

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: Municipality of Clarington

Address: 40 Temperance Street, Bowmanville, ON L1C 3A6

Treasurer Information

Name: Trevor Pinn, CPA, CA

Phone Number: 905-623-3379 Extension: 2602

Email: tpinn@clarington.net

Primary Day to Day Contact Information*

Check if same information as Treasurer above

Name: Paul Davidson, Manager, Financial Planning/Deputy Treasurer

Phone Number: 905-623-3379 Extension: 2607

Email: pdavidson@clarington.net

*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

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? check one

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

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

Municipal Treasurer is a CPA with a familial background in banking, over 10 years of municipal investment experience including involvement with ONE Investment for over 6 years on the Board.

Deputy Treasurer has a basic understanding of the municipal investment industry and has a background in economics. Forecasting and analysis skills are high and has a strong understanding of needs of the municipality.

2.3 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

Equities have been owned through ONE Investment pool, not directly.



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Section 3 – Investment Objectives and Liquidity Needs

This section of the MCQ asks about your Municipality’s **Money that it Does Not Require Immediately** (MNRI), the purpose or investment objective and the expected investment horizon or when funds may be required to meet forecasted municipal obligations.

3.1 What is the Municipal *funding objective(s), investment horizon(s) and purpose(s)* for the MNRI?

Description (i.e. Funding Objective, Investment Purpose, or Municipal Reserve)	Total MNRI (\$)	Investment Horizon < 5 Years (\$)	Investment Horizon 5-10 Years (\$)	Investment Horizon >10 Years (\$)
Capital Growth	20000000			20000000
Total MNRI	20000000	0	0	20000000

- Additional details have been included as an attachment to this MCQ (optional).

3.2 What *assumptions or factors* does your municipality include in the cash flow projections? For example, but not limited to, inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.

We include assumptions on inflation, forecasted development charge revenue, transfers into reserve funds, gains/losses from MOC held investments, inflow from debentures, principal and interest debt payments, and minimum required reserve fund balances.

3.3 Based on *current* municipal forecasts, do you anticipate drawing down MNRI or increasing MNRI in the upcoming years?

Description	Next Year	2 years	3 years	4 years	5+ years
Anticipated MNRI Drawdowns					
Anticipated MNRI Contributions					16500000
Net Change to MNRI	0	0	0	0	16500000

3.4 Does the municipal forecasts used (above) reflect

- Drawdowns of current reserve balances to address MRI requirements, or
- Drawdowns of current reserve balances inclusive of projected future budgetary contributions to address MRI requirements

3.5 Does your municipality forecast beyond 5 years, if yes, what is the level of accuracy?

We do forecast beyond 5 years to 10 years, however the level of accuracy at this point would be moderate. We continue to develop our long-term financial planning processes which will improve the accuracy into the future.

3.6 Does your municipal forecast include any large (or unusual) capital expenditures, which are outside of normal operations?

- YES NO

3.7 Do you anticipate any *potential* change in *liquidity needs* in the future (within 2 years, within 5 years or beyond 5 years) which may impact the investment time horizon (i.e. large capital infrastructure project with timing TBD, grant funding pending etc.)? If yes, please elaborate.

Our forecasts assume only approved grants, so any grant money would reduce future needs. The timing of large capital projects that are forecasted within the next 5 years are pretty concrete, smaller capital projects may be deferred etc. (i.e. vehicles, small building repairs).

There may be additional projects required in the future as a result of approvals of in progress secondary plans which have not yet been approved. The timing would be identified once those plans have been approved.

The two new significant building projects (new community centre and pool, operations centre/firehall and training centre) are set and funding has been identified.

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

The cash flow model developed is reviewed periodically by the Treasurer who takes a conservative approach in estimating needs. Further, a time horizon of 3 years is used for MRI to mitigate the impacts of unanticipated requests and the ability of the Municipality to adapt needs within that time frame.

3.9 Are there any *other unique circumstances* to your municipality that may impact your cash flow MNRI forecast, return objectives and risk tolerance that the Investment Plan should consider?

The model we have used assumes growth based on historical numbers, if there is a significant decline this may result in either cash being needed earlier or a delay in the project completely. Conversely, as we are projected to be a high growth municipality, significant growth above our assumed numbers would bring in more cash through development charges which could improve the MNRI numbers in the short term.



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Section 4 – Municipal MNRI Information

This section summarizes the current MNRI under the management and control of the ONE JIB and the projected increase / decrease as a result of the annual review. *The total value should equal the total MNRI shown in Question 3.1.*

Description	As of Date (DD/MMM/YY)	Value*
Invested in ONE JIB as of <i>Date</i> (A)		0
Additional contributions or withdrawal of MNRI and <i>Date</i> fund to be remitted / paid (B)		20000000
Total MNRI under the management and control of ONE JIB (A + B)		20000000

- Additional details have been included as an attachment to this MCQ (optional).

Section 5 – 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_____

Trevor Pinn

Digitally signed by Trevor Pinn
Date: 2024.10.30 08:53:29
-04'00'

Name and Signature of Treasurer

Second Signature (if required)



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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 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)