

DATE: March 15, 2021

REPORT NO: T-10-2021

SUBJECT: **New Account with Cash Management Group**

CONTACT: Donna DeFilippis, Director of Finance

OVERVIEW:

- Cash Management Group provides investment management services and is part of Canaccord Genuity Group Inc.
- Staff is recommending that the Township open an account with Cash Management Group in order to broaden the available investment opportunities for the Township

RECOMMENDATION:

- 1) That, Report T-10-2021 regarding “New Account with Cash Management Group” dated March 15, 2021, be received; and,
- 2) That, staff be given authority to open an account with Cash Management Group.

ALIGNMENT TO STRATEGIC PLAN:

Theme #6

- Efficient, Fiscally Responsible Operations

BACKGROUND:

The Ontario Municipal Act, O. Reg.438/97 provides guidelines regarding Eligible Investments for municipalities. The Township currently holds investments with RBC Dominion Securities Inc., Meridian and BMO. In addition, the Township uses CIBC as their daily bank. Investments are held in highly secure instruments such as bonds, debentures and GICs (Guaranteed Investment Certificates). At the end of 2020, investments totalled approximately \$8.2 million. The current economic conditions have resulted in low interest rates and it appears that this trend will continue into the near future.

CURRENT SITUATION:

The Cash Management Group is a Canadian investment firm that works with many municipalities, publically-funded organizations and public-sector companies. They are part of investment company Canaccord Genuity Group Inc. They work with 45 banks,

credit unions and trust companies and share the best rates with their clients. The Treasurer has had discussions with representatives at Cash Management Group and was impressed that a relationship with them would be flexible and without obligations. The Township is not committed to investing a minimum amount and there are no fees associated with the service. The only action that needs to take place is to open an account with them. Investments with the Cash Management Group will preserve the initial investment and will provide various liquidity options.

Some of the municipal clients using Cash Management Group include the City of St. Catharines, Town of Richmond Hill, City of Barrie, City of Greater Sudbury and Town of Marathon.

FINANCIAL IMPLICATIONS:

There are no costs to opening an account with Cash Management Group. It will provide a platform to staff to have access to additional investment opportunities among a multitude of banks and credit unions. This is especially important during the current economic landscape of low interest rates.

INTER-DEPARTMENTAL COMMENTS:

This report was reviewed by the CAO.

CONCLUSION:

Staff is recommending that Council give staff authority to open an account with Cash Management Group.

Prepared & Submitted by:



Donna DeFilippis, Director of Finance

Approved by:



Bev Hendry, CAO