

Branch — Client Financial Services

Introduction

Client Financial Services, including the Office of the Chief Financial Officer (CFO), is responsible for supporting corporate decision making through strategic financial analysis and advice. The branch has three core program areas: Corporate Strategy, Budget and Infrastructure, Client Operations, and Investments. The branch interacts and works closely with experts across the organization to provide corporate oversight, coordination and delivery of annual operating budgets and multi-year capital budgets. This includes current asset management and future infrastructure planning.

The Corporate Strategy, Budget and Infrastructure program includes the alignment of corporate planning framework and performance measurement within the operating and capital budgeting cycle. Federal and provincial grants also contribute to capital infrastructure investments that plan for both existing assets and growth.

The Client Operations program supports departmental budgeting, financial reporting, and financial analysis to assist business operations in understanding the financial implications of decisions.

The Investment Management group is responsible for managing the City's financial assets. The funds are invested in accordance with relevant legislation and policy guidelines in support of City Council's various objectives.

Highlights for 2013 include:

- Finalize the development of The Way We Finance and the Long Range Financial Plan model
- Continue to move toward integrating The Ways strategy with the results-based budgeting methodology
- Collaborate with clients to develop strong budgeting and reporting practices that are transparent and accountable through budget training and system implementation
- Pursue additional funding opportunities with funding providers to secure further federal and provincial capital infrastructure grants
- Conduct asset allocation studies to review the asset mix of some of the City's various investment funds and determine if policy changes are needed
- Work with client departments to begin 2015-17 Capital planning cycle



Branch — Client Financial Services

Approved 2013 Budget – Branch Summary (\$000)

	2011 Actual	2012 Budget	2013 Budget	\$ Change '12-'13	% Change '12-'13
Revenue & Transfers					
User Fees, Fines, Permits, etc.	\$ 69	\$ 53	\$ 38	\$ (15)	(28.3)
Grants	3	-	-	-	-
Total Revenue & Transfers	<u>72</u>	<u>53</u>	<u>38</u>	<u>(15)</u>	<u>(28.3)</u>
Expenditure & Transfers					
Personnel	15,168	16,565	17,415	850	5.1
Materials, Goods & Supplies	183	434	425	(9)	(2.1)
External Services	1,565	2,075	2,084	9	0.4
Fleet Services	-	-	-	-	-
Intra-municipal Services	147	205	188	(17)	(8.3)
Utilities & Other Charges	514	513	625	112	21.8
Transfer to Reserves	-	-	-	-	-
Subtotal	<u>17,577</u>	<u>19,792</u>	<u>20,737</u>	<u>945</u>	<u>4.8</u>
Intra-municipal Recoveries	<u>(7,263)</u>	<u>(9,825)</u>	<u>(10,060)</u>	<u>(235)</u>	<u>2.4</u>
Total Expenditure & Transfers	<u>10,314</u>	<u>9,967</u>	<u>10,677</u>	<u>710</u>	<u>7.1</u>
Net Operating Requirement	\$ 10,242	\$ 9,914	\$ 10,639	\$ 725	7.3
Full-time Equivalents	161.4	161.4	162.5	1.1	

Budget Changes for 2013 (\$000)

Revenue & Transfers - Changes

User Fees, Fines, Permits, etc. (\$15)

Decrease in revenues due to declining Sinking Fund Balance.

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Budget Changes for 2013

(\$000)

Expenditures & Transfers - Changes

Personnel \$850

Settlement and associated benefits for Client Financial Services totalled \$645. The net impact of increment and merit changes is \$68, offset by savings from lower starting salaries as a result of turnover and retirements. The new temporary position fully recoverable from Capital for implementation of the Operating and Capital Budget system, along with bringing a 0.4 FTE to half time accounted for an increase of \$137.

Material, Goods & Supplies (\$9)

Minor adjustments from recosting of base budget.

External Services \$9

Minor adjustments from recosting of base budget.

Intra-municipal Services (\$17)

Minor adjustments from recosting of internal services.

Utilities & Other Charges \$112

The increase relates to land lines; cellular phones and voice over IP, which was missed in 2012 Budget and the remaining relates to training; food services and hosting.

Intra-municipal recoveries (\$235)

Changes are explained in the table below.

	2011	2012	2013	Change	Comments
Recoveries from other Areas	Actual	Budget	Approved		
Internal Investment Management Fee	(2,602)	(3,614)	(2,512)	1,102	Investment management fee is tied to fund balances available for investment
Road and LRT Design & Construction	(161)	(266)	(233)	33	Reduction reflective of lower active accounting requirement for LRT.
Current Planning	(51)	(574)	(882)	(308)	Moving to full recovery model of service provision to developers
Land Enterprise	0	0	(368)	(368)	Start of full recovery model, only direct costs are charged
Office of Infrastructure	(256)	(256)	0	256	Incorporated into Finance indirect recovery
Fleet Services	(1,458)	(1,354)	(1,560)	(206)	Remains at 60% recovery level
GM Oversight of Utilities	0	(380)	(380)	0	Based on 40% recovery of GM Office from Utilities
Drainage Utilities (includes D&C)	(1,749)	(1,855)	(2,026)	(171)	Includes portion of Office of Infrastructure
Waste Utility	(866)	(1,409)	(1,655)	(246)	Includes portion of Office of Infrastructure and moving to 90% recovery
Corporate Project & Maintenance Services	(121)	(117)	(261)	(144)	Includes portion of Office of Infrastructure
Recovery from Capital	0	0	(133)	(133)	Recovery of temporary position for budget system implementation
Other	0	0	(50)	(50)	Combative Sports and Vehicle for Hire
	(7,264)	(9,825)	(10,060)	(235)	

Full-time Equivalents - Changes

To support the implementation of the new Operating and Capital Budget System, 1.0 FTE (temporary position) is required and 0.1 FTE was an adjustment to bring a part time position to half time.

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Approved 2013 Budget – Program Summary (\$000)

Program Name - Client Operations

Results to be Achieved

Provide financial oversight and advice to contribute to long term financial sustainability of the City. Identify business challenges and opportunities to support client business decisions and service needs.

Service Standards	Resources (\$000)	2011 Actual	2011 Budget	2012 Budget	2013 Budget
Meet accounting and reporting requirements in accordance with Generally Accepted Accounting Principles, Municipal Government Act, financial policies and directives. Encourage transparency and accountability to the public and corporation along with development of business cases to facilitate effective and informed decision making. Provide advice and contribution to client businesses to ensure that financial implications are identified and aligned with strategic priorities.	Revenue & Transfers	\$ 12	\$ 8	\$ 8	\$ 8
	Expenditure & Transfers	8,808	8,108	8,085	7,839
	Net Operating Requirement	\$ 8,796	\$ 8,100	\$ 8,077	\$ 7,831
	Management		7.0	7.0	7.0
	Exempt		13.0	12.0	13.0
	Union		109.4	114.4	114.5
	Temporary		-	-	-
	Full - Time Equivalents		129.4	133.4	134.5

2012 Services

- Make a positive contribution to client businesses by active participation in planning, budget and financial cycle reporting
- Provide financial support in understanding key financial implications of initiatives
- Increase awareness of financial responsibility and strong governance
- Ensure implementation and compliance of financial policies, procedures and controls

Changes in Services for 2013

- Facilitate an organizational review of Client Financial Services into 2013
- Improved use of data in producing management reports
- Continue business process reviews for efficiency

Program Name - Investments

Results to be Achieved

The City's investment portfolio is governed by the Municipal Government Act and its investment regulations. Council has approved the Investment Policy and the Ed Tel Endowment Fund Bylaw. The City establishes an asset allocation policy for each of its investment funds to meet market expectations in both the short and long term.

Service Standards	Resources (\$000)	2011 Actual	2011 Budget	2012 Budget	2013 Budget
This program adheres to good governance and industry best practice by supporting Council and Corporate Leadership Team. Annual earnings and dividends from City investments flow to the Capital Budget to provide additional revenue and diversify the revenue base. Investment Policy & Procedures provide the asset allocation policies, investment principles and guidelines, and risk management controls. Investment measures are presented to City Council through the Investment Committee.	Revenue & Transfers	\$ 60	\$ 91	\$ 45	\$ 30
	Expenditure & Transfers	(937)	(1,680)	(1,592)	(904)
	Net Operating Requirement	\$ (997)	\$ (1,771)	\$ (1,637)	\$ (934)
	Management		-	-	-
	Exempt		3.0	3.0	3.0
	Union		1.0	2.0	2.0
	Temporary		-	-	-
	Full - Time Equivalents		4.0	5.0	5.0

2012 Services

- Actively manage the City's investments and publicly report investment results through the Investment Committee Annual Report
- Meet or exceed the budgeted earnings and dividends within the City's investment funds. Publicly report investment results
- Provide assurance to citizens that the City remains transparent and accountable in the management of investment funds
- Maintain compliance with City Investment Policy and Procedures (C212D)

Changes in Services for 2013

- Asset allocation studies are planned for 2013 to review the Policy Asset Mix of each fund
- The analysis within the studies will assess its objectives, time horizon and risk tolerance
- In the long term, the asset mix should allow the fund to meet its stated investment objectives
- The effectiveness of the City's investment program is continually monitored and evaluated and changes are made as required

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Approved 2013 Budget – Program Summary (\$000)

Program Name - Corporate Strategy, Budget and Infrastructure

Results to be Achieved

Facilitate achievement of Council's vision by delivering a budget that reflects the six 10-year goals and performance measures targets supported by sound asset management practices and effective grant administration.

Service Standards	Resources (\$000)	2011 Actual	2011 Budget	2012 Budget	2013 Budget
Services include corporate stewardship of an annual budget including the integration of strategic planning, performance management, reporting and education to contribute to the accountability to citizens and timely information for Council's decision making. Other services include grant administration in compliance with contribution agreements, and advanced infrastructure management tools, processes, and practices to ensure that limited resources are wisely invested.	Revenue & Transfers	\$ -	\$ -	\$ -	\$ -
	Expenditure & Transfers	2,443	2,709	3,474	3,742
	Net Operating Requirement	\$ 2,443	\$ 2,709	\$ 3,474	\$ 3,742
	Management			3.0	3.0
	Exempt			17.0	12.0
	Union			8.0	7.0
	Temporary			-	1.0
	Full - Time Equivalents		28.0	23.0	23.0

2012 Services

- Corporate lead in managing the City's incoming grant funding for capital projects and developing infrastructure management tools
- Supported completion of four implementation plans and established a framework to align them with budget processes
- Evaluation of alternatives to streamline and improve the overall budget process
- Development of the long range financial planning model in support of The Way We Finance strategic plan

Changes in Services for 2013

- Enhance the decision making process by continuing to roll out the corporate planning framework
- Complete The Way We Finance and a full roll out of the corporate performance measurement and citizen dashboard
- Implement the Operating and Capital Budget System, priority based budgeting, and the corporate performance measurement system
- Enhance the infrastructure management tools with the functionality, capacity metrics, and cross-infrastructure optimization

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