

Service Business Plan



Service Name Financial Management

Service Lead Name Joan Ford

Service Lead Title Chief Financial Officer

Service Description

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

Strategic Alignment with Vision to Focus Plan

Supporting sustainable infrastructure and a resilient environment

Delivering customer centric services with a focus on efficiency and technology transformation

Service Goals

To ensure the City is financially sustainable while ensuring procurement processes are fair, open and transparent; accurate financial reporting; timely, accurate and transparent property tax billing and overall safeguarding of the city's financial assets.

Current State

Customers & Their Expectations

This service is delivered to:

City staff and externally managed boards, who expect:

- Strong financial business support (financial planning, budgeting & business planning)
- Transaction processing and financial reporting
- Accurate and timely processing of their pay.

Businesses/suppliers, who expect:

- A fair, transparent and open process for the purchase of goods and services for the City.

Property owners, who expect:

- 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.

Existing Service Delivery

This service is responsible for:

- 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

	<ul style="list-style-type: none"> • Managing 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.
Existing Customer Engagement Tools / Methods	Public budget open house, telephone town hall, taxpayer information brochure with property tax bills, City website and intranet site, surveys, telephone, 311, email, in person, e-portals for bid opportunities
Is this Service Provincially Legislated?	Yes Municipal Act, 2001
For this Service are there Approved Service Standards?	Yes Municipal Act, 2001; Development Charges By-law; Procurement By-law; Public Sector Accounting Board

Programs

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). Other mandated reporting related to government funding. 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 2019:

- Updated 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.
- Completed Development Charges Study and By-law to ensure growth pays for growth to the extent permitted by legislation.
- Complete phase out of the vacant unit rebate application process resulted in 2019 budget savings of \$475,000.
- Implemented tangible capital asset accounting for the museum and BEDC. Planned implementation for BPAC and Art Gallery in 2020 which streamlines the year end reporting process.
- Improved internal controls around vendor data and payments.
- Improved upload for PCards that separates transactions by company code resulting in significant reduction in manual reclassification.
- Implemented automated property tax receipt that provides taxpayers proof of tax payments for income tax purposes.
- Enhanced opportunity for property owners to join the 10 month preauthorized payment plan anytime during the year (previously only two start dates (January and June)).
- Automated the legislated tax collection forms. This eliminates manual processing of letters reducing errors and processing time.
- Improving presentation of budget document by consolidating operating, capital and service business plans in one publication as well as aligning to the four year workplan Vision to Focus.

Environmental Considerations

Currently have in place a Green procurement policy, all procurements done through an on-line bidding portal, offer Epost for electronic receipt of tax bills. Future ERP solution to include functionality for employee self service thereby eliminating the need for production of pay stubs.

Emerging Opportunities and Anticipated Risks

Emerging Opportunities	<p>In 2019:</p> <ul style="list-style-type: none"> • Project to implement a new corporate cashiering solution (completion 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. • Implementation of contract module in Bids & Tenders portal to manage contract documents and automate the process. <p>In 2020 and beyond:</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 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> <p>Increased number and sophistication of phishing attempts requires ongoing training of staff and review of internal controls.</p>
Enterprise Risk Considerations	<p>Financial Sustainability - Sustainability, Budget</p> <p>Technology - IT Systems, Cyber Attacks</p> <p>Legislative Changes - Provincial and Federal Legislative Changes, Speed of changes and policies</p>

Service Initiatives	Target Completion
Update Procurement By-law	Feb 2020
Implement new Corporate Point of Sale technology	Mar 2020
Implement a new property tax system to explore available solutions for municipal tax collectors including on-line portal	Dec 2022
Implement a new ERP solution	Jan 2022
Implement Multi-year operating budget	Dec 2023
Implement Asset Retirement Obligation standards for financial reporting	Jan 2021

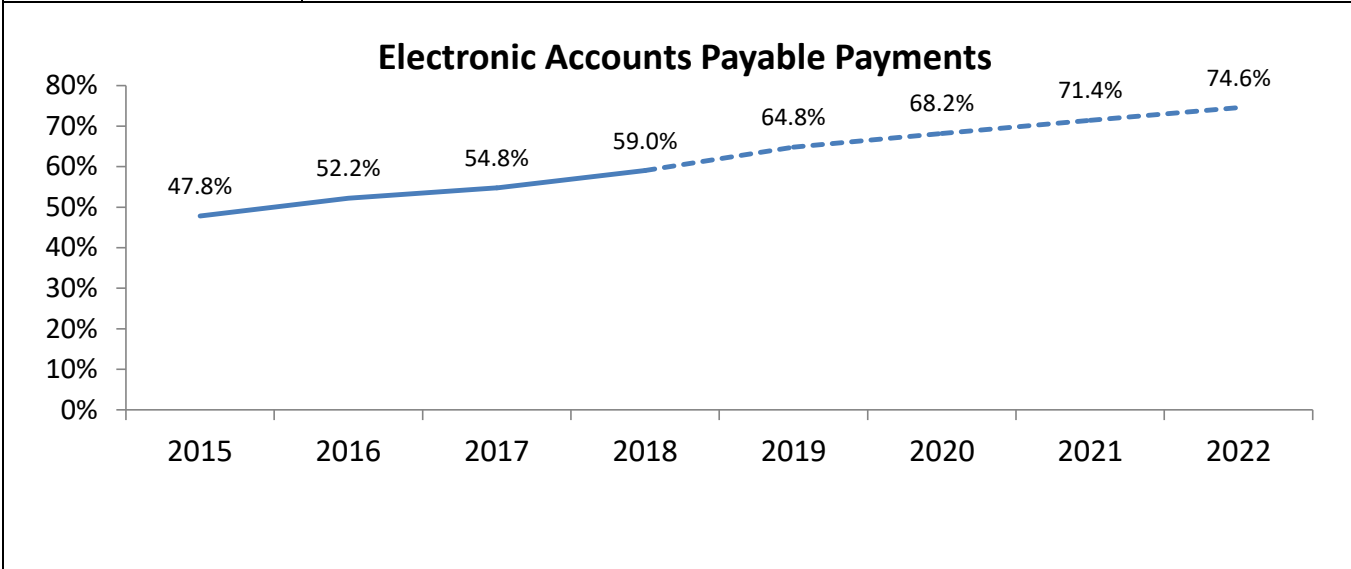
MEASURING SUCCESS

How much did we do?

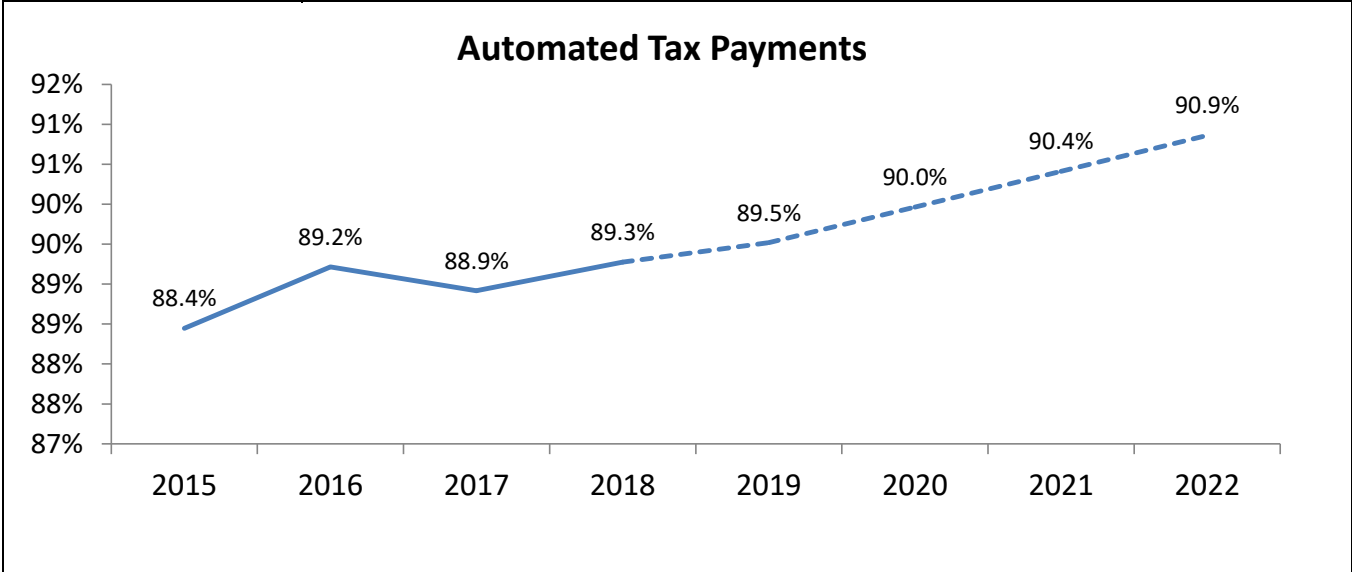
Performance Measurement	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast
Number of accounts payable payments	11,843	11,507	11,828	10,620	10,800	11,000	11,200	11,400
Number of property tax accounts	62,907	63,230	64,066	64,254	64,720	65,044	65,369	65,696
Number of bid opportunities issued	75	76	72	73	80	80	80	80

How well did we do it?

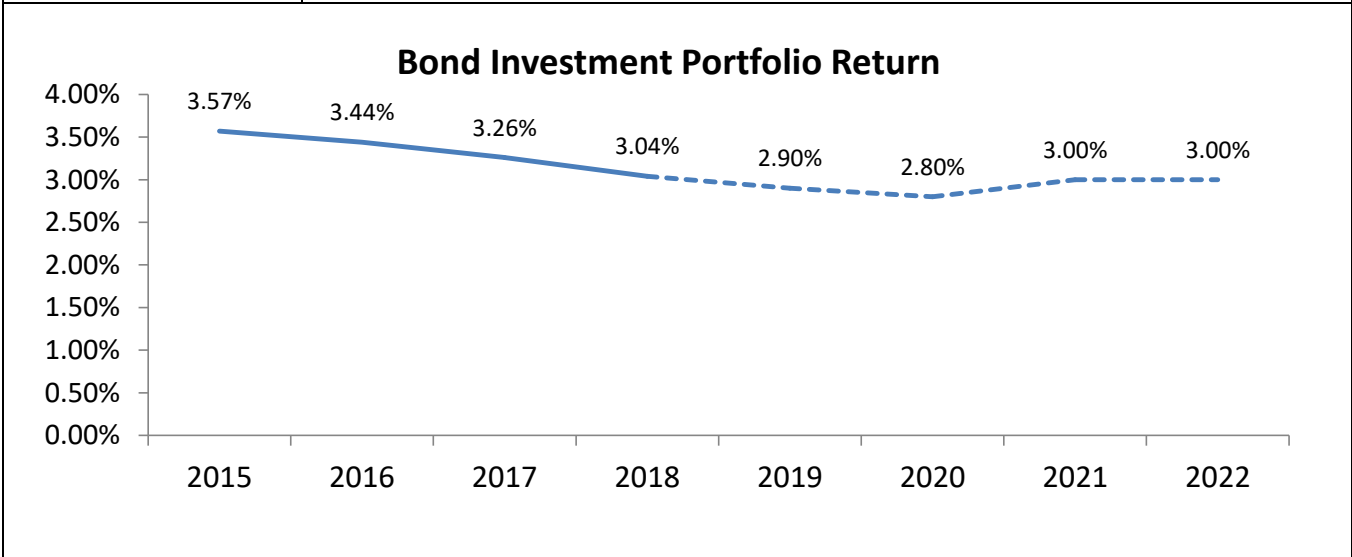
Performance Measurement	Electronic Accounts Payable Payments
Story behind the data	The City continues to promote electronic payments as a more cost-effective, secure and efficient method of payment.



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.



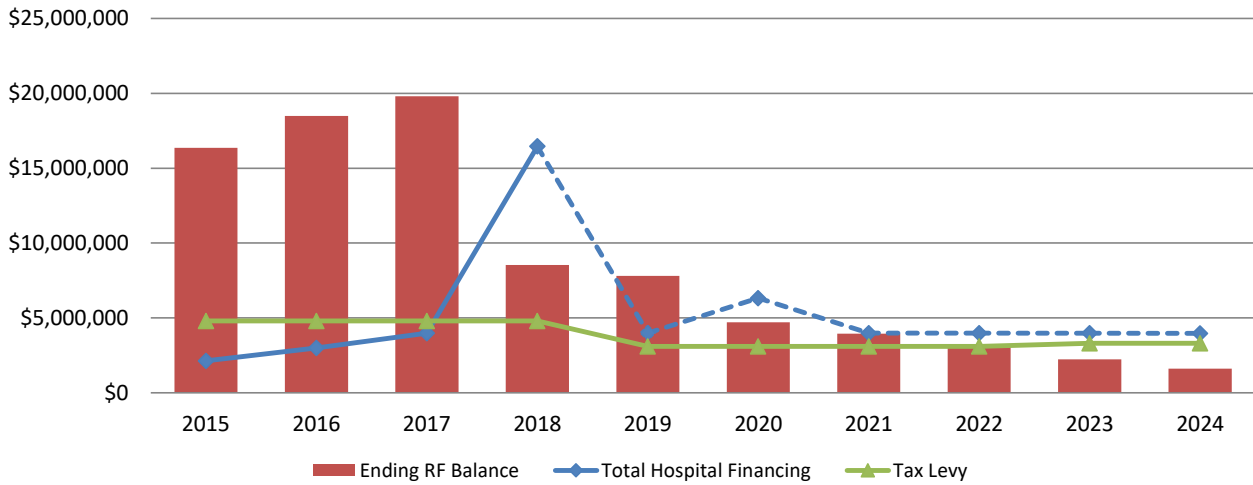
Performance Measurement	Bond Investment Portfolio Return
Story behind the data	Interest rates have continued to be at a low rate with a decrease expected in the short term future. Once interest rates normalize, it is anticipated that the City will realize higher investment returns.



Is anyone better off?

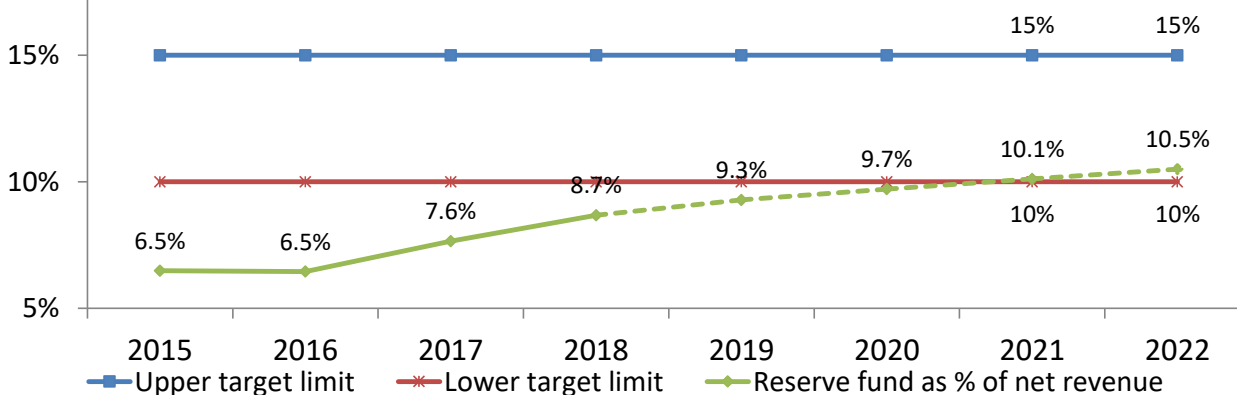
Performance Measurement	Hospital Financing Strategy
Story behind the data	In 2019, the hospital levy was reduced to \$3.1 million from \$4.8 million.
Where do we want to go?	The hospital levy is planned to be reallocated to the city's asset management plan as approved by Council in years 2026 and 2027.

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 previous year's net revenues.
Story behind the data	Debt charges (repayments) as a percentage of previous year's net revenues.
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.

