



Greater | Grand
Sudbury™

Budget16

Financial Services

2016 Operating Budget

Operating Budget Summary

Description

2015

2016

Projected
Actual

Budget

Base
Budget

% 2015
Budget

Proposed
Budget Options

Proposed
Budget

% 2015
Budget

Full Time Positions

75

71

(5.3)

0

71

(5.3)

Overtime Hours

1,514

1,514

-

0

1,514

-

Part Time Hours

4,865

4,293

(11.8)

0

4,293

(11.8)

Revenues

User Fees

(676,156)

(555,000)

(621,650)

(12.0)

0

(621,650)

(12.0)

Investment Earnings

(48,703)

(28,000)

(28,000)

-

0

(28,000)

-

Contr from Reserve and Capital

(1,285,000)

(1,399,584)

(1,342,083)

4.1

0

(1,342,083)

4.1

Other Revenues

(274,700)

(264,728)

(270,870)

(2.3)

0

(270,870)

(2.3)

Total Revenues
(2,284,559)
(2,247,312)
(2,262,602)
(0.7)
0
(2,262,602)
(0.7)

Expenses

Salaries & Benefits

6,796,391

6,857,619

6,658,265

(2.9)

0

6,658,265

(2.9)

Materials - Operating Expenses

1,611,231

1,666,940

1,679,455

(0.4)

0

1,679,455

(0.4)

Energy Costs

1,350

1,354

0

(100.0)

0

0

(100.0)

Rent and Financial Expenses

83,722

84,500

39,850

(52.8)

0

39,850

(52.8)

Purchased/Contract Services

3,621,750

3,630,867

3,679,865

1.3

0

3,679,865

1.3

Prof Development & Training

53,835

59,068

60,301

2.1

0

60,301

2.1

Contr to Reserve and Capital

1,418,350

1,493,350

1,396,661

(6.5)

0

1,396,661

(6.5)

Internal Recoveries

(4,209,268)

(4,331,520)

(4,212,688)

2.7

0

(4,212,688)

2.7

Total Expenses
9,377,363
9,482,176
9,301,709
(1.9)
0
9,301,709
(1.9)
Net Budget
7,092,804
7,234,864
7,039,107
(2.7)
0
7,039,107
(2.7)

FINANCIAL SERVICES

Reconciliation of Net Budget: P6M Impact

2015 Approved Budget	\$	7,234,864
Less: P6M Savings	\$	246,401
2015 Restated Budget	\$	6,988,463
2016 Base Budget	\$	7,039,107
Increase	\$	50,644
% Increase		0.7%
P6M Savings		
- Attrition		\$68,992
- Convert Coordinator of Accounting to a union position		\$42,409
- Reduction in banking contract costs		\$60,000
- Funding sick leave liability from reserve		\$75,000

The Finance Department is lead by the Chief Financial Officer/City Treasurer. The department delivers high quality financial services through five sections: Accounting, Taxation, Financial Planning and Budgeting, Purchasing and Financial and Support Services. The department has a staff complement of 71 permanent employees. Finance staff provides tax billing and collection services, accounting and payroll services, purchasing and procurement services, budgeting and financial planning and financial information systems support in a prompt, courteous and cost effective manner.

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

Vision:

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

Mission:

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

FINANCIAL SERVICES

Strategic Goals:

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

2016 Operating Budget

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

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		4	4	-	0	4	-
Overtime Hours		30	30	-	0	30	-
Part Time Hours		1,218	1,218	-	0	1,218	-
Revenues							
Contr from Reserve and Capital	(27,000)	0	0	-	0	0	-
Total Revenues	(27,000)	0	0	-	0	0	-
Expenses							
Salaries & Benefits	494,864	488,007	511,621	4.8	0	511,621	4.8
Materials - Operating Expenses	30,900	38,265	38,265	-	0	38,265	-
Purchased/Contract Services	55,625	28,625	28,625	-	0	28,625	-
Prof Development & Training	11,248	11,248	11,248	-	0	11,248	-
Internal Recoveries	500,006	500,006	491,708	(1.7)	0	491,708	(1.7)
Total Expenses	1,092,643	1,066,151	1,081,467	1.4	0	1,081,467	1.4
Net Budget	1,065,643	1,066,151	1,081,467	1.4	0	1,081,467	1.4

2016 Operating Budget

Operating Budget Summary

Description

The Tax Services provided include:

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

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		11	10	(9.1)	0	10	(9.1)
Overtime Hours		100	100	-	0	100	-
Revenues							
User Fees	(676,156)	(555,000)	(621,650)	(12.0)	0	(621,650)	(12.0)
Total Revenues	(676,156)	(555,000)	(621,650)	(12.0)	0	(621,650)	(12.0)
Expenses							
Salaries & Benefits	884,643	889,530	839,811	(5.6)	0	839,811	(5.6)
Materials - Operating Expenses	36,176	37,276	37,276	-	0	37,276	-
Rent and Financial Expenses	6,500	7,500	4,000	(46.7)	0	4,000	(46.7)
Purchased/Contract Services	2,015,877	2,001,000	2,022,500	1.1	0	2,022,500	1.1
Prof Development & Training	3,456	3,456	3,456	-	0	3,456	-
Internal Recoveries	77,065	77,065	78,640	2.0	0	78,640	2.0
Total Expenses	3,023,717	3,015,827	2,985,683	(1.0)	0	2,985,683	(1.0)
Net Budget	2,347,561	2,460,827	2,364,033	(3.9)	0	2,364,033	(3.9)

TAXATION

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

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

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

The Tax section liaises with the Municipal Property Assessment Corporation (MPAC) and analyzes the assessment rolls to ensure all properties are paying their share of taxation.

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

Variance Explanations:

Full Time Positions

Changes in this category relate to approved P6M initiatives. For details see reconciliation at divisional level.

User Fees

The 2016 budget has been increased to reflect revenues generated based on anticipated activities.

2016 Operating Budget

Operating Budget Summary

Description

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

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		7	7	-	0	7	-
Overtime Hours		170	170	-	0	170	-
Revenues							
Contr from Reserve and Capital	(38,000)	0	0	-	0	0	-
Other Revenues	(10,710)	(15,210)	(15,210)	-	0	(15,210)	-
Total Revenues	(48,710)	(15,210)	(15,210)	-	0	(15,210)	-
Expenses							
Salaries & Benefits	773,500	671,463	683,543	1.8	0	683,543	1.8
Materials - Operating Expenses	7,363	7,363	7,363	-	0	7,363	-
Purchased/Contract Services	10,000	0	0	-	0	0	-
Prof Development & Training	3,400	3,400	3,400	-	0	3,400	-
Internal Recoveries	(532,583)	(532,738)	(542,247)	(1.8)	0	(542,247)	(1.8)
Total Expenses	261,680	149,488	152,059	1.7	0	152,059	1.7
Net Budget	212,970	134,278	136,849	1.9	0	136,849	1.9

2016 Operating Budget

Operating Budget Summary						
Description						

	2015		2016			
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget
Full Time Positions		12	12	-	0	12
Overtime Hours		334	354	6.0	0	354
Revenues						
Contr from Reserve and Capital	(1,220,000)	(1,275,000)	(1,275,000)	-	0	(1,275,000)
Other Revenues	(162,151)	(172,151)	(169,293)	1.7	0	(169,293)
Total Revenues	(1,382,151)	(1,447,151)	(1,444,293)	0.2	0	(1,444,293)
Expenses						
Salaries & Benefits	1,205,303	1,177,370	1,204,996	2.3	0	1,204,996
Materials - Operating Expenses	1,434,848	1,499,211	1,494,238	(0.3)	0	1,494,238
Purchased/Contract Services	5,613	14,162	14,928	5.4	0	14,928
Prof Development & Training	10,637	6,811	6,811	-	0	6,811
Contr to Reserve and Capital	1,392,850	1,467,850	1,396,661	(4.8)	0	1,396,661
Internal Recoveries	(501,960)	(501,960)	(506,123)	(0.8)	0	(506,123)
Total Expenses	3,547,291	3,663,444	3,611,511	(1.4)	0	3,611,511
Net Budget	2,165,140	2,216,294	2,167,219	(2.2)	0	2,167,219

FINANCIAL PLANNING & BUDGETING

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

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

Variance Explanation:

Overtime Hours

There is an increase of 20 overtime hours in Financial Planning-Budgeting which have been transferred from Accounting.

2016 Operating Budget

Operating Budget Summary							
Description							

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		24	24	-	0	24	-
Part Time Hours		3,647	3,075	(15.7)	0	3,075	(15.7)
Overtime Hours		880	860	(2.3)	0	860	(2.3)
Revenues							
User Fees	0	0	0	-	0	0	-
Investment Earnings	(48,703)	(28,000)	(28,000)	-	0	(28,000)	-
Contr from Reserve and Capital	0	(124,584)	(67,083)	46.2	0	(67,083)	46.2
Other Revenues	(101,840)	(77,367)	(86,367)	(11.6)	0	(86,367)	(11.6)
Total Revenues	(150,542)	(229,951)	(181,450)	21.1	0	(181,450)	21.1
Expenses							
Salaries & Benefits	2,139,560	2,252,727	2,201,481	(2.3)	0	2,201,481	(2.3)
Materials - Operating Expenses	27,044	30,310	31,210	3.0	0	31,210	3.0
Rent and Financial Expenses	77,222	77,000	35,850	(53.4)	0	35,850	(53.4)
Purchased/Contract Services	1,504,636	1,557,080	1,583,812	1.7	0	1,583,812	1.7
Prof Development & Training	16,344	27,401	28,486	4.0	0	28,486	4.0
Internal Recoveries	(2,314,773)	(2,357,253)	(2,409,850)	(2.2)	0	(2,409,850)	(2.2)
Total Expenses	1,452,032	1,587,265	1,470,989	(7.3)	0	1,470,989	(7.3)
Net Budget	1,301,490	1,357,314	1,289,540	(5.0)	0	1,289,540	(5.0)

ACCOUNTING SERVICES

Accounting Services is responsible for the following areas:

- General Accounting: includes the accurate and timely preparation of month end and year end financial statements, the Financial Information Returns and the City's Annual Financial Report. Financial reporting is prepared in accordance with Public Sector Accounting Standards, the Ministry of Municipal Affairs and Housing requirements and other legislation.
- Accounts Receivable and Accounts Payable: processing invoices to customers, payments to vendors.
- Payroll: processing payments to all CGS employees and ensuring the appropriate payroll remittances and filings are submitted as required by legislation.
- Water/waste water billing: oversee the contract with Greater Sudbury Utilities Inc to effectively manage the billing and collection for water and wastewater services.
- Financial Information System: management of the PeopleSoft Financial system. This includes providing support to users, overseeing bundle updates and upgrades and implementing new functionality that will contribute to efficiencies and effectiveness for the City.
- Oversee the administration of HST and City donations.

Variance Explanations:

Part Time Hours / Contribution from Reserve and Capital

There is a decrease of 572 hours in Accounting funded from reserve for temporary staff to increase the use of the PeopleSoft system for procurement. This project started in 2014 and the hours are reduced as a result of the expected completion of the project.

Overtime Hours

There is a decrease of 20 overtime hours in Accounting which have been transferred to Financial Planning-Budgeting.

Operating Budget Summary

Description

The principal function is to support Infrastructure Services by:

- Develop the Infrastructure Services operational budget
- monitoring and analysis of financial results, provide support for the City's municipal maintenance management system including activity costing, payroll and billing functions
- procure and inventory commonly used goods and services for Infrastructure Services in accordance with OMBI methodology, these costs are allocated to roads, water waste water and solid waste.

2016

Operating Budget

2015

2016

Projected
Actual

Budget

Base
Budget

% 2015
Budget

Proposed
Budget Options

Proposed
Budget

% 2015
Budget

Full Time Positions

17

14

(17.6)

0

14

(17.6)

Expenses

Salaries & Benefits

1,298,521

1,378,521

1,216,813

(11.7)

0

1,216,813

(11.7)

Materials - Operating Expenses

74,900

74,515

71,103

(4.6)

0

71,103

(4.6)

Energy Costs

1,350

1,354

0

(100.0)

0

0

(100.0)

Purchased/Contract Services

30,000

30,000

30,000

-

0

30,000

-

Prof Development & Training

6,750

6,750

6,900

2.2

0

6,900

2.2

Contr to Reserve and Capital

25,500

25,500

0

(100.0)

0

0

(100.0)

Internal Recoveries

(1,437,021)

(1,516,640)

(1,324,816)

12.6

0

(1,324,816)

12.6

Total Expenses

0

0

0

-

0

0

-

Net Budget

0

0

0

-

0

0

-

FINANCIAL SUPPORT SERVICES

Reconciliation of Net Budget: P6M Impact

Total P6M savings	\$	221,101
P6M Savings		
- Attrition \$195,601		
- Eliminate the contribution to reserve for radios \$25,500		
Allocation of Financial Support Services		
Roads	\$	112,982
Water	\$	47,758
Wastewater	\$	60,361
	\$	221,101

Variance Explanation:

Full Time Positions / Salaries & Benefits

Changes in these categories relate to approved P6M initiatives.