

Clause 15 in Report No. 11 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 28, 2018.

15

Review and Update of Council-Approved Policies

Committee of the Whole recommends adoption of the following recommendations contained in the report dated June 8, 2018 from the Chief Administrative Officer:

1. Council adopt the following five updated policies in the form shown in Attachments 1- 5:
 - a) Development Charge Deferral for Purpose-Built High Density Rental Buildings
 - b) Collection of Accounts
 - c) Corporate Purchasing Card
 - d) Investment Policy
 - e) Traffic Control Signal Pre-emption (TCSP) System
2. Council rescind the following six policies:
 - a) Customer Service Strategy
 - b) Grants to Groups
 - c) Regional Financial Assistance to Small Water Systems
 - d) Transit Fare Update
 - e) Use of Public Vehicles and Facilities
 - f) York Region Transit Travel Training
3. The following seven policies be converted to administrative policies:
 - a) Employee Code of Conduct
 - b) Inclement Weather
 - c) Non-Union Overtime
 - d) Recruitment
 - e) Salary Progression
 - f) Meeting Room Facilities – Regional Admin Centre
 - g) Smart Commute

Review and Update of Council-Approved Policies

Report dated June 8, 2018 from the Chief Administrative Officer now follows:

1. Recommendations

It is recommended that:

1. Council adopt the following five updated policies in the form shown in Attachments 1- 5:
 - a. Development Charge Deferral for Purpose-Built High Density Rental Buildings
 - b. Collection of Accounts
 - c. Corporate Purchasing Card
 - d. Investment Policy
 - e. Traffic Control Signal Pre-emption (TCSP) System
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 - c. Regional Financial Assistance to Small Water Systems
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3. The following seven policies be converted to administrative policies:
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 - b. Inclement Weather
 - c. Non-Union Overtime
 - d. Recruitment
 - e. Salary Progression
 - f. Meeting Room Facilities – Regional Admin Centre
 - g. Smart Commute

2. Purpose

This report identifies 18 Council-approved policies that ought to be updated, rescinded or changed to administrative policies.

Review and Update of Council-Approved Policies

3. Background

There are currently 158 Council-approved policies

A review of Council-approved policies was undertaken to ensure their continued relevancy as a new term of Council approaches. There are currently 158 Council-approved policies and of these 18 have been identified as requiring minor updates or need to be rescinded or converted to a CAO-approved policy as they would be more effectively managed as administrative policies.

4. Analysis and Implications

Five Council-approved policies should be updated to reflect current operational requirements

Minor updates are required for five Council-approved policies. The updated policies are shown in Attachment 1-5 and Table 1 summarizes the rationale for each of the updates.

Table 1
Council-approved policies to be updated

Department Owner and Policy	Update and Rationale
a. FINANCE Development Charge Deferral for Purpose-Built High Density Rental Buildings	To update responsibilities to reflect Branch changes and update contact information
b. FINANCE Collection of Accounts	To reflect the branch name change to Strategy and Transformation and related contact information To clarify policy application, security deposits and responsibilities. To apply consistent language
c. FINANCE Corporate Purchasing Card	To reflect the branch name change to Strategy and Transformation and related contact information To apply consistent language

Review and Update of Council-Approved Policies

d. FINANCE

Investment Policy

To update minimum credit ratings on banks and corporate bonds changed from AA(L) to A- by recent amendments to Ontario Regulations 438/97, 84/16 and 653/05 under the Municipal Act, 2001.

To align timelines for selling downgraded investments in accordance with recent amendments to Ontario Regulations 438/97, 84/16 and 653/05 under the Municipal Act, 2001.

To permit the purchase of United States dollar investments within limits in accordance with recent amendments to Ontario Regulations 438/97, 84/16 and 653/05 under the Municipal Act, 2001.

e. TRANSPORTATION SERVICES

Traffic Control Signal Pre-emption (TCSP) System

Existing wording to be revised to include Regional Service Vehicles (snowplows)

Six Council-approved policies are recommended to be rescinded

To avoid duplication and/or to remove policies no longer required Table 2 summarizes the list of Council-approved policies that should be rescinded.

Review and Update of Council-Approved Policies

Table 2
Council-approved policies to be rescinded

Policy and Department Owner	Update and Rationale
a. OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER Customer Service Strategy	This policy established a framework for creating a customer service culture and related service standards at the Region. A new Customer Experience Plan has been approved by the CAO and SMT. A cross-departmental administrative model has been implemented to prioritize and manage customer experience improvements, standards, measures and decision making frameworks
b. PLANNING AND ECONOMIC DEVELOPMENT Grants to Groups	Grants were funded from YR's share of Toronto Hotel Tax that was discontinued in 2009 when the Prov created Regional Tourism Organizations. The Region no longer provides grants to individual tourism organizations, and instead has a Council approved funding agreement with the York Region Arts Council to provide tourism services on the Region's behalf
c. ENVIRONMENTAL SERVICES Regional Financial Assistance to Small Water Systems	Policy content is no longer relevant as there are currently no water systems in York Region meeting the criteria outlined in the policy. Provincial best practice requirements are now in place to execute Responsibility Agreements when establishing small water systems in Ontario.
d. TRANSPORTATION SERVICES Transit Fare Update	This policy is a duplication of the YRT Fare Policy approved by Council in March 2015
e. TRANSPORTATION SERVICES Use of Public Transit Vehicles and Facilities	Rescind to avoid duplication. Content is captured in Transit By-law (2017-7) approved by Council in Feb 2017
f. TRANSPORTATION SERVICES York Region Transit Travel Training	Content is no longer relevant based on current practices. For example YRT no longer provides free fare media for training

Review and Update of Council-Approved Policies

Seven Council-approved policies are recommended to be converted to administrative policies

Administrative policies typically direct staff in their day-to-day work and are approved by the Chief Administrative Officer rather than Council. The following seven policies would be more effectively managed as administrative policies:

- a. Employee Code of Conduct
- b. Inclement Weather
- c. Non-Union Overtime
- d. Recruitment
- e. Salary Progression
- f. Meeting Room Facilities – Regional Admin Centre
- g. Smart Commute

5. Financial Considerations

There are no financial implications associated with the changes to these Council-approved policies.

6. Local Municipal Impact

There are no new local municipal implications.

7. Conclusion

The coming conclusion to the current term of Council provides a timely opportunity to review Council-approved policies. To ensure these policies continue to reflect Council's priorities, it is recommended a number of policies be updated, rescinded or changed to administrative policies.

For more information on this report, please contact Christopher Raynor at 1-877-464-9675 ext. 71300.

The Senior Management Group has reviewed this report.

June 8, 2018

Attachments (5)
#88547074

Accessible formats or communication supports are available upon request



Attachment 1

Status: Final

Approved By: Council

The Regional Municipality of York

Collection of Accounts

Policy No.: 7187196 8261204

Original Approval Date: June 26, 2003

Policy Last Updated: April 20, 2017

Policy Statement:

To establish a policy for billing and Policy for collection practices, reporting on accounts receivables and the authority to write-off uncollectible accounts.

Application:

The prescribed This policy will apply to invoices issued by the Finance Department for a variety of Regional services. Region. This application includes:

- invoices issued based on all services and contracts entered into by the Regional Departments with both government sector and non-government sector clients
- invoices issued on behalf of Police Services for paid duty fees
- invoices issued for Seniors Services
- billings pertaining to the Long Term Care program for residents' fees
- overpayment of general welfare assistance to be recovered as referred to the Controllership Office, Finance Department by the Community and Health Services Department

This excludes Provincial Offences fines that are governed by the *Provincial Offences Act*. The collection of defaulted fines is administered by the Legal and Court Services Department through the Collection Policy for Provincial Offences Act Defaulted Fines.

Purpose:

The purpose of this policy is to:

- ~~to encourage strong, responsible fiscal management practices through internal controls in billing and collection practices;~~
- ~~to establish standards on the billing, collection of outstanding accounts, reporting on receivables and authority to write-off accounts deemed uncollectible;~~
- ~~to maximize the Regional Municipality of York's cash flow; and;~~
- ~~to minimize the cost of collecting accounts receivable.~~

Definitions:

Government Sector:

~~Means all~~All departments, offices, boards and other bodies of the federal, provincial and municipal governments, and private ~~non~~not-for-profit organizations that are controlled and/or financed mainly by senior levels of government. Also referred to as the public sector.

Non-Government Sector:

~~Means all~~All individuals, firms, organizations and institutions not part of belonging to the government sector as well as not-for-profit organizations.

Outstanding Accounts:

~~Means amounts aged~~Amounts owing against invoices issued by the Region Finance Department that have not been paid ~~within 30 days of the invoice date~~.

Solicitor:

| **Means a solicitor**A lawyer in the Legal and Court Services Department at the Region.

Write-off:

| **Means t**To remove an **accountoutstanding amount** deemed uncollectible from the Region's accounts receivable records.

Description:

Region-wide accounts receivable program

1. **Program:** The Finance Department shall implement a region-wide accounts receivable program. As part of this program, the Finance Department shall do all of the following:
 - a. Monitor the Region's accounts receivable collection efforts;
 - b. Coordinate information, systems, and procedures between Regional Departments to maximize the collection of past-due accounts receivable;
 - c. Adopt policies and procedures for the management and collection of accounts receivable by Regional Departments;
 - d. Establish procedures for writing off accounts receivable and for determining when to end efforts to collect accounts receivable ~~after they have been written off.~~
2. **Controls:** The Finance Department shall establish **and document** standard internal controls ~~that are properly documented and followed.~~
3. **Collection tTechniques:** The Finance Department, in consultation with the Commissioner of Finance, and in conjunction with the Regional Solicitor, shall establish policies and procedures to govern techniques for collection of accounts receivable. These techniques may include the use of collection agencies and judicial remedies authorized by law.

| The **Guidelines for** Collection of Accounts **Guideline** No.7189000 details procedures regarding billing, past due accounts and aged account collection.

Interest and Penalties

| Interest at the rate of one-and-one-quarter percent per month (15% annually) may be charged on all accounts of the **Regional Corporation****Region** that remain unpaid for 90

days after the invoice date, at the discretion of the Commissioner of Finance. This would not apply to the nine local municipalities withinof the Region.

Security Deposits

~~Security Deposits may be required for contracts with non-governmental sector clients for which significant risk is associated with the client as deemed necessary by the Finance Department in conjunction with the applicable Regional department.~~

Accounts Outstanding More than 90 Days

The majority of accounts are paid within 0-90 days of invoice issuance and are handled within the Collection of Accounts Guideline. ~~Correspondence is sent to customers with outstanding balances.~~

~~Adjustments against Securities/payable:~~ Where the Regional Corporation has retained securities (letter of credit, certified funds) or there is an offsetting account payable, uncollected amounts may be drawn from the security and/or applied against the payable.

Undisputed Accounts:

Less than \$25,000	<ul style="list-style-type: none"> May be referred to a collection agency selected in accordance with the Purchasing Bylaw or pursued through court action, after consultation with the Regional Solicitor.
<u>Greater than Between</u> \$25,000 <u>and but less than</u> \$500,000	<ul style="list-style-type: none"> The Regional Solicitor, in consultation with the Commissioner of Finance and the affected Department Head, shall proceed with litigation procedures. -The Regional Solicitor will report annually to Council in this regard.
Greater than \$500,000	<ul style="list-style-type: none"> The <u>Regional Solicitor</u><u>Department Head</u>, in consultation with <u>the Commissioner of Finance and the Department Head</u><u>Regional Solicitor and the Commissioner of Finance</u>, will report to Council to obtain authority to proceed. <u>with legal action.</u>

Disputed Accounts: Government Sector

All amounts	<ul style="list-style-type: none"> To be pursued at the Department level through the Project Manager responsible for the work or service performed <u>and client</u>. Escalated to
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	affected Department Head and Commissioner of Finance for recommended actions.
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Disputed Accounts: Non-Government Sector

Less than \$25,000	<ul style="list-style-type: none"> To be pursued through small claims court or forwarded to a collection agency, if deemed appropriate, after consultation with the Regional Solicitor and the affected Department Head.
Between \$25,000 to \$500,000	<ul style="list-style-type: none"> To be referred to the Regional Solicitor who will commence legal action, if deemed appropriate. The Regional Solicitor will report annually to Council in this regard.
Greater than \$500,000	<ul style="list-style-type: none"> The Regional Solicitor, in consultation with the Commissioner of Finance and the affected Department Head, will report to Council to obtain authority to proceed with legal action.

Write-off of Uncollectible Accounts

Accounts should be written off in financial accounting records when all collection procedures, including those through legal action, have been conducted without results and are deemed uncollectible. The Commissioner of Finance has the authority to write off uncollectible accounts for amounts less than \$25,000. The Commissioner of Finance shall report annually to Council on the status of outstanding accounts including a summary of accounts written-off in the previous fiscal year and seek authority from Council for the write-off of any accounts in excess of \$25,000.

Responsibilities:**Commissioner of Finance (or delegate):**

- Issuance of invoices using supporting documentation from the Operating Departments.
- Apply interest to non-local municipality accounts outstanding over 90 days at one-and-one-quarter percent per month as determined necessary.

- ~~Obtain security deposits from clients for which significant risk is associated with the client.~~
- After 90 days, ~~undisputed~~ accounts under \$25,000 may be referred to a collection agency ~~in accordance with the Purchasing Bylaw~~ or submitted to the Regional Solicitor for legal action.
- ~~Undisputed invoices~~ After 90 days, accounts valued \$25,000 to \$500,000 will be referred to the Regional Solicitor in consultation with the affected Department Head to determine a course of action.
- After 90 days, accounts greater than \$500,000, consult with the Regional Solicitor and the affected Department Head and report to Council to obtain authority to proceed with legal action.
- Annually report to Council on the status of outstanding accounts receivable.
- Decide on course of action for disputed invoices within the government sector, if escalated.
- ~~For items greater than \$500,000, consult with the Regional Solicitor and the affected Department Head and report to Council to obtain authority to proceed with legal action.~~
- Work with operating departments on collections.
- Maintain and review collection procedures and policies and report to Council as necessary.

Regional Solicitor (or delegate):

- Work in conjunction with the Finance Department to assist with the collection process.
- Consult with the Finance Department regarding the determination of appropriate action on accounts outstanding more than 90 days.
- For ~~undisputed invoices~~ accounts valued from \$25,000 to \$500,000, consult with the Commissioner of Finance and the affected Department Head to determine a course of action.
- For outstanding disputed accounts valued up to \$500,000, consult with the Commissioner of Finance and the affected Department Head, to proceed with

litigation procedures and report to Council annually.

- For outstanding items greater than \$500,000, consult with the Commissioner of Finance and the affected Department Head, and report to Council to obtain authority to proceed with further ~~collection efforts.legal action.~~

Affected Department Head (or delegate):

- Submit invoice requisition and approved supporting documentation to the Finance Department, Controllership OfficeStrategy and Transformation Branch.
- Work in conjunction with the Finance Department to determine client risk, discuss terms of contract, investigate potential issues with outstanding client accounts, and aid in the collection process.
- Undisputed invoices valued \$25,000 to \$500,000, consult with the Commissioner of Finance and Regional Solicitor to determine a course of action.
- ~~For outstanding accounts valued up to \$500,000, consult with the Commissioner of Finance and the Regional Solicitor, to proceed with litigation procedures and report to Council annually.~~
- For outstanding items greater than \$500,000, consult with the Regional Solicitor and the Commissioner of Finance ~~to report to Council to obtain authority to proceed to determine a course of action.~~

Reference:

[Signing Authority Financial and Administrative Transactions eDocs #5651420](#)

Delegation Bylaw 2016-3

[Guideline for Collection of Accounts Guideline](#) eDocs# 7189000

Contact:

Director, [Controllership Office](#)Strategy and Transformation Branch

Approval Information:

Council Approval Date: April 20, 2017	Committee Name: Committee of the Whole
Council Minute No.: 49	Report No.: 7
Extract eDOCS #: 7477060	Clause No.: 10

#7187196

Archived Policy #687936

Accessible formats or communication supports are available upon request.



Attachment 2

Status: Final

Approved By: Council

The Regional Municipality of York

Corporate Purchasing Card

Policy No.: 7178541 / 79876 (Original) 8261152

Original Approval Date: May 25, 2000

Policy Last Updated: April 20, 2017

Policy Statement:

To establish a policy for designated Regional employees to purchase goods and/or services on behalf of the Regional Municipality of York through the use of a Corporate Purchasing Card.

The intent of the Corporate Purchasing Card policy is to ensure does not supersede the requirement for compliance with the Purchasing Bylaw No. 2014-532017-30, or its successor.

Application:

This policy applies to Regional employees who:

- have been issued a Corporate Purchasing Card;
- approve new Cardholders;

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- request, and/or make changes to existing Cardholder's Cardholder Agreements (Transaction Limits and, Credit Limits as defined below or have responsibilities in relation to the use, Name Changes, Suspension, Cancellation, and Reactivation):
- are responsible for management and administration of the Corporate Purchasing Card program; and/or
- reconcile or review Cardholder Transactions.

Purpose:

| To establish the principles that will guideThis policy guides the authority, distribution, and use of Corporate Purchasing Cards in accordance with the Purchasing Bylaw.

Using a Corporate Purchasing Card will have the following benefits:

- A simplified purchasing process for low dollar value purchases and an increased level of service for Regional employees;
- A reduced number of invoices and cheques processed; and
- A reduced turnaround time for payment of purchases.

Definitions:

Cardholder:

The employee to whom a Corporate Purchasing Card has been issued.

Corporate Purchasing Card:

A form of company charge credit card that allows goods and services to be procured for business purposes without using a traditional purchasing process.

Corporate Purchasing Card Administrator:

A staff member of the Finance Department, who has the authority to manage and administer the Corporate Purchasing Card program on behalf of the Region, including

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processing new Corporate Purchasing Card applications and/or making changes to existing Corporate Purchasing CardsCard Agreements.

Corporate Purchasing Card Transactions:

Purchases made by Regional employees with Transactions between a sellercardholder and a vendor to exchange ~~an asset~~goods or services ~~s for consideration~~ using a Corporate Purchasing Card for payment.

Credit Limit:

The combined total maximum amount (including applicable taxes) of all transactions allowable for a Cardholder during a Billing Cycle.

Purchasing Bylaw:

Purchasing authority is governed by the Purchasing Bylaw 2014-532017-30 or its successor.

Transaction Limit:

The maximum amount (including applicable taxes) to which a Cardholder can conduct an individual Corporate Purchasing Card purchase.

Description:

General Information

Corporate Purchasing Card transactions and their requirements are outlined in this policy, including the applicable forms and process for granting authority. Specific guidelines related to the aforementioned are included in the Corporate Purchasing Card Guideline.

1. Corporate Purchasing Card Eligibility

1.1. To be eligible for a Corporate Purchasing Card the applicant must meet the following criteria:

- Be an employee of the Region with employment status as Regular Full Time, Regular Part Time, Temporary Full Time, or Temporary Part Time.

Students, contractors, or consultants will not be granted a card except under special circumstances at the request of the Department Head and with the concurrence with the Commissioner of Finance, or designate.

- Have a Corporate Purchasing Card Request Form approved by the appropriate Department Head on file with the Finance Department.
- Completion of the Public Purchasing course offered by the Region entitled Public Purchasing & York Region prior to receipt of a Corporate Purchasing Card.
- Have a Purchasing Cardholder Agreement on file with the Finance Department that provides acknowledgment of the responsibilities and obligations for use of the card.

2. Use of the Corporate Purchasing Card

- 2.1. The Corporate Purchasing Card is used to purchase Regional business-related low value goods and services, in accordance with the Purchasing Bylaw.
- 2.2. Purchases shall not be split into multiple purchasestransactions to circumvent the approval limits imposed by this or any related policy.

3. Corporate Purchasing Card Review Authority

- 3.1. Corporate Purchasing Card transactions must be reviewed by the Direct Supervisor to whom the Cardholder reports where that individual has sufficient authority to approve payments in accordance with the Authorization for Payment of Goods and Services Policy.

4. Corporate Purchasing Card Transaction and Credit Limits

- 4.1. The Department Head may authorize any request for the issuance of a Corporate Purchasing Card to an employee in their department.
 - Transaction Limits and Credit Limits shall be assigned by the Department Head in accordance with the limits established in the Corporate Purchasing Card Guideline.
 - By granting an employee access to a Corporate Purchasing Card, the Department Head implicitly designates purchasing authority to that individual in accordance with the Purchasing Bylaw.

5. Corporate Purchasing Card Administration

5.1. The Corporate Purchasing Card Program will be managed and administered by the Finance Department. Individual(s) within the Finance Department will be designated as the Corporate Purchasing Card Administrator(s) for the Region's Corporate Purchasing Cards.

Responsibilities:

Department Heads or Designates:

- Ensure that the authority to purchase using a Corporate Purchasing Card has been designated to the appropriate staff in their respective departments and that the required Purchasing Card Request Forms have been completed and forwarded to the Finance Department.
- Ensure that the Finance Department is notified immediately of any changes in authorized signatories (e.g., Terminations, staff transfers, retirements, leave of absences, resignations, etc.).
- ReviewPerform an Annual review of designated Corporate Purchasing Card users and their credit limits in their respective departmentsannually.
- Ensure that all authorized Corporate Purchasing Cardholders in their respective departments understand the terms of this policy, the Corporate Purchasing Card Guidelines and the Purchasing Bylaw.
- Ensure that staff who require a Corporate Purchasing Card attend the Public Purchasing course offered by the Region.

Cardholder:

- Reads, complies with and signs accepts the Purchasing Cardholder Agreement that provides acknowledgment of the responsibilities and obligations for use of the card.
- Ensures all purchases are related to Regional business and are in compliance with this policy, the Purchasing Bylaw and Corporate Purchasing Card Guideline.
- Completes the Public Purchasing course offered by the Region entitled Public Purchasing & York Region prior to receiving the card.

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- Maintains security to avoid unauthorized use.

Corporate Purchasing Card Administrator:

- Manages and administers the Corporate Purchasing Card program including maintaining Cardholder files in a confidential manner, developing program materials, maintaining an updated Cardholder contact list, processing requests for new Corporate Purchasing Cards, Transaction Limit and Credit Limit changes, replacing Corporate Purchasing Cards, and cancelling Corporate Purchasing Cards, and suspending charges.
- ~~Provides initial training to employees upon receipt of Corporate Purchasing Card.~~
- Performs random reviews of Corporate Purchasing Card transactions on a regular basis to ensure compliance.
- Updates forms relating to the administration of the policy.

Non-Compliance with Policy:

The Cardholder is using the Region's funds each time the Cardholder uses the Corporate Purchasing Card. The Cardholder is accountable for ensuring that the Corporate Purchasing Card is used and managed in accordance with this Policy.

- Failure to comply with the Corporate Purchasing Card policy and related procedures may result in the Corporate Purchasing Card being revoked.
- Fraudulent or intentional misuse of the Corporate Purchasing Card will be considered misappropriation of Region's funds, and will result in disciplinary action, up to and including termination of employment.

Reference:

Purchasing Bylaw 2014-532017-30, or its successor

Corporate Purchasing Card Guideline eDocs No. 7178601

Corporate Purchasing Card

April 20, 2017

Contact:

Director, [Controllership Office](#) [Strategy and Transformation Branch](#)

Approval Information:

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Council Minute No.: 49	Report No.: 7
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#7178541

Archived Policy #79876

Accessible formats or communication supports are available upon request.



Attachment 3

Status: Final

Approved By: Council

The Regional Municipality of York

Development Charge Deferral for Purpose-Built High Density Rental Buildings

Policy No.: [74528788253978](#)

Original Approval Date: [May 25, 2017](#)

Policy Last Updated:

Policy Statement:

A policy governing the deferral of Regional development charges and area-specific development charges for purpose-built high density rental buildings.

Application ~~(who this policy applies to)~~:

This policy is available for purpose-built high density rental buildings in the Regional Municipality of York subject to the terms and conditions as set out in this policy. For the purposes of this deferral, the development may be registered as a condominium, but it must be operated as a rental property for a period of not less than twenty (20) years.

In order to be eligible, the development must be a minimum of four (4) stories.

Development Charge Deferral for Purpose-Built High Density Rental Buildings

May 25, 2017

Purpose:

This policy establishes the pre-conditions, duration, covenants, form of security, and other requirements in order to defer Regional development charges for purpose-built high density rental buildings.

Definitions:

Act: The *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute

Development: The construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or changing the use thereof from non-residential to residential or from residential to non-residential and includes redevelopment

Development Charges: The Region's Development Charges, including the area-specific wastewater development charge for the Village of Nobleton

High density: For the purposes of applying this policy, high density development must consist of a minimum of four (4) stories

Restrictive Covenant: A covenant registered on the title of the proposed development requiring it operate as a rental property for a period of not less than twenty (20) years

Schedule 'I' Bank: As referenced in section 14(a) of the *Bank Act, 1991* (as at December 31, 2016 or as amended from time to time). These are domestic banks and are authorized under the *Bank Act, 1991* to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation

Description:

Objectives of the deferral policy

This policy is intended to allow developers of purpose-built high density rental buildings to defer the Regional development charges owed for a period of thirty-six (36) months. Every deferral will require a deferral agreement which may include additional guarantees, obligations and warranties as is required. Additional agreements (as

Development Charge Deferral for Purpose-Built High Density Rental Buildings

May 25, 2017

detailed in section G) of the terms of the deferral policy will be required in order to give effect to this policy. The terms of this deferral policy are Council approved and are non-negotiable.

Terms of the deferral policy

A. Duration of the deferral

The deferral of development charges for purpose-built rentals shall be for a period of thirty-six (36) months. The deferral period shall begin the day of building permit issuance by the local municipality.

Development charges are therefore deferred until fifteen (15) days immediately following the date that is thirty-six (36) months after the date that the building permit is issued by the local municipality.

Development charges shall be payable prior to the thirty-six (36) month period should any of the following trigger events occur:

- Change of use from a purpose-built high density rental building
- Material breach of the Restrictive Covenant
- Any material default under the terms of the security or guarantees as stipulated in the agreement(s)
- Any other material default as defined in the agreement(s)

B. Development charge rates

The amount of the Regional Development Charges payable to the Region, as required under the Act, shall be the amount determined under the applicable Region Development Charges Bylaw on the day that the Building Permits are issued for the proposed development by the local municipality.

C. Interest waiver

All deferred Development Charges shall bear interest at the prime commercial lending rate charged by an agreed upon ‘Schedule I’ commercial bank’s on demand loans in Canadian funds to its most creditworthy customers plus two (2) per cent per annum, commencing on the date of issuance of the Building Permit for the proposed development up to the date of payment of the deferred Development Charges, such

Development Charge Deferral for Purpose-Built High Density Rental Buildings

May 25, 2017

interest to accrue, compound and be paid at the time of payment of the deferred Development Charges.

The Region shall forgive all amounts due and owing on account of interest, provided that the Regional Development Charges are paid to the Region at the time required (before or within fifteen (15) days immediately following the thirty-six (36) month deferral period ending).

D. Restrictive covenant

A twenty (20) year change of use covenant shall be registered on the title stipulating that the property shall be operated as a purpose-built high density rental building for a period expiring twenty (20) years from the date that an occupancy permit is issued for the purpose-built high density rental building.

The burden of the restrictive covenant shall run with the title of the land.

E. Form of security

A form of security will be taken and registered against the title to the property, at the time the development charges would normally be payable. The Region's security interest will always be, at minimum, pari passu, or of equal footing, to that of the local municipality offering a similar, if not better, deferral of development charges.

A pari passu agreement setting out, but not limited to, the rights, obligations, priorities and covenants shall be required involving all parties involved.

F. Local participation

The Region will only enter into a deferral agreement if the local municipality has provided a similar, if not better deferral for the proposed development.

It shall be up to the Region to decide what constitutes "similar, if not better", but this may be determined by looking at:

- Duration of the agreement
- Total charges/fees deferred

G. Agreements required

In order to take advantage of this policy, the developer must enter into a development charge deferral agreement with the Region and the local municipality (a triparty agreement).

In addition, the developer shall enter into other agreements as required by the Regional Solicitor. Those include, but are not limited to:

- Restrictive Covenant
- Pari Passu Agreement
- General Security Agreement
- Other agreement(s) as deemed necessary

H. Legal fees

All legal fees of the developer(s) and local municipality shall be borne by those respective parties except that the developer shall be responsible to pay the cost of registering the required agreements on title.

Responsibilities:

Regional Solicitor, Legal Services

- Draft and prepare for execution deferral agreement between Region and all parties
- Draft and prepare for execution any additional agreements required including pari passu agreement
- Registration of restrictive covenant
- Registration of security on title

~~Director, Controllership Office, Finance Department~~

- ~~Administration and enforcement of the deferral policy~~

Development Charge Deferral for Purpose-Built High Density Rental Buildings

May 25, 2017

- ~~Collection of development charges when due~~
- ~~Notification, through the Regional Treasurer, to the treasurer of the local municipality if development charges are not paid/received within the prescribed timeframe~~
- ~~Any additional administrative obligations as determined through the agreements~~
- ~~Maintain copies of all executed deferral agreements and other agreements as required~~

Director, Treasury Office, Finance Department

- Administration and enforcement of the deferral policy
- Collection of development charges when due
- Notification, through the Regional Treasurer, to the treasurer of the local municipality if development charges are not paid/received within the prescribed timeframe
- Any additional administrative obligations as determined through the agreements
- Maintain copies of all executed deferral agreements and other agreements as required

Reference(s):

Legislative and other authorities

- [Development Charges Act, 1997, S.O. 1997, c. 27](#)
- [Ontario Regulation 82/98](#)
- [Council Report, Private Market Rental Development Charges Deferral Site Specific Pilot Project in the Town of Newmarket, November 21, 2013](#)
- [Council Report, 2017 Development Charge Bylaw Directions, November 17, 2016](#)

Development Charge Deferral for Purpose-Built High Density Rental Buildings

May 25, 2017

- [Council Report, 2017 Development Charge Background Study and Bylaw, May 25, 2017](#)
- [The Regional Municipality of York 2017 Development Charge Background Study – FINAL – May 18, 2017](#)

Keyword Search

- purpose-built rental deferral,
- development charges,
- deferral high density rental buildings

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Attachment 4

Status: Final

Approved By: Council

The Regional Municipality of York

Investment Policy

Policy No.: 7040110-8257575

Original Approval Date: October 19, 2006

Policy Last Updated: December 15, 2016

Policy Statement:

A policy governing the use and management of surplus funds and investments including those being managed on behalf of external clients.

Application:

All Regional employees who are responsible for the control, administration and reporting of investments managed by the Corporation.

Purpose:

This policy establishes the objectives, standards of care, eligible investments, reporting requirements and responsibilities for the prudent management of surplus funds and investments including those managed, where applicable, on behalf of external clients.

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Definitions:

Approved Entity: Move Ontario Trust and any municipality incorporated in the Province of Ontario.

Asset Backed Securities: Fixed income securities (other than a government security) issued by a Special Purpose Entity, substantially all of the assets of which consist of Qualifying Assets.

CHUMS Financing Corporation (CHUMS): A subsidiary of the Municipal Finance Officers Association of Ontario (MFOA) which in conjunction with the Local Authority Services Limited operates the ONE Investment Program,

Corporation: The Regional Municipality of York, its Boards and Subsidiaries.

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

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

Duration: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

External Client: Any approved entity outside the Corporation.

Forward Rate Agreement (FRA): A contract with a qualified financial institution (eg. bank) that allows an investor to fix a rate of interest to be received on an investment for a specified term beginning at a specified future date.

FTSE Indices: Indices tabulated by FTSE TMX Global Capital Markets (formally PC Bond/DEX Analytics) a business unit of the Financial Times Stock Exchange and a subsidiary of the London Stock Exchange Group a leading provider of fixed income performance benchmarks and data bases in Canada and globally.

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Interest Rate Risk: The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Investment-grade Obligations: An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated “BBB” or higher by a rating agency.

Liquidity: A measure of an asset’s convertibility to cash.

Local Authorities Service Limited (LAS): A subsidiary of the Association of Municipalities of Ontario ('AMO') which in conjunction with CHUMS operates the ONE Investment Program.

ONE -Investment Program: A professionally managed group of investment funds composed of pooled investments that meet eligibility criteria as defined by regulations under the Municipal Act.

Market Risk: The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value: Current market price of a security.

Maturity: The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See “Weighted Average Maturity”.

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

Safekeeping: Holding of securities by a qualified financial institution (e.g. bank) on behalf of the investor.

Schedule I banks: Schedule I banks are domestic banks and are authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation (see Appendix 3).

Schedule II banks: Schedule II banks are foreign bank subsidiaries authorized under the *Bank Act* to accept deposits, which may be eligible for deposit insurance provided

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by the Canada Deposit and Insurance Corporation. Foreign bank subsidiaries are controlled by eligible foreign institutions (see Appendix 3).

Schedule III banks: Schedule III banks are foreign bank branches of foreign institutions that have been authorized under the *Bank Act* to do banking business in Canada. These branches have certain restrictions (see Appendix 3).

Sinking Fund: Securities and/or deposits accumulated on a regular basis in a separate safekeeping and/or bank account that will be used to redeem debt securities at maturity.

Summary of Investment Procedures: A document developed and maintained by the Treasury Office that summarizes specific duties and procedures relating to the operation of the investment program.

Supranational: An agency sponsored by either a single or group of highly rated foreign banks or governments that will issue debt to fund loans in developing countries or large infrastructure projects. Supranational institutions may be owned or guaranteed by a consortium of national governments and their debt is typically rated “AA” or higher.

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio.

Description:

1. Objectives of the Corporation’s Investment Program

The primary objectives of the investment program, in priority order, shall be:

- a) Adherence to statutory requirements
- b) Preservation of capital
- c) Maintaining liquidity
- d) Earning a competitive rate of return

a) Adherence to Statutory Requirements

All investment activities shall be governed by the *Municipal Act* as amended. Investments, unless limited further by Council, will be those deemed eligible under Ontario Regulation 438/97 or as authorized by subsequent provincial regulations, including O.Reg 399/02 and O.Reg 655/05.

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b) Preservation of Capital

Safety of principal is an important objective of the investment program.

Investments shall be undertaken in a manner that seeks to minimize the risk to capital in the overall portfolio. Staff shall endeavor to mitigate credit and interest rate risk as follows:

Credit Risk:

- Limiting investments to safer types of securities
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Corporation does business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized
- Setting dollar limits on the size of portfolio investments in asset sectors (fixed income and equities) and in individual credit names

Interest Rate Risk:

- Structuring the investment portfolio so that securities mature to meet ongoing cash flow requirements, thereby reducing the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities or approved liquid investment pools
- Diversifying longer-term holdings to mitigate effects of interest rate volatility
- Use of Forward Rate Agreements when appropriate
- Investing in shares or equities of Canadian corporations through the ONE Investment Program

c) Maintaining Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating or cash flow requirements and limit temporary borrowing requirements. This shall be done where possible by structuring the portfolio such that securities mature concurrent with anticipated cash demands.

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Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. A portion of the portfolio may be placed in local government investment pools (eg. ONE Investment Program) which offer liquidity for short-term funds.

d) Competitive Rate of Return

Without compromising other objectives, the Corporation shall maximize the rate of return earned on its portfolio by implementing a dynamic investment strategy as part of its investment program. Trends in macro-economic variables will be monitored including interest rates, inflation, and foreign exchange rates, as affected through the political arena and international developments and perceptions.

Diversification, and ensuring safety of principal by limiting exposure to credit, sector or term risks, also provides opportunities to enhance the investment returns of the Corporation's portfolio by means of prudent and timely adjustments to asset mix.

2. Standard of Care

a) Prudence

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

Investment officers and employees exercising due diligence and acting in accordance with written procedures and this Policy shall be relieved of personal responsibility for an individual security's credit risks or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidation or the sale of securities are carried out in accordance with the terms of the Policy.

b) Ethics and Conflicts of Interest

Officers 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

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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. Officers and employees shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of the Corporation.

c) Delegation of Authority

The Commissioner of Finance and Treasurer will have overall responsibility for the prudent investment of the Corporation's portfolio. The Director of the Treasury Office (the "Director") will be responsible and have the authority for the implementation of the investment program and the establishment of investment procedures consistent with the Policy. Such procedures shall include the explicit delegation of the authority needed by staff in order to complete investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy.

The Director shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate officers and employees and shall exercise control over them. The Director may delegate responsibility for the day-to-day management of the portfolio to subordinate investment officers within established guidelines.

d) Competitive Selection of Investment Instruments

All securities' purchases/sales will be transacted through a competitive process only with financial institutions approved by the Commissioner of Finance and Treasurer or the Director of the Treasury Office. The Corporation will accept the offer which (a) has the highest rate of return within the maturity required; and (b) optimizes the investment objectives of the overall portfolio. When selling a security, the Corporation will select the bid that generates the highest sale price or the transaction which will yield the best return for the portfolio. If there is a tie bid between one or more dealers, the Corporation will award the winning bid to the dealers on a rotating basis.

It will be the responsibility of authorized investment officers and employees involved with each purchase/sale to produce and retain written records of each transaction including the name of the financial institutions solicited (at least 2 dealers), quoted or interpolated rate, description of the security, investment selected, and any special considerations that had an impact on the decision. If the lowest priced security (highest yield) was not selected for purchase, an explanation describing the rationale shall be included in this record.

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3. External Investment Clients

Where the Region has undertaken to manage investment portfolios on behalf of an external client account as allowed under Section 420(1) of the Municipal Act and in conformity with Section 25(3) of the Securities Act, it will do so on the following basis:

- a) The investment objectives, authorized investments, reporting requirements, and term and sector limits will be in accordance with the external client's investment policy.
- b) Each and all portfolios managed will be held separate from the Region's own investment portfolios. The rate of return of the portfolio will reflect the earnings of the investments held only in that portfolio.
- c) Each engagement will be subject to a mutually agreed and signed agreement.
- d) Prior to the engagement, the following process will be undertaken:
 - i) Review client needs, expectations and risk tolerances
 - ii) Establish term limits and approved credit exposures
 - iii) Agree on a list of eligible investments
 - iv) Establish appropriate goals and benchmarks
 - v) Prepare and finalize the agreement
- e) The agreement will set out the following:
 - i) Duties and roles of both parties
 - ii) Management expense fee
 - iii) Reporting and portfolio review requirements

4. Suitable and Authorized Investments

4.1 The following Canadian Dollar investments are authorized for the purposes of this Policy within the limitations set out in Investment Parameters section and Appendix 1.

- a) Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by:

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- 1) Canada or a province or territory of Canada
 - 2) An agency of Canada or a province or territory of Canada
 - 3) A country other than Canada
 - 4) A municipality in Canada including the Regional Municipality of York
 - 5) The Infrastructure Ontario and Lands Corporation
 - 6) A school board or similar entity in Canada (money must be used for school purposes)
 - 7) A post-secondary educational institution
 - 8) The board of governors of a college of applied arts and technology of Ontario
 - 9) A local board as defined in the *Municipal Affairs Act* or a conservation authority
 - 10) A board of a public hospital
 - 11) A non-profit housing corporation
 - 12) A local housing corporation
 - 13) The Municipal Finance Authority of British Columbia
 - 14) The International Bank for Reconstruction and Development
 - 15) A supranational financial institution or a supranational governmental organization
 - 16) Asset-backed securities, with a minimum credit rating of "AAA"
 - 17) A corporation that is incorporated under the laws of Canada or a province of Canada with a maturity of not more than 5 years provided it has a minimum credit rating of "A^A-"
- b) Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by:
- i) a bank listed in Schedule I, II or III to the Bank Act (Canada)
 - ii) a loan corporation or trust
 - iii) a credit union or league, or
 - iv) the Province of Ontario Savings Office

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- c) Negotiable promissory notes or commercial paper, other than asset-backed securities, maturing one year or less from the date of issue, if that note or commercial paper has been issued by a corporation that is incorporated under the laws of Canada or a province of Canada.
- d) Bonds, debentures, promissory notes, other evidence of indebtedness or securities of a corporation if the Corporation first acquires the bond, debenture, promissory note or other evidence of indebtedness as a gift in a will and the gift is not made for a charitable purpose (can only be held for 90 days).
- e) Bonds, debentures, promissory notes or other evidence of indebtedness issued by a corporation that is incorporated under the laws of Canada or a province in Canada, the terms of which provide that the principal and interest shall be fully repaid more than five years after the date the Corporation makes the investment provided that the investment is done through the ONE Investment Program.
- f) Shares of a corporation if:
 - i) The corporation has a debt payable to the Regional Municipality of York
 - ii) Under a court order, the corporation has received protection from its creditors
 - iii) The acquisition of the shares in lieu of the debt is authorized by the court order, and
 - iv) The Commissioner of Finance and Treasurer is of the opinion that the debt will be uncollectible by the Region unless the debt is converted to shares under the court order
- g) Shares issued by a corporation that is incorporated under the laws of Canada or a province of Canada, provided that the investment is done through the ONE Investment Program.

4.2 The following United States dollar investments are authorized for the purposes of this Policy within the limitations set out in the Investment Parameters section and Appendix 1.

Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by bank listed in Schedule I to the Bank Act (Canada)

5. Investment Parameters

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Fixed income investments shall be diversified by:

- a) Diversifying investments to avoid over-concentration in securities from a specific issuer or sector (excluding Government of Canada securities)
- b) Limiting investment in securities to those that have higher credit ratings
- c) Investing in securities with varying maturities, and
- d) Investing in mainly liquid, marketable securities which have an active secondary market, to ensure that appropriate liquidity is maintained in order to meet ongoing obligations

In order to promote diversification of the Corporation's investment portfolio, percentage weightings for class and type of securities shall be established and maintained.

Column "d" of Appendix 1 sets out the maximum allowable exposure for each classification of security as a percentage of the total portfolio. Column "e" of Appendix 1 sets out the maximum allowable exposure for each specific issuer in a security class as a percentage of the total portfolio. Column "f" of Appendix 1 sets out the maximum term limit for each investment class and issuer.

The Corporation shall adopt weighted average maturity limitations consistent with investment objectives. The Corporation shall also hold sufficient funds in short term investment instruments in order to maintain adequate liquidity. Appendix 2 sets out minimum and maximum term exposures in order to ensure liquidity requirements are maintained. ~~In line with the provincial regulation, the~~ Corporation shall sell an investment within 30 to 90 days ~~(depending on the specific investment) if that after the day the investment's~~ rating falls below the standard as set out in Appendix 1. ~~However, the investment could be held for a longer period if a plan has been developed for its disposal, including expected timelines for selling the investment and the plan has been approved by the Commissioner of Finance and Treasurer or his/her designate.~~

6. Reporting Requirements

a) Allocation of Investment Income

Allocation of investment earnings from General Fund Portfolios will be allocated monthly to the appropriate reserve, deferred revenue or other account of the Corporation as set out in Appendix 3. The rate of return credited will take into

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consideration the length of time that investments will be held for the purposes of that account.

b) Reports to Council

The Commissioner of Finance and Treasurer shall submit an investment report for Council at least annually, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last year. This management summary will be prepared in a manner which will allow Council to ascertain whether investment activities during the reporting period have conformed to the Policy. The investment report will include the following:

- Listing of individual 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 over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements)
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks
- Listing of investment by maturity date
- Percentage of the total portfolio which each type of investment represents
- A statement about the performance of the investment portfolio during the period covered by the report
- An estimated ratio of the total long-term and short-term securities compared to the total investments and a description of the change, if any, in that estimated proportion since the previous year's report
- A statement by the Commissioner of Finance and Treasurer as to whether or not, in his or her opinion, all investments were made in accordance with the investment policies and goals adopted by the Corporation
- If an investment made by the Corporation is in the opinion of the Commissioner of Finance and Treasurer not consistent with the Policy, the

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inconsistency shall be reported to Council within 30 days (or the next earliest opportunity) after becoming aware of it

- A record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale price of each security; If the Corporation has any existing forward rate agreements in a fiscal year, the Commissioner of Finance and Treasurer shall prepare and present to Council once in that fiscal year, or more frequently if Council so desires, a detailed report on all of those agreements, which will contain:
 - A statement about the status of the forward rate agreements during the period of the report, including a comparison of the expected and actual results of using the agreements
 - A statement by the Commissioner of Finance and Treasurer indicating whether, in his or her opinion, all of the forward rate agreements entered during the period of the report are consistent with the Corporation's statement of policies and goals relating to the use of forward rate agreements
- Such other information that the Council may require or that, in the opinion of the Commissioner of Finance and Treasurer, should be included

c) Performance Benchmarks

It is anticipated that the investment portfolio will earn an average rate of return that is at least commensurate with the investment risk constraints and cash flow needs of the Corporation. Therefore, the actual rate of return earned on the portfolio will be regularly compared to performance benchmarks that have been previously established.

The benchmark(s) may vary from time to time as determined by the Director of the Treasury Office in order to be comparable to the composition and average term of the current holdings of the investment portfolio. The performance of the General Portfolio will be compared using two sets of performance benchmarks – an index-based benchmark and a managed portfolio benchmark.

The index benchmark will be based on a proportional blend of applicable components of the following indices:

- FTSE Canadian Money Market Index

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- FTSE Canadian Short-Term Bond Index
- FTSE Canadian Medium-Term Bond Index, and
- FTSE Canadian All Government Long-Term Bond Indexes

The managed portfolio benchmark will be based on a proportional blend of rate of returns earned by the following funds:

- ONE Investment Program Money Market Fund, and
- ONE Investment Program Bond Market

d) Marking to Market

The market value of the investment portfolio shall be calculated monthly or more frequently if determined necessary by the Director of the Treasury Office.

7. Safekeeping and Custody

All securities shall be held for safekeeping by a financial institution approved by the Corporation. Individual accounts shall be maintained for each portfolio. All securities shall be held in the name of the Corporation.

The depository shall issue a safekeeping receipt to the Corporation listing the specific instrument, rate, maturity and other pertinent information. On a monthly basis, the depository will also provide reports which list all securities held for the Corporation, the book value of holdings and the market value as of month-end.

8. Securities Lending

The Corporation may engage in the practice of securities lending as provided in Section 418 of the *Municipal Act* to enable the corporation to increase its return on its custodial portfolio by lending certain assets to recognized borrowers for a fee.

9. Forward Rate Agreements

The Corporation may enter into Forward Rate Agreements (FRAs). FRAs may only be used to reduce the risk of future interest rate changes associated with known cash inflows and will be subject to the conditions set out in Appendix 2.

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The FRA agreement must specify:

- The forward amount, which is the principal on which the interest rate is based upon
- A settlement date
- The forward interest rate
- The reference rate of interest
- A schedule of approximate payments/cost to or by the Corporation should the reference rate and the forward rate differ

A report analyzing the risks and return profile of the transaction, the risk exposure to the Corporation without the FRA and specific risk control measures must be approved by the Commissioner of Finance or Treasurer prior to entering into a FRA agreement.

Responsibilities and Authorities:

Commissioner of Finance and Treasurer and/or the Director, Treasury Office:

- Develops and maintains all necessary operating procedures for effective control and management of the investment function and reasonable assurance that the Corporation's investments, including those managed on behalf of external clients, if applicable, are properly managed and adequately protected.
- Ensures that the summary of Investment Procedures remains up to date and accessible to all investment officers and employees.
- Enters into arrangements with banks, investment dealers and brokers, and other financial institutions for the purchase, sale, redemption, issuance, transfer and safekeeping of securities.
- Determines rate of return to be allocated to accounts based on Appendix 3 and the portion of any deferred revenue, reserve or reserve fund deemed to be investable for the long-term.
- Will delegate the responsibilities and functions of the Treasury Office to investment officers and employees in a manner that would delineate between front, back office and a potential risk management committee. The duties performed by the trading desk and back office will be clearly segregated to

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maintain the integrity of the financial records. The function of executing and confirming trades will be separated from investment officers or employees directly responsible for the trade.

- May delegate all or part of the day-to-day management of investments to a qualified investment officer (e.g., Manager, Investment and Cash Management).
- Ensures that a review of the investment portfolio is performed daily to verify its compliance with the sector and credit exposure limitations set out in Appendix 1 by the appropriate investment officers or employees within the Investment and Cash Management Division.
- Ensures that any investment that becomes inconsistent with this Policy will be disposed of within 180 days.
- Ensures that credit rating of securities held in the investment portfolio are being monitored regularly by appropriate investment officers or employees within the Investment and Cash Management Division and any material negative changes are communicated in a timely manner to the Director, Treasury Office and the Director, Controllership Office, or their designates.
- Executes and signs documents on behalf of the Corporation and performs all other related acts in the day-to-day operation of the investment and cash management program.
- Ensures all Reporting Requirements identified within this Policy are met.
- May temporarily authorize an amendment to the Term Limits shown in Appendix 2 should an operational need arise.
- Obtains adequate insurance coverage to guard against any losses that may occur due to misappropriation, theft, or other unscrupulous acts of fraud with respect to the Corporation's financial assets.

Reference:

Section 418 of *Municipal Act*

Section 420 of the *Municipal Act*

Section 25 of the *Securities Act*

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Ontario Regulation 438/97

Ontario Regulation 265/02

Ontario Regulation 299/02

Ontario Regulation 655/05

Contact:

Director, Treasury Office, Finance Department, [ext. 71646](#)

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Appendix 1 – Authorized Investments and Sector Limitations

Sectors	Minimum Credit Rating	Money Market Rating	Sector/Credit Exposure Limitation ¹ (maximum)		Sector Term Limitation (Maximum)
(a)	(b)	(c)	(d)	(e)	(f)
Federal²			Portfolio Limit	Individual Limit	
Canada	N/A		100%	.	50 years
Federal Guarantees	N/A		50%	10%	50 years
Other Countries²					
Government	AAA		20%	10%	20 years
Government	AA (L)		10%	5%	10 years
Other Countries Total			20%		
Provincial²					
	AA	R1 mid	75%	35%	40 years
	A		25%	15%	30 years
	BBB		10%	5%	10 years
Provincial Total			80%		
Municipal					
Region of York ³	N/A		25%	25%	None
Other Municipalities ⁴	AAA		35%	5%	40 years
	AA		25%	5%	40 years
	A		10%	2%	40 years
	Not rated		5%	2%	10 years
	Applied Arts, Housing	AA(L)	25%	5%	10 years

¹ exposure % limitations to be applied to the par value of the total portfolio

² includes guarantees

³ includes advances to area municipalities

⁴ Infrastructure Ontario & BCMFA, School Boards, Local Boards & Conservation, School Boards, Local Boards & Conservation.

⁵ Investment in these securities is contingent upon the Region maintaining a credit rating at or above AA (L)

⁶ Maximum 25% beyond 5 years

⁷ Including High Interest Savings Account

⁸ United States dollar investments are limited to no more than 1% exposure limit

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Corp, Education & Hospitals					
Municipal Total			35%		
Asset Backed⁵	AAA	R1 high	20%	5%	10 years
Banks					
Schedule I Banks	<u>A-AA(L)</u>	R1 mid	50%	25%	10 years ⁶
Schedule II Banks	<u>A-AA(L)</u>	R1 mid	20%	10%	5 years
Schedule III Banks	<u>A-AA(L)</u>	R1 mid	10%	3%	5 years
Banks Total			50%		
Corporate					
Corporate debt ⁵	<u>A-AA(L)</u>	R1 mid	25%	5%	5 years
	<u>A-A</u>		15%	3%	5 years
Corporate Total			30%		
Supranational					
International Bank for Reconstruction and Development ⁱ	AAA		10%	10%	30 years
Other governmental or financial institutions	AAA		15%	10%	30 years
Supranational Total			20%		
ONE Investment					
Money Market ⁷	n/a		10%	n/a	
Bond Fund	n/a		10%	n/a	
Equity/Shares	n/a		10%	n/a	
Corporate Debt	A		10%	n/a	> 5 year
ONE Total			25%		
Other					
Loan or trust corporation, credit union, Province of Ontario Saving Bank	AA(L)		20%	5%	10 years

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Appendix 2 – Portfolio Term Limitations¹

Term Limitation	Percentage	
Term Limitation	Minimum	Maximum
Less than 90 days	5%*	100%
Less than 1 year	10%	100%
From 1 year up to, but not including 5 years	0%	85%
From 5 years up to, but not including 10 years	0%	60%
From 10 years up to 50 years	0%	30%

Note: to include known cash receipts due within 90 days

Other Restrictions:

- 1) Term is limited to an individual maximum term of 50 years for certain securities and the weighted average term shall not exceed 10 years for the general portfolio.
- 2) Investments for terms in excess of 1 year are restricted subject to investments specified and the credit rating limitation set out on Appendix 1.
- 3) Forward Rate Agreements (FRAs) may only be executed with Schedule I, II or III Banks whose credit rating is as permitted by provincial regulation 'A' or better. The term of any FRA must be less than 1 year and not more than 25% of previous year's cash receipts.

¹ Term % limitations to be applied to the total amortized book value of the General Fund Portfolio.

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Appendix 3 – Allocation of Investment Income

The method for allocating interest to accounts with surplus balances will reflect the term characteristics of that account.

The rate structure will be based on a three-tier system as follows:

1. Short-term rate – rate of return realized from the short-term money market portion of the General Fund portfolio including cash held on deposit with the Region's bank service provider.
2. Mid-term rate – a rate of return less than the long-term rate, as determined by the Commissioner of Finance and/or Director, Treasury Office
3. Long-term rate – rate of return realized from all long-term and any residual income not accounted for in the short and mid-term rate calculation above.

The short-term rate will be applied to the following accounts:

1. All deferred revenue accounts
2. The following corporate reserves:
 - Dental
 - Payroll Transfer
 - Extended Health
 - Vacation Pay
3. The following specific reserves:
 - Fuel Cost Stabilization
 - Hospital Financing
 - Transit
 - Federal Gas Tax
 - Provincial Gas Tax
 - Road Capital
4. Funds held on behalf of other organizations

Investment Policy

Approved by Council December 15, 2016

The long-term rate will be applied to the following accounts:

1. Water - Capital Replacement
2. Sewer - Capital Replacement
3. Facilities Rehabilitation and Replacement
4. Roads Rehabilitation and Replacement
5. Region Owned Housing
6. Transit Vehicle Replacement
7. Any portion of a deferred revenue account, a reserve or reserve fund that maintains a consistent average outstanding balance that, at the discretion of the Commissioner of Finance and/or Director, Treasury Office, is deemed to be investable for the long term.

The mid-term rate will be applied to all other reserve and reserve funds.



Attachment 5

Status: Final
Approved By: Council

The Regional Municipality of York

Traffic Control Signal Pre-emption (TCSP) System

Policy No.: 35823

Original Approval Date: April 17, 2003

Policy Last Updated: September 23, 2010

Policy Statement:

This policy considers the installation of traffic control signal pre-emption (TCSP) at Regional signalized intersections along the Regional road network.

Application:

All Regional staff involved in TCSP along the Regional road network.

Purpose:

This policy provides a consistent process for TCSP system installation at Regional signalized intersections along the Regional road network.

Definitions:

None

Traffic Control Signal Pre-emption (TCSP) System
September 23, 2010

Description:

1. TCSP equipment shall be paid for and installed by the Region at signalized intersections along the Regional road network.
2. TCSP equipment shall be tested by the Region in accordance with the manufacturers' suggested guidelines.
3. TCSP equipment shall be maintained by the Region, in accordance with the manufacturers' suggested guidelines.
4. TCSP equipment shall be implemented for Fire Department(s), York Region Transit (YRT), Emergency Medical Services vehicles and Regional service vehicles (i.e. snowplows).

Responsibilities:

Manager, Traffic Signal Operations

To ensure the signal pre-emption functions as intended.

Non-Compliance with Policy: (Optional)

N/A

Reference:

No additional schedules or other documents.

Contact:

Commissioner of Transportation Services

Traffic Control Signal Pre-emption (TCSP) System
September 23, 2010

Approval Information:

Council Approval Date: March 19, 2003	Committee Name: Community and Health Services
Council Minute No.: 132	Report No.: 4
Extract eDOCS #: [REDACTED]	Clause No.: 9

35823

Accessible formats or communication supports are available upon request.