



**Mike Mayes, Director
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January 6, 2016

CORPORATE SERVICES REPORT - FINANCIAL SERVICES-2016-03

TO: Mayor Tony Van Bynen and Members of Council
Committee of the Whole

SUBJECT: Corporate Financial Policies

ORIGIN: Manager, Finance and Accounting

RECOMMENDATION:

THAT Corporate Services Report - Financial Services – 2016-03 dated January 6, 2016 regarding the Corporate Financial Policies be received and the following recommendation be adopted:

- 1. THAT the following corporate financial policies, including the policies' appendices, be approved by Council;**
 - **Revised Investment Policy**
 - **Revised Mileage Policy**

- 2. AND THAT, Bylaw 2016-xx regarding Banking Related Authorities be forwarded to Council for adoption.**

COMMENTS

Purpose

The purpose of this report is to provide an overview of the corporate financial policies and recommend the approval of the same.

Budget Impact

There is no direct budget impact arising from this report.

Summary

Revisions to the investment policy will allow the Town increased flexibility in selecting investment products, particularly in the short-term. Revisions to the mileage policy address matters raised by staff and Employee Relations and the Internal Communication Committee (ERIC). Banking authorizations have been updated to reflect current processes and technologies.

Background

Based on Council priority 4.0 - Efficiency/Financial Management, Financial Services has developed its departmental priorities. One of the priorities was to develop a sustainable financial strategy. The outcomes of this strategy include updating or formalizing a series of financial policies: debt policy, reserves and reserve funds policy, asset replacement fund (ARF) policy, donations policy, and investment policy. These policies adhere to the statutory requirements and are in line with the Town's current practices. Some external consultation is being sought on the donations policy as well as the ARF policy. As they are closely linked to the Reserves and Reserve Funds Policy and the Debt Policy, they will all come forward at a later date.

At this time, updated versions of the mileage policy, investment policy and banking authorizations policy are coming forward.

Analysis and options

Key parts of each policy are highlighted below.

Revised Investment Policy

The existing Investment Policy, effective on April 16, 2012, has very stringent restrictions on the Town's investment products. As the interest rate has been and continues to be historically low, the Town's investment income is diminishing. To manage this situation, the Town needs to pursue more aggressive investment products that will have better returns on investment. The revised Investment Policy will allow the Town to have more choices to select investment products, particularly in the short-term, while adhering to statutory requirements.

Short-term investments made from the operating fund to take advantage of seasonal or cyclical variations in cash balances during the year, particularly due to the timing of tax collections and remittances, will help us achieve our budget target.

The investment strategy, which outlines the method of implementation of the investment policy, has been updated to include short-term and long-term investment parameters, as well as the addition of Schedule II banks, credit unions and trust companies.

Banking Related Authorities Update

Bylaw 1974-10 provided for the execution of cheques. Resolution R14-99 included the authorization to transfer funds between the reserve fund and general bank accounts. Since that time, more payment types have been added such as electronic direct transfers. Also, we authorize singular and recurring pre-authorized electronic payments from our account including utility payments and monthly payments to our corporate credit card supplier. The Town has started investing surplus cash which involves secured wire transfer payments for these transactions. The technology advancements have prompted us to update some of our processes and authorizations. The processing of payments has not changed for several years and has been subject to external audit each year. While there are no internal audit concerns, this bylaw formally establishes the signing authorities which have generally been supported by the default authorities of the Municipal Act.

Revised Mileage Allowance, License and Automobile Insurance Policy

The mileage policy has not been updated since 2007 and has been the subject of many questions over the years, including the most recent questions raised by ERIC. Finance became the policy owner (transferred from Human Resources) and researched what our municipal neighbours, as well as the Region, does. Suggested changes were approved by the Operational Leadership Team on December 9, 2015. The Out of Town rate has been eliminated; no other municipality differentiates between In Town and Out of Town mileage and the rationale for two rates is no longer clear. The car pool rate has been maintained to encourage and support "Smart Commuting". We are not aware of another municipality that has a car pool rate. Toll charges, as well as out of province travel, must be pre-approved in writing. A chart of distances to common facilities forms part of the policy and must be used. Mileage paid in the year will be used to calculate any applicable taxable benefit for that taxation year.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being *Well Managed through fiscal responsibility*.

CONSULTATION

The investment and the banking authorization policies have been reviewed by the Legal Department. The N6 municipalities and York Region were consulted on the mileage policy. As per standard practice, the changes to these policies have been reviewed by the Operational Leadership Team (OLT).

HUMAN RESOURCE CONSIDERATIONS

Not applicable to this report.

BUDGET IMPACT

There is no direct budget impact.

CONTACT

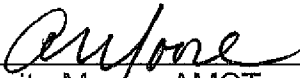
For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca



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Manager, Finance & Accounting



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Anita Moore, AMCT
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Attachments:

- a) Investment Policy (4 pgs.), including Appendix "A" - Investment Procedures (3 pgs.)
- b) Investment Strategy (2 pgs.)
- c) Bylaw 2016 -XX Banking Related Authorities (4 pgs.)
- d) Mileage Allowance, License and Auto Insurance Policy (4 pgs.), including Appendix "A" - Common Distances



CORPORATE POLICY

Sub Topic:	Investment Policy	Policy No.	FIN.3.01
Topic:	Financial Services Policy	Employees Covered:	All Employees
Section:	Financial Services	Council Adoption Date:	April 16, 2012
Effective Date:	XXX	Revision No: 1	Date: XXX

Policy Statement & Strategic Plan Linkages

The Corporation of the Town of Newmarket strives for the best utilization of its cash resources within statutory limitations and the basic need to protect and preserve capital, while maintaining solvency and liquidity to meet on-going financial requirements. This policy is in line with the Town's "Well Equipped & Managed" Strategic Plan objective.

Purpose

The purpose of the Investment Policy is to set out guiding principles for the management of the Corporation of the Town of Newmarket's surplus funds and investment portfolio. This investment policy applies to all investments made on behalf of the Town including, but not limited to, operating funds, reserves and reserve funds, trust funds and any new funds created by the Town unless otherwise specifically exempted. This Policy is not applicable to the Town's investment in business enterprise entities, such as Newmarket Hydro.

Definitions

Diversification: a process of investing assets among a range of security types by sector, maturity and quality rating.

Investment: the purchase of a financial product such as stocks, bonds, mutual funds, etc, or other item of value with an expectation of favorable future returns.

Investment Official: person who is authorized by the Council to be responsible for the Town's investment activities.

Investment Parameters: factors that define the investment decision making process and determine the investment performance.

Liquidity: a measure of an asset's convertibility to cash.

ONE Investment Program: a pooled investment program designed specifically for the municipal and broader Ontario public sector. The program is operated jointly by Local Authority Services and the CHUMS Financing Corporation, wholly owned subsidiaries of the Association of Municipalities of Ontario and the Municipal Finance Officers' Association of Ontario, respectively.

Prudent Person Standard: an investment standard outlining the fiduciary responsibilities relating to the investment practices of public fund investors.

Securities: a security is an exchangeable, negotiable instrument representing financial value. Securities are broadly categorized into debt securities (such as banknotes, bonds and debentures) and equity securities, e.g., common stocks; and derivative contracts, such as forwards, futures, options and swaps.

Yield: annual income earned from an investment, expressed usually as a percentage of the money invested.

Procedures

Standards of Care

a) Prudence

Investments shall be made with judgment and care. Under circumstances then prevailing, prudent persons will exercise their discretion and intelligence in the management of their own affairs, not for speculation, but for investment purposes, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by authorized employees dealing with investment activities shall be the prudent person standard and shall be applied in the context of managing an overall portfolio. Authorized employees acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risks or market price changes.

b) Ethics and Conflict of Interest

Investment officials and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of the Town.

c) Delegation of Authority

The Treasurer shall establish written procedures and policies for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures and policies established by the Treasurer.

d) Competitive Selection of Investments

All security transactions will be completed through a competitive process and with financial institutions approved by the Treasurer. The Town will accept an offer to purchase which has the highest rate of return for the investment term required and optimizes the investment objectives of the portfolio.

Safekeeping and Custody

All investments shall be held for safekeeping by the financial institution or broker from whom the investment was purchased. All securities shall be held in the name of the Corporation of the Town of Newmarket.

The depository shall issue a safekeeping receipt to the Town listing the specific instrument details, rate, maturity and other pertinent information. On a monthly basis (or a quarterly basis depending on the broker), the depository will also provide statements to the Treasurer for reference and decision making purposes which list all securities held for the Town, the book value of holdings and the market value as of the month (period) end date.

Eligible Investments

The following are eligible investments:

- a) Bonds, debentures, or other forms of indebtedness of or guaranteed by the Government of Canada, the Province of Ontario, or another province of Canada.

- b) Bonds, debentures, term deposits, deposit receipts or notes, certificates of Instruments issued, accepted, guaranteed or endorsed by any bank in Schedule I or II to the Bank Act or by credit unions and trust companies as defined in the Credit Unions and Caisses Populaires Act; and
- c) Bonds, debentures, or promissory notes of a metropolitan, regional or district municipality.
- d) Municipal Investment Pools such as One Fund

All eligible investments are subject to the sector limitations under the reference Investment Parameters.

Investment Parameters

The Town shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, issuer, sector and length of maturity.

To the extent possible, the Town shall attempt to match its investments with anticipated cash flow requirements. Deviation from this course of action is subject to the discretion of the Treasurer.

Performance Standards

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio.

Reporting

The Treasurer shall submit a report to Council on investment activities and returns at least annually, including but not limited to the information listed in the Investment Policy Procedures.

Appendices (which may be amended from time to time)

Appendix 'A' - Investment Policy Procedures to Investment Policy FIN.03.01

Cross References

CAO. 3-1 Employee Code of Conduct

CORP. 1-03 Accountability and Transparency Policy

Delegation By-law 2007-114

FIN. 2-01 Operating and Capital Financial Policy

Municipal Act 2001 (Excerpt) – Investment

Ontario Regulation 438/97 of the Municipal Act

Appendix "A"
Investment Policy Procedures
to
Town of Newmarket
Investment Policy FIN.03.01

Purpose

The purpose of the Investment Policy Procedures is to guide Finance staff with investment operations. These procedures shall be reviewed and updated at least every five years.

Legal Authority to Invest

Council authorizes the Treasurer to invest the Town's surplus funds in compliance with the Town's Investment Policy. The Treasurer may delegate the authority to select investment instruments in which the Town's funds may be placed to the Deputy Treasurer. The Treasurer approves the investments and retains ultimate responsibility as the fiduciary of the assets of the Town of Newmarket. The Treasurer and his/her designee shall perform their investment duties in good faith and in compliance with the Investment Policy. By so doing, they have no personal liability for their actions.

Review

An overall Town cash flow model shall be prepared prior to making any investments. This model shall include: actual cash flow for the past quarter, short term (one year) forecast for operating purposes by month, and long term (5 years and beyond) cash flow forecast for reserves and reserve funds. Cash available for short-term and long-term investments will be determined from the model analysis. The model should be reviewed and revised periodically to incorporate the actual results and any new factors to be incurred.

The Treasurer or his/her designee shall review the cash balances daily and the investment portfolio monthly or as needed.

Investment Strategy and Performance Standards

The Town will implement a passive buy and hold strategy as opposed to an active strategy of buy and sell. The structure of the portfolio will always take into consideration the cash flow needs of the Town. Given the passive nature of the Town's investment strategy, the portfolio performance benchmarks will be as follows:

- Short-term investment (within one year): prime -1.75%;
- Mid - and long-term investment: Government of Canada Marketable Bond Average Yield (5-10 years).

Notwithstanding the buy and hold strategy, the Town is not prevented from engaging in such transactions with respect to its allowable securities, as buying, redeeming and renewing

Investment Selection

All investments must be in compliance with the investment parameters outlined by the Town's Investment Policy. Further restrictions on the allowable securities and their respective term and size are as follows:

- Government of Canada Securities – not exceeding ten years, no limit;
- Provinces of Canada Securities – not exceeding ten years, no limit;
- Municipalities in Ontario: not exceeding ten years, maximum 50% of portfolio;
- Financial Institutions: Schedule I Banks – not exceeding five years, no limit; Schedule II Banks, Credit Unions and Trust Companies – not exceeding six months; maximum 50% of portfolio
- Municipal Investment Pool such as One Fund – maximum 50%;

The Senior Financial Analyst shall research the investment products and provide recommendations to the Treasurer and his/her designee. The Treasurer will make the final decision on the purchase and sale of investment products.

Investment Transactions

Investment transactions are evidenced and substantiated by properly authorized supporting documentation. All the transactions shall be reviewed and approved by the Treasurer. All the documentation shall be kept in a separate filing system for at least seven years. Dual approvals are required for all purchases of investment products, including wire transfers, in two stages, as follows:

- firstly, by any one (1) of the following employees of the Town:
 - i. the Director, Financial Services, or
 - ii. the Manager of Finance & Accounting
- and secondly, by any one (1) of the following officers of the Town:
 - i. the Treasurer; or
 - ii. the Deputy Treasurer;

and the same person may not approve any subject transaction in both stages.

Accounting, Reporting & Auditing

The Senior Financial Analyst is responsible for the accounting of the investment transactions which includes but is not limited to: journal entries, account reconciliation, and any required analysis. The Senior Financial Analyst shall provide information and supporting documentation for all investment transactions as required by the auditors during the annual auditing process.

The Treasurer shall submit a report to Council on investment activities and returns annually, including but not limited to the following:

- Securities held at the end of the reporting period;
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities that are not intended to be held until maturity;
- Average weighted yield to maturity on investments as compared to applicable benchmarks;
- Percentage of total portfolio which each type of investment represents;
- A statement by the Treasurer as to whether or not, in his or her opinion, all investments made were in line with the investment policies and procedures adopted by the Town; and
- Such other information that the Council may require or that, in the opinion of the Treasurer, shall be included.

Roles and Responsibilities:

The key persons and main tasks involved in the Town's investment activities are as follows:

Senior Financial Analyst	<ul style="list-style-type: none"> • Prepare and update cash flow model; • Research investment products and make recommendations to the Treasurer or his/her designee; • Perform accounting duties related to investment transactions; • Provide information and supporting documentation related to investment transactions to auditors.
Manager of Finance & Accounting	<ul style="list-style-type: none"> • Review the Senior Financial Analyst's work as listed above.
Treasurer	<ul style="list-style-type: none"> • Execute investment transactions, including buying, selling, redeeming and renewing; • Keep all the records of the investment transactions; • Management responsibility for investment activities; • Establish appropriate systems of internal control, procedures, and reporting practices to support investment activities; • Report investment activities to Council.
Deputy Treasurer	<ul style="list-style-type: none"> • Back up the Treasurer for the activities listed above • Second approver for all electronic transfers, including wire transfers, for investment products
Council	<ul style="list-style-type: none"> • Approve Investment Policy and Procedures and subsequent amendments; • Approve delegations to the Treasurer in relation to the investment activities.

INVESTMENT STRATEGY

(updated January 2016)

Council first adopted an Investment Policy (FIN. 3.01) on April 16, 2012. The Policy sets out the parameters and restrictions but not the method of implementation.

The Strategy

1. Projection of future cash requirements

The Town should hold sufficient levels of cash/short term investments to meet its short term capital/operating requirements.

Operations should be self-funding – even at the lowest points of the year, the bank account should remain in a positive balance. Therefore, the majority of the investments will be made from the Reserve Fund bank account. A multi-year cash flow based on future capital requirements will be prepared to determine the amounts and timing of investments.

2. Ladder approach to investments

Ultimately the Town's investment portfolio should be well staggered, with terms of 1-10 years. This ladder approach is to have investments that mature at various times

Short-term investments are investments made from the operating fund to take advantage of seasonal or cyclical variations in cash balances during the year. The emphasis would be on the timing of tax collections and remittances. Short-term investments would be limited to 30, 60, 90 days and only up to 180 days.

Long-term investments are investments made from reserve funds and would be based on long-term cash flow projections. A ten year capital program would be required to ensure adequate cash flows for future capital works and the term for investments would be limited by the availability of reliable long-term forecasts. Investment terms would be from 180 days to a maximum of 10 years.

3. Delegated authority to the Treasurer

The Treasurer is granted authority to invest the Town's surplus funds in compliance with the Town's Investment Policy.

4. Use of authorized dealers including the Region

Investments will only be undertaken with acceptable counterparties, limited to the investment dealer subsidiaries of the Schedule I and Schedule II banks to the Bank Act (Canada), Credit Unions and Trust Companies as defined in the Credit Unions and Caisses Populaires Act, the ONE Investment Program jointly operated by AMO and MFOA, and the Regional Municipality of York.

5. Investment guidelines

The investments will be limited to eligible securities as contained within regulation 438/97 as amended to the Municipal Act and those that meet or exceed our investment benchmark. Ultimately, the Town's investment portfolio should be staggered by term (laddered 1-10 years) and sector/issuer (e.g. Federal/Provincial, Municipal and bank).

Investments must adhere to the Investment Policy and Procedures which contain restrictions on the term and amount of investments by source (see Appendix "A").

6. Benchmarks for returns

The benchmark for returns, as set out in the Investment Policy, is the rate that we can get on our bank balances. This rate is currently prime less 1.75%, but is subject to change.

7. Consideration of non-traditional investments

Council may, on occasion, determine that there are opportunities to invest in projects that can earn a reasonable return. Typically, this would be a loan. It could either be to an outside party or internally to finance projects that have a monetary return (such as budgetary savings). As the use of funds for these applications would reduce the amount available for traditional investments, it would be appropriate to include them in the Investment Strategy umbrella. They would also be subject to the same reporting requirements.

The benchmark for returns on non-traditional investments is the prime rate, as this would be a reasonable target for a traditional investment allowed under the Investment Policy and Procedures.

8. Application of incremental income

Investment income from short-term investments made with funds from operations will be allocated to the operating fund.

Other funds invested will typically be from Reserve Funds. Standard practice would be to allocate any incremental income to these funds. However, in order to alleviate some of the pressure on property tax increases, it is recommended that the lesser of the annual amount determined during the budget process and the actual income earned be transferred to the Tax-Supported Operating Fund.

9. Reporting

In compliance with the Investment Policy, the Treasurer shall provide an investment report to Council annually.

Attachment:

Investment Policy (FIN.3.01) including Appendix "A"- Investment Policy Procedures (5 pgs.)



CORPORATION OF THE TOWN OF NEWMARKET

BY-LAW NUMBER 2016-XX

A BY-LAW TO PROVIDE FOR PERSONS AUTHORIZED TO SIGN CHEQUES AND OTHER BANKING RELATED AUTHORITIES ON BEHALF OF THE TOWN.

WHEREAS paragraph 3 of subsection 11(2) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended (the "Act") provides that a lower-tier municipality may pass by-laws, subject to the rules set out in subsection (4), respecting the financial management of the municipality and its local boards;

AND WHEREAS subsection 23.1(1) of the *Act* provides that without limiting sections 9, 10 and 11, those sections authorize a municipality to delegate its power and duties under this or any other Act to a person or body subject to the restrictions set out in Part II of the *Act*;

AND WHEREAS sections 23.2 and 23.3 of the *Act* do not restrict or prohibit the Town from giving delegated authority with respect to persons authorized to sign cheques and other banking related authorities;

AND WHEREAS section 287 of the *Act* provides that a municipality may provide that the signatures on a cheque of the municipality be mechanically or electronically reproduced;

AND WHEREAS pursuant to paragraph 6 of subsection 270(1) of the *Act*, this By-law complies with the terms, conditions and provisions set out in The Corporation of the Town of Newmarket's Delegation Bylaw as adopted by Council in its Council meeting of October 22, 2007, as may be amended from time to time.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF NEWMARKET ENACTS AS FOLLOWS:

1. THAT all cheques issued by the Town upon the Town's general bank account or U.S. dollar bank account shall require two (2) signatures and shall be signed:
 - (a) firstly, by any one (1) of the following officers of the Town:
 - i. the Treasurer; or
 - ii. the Deputy Treasurer;
 - (b) and secondly, by any one (1) of the following officials of the Town:
 - i. the Mayor; or
 - ii. the Deputy Mayor.
2. THAT the signature of any of the persons authorized to sign cheques under paragraph 1 of this By-law:
 - (a) may be written or engraved, lithographed, printed, or otherwise

mechanically or electronically reproduced on cheques issued by the Town upon the Town's general bank account or U.S. dollar bank account, provided that the said cheques are in amounts less than One Hundred Thousand Dollars (\$100,000.00); and

- (b) must be written on cheques issued by the Town upon the Town's general bank account or U.S. dollar bank account, if the cheques are in amounts greater than or equal to One Hundred Thousand Dollars (\$100,000).
3. THAT requests for money orders or bank drafts shall follow the same authorization procedures as under paragraphs 1 and 2 of this By-law.
4. THAT all electronic payments (EFT's) less than One Hundred Thousand Dollars (\$100,000.00) for the payment of vendors through the Accounts Payable system issued by the Town upon the Town's general bank account shall be authorized internally prior to transmission of the electronic file:

by any one (1) of the following officers of the Town:

- i. the Treasurer; or
- ii. the Deputy Treasurer.

THAT all electronic payments greater than or equal to One Hundred Thousand Dollars (\$100,000.00) for the payment of vendors through the Accounts Payable system issued by the Town upon the Town's general bank account shall be authorized internally prior to transmission of the electronic file in the following two (2) stages:

(a) firstly, by any one (1) of the following officers of the Town:

- i. the Treasurer; or
- ii. the Deputy Treasurer;

(b) and secondly, by any one (1) of the following officials of the Town:

- i. the Mayor; or
- ii. the Deputy Mayor.

5. THAT all pre-authorization documents for singular or recurring out-bound electronic payments by the Town upon the Town's general bank account shall be authorized in two (2) stages:

(a) firstly, by any one (1) of the following officials of the Town:

- i. the Mayor; or
- ii. the Deputy Mayor;

(b) and secondly, by any one (1) of the following officers of the Town:

- i. the Treasurer; or
- ii. the Deputy Treasurer

6. THAT all electronic payments for recurring payroll through the Town's payroll system issued by the Town upon the Town's general bank account shall be authorized internally prior to transmission of the electronic file in two (2) stages:

(a) firstly, by any one (1) of the following employees of the Town:

- i. Director, Financial Services; or
- ii. the Manager of Finance & Accounting;

(b) and secondly, by any one (1) of the following officers of the Town:

- i. the Treasurer; or
- ii. the Deputy Treasurer.

and the same person may not approve any subject transaction in both stages.

7. THAT the execution and signing of documents on behalf of the Corporation of the Town of Newmarket to establish business relationships, accounts, and enter into agreements with investment brokers or financial institutions for the purposes of purchasing, trading, and holding financial investments as deemed appropriate by the Treasurer or his designee and in accordance with the Town's investment policy shall be in two stages:

(a) firstly, by any one (1) of the following officials of the Town:

- i. the Mayor; or
- ii. the Deputy Mayor

(b) and secondly, by any one (1) of the following officers of the Town:

- i. the Clerk; or
- ii. the Deputy Clerk.

8. THAT the purchase of financial investments including all wire transfers of funds from the Town's general bank account shall be made only to the benefit of those investment brokers or financial institutions pre-approved in writing, as set out in (9) below.

9. THAT with respect to the actual purchase of financial investments, the transaction shall be approved in writing in two (2) stages, and using the secured wire payments facility of the Town's lead bank, as follows:

(a) firstly, by any one (1) of the following employees of the Town:

- i. the Director, Financial Services; or
- ii. the Manager of Finance & Accounting

(b) and secondly, by any one (1) of the following officers of the Town:

- i. the Treasurer; or
- ii. the Deputy Treasurer.

and the same person may not approve any subject transaction in both stages.

10. THAT other than those transactions specifically addressed in this By-law, the Treasurer or his/her designee be and is hereby authorized to sign any and all agreements, documents, or authorizations related to minor payments from the Town's general bank account, provided that any

payment from such transaction:

- (a) does not exceed Ten Thousand Dollars (\$10,000); and
- (b) is properly documented as to purpose; and
- (c) is not made to an employee of the Financial Services Department or to a related party to the Treasurer or his/her designee.

11. THAT the Treasurer or his/her designee be and is hereby authorized to sign any and all agreements, documents, or authorizations related to conducting or facilitating the Town's day to day transactions and activities for banking with the Town's approved bank, any investment agency, any credit card company or payments processing facility, software vendor, or any other payments facilitator which is a participant to the Canadian banking system. The changing of approved banks for the general banking services of the Town is not authorized herein.
12. THAT the provisions of this By-law shall come into full force and effect upon final passage hereof, at which time By-law Number 1974-10 and all previous By-laws, portions of By-laws, and/or resolutions that are inconsistent with the provisions of this By-law are hereby repealed or rescinded insofar as it is necessary to give effect to the provisions of this By-law.

ENACTED THIS XXX DAY OF XXX, 2016.

Tony Van Bynen, Mayor

Andrew Brouwer, Town Clerk



Corporate Policy Manual

Sub Topic:	Mileage Allowance, Licence & Automobile Insurance	Policy No.	FIN. xxxx
Topic:	Financial Services Policy	Employees Covered:	All Employees
Section:	Financial Services	Council Adoption Date:	xxxxx
Effective Date:	xxxxxxx	Revision No:	001 May 24, 2005 002 September 12, 2007 003 xxxxxxxx

Policy Statement & Strategic Plan Linkages

The Town of Newmarket acknowledges that employees should be compensated for the expenses associated with the use of personal vehicles on Town business. Further, the Town recognizes that setting standards for drivers' licence, qualifications and automobile insurance are important to protect employees and to minimize risk and liability to the Town.

Purpose

The purpose of this policy is to provide a consistent and fair approach to reimbursing Town of Newmarket employees for mileage expenses, parking transit and highway toll charges incurred as part of their job.

Procedures

1. Employees who are required to use their personal vehicle for authorized Town business shall be reimbursed at the rates established by the Federal Department of Finance for tax exempt amounts. Consistent with the Town's desire to increase "Smart Commuting", the mileage reimbursement for an employee who is driving their car and is carpooling with other employees shall be 1.25 times the appropriate mileage rate.
2. The allowance amounts reflect the key cost components of owning and operating an automobile such as, but are not limited to, depreciation, financing, insurance, maintenance and fuel costs.
3. The claim must include the origin and destination, and the purpose of the trip. For purposes of calculating mileage, the claim for mileage is from the

normal work location to the visiting site location, not including any travel between home and the employee's normal work location.

4. Employees who are required to report to an alternate location, may claim mileage only if the distance to the alternate location is farther than the distance to their regular workplace from their place of residence. The mileage claimed for alternate locations, as indicated above, would be the shorter of the distance between the regular workplace and the alternate location or place of residence to the alternate location.
5. Claims that include expenses for carpooling must include names of employee(s) that carpoled with the employee claiming the expenses.
6. Driving beyond the borders of Ontario is to be pre-approved in writing by the employee's supervisor prior to travel.
7. Mileage reimbursement must be authorized by a Supervisor/Manager/Director/Commissioner and shall be claimed using the Town's Mileage Report Form.
8. Mileage claims are processed through Accounts Payable and shall be paid to the employee by direct deposit.
9. Contract employees are governed by the terms and conditions as set out in their offer of employment or contract agreement.
10. Pre-authorized toll charges (e.g. Highway 407) incurred while on authorized Town business will be reimbursed; transponder fees do not qualify for reimbursement. All such charges shall be supported with documentation appended to the Mileage Report Form.
11. Employees will be reimbursed for all reasonable parking expenses incurred in the performance of their duties. Expenses must be supported by paid receipts appended to the Mileage Report Form.
12. Employees will be reimbursed for all authorized transit fares as a result of travel for authorized Town business.
13. A chart of distances to common facilities is found in Appendix "A". These distances must be used by all staff that travels on Town business. Except where not practical, the distances in Appendix "A" represent the shortest distance. Claims for distances travelled to non-standard destinations must be supported by documentation (e.g. MapQuest, Google).
14. Mileage paid in any calendar year will be used to calculate any applicable taxable benefit for that taxation year.

Employee Automobile Insurance

All employees using a personal vehicle for Town business purposes are required to have \$1,000,000 liability coverage for bodily injury or death. The employer may require proof of automobile insurance coverage.

Drivers' Licence

An employee who is required to drive a Town vehicle must possess a valid drivers' licence in good standing, free of serious offences under the Highway Traffic Act, and additional qualifications such as a DZ licence, as applicable. Proof of the qualifications such as a Drivers Abstract should be presented at time of hire. Employees who are required to drive a Town vehicle or use a private vehicle for Town business are subject to an annual drivers' licence check applying Ministry of Transportation of Ontario information.

Vehicle Accident Report

Vehicle operators using a Town vehicle or private vehicle must complete a detailed report of a vehicle involved in any accident occurring while using the vehicle for Town business purposes within twenty-four (24) hours of the incident to be submitted to the Department Director for review who shall forward the report to the Corporate and Financial Services Commission and/or the Clerks Department.

In cases where there is personal injury or damage that exceeds the amount stipulated under the Highway Traffic Act as a reportable accident, the Police must be notified within twenty-four (24) hours.

Traffic Violations

The cost of fines resulting from traffic violations, parking offences, etc. will not be borne by the Town, whether operating a Town vehicle or the employee's private vehicle. They are the responsibility of the vehicle operator at the time of the offence.

Responsibilities

Employees are responsible to:

- Know and comply with this policy.
- Keep accurate records of mileage when using their vehicle on Town business. Complete the Town's *Mileage Report Form* for review and approval by the Manager/Director or designate.
- Submit requests for mileage reimbursement on a regular and timely basis.
- Maintain a valid driver's licence and automobile personal liability insurance when using their private vehicle for Town business purposes. Employees should inform their insurance carrier if they use their private vehicle for Town business purposes. The cost of additional coverage, if any, is the responsibility of the employee.

- Inform their Supervisor of any change in the status of their drivers' licence if required to drive a Town vehicle in the course of their duties.
- Complete detailed reports of any accident, as applicable.

Supervisor/Manager/Director/Commissioner is responsible to:

- Monitor submissions of mileage claims for accuracy and consistency.
- Consult with Financial Services if unable to resolve a concern regarding a mileage claim.
- Approve mileage claims and forward to Accounts Payable for processing.
- Consult with Human Resources to review options in all situations of loss/suspension of a drivers' licence when the employee is required to drive a Town vehicle.

Human Resources are responsible to:

- Support the implementation of the mileage policy.
- Support Managers/ Supervisors in the resolution of issues concerning the application of this policy.
- Ensure that drivers' abstracts are obtained and drivers' licences/qualifications are verified as part of the recruitment process, as appropriate.
- Conduct annual checks through the Ministry of Transportation for all employees required to drive a Town vehicle.
- Work with Managers/Directors/Commissioners to deal with situations where loss/suspension of a drivers' licence impacts on the employee's ability to carry out the duties of their position.

Appendices (which may be amended from time to time)

Appendix "A" Common Distances

Cross References

Health and Safety Policy and Procedures
Professional Development Expenses Policy CAO.1-02

APPENDIX "A" - Common Distances

Mileage Allowance, License and Auto Insurance Policy

DISTANCE FROM COMMUNITY CENTRE 200 Doug Duncan Drive	KM-one way
Fire Station 4-1, 984 Gorham Street	2.1
Fire Station 4-2, 125 McCaffrey Road	2.7
Fire Station 4-3, 220 Edward Street	8.8
Fire Station 4-4, 1344 Wellington Street East	8.0
Library, 438 Park Avenue	0.3
Magna Centre, 800 Mulock Drive	3.3
Museum, 134 Main Street South	0.3
Operations Centre, 1275 Maple Hill Court	3.7
Ray Twinney Complex, 100 Eagle Street West	2.8
Seniors Centre, 474 Davis Drive	1.0
Theatre , 505 Pickering Crescent	3.2
Town Office, 395 Mulock Drive	2.1
Youth Centre, 56 Charles Street	1.0

DISTANCE FROM FIRE STATION 4-1 984 Gorham Street	KM-one way
Community Centre, 200 Doug Duncan Drive	2.1
Fire Station 4-2, 125 McCaffrey Road	4.2
Fire Station 4-3, 220 Edward Street	10.8
Fire Station 4-4, 1344 Wellington Street East	6.0
Library, 438 Park Avenue	2.2
Magna Centre, 800 Mulock Drive	2.5
Museum, 134 Main Street South	2.2
Operations Centre, 1275 Maple Hill Court	2.4
Ray Twinney Complex, 100 Eagle Street West	4.3
Seniors Centre, 474 Davis Drive	3.7
Theatre , 505 Pickering Crescent	2.8
Town Office, 395 Mulock Drive	3.2
Youth Centre, 56 Charles Street	2.5

DISTANCE FROM FIRE STATION 4-2	
125 McCaffrey Road	KM-one way
Community Centre, 200 Doug Duncan Drive	2.7
Fire Station 4-1, 984 Gorham Street	4.2
Fire Station 4-3, 220 Edward Street	7.3
Fire Station 4-4, 1344 Wellington Street East	10.0
Library, 438 Park Avenue	2.6
Magna Centre, 800 Mulock Drive	5.0
Museum, 134 Main Street South	3.3
Operations Centre, 1275 Maple Hill Court	6.0
Ray Twinney Complex, 100 Eagle Street West	0.9
Seniors Centre, 474 Davis Drive	3.5
Theatre , 505 Pickering Crescent	5.2
Town Office, 395 Mulock Drive	2.8
Youth Centre, 56 Charles Street	3.6

DISTANCE FROM FIRE STATION 4-3	
220 Edward Street	KM-one way
Community Centre, 200 Doug Duncan Drive	8.8
Fire Station 4-1, 984 Gorham Street	10.8
Fire Station 4-2, 125 McCaffrey Road	7.3
Fire Station 4-4, 1344 Wellington Street East	5.2
Library, 438 Park Avenue	9.0
Magna Centre, 800 Mulock Drive	8.9
Museum, 134 Main Street South	9.0
Operations Centre, 1275 Maple Hill Court	10.2
Ray Twinney Complex, 100 Eagle Street West	7.5
Seniors Centre, 474 Davis Drive	9.7
Theatre , 505 Pickering Crescent	8.8
Town Office, 395 Mulock Drive	7.5
Youth Centre, 56 Charles Street	9.3

DISTANCE FROM FIRE STATION 4-4	
1344 Wellington Street East	KM-one way
Community Centre, 200 Doug Duncan Drive	7.7
Fire Station 4-1, 984 Gorham Street	5.7
Fire Station 4-2, 125 McCaffrey Road	9.8
Fire Station 4-3, 220 Edward Street	5.2
Library, 438 Park Avenue	8.3
Magna Centre, 800 Mulock Drive	5.6
Museum, 134 Main Street South	8.3
Operations Centre, 1275 Maple Hill Court	5.5
Ray Twinney Complex, 100 Eagle Street West	9.4
Seniors Centre, 474 Davis Drive	8.9
Theatre , 505 Pickering Crescent	5.9
Town Office, 395 Mulock Drive	7.1
Youth Centre, 56 Charles Street	8.5

DISTANCE FROM LIBRARY	
438 Park Avenue	KM-one way
Community Centre, 200 Doug Duncan Drive	0.3
Fire Station 4-1, 984 Gorham Street	2.2
Fire Station 4-2, 125 McCaffrey Road	2.6
Fire Station 4-3, 220 Edward Street	9.0
Fire Station 4-4, 1344 Wellington Street East	8.3
Magna Centre, 800 Mulock Drive	3.5
Museum, 134 Main Street South	0.3
Operations Centre, 1275 Maple Hill Court	3.9
Ray Twinney Complex, 100 Eagle Street West	2.6
Seniors Centre, 474 Davis Drive	1.0
Theatre , 505 Pickering Crescent	3.4
Town Office, 395 Mulock Drive	2.3
Youth Centre, 56 Charles Street	0.9

DISTANCE FROM MAGNA CENTRE**800 Mulock Drive, Newmarket****KM-one way**

Community Centre, 200 Doug Duncan Drive	3.3
Fire Station 4-1, 984 Gorham Street	2.5
Fire Station 4-2, 125 McCaffrey Road	5.0
Fire Station 4-3, 220 Edward Street	8.9
Fire Station 4-4, 1344 Wellington Street East	5.6
Library, 438 Park Avenue	3.5
Museum, 134 Main Street South	3.5
Operations Centre, 1275 Maple Hill Court	2.6
Ray Twinney Complex, 100 Eagle Street West	4.4
Seniors Centre, 474 Davis Drive	4.2
Theatre , 505 Pickering Crescent	0.6
Town Office, 395 Mulock Drive	2.2
Youth Centre, 56 Charles Street	3.8

DISTANCE FROM MUSEUM**134 Main Street, Newmarket****KM-one way**

Community Centre, 200 Doug Duncan Drive	0.3
Fire Station 4-1, 984 Gorham Street	2.2
Fire Station 4-2, 125 McCaffrey Road	3.3
Fire Station 4-3, 220 Edward Street	9.0
Fire Station 4-4, 1344 Wellington Street East	8.3
Library, 438 Park Avenue	0.3
Magna Centre, 800 Mulock Drive	3.5
Operations Centre, 1275 Maple Hill Court	4.0
Ray Twinney Complex, 100 Eagle Street West	2.9
Seniors Centre, 474 Davis Drive	0.7
Theatre , 505 Pickering Crescent	3.5
Town Office, 395 Mulock Drive	2.4
Youth Centre, 56 Charles Street	0.7

DISTANCE FROM OPERATIONS CENTRE	
1275 Maple Hill Court, Newmarket	KM-one way
Community Centre, 200 Doug Duncan Drive	3.7
Fire Station 4-1, 984 Gorham Street	1.7
Fire Station 4-2, 125 McCaffrey Road	6.0
Fire Station 4-3, 220 Edward Street	10.2
Fire Station 4-4, 1344 Wellington Street East	5.5
Library, 438 Park Avenue	3.9
Magna Centre, 800 Mulock Drive	2.6
Museum, 134 Main Street South	4.0
Ray Twinney Complex, 100 Eagle Street West	5.1
Seniors Centre, 474 Davis Drive	4.6
Theatre , 505 Pickering Crescent	2.2
Town Office, 395 Mulock Drive	3.5
Youth Centre, 56 Charles Street	4.5

DISTANCE FROM RAY TWINNEY COMPLEX	
100 Eagle Street West	KM-one way
Community Centre, 200 Doug Duncan Drive	2.8
Fire Station 4-1, 984 Gorham Street	4.3
Fire Station 4-2, 125 McCaffrey Road	0.9
Fire Station 4-3, 220 Edward Street	7.5
Fire Station 4-4, 1344 Wellington Street East	9.4
Library, 438 Park Avenue	2.6
Magna Centre, 800 Mulock Drive	4.4
Museum, 134 Main Street South	2.9
Operations Centre, 1275 Maple Hill Court	5.1
Seniors Centre, 474 Davis Drive	3.2
Theatre , 505 Pickering Crescent	5.2
Town Office, 395 Mulock Drive	2.2
Youth Centre, 56 Charles Street	3.6

DISTANCE FROM SENIORS CENTRE	
474 Davis Drive, Newmarket	KM-one way
Community Centre, 200 Doug Duncan Drive	1.0
Fire Station 4-1, 984 Gorham Street	3.7
Fire Station 4-2, 125 McCaffrey Road	3.5
Fire Station 4-3, 220 Edward Street	9.7
Fire Station 4-4, 1344 Wellington Street East	8.9
Library, 438 Park Avenue	1.0
Magna Centre, 800 Mulock Drive	3.7
Museum, 134 Main Street South	0.7
Operations Centre, 1275 Maple Hill Court	4.6
Ray Twinney Complex, 100 Eagle Street West	3.2
Theatre, 505 Pickering Crescent	4.2
Town Office, 395 Mulock Drive	3.1
Youth Centre, 56 Charles Street	0.4

DISTANCE FROM THE THEATRE	
505 Pickering Crescent, Newmarket	KM-one way
Community Centre, 200 Doug Duncan Drive	3.2
Fire Station 4-1, 984 Gorham Street	2.8
Fire Station 4-2, 125 McCaffrey Road	5.2
Fire Station 4-3, 220 Edward Street	8.8
Fire Station 4-4, 1344 Wellington Street East	5.9
Library, 438 Park Avenue	3.4
Magna Centre, 800 Mulock Drive	0.6
Museum, 134 Main Street South	3.5
Operations Centre, 1275 Maple Hill Court	2.2
Ray Twinney Complex, 100 Eagle Street West	5.2
Seniors Centre, 474 Davis Drive	4.2
Town Office, 395 Mulock Drive	2.2
Youth Centre, 56 Charles Street	7.9

DISTANCE FROM TOWN OFFICE	
395 Mulock Drive, Newmarket	KM-one way
Town of Aurora, 1 Municipal Drive, Aurora	5.6
Town of East Gwillimbury, 19000 Leslie Street, Sharon	9.0
Town of East Gwillimbury, 90 Bales Drive	8.2
Town of Georgina, 26557 Civic Centre Road, Keswick	34.0
Township of King, 2075 King Road, King City	17.0
Town of Markham, 101 North Town Centre Blvd., Unionville	32.0
Town of Whitchurch-Stouffville, 37 Sandiford Drive, Stouffville	26.0
Community Centre, 200 Doug Duncan Drive	2.1
Fire Station 4-1, 984 Gorham Street	3.2
Fire Station 4-2, 125 McCaffrey Road	2.8
Fire Station 4-3, 220 Edward Street	7.5
Fire Station 4-4, 1344 Wellington Street East	7.1
Library, 438 Park Avenue	2.3
Magna Centre, 800 Mulock Drive	2.2
Museum, 134 Main Street South	2.4
Operations Centre, 1275 Maple Hill Court	3.5
Ray Twinney Complex, 100 Eagle Street West	2.2
Seniors Centre, 474 Davis Drive	3.1
Theatre, 505 Pickering Crescent	2.2
Youth Centre, 56 Charles Street	2.7

DISTANCE FROM YOUTH CENTRE	
56 Charles Street, Newmarket	KM-one way
Community Centre, 200 Doug Duncan Drive	1.2
Fire Station 4-1, 984 Gorham Street	2.5
Fire Station 4-2, 125 McCaffrey Road	3.6
Fire Station 4-3, 220 Edward Street	9.3
Fire Station 4-4, 1344 Wellington Street East	8.5
Library, 438 Park Avenue	0.9
Magna Centre, 800 Mulock Drive	3.8
Museum, 134 Main Street South	0.7
Operations Centre, 1275 Maple Hill Court	4.5
Ray Twinney Complex, 100 Eagle Street West	3.6
Seniors Centre, 474 Davis Drive	0.4
Theatre, 505 Pickering Crescent	7.9
Town Office, 395 Mulock Drive	2.7