



Greater Grand
Sudbury

Budget 15

Financial Services



Finance Department Overview



Greater | Grand
Sudbury
www.greatersudbury.ca

2,799
2,811
2,834
2,856
2,877
2,897
2,916
2,935
2,954
2,973
2,992
3,011
3,030

FINANCE
Strategic
Plan 2013-2014

Continuing our journey
on delivering high quality
financial services.



Vision

“Deliver high quality financial services, within a framework of sound policies and internal controls, to a financially sustainable municipality.”

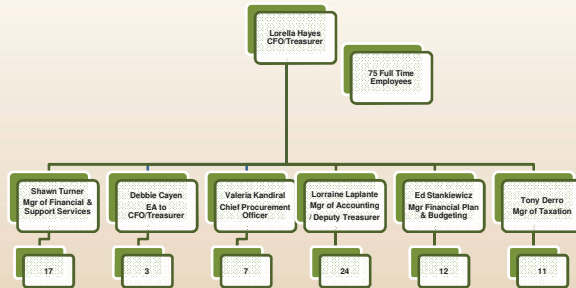


Mission

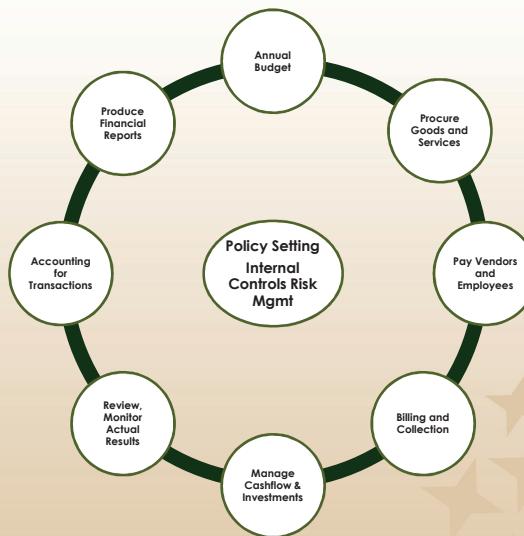
“The mission of the Finance Department is to provide sound financial policies and systems of internal controls, produce accurate and timely financial information, provide excellent customer service and sound financial advice to Council, management, departments, citizens and ratepayers.”



Finance Organizational Chart



Financial Services

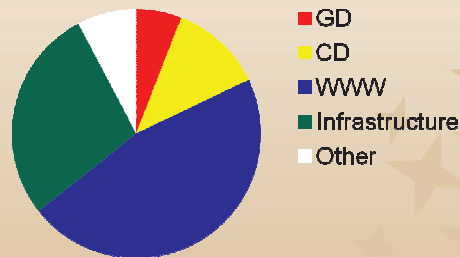




2014 Financial Services Budget

	2014
Total Expenses	\$13,441
Less: Revenues	(1,743)
Less: Internal Recoveries	(4,380)
Net Budget (Tax Levy)	\$7,319

Internal Recoveries



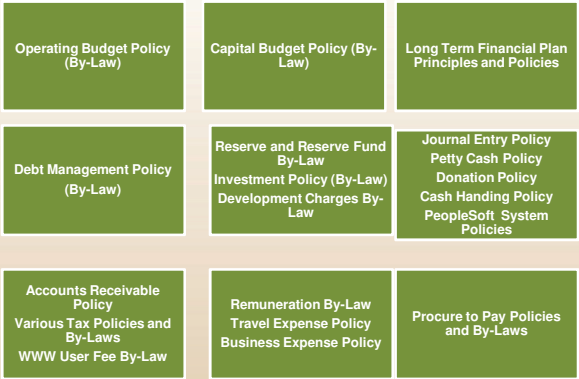
Other Interesting Facts and Figures



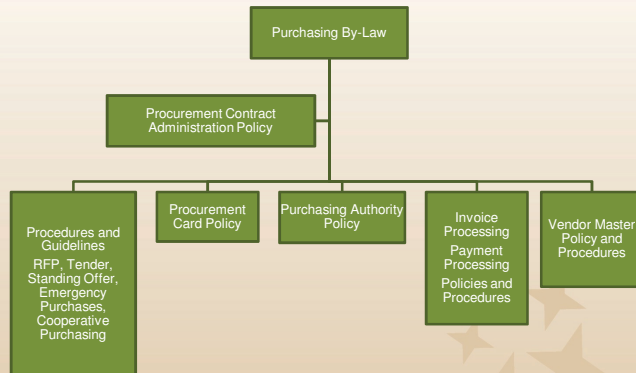
- 62,000 Tax Accounts
- 70,000 Invoices Processed Annually
- 300 Insurance Claims Processed Annually
- 200+ Bid Solicitations
- Investments Managed \$200,000,000+
- Oversee the City's Budget of \$500 M



Key Policies and By-Laws



Policies and Procedures: Procure to Pay Cycle





GOALS AND OBJECTIVES 2013 TO 2014



Strategic Goals

Goal	Examples of Accomplishments
1. Focus on fiscal sustainability & long term financial planning	<ul style="list-style-type: none"> ✓ Debt Management Policy ✓ Annual Budget Process and Toward Fiscal Sustainability Plan ✓ Development Charges By-Law ✓ WWW Billing and Collection Contract

Examples of Objectives which will continue in 2015:

- ✓ Lead the 2015 and 2016 Annual Budget Process
- ✓ Continue collection efforts on Failed Tax Sale Properties
- ✓ Maximizing Return on Investments
- ✓ Protection of Assessment Base



Strategic Goals

Goals	Examples of Accomplishments
2. Provide support to operating departments and provide timely & accurate financial statements (internal & external) to assist in decision making	<ul style="list-style-type: none"> • Preparation of Monthly and Quarterly Variance Reports • Annual Audit of Financial Statements • Biosolids Private Public Partnership Project

Examples of Objectives for 2015:

- ✓ Develop strategies to reduce # of days until Month End Close
- ✓ Providing timely and effective financial services and support



Strategic Goals

Goals	Examples of Accomplishments
3. Perform the controllership function for the City by providing & enforcing sound financial policies & internal controls	<ul style="list-style-type: none"> • Purchasing By-Law and Contract Management Policy • Invoice Processing and Payment Policies • Cash Handling Policy

Examples of Objectives for 2015:

- ✓ Expand use of PeopleSoft Purchase Orders
- ✓ Expand use of PeopleSoft Procurement Contract Functionality



Strategic Goals

Goals	Examples of Accomplishments
4. Maximize the capabilities & opportunities provided by the Financial Information Systems	<ul style="list-style-type: none"> • Commitment Control • Journal Workflow • Electronic Pay Stubs (Epost) • Business Intelligence Reporting (with IT)

Examples of Objectives for 2015:

- ✓ Request for Quotation Functionality
- ✓ Consolidate Bidder/Vendor Lists
- ✓ Expand use of Procurement Contracts, POs,
- ✓ Develop additional Reports from the BI Reporting System
- ✓ Implementation of CMMS System

Strategic Goals



Goals	Examples of Accomplishments
5. Maintain a positive work environment within the Finance Department	<ul style="list-style-type: none"> • On going communication • Training • Cross sectional co-ordination

Examples of Objectives for 2015:

- ✓ Cross Sectional Business Planning and SWOT



CHALLENGES AND OPPORTUNITIES



Challenges and Opportunities

- Implementation of Purchasing By-Law and related policies and procedures (Effective Dec 1, 2014)
- Expanding the Use of the PeopleSoft Purchasing Module and functionality
- Development of Reports from BI and PeopleSoft
- Implementation of CMMS System
- Workload, Succession Planning and Talent Management
- Physical work environment and floor layout



Moving Forward: 2015 and 2016

- Finance Strategic Plan
- Aligned with Council's priorities and strategies
- Developed in consultation with departmental staff and stakeholders
- Updates to Finance and Administration Committee



QUESTIONS?



Financial Services

Operating Budget Summary

Description

2015 Operating Budget

	2014		2015				
	Projected Actual	Budget	Base Budget	% 2014 Budget	Approved Budget Options	Approved Budget	% 2014 Budget
Full Time Positions		75	75	-	0	75	-
Overtime Hours		1,685	1,514	(10.1)	0	1,514	(10.1)
Part Time Hours		4,256	4,865	14.3	0	4,865	14.3
<u>Revenues</u>							
User Fees	(657,819)	(415,141)	(560,941)	(35.1)	0	(560,941)	(35.1)
Investment Earnings	(20,501)	(28,000)	(28,000)	-	0	(28,000)	-
Contr from Reserve and Capital	(1,299,810)	(1,130,673)	(1,399,584)	(23.8)	0	(1,399,584)	(23.8)
Other Revenues	(484,963)	(168,728)	(264,728)	(56.9)	0	(264,728)	(56.9)
Total Revenues	(2,463,093)	(1,742,542)	(2,253,253)	(29.3)	0	(2,253,253)	(29.3)
<u>Expenses</u>							
Salaries & Benefits	6,656,266	6,693,395	6,847,640	2.3	0	6,847,640	2.3
Materials - Operating Expenses	1,833,120	1,445,132	1,718,190	18.9	0	1,718,190	18.9
Energy Costs	1,289	1,289	1,354	5.0	0	1,354	5.0
Rent and Financial Expenses	92,677	89,500	89,500	-	0	89,500	-
Purchased/Contract Services	3,704,140	3,550,138	3,647,467	2.7	0	3,647,467	2.7
Prof Development & Training	79,065	77,120	78,966	2.4	(19,900)	59,066	(23.4)
Contr to Reserve and Capital	1,487,644	1,487,644	1,493,350	0.4	0	1,493,350	0.4
Internal Recoveries	(4,264,183)	(4,215,374)	(4,367,520)	(3.6)	0	(4,367,520)	(3.6)
Total Expenses	9,590,018	9,128,844	9,508,947	4.2	(19,900)	9,489,047	3.9
Net Budget	7,126,925	7,386,302	7,255,694	(1.8)	(19,900)	7,235,794	(2.0)

FINANCIAL SERVICES

The Finance Department is lead by the Chief Financial Officer/City Treasurer. The department delivers high quality financial services through five sections: Accounting, Taxation, Financial Planning and Budgeting, Purchasing and Financial and Support Services. The department has a staff complement of 75 permanent employees. Finance staff provide tax billing and collection services, accounting and payroll services, purchasing and procurement services, budgeting and financial planning and financial information systems support in a prompt, courteous and cost effective manner.

The Finance Strategic Plan which was presented to Council in May 2013, outlined the following vision, mission and strategic goals for the department:

Vision:

Deliver high quality financial services, within a framework of sound policies and internal controls, to a financially sustainable municipality.

Mission:

The mission of the Finance Department is to provide sound financial policies and systems of internal controls, produce accurate and timely financial information, provide excellent customer service and sound financial advice to Council, management, departments, citizens, and ratepayers.

Strategic Goals:

1. Focus on fiscal sustainability and long term financial planning.
2. Provide support to operating departments and provide timely and accurate financial statements (internal and external) to assist in decision making.
3. Perform the controllership function for the City by providing and enforcing sound financial policies and internal controls.
4. Maximize the capabilities and opportunities provided by the financial information systems.
5. Maintain a positive work environment and strong employee engagement within the Finance Department.



**2015
Operating
Budget**

Operating Budget Summary	
Description	
<p>The Mission of the Finance department is to provide financial expertise and quality information to Council, management, departments, citizens and ratepayers in conformity with generally accepted accounting principles and statutory and legal requirements and policies.</p> <p>Financial Services Administration supervises and coordinates the activities of the Financial Services division. The section includes the Chief Financial Officer, as well as secretarial and clerical support for the entire Finance department.</p>	

2014		2015			
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	Projected Actual	Budget	Base Budget	% 2014 Budget	Approved Budget Options	Approved Budget	% 2014 Budget
Full Time Positions		4	4	-	0	4	-
Overtime Hours		30	30	-	0	30	-
Part Time Hours		1,218	1,218	-	0	1,218	-
<u>Expenses</u>							
Salaries & Benefits	502,843	469,711	478,028	1.8	0	478,028	1.8
Materials - Operating Expenses	26,300	71,560	38,265	(46.5)	0	38,265	(46.5)
Purchased/Contract Services	25,000	48,125	48,125	-	0	48,125	-
Prof Development & Training	13,500	11,248	11,248	-	0	11,248	-
Internal Recoveries	498,719	498,719	500,006	0.3	0	500,006	0.3
Total Expenses	1,066,362	1,099,363	1,075,672	(2.2)	0	1,075,672	(2.2)
Net Budget	1,066,362	1,099,363	1,075,672	(2.2)	0	1,075,672	(2.2)

**2015
Operating
Budget**

Operating Budget Summary	
Description	
The Tax Services provided include: - Billing of interim, final and supplementary tax levies including payments-in-lieu of taxes, - The collection of current and overdue taxes, - Maintenance of the tax sale accounts, - Administration of the pre-authorized tax payment plan, - The processing of tax adjustments and refunds, - Administration of the Elderly Tax Assistance Program, - Administration of the Elderly / Disabled Tax Deferral, Registered Charities Rebate and Vacancy Rebate Programs, - Responding to tax / assessment related inquiries, - Administration of the Capping / Clawback Program for protected properties.	

	2014		2015				
	Projected Actual	Budget	Base Budget	% 2014 Budget	Approved Budget Options	Approved Budget	% 2014 Budget
Full Time Positions		11	11	-	0	11	-
Overtime Hours		100	100	-	0	100	-
Revenues							
User Fees	(648,000)	(409,373)	(555,000)	(35.6)	0	(555,000)	(35.6)
Contr from Reserve and Capital	(25,820)	0	0	-	0	0	-
Total Revenues	(673,820)	(409,373)	(555,000)	(35.6)	0	(555,000)	(35.6)
Expenses							
Salaries & Benefits	889,700	884,851	889,530	0.5	0	889,530	0.5
Materials - Operating Expenses	65,121	84,526	68,526	(18.9)	0	68,526	(18.9)
Rent and Financial Expenses	6,500	7,500	7,500	-	0	7,500	-
Purchased/Contract Services	1,995,429	1,997,457	2,005,750	0.4	0	2,005,750	0.4
Prof Development & Training	3,456	3,456	3,456	-	0	3,456	-
Internal Recoveries	37,000	37,000	41,065	11.0	0	41,065	11.0
Total Expenses	2,997,206	3,014,790	3,015,827	-	0	3,015,827	-
Net Budget	2,323,386	2,605,417	2,460,827	(5.5)	0	2,460,827	(5.5)

TAXATION

The Tax section is responsible for the timely billing and collection of interim, final and supplementary property taxes, including the administration of various mitigation programs authorized under the Municipal Act and the Assessment of Ontario. Mitigation programs include tax reductions, refunds and rebates authorized in provincial legislation.

As well, the department is responsible for the protection of the municipality's assessment base, ensuring that assessment and related tax losses are minimized during the assessment appeal process.

The staff in the Tax section interacts with various internal and external stakeholders in providing excellent customer service to those individuals and organizations.

The department assists in the City's efforts to maintain fiscal sustainability by administering the applicable user fees authorized by municipal bylaw as well as being active participants in the administration of the City's Brownfield and Failed Tax Sale policy.

Variance Explanation:

User Fees

The 2015 budget has been increased to reflect revenues generated based on anticipated activities.

2014 Year End Projection:

Some of the user fees being utilized by the tax section are relatively new and/or were recently increased during 2014. The actual revenue earned has been greater than expected.

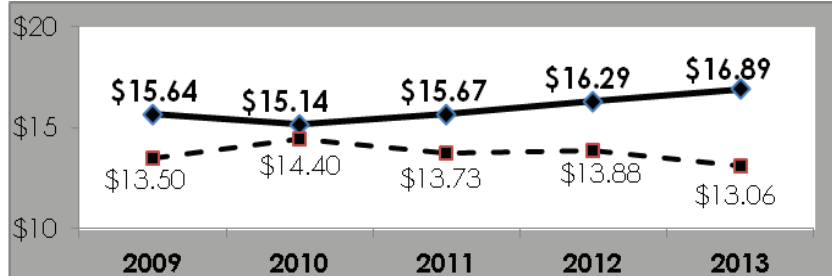
TAXATION

OMBI Performance Benchmarks

_____ CGS result

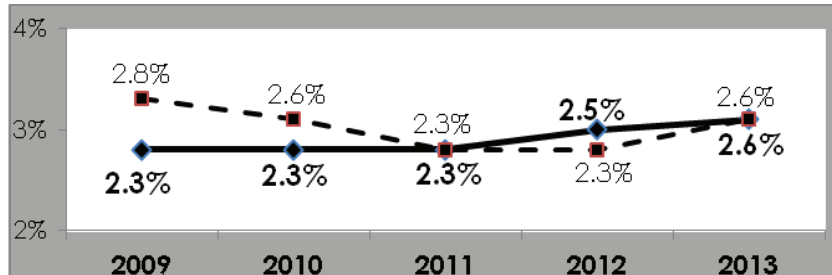
----- Median result

Operating Cost to Maintain Taxation Accounts Per Account Served



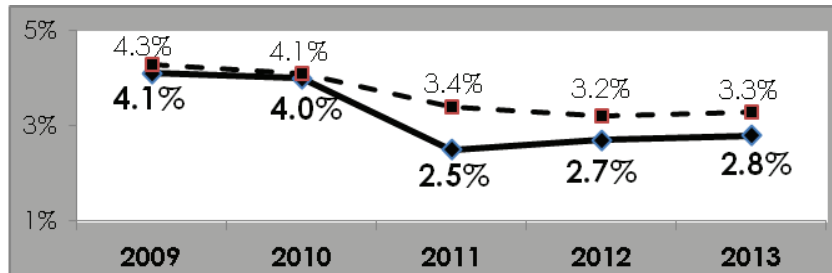
[TXRS 310]

Current Year's Tax Arrears as a Percentage of Current Year Levy



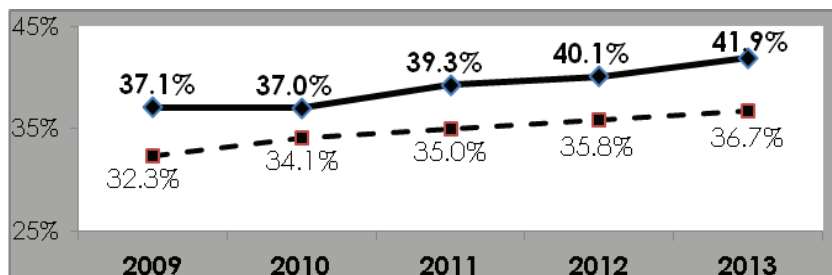
[TXRS 135]

Tax Receivable as a Percentage of Current Year Levy



[TXRS 150]

Percentage of Accounts (All Classes) Enrolled in a Pre-Authorized Payment Plan (PAP)



[TXRS 405]

OMBI data is current as at August 28, 2014.

**2015
Operating
Budget**

Operating Budget Summary	
Description	
Responsible for establishing the plans, structure and corporate policies to ensure that the City has the goods and services required when needed, at the agreed to quantity and quality and at the lowest total acquisition cost. Works in partnership with staff across the corporation to achieve value for money over the total life cycle of the goods and services and to minimize the costs of administering the procurement process. Ensure the purchasing by-law is followed and the integrity of the tendering process is adhered to.	

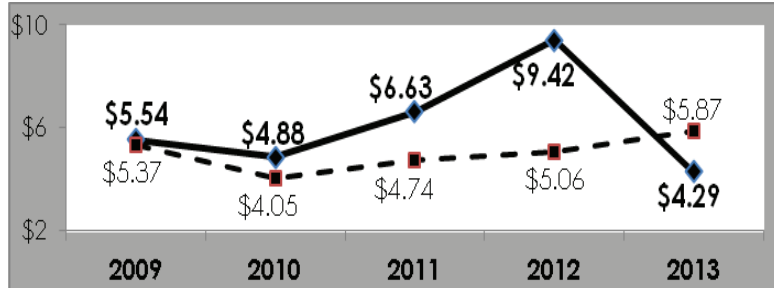
	2014		2015				
	Projected Actual	Budget	Base Budget	% 2014 Budget	Approved Budget Options	Approved Budget	% 2014 Budget
Full Time Positions		7	7	-	0	7	-
Overtime Hours		170	170	-	0	170	-
Revenues							
Other Revenues	(12,320)	(16,510)	(15,210)	7.9	0	(15,210)	7.9
Total Revenues	(12,320)	(16,510)	(15,210)	7.9	0	(15,210)	7.9
Expenses							
Salaries & Benefits	581,142	619,745	671,463	8.3	0	671,463	8.3
Materials - Operating Expenses	4,000	7,363	7,363	-	0	7,363	-
Purchased/Contract Services	34,000	0	0	-	0	0	-
Prof Development & Training	2,200	1,704	3,400	99.5	0	3,400	99.5
Internal Recoveries	(535,850)	(535,850)	(532,738)	0.6	0	(532,738)	0.6
Total Expenses	85,492	92,962	149,488	60.8	0	149,488	60.8
Net Budget	73,172	76,452	134,278	75.6	0	134,278	75.6

PURCHASING

OMBI Performance Benchmarks

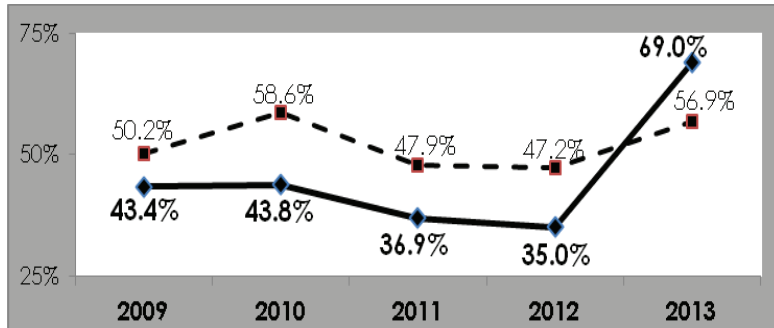
CGS result
- - - - - **Median result**

**Centralized Purchasing Division
Operating Costs
per \$1,000 Municipal
Purchases (Operating &
Capital) for Goods & Services**



[FPUR 360]

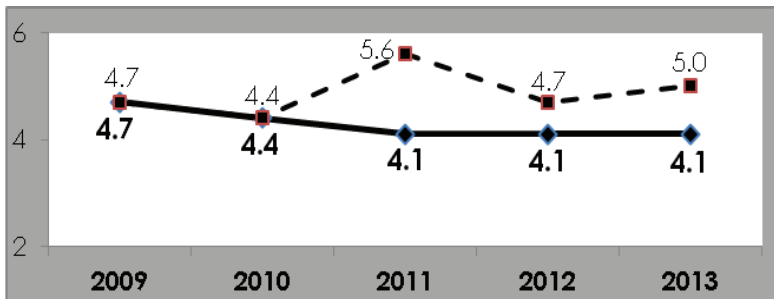
**Percent of Goods & Services
Purchased (Operating &
Capital) through a
Procurement Process**



[FPUR 105/107]

Results for the years prior to 2013 reflect 3-year rolling average calculations, which were discontinued for 2013, so results are not fully comparable.

**Average Number of Bids
per Bid Call**



[FPUR 415]

OMBI data is current as at August 28, 2014.



Financial Planning-Budgeting

2015 Operating Budget

Operating Budget Summary	
Description	

	2014		2015				
	Projected Actual	Budget	Base Budget	% 2014 Budget	Approved Budget Options	Approved Budget	% 2014 Budget
Full Time Positions		12	12	-	0	12	-
Overtime Hours		505	334	(33.9)	0	334	(33.9)
<u>Revenues</u>							
Contr from Reserve and Capital	(1,204,000)	(1,060,000)	(1,275,000)	(20.3)	0	(1,275,000)	(20.3)
Other Revenues	(384,678)	(75,819)	(172,151)	(127.1)	0	(172,151)	(127.1)
Total Revenues	(1,588,678)	(1,135,819)	(1,447,151)	(27.4)	0	(1,447,151)	(27.4)
<u>Expenses</u>							
Salaries & Benefits	1,180,372	1,165,889	1,177,370	1.0	0	1,177,370	1.0
Materials - Operating Expenses	1,635,711	1,173,552	1,499,211	27.7	0	1,499,211	27.7
Purchased/Contract Services	7,124	14,162	14,162	-	0	14,162	-
Prof Development & Training	8,755	6,811	6,811	-	0	6,811	-
Contr to Reserve and Capital	1,462,644	1,462,644	1,467,850	0.4	0	1,467,850	0.4
Internal Recoveries	(480,331)	(480,331)	(501,960)	(4.5)	0	(501,960)	(4.5)
Total Expenses	3,814,275	3,342,727	3,663,444	9.6	0	3,663,444	9.6
Net Budget	2,225,597	2,206,908	2,216,294	0.4	0	2,216,294	0.4

FINANCIAL PLANNING & BUDGETING

The principle functions of the Financial Planning & Budgeting section are to:

- Develop appropriate financial policy recommendations for consideration of Council
- Analyze the impact of provincial legislative changes such as OMPF (Ontario Municipal Partnership Fund) entitlements
- Maintain the long term financial plan approved by Council
- Liaise with Municipal Property Assessment Corporation (MPAC) and analyze the assessment rolls to ensure all properties are paying their share of taxation
- Develop all rates including area rates for taxation
- Oversee the municipality's cash management and investment program
- Administer the municipality's existing debt program and future debt requirements
- Manage the Municipality's insurance and risk management program, enabling adequate coverage and recommending risk management initiatives
- Plan, direct and provide overall supervision and compilation of the operating and capital budgets
- Provide customer service to operating departments in all financial related matters, including accounting for tangible capital assets

Variance Explanations:

Over Time Hours

Reductions in over time hours as efficiencies have been gained throughout the department.

Other Revenues / Contribution from Reserve / Materials – Operating Expenses

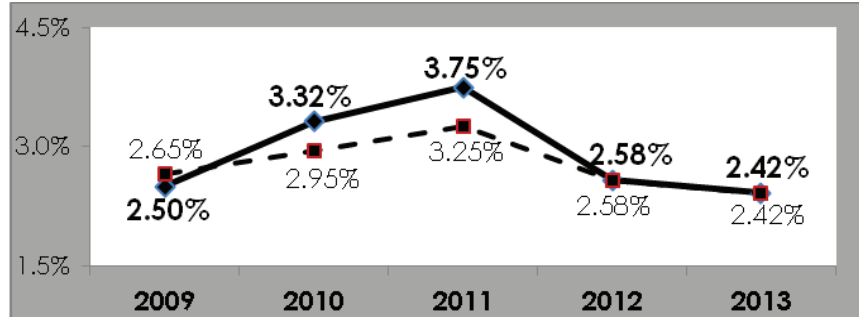
Actual insurance claims and associated expenses net of recoveries received are funded by a draw from the Insurance Reserve Fund in accordance with the Reserve & Reserve Fund By-Law. The 2015 base budget was adjusted to reflect 2014 actual costs.

FINANCIAL PLANNING & BUDGETING

OMBI Performance Benchmarks

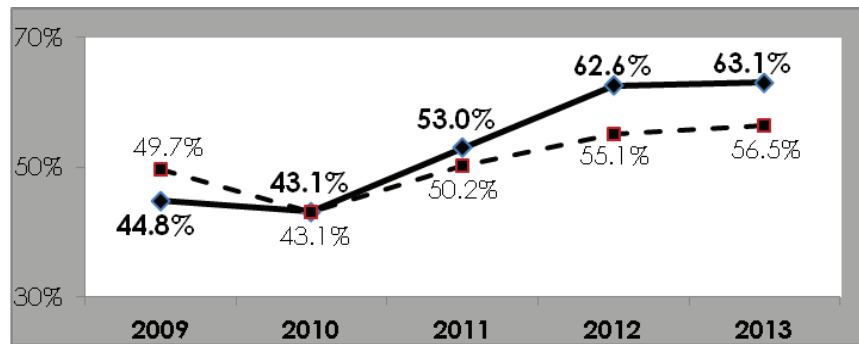
————— CGS result
----- Median result

Gross Percentage Return on Internal Portfolio (based on the Average Adjusted Book Value)



[INVT 312]

Portfolio as a Percentage of Municipal Operating & Capital Expenditures



[INVT 220]

OMBI data is current as at August 28, 2014.

**2015
Operating
Budget**

Operating Budget Summary	
Description	
Approved Budget Option: Elimination of the City's participation in the Ontario Municipal Benchmarking Initiative (OMBI)	

	2014		2015				
	Projected Actual	Budget	Base Budget	% 2014 Budget	Approved Budget Options	Approved Budget	% 2014 Budget
Full Time Positions		24	24	-	0	24	-
Overtime Hours		880	880	-	0	880	-
Part Time Hours		3,038	3,647	20.0	0	3,647	20.0
Revenues							
User Fees	(9,819)	(5,768)	(5,941)	(3.0)	0	(5,941)	(3.0)
Investment Earnings	(20,501)	(28,000)	(28,000)	-	0	(28,000)	-
Contr from Reserve and Capital	(69,990)	(70,673)	(124,584)	(76.3)	0	(124,584)	(76.3)
Other Revenues	(87,965)	(76,399)	(77,367)	(1.3)	0	(77,367)	(1.3)
Total Revenues	(188,275)	(180,840)	(235,892)	(30.4)	0	(235,892)	(30.4)
Expenses							
Salaries & Benefits	2,225,767	2,194,757	2,252,727	2.6	0	2,252,727	2.6
Materials - Operating Expenses	23,857	30,310	30,310	-	0	30,310	-
Rent and Financial Expenses	86,177	82,000	82,000	-	0	82,000	-
Purchased/Contract Services	1,515,718	1,460,394	1,549,430	6.1	0	1,549,430	6.1
Prof Development & Training	44,294	47,301	47,301	-	(19,900)	27,401	(42.1)
Internal Recoveries	(2,269,130)	(2,235,760)	(2,357,253)	(5.4)	0	(2,357,253)	(5.4)
Total Expenses	1,626,683	1,579,002	1,604,515	1.6	(19,900)	1,584,615	0.4
Net Budget	1,438,408	1,398,162	1,368,623	(2.1)	(19,900)	1,348,723	(3.5)

ACCOUNTING SERVICES

Accounting Services is responsible for the following key operating areas:

- General Accounting including the accurate and timely preparation of month end and year end financial statements, the Ministry of Municipal Affairs and Housing's Financial Information Returns and the City of Greater Sudbury Annual Financial Report. Financial reporting is done in accordance with Public Sector Accounting Standards and other legislation.
- The processing and oversight of the Accounts Receivable and Accounts Payable functions.
- The weekly processing of Payroll including maintaining the wage and payroll records and ensuring the appropriate payroll remittances and filing of reports as required by legislation.
- Oversee the contract with Greater Sudbury Utilities Inc to effectively manage the billing and collection for water and wastewater services.
- The City maintains a PeopleSoft Financial system that is complex and dynamic. Staff in the Financial Information Services Section support the PeopleSoft applications in use, oversee the testing of bundle updates and upgrades to the system and work to develop new applications that will contribute to efficiencies and effectiveness for the City.
- Oversee the administration of HST and City donations.

Variance Explanation:

There was succession funding that ended in 2014 and an additional contract employee added in 2015 to assist with the development and roll out of the Procure to Pay recommendations. This resulted in a net increase in expense of \$54,000 that will be funded by a contribution from reserve.

Approved Budget Option:

- Elimination of the City's participation in the Ontario Municipal Benchmarking Initiative (OMBI)

ACCOUNTING SERVICES

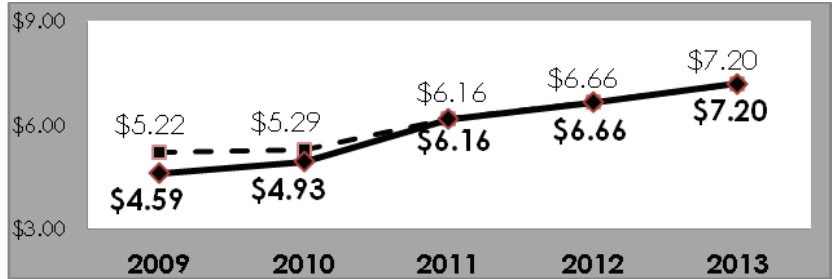
OMBI Performance Benchmarks

_____ CGS result

----- Median result

Accounts Payable

Accounts Payable
Operating Cost per Invoice
Paid



[FINV 317]

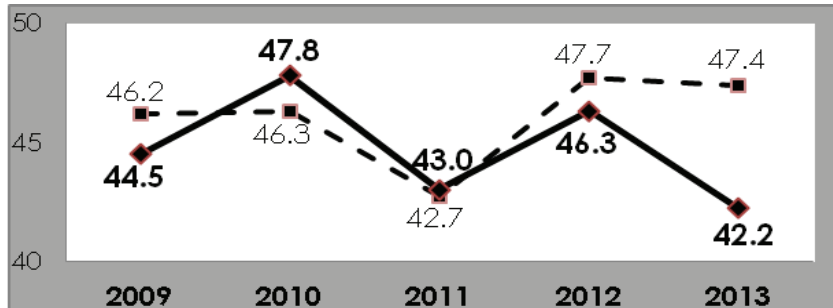
General Revenues /Accounts Receivable

Operating Cost of
Accounts Receivable
Function per Invoice



[GREV 310]

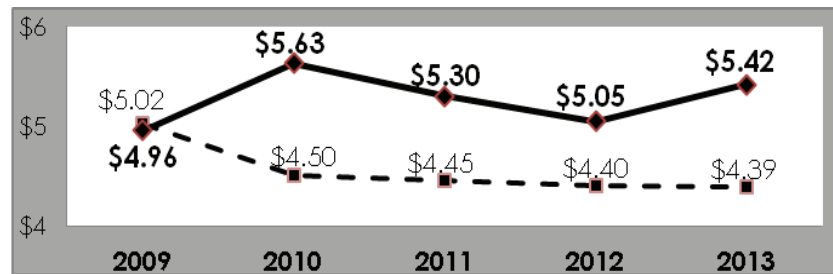
Average Collection Period
(days)



[GREV 335]

Payroll Services

Operating Cost per Payroll
Direct Deposit/Cheque



[FPRL 306A]

OMBI data is current as at August 28, 2014.

**2015
Operating
Budget**

Operating Budget Summary	
Description	
<p>The principal function is to support Infrastructure Services by:</p> <ul style="list-style-type: none"> - providing dispatch of customer service requests to Infrastructure staff, research and process claims related to Infrastructure Services, assist in developing Infrastructure Services operational budget - monitoring and analysis of financial results, provide support for the City's municipal maintenance management system including activity costing, payroll and billing functions - procure and inventory commonly used goods and services for Infrastructure Services in accordance with OMBI methodology, these costs are allocated to roads, water waste water and solid waste. 	

	2014		2015				
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	Projected Actual	Budget	Base Budget	% 2014 Budget	Approved Budget Options	Approved Budget	% 2014 Budget
Full Time Positions		17	17	-	0	17	-
Expenses							
Salaries & Benefits	1,276,442	1,358,442	1,378,521	1.5	0	1,378,521	1.5
Materials - Operating Expenses	78,131	77,821	74,515	(4.2)	0	74,515	(4.2)
Energy Costs	1,289	1,289	1,354	5.0	0	1,354	5.0
Purchased/Contract Services	126,869	30,000	30,000	-	0	30,000	-
Prof Development & Training	6,860	6,600	6,750	2.3	0	6,750	2.3
Contr to Reserve and Capital	25,000	25,000	25,500	2.0	0	25,500	2.0
Internal Recoveries	(1,514,591)	(1,499,152)	(1,516,640)	(1.2)	0	(1,516,640)	(1.2)
Total Expenses	0	0	0	-	0	0	-
Net Budget	0	0	0	-	0	0	-