

# Department — Financial Services and Utilities

## Introduction

Financial Services and Utilities Department (“The Department”) has accountability for services Edmontonians expect and rely on as citizens of one of Canada’s five largest cities. The Department takes a leadership role in providing sustainable waste and drainage solutions, corporate strategic planning, financial analytics, economic analysis and budget planning support to the City.

### Department Work Highlights:

- Initiated a public engagement campaign in 2015 to inform /seek feedback from Edmontonians about City services from a cost/value-per-day perspective, and the City’s transition to a multi-year budget process. This engagement has generated over 3,500 face-to-face interactions to-date.
- Facilitated and managed the delivery of The Way Ahead Implementation plan and The Way Ahead Progress Report for 2014.
- Improved assessment efficiency, meeting industry benchmark of 2,500 parcels per assessor per year through business process improvement and technology enhancement.
- Outperformed expectations on the Ed Tel Endowment Fund; the fund is in a position to pay a special dividend of approximately \$8 million in 2016. This special dividend is in addition to the regular dividend of approximately \$32 million to be paid from the fund in 2016. This is due to the fund exceeding its policy benchmark over the past three years.
- Started proactive drainage planning through programs such as Flood Mitigation and Sewer Asset Renewal. The Department has kept its commitment to Edmontonians to manage and maintain vital public services through sustainable infrastructure planning and maintenance.
- Realized internal service improvements through the transformation of financial services to enhance: business analytics, business partner support and

resource utilization.

- Expected cost saving and increased efficiency at Waste Management Services through specialized internally-resourced equipment maintenance, ownership of vehicle end-of life-cycle management and internal management of the biosolids program.

The Department will support the Corporate Innovation Program by fostering a culture that enables employees to optimize performance and reach new levels of innovation. A team of advisors will provide training, coaching and mentoring to all departments, including a variety of tools, techniques and methodologies. For 2016, the Department achieved \$385,000 in savings for City Council to re-allocate towards Edmonton’s growing needs. An on-going review of Financial Services and Utilities programs is expected to harvest additional savings for 2017 and 2018. For 2016-2018, the Department will focus on long-term financial sustainability innovation and continuous improvement of service delivery; and internal/external engagement and communications. By 2018, the Department expects the following key areas to improve: stakeholder and business partner service delivery standards; internal analytics; employee culture and engagement; internal communications, and public engagement. The Department performance will be reported through its 2016-2018 Business Plans ([edmonton.ca/BusinessPlans](http://edmonton.ca/BusinessPlans)).

The City utilities are fully funded through utility rates and program revenues and the utility budgets are presented separate from the City operating budget.

Budget numbers for prior years have been restated for Corporate Strategic Planning, Financial Strategies and Budget, and Financial Services branches due to the creation of a Financial Strategies and Budget branch.

*\*Proposed budgets for these branches are presented in the 2016-2018 Utilities Budget binder*

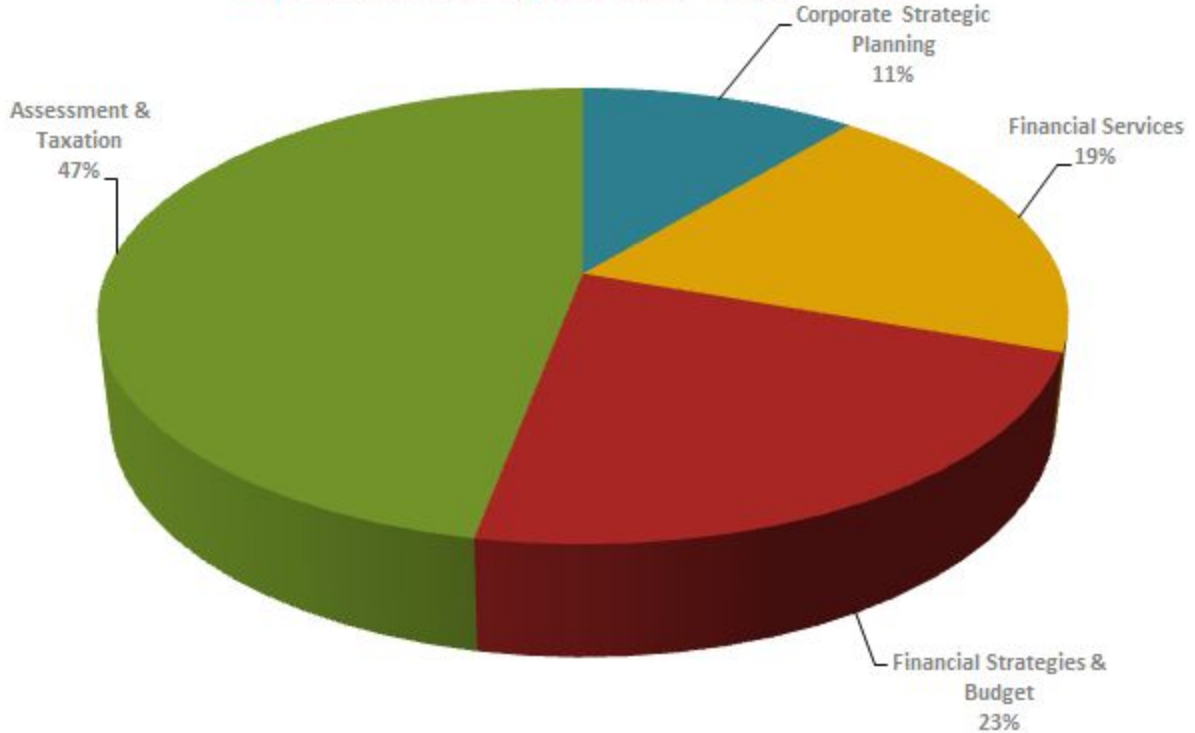
BRANCHES AND PROGRAMS					
Assessment and Taxation	Corporate Strategic Planning	Financial Strategies and Budget	Financial Services	Drainage Services*	Waste Management Services*
Assessment Taxation	Infrastructure and Funding Strategies Business Process Improvement Corporate Strategic Services	Budget Planning and Development Financial Strategy Business Financial Analytics	Corporate Accounting and Reporting Investment Management Treasury Management	Drainage Planning Strategic Services Drainage Operations Design and Construction	Collection Services Processing and Disposal

## Department — Financial Services and Utilities

### 2016-2018 Budget – Department Summary by Branch

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Revenue &amp; Transfers</b>						
Assessment & Taxation	-	-	-	-	-	-
Corporate Strategic Planning	-	-	-	-	-	-
Financial Services	1,313	1,384	1,332	1,282	1,488	1,295
Financial Strategies & Budget	-	-	-	-	-	-
<b>Total Revenue &amp; Transfers</b>	<b>\$1,313</b>	<b>\$1,384</b>	<b>\$1,332</b>	<b>\$1,282</b>	<b>\$1,488</b>	<b>\$1,295</b>
<b>Expenditure &amp; Transfers</b>						
Assessment & Taxation	19,666	20,000	22,016	21,787	22,466	23,106
Corporate Strategic Planning	3,633	4,072	4,637	5,252	5,613	5,557
Financial Services	6,628	6,480	9,589	8,535	8,673	8,957
Financial Strategies & Budget	9,100	8,984	10,160	10,661	10,960	11,261
<b>Total Expenditure &amp; Transfers</b>	<b>\$39,027</b>	<b>\$39,536</b>	<b>\$46,402</b>	<b>\$46,235</b>	<b>\$47,712</b>	<b>\$48,881</b>
<b>Net Operating Requirement</b>	<b>\$37,714</b>	<b>\$38,152</b>	<b>\$45,070</b>	<b>\$44,953</b>	<b>\$46,224</b>	<b>\$47,586</b>

### Expenditures by Branch 2016 - 2018



# Department — Financial Services and Utilities

## 2016-2018 Budget - Department Summary By Category

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Revenue &amp; Transfers</b>						
User Fees, Fines, Permits, etc.	1,313	1,384	1,332	1,282	1,488	1,295
<b>Total Revenue &amp; Transfers</b>	<b>\$1,313</b>	<b>\$1,384</b>	<b>\$1,332</b>	<b>\$1,282</b>	<b>\$1,488</b>	<b>\$1,295</b>
<b>Expenditure &amp; Transfers</b>						
Personnel	41,546	42,440	46,275	47,135	48,555	50,026
Materials, Goods & Supplies	1,598	2,001	1,539	1,635	1,631	1,616
External Services	3,997	3,825	5,948	3,818	4,163	4,081
Intra-municipal Services	1,649	2,542	1,427	2,487	2,402	2,402
Utilities & Other Charges	894	1,008	1,075	1,045	1,052	1,058
Subtotal	49,684	51,816	56,264	56,120	57,803	59,183
Intra-Municipal Recoveries	(10,657)	(12,280)	(9,862)	(9,885)	(10,091)	(10,302)
<b>Total Expenditure &amp; Transfers</b>	<b>\$39,027</b>	<b>\$39,536</b>	<b>\$46,402</b>	<b>\$46,235</b>	<b>\$47,712</b>	<b>\$48,881</b>
<b>Net Operating Requirement</b>	<b>\$37,714</b>	<b>\$38,152</b>	<b>\$45,070</b>	<b>\$44,953</b>	<b>\$46,224</b>	<b>\$47,586</b>
<b>Full-time Equivalents</b>	465.5	457.5	457.5	457.5	457.5	457.5

Budget details are provided at the Branch level

Page intentionally left blank

# Branch - Assessment & Taxation

---

## Introduction

Assessment and Taxation Branch ensures the fair and transparent application of provincially legislated assessment and taxation functions critical to meeting the approved revenue requirements to fund City programs, services and the provincial education requisition. In 2015, the branch was responsible for collecting over \$1.3B in revenue for the City of Edmonton and in excess of \$400M for provincial education.

Assessment and Taxation prepares annual market value assessments for property, including amended and supplementary assessments, and defends assessment complaints/appeals. It is responsible for taxation billing and the collection of municipal and provincial education taxes, including administration of the monthly payment program.

Overall, Alberta's system is touted as a world leader in its approach to assessment. With that said, the Assessment and Taxation Branch values a continuous improvement model and is identifying areas of further legislative improvement.

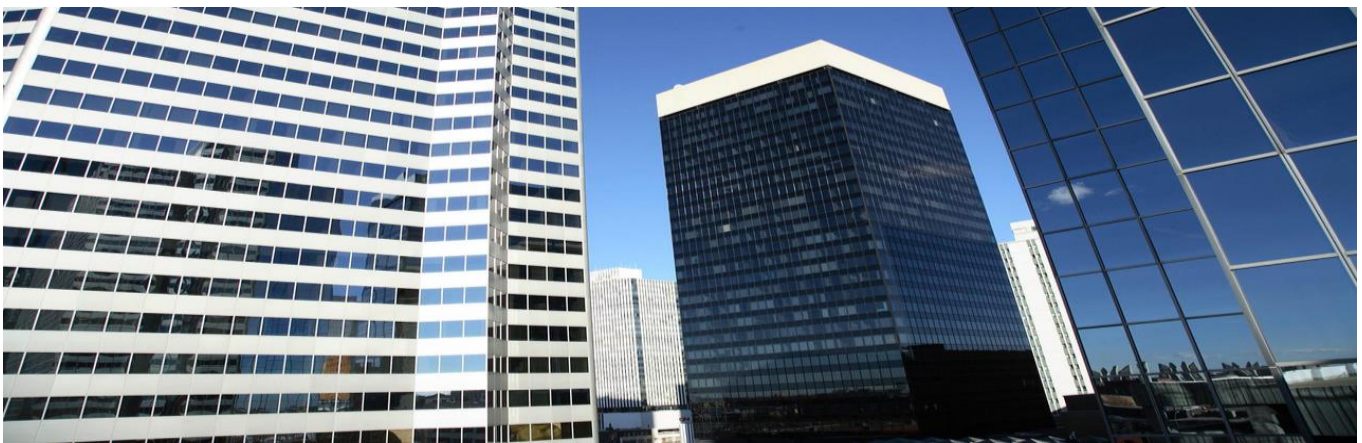
The Branch continues to work with the Province to update legislation through the Municipal Government Act Review and the Big City Charter. Branch recommendations aim to improve the overall efficiency of branch operations while also introducing legislative clarity, which will reduce future financial risk to the City.

The Branch is also working on a variety of internal improvements to both its culture and efficiency. Engagement and Diversity surveys show staff to be increasingly engaged as management encourages a higher level of autonomy over their work. Some of this work includes incorporating emergent technologies, such as aerial photography, to help assessors do their work more efficiently and provide superior customer service. From a continuous innovation perspective, images from aerial photography are increasingly being integrated into the City's other software systems, aiding not only Assessment and Taxation but other branches as well.

The introduction of a new provincial government presents opportunities and challenges as Ministers are brought up to speed with many of the intergovernmental initiatives already underway. Administration will continue to work with all parties to improve the fairness, transparency, efficiency and stability of the assessment and taxation system in Alberta.

### 2015 Highlights:

- Working with the Province on legislative reform
- Developing branch culture and encouraging greater autonomy
- Integrating aerial photography mapping software to find greater efficiencies



## Branch - Assessment & Taxation

---

### Possible future challenges for the branch:

- **Legislative Reform:** The Assessment and Taxation Branch is actively involved in legislative reform being put forward through both the Municipal Government Act Review and the Big City Charter. These projects promise to alter the landscape in which the branch operates. The branch is fully engaged in all aspects of the process and has suggested a number of changes that will improve branch efficiency and overall municipal flexibility in the matters of tax policy. It should be noted that the branch's budget and planned efficiencies were based on legislative reform occurring within the next year or two. New provincial timelines suggest the beneficial effects may take longer to implement, which could have an impact on future budget numbers.
- **Impact of Economy:** Other cautions should be acknowledged as the economy encounters a slow-down. A decline in the economy typically results in a declining real estate market. This typically results in an increased number of complaints filed against property assessments. The increased number of complaints can have an impact on staff time and resources, which may divert from research and implementation of future efficiency innovations. Additional complaints also increase the City's financial risk with the potential for greater court losses.
- **Branch Efficiency:** The branch is forecasting an increase of approximately 10,000 parcels per year for the City of Edmonton. In taking advantage of a variety of efficiency measures, the branch aims to maintain current staffing levels for both assessment and taxation staff in the face of increasing parcel growth. This will drive the City's parcel count per employee up by several hundred over the next three years. The branch projects no resource increases required to account for additional growth. The push for increased efficiency in the face of growth pressures has been a branch priority for many years. To illustrate this point, it is worth noting that Assessment and Taxation had more staff in 2010 than it does today.

### Positive Change - Innovation & Continuous Improvement

The Branch continues to work towards branch improvements, which includes:

- The recent Council approval of a 5-year aerial photography contract. This is expected to result in significant branch efficiencies as more property inspections can be completed at the assessor's desk. This will enable more targeted on-site inspections on a go-forward basis.
- Upgrades to City Assessment and Tax Software, TACS, are underway with a three-year strategy to introduce process improvements.
- Future innovation stems from the Corporate Engagement and Diversity survey results. In response to these survey results, the branch has created working-level committees to enhance branch culture, improve customer service and develop training programs.
- The branch is also updating its strategic plan to help align corporate and branch direction with a variety of performance measures.



## Branch - Assessment & Taxation

### 2016-2018 Budget - Branch Summary

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Expenditure &amp; Transfers</b>						
Assessment	17,376	17,706	19,444	19,199	19,776	20,305
Taxation	2,290	2,294	2,572	2,588	2,690	2,801
<b>Total Expenditure &amp; Transfers</b>	<b>\$19,666</b>	<b>\$20,000</b>	<b>\$22,016</b>	<b>\$21,787</b>	<b>\$22,466</b>	<b>\$23,106</b>
<b>Net Operating Requirement</b>	<b>\$19,666</b>	<b>\$20,000</b>	<b>\$22,016</b>	<b>\$21,787</b>	<b>\$22,466</b>	<b>\$23,106</b>
<b>Full-time Equivalents</b>	189.2	189.2	189.2	189.2	189.2	189.2



## Branch - Assessment & Taxation

### 2016-2018 Budget - Branch Summary By Category

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Expenditure &amp; Transfers</b>						
Personnel	16,011	16,253	17,673	17,499	18,090	18,730
Materials, Goods & Supplies	883	871	620	646	639	639
External Services	1,274	1,362	2,191	1,240	1,420	1,420
Intra-municipal Services	1,133	1,120	1,097	1,999	1,914	1,914
Utilities & Other Charges	365	394	435	403	403	403
Subtotal	19,666	20,000	22,016	21,787	22,466	23,106
Intra-Municipal Recoveries						
<b>Total Expenditure &amp; Transfers</b>	19,666	20,000	22,016	21,787	22,466	23,106
<b>Net Operating Requirement</b>	<b>\$19,666</b>	<b>\$20,000</b>	<b>\$22,016</b>	<b>\$21,787</b>	<b>\$22,466</b>	<b>\$23,106</b>
<b>Full-time Equivalents</b>	189.2	189.2	189.2	189.2	189.2	189.2

### Budget Changes for 2016-2018

(\$000)

#### Expenditures & Transfers - Changes

##### Personnel

The increase in personnel of \$606 for cost of living increase and movement towards job rate is offset by the salary and benefit discount of \$780. Increases in 2017 of \$591 and \$640 in 2018 reflects movement towards job rate and cost of living increase settlements in union agreements.

##### Materials, Goods, and Supplies

Minor change of \$26 reallocated from savings in utilities and other charges.

##### External Services

The budget decrease in 2016 of \$951 is due to a reallocation to intra-municipal charges of \$771 to fund the Tax, Assessment and Collection System (TACS) program ongoing maintenance and a \$180 one-year funding reallocation to Financial Services to fund work on the Ways Plans. The \$180 is returned to Assessment and Taxation in 2017.

##### Intra-municipal Services

The 2016 budget increase of \$902 is a combination of three factors: it reflects a \$771 increase for internal maintenance of the TACS program, a \$85 short-term internal communications support position and a \$46 increase for staff support,. The final factor is off-set by personnel cost reductions. The internal communication support position is expected to complete its work by 2017.

##### Utilities & Other Charges

Minor change in budget reallocated to materials, goods & supplies.



# Branch - Assessment & Taxation

## 2016 - 2018 Budget - Program Summary

### Program Name - Assessment

#### Results to be Achieved

Support the City's financial sustainability by effectively preparing and communicating annual market value assessments to property owners, defending market value assessments and reporting assessment information to the Province.

#### Cost Drivers

- Costs are driven by the volume of property accounts, development permits, complaints/appeals at the Assessment Review Board and legislated reporting requirements. At present, total accounts sit at over 360,000 with 2,323 filed complaints. Total complaints represent ~\$19B in contested assessment, which equates to 37% of the taxable non-residential assessment base and less than 3% of the taxable residential assessment base.

#### Policy and/or Legislation

Assessment is regulated by Part 9 of the Municipal Government Act (MGA) and associated regulations.

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	-	-	-	-	-	-
Expenditures & Transfers	17,376	17,706	19,444	19,199	19,776	20,305
Subtotal	17,376	17,706	19,444	19,199	19,776	20,305
Intra-Municipal Recoveries	-	-	-	-	-	-
Net Operating Requirement	\$ 17,376	\$ 17,706	\$ 19,444	\$ 19,199	\$ 19,776	\$ 20,305
Full-Time Equivalents	153.2	153.2	154.2	154.2	154.2	154.2

#### 2015 Services

- Prepare and issue fair, accurate and timely annual, amended and supplementary assessment notices
- Resolve valuation issues in advance of, or during the assessment review period to reduce Assessment Review Board complaints
- Defend assessment complaints at the Assessment Review Board and appeals through the provincial court system
- Regularly report assessment information to the Province for audit, equalization, education requisition and other purposes
- Ensure valuations meet or exceed provincially legislated standards
- Respond to inquiries related to assessment in a timely manner
- Prepare assessments for businesses within Business Revitalization Zones

#### Changes in Services for 2016 - 2018

- No planned changes for 2016

# Branch - Assessment & Taxation

## 2016 - 2018 Budget - Program Summary

### Program Name - Taxation

#### Results to be Achieved

Ensure City meets budget targets through accurate and timely billing and collection of property taxes, local improvements and other charges. Maintain accurate and timely updates to ownership records and property information. Administer the monthly payment program. Collect tax arrears according to the provisions of the Municipal Government Act.

#### Cost Drivers

- Costs are driven by the volume of accounts and inquiries. Given over 360,000 accounts, the branch projects to receive more than 80,000 inquiries this year.

#### Policy and/or Legislation

Taxation is regulated by Part 10 of the Municipal Government Act (MGA) and associated regulations.

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	-	-	-	-	-	-
Expenditures & Transfers	2,290	2,294	2,572	2,588	2,690	2,801
Subtotal	2,290	2,294	2,572	2,588	2,690	2,801
Intra-Municipal Recoveries	-	-	-	-	-	-
Net Operating Requirement	\$ 2,290	\$2,294	\$ 2,572	\$ 2,588	\$ 2,690	\$ 2,801
Full-Time Equivalents	36.0	36.0	35.0	35.0	35.0	35.0

#### 2015 Services

- Prepare and issue accurate and timely annual, amended and supplementary tax notices
- Manage the collection of property, Business Revitalization Zones taxes, grants in lieu, local improvements and charges transferred from other departments according to legislative provisions
- Administer the monthly payment program and other Council approved programs
- Administer the billing and payment of taxes by mortgage companies
- Calculate the property tax rates, prepare bylaws for tax rates, penalties and interest, and fees for service.
- Administer the tax sale for The City of Edmonton
- Enforce collection of past due taxes according to legislative provisions
- Provide accurate and timely responses to inquiries related to taxation
- Assist in the preparation of the City's Long Range Financial Plan

#### Changes in Services for 2016 - 2018

- No planned changes for 2016.

# Corporate Strategic Planning

---

## Introduction

Corporate Strategic Planning provides leadership to all departments on strategic planning. This includes expert advice and coaching on infrastructure management, business planning, innovation and continuous improvement, enterprise risk management and performance measurement. The Branch supports the City with timely, accurate information and tools that aid Council and City Administration in evidence-based decision-making that ensures the City's sound, sustainable stewardship of public resources.

More specifically, Corporate Strategic Planning provides leadership by integrating the City's strategic planning process with an emphasis on achieving Council's Strategic Plan, *The Way Ahead*. This work includes reporting progress towards the corporate outcome measures and maintaining strategic risk registers.

The branch also plays a lead role in the evolution and continued implementation of the City infrastructure strategy by the development and use of a variety of innovative infrastructure asset management tools. These tools ensure that programs to renew, upgrade and expand infrastructure assets are sustainable and support the city's plans and priorities. Incorporating an integrated and strategic approach, the branch assists Council in optimizing investment in infrastructure and aids Council in capital planning for a long-term view of Edmonton's infrastructure needs. This branch leads the development of the ten-year Capital Investment Agenda, which identifies the City's longer term capital projected requirements, and the four-year Capital Budget for Council approval.

The Corporate Innovation Program is committed to building a culture that enables employees to optimize performance and reach new levels of innovation. Our team of innovation advisors provide training, coaching and mentoring to all departments, including a variety of tools, techniques and methodologies.

### 2016-2018 Highlights:

- Update the Capital Investment Agenda and prepare the 2019-2022 Capital Budget
- Manage new grant programs and agreements such as the Valley Line and Public Transit Fund
- Report on the business plan measures through a corporate performance measure register
- Lead the strategic planning process in consultation with branches and the public to renew *The Way Ahead* for 2019-2028
- Develop a Council Policy for Strategic Enterprise Risk Management
- Assess and enhance Citizen Dashboard to better meet citizen needs and priorities.
- Formalize the City's improvement and innovation capabilities by rolling out tools and processes that enable employee skill, capability and behaviour development
- Report corporate continuous improvement and innovation results to Council, citizens and employees in order to demonstrate that City operations are effective, efficient and innovative
- Build an 'SAP Centre of Excellence' and a community of distributed SAP super users in order to maximize the benefits from the system

Corporate Strategic Planning stays current with various emerging issues that the Branch may face. Examples of potential emerging issues include:

- **Demands for service:** Demand for the branch's services is expected to increase as corporate maturity increases in business planning, performance measurement, continuous improvement and innovation, risk management and capital planning. As this occurs, new approaches and supports will need to be identified and put in place so the branch can continue to meet expectations.
- **Overall Economy:** Fluctuations in the national and provincial economies could produce negative effects on capital funding sources (investment earnings, funding from other orders of government). This could result in a revisiting of the capital budget to mitigate risks. Conversely, should infrastructure investment become a major platform for maintaining economic momentum, the introduction of new federal or provincial funding programs could result in additional work to leverage more funding for capital programs.

# Corporate Strategic Planning

---

- **Changing outcomes:** Strategic outcomes may vary from what the branch is currently planning as corporate maturity increases in strategic planning, continuous improvement and innovation systems and practices. The branch will need to be aware of these changes and help the corporation adapt.
- **Creation of a City Charter:** Creation of a city charter may result in new funding streams for the city and consequently result in additional funding alternatives for capital initiatives. Additional work to update the budget may be required. There could also be effects on grant management responsibilities.
- **Trends and technologies:** The public has increasing expectations regarding access to information. The City and the branch will have to keep up-to-date with trends and technologies to meet this growing demand. In particular, demands for open data and communicating performance measures have been increasing.

As part of the 2015 budget deliberations, Council supported the development of a Corporate Innovation Program that builds a more formal culture of innovation at the City through training, coaching and mentoring. This program fosters innovation and promotes continuous improvement, and is being coordinated by the Business Process Management unit of this Branch.

## Positive Change - Innovation & Continuous Improvement

This section highlights the strategies Corporate Strategic Planning branch will undertake to build a great city. This includes:

- Fostering the development of a continuous improvement and innovation culture across the organization that enables our leaders and staff to address complex challenges and changes in the social, cultural, economic and natural environments.
- Ensuring managers and supervisors have the information and tools to demonstrate active and visible support for an innovation culture at all levels, and to ensure that change management considerations are part of this approach.
- Training, coaching and mentoring a decentralized network of continuous improvement, innovation and change management facilitators across the organization who will be responsible for driving innovation projects in their areas.
- Promoting recognition systems that will ensure great ideas are noticed, in order to reward individuals and teams and to build excitement for our innovation accomplishments.
- Supporting and maintaining a distributed community of SAP super users who will utilize analytics to improve future system functionality by improving system usage and data accuracy; and improving insight and strategic direction from business owners.
- Evaluating the process and effectiveness of *The Way Ahead* and incorporating the results into the next update.

# Corporate Strategic Planning

## 2016-2018 Budget - Branch Summary

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Expenditure &amp; Transfers</b>						
Business Process Management	1,300	1,311	1,386	1,828	1,820	1,804
Corporate Strategic Planning	1,236	1,906	2,014	1,870	2,099	2,233
Infrastructure & Funding Strategies	1,097	855	1,237	1,554	1,694	1,520
<b>Total Expenditure &amp; Transfers</b>	<b>\$3,633</b>	<b>\$4,072</b>	<b>\$4,637</b>	<b>\$5,252</b>	<b>\$5,613</b>	<b>\$5,557</b>
<b>Net Operating Requirement</b>	<b>\$3,633</b>	<b>\$4,072</b>	<b>\$4,637</b>	<b>\$5,252</b>	<b>\$5,613</b>	<b>\$5,557</b>
<b>Full-time Equivalents</b>	<b>30.0</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>



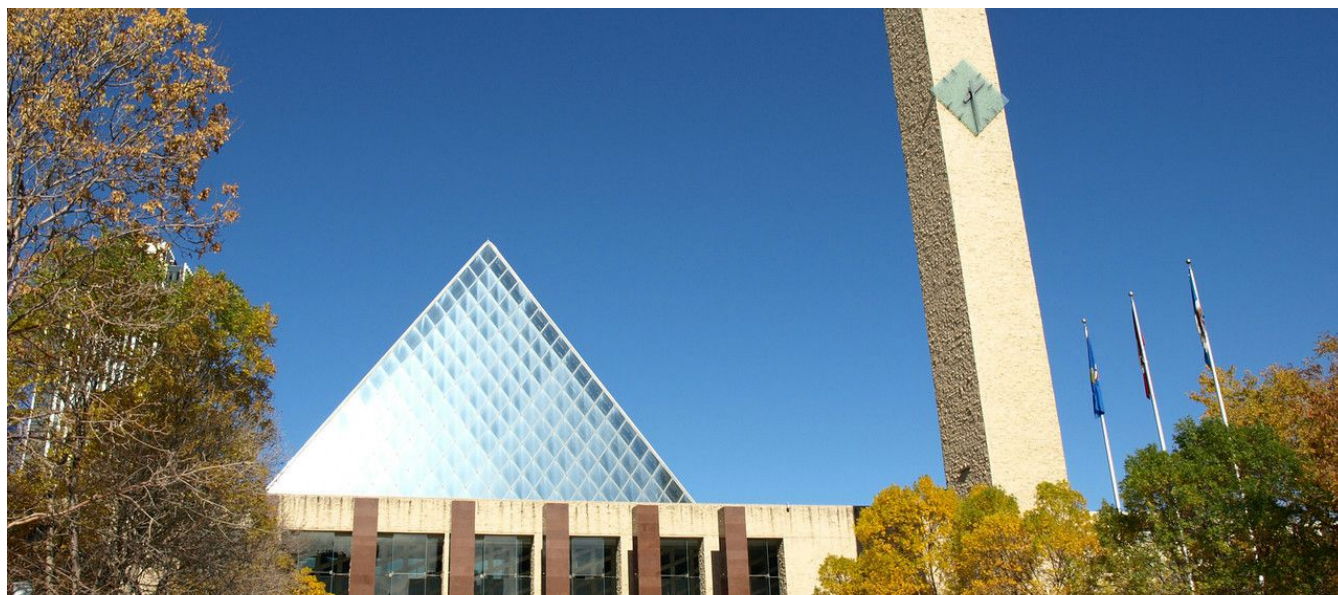


# Corporate Strategic Planning

## 2016-2018 Budget - Branch Summary By Category

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Expenditure &amp; Transfers</b>						
Personnel	3,436	3,944	4,109	4,250	4,306	4,345
Materials, Goods & Supplies	-	-	-	30	30	30
External Services	252	117	528	840	1,145	1,050
Intra-municipal Services	-	11	-	132	132	132
Subtotal	3,688	4,072	4,637	5,252	5,613	5,557
Intra-Municipal Recoveries	(55)					
<b>Total Expenditure &amp; Transfers</b>	<b>\$3,633</b>	<b>\$4,072</b>	<b>\$4,637</b>	<b>\$5,252</b>	<b>\$5,613</b>	<b>\$5,557</b>
<b>Net Operating Requirement</b>	<b>\$3,633</b>	<b>\$4,072</b>	<b>\$4,637</b>	<b>\$5,252</b>	<b>\$5,613</b>	<b>\$5,557</b>
<b>Full-time Equivalents</b>	30.0	31.0	31.0	31.0	31.0	31.0

Actual results have been restated for comparability to align with finance reorganization in 2015.





# Corporate Strategic Planning

---

## Budget Changes for 2016-2018 (\$000)

### Expenditures & Transfers - Changes

#### Personnel

In 2016, the increase in personnel of \$228 for cost of living increase and movement towards job rate is offset by the salary and benefit discount of \$87. Increases in 2017 of \$56 and \$39 in 2018 reflects movement towards job rate and cost of living increase for settlements in union agreements. Over the three-year business cycle, personnel needs will be managed within existing resources and there is no current request for additional FTEs.

#### Materials, Goods, and Supplies

Increase of \$30 is for ongoing maintenance requirements for the Risk-based Infrastructure Management System (RIMS).

#### External Services

The \$312 increase in 2016 was reallocated from other branches in the department to support the corporation in completing the following:

- \$312 to be added to the base 3-year consulting budget of \$528 to undertake the following corporate projects:
  - *The Way Ahead* renewal and any required supporting policies and strategies.
  - The City's Infrastructure Strategy Update. This was last approved by City Council in 2006 and has guided Edmonton's ground-breaking asset management practices. Going forward, work is required to update this strategy to prepare for the 2019-2028 Capital Investment Agenda and integrate policy discussed in the Infrastructure White Paper and Financial Sustainability Plan.
  - The continuous improvement and innovation program. This work is expected to result in future savings in other areas of the corporation as they begin to receive the benefits from the tools, techniques and services provided by this process.

In 2017, an additional \$305 will be added to the consulting budget to support the above three corporate priorities and will be reallocated from other branches within the Department to support the corporation. In 2018, as projects are completed, the consulting budget will reduce by \$95; resulting in an ongoing consulting budget of \$1,050 per year.

#### Intra-municipal Services

The increase is mainly due to collaboration with the Information Technology Branch to maintain Socrata software related to Open Data and the Citizen Dashboard.

# Corporate Strategic Planning

## 2016 - 2018 Budget - Program Summary

### Program Name - Business Process Management

#### Results to be Achieved

Business Process Management has two core functions: the Corporate Innovation Program that enables the City of Edmonton to continuously improve and innovate its services to citizens and the SAP Business Process Champion program that leverages a community of practice to maximize the benefits achieved through the use of SAP.

#### Cost Drivers

- Cost drivers for this function are primarily personnel, training, contracting and consulting.

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	-	-	-	-	-	-
Expenditures & Transfers	1,300	1,311	1,386	1,828	1,820	1,804
Subtotal	1,300	1,311	1,386	1,828	1,820	1,804
Intra-Municipal Recoveries	-	-	-	-	-	-
Net Operating Requirement	\$1,300	\$1,311	\$1,386	\$1,828	\$1,820	\$1,804

Full-Time Equivalents	11.0	11.0	10.0	10.0	10.0	10.0
-----------------------	------	------	------	------	------	------

#### 2015 Services

- Completed Financial Services Transformation to realign resources in order to increase financial analytics expertise and improve accounting oversight and transactional consistency and efficiency.
- Completed continuous improvement process reviews: Drainage Lot Grading Inspection, Urban Forester's Client Invoicing, and Surplus Lands.
- Began development of a Corporate Innovation Program (see below).
- Began development of an SAP Business Process Champions Program (see below).

#### Changes in Services for 2016 - 2018

- Development continues for this continuous improvement and innovation function that formalizes the City's approach to improving efficiency and effectiveness. This is accomplished by creating the right conditions and tools to enable leaders and staff to identify innovative solutions which address complex challenges and foster a culture of innovation. This work requires allocated dedicated resources within the Branch for 2016 to 2018. The increase in resources has been accommodated through the reprioritization and reallocation of consulting budgets within the overall Department budget and are expected to be offset from innovation and continuous improvement savings throughout the corporation.
- Development continues on establishing a community of distributed SAP super users embedded in their respective business areas, connected through a community of practice called the 'SAP Centre of Excellence'. No tax levy increase is required to support this work.

# Corporate Strategic Planning

## 2016 - 2018 Budget - Program Summary

### Program Name - Corporate Strategic Services

#### Results to be Achieved

Coordinate and facilitate the implementation of the City's corporate planning, enterprise risk management and performance measurement framework and its policies, directives and processes.

#### Cost Drivers

- Cost drivers for this function are primarily personnel and consulting.

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	-	-	-	-	-	-
Expenditures & Transfers	1,236	1,906	2,014	1,870	2,099	2,233
Subtotal	1,236	1,906	2,014	1,870	2,099	2,233
Intra-Municipal Recoveries	-	-	-	-	-	-
Net Operating Requirement	\$1,236	\$1,906	\$2,014	\$1,870	\$2,099	\$2,233
Full-Time Equivalents	11.0	11.0	12.0	12.0	12.0	12.0

#### 2015 Services

- Develop a Corporate Implementation Plan for *The Way Ahead*.
- Complete and maintain Performance Measurement Register for Corporate, Department and Branch Performance Measures.
- Annually create and present *The Way Ahead Progress Report* starting with 2014 results.
- Identify and maintain the top ten corporate strategic risks.
- Design and deliver Performance Measurement 101 course.
- Design and deliver Management 101 course: Linking City strategy to business operations.

#### Changes in Services for 2016 - 2018

- Lead the strategic planning process in consultation with branches and the public to renew *The Way Ahead* for 2019-2028. This work requires a redistribution of consulting budgets for 2016 to 2018. Funding was made available by prioritizing and reallocating funding from Assessment and Taxation and Financial Services Branches. Initially this results in a net decrease in the consulting budget for 2016 with subsequent increases in 2017 and 2018.
- Updating the Citizen Dashboard in collaboration with the IT Branch results in a \$120 transfer from the Information Technology Branch to the Corporate Strategic Planning Branch.
- Develop a Council Policy for Strategic Enterprise Risk Management.
- Report on the business plan measures through a corporate performance measure register (starting in 2016).

# Corporate Strategic Planning

## 2016 - 2018 Budget - Program Summary

### Program Name - Infrastructure and Funding Strategies

#### Results to be Achieved

Facilitate the delivery of the capital budget supported by sound asset management practices and effective grant administration by ensuring that programs to renew, upgrade and expand infrastructure assets are sustainable and support the City's plans and priorities.

#### Cost Drivers

- Cost drivers for this function are primarily personnel and consulting.

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	-	-	-	-	-	-
Expenditures & Transfers	1,152	855	1,237	1,554	1,694	1,520
Subtotal	1,152	855	1,237	1,554	1,694	1,520
Intra-Municipal Recoveries	(55)	-	-	-	-	-
Net Operating Requirement	\$1,097	\$855	\$1,237	\$1,554	\$1,694	\$1,520
Full-Time Equivalents	8.0	9.0	9.0	9.0	9.0	9.0

#### 2015 Services

- Implement the approved 2015-2018 Capital Budget, including the Spring and Fall Supplemental Capital Budget Adjustments.
- Prepare and execute Contribution agreements and grant applications for a variety of capital projects.
- Update and modernize the City's Infrastructure Strategy in conjunction with the Fiscal Sustainability Plan.

#### Changes in Services for 2016 - 2018

- Budget increases mostly relate to consulting work on a number of initiatives, including an update to the Infrastructure Strategy, improvements and the maintenance of RIMS, and other work in preparation for the 2019-2022 capital budget. No tax levy increase is required to support this work.
- The management of new grant programs and agreements such as the Valley Line, Public Transit Fund, and expected continuation of Green Trip and Municipal Sustainability Initiative (MSI) is expected to increase resource requirements. This will be accommodated in the upcoming years through internal re-allocation of existing resources within Financial Services and Utilities.

# Branch - Financial Services

---

## Introduction

Financial Services Branch is responsible for corporate accounting and reporting, treasury management, and investment management.

In 2015, the branch began the implementation phase of its *Financial Services Transformation - Building on Excellence* (Finance Transformation). The branch's ability to provide high quality and relevant financial services is dependent on the successful implementation of this Finance Transformation.

Financial Services Branch continues to contribute to Edmonton's city-building vision. In August 2015, Standard and Poor's affirmed the City's AA+ credit rating, based primarily on exceptional liquidity and strong financial management. Furthermore, all of the City's investment funds outperformed their policy benchmarks during the first six months of 2015. Given the strong investment performance of the Ed Tel Endowment Fund over the last couple of years the fund will pay a special dividend of approximately \$8 million in 2016. This special dividend is in addition to the regular dividend of approximately \$32 million to be paid from the fund in 2016.

Between 2016-2018, the branch's focus will be on modernizing its finance function by leveraging continuous improvements to manage people, business process and technology. This will allow the branch to focus resources on providing enhanced financial reporting and deeper business insights.

### 2016-2018 Highlights:

- Streamline business processes
- Optimize use of existing financial systems through new technology opportunities and better data sharing
- Enhance Master Data Governance model implementation to improve the efficiency, timeliness and accuracy of financial reporting while maintaining data integrity and enhancing data sharing
- Replace current debt management application with a new system and revised processes to better support planning, monitoring and reporting of debt
- Strengthen accounting and financial reporting processes to more efficiently use City personnel
- Review the asset allocation for each of the City's investment funds to ensure the asset mix is optimized to meet investment objectives
- Establish a training program to train new professionals under a new unified Chartered Professional Accountants environment
- Enhance internal training opportunities for existing professionals



## Branch - Financial Services

---

Financial Services stays current with various emerging issues that the Branch may face. Examples of potential emerging issues include:

- **MGA Legislative Changes and Big City Charter** - Decisions with respect to proposed MGA changes combined with financial implications from the Big City Charter are unknown at this time, and may significantly impact financial policy and the financial reporting process. Managing the changes with existing resources may pose a challenge.
- **Weakening provincial economy:** Recent volatility in energy prices and the provincial fiscal situation have boosted the need for the City to closely monitor developments that could impact grants, transfers, user fees and other sources of funding. The Branch is responding by increasing the frequency of forecasting activity and developing contingency plans that address a range of fiscal outcomes.
- **Managing change post-Finance Transformation:** The recent financial services reorganization has had a direct impact on branch staff. Staff changes include a modified reporting structure, modified roles and responsibilities, and office moves. To maximize the benefits of this recent internal change, the branch continues to engage in change management and refine business processes with a focus on efficiency while maintaining the integrity of financial reporting.
- **Public sector reporting requirements** - A number of upcoming changes to public sector reporting requirements, including financial instruments; related-party and inter-entity transactions; and assets and contractual rights will require changes to systems and processes. Some of these changes are known at this time but further announcements and their impacts cannot be fully anticipated over the next 3 years.

Branch leadership will continue to monitor the aforementioned items and will adjust the Branch workplan to address them as necessary.

## Positive Change - Innovation & Continuous Improvement

- **Resource realignment due to Finance Transformation:** The Finance Transformation project in the Financial Services branch has permitted realignment of the branch's resources. This change has led to an increased level of business analytics support to various City departments and the Corporation; improved accounting oversight; improved transactional consistency and efficiency; and sustained integrity of legislative and performance reporting.

The Finance Transformation change is expected to result in a more efficient deployment of resources that will begin to yield savings in 2016. Efficiencies are anticipated as the result of business process improvements that will lower overtime cost, increase staff productivity and build collaborative working relationships between the Corporate Accounting and Reporting and Business Financial Analytics teams. Modest projected savings have been incorporated into the budget through the three-year cycle.

- **Investment Management Recoveries:** As part of the Investment Management program's commitment to continuous improvement, a new Canadian equity structure was implemented during 2015. Assets previously managed by three external investment management firms were consolidated and a portion of these assets were brought in-house to be managed internally. As a result, a reduction in external management fees will occur. Due to the reduction in external management fees, the investment management program may realize approximate ongoing savings of \$360,000 that can be re-directed to the City's operating budget.



## Branch - Financial Services

### 2016-2018 Budget - Branch Summary

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Revenue &amp; Transfers</b>						
User Fees, Fines, Permits, etc.	1,313	1,384	1,332	1,282	1,488	1,295
<b>Total Revenue &amp; Transfers</b>	<b>\$1,313</b>	<b>\$1,384</b>	<b>\$1,332</b>	<b>\$1,282</b>	<b>\$1,488</b>	<b>\$1,295</b>
<b>Expenditure &amp; Transfers</b>						
Corporate Accounting and Reporting	1,438	1,490	3,076	3,375	3,271	3,080
Investment Management	(1,192)	(2,178)	(1,269)	(2,193)	(2,183)	(2,174)
Treasury Management	6,382	7,168	7,782	7,353	7,585	8,051
<b>Total Expenditure &amp; Transfers</b>	<b>\$6,628</b>	<b>\$6,480</b>	<b>\$9,589</b>	<b>\$8,535</b>	<b>\$8,673</b>	<b>\$8,957</b>
<b>Net Operating Requirement</b>	<b>\$5,315</b>	<b>\$5,096</b>	<b>\$8,257</b>	<b>\$7,253</b>	<b>\$7,185</b>	<b>\$7,662</b>
<b>Full-time Equivalents</b>	161.8	153.8	153.8	153.8	153.8	153.8

Actual balances for the 2013 and 2014 years have been restated to reflect branch reorganizations within the department.



## Branch - Financial Services

### 2016-2018 Budget - Branch Summary By Category

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Revenue &amp; Transfers</b>						
User Fees, Fines, Permits, etc.	1,313	1,384	1,332	1,282	1,488	1,295
<b>Total Revenue &amp; Transfers</b>	<b>\$1,313</b>	<b>\$1,384</b>	<b>\$1,332</b>	<b>\$1,282</b>	<b>\$1,488</b>	<b>\$1,295</b>
<b>Expenditure &amp; Transfers</b>						
Personnel	13,064	13,439	14,555	14,947	15,421	15,912
Materials, Goods & Supplies	715	1,076	847	887	890	875
External Services	2,351	2,214	3,079	1,588	1,448	1,461
Intra-municipal Services	444	1,355	330	356	356	356
Utilities & Other Charges	524	614	640	642	649	655
Subtotal	17,098	18,698	19,451	18,420	18,764	19,259
Intra-Municipal Recoveries	(10,470)	(12,218)	(9,862)	(9,885)	(10,091)	(10,302)
<b>Total Expenditure &amp; Transfers</b>	<b>\$6,628</b>	<b>\$6,480</b>	<b>\$9,589</b>	<b>\$8,535</b>	<b>\$8,673</b>	<b>\$8,957</b>
<b>Net Operating Requirement</b>	<b>\$5,315</b>	<b>\$5,096</b>	<b>\$8,257</b>	<b>\$7,253</b>	<b>\$7,185</b>	<b>\$7,662</b>
<b>Full-time Equivalents</b>	161.8	153.8	153.8	153.8	153.8	153.8



Actual results have been restated for comparability to align with finance reorganization in 2015.

## Branch - Financial Services

### Budget Changes for 2016-2018 (\$000)

#### Revenue & Transfers - Changes

##### User Fees, Fines, Permits, etc.

Corporate Accounting and Reporting no longer provides external accounting services to Non-Profit Housing Agency resulting in a decline in revenues for 2016 of \$279. This is partially offset by an increase in the Corporate Procurement Card rebate of \$100 and \$130 increase in the recoveries from pensions. Included in the budget for 2017 is a one-time external revenue recovery related to consultations concerning the review of the water rate structure.

#### Expenditures & Transfers - Changes

##### Personnel

In 2016, the increase in personnel of \$455 for cost of living increase and movement towards job rate is offset by the salary and benefit discount of \$63. Increases in 2017 of \$474 and \$491 in 2018 reflects movement towards job rate and cost of living increase settlements in union agreements. Over the three-year business cycle, personnel needs will be managed within existing resources and there is no current request for additional FTEs.

#### Expenditures & Transfers - Changes Continued

##### Materials, Goods, and Supplies

Minor increase to reflect historical adjustments.

##### External Services

Reallocation of \$758 to corporate investments for management fees related to externally managed investments which is offset by reallocation of internal recovery for the same amount. In 2016, \$433 is reallocated for priorities within the department to fund needs related to The Ways documents, corporate continuous improvement initiatives and infrastructure funding strategy update. The remaining \$300 change is a reduction in overall budget as a result of reprioritization of the contracted services. Changes in 2017 and 2018 are due to reallocation for these same priorities within the department.

##### Intra-municipal Services

Minor changes related to historical spend.

##### Utilities & Other Charges

Minor inflationary adjustments.

##### Intra-municipal Recoveries

In 2016, several investment restructuring initiatives will be fully implemented. These innovations, which increase the amount of funds managed internally by investment staff, are the result of a multi-phase review covering both the Equity and Fixed Income asset classes. The increase in recoveries from investment funds is estimated at \$987, of which approximately \$920 is related to increased internal management. This increase in recoveries from internally managed investments is offset by \$758 decrease in recovery of management fees related to externally managed investments, which has been transferred to the investment program. Additionally, there is a \$206 reduction in shared service recoveries.

Increases in internal recoveries for 2017 of \$206 and \$211 in 2018 are related to inflationary cost of providing shared services.

## Branch - Financial Services

### 2016 - 2018 Budget - Program Summary

#### Program Name - Corporate Accounting and Reporting

##### Results to be Achieved

Corporate Accounting program provides all general accounting and reporting with respect to operating programs as well as accounting, analysis and debt management to support capital programs. The program provides leadership with respect to legislative financial reporting and performance reporting. Core activities include facilitating the external audit process and legislative reporting to Audit Committee; quarterly reporting to City Council and monthly reporting to Corporate Leadership Team; and external reporting to citizens. Financial reporting requirements and changes in accounting standards or internal reporting requirements are the primary business drivers of this group.

##### Cost Drivers

- Costs are driven primarily by personnel and external services.

##### Policy and/or Legislation

Financial reporting must meet public sector accounting standards and timelines defined in the *Municipal Government Act*. Debenture borrowing must comply with the *Municipal Government Act* and related Regulations and the Master Loan Agreement between the City and its lender, the Alberta Capital Finance Authority.

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	\$274	\$226	\$288	\$138	\$338	\$138
Expenditures & Transfers	8,799	9,379	10,056	10,150	10,252	10,272
Subtotal	8,525	9,153	9,768	10,012	9,914	10,134
Intra-Municipal Recoveries	(7,361)	(7,889)	(6,980)	(6,775)	(6,981)	(7,192)
Net Operating Requirement	\$1,164	\$1,264	\$2,788	\$3,237	\$2,933	\$2,942
Full-Time Equivalents	71.8	71.8	71.8	71.8	71.8	71.8

##### 2015 Services

- Continued implementation of the Finance Transformation including the realignment of resources to enhance and optimize the general accounting and corporate reporting functions relating to operating programs, and the project accounting and corporate reporting functions relating to capital programs
- Supported the development and maintenance of an integrated approach to Office of the City Auditor audit findings, and led in integrating the findings of the external auditor from the annual financial audit
- Developed the 2015 Annual Financial report for Edmonton and Quarterly Corporate Performance reports including the development of enhanced capital reporting in the year
- Compiled inputs for the City's 2016-2018 Proposed Annual Budget

##### Changes in Services for 2016 - 2018

- Replace current debt management application with a new system and revised processes to better support planning and forecasting for future capital and the monitoring and reporting of debt
- Strengthen accounting and reporting financial processes, utilizing capacity and efficiencies identified through organizational transformation to provide enhanced financial services
- Enhance Master Data Governance model implementation to improve the efficiency, timeliness and accuracy of financial reporting while minimizing any challenges with data integrity
- Optimize use of existing financial systems through more inclusive technology to help build a data warehouse to be used in analytics, data integrity, and data availability/sharing
- Lead and/or support the financial impact phase of the Big City Charter review process for Edmonton



## Branch - Financial Services

### 2016 - 2018 Budget - Program Summary

#### Program Name - Investment Management

##### Results to be Achieved

The Investment Management program administers the City investment function, through direct internal fund management and oversight of external fund managers. The Investment Management program adheres to good governance and industry best practice with guidance from the City's Investment Committee. Annual earnings and dividends from City investments flow to the Capital Budget to provide additional revenue and diversify the City's revenue base.

##### Cost Drivers

- Costs are driven primarily by personnel but the program costs are largely offset by intra-municipal recoveries.

##### Policy and/or Legislation

- The City's investments are governed by the *Municipal Government Act* and its related Investment Regulations.
- The Corporate Investment Policy and Procedures (C212D) outline the asset allocation policies, investment principles and guidelines, and risk management controls.
- The City establishes an asset allocation policy for each of its investment funds in order to meet objectives in both the short and long term. Benchmarks as set out in the Investment Policy are monitored and reported on.

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	\$30	\$15	\$15	\$15	\$15	\$15
Expenditures & Transfers	1,917	2,151	1,613	917	927	936
Subtotal	1,887	2,136	1,598	902	912	921
Intra-Municipal Recoveries	(3,109)	(4,329)	(2,882)	(3,110)	(3,110)	(3,110)
Net Operating Requirement	(\$1,222)	(\$2,193)	(\$1,284)	(\$2,208)	(\$2,198)	(\$2,189)
Full-Time Equivalents	5.0	5.0	5.0	5.0	5.0	5.0

##### 2015 Services

- Increased internal management of assets was implemented as part of a multi-year investment structure review completed in 2015
- Ongoing monitoring of the effectiveness of the overall investment program, totalling approximately \$2.5 billion across seven investment funds

##### Changes in Services for 2016 - 2018

- Complete asset allocation studies for each of the City's investment funds and implement any recommended changes

## Branch - Financial Services

### 2016 - 2018 Budget - Program Summary

#### Program Name - Treasury Management

##### Results to be Achieved

Treasury Management program is responsible for the oversight of the City's cash handling and processing operations, for accounts payable and accounts receivable, for remittance processing, credit management and collections and for bylaw ticket administration. The functional area administers corporate policy in these areas and monitors corporate compliance.

##### Cost Drivers

- Cost drivers for this function are primarily personnel to manage transaction volumes and to address any changes to legislative requirements, industry standards or City services.

##### Policy and/or Legislation

Not Applicable

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	\$1,009	\$1,143	\$1,029	\$1,129	\$1,135	\$1,142
Expenditures & Transfers	6,382	7,168	7,782	7,353	7,585	8,051
Subtotal	5,373	6,025	6,753	6,224	6,450	6,909
Intra-Municipal Recoveries	-	-	-	-	-	-
Net Operating Requirement	\$5,373	\$6,025	\$6,753	\$6,224	\$6,450	\$6,909

Full-Time Equivalents	85.0	77.0	77.0	77.0	77.0	77.0
-----------------------	------	------	------	------	------	------

##### 2015 Services

- Focused on spot checks, integrity testing for cash handling compliance, and improvements to the Cash Handling Handbook.

##### Changes in Services for 2016 - 2018

- Improved business processes through streamlined processes as future phase of financial transformation process
- Optimize use of existing financial systems through more inclusive technology use in analytics, data integrity, and data availability/sharing



# Branch - Financial Strategies and Budget

---

## Introduction

In 2015, Financial Strategies and Budget Branch was created as an outcome of the Finance Transformation project. This newly created branch provides proactive, customized economic analysis and forecasts that directly support Administrative and Council decision-making. This change provides the City with additional tools, expertise, and strategic planning needed to navigate economic volatility and develop sound fiscal policy decisions.

The branch supports the business of the City through the development of financial strategies and recommendations. These outputs support opportunities and address challenges around how the City funds services, programs and infrastructure. Areas of focus include delivery of the Financial Sustainability Plan; financial strategies; and analysis of long term financial planning. A critical branch focus is keeping an eye on the Municipal financial environment related to the Big City Charter, MGA, other orders of government and Edmonton's regional context. Determining how to develop financial strategies that evolve with and leverage these changes is critical to guaranteeing Edmonton's future fiscal stability.

The branch includes a team of 70 accounting professionals who provide service to the 5 City departments through timely, accurate financial and analytical support. The branch's services include financial expertise; advice and analysis in the areas of budget development; management reporting, including business driver and trend analysis; performance/variance reporting; council reports; operating impacts of capital; and project costing for significant city initiatives.

The branch is accountable for the delivery of budget planning and development including multi-year business planning, operating budget development and budget public engagement.

### 2016- 2018 Highlights:

- Continue ongoing reporting of current economic indicators and regular forecasts of economic activity within the City and the region
- Update the City's economic models to ensure accurate and timely forecasts
- Completion, refinement and monitoring of the Financial Sustainability Plan and long-range financial plan
- Implement long-range financial analytical strategies and tools around changes in the Municipal financial environment related to the Big City Charter, MGA, other orders of government and the regional context
- Develop and improve financial analytical services and management reporting services to all supported departments
- Refine and oversee the multi-year annual budget program review process (2016 - 2018)
- Improve and refine budget process and leveraging of technology to enable accurate, timely, and transparent budget planning
- Continue to increase public awareness, engagement, and feedback opportunities for the 2019 - 2022 business planning and budget



## Branch - Financial Strategies and Budget

---

Financial Strategies and Budget stays current with various emerging issues that the Branch may face. Examples of potential emerging issues include:

- **Managing change post Finance Transformation:** As a part of the recently concluded Finance Transformation project, the branch's business analytics program will provide greater and more extensive analytical support to the various departments at the City while reducing its involvement to meet the day-to-day transactional needs of the departments. This change was made to provide City departments with the ability to make enhanced business and informed financial decisions. In order to support a better skill alignment, the day to day transactional needs of the departments will now be met by Corporate Accounting and Reporting program (under Financial Services Branch). Going forward, the branch will need to ensure that it continues to enhance and support its business analytics program through staff training, periodic reviews and process improvement to fulfill vital business and financial analytics needs of the Corporation.
- **Increasingly volatile economy:** Recent volatility in energy prices and the provincial fiscal situation have boosted the need for the City to closely monitor developments that could impact grants, transfers and the City's assessment base. The Branch plans to respond by increasing the frequency of its economic forecasting activity and developing longer term fiscal strategy and tools.

## Positive Change - Innovation & Continuous Improvement

- **Efficient and effective collaboration between Business Financial Analytics and Corporate Accounting and Reporting Programs (under the Finance Transformation project):** The branch plays an important role in advancing the Finance Transformation project. This project's objective is to provide an increased level of business analytics support to various City departments and the Corporation, while improving the Corporate accounting oversight and transactional consistency and efficiency. The branch works closely with the Financial Services Branch to advance a more dynamic work model. Its Business Financial Analytics program in particular helps realize savings through business process improvement, lower overtime costs and higher staff productivity.
- **Positive impacts of medium- to long-term financial planning:** As the corporate lead on multi-year business plans and Edmonton's Financial Sustainability Plan, the branch directly advances Edmonton's city-building vision. It does so by providing City departments and their branches with proactive financial resource planning tools that can be applied within the confines of available resources, helping those areas better manage City resources. This support allows City departments to better understand their financial position and options. By doing so, Administration is able to present a clearer, more accurate picture of program/service funding options to Council. In short, the branch helps City departments utilize a 'financial lens' to find new ways of meeting the growing servicing and infrastructure needs of a vibrant city, and provides Council with the best possible information with which to make funding decisions.

## Branch - Financial Strategies and Budget

### 2016-2018 Budget - Branch Summary

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Expenditure &amp; Transfers</b>						
Budget Planning & Development	747	932	1,252	1,306	1,338	1,367
Business Financial Analytics	7,714	7,391	8,144	8,565	8,818	9,075
Financial Strategy	639	661	764	790	804	819
<b>Total Expenditure &amp; Transfers</b>	<b>\$9,100</b>	<b>\$8,984</b>	<b>\$10,160</b>	<b>\$10,661</b>	<b>\$10,960</b>	<b>\$11,261</b>
<b>Net Operating Requirement</b>	<b>\$9,100</b>	<b>\$8,984</b>	<b>\$10,160</b>	<b>\$10,661</b>	<b>\$10,960</b>	<b>\$11,261</b>
<b>Full-time Equivalents</b>						
	84.5	83.5	83.5	83.5	83.5	83.5



# Branch - Financial Strategies and Budget

## 2016-2018 Budget - Branch Summary By Category

(\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
<b>Expenditure &amp; Transfers</b>						
Personnel	9,035	8,804	9,938	10,439	10,738	11,039
Materials, Goods & Supplies	-	54	72	72	72	72
External Services	120	132	150	150	150	150
Intra-municipal Services	72	56	-	-	-	-
Utilities & Other Charges	5	-	-	-	-	-
Subtotal	9,232	9,046	10,160	10,661	10,960	11,261
Intra-Municipal Recoveries	(132)	(62)				
<b>Total Expenditure &amp; Transfers</b>	<b>\$9,100</b>	<b>\$8,984</b>	<b>\$10,160</b>	<b>\$10,661</b>	<b>\$10,960</b>	<b>\$11,261</b>
<b>Net Operating Requirement</b>	<b>\$9,100</b>	<b>\$8,984</b>	<b>\$10,160</b>	<b>\$10,661</b>	<b>\$10,960</b>	<b>\$11,261</b>
<b>Full-time Equivalents</b>	84.5	83.5	83.5	83.5	83.5	83.5

Actual results have been restated for comparability to align with finance reorganization in 2015.

## Budget Changes for 2016-2018

(\$000)

### Expenditures & Transfers - Changes

#### Personnel

In 2016, the increase in personnel of \$668 for cost of living increase and movement towards job rate is offset by the salary and benefit discount of \$167. Increases in 2017 of \$299 and \$301 in 2018 reflects movement towards job rate and cost of living increase settlements in union agreements. Over the three-year business cycle, personnel needs will be managed within existing resources and there is no current request for additional FTEs.

#### Materials, Goods & Supplies

No change in budget.

#### External Services

No change in budget.

# Branch - Financial Strategies and Budget

## 2016 - 2018 Budget - Program Summary

### Program Name - Budget Planning and Development

#### Results to be Achieved

The program is responsible for the facilitation, coordination and delivery of the business plans and budget. The program functions are primarily focused on contributing to the financial sustainability of the City. This is accomplished by enhancing and contributing to the accountability and transparency of financial information to citizens and Council and by providing timely information that assists with Council decision-making.

#### Cost Drivers

- Costs are driven primarily by personnel and external services.

#### Policy and/or Legislation

The functions of this program are influenced and directed by Section 242 and 243 of the Municipal Government Act and policy C578 the Multi-year Budgeting Policy.

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	-	-	-	-	-	-
Expenditures & Transfers	879	994	1,252	1,306	1,338	1,367
Subtotal	879	994	1,252	1,306	1,338	1,367
Intra-Municipal Recoveries	(132)	(62)	-	-	-	-
Net Operating Requirement	\$747	\$932	\$1,252	\$1,306	\$1,338	\$1,367
Full-Time Equivalents	7.0	8.0	8.0	8.0	8.0	8.0

#### 2015 Services

- Implemented and developed the Operating and Capital Budget System
- Further refined the City's results-based budgeting process and utilized this information to assist with the 2% and Innovation project
- Implemented a multi-year planning and budget process and policy
- Developed extensive new budget engagement process that saw over 3000 face-to-face interactions with Edmontonians over 15 public events

#### Changes in Services for 2016 - 2018

- Monitor and improve the multi-year operating budget and business planning
- Develop and oversee the annual budget program review process (2016 - 2018)
- Refine public engagement process for the 2019 - 2022 business planning and budget

# Branch - Financial Strategies and Budget

## 2016 - 2018 Budget - Program Summary

### Program Name - Business Financial Analytics

#### Results to be Achieved

The program provides timely, accurate, analytical services to departments to support long-range financial planning, operating and capital budget development, variance analysis and management reporting, and business case development. Financial business partner services inform decision-making and contribute to the long-term financial sustainability of the City.

#### Cost Drivers

- Costs are primarily driven by personnel with resourcing levels primarily determined by the underlying business of the departments supported, including the number and scale of projects and the number of business cases undertaken by the branches supported.

#### Policy and/or Legislation

The functions of this program are influenced and directed by Section 242 and 243 of the Municipal Government Act and policy C578 the Multi-year Budgeting Policy.

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	-	-	-	-	-	-
Expenditures & Transfers	7,714	7,391	8,144	8,565	8,818	9,075
Subtotal	7,714	7,391	8,144	8,565	8,818	9,075
Intra-Municipal Recoveries	-	-	-	-	-	-
Net Operating Requirement	\$7,714	\$7,391	\$8,144	\$8,565	\$8,818	\$9,075
Full-Time Equivalents	72.5	70.5	70.5	70.5	70.5	70.5

#### 2015 Services

- Finalized centralizing financial service functions, allowing for branch improvements in analytics and reporting
- Increased collaboration both within Financial Services and with other City departments

#### Changes in Services for 2016 - 2018

- Enhanced business analytical support to business partner areas through financial transformation, business process improvement and optimization



# Branch - Financial Strategies and Budget

## 2016 - 2018 Budget - Program Summary

### Program Name - Financial Strategy

#### Results to be Achieved

The program is responsible for the medium to long term financial strategic plans and economic forecasts for the Corporation. It's functions include economic analysis and forecasts for Edmonton and the Census Metropolitan Region, fiscal analysis, long-range financial planning, monitoring and improvement of the Financial Sustainability Plan, fiscal policies and legislation reviews.

#### Cost Drivers

- Cost drivers for this function are primarily personnel and data acquisition.

#### Policy and/or Legislation

Not Applicable

Resources (\$000)	2013 Actual	2014 Actual	Adjusted 2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenue & Transfers	-	-	-	-	-	-
Expenditures & Transfers	639	661	764	790	804	819
Subtotal	639	661	764	790	804	819
Intra-Municipal Recoveries	-	-	-	-	-	-
Net Operating Requirement	\$639	\$661	\$764	\$790	\$804	\$819
Full-Time Equivalents	5.0	5.0	5.0	5.0	5.0	5.0

#### 2015 Services

- Continued work on the development of a long-range financial planning model and drafting a long-range forecast
- Continued to develop the draft Financial Sustainability Plan for Edmonton
- Delivered semi-annual long-term economic forecasts for the City of Edmonton and the Edmonton Census Metropolitan Area
- Provided customized measures of inflation such as the Municipal Price Index and Neighbourhood Renewal Price Index

#### Changes in Services for 2016 - 2018

- Monitor and improve the Financial Sustainability Plan for Edmonton
- Deliver a long-range financial planning model for Edmonton
- Implement long-range financial analytical strategies and tools around changes in the Municipal financial environment related to the Big City Charter, MGA, other orders of government and the regional context

Page intentionally left blank