

## Attachment 2

### 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: Town of Innisfil

1.2 ADDRESS: 2101 Innisfil Beach Road, Innisfil, ON, L9S 1A1

#### 1.3 TREASURER INFORMATION

- i. Name: Audrey Webb
- ii. Phone Number: ( 705) 436-3740 - x2302 iii. Email: awebb@innisfil.ca

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

- i. Name: Mike Melinyshyn
- ii. Title: CFO/Director of Corporate Service & Innovation
- iii. Phone Number: ( 705) 436-3740 - x2301 iv. Email: mmelinyshyn@innisfil.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 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:

The Treasurer has basic knowledge and experience.

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The CFO has a good knowledge and some investment experience

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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*



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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 is 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?

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*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]

## Municipal Client Questionnaire (MCQ)

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		See Attached			
Anticipated MNRI Contributions					
Net change in MNRI					

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?

In the Town's analysis of MNRI we have set aside funds categorized as "short-term" to address unplanned funding requests.

While we have a high level understanding that funding will be needed, the amount and timing is unknown.

I would suggest that the probability in drawing down MNRI at an amount different from 4.2 is low.

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)

In 2026 & 2027, capital works related to Arena redevelopment, new Firehall and Orbit related infrastructure

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:

Potential impacts related to Bill 23 that would result in less DC revenues and require more Town tax levy funds.

The Town is in the process of updating our DCBS, which will include analysis of the Bill 23 impacts and related shortfalls.

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### 5. PORTFOLIO INFORMATION

#### 5.1

MNRI details	
Invested in ONE JIB Outcomes. Value as at (DD/MM/YY) <u>18</u> / <u>05</u> / <u>23</u>	\$ 44,037,896
Pledged (in kind) Securities (Bonds, GIC's, PPN's, etc.). Value as at (DD/MM/YY) <u>  </u> / <u>  </u> / <u>  </u>	\$
Expected Contributions (withdrawals) of MNRI Date funds to be remitted/paid: (DD/MM/YY) <u>01</u> / <u>07</u> / <u>23</u>	\$ 5,000,000
Locked in portion (LDC shares or notes) Value as at (DD/MM/YY) <u>31</u> / <u>12</u> / <u>22</u>	\$ 30,429,740 - InnPower 23,722 - Innterprises Inc.
Total MNRI *	\$ 79,491,358
* 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:





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### 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>
		All MNRI investments are with ONE JIB			

6.2. Describe your overall investment strategy or investment objectives.

Preservation of capital, adequate liquidity to meet financial obligations

Diversification, Income/capital appreciation

### 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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## Municipal Client Questionnaire (MCQ)

### 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 19th day of May, 2023

*A Webb*

Audrey Webb, Treasurer  
\_\_\_\_\_  
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 \_\_\_\_\_, 20\_\_\_\_

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

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Second Signature (if required)

#### 4.1 Summary of Municipal Accounts for Investment Planning Purposes

Reserve Type	Description	MRI (%)	MNRI (%)	MRI Amount	MNRI Amount	Investment Horizon of MNRI				Total Available Cash
						0-24 months (to Dec 2025)	(2026-2027)	(2028-2031)	10+ years	
Asset Renewal	Asset renewal reserve funds. Largest RF is the Capital Reserve Fund, which is where our 1% capital levy is directed to.			32,641,700	0	0	0			32,641,700
Growth	DCs & other externally restricted funds, such as Cash-in-lieu of Parkland. It also includes our ARS(Alternative Revenue Source) reserve fund, which is where our OLG gaming revenues are directed towards. The largest component of the ARS funds is to be used to fund the non-growth(BTE) share of growth projects.			31,893,008	38,887,845		9,617,630	(41,620,038)	70,890,253	70,780,853
Operating Reserves	Tax rate stabilization reserve and inspection stabilization reserve			465,170	8,649,302		55,636	60,772	8,532,894	9,114,472
				64,999,878	47,537,147	0	9,673,266	(41,559,266)	79,423,148	112,537,025

#### 4.2 Cash Flow Projections

MNRI Type	MNRI									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Opening MNRI		47,537,147	47,537,147	47,537,147	51,272,927	37,863,881	28,186,162	55,713,811	75,499,461	
Anticipated MNRI Contributions(Drawdowns)				3,735,780	(13,409,046)	(9,677,719)	27,527,648	19,785,651	3,923,687	
Net change in MNRI	0	0	0	0	(13,409,046)	(9,677,719)	27,527,648	19,785,651	3,923,687	
	0	47,537,147	47,537,147	51,272,927	37,863,881	28,186,162	55,713,811	75,499,461	79,423,148	