



Staff Report to Council

Financial Services

FILE: 01-0620-03/20

REPORT DATE: October 26, 2020 MEETING DATE: November 23, 2020
TO: Mayor and Council
FROM: Cheryl Harding, Director of Financial Services
SUBJECT: 2021 Business Plan - Financial Services

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:

RECOMMENDATION(S): THAT Council:

- A. Receive for information the Financial Services 2021 Draft Business Plan and Staff Report as presented at the November 23, 2020 meeting of Council; OR
- B. Other.

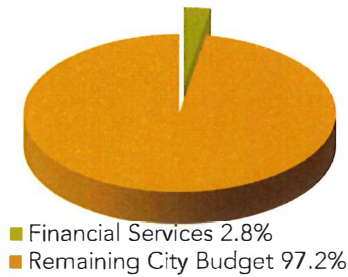
DEPARTMENT OVERVIEW

Financial services provides interdepartmental support and public interfaces that promote the effective, efficient and transparent operation of the City to ensure fiscal responsibility and good stewardship of the City's assets. This is accomplished by providing long-term financial planning, annual budget development, property tax and utility calculation and collection, treasury and cash management, purchasing expertise and administration, as well as statutory financial reporting.

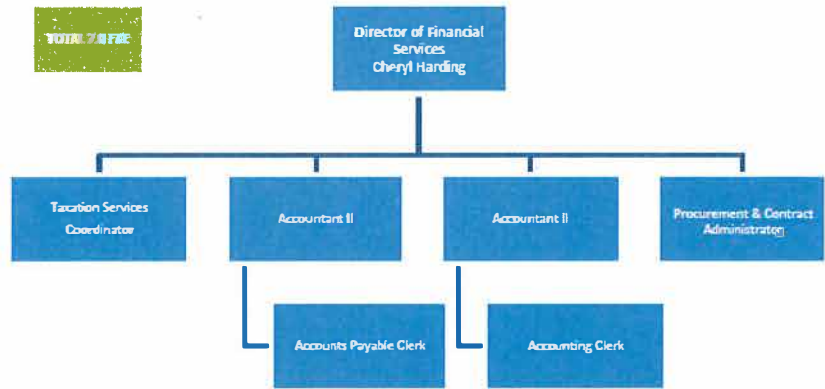
Net Operating Budget: \$681,400

Capital Budget: \$0

% Share of overall City Budget:



Staff Complement



Key Performance Measures:

Financial Services	2015	2016	2017	2018	2019
Number of Tax Folios	7,045	7,238	7,244	7,250	7,350
Number of Home Owner Grant Claims	5,170	5,384	5,422	5,399	5,398
Home Owner Grants Claimed Online	25.1%	29%	35.9%	40%	42.5%
Tax Deferment Applications	n/a	159	232	256	286
Current Year Taxes Outstanding	2.2%	2.5%	1.9%	1.7%	1.2%
Procurement Tenders, RFPs, other	n/a	16	51	49	25
Accounts Payable Invoices	\$33M	\$33M	\$30M	\$36M	\$37M
Accounts Payable Invoices – Quantity*	3,900	3,900	5,600	5,800	6,000
Accounts Payable Payments via EFT	46%	54%	72%	72%	76%
Purchasing Card Transactions *	\$263K	\$310K	\$444K	\$464K	\$420K
Banking Deposits - Quantity	1,771	2,216	4,014	4,235	4,331
Canadian Award for Financial Reporting	Y	Y	Y	Y	In progress

* Increase in number of transactions between 2016 and 2017 is the result of moving to the independent Parks & Recreation model.

Deferred Projects

As a result of priorities that emerged throughout the year the following 2020 business plan initiatives were deferred:

- **ASSET CONDITION ASSESSMENT DATA.** The project of gathering water condition assessment data was recently completed. This data will be incorporated in 2021 into the Asset Management data base to update the targeted reserve savings values. The drainage condition assessment project was deferred to 2021. Upon completion of the project the data will be used to update the drainage reserve savings target values.
- **ASSET RETIREMENT OBLIGATION.** New legislation requires cities to record a liability related to the future costs of any legal obligation to be incurred at disposal of an asset. Some typical costs include asbestos removal and site restoration. The legislation was postponed a year due to the pandemic. This is a multi-year project commencing with the development of the project plan in 2021 and a project completion date of December 2023.
- **LEASES AND LICENCES POLICY.** In consultation with Administrative Services, a review of this policy for recommended updates is postponed to 2021.

2020 Achievements (Top 3)

- **EMERGENCY OPERATION CENTRE - COVID-19 PANDEMIC RESPONSE (*identified mid-year*).** Supporting and participating in the City's response to ensuring essential City services were maintained for the well-being of the community. This included but was not limited to analyzing legislative changes, analyzing data, and preparing future forecasting that aligns with Council's Strategic Plan aspects of Community Spirit and Wellbeing – Health and Safety and Corporate Excellence – Responsible Financial Management.
- **COVID-19 FINANCIAL RELIEF GRANT PROGRAM (*identified mid-year*).** In recognition of the COVID-19 pandemic and the resulting financial impacts affecting residential taxpayers the COVID-19 Financial Relief Grant Program was created to provide support to the Pitt Meadows community. Grants in the amount of \$150 and \$100 were applied respectively to single family and multi-family properties which equated to slightly more than the average tax increase to those properties experiencing the average 2020 assessment increase. The program aligned with Council's Strategic Plan aspects of Principled Governance, Balanced Economic Prosperity, Corporate Excellence and Community Spirit & Wellbeing.
- **BUDGET SOFTWARE IMPLEMENTATION.** An integrated, comprehensive multi-user budgeting system to support multi-year planning, forecasting and analysis was substantially implemented. Additionally, the business plan process was reviewed and updated resulting in a more efficient streamlined process along with an improved

business plan reporting and presentation package. This aligns with Council Strategic Priority of Corporate Excellence – Responsible Financial Management.

Key Challenges for 2021

- **FINANCIAL SUSTAINABILITY IN A PANDEMIC ENVIRONMENT.** Financial analysis modelling and forecasting of future scenarios is necessary to mitigate impacts and aid the City's financial recovery. This effort is based on current and changing understandings, assumptions and actions of other municipalities and provincial/federal governments.

Key Initiatives 2021

Strategic Priority	Initiative	Target Completion
Corporate Excellence – Resources	ASSET MANAGEMENT PLAN - WATER ASSETS UPDATED SAVINGS TARGETS. Incorporate recently completed condition assessments into the Asset Management database and update the target reserve savings values.	Q2
Corporate Excellence – Responsible Financial Management	PERMISSIVE EXEMPTION POLICY. Review this policy for recommended updates.	Q2
Corporate Excellence – Responsible Financial Management	BUDGET REPORTING. Develop enhanced internal reporting tools as part of the second phase of the new budget system to more efficiently monitor and manage budget activity.	Q2
Principled Governance – Fiscal Stewardship & Accountability	LEASES & LICENCES POLICY. In consultation with Administrative Services, review this policy for recommended updates.	Q3
Corporate Excellence – Responsible Financial Management	AUDITOR GENERAL FOR LOCAL GOVERNMENT (AGLG) AUDIT REPORTS. Review the AGLG audit reports for audits conducted on other BC municipalities and develop a plan to implement opportunities for improvement. Some of the current topics are Procurement Processes, Asset Management and Capital Project Planning.	Q3
Corporate Excellence – Responsible	ASSET RETIREMENT OBLIGATION. New legislation requires cities to record a liability related to the future costs of any legal obligation to be incurred at disposal of an asset. Some typical costs include asbestos removal and site restoration. The legislation was	Q4

Financial Management	postponed a year due to the pandemic. This is a multi-year project commencing with the development of the project plan in 2021 and a project completion date of December 2023.	
Corporate Excellence – Resources	ASSET MANAGEMENT PLAN - DRAINAGE ASSETS UPDATED SAVINGS TARGETS. Incorporate condition assessments into the Asset Management database and update the target reserve savings values. This project is deferred until the condition assessment project is completed which has been deferred pending available grant funding opportunities.	DEFERRED

1. PROPOSED OPERATING BUDGET

	2020 Adopted Budget	2021 Proposed Budget	Proposed Changes for 2021		2022 Proposed Budget	2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget
Revenue								
Finance Fees and Charges	\$ (46,100)	\$ (45,600)	\$ 500	1.1%	\$ (45,600)	\$ (45,600)	\$ (45,600)	\$ (45,600)
	(46,100)	(45,600)	500	1.1%	(45,600)	(45,600)	(45,600)	(45,600)
Expenses								
Financial Services	723,200	727,000	3,800	0.5%	732,700	734,200	734,800	735,400
	723,200	727,000	3,800	0.5%	732,700	734,200	734,800	735,400
Net Operating Expenses	\$ 677,100	\$ 681,400	\$ 4,300	0.6%	\$ 687,100	\$ 688,600	\$ 689,200	\$ 689,800
Key Budget Changes for 2021:								
Salary and benefits			4,300					
Change in Net Operating Expenses			<u>\$ 4,300</u>					

2. PROPOSED CAPITAL BUDGET

Division Project	2021	2022	2023	2024	2025	Total
DV122 - FINANCIAL SERVICES						
210049 - ASSET MANAGEMENT PLAN (AMP)	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 55,000
DV122 - FINANCIAL SERVICES Total	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 55,000

3. DECISION PACKAGE(S)

None.

PUBLIC PARTICIPATION

Inform Consult Involve Collaborate Empower

KATZIE FIRST NATION CONSIDERATIONS

Referral Yes No

SIGN-OFFS

Written by:

Cheryl Harding, Director of Financial Services

ATTACHMENTS:

None.