



Town of Newmarket  
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## **Q3 Operating, Capital, Water & Wastewater, Storm water and Investment Summary Information Report**

Report Number: 2019-26

Department(s): Financial Services

Author(s): Dawn Schellenberg, Manager, Finance & Accounting

Date: November 4, 2019

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

### **Executive Summary**

See below.

### **Purpose**

The purpose of this report is to advise on the results of the tax-supported operating, rate-supported operating (water, wastewater and storm water), and capital budgets, as well as the investment summary at the end of September 30, 2019.

### **Background**

To provide information regarding third quarter results of 2019.

### **Discussion**

#### **Tax Supported Operating Budget**

At the end of the third quarter of 2019, revenues were higher than budget by \$618,000, while expenditures were lower than the budget by \$5.6 million. Generally, almost all areas contributed to these variances.

Wage gapping at the end of the third quarter was \$480,000 higher than the annual budget and will favorably impact the year-end forecast.

Prior to any year-end reserve transfers, the projected tax-supported operating surplus is \$1.3 million.

**Corporate Services is forecasting to be on budget at year-end.**

In Corporate Services, lower licensing fines and parking infraction revenues are responsible for the majority of the unfavorable revenue variance. On the expense side, there is considerable gapping (in excess of \$560,000) of positions which is the major factor contributing to the favorable variance.

**The Development & Infrastructure Services Commission is estimating a net favorable variance of \$880,000.**

In Development & Infrastructure Services, there are favorable variances in many areas. Annual program spending, as well as general consulting, contract and material costs for the maintenance of roads, parks and facilities account for approximately \$1 million of the lower expenditures to date. Utility costs and solid waste contract costs are below budget and have been adjusted in the 2020 budget for this trend. Winter control and asset management costs are also below budget and gapping is a smaller factor, with three positions vacant.

Building revenues are currently \$900,000 below budget. Any shortfall will be offset by reserve fund transfers at year-end.

Staff will be recommending the establishment of a year-end transfer to an asset management reserve and any net savings in annual program spending be transferred to that reserve. The Energy and Winter Control Reserves are already at target levels.

**A year-end favorable variance of \$400,000 is forecasted in General Government.**

In General Government, the favorable revenue variance is due to higher interest revenue on our bank balances, investment income from short-term GIC's purchased with our operating funds, and higher tax penalties and interest. Tax rebates and adjustments are in line with the budget at this point in the year. Some large write offs were done in October which will result in an unfavorable year-end variance of at least \$125,000.

**Community Services is forecasting to be on budget at year-end.**

In Community Services, higher revenues are driven primarily by Children's Programs, Lessons 14 & Under, Fitness Centre, and Corporate Sponsorships. Expenses are also somewhat higher than budget, driven by casual wages and purchase of goods associated with achieving the higher revenues. Higher program revenue combined with careful monitoring of expenditures has resulted in Community Services' improved results from budget and last year.

**A year-end favorable variance of \$50,000 is projected in Property Taxes due to higher PIL revenue.**

Property taxes are currently under budget by \$640,000. This shortfall will be eliminated when the Town retained portion of the PIL's from the School Boards (\$500,000) is transferred to the Town and the 2 supplementary tax runs (\$250,000) are processed. The budget for supplementary taxes was aggressive however this year the target was achieved.

### **Central York Fire Services**

Council approved a Memorandum of Agreement which covers January 1, 2018 to December 1, 2023. The changes in the Memorandum of Agreement will be incorporated into the new collective agreement, which is currently being compiled. Salaries and benefits have been accrued at the budgeted level. Even so, wage related expenses are below budget, due to lower overtime, Workplace Safety Insurance Board reimbursements and vacant positions. The hiring of 4 additional firefighters budgeted for April 1<sup>st</sup> has been postponed to 2020.

The majority of the other expense variances are due to timing. The Wellness Program is on hold and a new provider will not be hired until 2020. More information is contained in CYFS Budget Report – Third Quarter 2019-25, which was presented to JCC on November 5<sup>th</sup>.

**A year-end forecast in excess of \$1million is anticipated, pending the results of a new collective agreement.** Any year-end surplus in excess of the reserve fund requirement (currently \$700,000 based on 2020 budget) will be transferred to the asset replacement funds per JCC.

### **Newmarket Public Library**

The third quarter results were presented to the Library Board on October 16, 2019. There are no significant year-to-date variances.

No year-end forecast was available. Any unfavorable variance would be offset by a transfer from the Library Reserve. A favorable variance would be compared against target reserve levels and any excess would be returned to the Town.

## **Capital**

Approximately \$9.9 million (19.7% of the original capital budget) was spent by the end of the third quarter on a variety of projects, including payments for 2 replacement fire trucks, IT equipment, various infrastructure projects, and vehicle replacements. The low percentage is due to a number of factors, including some project delays, slower than expected developer construction progress on parks, and the timing of payments yet to be processed. More details on Development & Infrastructure projects will be included in the Commissioner's 3<sup>rd</sup> quarter memo.

The 2019 capital projection, including amounts budgeted in prior years, totals \$26 million. If the capital projection is not met, staff will report on how this may affect the capacity to complete 2020 projects.

## **Water, Wastewater and Storm Water Budgets**

At the end of the third quarter, revenues are lower than budget by \$550,000 and expenditures are higher by \$475,000. Discussions are taking place with York Region to attempt to receive compensation for higher flushing costs in prior years. We are also reviewing higher than expected York Region water charges.

A deficit is anticipated due to lower revenues resulting from the delay in the new water meter project and higher expenses for the cost of water used. A transfer from reserves would be required.

Storm water revenues were \$500,000 higher than budget, due to timing, and will balance out at year-end. Expenditures were \$130,000 lower than budget, resulting in a \$630,000 total favorable variance.

Storm water is forecasted to be at or near budget at year-end.

## **Trends**

The Province has announced it will not force amalgamation of municipalities nor impose cuts on municipal councils. The Province wants to look at whether it would be a good idea to align the municipal fiscal year (calendar year) with the province (March 30<sup>th</sup> year-end). As well, they are looking to amend the Elections Act and Municipal Elections Act to combine the municipal and provincial voter lists. The Town was approved for a provincial grant of \$172,500 through the Audit and Accountability Fund to conduct a municipal service delivery and administrative process review.

We continue to monitor the potential impact of Bill 108, More Homes More Choices Act, 2019. A new Development Charges by-law came into effect on July 21<sup>st</sup> which incorporates some of the changes included in Bill 108.

## Investments

### *Active investments:*

The investment summary for the nine months ended September 30, 2019 (attached) provides details of all investments held as at this date. On September 30<sup>th</sup> 2 Principal Protected Notes (PPN's) totalling \$4 million were purchased which are subject to a variance between initial cost and market value. These investments entitle the Town to repayment of the Principal Amounts at maturity, in addition to the potential to receive variable interest at maturity. One 4-year note is based on the performance of the top 6 banks; the other 5-year note is based on the performance of 10 blue chip stocks.

The average weighted yield was 2.85% compared to a weighted average benchmark of 2.45% for the period. We earned incremental income of \$205,452, which was higher than the \$56,250 approved by Council in the 2019 budget to be transferred to the Tax Supported Operating Fund. Therefore, \$149,202 was allocated to the Reserve Funds.

At the end of the third quarter, the investment portfolio included:

\$65,529,417 (87.5%) GICs and PPNs with major banks  
\$9,351,994 (12.5%) in non-traditional investments  
\$17,953 <(0.01%) loan to an external party

Of the \$61.6 million in GICs, \$21.5 million are secondary market GICs. These are GICs bought back from clients who want to get out of their non-cashable GICs before maturity and purchased by the Town through one of our investment brokers, often with better yields than regular GICs. Interest on these GICs is reported based on their effective yield, in accordance with Public Sector Accounting Standards. This means the Town reports interest over the course of the GICs' term instead of recognizing it all when it matures.

\$274,575 was earned on short-term GICs held during the year. We had no short-term operating investments at the end of September.

It is the opinion of the Treasurer that all investments made were in line with the investment policies, strategies and goals adopted by the Town.

### *Passive investments:*

In addition to the active investments noted above, CIBC has paid the Town \$836,000 in interest on our bank accounts. These funds currently earn interest at an annual rate of 2.45%.

## Conclusion

See above.

## **Business Plan and Strategic Plan Linkages**

This report supports Newmarket's strategic priority of long-term financial sustainability.

## **Consultation**

The Strategic Leadership Team has reviewed the report.

## **Human Resource Considerations**

Not applicable.

## **Budget Impact**

A year-end surplus will allow us to increase our reserves and provisions.

## **Attachments**

2019 Third Quarter Operating Results  
2019 Third Quarter Capital Expenditures  
2019 Third Quarter Water, Wastewater and Stormwater Operating Results  
Investment Summary for the Nine Months Ended September 30, 2019

## **Contact**

For more information on this report, contact Dawn Schellenberg at 905-953-5300, ext. 2104 or via e-mail at [dschellenberg@newmarket.ca](mailto:dschellenberg@newmarket.ca)

## **Approval**



Mike Mayes, CPA, CGA, DPA  
Director, Financial Services/Treasurer



Esther Armchuk, B.A. (Hons), LL.B.  
Commissioner of Corporate Services

**Town of Newmarket  
2019 Third Quarter  
OPERATING RESULTS**

| Departments                              | Year-to-Date to September 30, 2019 |                     |                  | Full Year           |
|--|------------------------------------|---------------------|------------------|---------------------|
|  | ACTUAL                             | BUDGET              | VARIANCE         | Budget              |
|  | \$                                 | \$                  | \$               | \$                  |
| <b>Members of Council</b>                |                                    |                     |                  |                     |
| <i>Revenues</i>                          | -                                  | -                   | -                | -                   |
| <i>Expenditures</i>                      | 943,357                            | 932,471             | (10,886)         | 1,277,073           |
| <b>Net surplus/(deficit)</b>             | <b>(943,357)</b>                   | <b>(932,471)</b>    | <b>(10,886)</b>  | <b>(1,277,073)</b>  |
| <b>C.A.O. - Office</b>                   |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 16,578                             | 191,196             | (174,618)        | 254,932             |
| <i>Expenditures</i>                      | 2,677,865                          | 2,909,696           | 231,831          | 3,394,527           |
| <b>Net surplus/(deficit)</b>             | <b>(2,661,286)</b>                 | <b>(2,718,500)</b>  | <b>57,214</b>    | <b>(3,139,595)</b>  |
| <b>Corporate Services</b>                |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 1,394,865                          | 1,613,254           | (218,389)        | 2,151,050           |
| <i>Expenditures</i>                      | 8,198,562                          | 9,198,599           | 1,000,038        | 12,474,987          |
| <b>Net surplus/(deficit)</b>             | <b>(6,803,696)</b>                 | <b>(7,585,345)</b>  | <b>781,649</b>   | <b>(10,323,937)</b> |
| <b>Central York Fire Services</b>        |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 206,569                            | 265,919             | (59,350)         | 354,561             |
| <i>Expenditures</i>                      | 8,898,840                          | 10,286,699          | 1,387,859        | 15,126,393          |
| <b>Net surplus/(deficit)</b>             | <b>(8,692,271)</b>                 | <b>(10,020,780)</b> | <b>1,328,509</b> | <b>(14,771,832)</b> |
| <b>Community Services</b>                |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 6,900,491                          | 5,757,363           | 1,143,128        | 7,787,612           |
| <i>Expenditures</i>                      | 8,845,231                          | 8,557,550           | (287,682)        | 11,308,054          |
| <b>Net surplus/(deficit)</b>             | <b>(1,944,740)</b>                 | <b>(2,800,187)</b>  | <b>855,446</b>   | <b>(3,520,442)</b>  |
| <b>Development &amp; Infra. Services</b> |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 4,152,487                          | 4,698,126           | (545,639)        | 6,206,059           |
| <i>Expenditures</i>                      | 23,406,350                         | 26,891,390          | 3,485,040        | 36,673,764          |
| <b>Net surplus/(deficit)</b>             | <b>(19,253,862)</b>                | <b>(22,193,264)</b> | <b>2,939,402</b> | <b>(30,467,705)</b> |
| <b>Library Services</b>                  |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 185,848                            | 200,302             | (14,454)         | 331,477             |
| <i>Expenditures</i>                      | 2,563,146                          | 2,640,620           | 77,474           | 3,574,339           |
| <b>Net surplus/(deficit)</b>             | <b>(2,377,299)</b>                 | <b>(2,440,318)</b>  | <b>63,019</b>    | <b>(3,242,862)</b>  |
| <b>General Government</b>                |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 3,537,476                          | 2,334,200           | 1,203,276        | 4,551,200           |
| <i>Expenditures</i>                      | 1,297,191                          | 958,893             | (338,297)        | 1,100,489           |
| <b>Net surplus/(deficit)</b>             | <b>2,240,285</b>                   | <b>1,375,307</b>    | <b>864,978</b>   | <b>3,450,711</b>    |
| <b>Debt Servicing</b>                    |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 1,815,559                          | 1,890,559           | (75,000)         | 2,520,745           |
| <i>Expenditures</i>                      | 4,917,243                          | 4,951,525           | 34,282           | 5,711,283           |
| <b>Net surplus/(deficit)</b>             | <b>(3,101,684)</b>                 | <b>(3,060,966)</b>  | <b>(40,718)</b>  | <b>(3,190,538)</b>  |
| <b>Property Taxes</b>                    |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 63,190,619                         | 63,831,298          | (640,679)        | 63,831,298          |
| <i>Expenditures</i>                      | -                                  | -                   | -                | -                   |
| <b>Net surplus/(deficit)</b>             | <b>63,190,619</b>                  | <b>63,831,298</b>   | <b>(640,679)</b> | <b>63,831,298</b>   |
| <b>Allocations</b>                       |                                    |                     |                  |                     |
| <i>Revenues</i>                          | -                                  | -                   | -                | -                   |
| <i>Expenditures</i>                      | (1,970,768)                        | (1,970,768)         | (0)              | (2,651,973)         |
| <b>Net surplus/(deficit)</b>             | <b>1,970,768</b>                   | <b>1,970,768</b>    | <b>(0)</b>       | <b>2,651,973</b>    |
| <b>GRAND-TOTAL</b>                       |                                    |                     |                  |                     |
| <i>Revenues</i>                          | 81,400,492                         | 80,782,217          | 618,275          | 87,988,936          |
| <i>Expenditures</i>                      | 59,777,016                         | 65,356,675          | 5,579,659        | 87,988,936          |
| <b>Net surplus/(deficit)</b>             | <b>21,623,475</b>                  | <b>15,425,542</b>   | <b>6,197,933</b> | <b>0</b>            |

# Town of Newmarket

## 2019 Third Quarter

### CAPITAL EXPENDITURES

| Commission / Department / Area                          | Year-to-Date Actual<br>(September 30, 2019) (\$) | Forecast for<br>2019 (\$) | % of<br>Spending |
|---|--|---------------------------|------------------|
| <b><u>General Government</u></b>                        |  |                           |                  |
|   | 74,669   | 4,593,880                 | 1.6%             |
| <i>Forecast Revisions</i>                               | -  | (4,000,000)               |                  |
| <b>Total</b>  | <b>74,669</b>                                    | <b>593,880</b>            | <b>12.6%</b>     |
| <b><u>Corporate Services</u></b>                        |  |                           |                  |
| Information Technology                                  | 763,465  | 2,025,139                 | 37.7%            |
| Legislative Services                                    | -  | 71,295                    | 0.0%             |
| <i>Forecast Revisions</i>                               | -  | (1,000,000)               |                  |
| <b>Total</b>  | <b>763,465</b>                                   | <b>1,096,434</b>          | <b>69.6%</b>     |
| <b><u>Community Services</u></b>                        |  |                           |                  |
| Recreation & Culture Services                           | 45,051   | 712,191                   | 6.3%             |
| <i>Forecast Revisions</i>                               | -  | -                         |                  |
| <b>Total</b>  | <b>45,051</b>                                    | <b>712,191</b>            | <b>6.3%</b>      |
| <b><u>Development &amp; Infrastructure Services</u></b> |  |                           |                  |
| Planning & Building                                     | 571,662  | 914,737                   | 62.5%            |
| Roads   | 3,300,304  | 11,363,244                | 29.0%            |
| Water   | 812,587  | 4,929,873                 | 16.5%            |
| Wastewater  | 1,400  | 211,137                   | 0.7%             |
| Storm Water   | 112,868  | 929,000                   | 12.1%            |
| Facilities  | 1,721,493  | 3,270,418                 | 52.6%            |
| Parks   | 279,915  | 7,936,081                 | 3.5%             |
| Trails  | 274,460  | 1,611,238                 | 17.0%            |
| Other   | 707,206  | 1,997,917                 | 35.4%            |
| <i>Forecast Revisions</i>                               | -  | (11,000,000)              |                  |
| <b>Total</b>  | <b>7,781,895</b>                                 | <b>22,163,645</b>         | <b>35.1%</b>     |
| <b><u>Library Services</u></b>                          |  |                           |                  |
|   | 113,354  | 454,875                   | 24.9%            |
| <i>Forecast Revisions</i>                               | -  | -                         |                  |
| <b>Total</b>  | <b>113,354</b>                                   | <b>454,875</b>            | <b>24.9%</b>     |
| <b><u>Central York Fire Services</u></b>                |  |                           |                  |
|   | 1,163,667  | 9,389,539                 | 12.4%            |
| <i>Forecast Revisions</i>                               | -  | (8,000,000)               |                  |
| <b>Total</b>  | <b>1,163,667</b>                                 | <b>1,389,539</b>          | <b>83.7%</b>     |
| <b>GRAND TOTAL</b>                                      | <b>9,942,101</b>                                 | <b>26,410,564</b>         | <b>37.6%</b>     |

# Town of Newmarket

## 2019 Third Quarter

### Water, Wastewater & Stormwater Operating Results

| Area   | Year-to-date (September 30, 2019) |                    |                    |                 | Full Year Budget   |
|--|-----------------------------------|--------------------|--------------------|-----------------|--------------------|
|  | Actual                            | Budget             | Variance           |                 |                    |
|  | \$                                | \$                 | \$                 | %               |                    |
| <b>Water Rate Group</b>                              |                                   |                    |                    |                 |                    |
| <i>Revenues</i>                                      | 14,305,849                        | 14,776,638         | (470,789)          | -3.2%           | 18,985,783         |
| <i>Expenditures</i>                                  | 13,040,172                        | 12,492,050         | (548,122)          | -4.4%           | 17,770,355         |
| <b>Net</b>   | <b>1,265,677</b>                  | <b>2,284,588</b>   | <b>(1,018,911)</b> | <b>-80.5%</b>   | <b>1,215,428</b>   |
| <b>Wastewater Rate Group</b>                         |                                   |                    |                    |                 |                    |
| <i>Revenues</i>                                      | 15,519,834                        | 16,106,536         | (586,702)          | -3.6%           | 21,646,586         |
| <i>Expenditures</i>                                  | 16,734,741                        | 16,467,916         | (266,825)          | -1.6%           | 20,281,530         |
| <b>Net</b>   | <b>(1,214,907)</b>                | <b>(361,380)</b>   | <b>(853,527)</b>   | <b>236.2%</b>   | <b>1,365,056</b>   |
| <b>Storm Water Rate Group</b>                        |                                   |                    |                    |                 |                    |
| <i>Revenues</i>                                      | 2,087,968                         | 1,585,470          | 502,498            | 31.7%           | 2,069,804          |
| <i>Expenditures</i>                                  | 1,132,749                         | 1,267,134          | 134,385            | 10.6%           | 1,719,855          |
| <b>Net</b>   | <b>955,219</b>                    | <b>318,336</b>     | <b>636,883</b>     | <b>200.1%</b>   | <b>349,949</b>     |
| <b>Allocations</b>                                   |                                   |                    |                    |                 |                    |
| <i>Revenues</i>                                      | -                                 | -                  | -                  | 0.0%            | -                  |
| <i>Expenditures</i>                                  | 1,989,639                         | 1,989,639          | 0                  | 0.0%            | 2,652,852          |
| <b>Net</b>   | <b>(1,989,639)</b>                | <b>(1,989,639)</b> | <b>0</b>           | <b>0.0%</b>     | <b>(2,652,852)</b> |
| <b>Transfer To/ From Rate Stabilization Reserves</b> |                                   |                    |                    |                 |                    |
| <i>Revenues</i>                                      | -                                 | -                  | -                  | 0.0%            | -                  |
| <i>Expenditures</i>                                  | 3,386                             | 208,184            | 204,798            | 98.4%           | 277,579            |
| <b>Net</b>   | <b>(3,386)</b>                    | <b>(208,184)</b>   | <b>204,798</b>     | <b>0.0%</b>     | <b>(277,579)</b>   |
| <b>GRAND-TOTAL</b>                                   |                                   |                    |                    |                 |                    |
| <i>Revenues</i>                                      | 31,913,652                        | 32,468,644         | (554,992)          | -1.7%           | 42,702,173         |
| <i>Expenditures</i>                                  | 32,900,687                        | 32,424,923         | (475,764)          | -1.5%           | 42,702,173         |
| <b>Net</b>   | <b>(987,035)</b>                  | <b>43,721</b>      | <b>(1,030,756)</b> | <b>-2357.6%</b> | <b>-</b>           |

**Investment Summary for the Nine Months Ended September 30, 2019**  
**Reserve Fund Investment Summary for the Nine Months Ended September 30, 2019**

| Description  | Principal Amount    |                     | Starting Date | Term     | January 1 to Sept 30, 2019 |                      |                    |                    |
|--|---------------------|---------------------|---------------|----------|----------------------------|----------------------|--------------------|--------------------|
|  | 2019-01-01          | 2019-09-30          |               |          | Interest Rate              | Return on Investment | Benchmark Return   | Incremental Income |
| Royal Bank   | \$14,082,164        | \$14,643,321        | 2017-09-21    | Various  | various                    | \$217,511            | \$268,334          | -\$50,823          |
| National Bank  | \$10,000,000        | \$10,000,000        | 2018-05-11    | 3 years  | 2.93%                      | \$219,148            | \$183,247          | \$35,901           |
| Bank of Nova Scotia  | \$6,000,000         | \$6,000,000         | 2018-12-10    | 1 year   | 2.85%                      | \$127,899            | \$109,948          | \$17,951           |
| Bank of Nova Scotia  | \$6,000,000         | \$6,000,000         | 2018-12-10    | 2 years  | 3.26%                      | \$146,298            | \$109,948          | \$36,350           |
| Bank of Nova Scotia  | \$6,000,000         | \$6,000,000         | 2018-12-10    | 3 years  | 3.33%                      | \$149,439            | \$109,948          | \$39,492           |
| Bank of Nova Scotia  | \$6,000,000         | \$6,000,000         | 2018-12-10    | 4 years  | 3.43%                      | \$153,927            | \$109,948          | \$43,979           |
| CIBC   | \$6,000,000         | \$6,000,000         | 2018-12-10    | 5 years  | 3.55%                      | \$159,312            | \$109,948          | \$49,364           |
| CIBC Principal Protected Note  |                     | \$2,000,000         | 2019-09-30    | 4 years  |                            |                      | \$134              | -\$134             |
| CIBC Principal Protected Note  |                     | \$2,000,000         | 2019-09-30    | 5 years  |                            |                      | \$134              | -\$134             |
| Royal Bank   | \$0                 | \$3,437,665         | 2019-04-29    | 441 days | 2.92%                      | \$42,627             | \$35,766           | \$6,861            |
| BMO  | \$0                 | \$3,448,431         | 2019-04-29    | 406 days | 2.92%                      | \$42,761             | \$35,878           | \$6,883            |
| Loan - Newmarket Soccer Club Development Charges and Planning Fees   | \$24,686            | \$17,953            | 2011-09-30    | 10 years | 4.00%                      | \$587                | \$360              | \$227              |
| Internal Loan - Solar Panels (2013, Various Facilities)  | \$210,511           | \$202,021           | 2013-12-01    | 20 years | 3.00%                      | \$4,652              | \$3,799            | \$853              |
| Internal Loan - RJT Solar Panels (2014)  | \$540,714           | \$520,736           | 2015-01-01    | 20 years | 3.00%                      | \$11,967             | \$9,773            | \$2,194            |
| Internal Loan - Magna Solar Panels (2015)  | \$1,312,514         | \$1,266,408         | 2016-01-01    | 20 years | 2.70%                      | \$26,165             | \$23,742           | \$2,423            |
| Internal Loan - Honeywell Streetlights Retrofit Project  | \$7,611,715         | \$7,362,829         | 2013-12-10    | 20 years | 2.70%                      | \$151,906            | \$137,841          | \$14,065           |
| <b>Sub-Total</b>   | <b>\$63,782,304</b> | <b>\$74,899,365</b> |               |          |                            | <b>\$1,454,199</b>   | <b>\$1,248,747</b> | <b>\$205,452</b>   |
| Incremental investment income included in 2019 Operating Budget, transferred to the Tax-Supported Operating Fund in 2019 per the Investment Strategy |                     |                     |               |          |                            |                      |                    | <b>\$56,250</b>    |
| Incremental investment income allocated to reserve funds in 2019 per the Investment Strategy   |                     |                     |               |          |                            |                      |                    | <b>\$149,202</b>   |

**Operating Investment Summary for the Nine Months Ended Sept 30, 2019**

| Description           | Principal Amount    |            | Starting Date | Term     | January 1 to September 30, 2019 |                      |                  |                    |
|-----------------------|---------------------|------------|---------------|----------|---------------------------------|----------------------|------------------|--------------------|
|                       | 2019-01-01          | 2019-09-30 |               |          | Interest Rate                   | Return on Investment | Benchmark Return | Incremental Income |
| Van City Credit Union | \$20,000,000        |            | 2018-10-10    | 90 days  | 2.50%                           | \$10,959             | n/a              | n/a                |
| CIBC                  | 0                   | \$ -       | 2019-01-11    | 180 days | 2.83%                           | \$263,616            | n/a              | n/a                |
| <b>Sub-Total</b>      | <b>\$20,000,000</b> | <b>\$0</b> |               |          |                                 | <b>\$274,575</b>     |                  |                    |