

Attachment 2

Municipal Client Questionnaire (MCQ)

The MCQ needs to be updated and reviewed annually in conjunction with your review of your Investment Policy Statement.

Additionally, update the MCQ within 90 days if you experience any significant changes, including:

- a. A significant change in your municipality's financial circumstances, or
- b. A significant change in the amount of your municipality's "money that it does not require 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.

Section 1 – Client Information

Name of Municipality: Town of Innisfil

Address: 2101 Innisfil Beach Road, Innisfil, ON, L9S 1A1

Treasurer Information

Name: Audrey Webb

Phone Number: 705-436-3740 Extension: 2302

Email: awebb@innisfil.ca

*Primary Day to Day Contact Information**

Check if same information as Treasurer above

Name: Mike Melinyshyn

Phone Number: 705-436-3740 Extension: 2301

Email: mmelinyshyn@innisfil.ca

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

Section 2 - Investment Knowledge and Experience

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 experience
- Strong knowledge and experience
- Advanced knowledge and extensive experience

2. If Municipal staff have strong or advanced knowledge, please describe where this knowledge was acquired (e.g., education, designations experience).

3. Please indicate if your municipality has used / held any of the following investment types within the past five years. *[check all that apply]*

- Canadian money market securities
- Locked-in Investments (e.g., GICs, PPNs etc.)
- Local Distribution Corporation Securities (LDC 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

Section 3 – Investment Objectives and Risk Tolerance

This section of the MCQ asks about your Municipality’s **Money that it Does Not Require 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 over 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 possibly 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.

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

Description	Investment Objective	Risk Tolerance	Tolerance for short-term (3 year) losses*
Lower risk / return <input type="checkbox"/>	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses.	Small chance of loss of capital over a 5-year period	Less than 5% decline
Moderate risk / return <input checked="" type="checkbox"/>	Balanced growth (combination of growth and income) is the main objective. Willingness to accept moderate level of risk to achieve moderate growth without excessive risk to capital.	Moderate chance of loss of capital over a 5-year period	5-15% decline
Higher risk / return <input type="checkbox"/>	Growth of capital is the main objective. Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns.	Higher risk of loss of capital over a 5-year period	More than 15% decline

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

5. *If applicable*, is there any other information about your Municipality's investment objectives and risk tolerance for its MNRI that is relevant to your Investment Policy Statement or Investment Plan?

6. How sensitive is your municipality to recognizing investment gains and losses from portfolio adjustments and market fluctuations?

For accounting purposes, the municipality only recognizes realized gains and losses. Since the municipality does not have a significant/well established plan to build reserves for asset renewal, we are sensitive to market adjustments and fluctuations.

Sections 4 and 5 of this MCQ below ask about your Municipality's MNRI, cash flow and other financial assets that may be applicable. It is intended to assist ONE Investment in obtaining an understanding of your Municipality's financial circumstances, including its cash flow needs.

Section 4 – Financial Information

7. Please provide your municipality's **MNRI** (*see note below*) by reserve (or reserve categories) with expected investment time horizons. This information can be provided in the template provided, or in a separate document.

Note: MNRI can be determined by time, source of funds, purpose of funds, or such other means as your Municipality may decide is appropriate. It is defined for your municipality in the Investment Policy Statement approved by your Council. For example, the 'less than 3 years' column of MNRI in the template might not be applicable for all municipalities.

Information has been provided as an attachment to this MCQ

8. Please provide your Municipality’s current **Cash Flow Projections for MNRI** by year. This information informs the ONE JIB about potential drawdowns /additions to MNRI that you anticipate in coming years. Supporting documentation may be provided as needed.

	Next Year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns			(19,615,559)	(503,602)	
Anticipated MNRI Contributions					
Net change in MNRI	0	0	(19,615,559)	(503,602)	0

Other information or comments (if applicable)

9. Does the MNRI drawdown forecasts in Question 8 above reflect:

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

10. What **assumptions or factors** does your municipality include in the reserve cash flow projections? For example: inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.

Assumptions used include:

- inflation included for capital projects. The factor can vary depending on the project.
- indexing of DC rates
- includes annual increase in Capital levy, and other tax levy funded reserve & reserve funds
- includes annual increase in OLG gaming revenues
- DC revenues are based on growth projections contained in DCBS

Municipal Client Questionnaire (MCQ)

11. If your Municipality has completed a **capital budget forecast**, how many years does this forecast extend?

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

12. If your Municipality has completed an **asset management plan**, how many years does this forecast extend?

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

13. To what extent has your Municipal asset management plan been integrated into the capital budget process?

The Town has been undertaking various plans/studies to address asset management, such as a facilities master plan, roads need study, etc. The recommendations from these various plans are incorporated into our 10 year capital budget forecast, however adjustments are made to the planned works due to limited financial resources. The Town increases the Capital Levy by 1% of the blended tax rate each year, however while the annual amount is increasing each year, it will be a number of years before the annual capital levy collected through property taxes is sufficient to cover the annual asset mgmt work.

Funding/Expenditure Analysis

14. How does your Municipality manage unanticipated requests for funding? What is the probability that your municipality may unexpectedly need to draw down MNRI to fund unexpected budget shortfalls?

Finance reviews additional requests, and if the cash is not available, the dept is required to identify funds in other capital projects that can be deferred or returned before the request goes to Council for approval. The cash flow forecast is based on dept estimates on when capital project work will be completed. Historically, depts over-estimate how much capital project work will be completed, therefore we usually have more cash than originally projected.

15. Is there a particular year(s) in your Capital Forecast or Asset Management Plan when your Municipality anticipates unusual or large capital expenditure(s)?

- Yes No

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

Growth			
RDS236 -Big Bay Point Road	2025	\$19M	
RDS241 -13th Line - Big Bay Point Road/25th SR to Friday Drive	2025	\$19M	
RDS248 -20th Sideroad (Bypass of IBR and Metrolinx Intersection)	2028	\$167M	
RDS313 -6th Line - County Road 27 - 20th Sideroad	2033	\$159M	
RDS406 -3rd Line, Reive to the 20th SR	2027	\$22M	
RDS408 -2nd Line, Reive Boulevard to the 20th SR	2032	\$30M	
LIB69 -ideaLAB & Library in Stroud	2027 & 2028	\$11M	
LIB42 -ideaLAB & Library in Lefroy	2026	\$9.6M	
PKS334 -Sports Complex	2026	\$13M	
PKS374 -IBP- Implement Master Plan	2028	\$18M	
PKS374 -IBP- Implement Master Plan	2033	\$23M	
FIRE58 -Fire Station #6 - Innisfil Heights	2025 & 2026	\$29M	
Fleet Vehicles Fire Station #6 - Innisfil Heights	2025	\$6.6M	
Asset Renewal			
FAC45 -Stroud Arena	2026	22.6M	
FAC46 -Morgan Russell Arena	2028	23.5M	
FAC50 -Operations Building Expansion	2025	2M	
FAC52 -Operations Frontline Staff and Storage Facility	2028	15M	

16. Do you anticipate any decisions / factors within the **next 24 months** that could have a material impact on your MNRI forecasts – either positive or negative? (e.g., projects contingent on unsecured grants, potential significant changes to your debt financing strategy, significant acquisitions or disposals/divestments).

Yes

No

If yes, please provide details

The Town is currently in negotiations with the Orbit developer that could impact our forecasted cash flow.

Section 5 – Portfolio Information

17. Please provide the breakdown of your MNRI, In-Kind securities and LDC securities by Investment type

Description	As of Date (MM/DD/YY)	Value*
Invested in ONE JIB Outcomes as of <i>Date</i> (A)	06/30/24	53,767,766
Expected contributions (withdrawals) of MNRI and <i>Date</i> MNRI to be transferred / received (B)	08/01/24	5,000,000
Total MNRI to be invested in ONE JIB Outcomes (A + B)		58,767,766
In-Kind securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (C)		
Total Current MNRI, expected contributions to MNRI and In-Kind securities (A + B + C)		58,767,766
LDC securities as of <i>Date</i> (D)	12/31/23	35,404,558
Total Municipal MNRI, In-Kind securities and LDC securities (A + B + C + D)		94,172,324

* The market value of In-Kind securities may change between the date control and management is given to ONE JIB and the date they mature after which the cash proceeds can be invested by ONE JIB.

Other information or comments (if applicable)

Section 6 – Existing Investments

18. Your Municipality may have given control and management of In-Kind securities and LDC securities to ONE JIB with its MNRI (*refer to Section 5 above*). If applicable, please identify below any details of In-Kind securities and LDC securities that your municipality may have. A template and sample have been provided on the next page for your reference, or you may attach a copy of your statement(s). If your Municipality has no such In-Kind securities/LDC securities *proceed to Section 7 of the MCQ*.



Municipal Client Questionnaire (MCQ)

The applicable information is provided as an attachment to the MCQ:

<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>
<i>SAMPLE CIBC Global Blue Chip Growth Deposit Notes, Series 12</i>	<i>PPN</i>	<i>CIBC</i>	<i>\$5,000,000</i>	<i>N/A</i>	<i>February 2030</i>
<i>SAMPLE London 3.2% May 9, 2026</i>	<i>Bond</i>	<i>N/A</i>	<i>\$1,000,000</i>	<i>\$1,098,000</i>	<i>May 9, 2026</i>
<i>SAMPLE Canada 2 7/8 July 2, 2028</i>	<i>Bond</i>	<i>N/A</i>	<i>\$2,000,000</i>	<i>\$1,945,000</i>	<i>July 2, 2028</i>

<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>

Other information or comments (if applicable)

Section 7 – Other Information

19. If there have been major changes in circumstances since the last MCQ updates (if applicable) that you would feel would require a reallocation of MNRI for your Municipality. Please advise what has changed since the last MCQ update.

20. Please provide any additional information or context that you consider relevant to ONE JIB's understanding of your municipality's MNRI, In-Kind securities and LDC securities.

Section 8 – Investment Restrictions

21. Are your Municipality's investments subject to any prohibited investment or other similar restrictions that are not fully disclosed in your Municipal Investment Policy Statement?

- Yes No

If yes, please specify

Section 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 07th day of August, 2024

Audrey Webb, Treasurer

Mike Melinyshyn, CFO/Deputy Treasurer

Audrey Webb
Digitally signed by Audrey Webb
Date: 2024.08.23 12:12:35 -04'00'

Mike Melinyshyn
Digitally signed by Mike Melinyshyn
Date: 2024.08.27 08:45:09 -04'00'

Name and Signature of Treasurer

Second Signature (if Required)



Municipal Client Questionnaire (MCQ)

Appendix 1 – Midyear MCQ Updates Form

Please provide details below that explain the nature of your 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 ONE JIB to understand how this update may change the cashflow characteristics or investment horizons of MNRI and In-Kind securities (and possibly LDC securities) relative to your current MCQ and Investment Plan.

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)