



Financial Management Services



**Budget Standing
Committee 2016**

- Water Bills Sent - 143,613
- Tax Bills Sent – 47,566
- EFT's processed – 4,230
- Pay cheques issued – 32,062
- AMR meters exchanged – 10,225
- Bid Opportunities – 87
- Tax Collection rate – 96%
- Property Matters to Council – 40

Agenda

- Strategic Plan
 - Highlights and Goals 2016
- Department Overview
 - Service Levels
 - Challenges and Trends
 - Workplan
- Budget Highlights
- Unfunded Programs/Services
- New Initiatives
- Conclusion

Strategic Plan 2015-2025

- The Strategic Plan has set the stage to help Council achieve its **vision** of St. Catharines as the “most dynamic, innovative, sustainable and livable city in North America.”
- Staff have, or are incorporating those goals and objectives into the corporate work plan to ensure we move forward in a coordinated approach.
- To help Council achieve it’s vision will require a renewed focus and resources.



Strategic Plan – Goals and Actions

Vision

Strategic Goals

Strategy

1. Attract public and private investment, support local businesses and provide excellent customer service to demonstrate we are open for business.
2. Be an affordable city for young people, families and retired older adults.
3. Be prepared for the impacts of climate change
4. Embrace our diversity, and celebrate our heritage and history

Department and Division Plans

Tactics

To provide financial support and guidance to all City departments in development of their operating and capital budgets and in the achievement of their annual workplans and strategic plan action items.
To be a leader in creating an affordable City.

Factors

Aging technology infrastructure, changing and increasing service levels, new and increased legislation and financial reporting requirements, bargaining agreements, long term financial planning and debt management, weather and seasonal demands, resources, budgetary constraints.



Strategic Plan Initiatives

Specific action items:

ECONOMIC SUSTAINABILITY

Goal: Attract public and private investment, support local businesses and provide excellent customer service to demonstrate we are open for business.

Department Actions:

- Provide budgetary support on redevelopment projects: the commercial core of Port Dalhousie, former GM; Hotel Dieu and General Hospitals Sites;
- Develop funding formula for the Community Improvement Program, brownfield improvement programs and other development enhancement programs that support the goal of community redevelopment with the ability for the City to manage financial impacts of the funding program on an annual basis.
- Provide budgetary development support to IT into the City's technology requirements for the next four years



Strategic Plan Initiatives

ECONOMIC SUSTAINABILITY

Goal: Be an affordable city for young people, families and retired older adults.

Department Actions:

- Update financial controls and debt management strategy to better manage escalating costs of City operations and services.
- Optimize capital infrastructure through effective asset management and sustainable investment.
- Implement multi-year budgeting to improve long-term financial planning.
- Work towards achieving a budgetary tax rate increase at or below the rate of inflation by 2018.



Strategic Plan Initiatives

ENVIRONMENTAL SUSTAINABILITY

Goal: Be prepared for the impacts of climate change

Department Actions:

- Promote water conservation and protection of local water sources by working with Niagara Region to review water billing practices

Strategic Plan Initiatives

CULTURAL SUSTAINABILITY

Goal: Embrace our diversity, and celebrate our heritage and history

Department Actions:

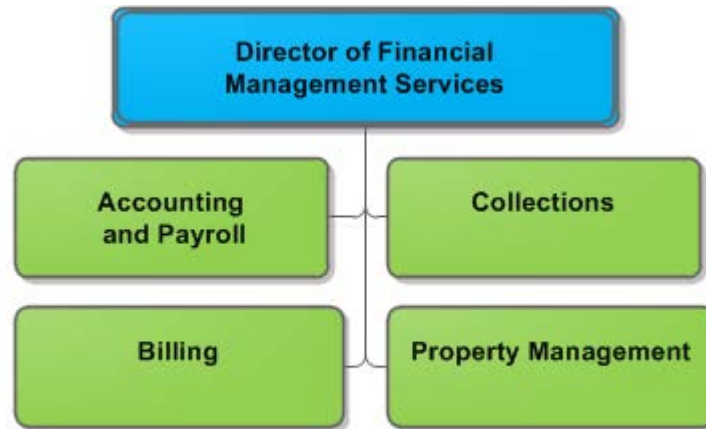
- Provide support in exploring potential opportunities for city-owned heritage properties to provide incubation space for arts and culture enterprises and to build creativity, innovation, entrepreneurship and community.

Goal: Support cultural festivals and events that build civic pride, encourage local engagement and attract people to the community.

Department Actions:

- Allocate funding and encourage strategies that will help to increase funding opportunities through community-led initiatives, such as crowd funding.

FMS Overview – organizational structure



FMS Service Levels

143,613 water bills

47,566 tax bills

4,230 EFTs

4,260 Cheques issued

32,062 pay cheques

96% of taxes collected

87 bid opportunities

160 insurance claims



FMS Service Levels

40 property matters for Council approval –
either by report or delegated by-law

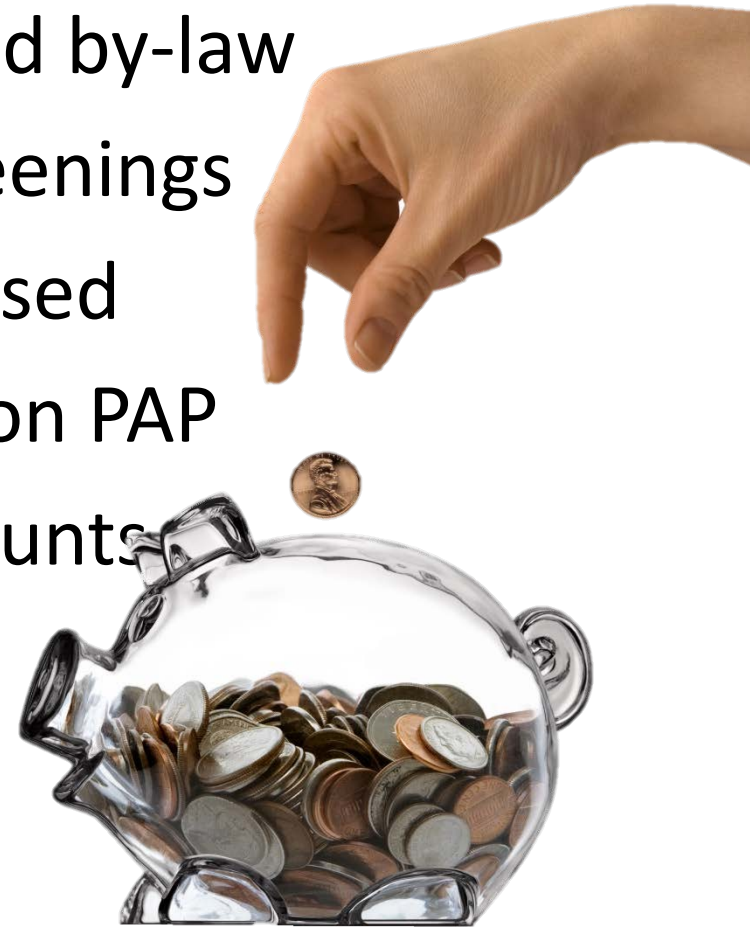
1,100 Parking Violation Screenings

259 Vacancy rebates processed

Over 25% of tax and water on PAP

12% Increase in e-post accounts

1,113 Parking permits



Challenges and Trends

- Demands for higher level of service
- Increasing legislative requirements
- Weather conditions/climate change
- Aging technological infrastructure
- Strategic Plan initiatives need to be incorporated – resource requirement
- Budget constraints

Work Plan Initiatives

Accounting & Payroll

- Multi-year budgeting – Q1 2016
- Review of City's debt management strategy – Q1 2016
- Banking RFP – Q2 2016
- Purchasing Policy update – Q4 2016
- Payroll System upgrade – implementation by end of 2016
- Asset Management RFP – implementation by end of 2017

Work Plan Initiatives

Billing & Collections

- Addition of fines over \$100 to AMPS program – Q1 2016
- Insurance RFP – evaluation & selection – Q1 2016
- Update of the Water and Wastewater billing system to latest version of Vailtech – Q3 2016
- Standardization of on-line payments – in conjunction with IT – Q4 2016
- Continuation of AMR project – Completion target Q4 2019

Work Plan Initiatives

Property Management

- Insurance RFP issued – evaluation and selection - Q1 2016
- Policy updates – Q4 2016
- Continuation of review and action on Category 3 buildings
- In conjunction with City's Legal Services:
 - Delegation Authority for property matters
 - Development of precedent agreements to improve turnaround

Proposed Operating Budget



Proposed Operating Budget

| | 2016 Budget | 2015 Budget | 2014 Actuals | 2013 Actuals | 2012 Actuals |
|-----------------------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Finance | 1,647,718 | 1,766,379 | 1,730,368 | 1,614,754 | 1,544,363 |
| Property Management | 214,506 | 205,711 | 187,931 | 129,408 | 123,100 |
| Purchasing | 297,668 | 238,094 | 230,548 | 231,301 | 237,137 |
| External Audit | 30,000 | 26,000 | 11,579 | 15,000 | 6,966 |
| Copying - General | 26,000 | 30,000 | 23,018 | 33,258 | 41,414 |
| Insurance - General | 1,500,000 | 1,500,000 | 1,392,535 | 1,345,107 | 1,438,121 |
| Retirement Allowance | 3,000 | 3,000 | 2,936 | 2,936 | 2,936 |
| Other Benefits | 70,000 | 65,000 | 89,575 | 83,693 | 90,044 |
| Joint Staff Meetings | 1,200 | 1,200 | 1,399 | 0 | 0 |
| Actuarial Valuations | 8,000 | 8,000 | 6,861 | 7,000 | 7,000 |
| Bank Charges | 42,600 | 41,600 | 41,052 | 41,141 | 39,853 |
| Collection Costs | 6,000 | 7,000 | 4,570 | 5,565 | 7,336 |
| Employee Suggestion Program | 200 | 200 | 0 | 0 | 0 |
| Miscellaneous - general | 40,000 | 40,000 | 1,245 | 190,922 | 399,201 |
| Total Financial Management | 3,886,892 | 3,932,184 | 3,753,020 | 4,609,144 | 3,945,903 |

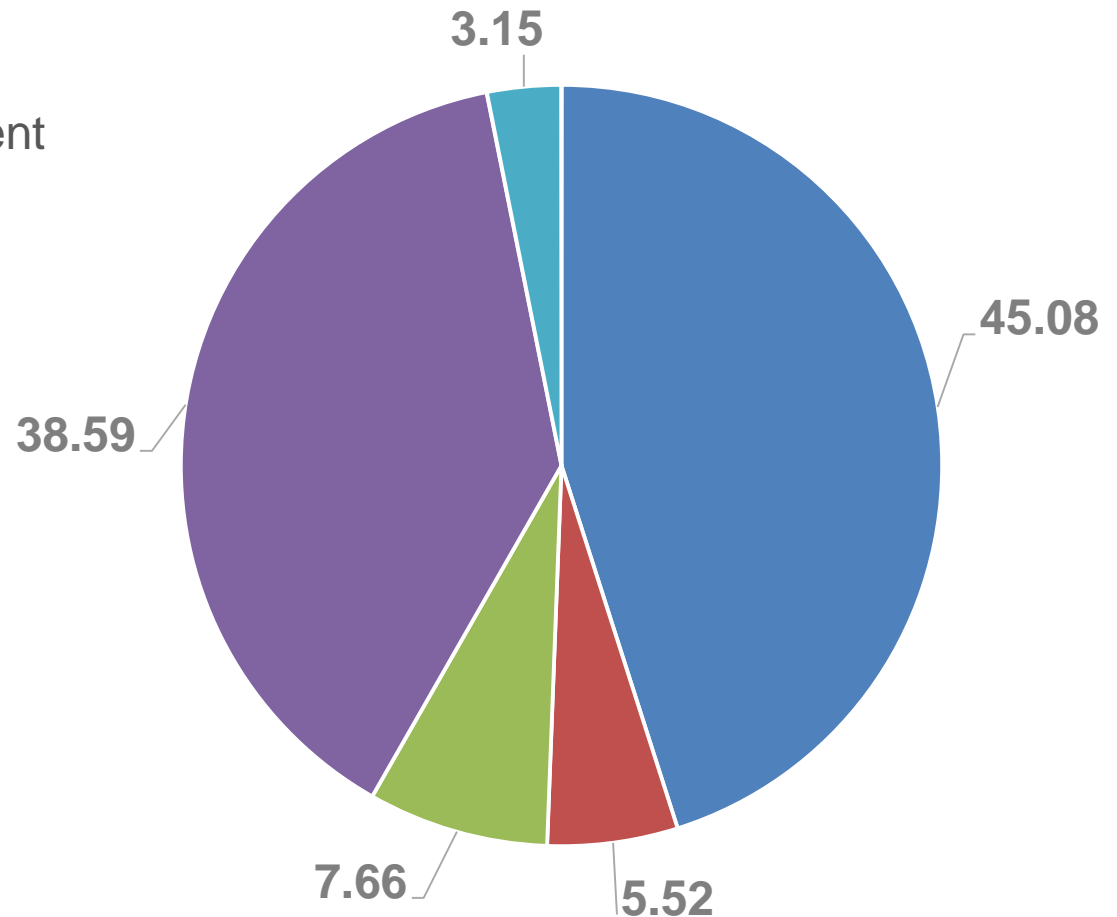


Budget Summary - Highlights

Expenditures by Function

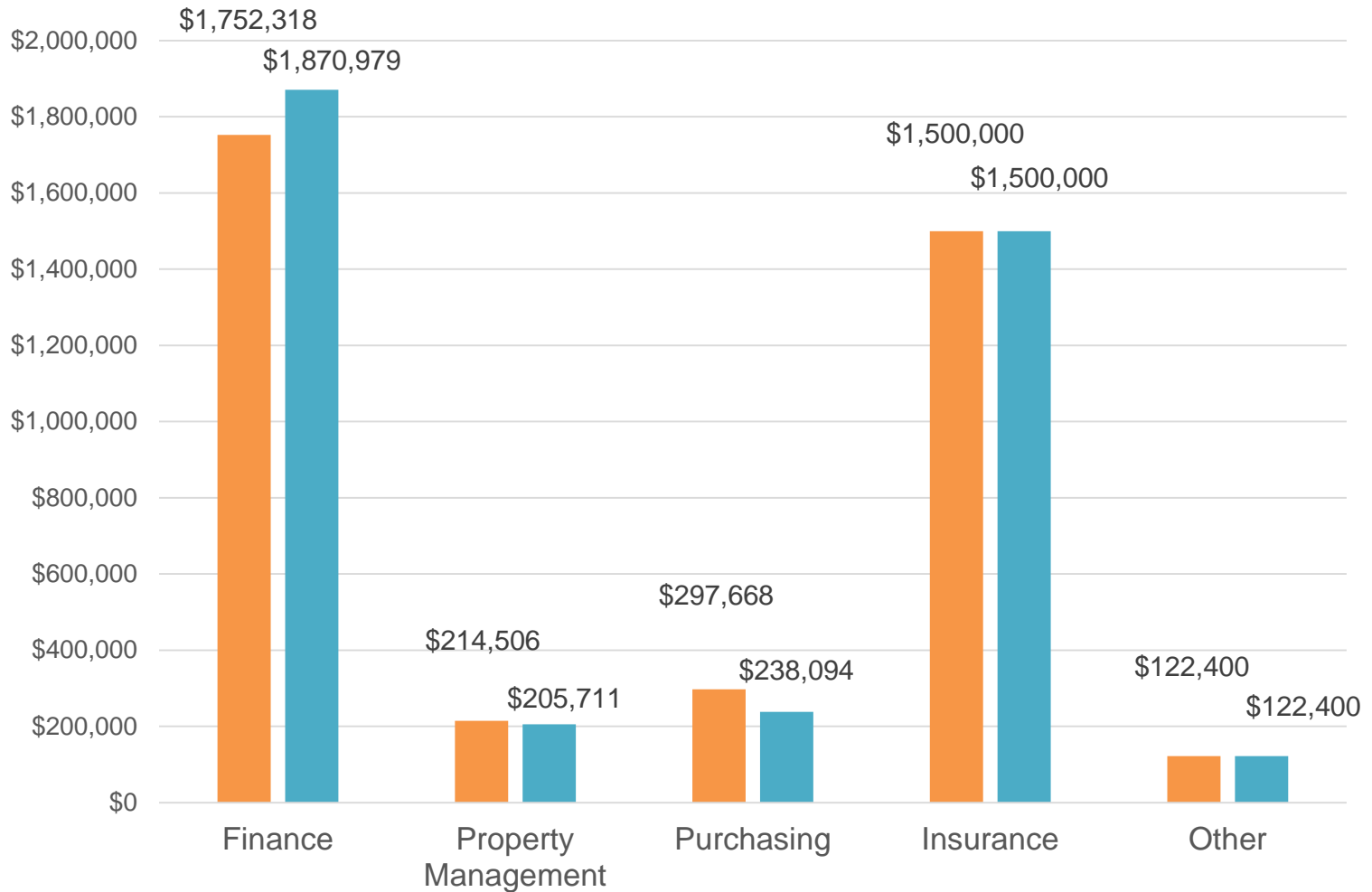
Expressed as a Percentage

- Finance
- Property Management
- Purchasing
- Insurance
- Other



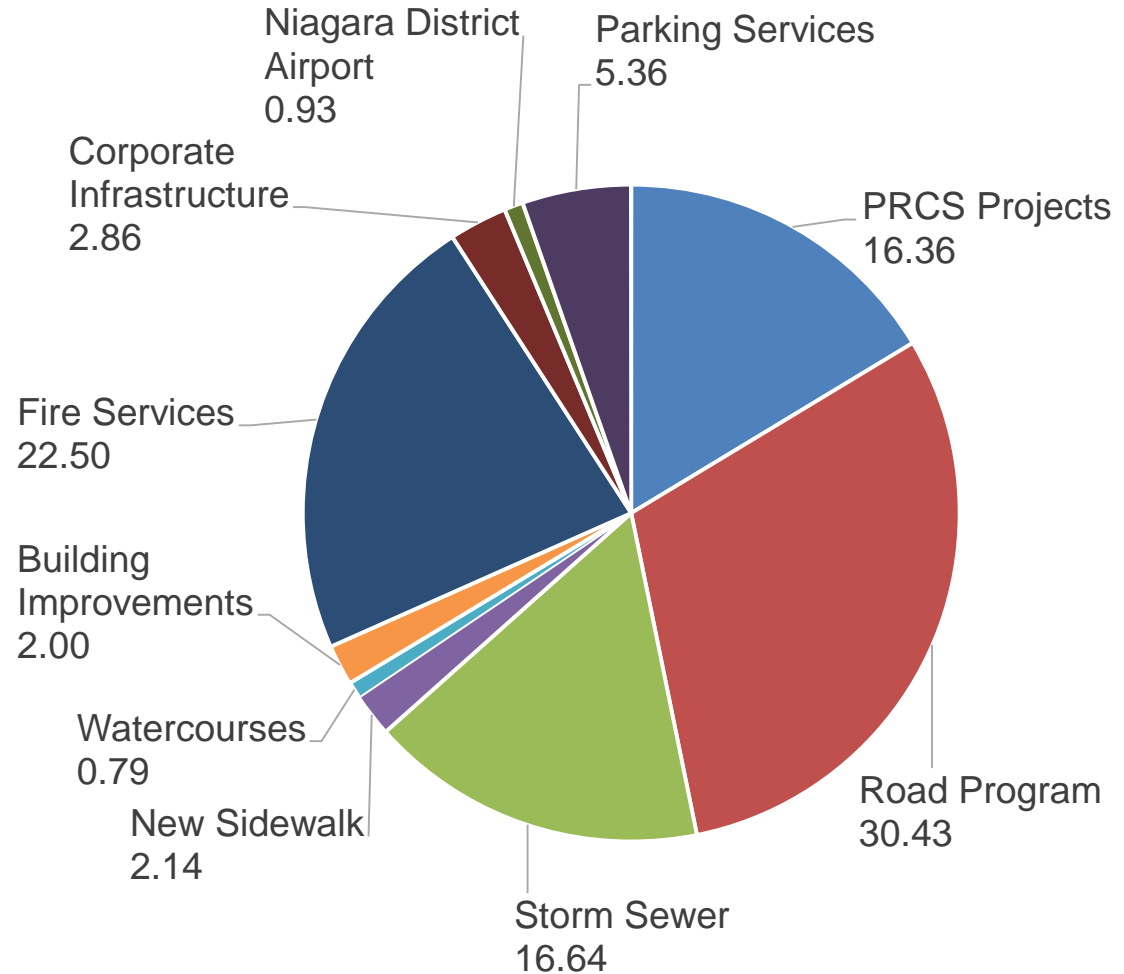
2016 vs. 2015 Budget

2016 Budget
2015 Budget



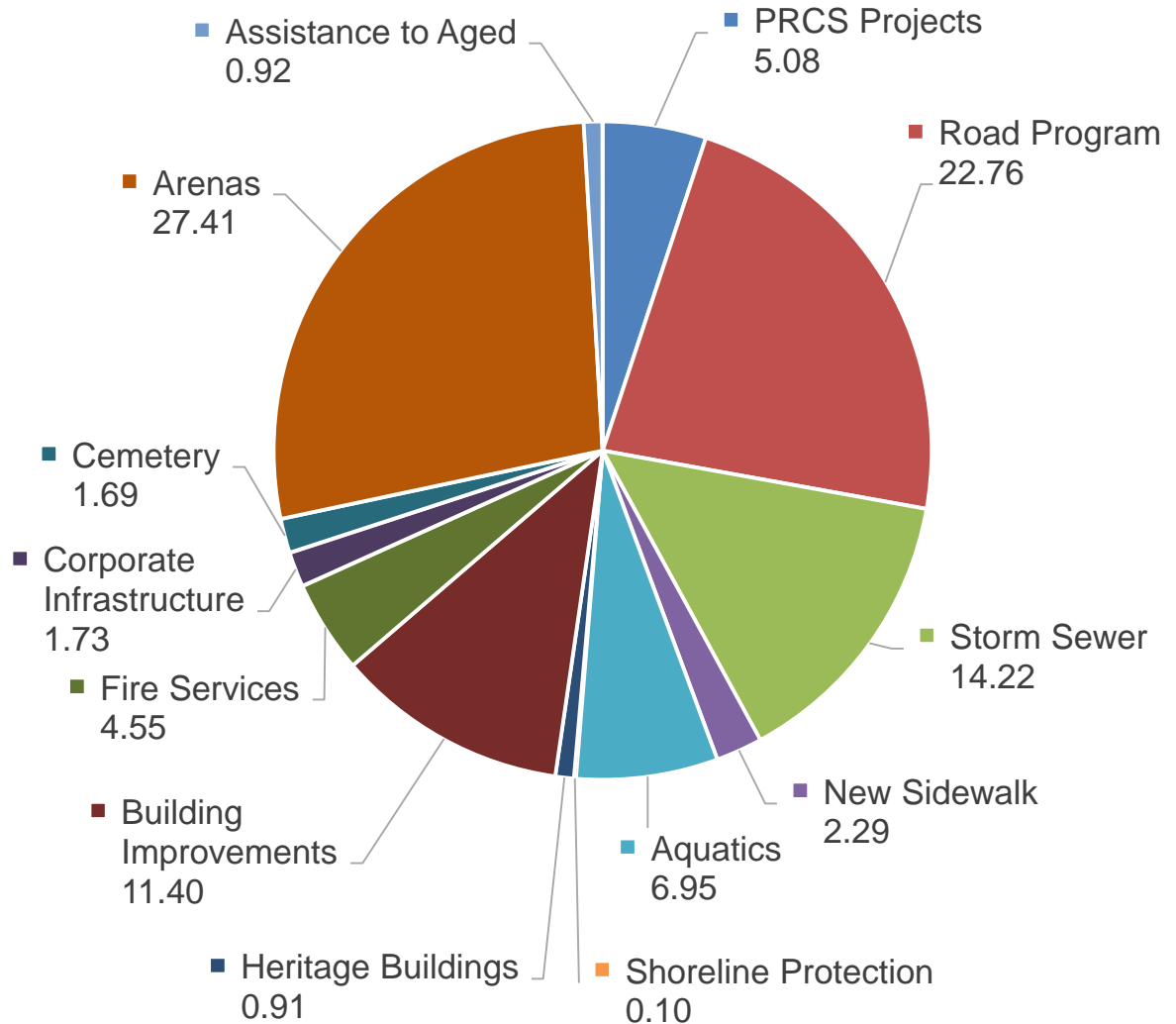
2016 Capital out of Revenue Breakdown Expressed as a Percentage

- PRCS Projects
- Road Program
- Storm Sewer
- New Sidewalk
- Watercourses
- Building Improvements
- Fire Services
- Corporate Infrastructure
- Niagara District Airport
- Parking Services



2016 Debt Repayment Breakdown Expressed as a Percentage

- PRCS Projects
- Road Program
- Storm Sewer
- New Sidewalk
- Aquatics
- Shoreline Protection
- Heritage Buildings
- Building Improvements
- Fire Services
- Corporate Infrastructure
- Cemetery
- Arenas
- Assistance to Aged



Proposed Budget Changes

- Movement of Water Collections Clerk to Water & Wastewater Budget
- Retirement of both City's Purchasing Agents



Unfunded FMS Programs/Services

- Implementation of an ERP system – in the near future – 2017/2018
- Succession planning – retirement of key financial staff in next 1 to 5 years – appropriate training/development of existing staff
- Adequate funding of capital – reducing infrastructure gap

Conclusion

All divisions of the FMS department contribute to further the four pillars of sustainability to become the most dynamic, innovative, sustainable and livable city in North America while being financially prudent in the operation of the department.

