

Branch — Client Financial Services

Introduction

This section includes budget information for the Office of the CFO. The Office of the CFO is responsible for the leadership and oversight of the Financial Services Department.

The Client Financial Services Branch provides strategic and technical advice and direct financial services to all City departments. Teams of staff are located within client departments to provide a single point of access for financial services. These client teams support the business planning, budgeting, reporting, and accounting processes of City departments. This Branch is also responsible for the Capital and Operating budget process, managing the City's investment portfolio, making recommendations to funding strategies and policies to address infrastructure needs and priorities, and coordinating strategic planning services including corporate performance measurement.

MAJOR SERVICES & ACTIVITIES				
Client Based Services	Infrastructure Funding Strategies	Business Planning, Measurement & Projects	Financial Strategies & Budget Planning	Investment Management
<ul style="list-style-type: none">• Provide clients with a single point of access for financial services• Support departments' budgeting, reporting, and accounting processes	<ul style="list-style-type: none">• Responsible for researching and recommending strategies and policies to optimize investments in addressing infrastructure needs and priorities	<ul style="list-style-type: none">• Provide strategic advice and business planning support to the City• Coordinate the City's strategic planning and performance management processes	<ul style="list-style-type: none">• Responsible for supporting the City's Operating and Capital Budgeting processes	<ul style="list-style-type: none">• Oversee the City's \$2.4 billion investment portfolio

Branch — Client Financial Services

Budget Changes for 2012 (\$000)

Revenue & Transfers - Changes

Remittance Processing Fees

No Change

Financial Administration Fees

No Change

Debenture Administration (\$46)

Debenture administration fees from EPCOR will decrease in 2012.

Expenditures & Transfers - Changes

Personnel \$413

Movement within the salary ranges, changes in benefits, and the last year of a 3-year 1% LAPP contribution increase account by \$379. In addition 1.0 FTE for \$34 is added as impact of capital.

Materials, Goods & Supplies (\$16)

Inflation of \$10 offset by reduction in Acrodex contract pricing of \$10 and a reduction in furniture of \$15.

External Services \$77

Increase relates to inflation of \$77.

Fleet Services

No Change

Intra-municipal Services \$48

A detailed review of intramunicipal services resulted in a \$48 increase in parking charges to reflect actual requirements.

Utilities & Other Charges (\$8)

Decreases of \$40 due to implementation of more efficient use of telephones, offset by an increase of \$6 for extra training requirements, an increase of \$14 for extra professional fee costs, and an inflation increase of \$12.

Intra-municipal Recoveries (\$324)

This amount is mainly increased recoveries from Current Planning due to acceleration of the implementation of the Current Planning Enterprise Model.

Full-time Equivalents - Changes

Historical 1.0 FTE adjustment for an Investment Analyst. In addition, 1.0 FTE is added to Client Financial Services to reflect impact of capital in Community Services Department. Specifically, the completion of two new recreation centers has increased demand for financial services.

Branch — Client Financial Services

Service Package

Service Package - Cash Control

Funded

Description

This service package would provide for one additional FTE in Finance for cash/payment control functions. With addition this year of Terwillegar recreation center and Queen Elizabeth Pool cash control functions were pushed beyond capacity. With Commonwealth coming on line in early 2012 and Meadows and Clareview coming on stream in the future an additional permanent FTE is required to handle the additional work load.

Justification

This year two new facilities came on stream (Terwillegar and Queen Elizabeth Pool) and the volume of work has increased to the point where it can no longer be absorbed. In 2012 Commonwealth Community Recreation centre will come on line and Clareview and Meadows will follow in early 2014. This area is chronically behind and uses excess amounts of overtime. The package would eliminate the need to hire temporary staff during the summer months when more facilities are open and reduce the need for overtime. There is also no backup for the two positions which leaves us vulnerable. Not funding this position would mean in 2012 we would fall further behind which impacts cash controls, our ability to meet year-end deadlines and will burn out existing staff.

Links to Strategic Goals, Departmental Outcomes & Performance Measures

Strategic Goal(s)

This service package supports the strategic goal to "Improve Edmonton's Livability."

Departmental Outcome(s)

- 5.1.1 Funds are available to support approved programs and services when required

Impact on Other Departments

This will impact Community Services cash operations as they rely upon Finance to balance cash and other forms of payments and provide feed back and monitoring of their cash handling.

incremental (\$000)	2012				2013				2014			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget	\$ 34	\$ -	\$ 34	1.0	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
Annualization	11	-	11	-	-	-	-	-	-	-	-	-
Total	\$ 45	\$ -	\$ 45	1.0	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-

Branch — Client Financial Services

Opportunities and Challenges

For the purposes of presenting this budget, The Office of the CFO is included in this branch summary. Client Financial Services Branch primarily provide services to its internal customers. These services support the organization in achieving the City's strategic goals. The following are significant opportunities and challenges facing the Office of the CFO and Client Financial Services in the immediate and medium term. Opportunities and challenges are identified through internal and external environmental scans, often have impacts beyond one year, and may or may not have budget implications for 2012.

1) Continuous Improvement to Capital and Operating Budgeting Processes

Linkage to Department Outcome: Integrated capital and operating budgeting processes will serve to move forward Financial Services' ability to provide advice and services that contribute to the City's success.

Opportunity: The City's capital and operating budgeting processes are used by administration in preparing budgets that Council can use to determine how best the City can put its resources to use in order to provide the achieve Council vision and provide services to its citizens. As a result, transparency and accountability are critical success factors in these budgeting processes. The City's current capital and operating budgeting processes will be reviewed in 2012 to ensure that transparency and accountability are appropriately reflected in the processes. In exploring continuous improvement opportunities on the City's budgeting processes, the branch will review existing process deficiencies identified in recent audits and through review of the 2011 budget process for both operating and capital to determine appropriate changes. Appropriate business cases will be developed that propose technology changes or improvements to enhance the transparency and efficiency of the processes.

Action and Timeframe: The effort towards continuous improvement will be pursued during the next three to five years.

2) Infrastructure Strategy

Linkage to Department Outcome: The Infrastructure Strategy helps the City understand its financial obligations, risks, and opportunities and manage them effectively.

Opportunity: The branch will continue its ongoing work as part of The Way We Finance initiative in both determining and planning for the City's infrastructure needs. This will inform Council's decision making process on determining the funding strategies and policies for infrastructure needs

and priorities. Work includes the development of decision tools that forecast the effect of growth in suburban areas on capital and operating budgets, integrating renewal requirements into a long term capital plan that satisfies the expectations of the citizens of Edmonton, and both exploring new, and leveraging existing, methods of funding for capital projects.

Action and Timeframe: This will be pursued within the next three to five years.

2) Continuous Improvement of Business Planning and Project Management

Linkage to Department Outcome: Effective business planning and project management will contribute to a strategic organization with a culture that is responsive, innovative and adaptive which enable the corporate-wide programs to achieve the City Vision.

Opportunity: Corporate business planning and project management are key activities by which administration ensures that the day to day operations of the City are directed at achieving Council's Strategic vision for the city as defined in "The Way Ahead." There are opportunities to increase the efficiency and effectiveness of these activities by building on the current alignment of corporate and departmental outcomes and measures outlined in the vision. The significance of this work is to build the necessary connections and accountability between departments in support of collaborative activities, with all departments contributing to the common strategic vision and goals.

The branch will continue to develop the process and framework of integrating and aligning the goals, outcomes, performance measures and target setting with the planning and budgeting processes. In addition work will continue to refine and populate the performance measurement reporting tool currently under development. Access to the information provided by this system will illustrate the progress being made in achieving the strategic vision and goals.

Action and Timeframe: This will be pursued on an ongoing basis throughout 2012.

Service and Budget Review

In preparation of the 2012 Budget, the Office of the CFO and Client Financial Services Branch reduced the amount budgeted for telephone/cell phone expenses.

Branch — Client Financial Services

Approved 2012 Budget – Branch Summary (\$000)

	2010 Actual	2011 Budget	\$ Change '11-'12	2012 Budget	% Change '11-'12
Revenue & Transfers					
Debenture Administration	\$ 75	\$ 91	\$ (46)	\$ 45	(50.5)
Grants	-	-	-	-	-
Various Revenues	8	8	-	8	-
Total Revenue & Transfers	<u>83</u>	<u>99</u>	<u>(46)</u>	<u>53</u>	(46.5)
Expenditure & Transfers					
Personnel	16,640	17,408	413	17,821	2.4
Materials, Goods & Supplies	260	449	(16)	433	(3.6)
External Services	5,142	4,300	77	4,377	1.8
Intra-municipal Services	222	179	48	227	26.8
Utilities & Other Charges	445	474	(8)	466	(1.7)
Transfer to Reserves	199	-	-	-	-
Subtotal	22,908	22,810	514	23,324	2.3
Intra-municipal Recoveries	(9,994)	(11,436)	(324)	(11,760)	-
Total Expenditure & Transfers	<u>12,914</u>	<u>11,374</u>	<u>190</u>	<u>11,564</u>	1.7
Net Operating Requirement	\$ 12,831	\$ 11,275	\$ 236	\$ 11,511	2.1
Full-time Equivalents	168.9	169.9	2.0	171.9	