



## Municipal Client Questionnaire (MCQ)

Review and update the MCQ annually in conjunction with the review of the Investment Policy Statement.

However, update the MCQ 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"

For changes between annual reviews, provide written notice of changes by using the mid-year MCQ update form on the last page of this document.

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### 1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: MUNICIPALITY OF NEEBING

1.2 ADDRESS: 4766 HIGHWAY 61, NEEBING, ON P7L OB5

#### 1.3 TREASURER INFORMATION

- i. Name: ERIKA KROMM, CLERK-TREASURER
- ii. Phone Number: (807) 474 - 5331 iii.
- Email: CLERK@NEEBING.ORG

#### 1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION\*

- i. Name: LAURA JONES
- ii. Title: DEPUTY CLERK-TREASURER
- iii. Phone Number: (807) 474 - 5331 iv.
- Email: DEPUTYCT@NEEBING.ORG

\*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 Municipal staff (person most responsible for managing investments)'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

Does Municipal staff (person most responsible for managing investments) have prior investment industry education/designations/experience? Please describe:

N/A

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2.3 Check the following list of investment vehicles with which your municipality has used within the past five years. [*Check all that apply*]

- ☒ Canadian money market securities (e.g., Cash, bank accounts, HISA etc.)
  - ☐ Locked-in Investments (e.g., GICs, PPNs 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
  - ☐ Other – Please Describe
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### 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.*

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3.1 In relation to MNRI, which of the following best reflects the Municipality's longer-term investment objectives (return), risk tolerance (volatility of returns) and shorter-term tolerance for losses (actual or unrealized)?

|                                     |                      | Investment Objective   | Risk Tolerance  | Tolerance for short-term (3 year) losses* |
|-------------------------------------|----------------------|--|---|---|
| <input type="checkbox"/>            | Lower risk/return    | Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses | Conservative Approach: A small chance of loss of capital over a 5-year period         | Less than 5% decline                      |
| <input checked="" type="checkbox"/> | Moderate risk/return | Achieve moderate growth without excessive risk to capital  | Moderate chance of loss of capital over a 5-year period                               | 5-15% decline                             |
| <input type="checkbox"/>            | Higher risk/return   | Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns               | Greater uncertainty of outcomes with potential of higher returns over a 5-year period | More than 15% decline                     |

\* These percentages are for illustrative purposes only and to determine sensitivity to potential capital loss and do not represent a guarantee by ONE JIB or ONE Investment.

3.2 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?

Some reserve funds are contingency funds, and may not be drawn upon for years. The draw date of these funds is unknown and dependent on events outside municipal control.

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

*Note: MNRI can be determined by 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.*

### Summary of Municipal Accounts for Investment Planning Purposes

[illegible]

4.2 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                           | Next year | 2 years   | 3 to 5 years | 5 to 10 years | Greater than 10 years |
|--------------------------------|-----------|-----------|--------------|---------------|-----------------------|
| Anticipated MNRI Drawdowns     |           | (200,000) | (440,000)    |               |                       |
| Anticipated MNRI Contributions |           |           |              |               |                       |
| Net change in MNRI             |           | (200,000) | (440,000)    |               |                       |

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

- ☒ Drawdowns of current reserve balances  
☐ Drawdowns of current reserve balances inclusive of projected future budgetary contributions

4.4 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

### 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 may need to draw MNRI in the event of a major loss of infrastructure (for example a widespread uncontrolled forest fire destroying Municipal buildings and fleet). To mitigate this risk the Municipality has insurance and short-term MRI funds can be diverted. The Municipality also has a bank line of credit it can use to address short-term needs. This type of event is unpredictable, and the probability is unknown.

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

- ☒ Yes      ☐ No

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

Two Bridge replacements are anticipated in 2023. Canada Community Building Funds have been saved, Rural and Northern Stream ICIP grant funding obtained and the remainder of the project will be addressed by funds already set aside in MRI reserves. Expenditures for a new Fire Hall in 2024-2025 are dependent on whether grant funding is approved. Council previously approved the use of debt financing for the remaining funds.

4.8 Is there any near-term (within the next 24 months) decisions or uncertainties that could have a material impact on your MNRI forecasts? (e.g., projects contingent on unsecured grants, potential significant changes to debt financing strategy, significant acquisition or disposal/divestment). Provide details here:

Nothing that would affect MNRI is anticipated

## 5. PORTFOLIO INFORMATION

5.1

| MNRI details   |                    |
|--|--------------------|
| Invested in ONE JIB Outcomes.<br>Value as at (DD/MM/YY) 31/01/2023   | \$2,282,125        |
| Pledged (in kind) Securities (Bonds, GIC's, PPN's, etc.).<br>Value as at (DD/MM/YY) __/__/__   | \$ 0               |
| Expected Contributions (withdrawals) of MNRI<br>Date funds to be remitted/paid: (DD/MM/YY) __/__/__  | \$ 140,000         |
| Locked in portion (LDC shares or notes)<br>Value as at (DD/MM/YY) __/__/__   | \$ 0               |
| <b>Total MNRI *</b>  | <b>\$2,422,125</b> |
| * The market value of securities may change between the date they are pledged to the ONE JIB and the date they are contributed to the ONE JIB. |                    |

5.2 The Municipality may pledge less liquid securities to ONE JIB as part of MNRI. 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 the following investments as pledged securities that represent a portion of MNRI:

## 6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics.

| <i>Security/Investment</i> | <i>Type</i> | <i>Manager/Institution</i> | <i>Book Value</i> | <i>Market Value</i> | <i>Maturity Date (if applicable)</i> |
|----------------------------|-------------|----------------------------|-------------------|---------------------|--------------------------------------|
|                            |             |                            |                   |                     |                                      |
|                            |             |                            |                   |                     |                                      |
|                            |             |                            |                   |                     |                                      |
|                            |             |                            |                   |                     |                                      |
|                            |             |                            |                   |                     |                                      |
|                            |             |                            |                   |                     |                                      |
|                            |             |                            |                   |                     |                                      |

6.2. Describe your overall investment strategy or investment objectives.

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## 7. OTHER INFORMATION

7.1 Please provide any additional information or context on the information provided that you consider relevant to ONE JIB's understanding of your municipality's MNRI.

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### 8. INVESTMENT RESTRICTIONS

8.1 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.

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### 9. 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 \_\_\_\_\_ 7<sup>th</sup> day of February \_\_\_\_\_, 2024

Erika Kromm, Clerk-Treasurer \_\_\_\_\_

\_\_\_\_\_

A handwritten signature in black ink, appearing to read "E. Kromm", written over a horizontal line.

Name and Signature of Treasurer

Second Signature (if Required)

## Appendix 1 – Midyear MCQ Updates Form

Please provide details that explain the nature of the requested change. This should describe: the money 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 MNRI relative to the most recent update to the MCQ.

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### 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\_\_ day of \_\_\_\_, \_\_

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\_\_\_\_\_  
Name and Signature of Treasurer

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Second Signature (if required)