

Service Business Plan



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| Service Name | Financial Management | Service Type | Internal |
| Service Owner Name | Joan Ford | Budget Year | 2019 |
| 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

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| <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) • Transaction 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, e-portals for bid opportunities</p> |
| <p>Is this Service Provincially Legislated?</p> | <p>Yes Municipal Act, 2001</p> |

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| 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

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| Procurement Process | Process of buying goods and/or services on behalf of the City, including developing & 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 2017:

- Created an online form to apply for the Senior Grant Program
- Implemented SAP for Museums including providing accounts payable services and financial reporting and external audit support.

In 2018:

- Implemented SAP for Burlington Art Gallery including providing accounts payable services and financial reporting and external audit support.
- Implemented separate company codes for BPAC and BEDC which improved oversight of financial management for local boards while introducing efficiencies through use of the City's accounting services.
- Introduced the use of Caseware for FIR which created efficiencies in preparing this report for the province. Further efficiencies will be realized in 2019 as initial setup took some time.
- Implementation of ChequePro for deposits of large cheques. This allows deposits through scanning cheques and transmitting to the bank. Creates efficiencies as staff do not have to walk cheques to the bank and cheques are deposited same day.
- Completed the implementation of PSAB 3260 Liability for Contaminated Sites

Emerging Opportunities and Anticipated Risks

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| Emerging Opportunities | <p>In 2018:</p> <ul style="list-style-type: none"> • Business Intelligence project will incorporate Finance. Efficiencies to be gained in improved reporting as data from various systems is brought together to enhance analysis and financial management. • Phase out of vacant unit tax rebate regional program to help support economic growth and intensification. The program is currently administered by the city and the other local Halton Region municipalities <p>In 2019:</p> <ul style="list-style-type: none"> • Updating our communication methods with lawyers to allow for more accurate data on ownership transfers; providing for on-line information and ability to order tax certificates on-line • Project to implement a new corporate cashiering solution. Completion likely in 2020. Opportunity to leverage new Parks & Recreation software creating one corporate wide solution with increased efficiency. Eliminates the risk of using an unsupported software solution. Risk identified is that cashiering solution is still under development. This could lead to a solution that does not meet the needs of the corporation. • Expand the use of ChequePro throughout the corporation leading to greater efficiencies and quicker deposits. <p>In 2020:</p> <ul style="list-style-type: none"> • ERP project to introduce a corporate wide solution which will incorporate payroll into the financial system. This eliminates risk of using an unsupported payroll solution (Banner) and increases efficiencies as payroll will be fully integrated with the financial system. Risk is that a suitable solution will not be found that incorporates HRIS, payroll and financial management needs. • Developing and approving budgets covering more than one year could streamline the budgeting process, and a number of Canadian municipalities are investigating / implementing this. |
| Anticipated Risks | <p>With volatility in global markets and potential for increased interest rates - interest income could be adversely affected as could borrowing costs.</p> <p>Increased demands for support could impact financial services staff resources.</p> |

| Service Objectives | Target Completion |
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| Update City's Development Charges By-law that ensures growth-related infrastructure is paid for by development as permitted by legislation. | Jun 2019 |
| Implement new Corporate Point of Sale technology | Mar 2019 |
| Implement a new property tax system to explore available solutions for municipal tax collectors including on-line portal | Jun 2020 |
| Implement a new ERP solution | Jul 2020 |
| Update Procurement By-law | Apr 2019 |
| Implement Multi-year operating budget | Jan 2020 |

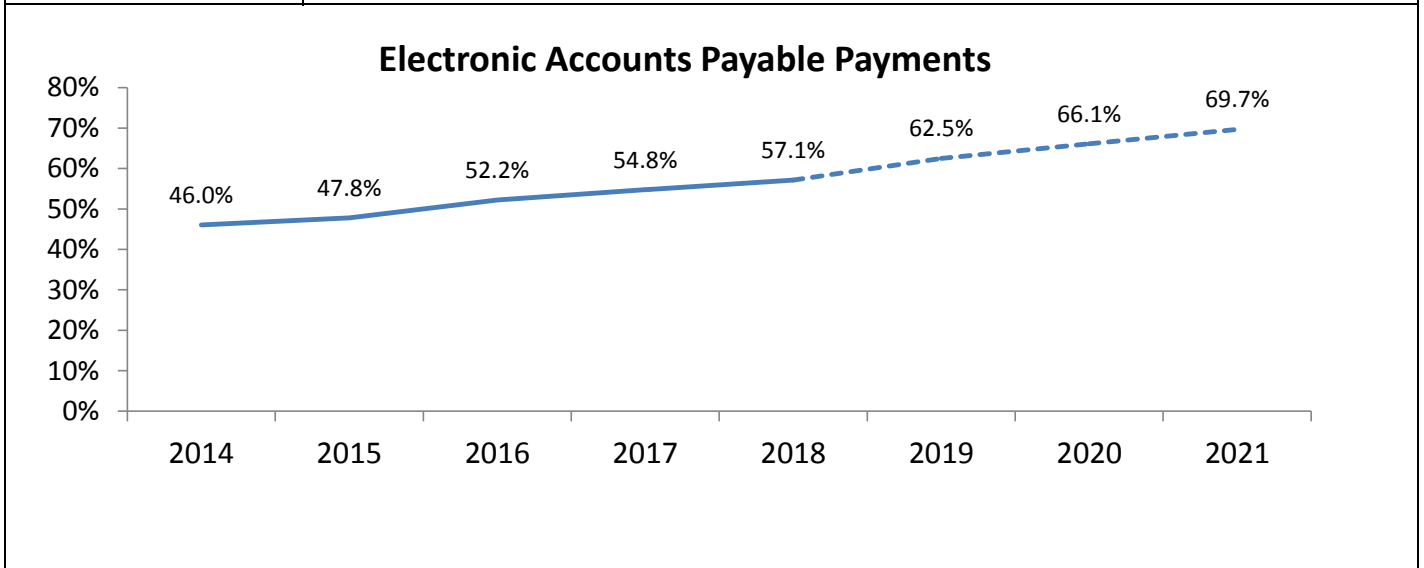
MEASURING SUCCESS

How much did we do?

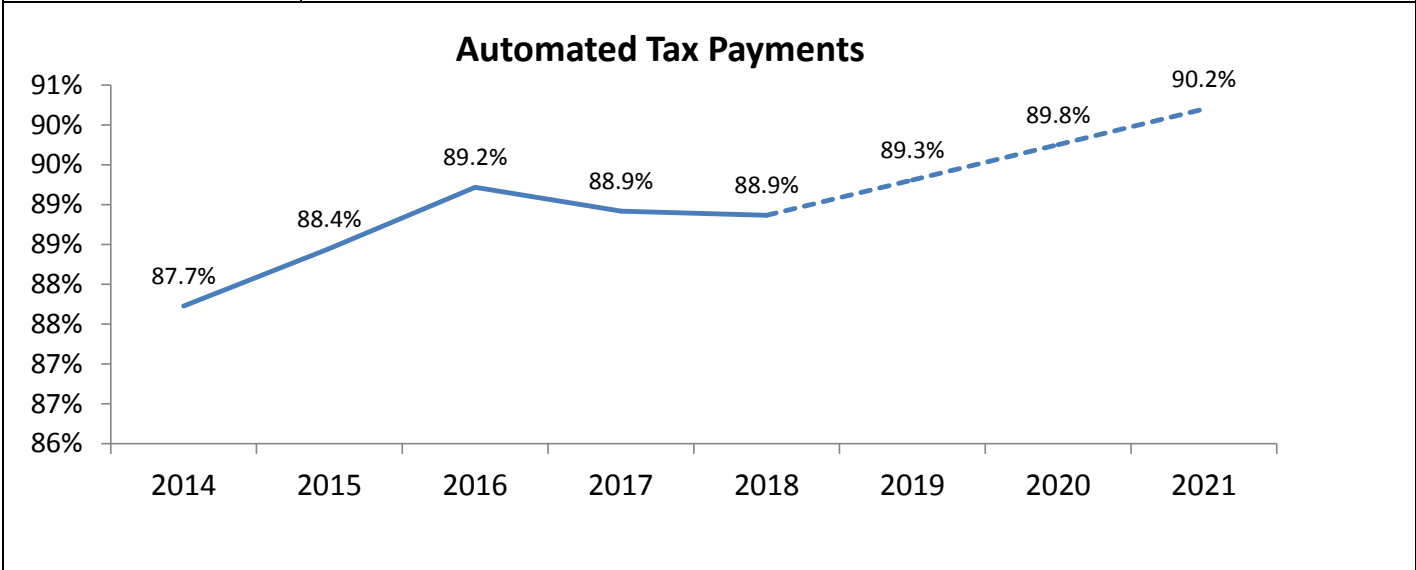
| Performance Measurement | 2014 Actual | 2015 Actual | 2016 Actual | 2017 Actual | 2018 Forecast | 2019 Forecast | 2020 Forecast | 2021 Forecast |
|-------------------------------------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|
| Number of accounts payable payments | 11,531 | 11,843 | 11,507 | 11,828 | 11,900 | 12,000 | 12,100 | 12,200 |
| Number of property tax accounts | 62,217 | 62,907 | 63,230 | 64,066 | 64,254 | 64,575 | 64,898 | 65,223 |
| Number of bid opportunities issued | 79 | 75 | 76 | 72 | 80 | 80 | 80 | 80 |

How well did we do it?

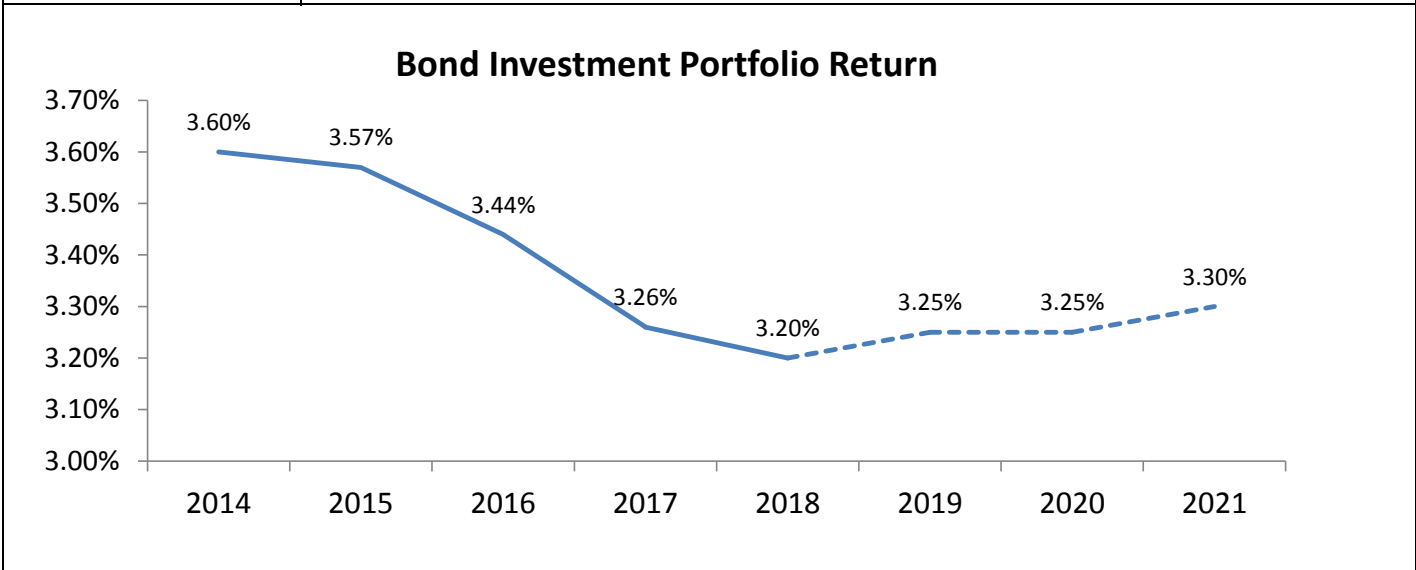
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| Performance Measurement | Electronic Accounts Payable Payments |
| Story behind the data | The City continues to promote electronic payments as a more cost-effective, secure and efficient method of payment. |



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| 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. |

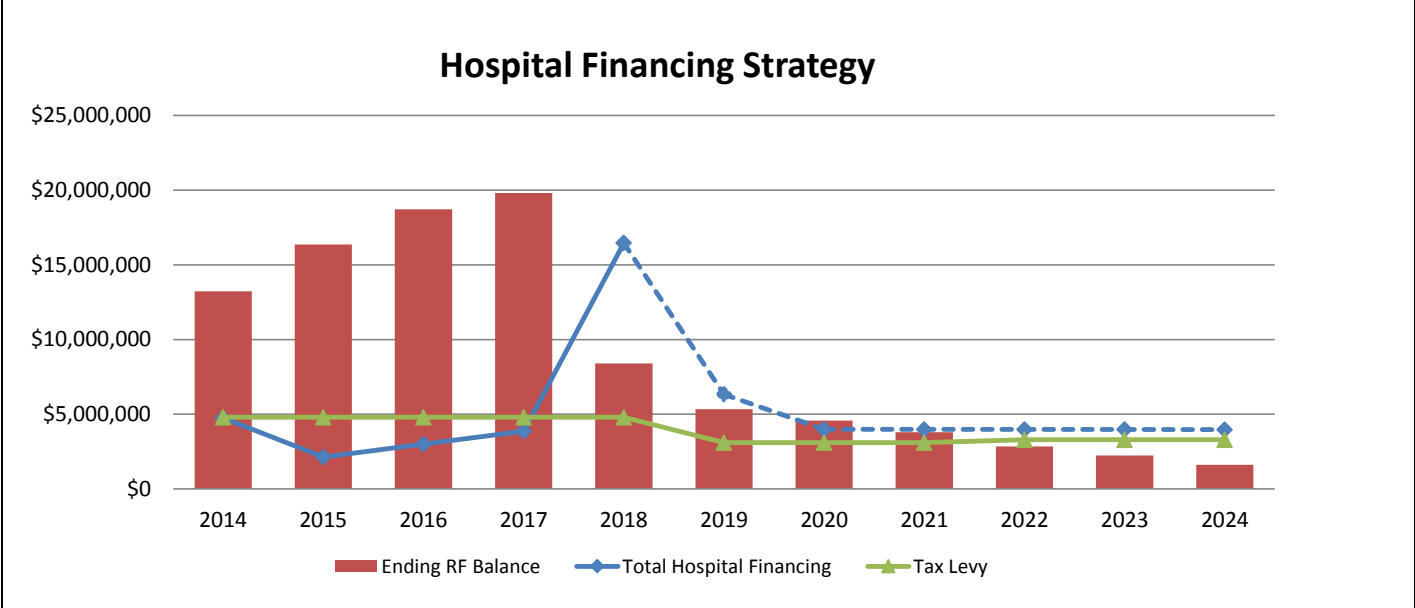


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| Performance Measurement | Bond Investment Portfolio Return |
| Story behind the data | Interest rates have continued to be at a low rate with only small incremental increases. As interest rates normalize, it is anticipated that the City will realize higher investment returns. |

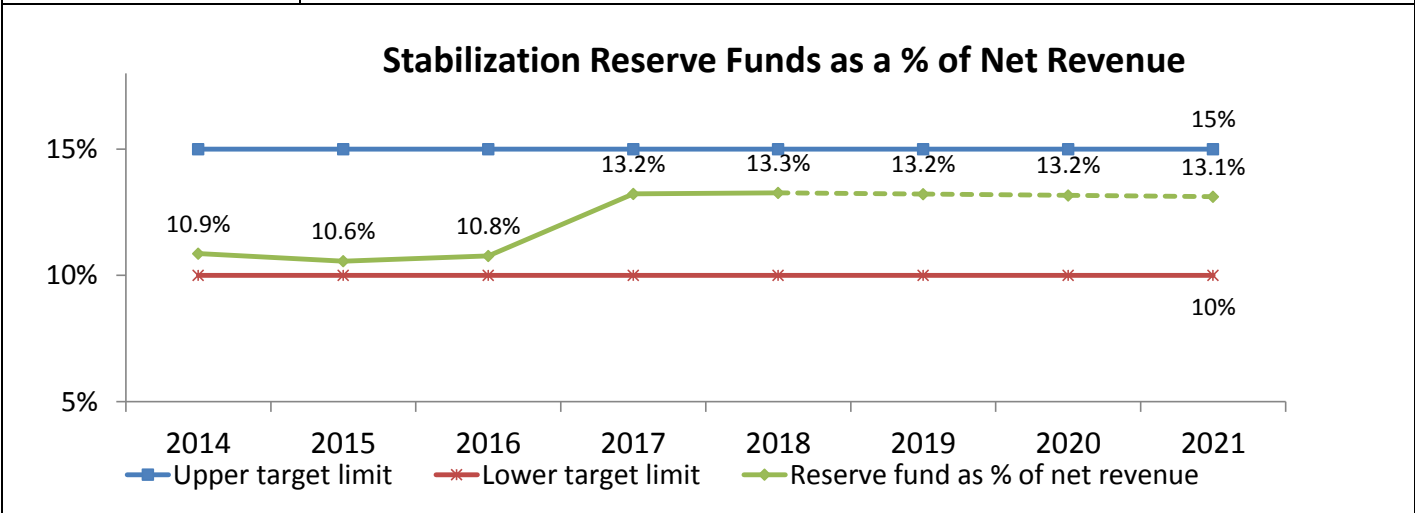


Is anyone better off?

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| Performance Measurement | Hospital Financing Strategy |
| Story behind the data | 2019 the hospital levy will be reduced to \$3.1 million from \$4.8 million. with the difference being reallocated to the city's asset management financing strategy as approved by Council. |
| Where do we want to go? | The hospital levy will be reallocated to the city's asset management financing strategy as approved by Council. |



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| 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. |



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| Performance Measurement | Debt charges (repayments) as a percentage of previous year's net revenues. |
| Story behind the data | City continues to reduce its reliance on debt, by using debt in the most efficient manner. Thereby managing existing and future debt levels and minimizing debt servicing costs. |
| Where do we want to go? | We will continue to use debt in a fiscally responsible manner as defined by the city's debt policy. |

