

Service Business Plan



Service Name	Financial Management	Service Type	Internal
Service Owner Name	Joan Ford	Budget Year	2017
Service Owner Title	Director of Finance		

Service Description

An internal service to provide for the procurement of goods and services, tax billing and collection, payroll, treasury and financial reporting.

Current State

<p>Customers & Their Expectations</p>	<p>This service is delivered to:</p> <p>City staff and externally managed boards, who expect:</p> <ul style="list-style-type: none"> • Strong financial business support (financial planning, budgeting & business planning) • Transactional processing and financial reporting • Accurate and timely processing of their pay. <p>Businesses/suppliers, who expect:</p> <ul style="list-style-type: none"> • A fair, transparent and open process for the purchase of goods and services for the City. <p>Property owners, who expect:</p> <ul style="list-style-type: none"> • The City's assets are protected and costs from unplanned occurrences are mitigated • A fiscally prudent and well-managed financial plan that is transparent, forward-looking and accountable • Accurate, timely and transparent property tax billing and collection that complies with all legislative requirements.
<p>Existing Service Delivery</p>	<p>This service is responsible for:</p> <ul style="list-style-type: none"> • Managing all financial transactions in compliance with accounting standards • Long-term financial planning and policy development to ensure resources are available to meet future needs • Facilitating the process for the purchase of goods and services for the City. • Safeguarding the City's financial assets, including containing costs and increasing revenues. • Billing and collection of City, region and education property taxes.
<p>Existing Customer Engagement Tools / Methods</p>	<p>Public budget open house, taxpayer information brochure with property tax bills, City website and intranet site, surveys, telephone, 311, email, in person</p>
<p>Is this Service Provincially Legislated?</p>	<p>Yes Municipal Act, 2001</p>

For this Service are there Approved Service Standards?	Yes Municipal Act, 2001; Development Charges By-law; Procurement By-law; Public Sector Accounting Board
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Sub-Services

Procurement Process	Process of buying goods and/or services on behalf of the City, including managing contracts with suppliers.
Transactional Processing	Processing day-to-day financial transactions such as accounts payable, accounts receivable, payroll, donations, debit/credit card payments and cash management as well as reconciling City accounts.
Financial Reporting and Business Planning	Preparing financial statements. Liaison with external and internal auditors. Completing provincial Financial Information Return (FIR). Preparing budgets and budget monitoring, including variance reporting, developing financial policies, financial plans and development charge by-laws.
Property Tax Billing, Collection and Payment Processing	Review of assessment roll prepared by the Municipal Property Assessment Corporation (MPAC) and appeal of property valuations where applicable. Calculation of City, region and education property taxes and issuing tax bills to property owners. Property tax billings, including interim billing (with two installments) and final tax billing (with two installments). Collection and property tax payment processing, including penalty, interest and other fees and charges.

Recent Continuous Improvement Initiatives

In 2015:

- Presented the update to the City’s Financial Health Report for the new term of Council
- Updated the Asset Management Financing Plan resulting in additional \$20 million of funding over 4 years to capitalize on less costly rehabilitation works
- Joseph Brant Hospital contribution agreement was updated that reduced the total levy and the length of time for the dedicated hospital levy
- Participated in completion of online Burlington Open Budget which provides the public with a transparent interactive platform for viewing the budget.

In 2016:

- Completed Phase 1 Financial Plan for the new Strategic Plan
- Advanced the approval of the 2016 Capital and Operating Budgets to Dec 2015 and January 2016 respectively
- Implemented a new operating budget system for the 2017 budget
- Transitioned from external tax bill printer to in house Digital Copy Centre for tax bills resulting in \$5,500 annual savings
- Implemented the new Regional program for Older Adult Property Tax Deferrals
- Completed the implementation of PSAB 3260 Liability for Contaminated Sites
- Provided additional support to the Local Boards (Treasurer for BEDC, staff secondment to Library and preliminary discussions with Museum for extending accounting support)
- Enhanced reporting to Audit Committee including quarterly financial highlights as well as new and existing financial policies

Emerging Opportunities and Anticipated Risks

Emerging Opportunities	<p>Interest rates may increase at a controlled pace. With this in mind, we will shift our investments from bond to money market instruments and reduce the length of time held to ensure funds are readily available to meet expenses.</p> <p>Developing and approving budgets covering more than one year could streamline the budgeting process, and a number of Canadian municipalities are investigating / implementing this.</p>
Anticipated Risks	With the increase in interest rates, borrowing costs will increase.

Service Objectives	Target Completion
Complete a Fiscal Impact Analysis of various forms of development	Mar 2017
Implement new Corporate Point of Sale technology	Sep 2017
Implement Remote Deposit Capture (electronic deposit of tax payments paid by cheque)	Feb 2016
Update Financial Health Report	Mar 2019
Update Procurement By-law	Apr 2019
Update Development Charge By-law	Jun 2019

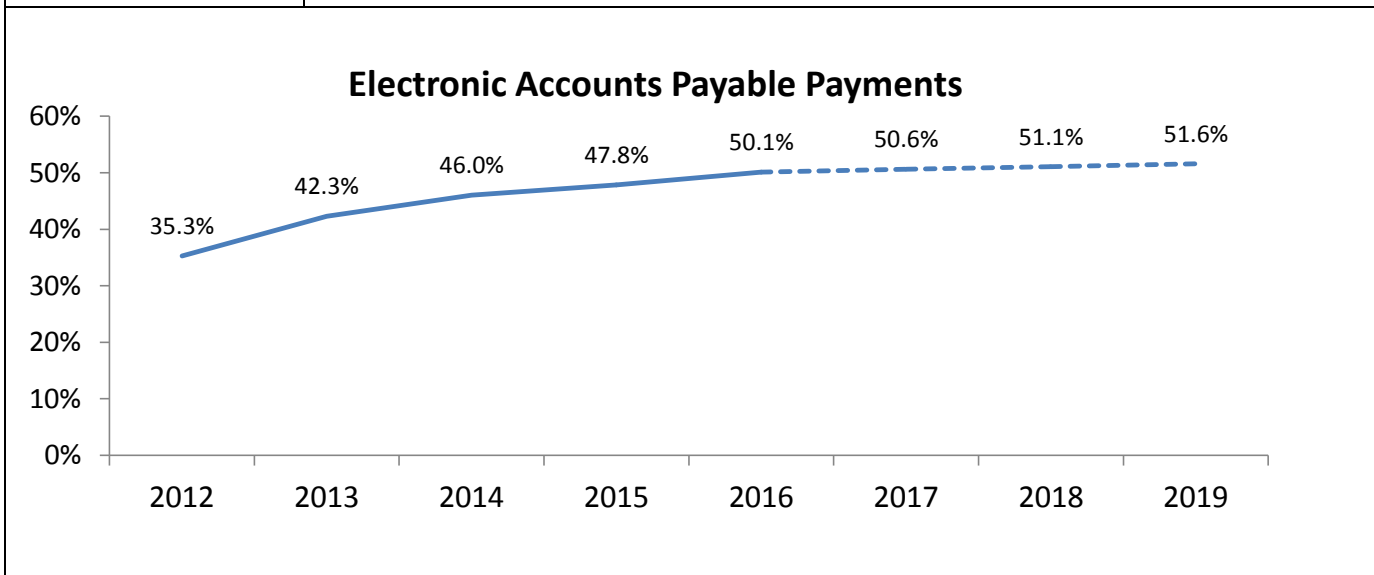
MEASURING SUCCESS

How much did we do?

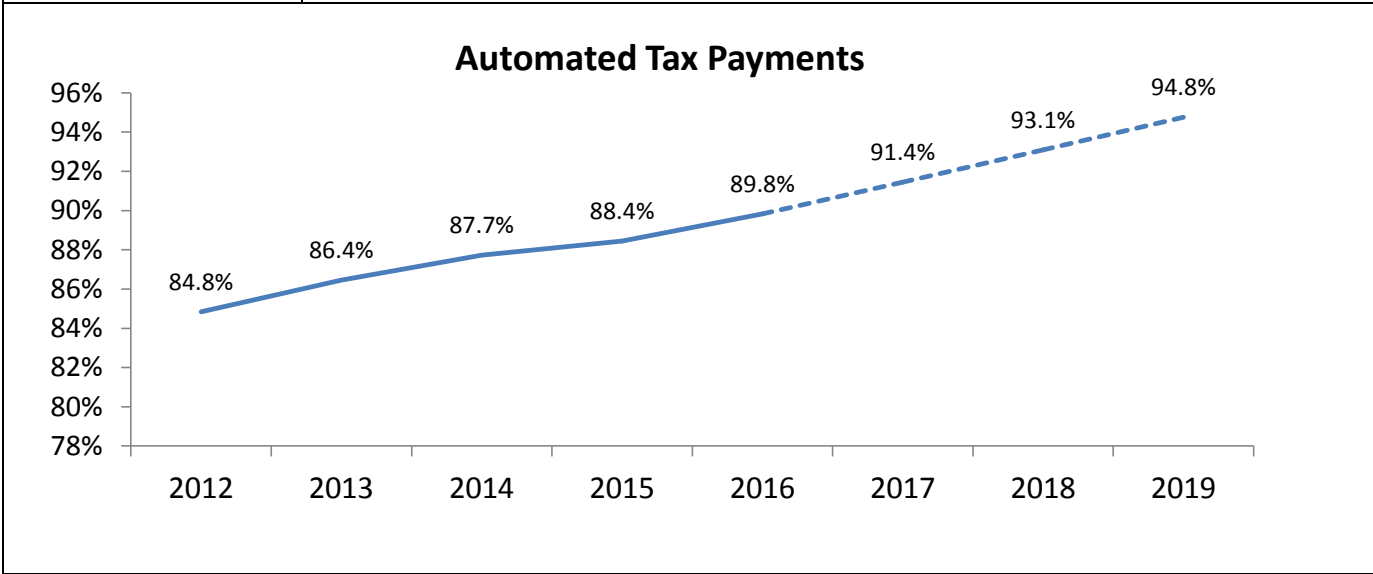
Performance Measurement	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2017 Forecast	2018 Forecast	2019 Forecast
Number of accounts payable payments	11,260	11,446	11,531	11,843	11,200	11,312	11,425	11,539
Number of property tax accounts	61,246	61,675	62,217	62,907	63,230	63,356	63,483	63,610
Number of bid opportunities issued	95	80	82	80	80	85	85	85

How well did we do it?

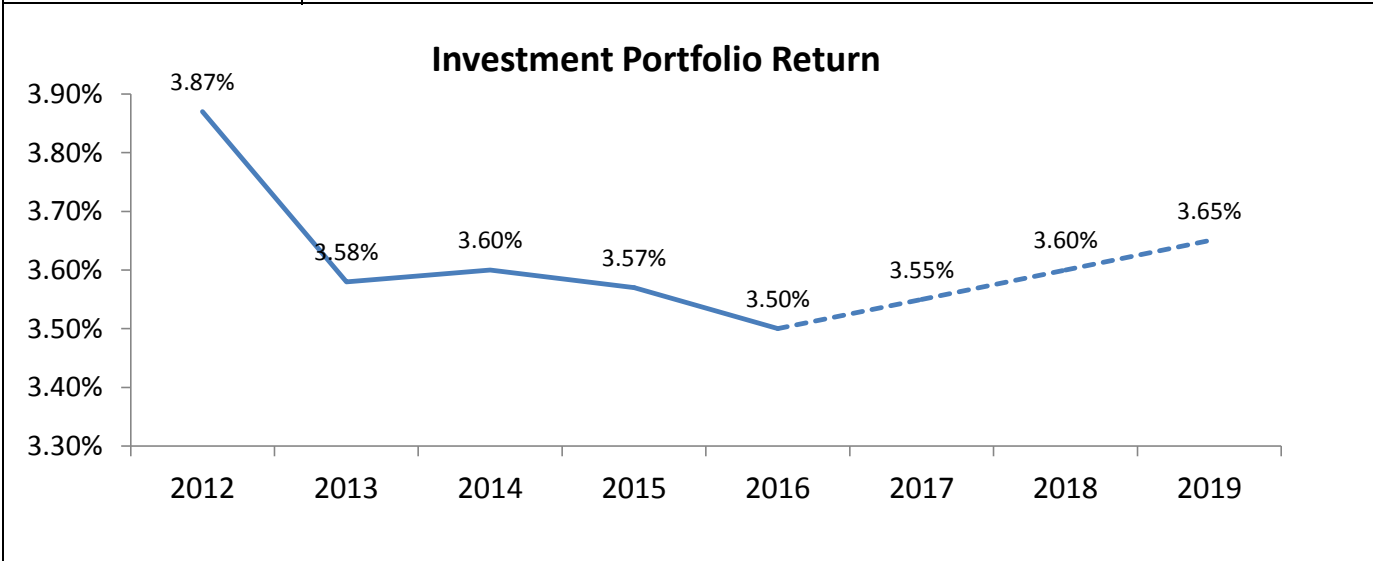
Performance Measurement	Electronic Accounts Payable Payments
Story behind the data	The City continues to promote electronic payments as a more cost-effective, secure and efficient method of payment.



Performance Measurement	Automated Tax Payments
Story behind the data	The City offers multiple ways for property owners to pay their property taxes. The most efficient methods are through the City's pre-authorized payment programs, on-line banking or through the mortgage company as the payments are automatically withdrawn on a specified date.



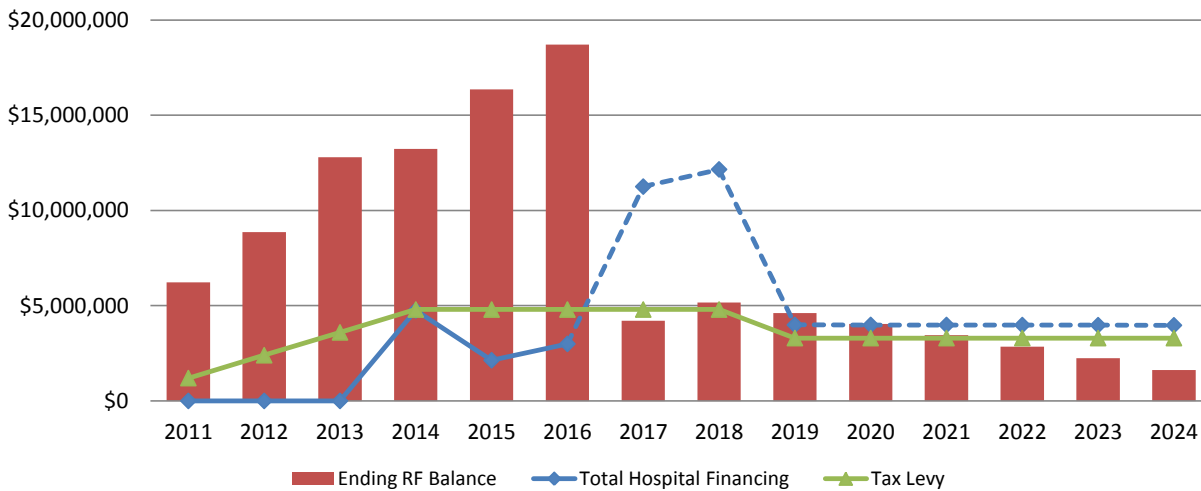
Performance Measurement	Investment Portfolio Return
Story behind the data	Interest rates continue to be at an all-time low. With a gradual increase to interest rates, it is anticipated that the City will realize higher investment returns.



Is anyone better off?

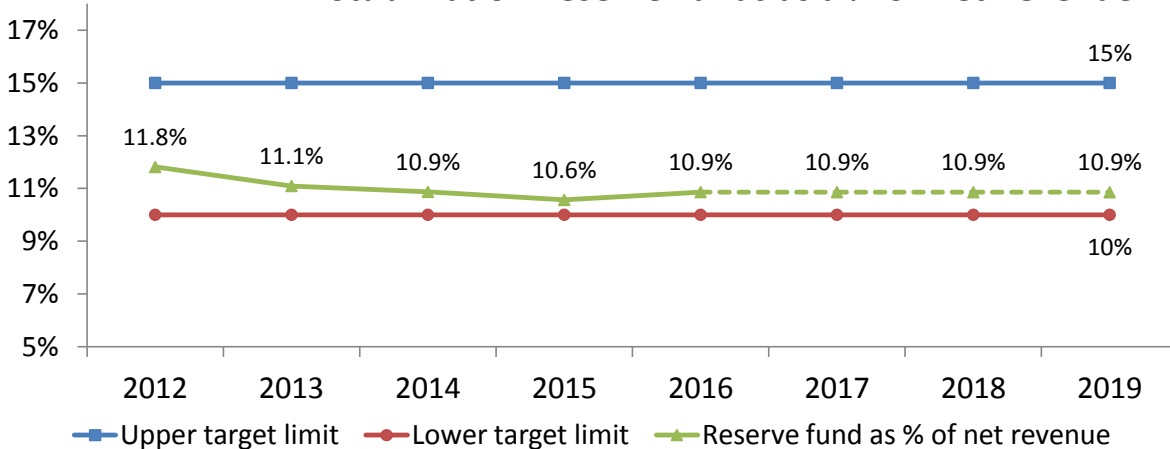
Performance Measurement	Hospital Financing Strategy
Story behind the data	In 2010, the City began setting aside a portion of property taxes to fund the City's \$60 million contribution to the Joseph Brant Hospital redevelopment project, allowing the City to build a reserve fund to meet the hospital's financing requirements. The levy for the hospital has been spread over 17 years up to 2026, spreading the cost to a multitude of residents that will benefit from the hospital expansion. Furthermore, the levy in later years has been aligned to the hospital financing structure to maximize the use of funds and minimize interest costs over the life of the financing arrangement.
Where do we want to go?	By 2026, the City will have financed the entire \$60 million contribution for the hospital redevelopment project.

Hospital Financing Strategy

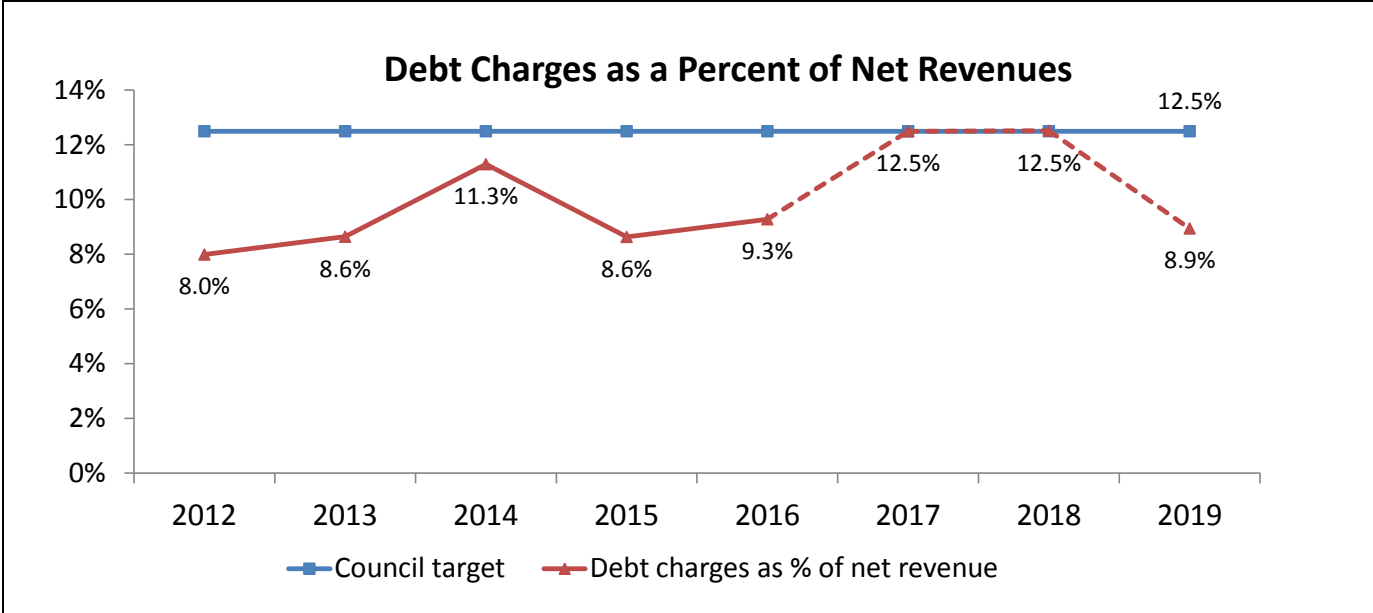


Performance Measurement	Stabilization reserve funds as a percentage of net revenue
Story behind the data	Stabilization reserve funds cushion the effect major expenses would otherwise have on tax rates in a given year. These accounts provide the City with flexibility and sustainability to respond to uncontrollable factors such as economic cycles, and plan for today and for the future.
Where do we want to go?	To continue to build and maintain balances at a prudent level, the City is targeting a balance of 10-15% of net revenues.

Stabilization Reserve Funds as a % of Net Revenue



Performance Measurement	Debt charges (repayments) as a percentage of net revenues.
Story behind the data	The Province of Ontario legislates a municipal debt limit of no greater than 25% of revenues. The City's debt policy limits the total debt repayment to 12.5% of revenues. Total debt repayment, including the debt required for the Joseph Brant Hospital redevelopment project, is forecast to reach a high of 12.5% over the next 10 years.
Where do we want to go?	The City continues to follow the existing debt policy to manage borrowing costs.



SERVICE RESOURCE SUMMARY

Service Description

An internal service to provide for the procurement of goods and services, tax billing and collection, payroll, treasury and financial reporting

Service Owner Name

Joan Ford

	2015	2016		2017 Proposed				
	Actual	Budget	Year End Projections	Base Budget	% Change vs. 2016 Budget	Business Cases	Total Budget	% Change vs. 2016 Budget
Human Resources	\$ 3,624,310	\$ 3,851,910	\$ 3,775,780	\$ 3,971,014	3.1%	\$ -	\$ 3,971,014	3.1%
Operating/Minor Capital Equip.	\$ 93,231	\$ 72,850	\$ 72,700	\$ 78,500	7.8%	\$ -	\$ 78,500	7.8%
Purchased Services	\$ 149,715	\$ 222,550	\$ 206,411	\$ 142,500	-36.0%	\$ -	\$ 142,500	-36.0%
Corp. Expenditures/Provisions	\$ (11)	\$ -	\$ -	\$ -	n/a	\$ -	\$ -	n/a
Internal Charges & Settlements	\$ 6,852	\$ 10,000	\$ 10,000	\$ 10,000	0.0%	\$ -	\$ 10,000	0.0%
TOTAL EXPENDITURES	\$ 3,874,096	\$ 4,157,310	\$ 4,064,891	\$ 4,202,014	1.1%	\$ -	\$ 4,202,014	1.1%
Controllable Revenues	\$ (475,207)	\$ (436,525)	\$ (467,423)	\$ (440,325)	0.9%	\$ -	\$ (440,325)	0.9%
General Revenues & Recoveries	\$ (355,601)	\$ (425,094)	\$ (425,094)	\$ (373,888)	-12.0%	\$ -	\$ (373,888)	-12.0%
TOTAL REVENUES	\$ (830,808)	\$ (861,619)	\$ (892,517)	\$ (814,213)	-5.5%	\$ -	\$ (814,213)	-5.5%
NET OPERATING BUDGET	\$ 3,043,288	\$ 3,295,691	\$ 3,172,374	\$ 3,387,801	2.8%	\$ -	\$ 3,387,801	2.8%