



# The Corporation of the Town of Milton

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**Report To:** Council

**From:** Glen Cowan, Chief Financial Officer / Treasurer

**Date:** March 17, 2025

**Report No:** ES-009-25

**Subject:** Financial Policies Update

**Recommendation:** THAT the updates outlined in this report to the following Financial Management policies be approved:

- Policy No. 110 Financial Principles (Appendix A)
- Policy No. 111 Taxation and Assessment (Appendix B)
- Policy No. 112 Procurement and Disposal (Appendix C)
- Policy No. 113 Budget Management Policy (Appendix D)
- Policy No. 114 Asset Management (Appendix E)
- Policy No. 115 Accounting (Appendix F)
- Policy No. 116 Treasury (Appendix G)
- Policy No. 117 Development Finance (Appendix H)

THAT Council approve the transfer of the balance of the Project Variance Account to the newly created Project Variance Reserve, as described herein.

THAT the Chief Financial Officer / Treasurer, or designate, be authorized to execute agreements related to the collection of Development Charges for Rental Housing Developments, in accordance with Town Policy 117 and Provincial Legislation.

## EXECUTIVE SUMMARY

- Financial policies are central to a strategic, long-term approach to financial management and safeguarding the Town's assets.
- The Town's existing financial management policies were last updated primarily over the period 2018 to 2022.

## EXECUTIVE SUMMARY

- The updates proposed herein are largely administrative in nature, and include updates to reflect changes in legislation, procedures and best practices. The key updates are summarized in the body of the report below and the proposed policies are attached in their entirety as appendices.

## REPORT

### Background

The last comprehensive update to the Town's financial policies occurred primarily during the period 2018 to 2022 with the goals of:

- Ensuring that the Town's financial assets are appropriately safeguarded
- Enhancing the existing policy framework in an effort to find more efficient, accurate, transparent, timely and economical ways of delivering service to internal and external stakeholders
- Be responsive to the needs of the Town's Departments, residents and businesses
- Ensure that the latest legislative requirements are reflected in all policies
- Consolidate policies to create a more streamlined and manageable structure

Following the implementation of those updates, legislation and best practices have continued to evolve, and Town staff have identified other revisions that would benefit the administration of the programs. As such, an update to the Town's financial policies is timely.

Remaining financial policies still to be updated include a user fee policy (expected following the recreation master plan update and subsequent user fee update) and risk policy (expected to be introduced by early 2026). Further updates to several of the Town's policies may also be beneficial following the implementation of the two major financial software transitions that the Town is currently working through.

### Discussion

Provided below is a summary of the notable changes that are recommended for each policy through this update. The appendices present each of these policies, as updated, in their entirety as well.

1. Financial Principles (Policy 110) Updates
  - a. Minor language updates to reflect the changes that were introduced through the Strong Mayors, Building Homes Act, 2022;
  - b. Other minor amendments to provide administrative clarity or provide consistency with other policies.



## Discussion

2. Taxation and Assessment Base Management (Policy 111) Updates
  - a. Clarification has been added to address bank closures that occur on Federal National Truth and Reconciliation day in relation to the tax due date;
  - b. An expansion to the number of enrollment deadlines has been added in relation to the pre-authorized due date payment plan;
  - c. Clarity with regards to the delivery of electronic tax bills via a digital service has been provided (i.e. the requirement of such a service being available to the Town at the time of any particular billing process);
  - d. Clarity has been added to confirm that the Town does not accept cheques issued in foreign currency for the purposes of property taxes;
  - e. The list of circumstances where penalty and interest (not typically exceeding one-month's value) may be waived was expanded to consider a one-time courtesy for accounts with a strong payment history where extenuating circumstances existed (example - hospitalization), as well as situations where payment was to an incorrect tax roll number;
  - f. Clarity in language was added throughout the tax arrear section in alignment with current policy and practice;
  - g. The policy has been updated to recognize the collection of other fees and charges that are imposed by the Town, Region or School Boards (example - overdue water billing), and delegates authority to the Manager, Tax and Assessment to provide for the efficient administration of such collections;
  - h. Clarity in language was added within the Assessment Base Management portion of the policy, in alignment with legislation and existing practices.
3. Procurement and Disposal (Policy 112) Updates
  - a. Update to ensure alignment in language with other policies with respect to the Town Issued Credit Card (TICC) program;
  - b. Updated job titles within the Procurement business unit.
4. Budget Management (Policy 113) Updates
  - a. Updates to reflect the changes that were introduced through the Strong Mayors, Building Homes Act, 2022, including the revised responsibility of the Head of Council as well as the revised process for finalizing the Town's Budget each year;
  - b. Re-classify the Project Variance Account (PVA) to a Project Variance Reserve (PVR), in anticipation of the Town's transition to a new Financial Management System. All other aspects of utilization of the PVR will remain consistent with the previously utilized PVA.
5. Asset Management (Policy 114) Updates

## Discussion

- a. Minor language updates to reflect the changes that were introduced through the Strong Mayors, Building Homes Act, 2022;
  - b. Reflection of Ontario Regulation 193/21.
6. Accounting (Policy 115) Updates
- a. Amending the cheque signing authority such that the utilization of an electronic signature on behalf of the Mayor (in addition to the physical signatories) is now optional as opposed to mandatory;
  - b. The period at which stale-dated cheques are transferred to corporate revenue is recommended for reduction from two years to one;
  - c. The Town's Purchasing Card program has been renamed as the Town Issued Credit Card (TICC) program in order to avoid any potential lack of clarity relative to the new Financial Management System;
  - d. The delegation thresholds for accounts receivable write-offs have been updated to align with current thresholds utilized in procurement. As such, the Manager, Accounting has authority for up to \$10,000, the Treasurer has authority for up to \$25,000, and Council approval is required for any amounts above \$25,000;
  - e. Clarity has been added for the situations for which the Town will consider the acceptance of post-dated cheques, as well as the related recognition and procedures;
  - f. Additional clarity has been reflected related to Returned Items (including non-sufficient fund situations), including the identification of credit card payments that are reversed as a result of a chargeback request;
  - g. Distinction has been made between on-line and off-line donations in relation to the procedures for the issuance of a donation receipt. Further, the delegation threshold for the issuance of donation receipts (between the Manager, Accounting and Payroll and the Treasurer) has been updated from \$10,000 to \$25,000;
  - h. A new section has been added to reflect the policy language necessary to implement the Asset Retirement Obligation accounting standard that was introduced by the Public Sector Accounting Board. As the Town has already enacted the required accounting changes in accordance with legislation, the new policy language is aligned with current practice;
  - i. Similarly, a section related to the Liability for Contaminated Sites accounting standard has been added to the policy document;
  - j. Further clarity has been provided within the roles, responsibilities and definition sections, especially with respect to the new contaminated site and asset retirement obligation accounting standard changes.
7. Treasury (Policy 116) Updates

## Discussion

- a. Recognition of the re-classification of the Project Variance Account (PVA) to a Project Variance Reserve (PVR), in anticipation of the Town's transition to a new Financial Management System. All other aspects of utilization of the PVR will remain consistent with the previously utilized PVA.
  - b. Enhanced clarity in several areas to ensure alignment with existing Town practices as well as the Strong Mayors, Building Homes Act, 2022.
8. Development Finance (Policy 117) Updates
- a. Language was added to provide the policy framework to implement the legislated programs related to:
    - i. Installment agreements for payment of development charges (DCs) for Institutional Developments (including the payment of such DCs at the time of building permit issuance if requested by the proponent);
    - ii. Rental Housing Developments including the requirement for an agreement to be executed between the Town and the proponent to ensure the requirements of legislation are met during the installment period;
    - iii. Affordable Housing Developments including the requirement for an agreement to be executed between the Town, the Region and the proponent to ensure the requirements of legislation are met to warrant the DC exemptions (see report ES-006-25);
  - b. The application of interest section was updated to simplify the language and ensure alignment with DC legislation;
  - c. The form of security section was update to recognize Surety Bonds (only for land use planning matters as described further in report ES-007-25);
  - d. The unclaimed financial security section was updated to align with current practice.

## Financial Impact

The establishment of a strong financial policy framework is critical to supporting sound decision making in support of Council's strategic priorities and vision for the community. The proposed polices promote the safeguarding of the Town's assets, and the effective, efficient and economical delivery of Town services on a sustainable basis.

The update to the financial policies has been undertaken with existing staff resources.

Respectfully submitted,

Glen Cowan



Chief Financial Officer / Treasurer

For questions, please contact: Glen Cowan

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### Attachments

Appendix A - Policy No. 110 Financial Principles

Appendix B - Policy No. 111 Taxation and Assessment

Appendix C - Policy No. 112 Procurement and Disposal

Appendix D - Policy No. 113 Budget Management

Appendix E - Policy No. 114 Asset Management

Appendix F - Policy No. 115 Accounting

Appendix G - Policy No. 116 Treasury

Appendix H - Policy No. 117 Development Finance

Approved by CAO  
Andrew M. Siltala  
Chief Administrative Officer

### Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.