



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.

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: The Corporation of the Town of Whitby

1.2 ADDRESS: 575 Rossland Rd East, Whitby, ON L1N 2M8

1.3 TREASURER INFORMATION

i. Name: Fuwing Wong

ii. Phone Number: (905) 430- 4314 iii. Email: wongf@whitby.ca

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

i. Name: Bren Bozzer

ii. Title: Senior Financial Analyst

iii. Phone Number: (905) 444- 1954 iv. Email: bozzerb@whitby.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:

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

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 (1 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

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?

Please see section 5.2.1 of the IPS for the Long Term Funds investment objectives, risk tolerances and liquidity

Preferences for target date, contingency & stable return outcomes.

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

(Dollar amounts in thousands)

Reserve Type	Brief Description	MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
Asset Management Reserve	Long Term Reserve to support the Asset Management Plan	\$28,533			\$14,533	\$14,000
Capital Reserves	Growth Reserve Fund to support the Town's share of the Capital Growth Program, Various Program Reserves & mid-term requirements from the Asset Management Reserve	\$33,230	\$5,000	\$17,470	\$10,000	\$760
	Development Charges	\$44,548	\$10,162	\$13,261	\$17,192	\$3,932
Development Charges Reserve Funds	Canada Community Building RF, Building Permit Revenue RF, Parking CIL RF, Parks CIL RF, Gravel Pit Reserve, Development Future Specified Contributions	\$46,995	\$13,817	\$11,390		\$21,788
Other Obligatory Reserve Funds	Engineering Development Fee Reserve, Planning Development Fee Reserve, Bad Debt Allowance Reserve, Contingencies Reserve, Winter Control Reserve, Engineering Fees and Planning Fees	\$11,301				\$11,301
Contingency						
Total		\$164,608	\$28,979	\$42,121	\$41,726	\$51,782

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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.) (table shows dollar amounts in thousands)

Type	Next year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns	\$0	(\$28,979)	(\$42,121)	(\$41,726)	(\$51,782)
Anticipated MNRI Contributions	\$0	\$0	\$0	\$0	\$0
Net change in MNRI	\$0	(\$28,979)	(\$42,121)	(\$41,726)	(\$51,782)

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?

Unanticipated funding requests are managed through the Capital and Operating budget monitoring policies. The budget monitoring process is ongoing and continuous throughout the year. It is not likely that MNRI will need to be drawn down to fund expected budget shortfalls.

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)

Increased growth related projects and major capital builds over the next 10 years, including the construction of the new Whitby Sports Complex and the construction of the new Mid-Arterial Roadway over the next 5 years.



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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:

Forecasted Reserve and Reserve Fund balances include the impact of any capital funding related to anticipated and approved large capital grants. They also include the impact of any current or future long term debt financing employed to fund capital projects.

5. PORTFOLIO

INFORMATION

5.1

MNRI details as at March 31, 2022	
Managed by ONE JIB).	\$ 171,063,342
Value as at (DD/MM/YY) 31 / 03/22	
Pledged (in kind) Securities (Bonds, GIC's, PPN's, etc.).	na
Value as at (DD/MM/YY) ____ / ____ / ____	
Expected Contributions (withdrawals) of MNRI	\$0
Date funds to be remitted/paid: (DD/MM/YY) ____ / ____ / ____	
Locked in portion (LDC shares or notes) (Elexicon Shares)	\$ 78,401,600
Value as at (DD/MM/YY) ____ / ____ / ____	
Total MNRI *	\$ 249,464,942
* 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.

Security / Investment	Type	Manager/Institution	Book Value	Market Value	Coupons (If applicable)	Maturity Date (If applicable)
N/A – Existing Client						

6.2. Describe your overall investment strategy

Moderate Growth

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.

Principle Protected Notes held in-kind as transitional investments mature in 2024 and will be reclassified as MRI.



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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.

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 18th day of May, 2023

Fuwing Wong

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.

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____

Name and Signature of Treasurer

Second Signature (if required)