



 FINANCE

As approved on January 31st, 2023

Finance

The Finance department provides governance and leadership in finance, budgets, technology, and procurement for the Town of Aurora. The department works with both internal and external clients to support the Town’s financial and technological goals. Internally, Finance provides strategic financial advice to help the achieve both short and long-term goals and implements new technology to support modernization. Finance also has a governance role to ensure regulatory requirements are met under the Municipal Act, Public Sector Accounting Board standards and the Procurement Bylaw.

Net Budget by division

	2022		2023	
	Gross	Net	Gross	Net
Budget (\$000's)				
Treasurer's Office	394.5	394.5	375.7	375.7
Financial Management	704.7	704.7	741.8	741.8
Financial Reporting and Revenue	1,226.0	671.3	1,441.9	948.9
Information Technology Services	3,927.7	3,752.2	4,259.6	3,889.0
Procurement Services	649.8	649.8	634.1	634.1
Net Budget	6,902.7	6,172.6	7,453.2	6,589.6
Budget Change			550.5	417.0
Permanent Full-Time Staffing (FTE):				
Opening Staffing				41.0
New				1.0
Conversion				-
Approved Staffing				42.0

Finance divisions

The department has four main divisions, each headed by a manager which report to the Director/Treasurer. These divisions are:

Financial Management

Financial Management leads the strategic long-term planning, multi-year Operating and Capital Budget and in-year forecast reporting. The team performs analysis and makes recommendations that support the Fiscal Strategy. They also manage Aurora’s cash flow and investments to align with reserve and investment strategies. Other responsibilities include grant management and playing a key role in capital asset management.

Financial Reporting and Revenue

Financial Reporting and Revenue is responsible for financial accounting and external reporting, expenditure management, protecting the Town's assets through development of financial

policies, procedures and controls, and billing and collections relating to water, taxes, development charges etc.

Information Technology Services

Information Technology Services (IT) provides services and support to all departments including project services for all technology initiatives and information technology infrastructure management. The IT division leads the Town’s effective and innovative use of technology to become a progressive municipality that delivers exceptional and modern digital services.

Procurement Services

Procurement Services manages the process for effective procurement of goods and services, promotes the principle of fair and open competition in the acquisition process, and adherence to Procurement Bylaw and trade treaties. The division develops procurement strategies and analyzes business requirements and spending patterns to identify opportunities for more strategic sourcing.

Finance supports the implementation of the Strategic Plan and other key plans

The Finance department has a governance role that supports the Strategic Plan and other plans that support fiscal and technology objectives.

Strategic Plan

The Finance department supports many of the guiding principles of the strategic plan.

Finance supports an exceptional quality of life for all objectives:

- **Invest in sustainable infrastructure** by investing in technology infrastructure and developed the Fiscal Strategy which ensures growth and capital planning are aligned
- **Strengthening the fabric of our community** through the implementation of online tools that support residents access to Town services.
- **Promoting service accountability, excellence and innovation** by expanding e-services, following multi-year budgeting practices, developing longer-term plans and the Fiscal Strategy

Finance is also committed to leadership in corporate and financial management and progressive corporate excellence, innovation and continuous improvement.

Multi-year budget process



Fiscal Strategy

The Fiscal Strategy provides a long-term view to financial stewardship and financial management of Town's resources. It ensures that the Town maintains desired service levels and adapts to the growth while managing the fiscal impacts year-over-year. It will enable the Town to adapt to changing economic circumstances and ensure the ability to effectively maintain and replace assets.

The Fiscal Strategy is built upon the four strategic pillars of capital planning, reserve management, debt management and revenue management. The four pillars of Fiscal Strategy must work together to achieve financial sustainability. Through the enforcement of Fiscal Strategy pillars, the Town ensures that sustainable capital and operating budgets are developed and delivered for the Town.

Corporate Technology Strategic Plan

The Technology Strategic Plan was published in the fall of 2019. The Plan provides a five-year recommended direction for the Town. The Plan has been embraced by the Town and many of the report's recommendations have already been implemented.

Asset Management Plan

The Asset Management Plan (AMP) presents the outcomes of the municipality's asset management program and identifies the resource requirements needed to maintain a defined level of service. The Town's AMP includes state of infrastructure of core assets and the recommended asset management strategies to mitigate poor infrastructure health. The AMP is a living document that is updated regularly as additional asset and financial data becomes available. This will allow the Town to re-evaluate the state of infrastructure and identify how the Town's asset management and financial strategies are progressing.

Currently, the Town is working on developing the desired level of service for its core assets. The second-generation asset management plan plays a key role in supporting the capital planning, reserve management and debt management pillars of the Fiscal Strategy.

2022 Accomplishments

In 2022, Finance accomplished the following:

- Implementation of software which supports online collaboration including Microsoft Teams (including phone system) and OneDrive
- Developed a roadmap to strengthen the Town's cybersecurity and upgraded aging technology infrastructure
- Improved the ability for residents and businesses to interact with the Town online by:
 - Digitizing the ability to review and drop off plans through CityView
 - Implementing the Geohub portal to provide public access to maps and mapping information
- Selected and began the implementation of Oracle Fusion as the new financial system

- Continued the replacement of water meters for both commercial and residential customers
- Completed a clean annual financial audit
- Co-led the completion of the second phase of the Asset Management Plan modernization
- Developed and implemented a Community Benefit Charge by-law
- Developed the Capital Budget development policy and process document in support of the Town's Fiscal Strategy
- Implemented new procurement by-law and protocols to ensure the procurement process and by-law adapt to changing legislation and provide a fair and competitive process for procuring goods and services effectively

Finance AT A GLANCE



2.62

The Town's average rate of return on its investments in 2022



13,442

Total # of invoices processed*



17,901

of water accounts



2,624

Water accounts set up for e-billing



2,161

Devices supported*



2,821

IT help desk requests*



10,246

Water meters with radio read devices



250

Tax and Water property management changes per month



317

GIS Data and mapping requests*



\$31M

in procurement contracts awarded in the last 12 months



121

procurements in the last 12 months



760

bid takers in the last 12 months



12

procurement staff By-law Training Sessions in 2022

393

staff who have attended the Procurement By-law Training Sessions

*FROM JANUARY TO SEPTEMBER 2022

Operating Budget

Overview

The operating budget for Finance is approved to increase by \$417,000 in 2023. The main drivers of the increase relates to the salaries & benefits adjustments including cost of living allowance and step progressions, phased in cost of the new financial system and elimination of safe recovery revenue to fund IT modernization programs/projects during the pandemic.

The budget includes a new tax administrator position to support the growth in number of properties and changing property tax legislation.

Operating financial summary

\$000's	Net Actual Results		2022	2022	2023
	2020	2021	Net Fcst*	Budget	Budget
Expenditures	5,282.1	5,792.8	6,624.0	6,902.7	7,453.2
Non-Tax Revenues	(364.6)	(577.4)	(908.8)	(730.1)	(863.6)
Net Tax Levy	4,917.5	5,215.4	5,715.2	6,172.6	6,589.6
% Tax Funded	93%	90%	86%	89%	88%
Net Budget Change	\$	297.9	499.8	457.4	417.0
	%	6.1%	9.6%	8.0%	6.8%

*Net forecast as of October 31, 2022

Operating Budget priorities for 2023

In 2023, the objectives for Finance support a modernized Town and strong financial policy.

Implementation and rollout of the new financial system

In 2023, Oracle Fusion will replace the existing disjointed financial systems including iCity, FMW, Caseware and SmartSheet. The system will also provide expanded benefits to residents and businesses by providing online billing and the ability to manage their accounts online. In addition, it will streamline and automate many of the steps in the procure-to-pay process including automation of invoice approvals.

Continued implementation of the Corporate Technology Strategic Plan

IT will continue to make strides on the actions included in the Corporate Technology Strategic Plan including:

- Developing and updating policies to further strengthen and inform all staff about changing technology trends and usage
- Supporting the rollout of additional modules of the ADP Human Resources Information System which support recruitment, performance and learning
- Migrating documents and files from on premise to the Microsoft cloud to support staff working collaboratively and remotely

- Continue to implement cybersecurity Improvements

Continued work on the Fiscal Strategy action plan

In 2023 Finance will continue to implement the actions identified in the Fiscal Strategy, including developing financial policies and analysis to support long-term financial sustainability including polices for debenture management, investments, reserve management and grant management and begin the work on the 2024 Development Charge Study.

Incremental Budget changes

	2023	
	FTE	\$000's
Starting Budget	41	6,172.6
Base		
Salaries & Benefits including COLA, step increases, gapping and other approved staffing actions and recoveries	-	170.4
Reduction to capital recovery for staffing costs after completion of financial system project	-	67.4
Reduce safe recovery funding in IT for programs/projects that were accelerated during the pandemic	-	87.8
Reduction to software licenses and annual maintenance support	-	(92.4)
Reduction to tax administration revenues to reflect trends and offset by inflation	-	19.2
Increase to audit fees for new contract	-	18.1
Bank charges including merchant fees	-	10.0
Temporary support for tax collections and IT service desk to aid in transition through pandemic recovery	-	115.4
Safe recovery funding for above	-	(115.4)
Minor changes to various accounts	-	2.0
	-	282.4
Capital Operating Costs		
New financial system (additional user rate recovery in Corporate Accounts)	-	86.1
	-	86.1
Maintaining Service Levels for Growth		
Tax administrator to support growth in number of properties, tax accounts and changes to tax legislation/policy	1	96.9
Less: Salary gapping for first six months of new positions	-	(48.5)
	1	48.5
Budget Change	1	417.0
Approved Budget	42	6,589.6

The business case for the new position follows on the next page.

Business Case

Additional revenue administrator to manage growth in property tax billing and changing policy

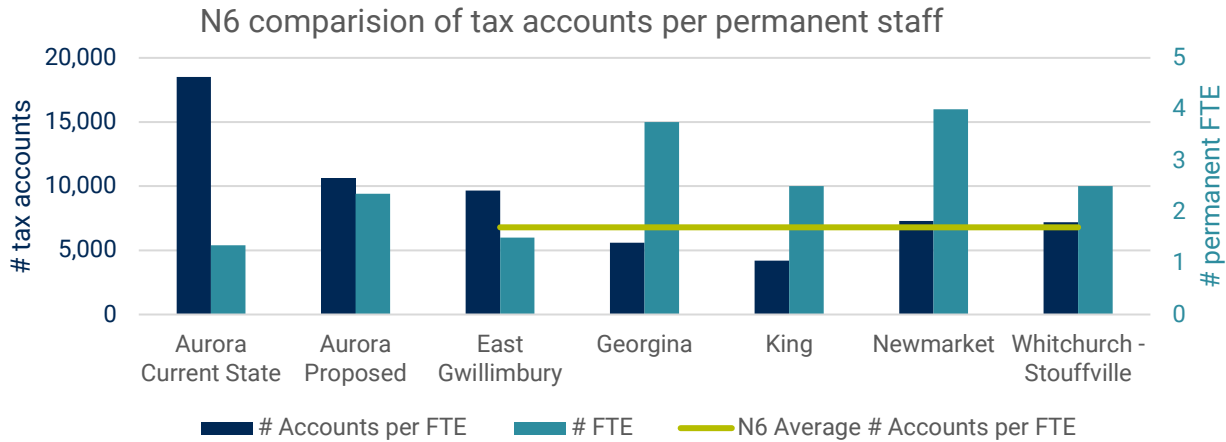
Financial Reporting & Revenue

Budget Change Type: Growth

Recommendation:	Financial Impact	
<p>A tax focused Administrator of Revenue position be added in the Financial Reporting & Revenue division. This role will possess the skills necessary to establish and maintain on an ongoing basis a sound management of property taxation that keeps pace with the emerging changes to legislation, regulatory requirements and growth.</p>	# FTE	1.0
	Wages & Benefits	\$94,400
	Staffing costs	2,500
	Recoveries	-
	Net Tax Impact	\$96,900
Rationale/Benefits:		
<p>Property taxes is the primary funding source for the annual Operating Budget and many capital projects through the cash-to-capital contributions. Administration of property tax requires unique knowledge and a skill set sought after by all municipalities.</p>		
<p>Current Service Level Administration Requirements:</p>		
<ul style="list-style-type: none"> • Management of regular customer service and billings for 25,000 property owners • Processing annual adjustments and resulting bills; appeals, minutes of settlement, assessment review board directions • Building knowledge and expertise of emerging legislative requirements and policies; small business sub-class and vacancy tax 		
<p>This position will enable the team to also do the following:</p>		
<ul style="list-style-type: none"> • Participation in the assessment appeal process; appeals tend to be based on statistics and comparatives provided by applicants; municipal participation can include more realistic comparatives that protect biased settlements and adjustments to the assessment base resulting in tax losses • Implement and pursue tax sale policy and procedure; increase the collections of overdue and owing property taxes 		
Impact of Not Proceeding or Delay:		
<p>A delay will put current service level at risk; capacity of current staff has reached a limited ability to manage the customer service and timely administration of property taxes for the number of property owners in the Town. There will be a risk of not meeting legislative and regulatory requirements set out in the Municipal Act and limited ability to efficiently address emerging changes.</p>		
<p>Without this dedicated position and the unique expertise and knowledge it requires, property tax administration will be extremely difficult to deliver at the current standard service level.</p>		

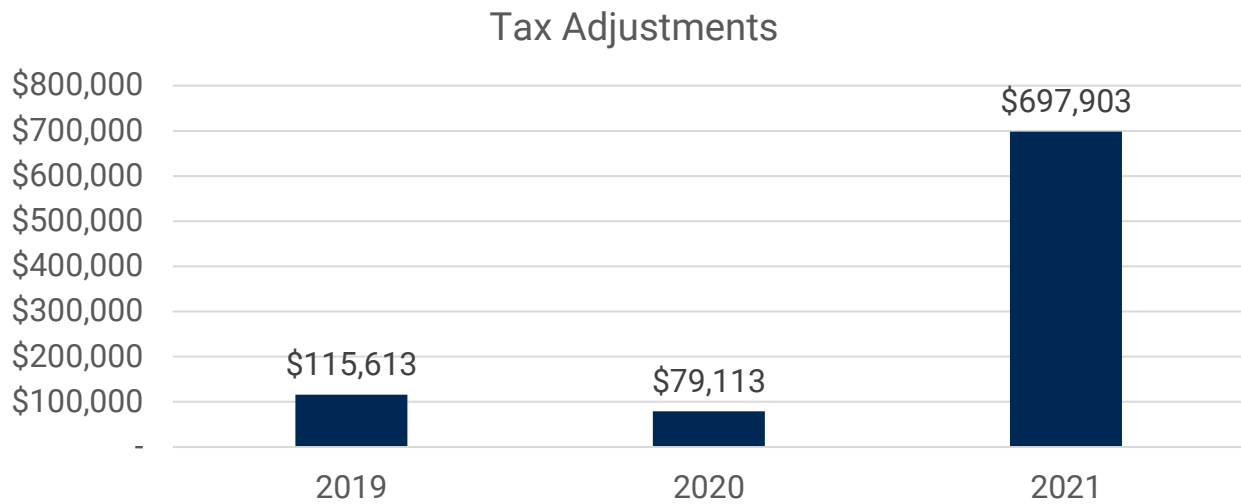
Comparative Analysis / Performance Metrics:

Aurora’s staff currently handles more than double the average number of tax accounts per permanent staff, the addition of one position will bring Aurora closer to the N6 comparators



Aurora’s revenue team manages both tax and water accounts. The team manages 25,000 property tax accounts with only one dedicated full-time position plus a small portion of the supervisor and managers time as they support other functions. In the N6, Aurora has more tax accounts per staff than any other municipality. Aurora’s team struggles to keep up with the day-to-day work and cannot take on the additional work related to tax policy, new tax classes and tax sale because they are handling more than double the average number of accounts.

Opportunity to actively participate in the appeal process in efforts to protect the Town’s assessment base and resulting property tax revenue



Each year Aurora receives minutes of settlements relating to appeal resolutions that reduce the assessed value of a property that result in an adjustment to current and potentially prior year property tax bills. Aurora’s team struggles with current staff capacity to process these settlements and are not able to participate in the appeals process. With an additional resource, Aurora will be to participate in the appeal process in effort to protect the existing property tax revenue.

Capital Budget

Overview

Finance plans to spend \$5.5 million in 2023 on capital projects of the total approved \$14.3 million in Capital Budget Authority. This includes \$12.7 million for asset management projects, \$1.0 million for growth and new projects and \$0.6 million studies and other.

2023 Capital Budget Authority

(\$000s)	Previously Approved Budget	2023 Budget		Capital Budget Authority Cash Flow			
		Capital Budget Authority*	Budget Change	Actuals to Dec/21	2022 Forecast	2023	2024+
Asset Management	11,650.8	12,745.9	1,095.1	4,257.5	2,620.5	4,647.2	1,220.8
Growth & New	872.8	1,002.8	130.0	290.2	129.0	543.6	40.0
Studies & Other	375.0	560.0	185.0	43.8	114.0	324.9	77.3
Approved Budget	12,898.6	14,308.7	1,410.1	4,591.5	2,863.5	5,515.7	1,338.0
Capital Program							
IT Services	2,978.0	4,073.1	1,095.1	1,486.8	990.0	1,219.1	377.2

* Includes all active project budgets, adjustments to project budgets and new budget commitments

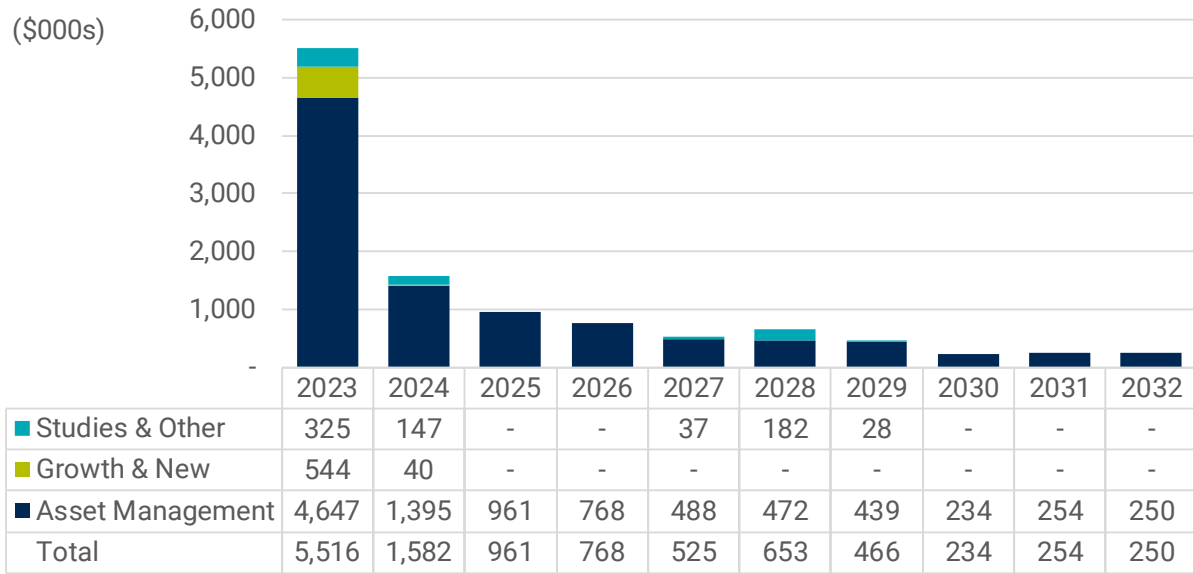
Capital programs

A new capital program for IT asset management capital projects was approved as part of the 2023 Capital Budget. This will provide IT with the flexibility to move funding between projects while not exceeding the Capital Budget Authority for the capital program and the planned 2023 capital cash flow. The detailed list of projects in the program are included in Tab 16 – Asset Management Capital.

10-Year Capital Plan

The 10-Year Capital Plan includes \$11.2 million in capital projects. The 10-year plan will invest \$9.9 million in asset management. This represents 88% of the 10-year plan. Most of the planned spending in 2023 is to support good asset management which includes the implementation of the new financial system, water meter replacement projects and IT infrastructure replacement.

10-Year Capital Plan



Key capital initiatives

The capital plan for Finance supports asset management and continuous improvement. The 2023 Budget includes the following key initiatives:

Focus on strategic asset management

The 10-year plan includes the continuation of the modernization of the asset management plan including the actions required to meet the provincial regulation requirements, including integrating level of service measures into the plan.

Finance is also in the process of replacing water meters for both commercial and residential customers. The new meters are more accurate and precise in measuring water consumption and support the advanced metering infrastructure to automate the collection of water meter reads, enabling the Town to provide better customer service and address metering issues proactively.

The IT division will support asset management by refreshing aging infrastructure to ensure assets are current and within their serviceable life. This will ensure Town systems are reliable and less likely to fail resulting in staff and residents losing access to Town services.

Studies supporting fairness in growth and user rate revenues

The current Development Charge study expires in 2024. The 10-year plan includes projects to ensure that development charges continue to be collected by planning for new studies to be completed in 2024 and 2029.

The water rate study will ensure fairness to rate payers by developing a fixed and variable rate system. This will ensure when higher water consumption is used only the variable costs are

charged and also ensure that everyone, regardless of their consumption, pays their share for the fixed infrastructure costs related to the service.

Strong focus on cybersecurity continuous improvement

As part of the Town's fulsome cybersecurity strategy, the Capital Budget includes projects that support continuous improvement of current and future technology. This includes services for:

- **Security Information and Event Management (SEIM)** which will collect and monitor in real time security information and events. This solution helps recognize potential security threats and vulnerabilities before they have a chance to disrupt business operations
- **Vulnerability Scanning** is an important component of a fulsome cybersecurity strategy. A centralized vulnerability scanning system regularly scans all devices connected to the network comparing the scans to vendor provided database lists of released security patches. IT staff will then proactively apply all missing security patches reducing vulnerability to cyber attacks

Support technological needs of a growing community

Finance is implementing systems solutions that will support more online services for residents and businesses. These include:

- Online tax and water billing management through the new financial system
- Garbage bag tag portal to purchase tags online through an online payment system
- The ArcGIS Portal to easily share existing GIS data such as maps, scenes, applications, and other geographic information to internal users, other municipalities, York Region, and external business partners

Progress on departmental objectives

These objectives were established during previously approved budgets. The following provides a status update on the progress of completing the objectives.

New objectives

Stay current on cybersecurity initiatives

Last year, the Town engaged a cybersecurity consultant to perform a full review of Town's cybersecurity posture. This was a fulsome review and compared our current state to industry standard benchmarks such as National Institute of Standards and Technology (NIST) and the Centre for Internet Security Critical Security Controls. A roadmap was put in place to fill any gaps and stay current on cybersecurity. Several new capital projects for 2023 are approved to further strengthen our cybersecurity footprint.

Online submission of road occupancy permits

An online submission portal will allow all residents or contractors to apply and make payment for Road Occupancy Permits online. Applicants will be able to apply and pay for permits easily through a link on the Town's website. This project will provide efficiency and cost savings to a currently manual process. This project also aligns with the Town's overall goal of providing more digital services to residents.

Online purchase of blue boxes and green bins

This will allow all residents to order and submit payment for new blue boxes or green bins directly from the aurora.ca website. The order will be processed by the Town and forwarded to Green For Life for fulfillment and delivery to the resident. This project will provide efficiency and cost savings to a currently manual process. This project also aligns with the Town's overall goal of providing more digital services to residents.

Completed objectives

Modernization of the Town's financial software and development of an integrated financial systems plan

Staff engaged a consultant in 2020 to assist the Town in the development of the specifications for an integrated financial solution which will include budget, procure to payment, accounting and enhanced reporting. The request for proposal for the new financial system was issued in October 2021 and the Oracle Fusion was selected as the Town's new financial system.

Implemented a new telephony system

The Town has successfully migrated from an older end of life on premise hardware-based telephony system to a software cloud-based system. The new system provides greater flexibility for remote workers and provides needed call centre functionality.

Migrate the Town to the Microsoft 365 Cloud

IT staff have successfully migrated the entire Town to the Microsoft 365 cloud. This includes standard office applications like Excel, Word, PowerPoint, and Outlook as well as new applications such as Teams, PowerBI, and OneDrive. The cloud provides greater flexibility for our remote workforce to connect to these applications and access and share files. Collaboration amongst departments and divisions is greatly enhanced as well.

Implement the CityView portal

The CityView portal will provide all residents and contractors with the ability to apply for building permits, check the status of current applications, upload building plans, and request inspections. The portal will also take payments for all these services. This portal will sharply improve the service levels the Town offers to residents, contractors, and businesses. This will provide significant efficiencies by converting these manual processes to online.

Procurement process and bylaw review

Council approved the new Procurement By-law and Green Procurement Policy in February 2022. These are both aligned with the results of the Procurement Modernization Project which is ongoing.

Timely and accurate financial reporting (procurement)

Completed quarterly reporting to Council which included awarded procurements over \$250K, non-standard procurements and green procurements over \$50K. Regularly met with client departments and assisted Clients with management of their purchase orders.

To minimize lost development revenue as result of recent legislative changes

A key legislative change included the replacement of the existing s.37 of the Planning Act which allowed for the charging of density bonusing charges with a new section that allows municipalities to charge a new Community Benefit Charge (CBC) effective September 18, 2022. Effective this date, density bonusing charges would not be an option. To take advantage of the newly available CBC, a CBC strategy and by-law were necessary. The Town has now successfully implemented a new CBC bylaw.

Objectives in progress

Corporate Technology Strategic Plan

Continued implementation of the five-year Technology Strategic Plan includes the established Corporate IT Governance Committee with a vision to guide the Corporation towards defining and using appropriate technology effectively and quarterly meetings with the business units held for improved collaboration. The IT risk registrar was established and policy development underway. Many technology projects implemented including Laserfiche portal enabling access to archived Council agendas and minutes, Human Resources Information System launched, new telephony system, and e-permitting for building permit application submissions.

Digital transformation of financial processes to improve the customer experience and enhance service delivery while being efficient

In 2020, Finance implemented the ability for water customers to receive their bills through email. More improvements are expected as Finance works toward implementing a new financial system.

Implementation of the Town's financial software and roll out of the new financial system

Oracle Fusion was selected as the new financial system for the Town and the implementation project is underway. The system is expected to launch in the second quarter of 2023.

Refinement of internal reporting framework and processes

The Town's internal reporting framework is constrained by its existing financial systems. The new integrated financial solution will allow for significant advances in the level of internal reporting capabilities and significantly enhance the timeliness of financial reporting. The Town's new multi-year budgeting framework has driven some enhancements to the Town's existing financial reporting.

Develop financial management policies and training for non-financial staff to enable them to better understand their budgets and financially manage operational needs

In 2022, the Financial Management division continued to work on developing a financial management policy for the corporation that will formalize the Town's current best practices as well as establish standardized practices and processes. This policy work has now been aligned with the Town's fiscal strategy and action plan. Further enhancements to these policies will be necessary to ensure alignment with the Town's new financial system. Upon completion of this policy, a formal training program will be developed and rolled out to Town staff.

Process map at least two financial processes per year and update of any associated policies

In support of this important initiative, process maps have been created in support of the Town's donation and sponsorship policies and grant management. Many of the financial processes will also be mapped as part of the implementation of the new financial system.

Continue to optimize the use of existing staff resources to meet increased service demands

Finance has realigned some resources and responsibilities within the department. As the department moves forward with the implantation of the new financial system, there should be additional opportunities to reduce manual tasks and focus more on value-added analysis and support.

Development of the fiscal strategy action plan

Staff will deliver the fiscal policy's implementation action plan in a prioritized fashion and report upon its progress to FAC and/or Council on a regular basis.

Implementation of automated water metering technology

In 2021, Council approved the implementation of the automated water metering technology. Implementation is planned to be completed in 2023.

Abandoned objectives

None

Intentional Blank