



Town of Newmarket
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Corporate Payment Policy Information Report

Report Number: INFO-2024-26

Department(s): Financial Services - Revenue

Author(s): Tony Villella, Manager Revenue; Haley Fryer, Manager, Corporate Customer Service

Date: December 11, 2024

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Purpose

The purpose of this report is to inform Council of the creation of a Corporate Payment Acceptance Policy for the payment of transactional services at all payment locations at the Town of Newmarket, effective January 1, 2025.

Background

The Town of Newmarket provides a variety of transactional services that require payment by residents and business owners each year. Property Tax payments represent the largest amount of money received by the Town.

Residents and business owners can currently pay Property Taxes through pre-authorized payments, online banking, phone banking and in-person payments through personal banking branches, by mail or in-person cheque drop-offs and debit card payments. Currently, Property Taxes are only payable cash at the Municipal Offices.

Table 1 is showing a summary of Property Tax payments received by payment type for the period from December 1st, 2023, to October 31st, 2024.

Table 1

Property Tax Payments				
Type	\$ Amount	%	#transactions	%
Cash	900,900.01	0.44	671	0.41
Cheque	40,447,892.91	19.78	8,442	5.13
Debit Card	2,096,749.72	1.03	2,243	1.36
Online Banking	100,693,426.04	49.23	84,435	51.33
Pre-Authorized	60,376,097.97	29.52	68,715	41.77
Total	204,515,066.65	100.00	164,506	100.00

The Town of Newmarket also receives payments for a wide range of programs and services provided to residents and businesses. These include issuing licences, permits, providing recreation programs, Planning and Engineering services, Bylaw and Parking enforcement, Animal Services, and many others including the receipt of Development Charges for the Town, Region of York, and York District School Board.

These payments are smaller in comparison to Property Tax payments but represent a significant volume of transactions. Table 2 shows a summary of payments received for these services by payment type for the period from December 1st, 2023, to October 31st, 2024.

Table 2

Payments for Other Services				
Type	\$ Amount	%	#transactions	%
Cash	201,359.19	0.93	19,598	13.80
Cheque	12,385,884.01	57.48	668	0.47
Debit Card	378,778.51	1.76	15,822	11.14
Credit Card	8,583,187.70	39.83	105,922	74.59
Total	21,549,208.41	100.00	142,010	100.00

Most recently the Town of Newmarket implemented the Automated Speed Enforcement Program (ASE) which is forecasted to further increase the number of payment transactions shown above.

Discussion

The Town of Newmarket offers residents and businesses several options to make Property Tax payments. The cash payment option is the least utilized option representing 0.44% of the total dollar value collected and 0.41% of the total transactions processed. The average cash payment for property taxes is \$1,342.62 compared to the average cash payment for other services of \$10.27.

The online and pre-authorized options are significantly the largest payment options utilized by residents and business owners. This represents a growing trend in neighbouring municipalities that have already opted to eliminate accepting cash for Property Tax payments. Table 3 below provides a listing of comparator municipalities.

Table 3

Municipality	Eliminating Cash for Property Tax payments	Comments
Aurora	Yes	Accepts for other services except water
Brampton	Yes	Accepts for other services except Building Permits
Georgina	Yes	Accepts for other services except water
Markham	Yes	Not accepted for any service
Milton	Yes	Accepts for some other services
Oakville	Yes	
Richmond Hill	Partial	\$ 10,000 limit for all services
Toronto	No	
Vaughan	Yes	Not accepted for any service

Whitchurch Stouffville	Partial	Clients can pay tax and water only at Customer Service counter
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Some of the benefits of eliminating cash transactions include the following:

- minimize risk of receiving counterfeit bills
- minimize potential for robbery and theft.
- eliminating a potential avenue for illegal activities including tax evasion or money laundering
- reduce time spent counting cash which will reduce customer wait times during periods of high volume.
- reduce health and safety risks for staff associated with physically handling cash.
- potential cost savings through the reduction in frequency of armoured vehicle pick-up services if there are fewer items requiring physical deposit.
- insurance coverage related to the amount of cash on hand and in transit can affect the cost of insurance premiums.

The option to set a limit for cash transactions was discussed, however, staff have opted to eliminate cash as a tender for property taxes only. While a limit could reduce the risks associated with counting and processing large sums of cash, it would still allow for instances of multiple, separate cash transactions amounting to larger sums. A cash limit would also not provide the same benefits of cash elimination as listed above, continuing to put both the Town and front-line staff at risk.

The elimination of accepting cash for Property Tax payments may be perceived by a small number of Property owners as an inconvenience, however, they can still pay their taxes using cash through their financial institutions.

Currently, the Town of Newmarket does not have a standard Corporate Payment Acceptance Policy. The attached policy in Appendix A will provide a framework and guideline for staff and the public to adhere to. The creation of a standard corporate policy will also serve to update our current state of the Town of Newmarket business practices which are trending towards increased online services.

Conclusion

The Town of Newmarket residents and businesses have several convenient options to pay their Property Taxes including pre-authorized plans with three different withdrawal structures to suit various financial needs and online banking. In person options using debit or cheque are also available at four separate Town of Newmarket Facilities seven days a week with access to service outside of traditional business hours. The elimination of cash transactions for Property Tax payments will reduce many of the risks associated with the handling of cash and take advantage of opportunities to gain efficiencies as well

as potentially reduce costs. This Corporate Payment Acceptance Policy will be reviewed annually by the Finance department to ensure it meets the needs of the Town of Newmarket and adapts to any changes in the payment environment.

Town Staff will create a communication plan to effectively inform departments, residents and business owners of the changes being made to the acceptable forms of payment for services. It is important to note that residents and businesses can still pay their property taxes and in cash at their banks.

Tactics may include web content, social media, media release, posters/info at customer service kiosks, information included in the 2025 Property Tax Bills, and Council tool kit/key messages.

The communication plan will help promote accountability as it realigns residents and business owners' expectations to support the Town of Newmarket's progress towards a more innovative work environment that is safer and more efficient.

Business Plan and Strategic Plan Linkages

This report links to Newmarket's key strategic directions in being Well Managed through Fiscal Responsibility.

Consultation

Senior Leadership Team (SLT)

Human Resource Considerations

Not Applicable

Budget Impact

Not Applicable

Attachments

Corporate Payment Policy

Approval

Andrea Tang, CPA, CA
Director, Financial Services

Esther Armchuk, LL. B
Commissioner, Corporate Services

Contact

For more information on this report contact Tony Vilella, Manager Revenue (tvillella@newmarket.ca or extension 2143).

If you require this document in an alternative format, please contact the Town of Newmarket at 905-895-5193



Corporate Payment Acceptance Policy

Appendix “A”

Policy Number: CORP. 1-12

Sub-Topic:

Topic: General

Applies to: All Commissions and Departments receiving payments

Policy Statement

This policy aligns with the Town’s “Well Equipped & Managed” Strategic Plan objective of fiscal responsibility.

Purpose

The purpose of the Payment Acceptance Policy is to provide direction to employees on the forms of payment accepted by the Corporation (both on-line and in-person) and to set limits by payment type.

Definitions

Cryptocurrency: a digital currency in which transactions are verified and records maintained by a decentralized system using cryptography, rather than by a centralized authority.

Third-party cheque: any cheque made payable to someone other than the Corporation of the Town of Newmarket that has been endorsed by the payee and then made payable to the Corporation of the Town of Newmarket.

Provisions

This Policy applies to all payments received on behalf of the Corporation.

Payment Type

Credit Card Acceptance (on-line and in-person)

Credit card payments are processed for the actual amount of the transaction only. Cash back is not permitted.

Credit cards are not to be accepted as payment for the following revenue sources (inclusive of taxes where applicable):

- Property Taxes
- Development charges.
- Water payments, excluding bulk water sales.
- Refundable and security deposits, for example hydrant and pool permit deposits.
- Transactions, invoices or agreements over \$5,000 for all municipal services,
- Transactions, invoices or agreements over \$5,000 are not permitted to be divided into one or more payments to avoid the requirements of this Policy.

Cash Acceptance (in-person)

Cash is not an accepted payment method for Property Taxes or Development Charges.

Only Canadian currency is accepted for all municipal services.

Cryptocurrency Policy

The Corporation does not accept cryptocurrency or related products as methods of payment.

Debit Card Acceptance (on-line and in-person)

There are no limitations associated with the acceptance of Debit cards. For online transactions, debit cards must be a “Visa Debit” or Mastercard Debit”.

Cheques, Money Orders and Bank Drafts (in-person)

For municipal services provided directly by the Town of Newmarket, all cheques, money orders or bank drafts may only be accepted when made payable to the Corporation of the Town of Newmarket. The Corporation does not accept third-party cheques.

Cheques are not an accepted payment method for the following services:

- Drop-In Recreation Programs
- Waste related items including green bins, blue boxes, kitchen catchers, backyard composters, large item stickers, and garbage tags
- Marriage Licences
- Commissioning Services
- Merchandise
- Food and beverages

Service Charges

The service charges associated with the use of credit and debit cards will be charged to the department for which the revenue was earned.

Roles and Responsibilities

Treasurer or designate is authorized to: adjust the transaction limits as required to account for inflation or general user fee increases; and determine which payment methods payments will be accepted for any new services/revenue sources.

Directors and Department Heads are responsible for implementing and adhering to this Policy regarding payments received by their department.

Financial Services is responsible for updating this Policy and auditing the adherence of this Policy.

Cross-References

Corporate Procedure

Corporate Policy

Other Government Legislation

Contact

Manager of Revenue, Financial Services Department

Details

Approved by: Ian McDougall, Chief Administrative Officer

Approval Date:

Policy Effective Date: January 1, 2025

Last Revision Date: N/A

Revision No: 000