



Municipal Client Questionnaire

Recommended Review: The MCQ should be reviewed and updated annually in conjunction with the review of the Investment Policy Statement.

However, an update should happen within 90 days if:

- a. There is a significant change in the municipality's financial circumstances, or
- b. There is a significant change in the municipality's "money not required immediately"

A complete update is not needed for in-year change. Municipalities can provide written notice of changes by using the mid-year MCQ update form.

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: Corporation of the City of Quinte West

1.2 ADDRESS: 7 Creswell Drive, Trenton, ON K8V 5R6

1.3 TREASURER INFORMATION

i. Name: David Clazie

ii. Phone Number: (613) 392 - 2841 iii. Email: davidc@quintewest.ca

iii. Email: _____

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION**

i. Name: Caleb DenOuden

ii. Title: Deputy Treasurer, Acting Deputy Director of Finance

iii. Phone Number: (613) 392 - 2841 iv. Email: calebd@quintewest.ca

**Primary day-to-day contact should have a comprehensive understanding of the Municipality's financial position and investment needs.

2. INVESTMENT KNOWLEDGE AND EXPERIENCE

2.1 Which statement best describes the Municipality's level of investment knowledge and experience with financial markets and products?

- Very limited knowledge
- Basic knowledge and minimal experience
- Good knowledge and some investment experience
- Strong knowledge and experience
- Advanced knowledge and extensive experience

2.2 Check the following list of investments that apply to the Municipality's current investment portfolio. [*Check all that apply*]

- Canadian money market securities (e.g. Cash, bank accounts, HISA etc.)
- Locked-in Investments (GIC's PPN's etc.)
- Local Distribution Corporation Securities
- Securities held in third party trusts (i.e. cemetery trust, legacy fund etc.)
- Fixed income (government and/or corporate bonds)
- Equities

3. INVESTMENT OBJECTIVES AND RISK TOLERANCE

This section of the Questionnaire asks about the Municipality's Money Not Required Immediately (MNRI). In general, investors can expect a higher annualized rate of return if the investor is also willing to accept volatility or fluctuation in the market value of their investments. For example, investors can expect that the average annual rate of return for a five-year period will be higher where the portfolio's returns are varied when measured on a year by year basis, with some years having negative returns. A portfolio which has a steady return year over year, with little possibility of negative returns in any year, will most likely have a lower annualized return when measured on a rolling five-year average.

3.1 Which of the following best reflects the Municipality's investment objectives for its MNRI?

- Capital preservation is the main objective. Willingness to accept low returns in order to minimize the likelihood of losses.
- Achieve moderate growth without excessive risk to capital.
- Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns over the longer term

3.2 What is the Municipality's risk tolerance for its MNRI?

- Conservative Approach: A very small chance of loss of capital over a 5-year period
- Moderate chance of loss of capital over a 5-year period
- Greater uncertainty of outcomes with potential of higher returns over a 5-year period

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3.3 Tolerance for losses: Quantify the temporary decline (an unrealized loss) in the value of investment your Municipality can tolerate over a one-year period? Note the ONE JIB invests MNRI with the objective of attaining returns over the *long term*. Minimizing short-term volatility also reduces long term growth potential.

- Less than 5% decline
 5-10% decline
 10-15% decline
 More than 15% decline

3.4 Other information: Is there any other information about the Municipality's investment objectives and risk tolerance for its MNRI that is relevant to the IPS or Investment Plan?

NO

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.

4. FINANCIAL INFORMATION

4.1 Summary of financial information. Kindly confirm that the municipality has provided a recent copy of its audited financial statements with this MCQ.

- Yes No

4.2 Please provide a table showing reserves and reserve funds divided into "Money Required Immediately" and "Money Not Required Immediately" with investment time horizons. A template is provided on the following page as a guide.

Note: MNRI can be determined on the basis of time, source of funds, purpose of funds, or such other means as the municipality may decide is appropriate. As such, 'zero to 18 months' column of MNRI in the template might not be applicable for all municipalities.

Schedule "A"

SUMMARY OF MUNICIPAL ACCOUNTS FOR INVESTMENT PLANNING PURPOSES

G/L Account	Reserve Description	Balance Dec 31, 2020	Projected Balance Dec 31, 2022	Type	MRI (%)	MNRI (%)	MRI Amount	MNRI Amount 2-3yrs	3-5yrs	5-10yrs	10yrs
3235	Working Funds	\$ 3,794,973.91	\$ 2,794,973.91	contingency	35.78%	64.22%	\$1,000,000	\$1,794,974	\$358,995	\$1,435,979	
3300	WSIB Neer	\$ 135,046.77	\$ 135,046.77	stabilization	25.00%	75.00%	\$33,762	\$101,285	\$20,257		
3301	Trenton Fire Area Reserve	\$ 446,025.76	\$ 366,025.76	surplus	25.00%	75.00%	\$91,506	\$274,519			\$274,519
3302	Winter Control	\$ 1,400,000.00	\$ 1,400,000.00	stabilization	25.00%	75.00%	\$350,000	\$1,050,000	\$210,000	\$840,000	
3303	Social Services General	\$ 286,733.46	\$ 286,733.46	stabilization	25.00%	75.00%	\$71,683	\$215,050	\$43,010	\$172,040	
3305	Municipal Restructuring	\$ 50,000.00	\$ (0.00)	one-time	100.00%	0.00%	\$0	\$0			
3306	Allow Bad Debts	\$ 200,000.00	\$ 200,000.00	contingency	25.00%	75.00%	\$50,000	\$150,000	\$30,000	\$120,000	
3308	Public Works Pollution	\$ 398,700.00	\$ 198,700.00	contingency	50.00%	50.00%	\$99,350	\$99,350	\$19,870	\$79,480	
3309	General Finance	\$ 757,486.34	\$ 757,486.34	contingency	25.00%	75.00%	\$189,372	\$568,115	\$113,623	\$454,492	
3311	Planning Study	\$ 141,307.93	\$ 111,307.93	surplus	25.00%	75.00%	\$27,827	\$83,481	\$83,481		
3314	Police	\$ 195,886.52	\$ 35,886.52	surplus	25.00%	75.00%	\$8,972	\$26,915	\$26,915		
3316	Douglas Rd Storm Pond	\$ 11,253.00	\$ 11,253.00	one-time	100.00%	0.00%	\$11,253	\$0			
3317	Medical Grants	\$ 380,000.00	\$ 110,000.00	contingency	100.00%	0.00%	\$110,000	\$0			
3318	P.W. Pit Rehabilitation	\$ 630,565.48	\$ 750,565.48	contingency	0.00%	100.00%	\$0	\$750,565	\$150,113	\$600,452	
3320	Building Capital	\$ 520,953.75	\$ 380,953.75	surplus	25.00%	75.00%	\$95,238	\$285,715	\$285,715		
3321	Economic Development	\$ 702,264.27	\$ -	one-time	100.00%	0.00%	\$0	\$0			
3325	Parking	\$ 308,952.28	\$ 243,952.28	surplus	25.00%	75.00%	\$60,988	\$182,964	\$182,964		
3326	Municipal Capital	\$ 17,639,389.33	\$ 12,281,889.33	Capital Levy	18.58%	81.42%	\$2,281,889	\$10,000,000		\$5,000,000	\$5,000,000
3328	Municipal Fleet	\$ 1,010,105.58	\$ -	Capital Levy	100.00%	0.00%	\$0	\$0			
3329	Emergency Response	\$ 50,000.00	\$ 50,000.00	contingency	50.00%	50.00%	\$25,000	\$25,000	\$5,000	\$20,000	
3330	Municipal Insurance	\$ 196,258.35	\$ 96,258.35	contingency	50.00%	50.00%	\$48,129	\$48,129	\$9,626	\$38,503	
3331	Elections	\$ 127,500.00	\$ -	stabilization	100.00%	0.00%	\$0	\$0			
3332	Rural Streetlight Reserve	\$ 74,366.71	\$ 74,366.71	surplus	25.00%	75.00%	\$18,592	\$55,775	\$55,775		
3333	Facilities Reserve	\$ 150,000.00	\$ 125,000.00	surplus	25.00%	75.00%	\$31,250	\$93,750	\$93,750		
3338	Urban Streetlighting	\$ 203,463.87	\$ 203,463.87	surplus	25.00%	75.00%	\$50,866	\$152,598	\$152,598		
3339	Riverfest	\$ 22,468.79	\$ 22,468.79	one-time	25.00%	75.00%	\$5,617	\$16,852	\$16,852		
3340	Barks By the Bay	\$ 3,000.00	\$ 3,000.00	one-time	25.00%	75.00%	\$750	\$2,250	\$2,250		
3341	Community Policing	\$ 1,075.62	\$ 1,075.62	one-time	25.00%	75.00%	\$269	\$807	\$807		
3343	Tourism Reserve	\$ 6,411.53	\$ 6,411.53	one-time	25.00%	75.00%	\$1,603	\$4,809	\$4,809		
3344	Parrott's Batawa Playground	\$ 1,295.00	\$ 1,295.00	one-time	25.00%	75.00%	\$324	\$971	\$971		
3345	Energy Management Reserve	\$ 193,282.36	\$ 193,282.36	surplus	25.00%	75.00%	\$48,321	\$144,962	\$144,962		
3346	Accessibility Committee Reserve	\$ 8,120.00	\$ 8,120.00	one-time	25.00%	75.00%	\$2,030	\$6,090	\$6,090		
3348	Parkland	\$ 350,000.00	\$ 350,000.00	surplus	25.00%	75.00%	\$87,500	\$262,500	\$262,500		
3350	Film Festival	\$ 25,000.00	\$ 25,000.00	one-time	25.00%	75.00%	\$6,250	\$18,750	\$18,750		

Schedule "A"

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G/L Account	Reserve Description	Balance Dec 31, 2020	Projected Balance Dec 31, 2022	Type	MRI (%)	MNRI (%)	MRI Amount	MNRI Amount	2-3yrs	3-5yrs	5-10yrs	10yrs
3351	Wellers Bay Dredging	\$ 55,000.00	\$ 75,000.00	stabilization	100.00%	0.00%	\$75,000	\$0				
3353	Stone Church Cemetery	\$ 1,008.32	\$ (0.00)	one-time	25.00%	75.00%	\$0	\$0				
3354	Industrial Land Reserve	\$ 260,220.12	\$ 196,220.12	one-time	100.00%	0.00%	\$196,220	\$0				
3355	Mt Evergreen Cemetery	\$ 20,963.94	\$ 20,963.94	stabilization	100.00%	0.00%	\$20,964	\$0				
3357	Engineering Reserve	\$ 100,000.00	\$ 100,000.00	stabilization	100.00%	0.00%	\$100,000	\$0				
3358	Municipal Studies Reserve	\$ 30,233.04	\$ 0.00	one-time	100.00%	0.00%	\$0	\$0				
3359	Municipal Modernization Reserve	\$ 686,083.40	\$ 346,083.40	one-time	100.00%	0.00%	\$346,083	\$0				
3650	Forest Ridge Playground	\$ -	\$ -	one-time	100.00%	0.00%	\$0	\$0				
3360	MAT Reserve	\$ 154,979.62	\$ -	surplus	100.00%	0.00%	\$0	\$0				
3361	Fire Capital Replacement	\$ 145,000.00	\$ 145,000.00	Capital Levy	25.00%	75.00%	\$36,250	\$108,750	\$108,750			
3363	Quinte Humane Society	\$ -	\$ 62,500.00	one-time	100.00%	0.00%	\$62,500	\$0				
3652	Elmwood Park	\$ -	\$ -	one-time	100.00%	0.00%	\$0	\$0				
3362	Natural History Museum	\$ 250,000.00	\$ -	one-time	100.00%	0.00%	\$0	\$0				
			\$ -				\$0	\$0				
	Total City of Quinte West	\$ 32,125,375.05	\$22,170,284.22		25.46%	74.54%	\$5,645,358.14	\$ 16,524,926.08	\$ 2,408,433.00	\$8,760,946	\$5,274,519	\$0
Municipal Enterprises												
3100	Insurance	\$ 236,700.00	\$ 236,700.00	contingency	25.00%	75.00%	\$59,175	\$177,525	\$35,505	\$142,020		
3103	Fleet	\$ 758,965.94	\$ 723,965.94	Capital Levy	50.00%	50.00%	\$361,983	\$361,983	\$361,983			
3107	Water Capital	\$ 6,623,052.29	\$ 3,534,652.29	Capital Levy	50.00%	50.00%	\$1,767,326	\$1,767,326		\$267,326	\$1,500,000	
3108	Sewer Capital	\$ 4,416,566.63	\$ 3,504,566.63	Capital Levy	50.00%	50.00%	\$1,752,283	\$1,752,283		\$252,283	\$1,500,000	
3109	Pelham Building Reserve	\$ 228,165.25	\$ 18,165.25	contingency	25.00%	75.00%	\$4,541	\$13,624	\$2,725	\$10,899		
3110	Energy Management Reserve	\$ 6,802.35	\$ 6,802.35	contingency	25.00%	75.00%	\$1,701	\$5,102	\$1,020	\$4,082		
3111	Prince Edward Estates - Lifecycle Res	\$ 55,697.83	\$ 55,697.83	Capital Levy	25.00%	75.00%	\$13,924	\$41,773	\$41,773			
3112	Prince Edward Estates - OPS Reserve	\$ 21,512.94	\$ 21,512.94	contingency	100.00%	0.00%	\$21,513	\$0				
	Total Municipal Enterprises	\$ 12,347,463.23	\$ 8,102,063.23		49.15%	50.85%	\$3,982,446.73	\$ 4,119,616.50	\$ 443,006.00	\$676,610	\$3,000,000	\$0
RESERVE FUNDS												
	Development Charges	\$6,417,198.50	\$ 9,505,198.50	Reserve Fund	15.00%	85.00%	\$1,425,780	\$8,079,419	\$1,500,000	\$1,000,000	\$1,000,000	\$4,579,419
	Parklands	\$75.51	\$ 34,275.51	Reserve Fund	50.00%	50.00%	\$17,138	\$17,138	\$17,138			
	Stormwater	\$62,650.21	\$ 63,150.21	Reserve Fund	50.00%	50.00%	\$31,575	\$31,575	\$31,575			
	Provincial Gas Tax	\$93,985.87	\$ 94,485.87	Reserve Fund	50.00%	50.00%	\$47,243	\$47,243	\$47,243			
	OMCC	\$0.00	\$ (0.00)	Reserve Fund	100.00%	0.00%	\$0	\$0				
	OG Alyea Park	\$116,001.47	\$ 158,744.77	Reserve Fund	100.00%	0.00%	\$158,745	\$0				

Schedule "A"

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G/L Account	Reserve Description	Balance Dec 31, 2020	Projected Balance Dec 31, 2022	Type	MRI (%)	MNRI (%)	MRI Amount	MNRI Amount 2-3yrs	3-5yrs	5-10yrs	10yrs	
	OCIF	\$4,184,549.54	\$ 4,000,000.00	Reserve Fund	15.00%	85.00%	\$600,000	\$3,400,000			\$3,400,000	
	OCLIF	\$135,845.40	\$ 137,345.40	Reserve Fund	100.00%	0.00%	\$137,345	\$0				
	Federal Gas Tax	\$1,723,034.19	\$ 1,500,000.00	Reserve Fund	15.00%	85.00%	\$225,000	\$1,275,000			\$1,275,000	
	CTGP	\$94,712.35	\$ -	Reserve Fund	100.00%	0.00%	\$0	\$0				
	COVID	\$563,501.97	\$ -	Reserve Fund	100.00%	0.00%	\$0	\$0				
	Total Reserve Funds	\$ 13,391,555.01	\$15,493,200.26		17.06%	82.94%	\$2,642,825.74	\$12,850,374.52	\$1,595,956.00	\$1,000,000	\$5,675,000	\$4,579,419
	Total Consolidated Reserve and Reserve Funds	\$ 57,864,393.29	\$45,765,547.71		26.81%	73.19%	\$12,270,630.61	\$33,494,917.11	\$4,447,395.00	\$10,437,556	\$13,949,520	\$4,579,419



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- 4.3 Cash Flow Projections affecting MNRI by year (please provide details that may help inform the ONE JIB about potential drawdowns/additions to MNRI that you anticipate in coming years. Supporting documentation may be provided as needed.)

Type	2022	2023	2024	2025	2026-2030
Anticipated MNRI Drawdowns	\$0	\$4.4million	\$5million	\$5.4Million	\$14Million
Anticipated MNRI Contributions	\$0	\$0	\$0	\$0	\$0
Net change in MNRI	\$0	-\$4.4million	-\$5million	-\$5.4million	-\$14million

- 4.4 Please provide a copy of the Municipality's multi-year capital plan and its asset management plan, to the best of your ability, by year and funding source.

Funding/Expenditure Analysis

- 4.5 How does the Municipality manage unanticipated requests for funding? Can you characterize the probability that the municipality may need to draw down MNRI to fund unexpected budget shortfalls?

The Municipality has set aside over 25% of the expected 2022 reserve balances as MRI. This leaves over \$12M in principally protected short-term funds to deal with unanticipated requests. Due to the volume of reserves set aside for stabilization and contingency, it is highly unlikely that all designated reserves would be required in the short term.

- 4.6 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

Less than 3 years 3-5 Years 5-10 Years 10 years or more

- 4.7 Are the reserves and reserve funds that represent MNRI growing annually for the Municipality?

Yes No

- 4.8 If yes, at what approximate annual rate are they growing?

1 to 2 % 3 to 4 % Greater than 5 %

- 4.9 If no, at what approximate annual rate are they declining?

1 to 2 % 3 to 4 % Greater than 5 %



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4.10 At what annual rate is the Municipality's capital expenditures rising?

- 1 to 2 %
 3 to 4 %
 Greater than 5 %

4.11 Is there a particular year when the Municipality had unusual, large expected capital expenditure(s)?

- Yes
 No

4.12 If so, please explain the timing and nature of the expenditure(s)

4.13 Potential capital grants that are received could impact the municipality's MNRI. Please characterize any large grants that your municipality has a reasonable expectation of materializing.

None

4.14 The use of debt financing to fund future capital projects may reduce the need to drawdown MNRI to fund the projects. Please characterize how the municipality anticipates using debt financing to fund capital projects.

The Municipality will utilize debt to spread the cost of construction over the life of the asset and maintain liquidity.

5. PORTFOLIO

5.1 INFORMATION

MNRI details as at [date] <u>August 18, 2021</u>	
ONE PI Funds + HISA (Under ONE JIB) *	\$33.5million
Locked in portion (LDC shares or notes)	\$0
Pledged (in kind) Securities (Bonds, GIC's, PPN's, etc.) *	\$0
Expected Additions (withdrawals) of MNRI from ONE JIB Date funds to be remitted/paid: (DD/MM/YY) ___/___/___	\$
Total MNRI	\$33.5million



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<p>* prices of securities may change between the date they are pledged to the ONE JIB and when they are actually contributed to the ONE JIB. Drift in the security price after they have been pledged to the ONE JIB should not compel the municipality to adjust their contribution to the ONE JIB.</p>	
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- 5.2 Less liquid securities can be pledged to the ONE JIB as part of the MNRI when the municipality joins the ONE JIB. It is contemplated that the proceeds from these pledged securities would be transitioned into the ONE Prudent Investor Outcomes at maturity or at an earlier date at the discretion of the participating municipality. Please identify below the details of pledged securities that the municipality may have.
- The municipality does not have locked in investments that represent a portion of MNRI
 - The municipality has locked in investments that have previously been pledged to the ONE JIB as part of their MNRI
 - The municipality is joining the ONE JIB and will need to include the following investments as pledged securities to the ONE JIB to represent a portion of their MNRI:

Type/Description	Amount	Maturity Date

6. INVESTMENT RESTRICTIONS

- 6.1 Are the Municipality's investments subject to any prohibited investment or other similar restrictions that are not fully disclosed in the Municipal IPS?
- Yes No

If Yes, please specify.



Municipal Client Questionnaire

7. ACKNOWLEDGEMENT

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this 5th day of October, 2021.

A handwritten signature in blue ink that reads "David Clazie".

A handwritten signature in blue ink that reads "Coby DeNuden".

David Clazie
Name of Signature of Treasurer

Coby DeNuden
Second Signature (if required)



Municipal Client Questionnaire



Appendix 1 – Midyear MCQ Updates Form

Kindly provide details that explains the nature of the requested change. This should describe: the dollars involved, the timing of transactions required, and any other context to support the change request. This will allow the ONE JIB to understand how this update changes the cashflow characteristics or investment horizons of money representing MNRI relative to the most recent update to the MCQ.
