclists, and pedestrians. Staff welcome the opportunity to review and comment on the MTO's proposal for a kick-style electric scooter pilot period and have prepared the following comments.

Pilot Duration:

City of Guelph staff recommend reducing the pilot length to a period of 2 years, consistent with the recommendations from Share the Road Coalition, for the following reasons:

- 1) Five years is a significant period of time to put Ontarians at risk, especially if operation of e-scooters on public roads results in an increase in serious injuries or death, prior to the pilot completion;
- 2) Given the rapid pace of change of the technology, data, and communications services surrounding micro-mobility, there is an interest in moving quickly on adapting and responding with regulatory guidance;
- 3) Finally, a promising new technology and transportation mode that has the potential to address congestion and carbon emissions and positively impact municipalities in Ontario should not be unduly delayed along the path to regulation.

Operator/Rider/Vehicle Requirements Include:

Can operate on-road similar to where bicycles can operate; prohibited on controlled access highways

There are risks associated regardless of where kick-style e-scooter operation is permitted. Operating an e-scooter on an arterial roadway which lacks any cycling infrastructure and has a posted speed limit of 60 km/h, presents obvious risks to the e-scooter user. Similarly, permitting e-scooters to operate on sidewalks creates serious safety concerns for pedestrians, especially vulnerable pedestrians such as seniors, children and those with accessibility challenges.

Conversely, the exposure to risk must also be weighed. A person using an e-scooter on an arterial roadway is exposed to higher vehicle volumes than pedestrian volumes on a sidewalk. As such, the risk of being struck by a car in this instance heavily outweighs the likelihood of an e-scooter hitting a person walking on the sidewalk. This should be part of the pilot study to collect data on the number of near misses and collisions, the severity of the collision and the location of such

occurrences. A tool similar to bikemaps.org may be helpful in crowd-sourcing and collecting this data (in addition to traditional police reports).

Decades of experience with 'vehicular cycling' laws in Ontario demonstrates that people will ride where they feel most safe: on high-speed and/or high-volume roads, cyclists are frequently seen on sidewalks. Furthermore, the existing data indicates that the likelihood of suffering serious injury or death following impact by a vehicle drastically increases with vehicular speed. For these reasons, staff are uncertain that forcing this new mobility option to share the road with motorized vehicles is going to result in high levels of compliance without appropriate infrastructure.

Minimum operating age 16

Staff question whether this stipulation is necessary. There is no minimum age required to operate a bicycle on City roadways, and data from a number of other countries indicates that youth 12 years and in some cases younger can be taught the skill set required to safely operate a bicycle on Municipal roadways. Prohibiting younger riders from operating e-scooters may result in unskilled youth who wish to operate these scooters (and do so using older friends' devices) but have no access to adequate skills-based trainings.

Maximum operating speed 32 km/h

Staff suggest reducing the maximum operating speed to approximately 25 km/h, which is closer (but still slightly above) to the average operating speed of a bicycle.

Must have 2 wheels and brakes

Staff are unclear why the proposed regulation stipulates 2 wheels. It would seem that a three-wheeled scooter may create possibilities for those with accessibility challenges and support that demographic in accessing a new mode of transportation which may increase opportunities for social inclusion and mobility.

Maximum wheel diameter 17 inches

Given Staff's limited experience with these vehicles, we are uncertain of the standard sizing and models. However, as per the above if a slightly larger wheel diameter has the capacity to ensure this mode is available to users of all abilities, Staff are supportive.

Data Collection:

Municipalities to remit data to the province, as requested

Staff request further details on what types of data may be requested, in order to understand the resources that would be required to collect the necessary data.

Sincerely,

Benita van Miltenburg, Project Manager, Sustainable Transportation
Transportation Services –**Engineering and Transportation Services**
City of Guelph

519-822-1260 extension 2357

Benita.vanMiltenburg@guelph.ca



Fall 2019
2nd Quarter

The INFORMANT

CRIME 
STOPPERS
GUELPH WELLINGTON
1-800-222-TIPS (8477)

CSGW & GUELPH TRANSIT



On July 8th, CSGW unveiled a bus shelter wrap on platform 21, on Macdonell Street at Carden Street in Guelph. On hand were representatives from Guelph Transit, Guelph Police Service, Guelph Fire Service, and the CSGW Board. We are extremely pleased with the design and hope it will grab the attention and encourage citizens to come forth with information.

GUELPH POLICE SERVICE

Thank you to the Guelph Police Service for their support, by incorporating the Crime Stoppers decal on all their new cruisers. The decal is white with a reflective background and has the CSGW logo, 1-800 phone # and website.

OPP FAMILY DAY

CSGW participated in the 14th OPP Family Day held in Palmerston on September 2nd. Thank you to everyone who came out. A great day had by all.

PRESENTATIONS

Invite us to your meeting, classroom, or place of work to educate on how Crime Stoppers can help you! We provide a background on the program, explain how it works and answer all of your questions.

In addition, we have a separate presentation that specifically targets Human Trafficking. Not only will it provide education on the crime and how prevalent it is in our community, but how you can be aware of the signs and how you can help.

We also offer a program entitled **EPACT** which stands for Educate Parents And Children Together. These presentations are offered during the school year and have started up again for September. Adults and youth can learn about online threats, human trafficking, and how CSGW can put an end to these crimes, with your help.

Book your fall presentation at
info@csgw.tips.

WELCOME NEW MEMBERS

CSGW is pleased to announce four new members who have joined the Board of Directors. Beth Burns from Guelph, Christine Jehlicka also from Guelph, Rozanne Ball from Mount Forest and Brian McNally from Moorefield.

For information on how you can become a member - visit **www.csgw.tips**

PROGRAM STATISTICS

Since inception from 1988 through August 2019

Total # of Tips.....	20,959
Arrests.....	1,554
Charges Laid	4,318
Narcotics Seized.....	\$27,313,817
Property Recovered	\$10,203,746
Authorized Rewards	\$170,140

EVENTS

MOUNT FOREST SHREDDING EVENT

If you missed our event in Guelph ... don't dismay, CSGW is holding a second event in Mount Forest!

SATURDAY OCTOBER 26th - 9am - 12noon

Wellington North Fire Service located at 381 Main Street, N.

\$5 per banker's box size - drive-thru operation - paper only

Shredded on site by **Wasteco**.

Sponsored by **the co-operators-Robert J. Cattel & Associates/Desjardins-Deryck West Agent in Mount Forest**

PAST GUELPH SHREDDING EVENT

Our 9th annual community shredding event was a HUGE SUCCESS in the City of Guelph!

It took place on Sat Sept 14th, and for the first time was held on the property of Skyjack, at 201 Woodlawn Road West. We had to source a new location this year as our past host was no longer available. For this we are very grateful to **Skyjack** for allowing us to hold it on their property!

Mobile secure shredding service was provided by **Wasteco** and we THANK them for their support!

For 9 years running CSGW has not increased the price of \$5 per banker box. Skyjack sponsored the event which allowed us to benefit from the \$2,459.00 raised at the event.



BUCKET SALE

CSGW & **Young's Home Hardware** have partnered for a 5th year!



Join us on **SATURDAY NOVEMBER 30th - 8am - 5pm**. For a \$5 donation to Crime Stoppers, you can pick up a Home Hardware bucket and start shopping. For any items that you can fit in the bucket, you will receive a 20% discount from your purchases.

Hope to see you there!

www.csgw.tips



COUNTY AUCTION & BBQ



This was our 13th year hosting a charity BBQ at this event. Community support was at a record high, bringing in \$945.20 in donations for our program!!! The proceeds of the auction sales provided an additional \$1,716.75. The money raised will continue to educate and promote program awareness, and pay rewards to anonymous Tipsters for their valuable information.

THANK YOU to our community, our partners and our volunteers!