

MANAGEMENT REPORT TO METROLINX

Report Title:	Amendment to By-Law No. 2: Corporate Cards					
Report Number:	CS 08-005	Date to Board:	Mar 28-2008	Date to Committee:		
Report To:	<input checked="" type="checkbox"/> BOARD		<input type="checkbox"/> ADVISORY COMMITTEE <input type="checkbox"/> AUDIT COMMITTEE <input type="checkbox"/> GOVERNANCE COMMITTEE <input type="checkbox"/> HUMAN RESOURCES COMMITTEE <input type="checkbox"/> TECHNICAL ADVISORY GROUP <input type="checkbox"/> OTHER:			
Report Referred From:	N/A					
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Item Class:	IN CAMERA	<input type="checkbox"/>	DECISION	<input checked="" type="checkbox"/>	INFORMATION	<input type="checkbox"/>

1.0 RECOMMENDATION:

RESOLVED:

THAT By-Law No. 2 Section 3.1, be amended to remove reference to the Provincial Vendor of Record with respect to obtaining purchasing and travel cards.

THAT in furtherance of such resolution the current section 3.1 be deleted and replaced with the following:

Section 3.1 Purchasing and Travel Cards

Notwithstanding any other provision of the Corporation's By-Laws and subject to this Article 3, the Corporation is hereby authorized to enter into such agreements for purchasing and travel card(s) with such banks, trust companies, credit unions or caisse populaires as may be determined by the Corporation from time to time.

THAT the Board authorize staff to seek the necessary approvals from the Minister of

Finance to obtain Metrolinx purchasing and travel cards.

2.0 PURPOSE & EXECUTIVE SUMMARY:

N/A

3.0 BACKGROUND:

At its April 27, 2007 meeting, the Board approved resolution 07-B10, which in part reads:

THAT, PURSUANT TO SECTION 2.7 OF BY-LAW NO.1,

1. The Royal Bank of Canada (the “bank”) is appointed banker for the Greater Toronto Transportation Authority (the “Corporation”).

At its April 27, 2007 meeting, the Board also approved By-Law No. 2, which included the following:

Article 3

CORPORATE CARD

Section 3.1 Purchasing and Travel Cards

The Corporation is hereby authorized to enter into an agreement with the bank, trust company, credit union or caisse populaire which has been designated by the Province as the vendor of record for purchasing and travel cards.

4.0 DISCUSSION:

The Bank of Montreal is the Province’s Vendor of Record (VOR) for purchasing and travel cards. For the Corporation to use the Province’s VOR, the Corporation must be GST exempt. Currently, Metrolinx is not GST exempt.

Staff of Metrolinx is currently working with the Federal Government and the Ontario Ministries of Transportation and Finance to pursue a GST exemption. Until such time as a formal exemption is received Metrolinx has received advice from the Ontario Ministry of Finance that to be compliant with the law it must pay GST. Given this advice and no exemption received to date, staff are recommending a housekeeping amendment to By-Law No. 2, Section 3.1, which would allow Metrolinx to enter into an agreement with a financial institution other than the VOR, as the provider of purchasing and travel cards.

5.0 FINANCIAL MATTERS:

This proposed change will have no impact on Metrolinx's budget.

6.0 HUMAN RESOURCES MATTERS:

N/A.

7.0 ENVIRONMENTAL MATTERS:

N/A.

8.0 COMMUNICATION MATTERS:

N/A.

9.0 LEGAL MATTERS:

As per Section 27(1) of the *Greater Toronto Transportation Authority Act, 2006*, Metrolinx may only borrow or incur liabilities under the authority of a by-law that has been approved by the Minister of Finance. In addition, under Section 28 of the *Financial Administration Act*, the Minister of Finance approval is required before Metrolinx can incur indebtedness through credit cards or otherwise. Therefore, By-Law No. 2 will have to be approved by the Minister of Finance before Metrolinx can obtain purchasing or travel cards.

10.0 CONCLUSION:

The recommended wording change to By-Law No. 2, attached as Appendix A will allow Metrolinx to move forward and acquire purchasing and travel cards, following Minister of Finance approval.

Respectfully submitted,

Approved for Submission to the Board



Kim Lambert, Director, Corporate Services



W. Michael Fenn, CEO

Appendices:

Appendix A: Excerpt from By Law No. 2

*Staff & Others
Consulted:*

Name	Telephone
Mary Martin General Counsel & Corporate Secretary	416 874 5915
Alba Taylor Associate Counsel	416 874 5941

Notifications:

Name	Mailing or E-mail Address
N/A	

Special Instructions:

N/A