

# Overview

## *Financial Services*

The Finance Division is responsible for the financial administration of the City and delivery of information technology services. It is led by the Chief Financial Officer and includes the Accounting, Budgeting, Revenue & Collections, Procurement, IT/GIS and Land Management.

- ~ 1,100 Sales invoices
- Produce ~ 6,500 cheques
- Process ~ 13,000 invoices
- ~ 230 Cemetery Sales
- 36.2% of Utility accounts are e-billed, up 2.6%
- 19,440 Utility accounts billed per month
- There are an average of 567 Utility customers moving in and out of properties each month
- Utilities staff field an average of 1,963 phone calls each month

- Reception staff field an average of 2,709 phone calls each month
- 36.79% of the 10,281 Home Owner Grants in 2019 were claimed electronically, up 1.88%
- Cashiers field an average of 4,967 walk-in customers each month
- More than 18,600 payments are received via online methods each month



# 2019 Achievements

## *Financial Services*

- ✓ Established a Risk Management Policy and Framework
- ✓ Established a Corporate Business Plan with regular reporting to Council
- ✓ Secured License to Use Agreements for the Okanagan Avenue Industrial Properties
- ✓ Delivered the 2019 Tax Rate Bylaw to Council ensuring an equitable distribution of property taxes
- ✓ Implemented enhanced online payment options by to accept credit card payment for utility bills.
- ✓ Secured short term operator for the Skaha Marina
- ✓ Established an update Procurement Policy



# Challenges & Opportunities

*Financial Services*

- **Financial Transparency** - Continue to enhance existing proactive approach to disclosure
- **Maximizing All Revenue Sources** – Review Fees and Charges
- **Asset & Amenity Management** – fundamental and sustainable approach to meet the needs of the community
- **Limited Financial Capacity** – growing the capacity of financial expertise in the Finance team
- **Increased Use of Information Technology (Security & Capacity)** – increasing capacity to leverage IT investment



# Innovations & Cost Savings

## *Financial Services*

- **Competitive Procurement** - \$4.2 m in cost avoidance year to date by obtaining competitive quotes
- **Valley Wide Collaboration** - Working collaboratively with Okanagan Valley purchasing managers to staff time
- **Investment Laddering** - Generating an additional \$1m in interest revenue annually over past two years
- **Utility Pre-Authorized Payments** - Increased uptake by 231 accounts. Generated time savings of 92 hours per year through faster payment processing and less resources required for payment collection
- **Online Applications** - Transitioned the Municipal Grant Program and Permissive Property Tax Exemption application process to an online application system, creating a time savings equating to \$120 hours annually
- **Managed Growth through Process Improvement** - Managed a 8-9% growth in Utilities and Property Taxes accounts over the past 4 years, through a time savings methods such as process efficiency reviews, and dedicating efforts to growing our online services for customers
- **Warehouse Requisition Efficiencies** - Resulting in the saving of just over 8 hours per year of data entry.



# 2020 Initiatives

*Financial Services*

- **Advance the Asset & Amenity Management Council Priority**
- **Increasing Financial Analytical Expertise**
- **Finance Policy Development**
- **GIS Mobility**
- **Bar Coding System**



# Staffing

## *Financial Services*

2019

2020

37

39



# 2020 Operating Budget

*Accounting / Finance*

	2019 Budget	2019 Forecast	2020 Budget	Variance
Revenue	(2,380,000)	(2,185,097)	(2,385,000)	9.1%
Expense	6,610,472	6,405,443	6,853,470	7.0%
Net Cost Allocations	<u>(3,974,414)</u>	<u>(3,974,414)</u>	<u>(4,861,440)</u>	
<b>Net Expense/(Revenue)</b>	<b>256,058</b>	<b>245,932</b>	<b>(392,970)</b>	



Note: Variance column represents change between 2019 Forecast and 2020 Budget



# 2020 Operating Budget

*Procurement*

	2019 Budget	2019 Forecast	2020 Budget	Variance
Expense	575,957	712,485	599,550	-15.9%
Net Cost Allocations	<u>60,700</u>	<u>19,005</u>	<u>(279,467)</u>	
<b>Net Expense/(Revenue)</b>	<b>636,657</b>	<b>731,490</b>	<b>320,083</b>	



Note: Variance column represents change between 2019 Forecast and 2020 Budget





# 2020 Operating Budget

## *Revenue & Collections*

	2019 Budget	2019 Forecast	2020 Budget	Variance
Revenue	(148,000)	(145,000)	(145,000)	0.0%
Expense	966,187	965,087	979,100	1.5%
Net Cost Allocations	<u>9,513</u>	<u>9,513</u>	<u>(659,751)</u>	
<b>Net Expense/(Revenue)</b>	<b>827,700</b>	<b>829,600</b>	<b>174,349</b>	

Note: Variance column represents change between 2019 Forecast and 2020 Budget



# 2020 Operating Budget

## *Land Management*

	2019 Budget	2019 Forecast	2020 Budget	Variance
Revenue	(1,114,398)	(1,130,479)	(1,169,727)	3.5%
Expense	551,485	520,859	507,477	-2.6%
Net Cost Allocations	<u>2,500</u>	<u>2,500</u>	<u>99,718</u>	
<b>Net Expense/(Revenue)</b>	<b>(560,413)</b>	<b>(607,120)</b>	<b>(562,532)</b>	



Note: Variance column represents change between 2019 Forecast and 2020 Budget



# 2020 Operating Budget

## *Information Technology*

	2019 Budget	2019 Forecast	2020 Budget	Variance
Revenue	(59,450)	(57,370)	(57,500)	0.2%
Expense	2,520,198	2,538,852	2,639,148	4.0%
Net Cost Allocations	<u>(384,528)</u>	<u>(256,873)</u>	<u>(753,415)</u>	
<b>Net Expense/(Revenue)</b>	<b>2,076,220</b>	<b>2,224,609</b>	<b>1,828,233</b>	

Note: Variance column represents change between 2019 Forecast and 2020 Budget



# 2020 Capital Budget

## *Information Technology*

Project description	Budget	Comments
Information Technology - Hardware	266,000	Annual equipment replacement
Information Technology - Infrastructure	250,000	Network Infrastructure EOL Equipment replacements
Information Technology - Software	130,000	Enterprise Application Agreements and Enhancements
Information Technology - GIS	40,000	GIS 2019 strategic plan initiatives
Cleland Theatre Sound/Lighting Upgrades	10,000	AV EOL Equipment Replacement
IT Capital - SOEC/PTCC	<u>50,000</u>	AV EOL Equipment Replacement
<b>TOTAL</b>	<b>746,000</b>	



# Proposed Increase

Budget Request	Benefit	Operating Budget Request
<b>Asset &amp; Amenity Management Plan</b>	To establish a plan based on the necessary services of the community to proactively invest in City assets that provide the greatest value to City and Community	\$290,000
<b>Financial Analyst</b>	Increased capacity on the Finance Team will enable proactive and consistent financial analysis for enhanced City decision making	\$110,000
<b>Business Analyst</b>	Increased Business Analyst capacity will allow more IT system enhancements enabling the City to maximize its investment in technology.	\$90,000



# Questions



**THAT Council approve in principle the Financial Services business plan initiatives and proposed budget, subject to final review.**

