

Request for Decision United Townships of Head, Clara & Maria Council

Type of Decision									
Meeting Date	Friday, June 20, 2014				Report Date	Wednesday, June 18, 2014			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed
#28/03/14/1202 – Banking Changes									

Subject: Request changing our existing Scotiabank accounts’ plans to more cost effective plans which will generate more interest and enable direct deposit, along with our online banking, ScotiaConnect.

RECOMMENDATION:

It is staff recommendation to make the changes as set out below for ease of use, increased revenues and increased convenience for staff.

WHEREAS the proposed changes will benefit the municipality in savings of time and money, increasing rates of return on bank balances and reducing costs of printing cheques;

AND WHEREAS benefits will also include conveniences for staff in creating cheques as well as receiving pay;

THEREFORE BE IT RESOLVED THAT The Council of the United Townships of Head, Clara & Maria does hereby agree to:

1. Change the existing ScotiaConnect Bronze bank account plan to the Cash Management Light plan with the 3 accounts and add an additional user to the plan;
2. Sign up for EFT Payments;
3. Switch the Treasury account to the Power Savings for business account.

BACKGROUND/EXECUTIVE SUMMARY:

1. I have been speaking with Jacqueline Pothier, Commercial Growth Specialist from Scotiabank who has some suggestions for HCM regarding our General and Treasury bank accounts. She has priced out several different plans to enable us to do direct deposit, along with our on line banking, ScotiaConnect, and came up with the best recommendation for HCM. Here is what she suggests:

- If we change our existing ScotiaConnect Bronze to the Cash Management Light plan with the 3 accounts and add an additional user to the plan, the cost will remain approximately the same as what we are paying now, \$35, possibly \$40 depending on the transactions going through our accounts.

With the new plan we can add the Electronic funds transfer service at no additional monthly fee, we only pay for the transactions that we submit. With the information I provided Jacqueline regarding the employees we would be paying, at a maximum of 14, we would be paying \$28 to pay the 14 employees biweekly. The transaction fee for each payable is \$1 per transaction, therefore, if you are only paying the 7 employees bi-weekly, the cost would

be \$14. Currently we are paying \$1.10 per cheque that we write, not including the costs of purchasing them.

- Also, with the Cash Management Light plan the ability to send wires to any destination, for any amount, for \$35 each, is included, at no additional monthly fee. The only cost to set up the Electronic funds transfer service is a one-time \$100 set up fee, and \$40 for each token needed to submit the payments. This is also a one-time fee, so for the 3 Users on the service, the initial fee will be \$120 for the tokens. As I discussed with Jacqueline, (direct deposit for Payroll only) the third User, a council member, can be added to the service to authorize any payrolls that I or Melinda have entered. Basically, we can set it up so that 1 User or Superuser inputs the payables, and 1 authorizes it, to keep the dual signatory of the account.
- Jacqueline also recommends that we switch the Treasury account to the Power Savings for business account which is also an account that we access online. There is no monthly fee, or transaction fees for this account, as long as we transfer on line. This account currently pays 0.95% for the entire balance of the account, as long as the daily credit balance remains at \$25,000 or more, for the entire month. Making this switch will increase our interest by almost double. Currently our Treasury account pays 0.50% per month.

Noella feels this is something worth considering. There will be no changes to the account numbers or the way we use them, except for the Treasury account where the minimum monthly balance must be \$25,000. However, you must keep in mind that HCM will be just about doubling its monthly interest.

As for the EFT for payroll, there is a one-time set-up and token fees for each user, but we do not have to set up an additional user and paying an additional \$40 token (one-time fee), we can proceed as we are now, Council would still sign the payroll cheques, the only thing different, is that it would be on regular paper instead of the actual cheque and the paper copy would then go in the payroll file. ScotiaConnect EFT has excellent turnaround times. When an EFT payment is submitted before midnight on a business day, it will be deposited into the individual payee's accounts on the following business morning.

Options/Discussion: Status quo or increased interest rates.

Financial Considerations/Budget Impact: Treasury account will receive 0.95% monthly interest instead of what we are currently receiving (0.50%), just about double.

Policy Impact:

Others Consulted: Melinda Reith, CAO/Clerk and Jacqueline Pothier, Commercial Growth Specialist, Scotiabank

Approved and Recommended by the Clerk

Melinda Reith,

Municipal Clerk

