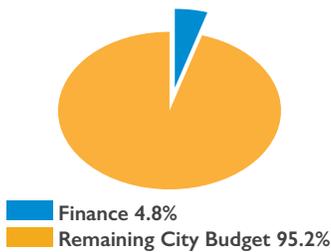




Department's Share of City Budget



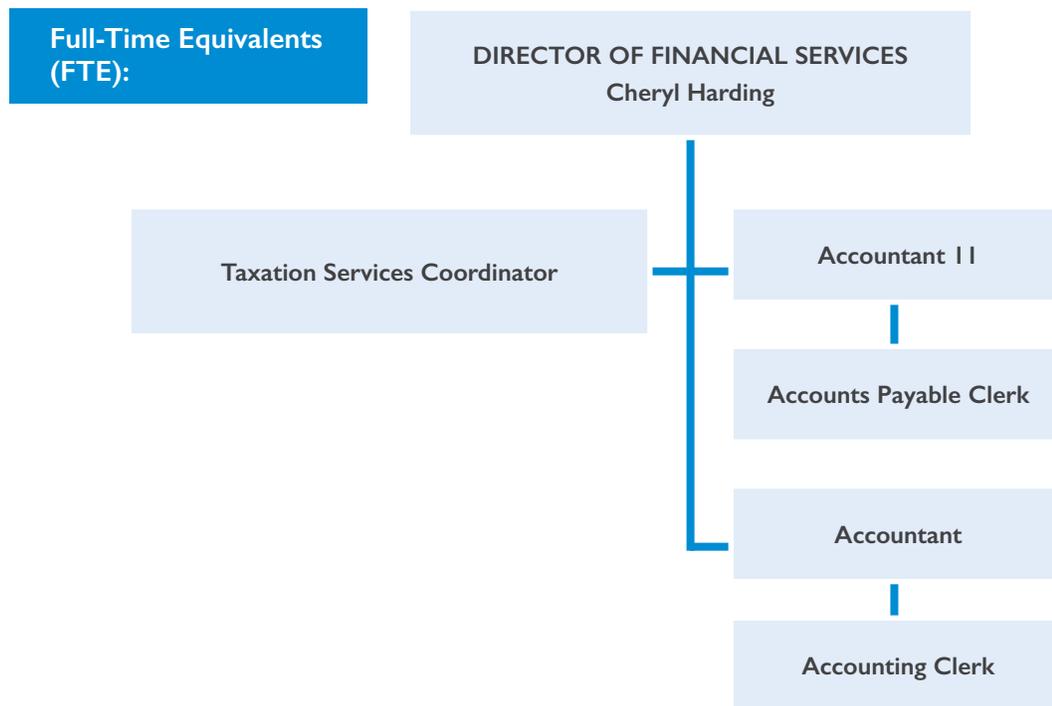
Operating Budget:	\$933,000
Capital Budget:	\$0
Staffing Complement:	5.6 FTE (Full-time equivalent)
Supports Strategic Focus Areas:	Corporate Excellence & Economic Prosperity

OVERVIEW

As an overall corporate support function, Financial Services provides inter-departmental support and public interfaces that promote the effective, efficient and transparent operation of the City.

Our department provides financial services to City Council, City departments and citizens which involves the safeguarding and administration of the City's \$210 million of financial and non-financial assets and \$30 million of annual operating costs. Key department functions that support the day to day operations of the City include: the provision of accounting, financial policy development and implementation, banking & investments, budget & business planning, debt management, long-term financial planning, processing of accounts payable and receivable. Completion of the year end, levying and collecting municipal taxes and utility fees and annual budget remain the core services of our annual cycle.

STAFFING COMPLEMENT



AT A GLANCE

The City's 2016 operating budget, including utilities and amortization is \$30 million.

- The City's 2015 debt servicing costs for principal and interest is \$741,000 compared to our legal service limit of nearly \$7.6 million. The debt per capita is \$364.
- The City manages approximately 22,000 assets valued at their original cost of \$246.5 million. They depreciate by approximately \$5.2 million each year.
- The 2016 annual transfer to reserves for the purpose of maintaining and replacing current infrastructure and providing for new infrastructure is \$5.8 million.
- The City's 2015 investment portfolio is valued at \$28.6 million and generated a 1.90% yield.

Indicator/Measure	2015	2014	2013
Number of tax folios	7,045	7,002	6,890
Number of folios claiming home owner grant	5,170	5,108	5,008
% of folios claiming electronic home owner grant	25.1%	23.2%	19.4%
Current year taxes outstanding	4.6%	4.2%	2.1%
\$ amount of accounts payable invoices	\$32.5M	\$35.3M	\$35.4M
Number of invoices processed (approx.)	3,900	4,500	4,000
% of invoice payments processed by electronic funds transfer	59%	52%	0%
\$ of purchasing card transactions	\$263K	\$304K	\$267K

- According to the BC Assessment Authority, the assessed value of all properties in Pitt Meadows is \$3.544 billion and municipal taxes collected is \$17.8 million, as depicted for each property class.

Class Description	2016 Net Taxable Values (\$)	2016 Revenues (\$)	2016 %	2015 %	2014 %
Residential	2,956,680,802	10,775,919	60.8	61.0	62.1
Utilities	6,673,480	238,466	1.4	1.4	1.4
Major Industry	3,567,000	131,677	0.7	0.8	0.8
Light Industry	51,933,700	810,155	4.6	4.7	4.8
Business & Other	473,447,378	5,061,579	28.4	27.9	26.7
Recreation/Non Profit	23,634,500	234,310	1.3	1.3	1.4
Farm	17,236,417	507,342	2.8	2.9	2.8
TOTALS	3,533,173,277	17,759,448	100.0	100.0	100.0

2016 ACHIEVEMENTS

- **Billing, Permitting, Licensing and Taxation System (BLITS).** The Financial Services Department was heavily involved in the first part of the year with the implementation of Phase I Land, Taxation and Utility Billing which will provide full integration to the land system supporting the Development Services activities. Participation in Phase II Business Licensing, Dog Licensing and Municipal Ticketing continued for the remainder of the year. BLITS provides for on-line services such as electronic property tax and utility billing, account inquiry, license registration and payment processing. As of October 2016 there are 792 on-line account registrants which includes a quantity of 148 selecting the electronic billing option.
- **Independent Parks & Recreation Division.** Supporting the independent Parks, Recreation & Cultural Services division through budget development, financial reporting, cash handling procedures, assistance in the registration system implementation, transfer of utility service accounts and increases in payment and banking transactions.
- **Government Finance Officers Canadian Award for Financial Reporting.** This award was received in recognition of going beyond the minimum requirements of generally accepted accounting principles as set by the Public Sector Accounting Board for the Canadian Institute of Chartered Accountants for the 2015 financial reporting year and was the outcome of the combined efforts of the Finance team and the Communications division.
- **Long Term Financial Planning.** Comprehensive asset management plans were developed in 2015 for Sewer Infrastructure and Buildings. Plans for the remaining asset groups are anticipated to be completed by the end of 2016.
- **Unqualified 2015 Audit Opinion.** In accordance with Canadian public sector accounting standards, the City received an unmodified audit report related to its 2015 Financial Statements, representing a culmination of significant effort to record, analyze and report financial activity and results for 2015. In addition, there were no management letter items identifying accounting control issues or inadequate practices.
- **Financial Reporting.** The Chart of Accounts re-structure project commenced in 2016 and will be completed in 2017. This will provide a foundation for more efficient meaningful management and financial reporting.

KEY CHALLENGES FOR 2017

- **Long Range Infrastructure Planning.** Globally, municipalities are facing significant infrastructure funding gaps where assets are being used up much quicker than they are being replaced as a result of funding limitations and lack of provincial and federal grants. Implementing the recommendations from the recently completed Asset Management Plans will be an important step towards addressing the funding gaps in managing the city's infrastructure.
- **On-line services.** Partner with Communications to continue to promote the use of tax and utility electronic billing and on-line inquiry and payment tools which will improve upon process efficiencies and customer access to City information.
- **System Changes.** Continue to develop and support enhanced financial functions within the Intelli-Leisure Recreation registration system and BLITS systems integration to the general financial system in order to improve reporting, billing and on-line customer service levels.

KEY INITIATIVES 2017

Division	Initiative	Target
Financial Services	• Debt Management Policy. Develop a debt management policy to provide guidance on the quality of decisions and goals regarding debt issuance practices which demonstrate the City's commitment to long-term capital and financial planning.	Q2
	• Surplus Policy. Develop a rationale and strategy for allocation of year-end operating budget surpluses.	Q2
	• Financial Reporting Award. Meet application requirements for the 2016 Financial Reporting Award	Q2
	• City's Chart of Accounts. Complete the re-development of the City's Chart of Accounts to provide a sound, methodical and efficient basis for effective financial and operational reporting.	Q2
	• Review Third Party Services for RFP's, Banking, Audit and Investment.	Q3
	• Vadim iCity Upgrade. In support of Vadim OPEN Time Capture and discontinuation of software support for older versions a significant upgrade of the City's General Financial System to 2.5 is required.	Q3
	• Financial Reporting. The implementation of the Chart of Accounts in the 2nd quarter of 2017 is the foundation to provide meaningful management reporting. We will endeavour to introduce new management reports that will permit better financial analysis and understanding.	Q4
	• Asset Management Plan Recommendations. Co-ordinate and address the recommendations from the recently completed Asset Management Plans.	Q4
	• Asset Management Policy. Develop a policy that articulates Council's commitment to asset management which includes policy statements to guide staff in carrying out the City's business strategies, plans and activities. The policy is intended to clearly outline integration of asset management within the City to ensure it is co-ordinated, cost effective and organizationally sustainable.	Q4



PROPOSED OPERATING BUDGET

Finance Financial Summary - 2017 thru 2021

	2016 Approved Budget	2017 Proposed Budget	Proposed Changes for 2017		2018 Proposed Budget	2019 Proposed Budget	2020 Proposed Budget	2021 Proposed Budget
			\$	%				
Operating:								
Revenue								
Finance Fees and Charges	(39,500)	(41,500)	(2,000)	-5.1%	(41,500)	(41,500)	(41,500)	(41,500)
Total Revenue	(39,500)	(41,500)	(2,000)	-5.1%	(41,500)	(41,500)	(41,500)	(41,500)
Expenses								
Finance	511,500	517,700	6,200	1.2%	538,300	560,200	576,800	588,600
Common Services	401,900	415,300	13,400	3.3%	428,400	441,600	454,800	458,100
Total Expenses	913,400	933,000	19,600	2.1%	966,700	1,001,800	1,031,600	1,046,700
Net Operating Expenses	\$873,900	\$891,500	\$17,600	2.0%	\$925,200	\$960,300	\$990,100	\$1,005,200

Key Budget Changes for 2017:

Revenues								
Tax Information Requests			(2,000)					
Expenses								
Salary and benefits			8,800					
Professional Development			(2,400)					
Legal services			10,000					
Photocopier Usage			3,500					
Inflation and other			(300)					
Change in Net Operating Expenses			17,600					

PROPOSED CAPITAL BUDGET

None.