



Moving Forward

TOWN OF AURORA



2019

BUSINESS PLAN & BUDGET

FINANCIAL SERVICES



▶ FINANCIAL SERVICES

The Financial Services Department is responsible for serving both the internal supportive needs of the Town's administration as well as the external needs of our stakeholders in the core areas of Financial and Procurement Services. In doing so, this department is also charged with fulfilling the statutory roles of the Municipal Treasurer as set out in the Municipal Act of Ontario.

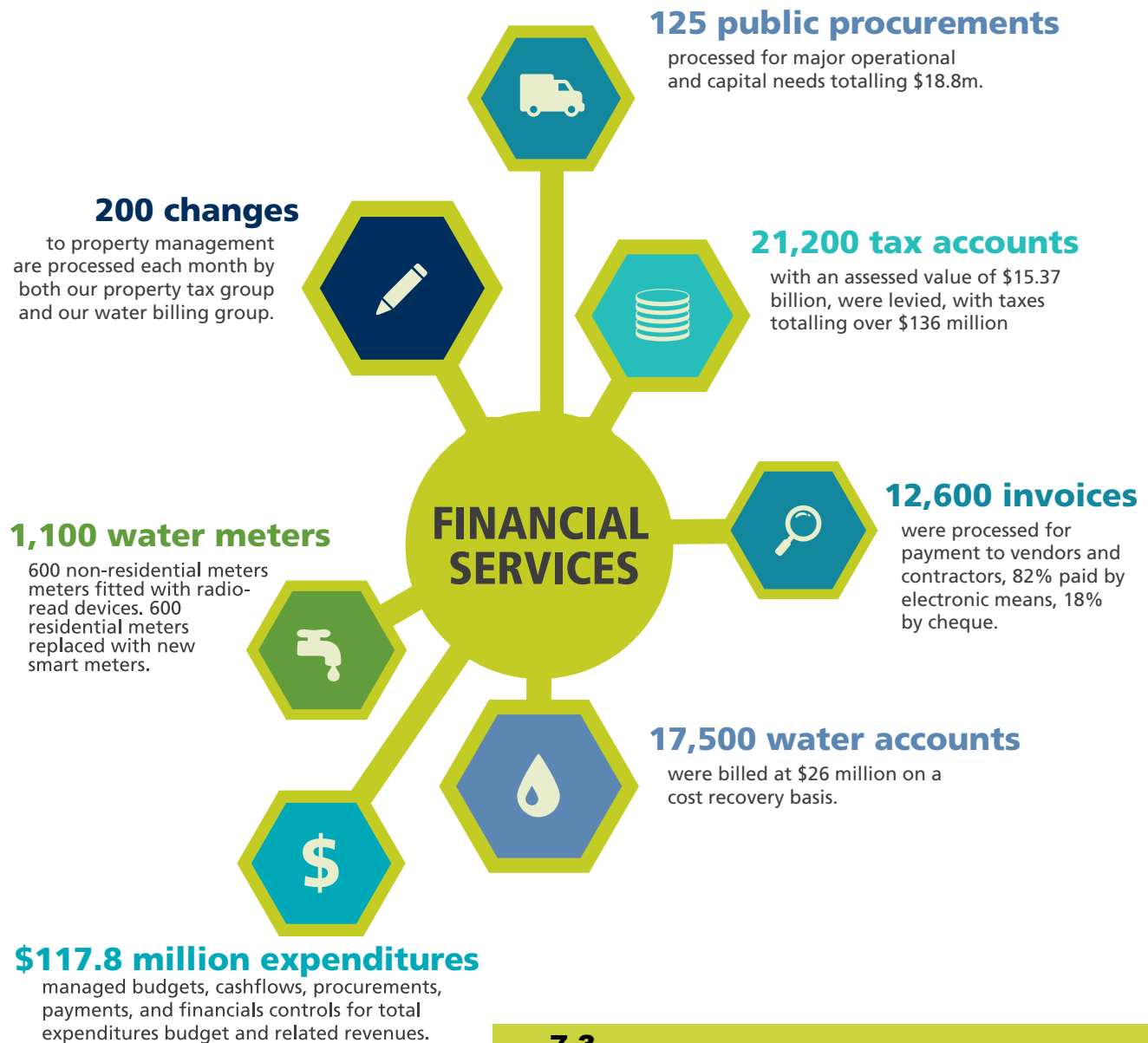
Internally, our clients include the Mayor and Council, the Chief Administrative Officer, Directors of each department, and all departmental staff. Our services include providing Council with sound professional financial and procurement advice, strategic corporate financial planning, financial reporting and business information. Further we provide our departmental clients with planning advice, financial reporting, payroll processing, and process support while guarding and maintaining compliance with our internal controls. All procurement processes are centrally managed by the department. We ensure statutory compliance in financial and related legislative matters. The department also coordinates the annual corporate business planning and budget process from start to finish.

Externally, the department serves ratepayers, the public, vendors and various government ministries and agencies. Among the services provided are the administration and collection of tax and water bills, dissemination of general financial information, vendor and contractor payments, and statutory and accountability reporting.



FINANCIAL SERVICES

For more information on the wide-range of services provided by Financial Services, visit: aurora.ca/FS



FINANCIAL SERVICES

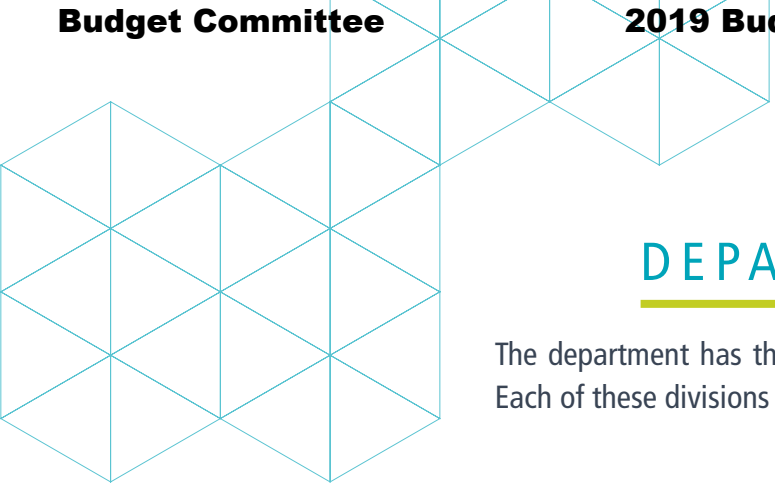
▶ KEY PRIORITIES



OUR FOCUS

The Financial Services Department continues to focus on fiscal accountability and looks forward to implementing a new financial information system in the coming years to assist with efficiency and service improvements. Staff regularly monitors new and emerging technologies and systems to identify opportunities to increase productivity while reducing overall costs. The department will continue to see cost increases due to inflationary pressures, affecting both operating costs, salaries and benefits. In the coming years, we anticipate requiring additional staff to process the increasing volume of transactions arising from a growing community and the evolving range of services provided.

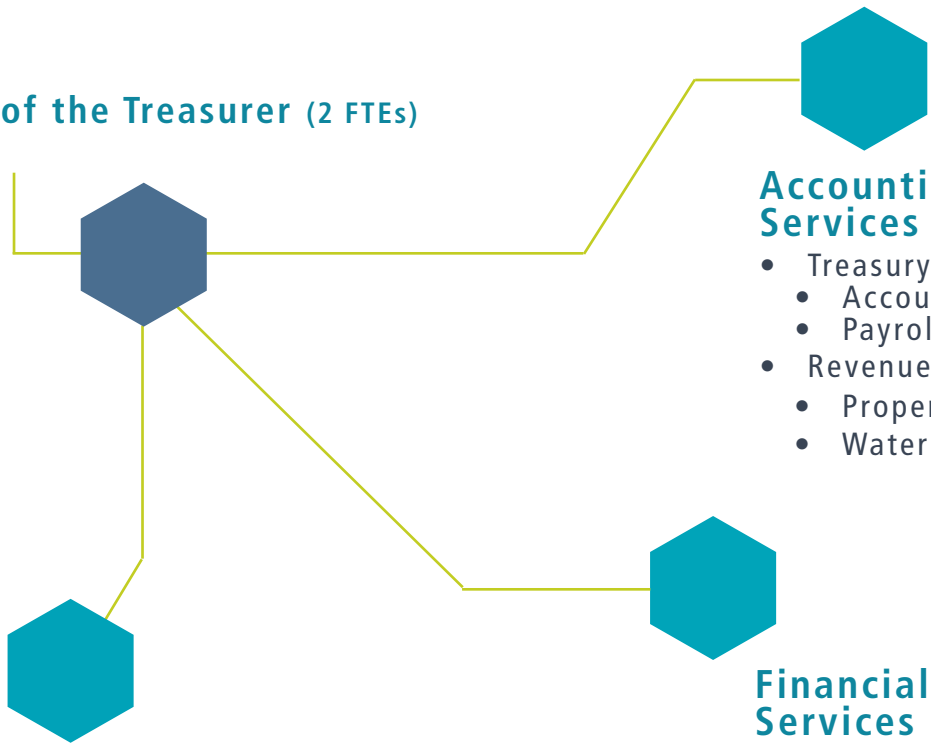




DEPARTMENTAL ORGANIZATION

The department has three functional divisions through which it delivers its services. Each of these divisions is headed by a manager reporting to the Director/Treasurer.

Office of the Treasurer (2 FTEs)



Procurement Services

(4 FTEs)

- Centralized Procurement Services
- Facilitation
- Compliance

Accounting & Revenue Services (7 FTEs)

- Treasury & Accounting Services
- Accounts Payable
- Payroll
- Revenue Services
- Property Tax Billing
- Water Billing

Financial Planning Services (4 FTEs)

- Budget Management & Financial Reporting Services
- Reserves & Investment Management
- Long Range Financial Planning
- Grant Applications & Management
- Corporate Asset Management

During 2018, the Procurement Services Division updated the Town's procurement processes and by-law. Cycle times for mid and large size procurements were dramatically shortened, reducing organizational costs, staff effort, approval timelines, and advancing delivery of projects and operational needs. Council approvals previously required for routine, budget approved projects and purchases were eliminated while maintaining full accountability and internal controls. This change contributed to procurement process time savings of 30 to 40 days for large purchases, and lightened the Council agendas.

The Financial Services Department budget is over 90% salaries and benefits. Continuing cost pressures will be experienced due to inflationary pressures on our human capital costs, and our other operating costs.

In the coming years, the Department will require additional operational staff to process the increasing volume of transactions arising from a growing community and broadening range of service deliverables from our group. A new financials information and budgeting system is being planned, and efficiencies and improvements are expected. Staff continue to monitor new and emerging services, practices and technology systems for ways to improve operational efficiencies and productivity, reduce overall costs, and/or maintain or improve services to our clients.



DEPARTMENTAL INITIATIVES THAT ADVANCE THE STRATEGIC PLAN



Community Goal

Supporting an exceptional quality of life for all.

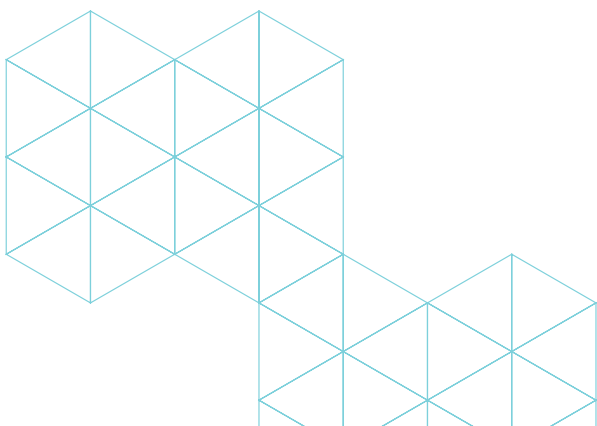
- Work with Council and management to develop multi-year budgeting and other budget process changes to improve accountability, and streamline budget preparation and review cycles. (Q4)



Natural Environment Goal

Supporting environmental stewardship and sustainability.

- Implementation of digital transformation with the goal of improving customer experience, enhance service delivery, and discover cost savings and efficiencies.



▶▶▶ OTHER DEPARTMENTAL INITIATIVES

Internal Needs

- Replace financial & budget systems software

Internal Efficiencies

- Continue procurement process review and improvements for further process and service delivery improvements and efficiencies.

Financial Accountability

- Continue refinement of internal reporting framework and processes

Internal Collaboration

- Financial Services is working with each department's management team to increase their financial management knowledge and skills; ensuring each group has access to the timely financial information required to manage budgets and operational needs.

Regulatory Change

- Continue to monitor emerging statutory changes in property tax and municipal reporting and respond with any necessary procedural changes as required.

Government Grants

- Continue to aggressively pursue government grants and funding for programs, projects, studies and initiatives of the Town to reduce overall financial burden on the taxpayer.

Efficiency and Customer Service

- Strive to undertake a process mapping of at least two Financial Services' processes per year with a focus on streamlining and documentation; including the review and update of any associated policies.



▶▶▶ KEY PERFORMANCE MEASURES

Measure: Cash to capital as % of Amortization – Tax Levy Funded Capital Asset Categories (%)

2017		2018		2019
Target	Actual	Target	Actual	Target
100	75	85	73	80

Comments: Amortization represents the consumption or depreciation of long term capital assets in a year, based on historical cost and estimated life. Cash to capital is the annual financial contribution to reserves intended to replace or rehabilitate these assets at the end of their life. Ideally, due to inflation, cash to capital should exceed amortization. This shortfall is often referred to as the infrastructure funding deficit. The Town's long range financial plan calls for annual increases to the cash to capital amount, based on a rolling ten year capital asset replacement plan.

Measure: Cash to capital as % of Amortization – Rate Funded Capital Asset Categories (%)

2017		2018		2019
Target	Actual	Target	Actual	Target
90	87	90	91	100

Comments: The measure is the same as above, however is strictly related to the utility rate funded assets of water, sanitary sewer and storm water systems.

Measure: Debt payments as % of Debt Payments Limit (%)

2017		2018		2019
Target	Actual	Target	Actual	Target
<13.9	11.7	<5.0	4.2	<5.0

Comments: Town continues to responsibly manage its debt load well within established provincial limit.

▶▶▶ KEY PERFORMANCE MEASURES

Measure: Taxes Receivable as % of annual taxes levied

2017		2018		2019
Target	Actual	Target	Actual	Target
7	6	7	22.4	10

Comments: The Town bills and collects taxes for the Town share, plus the Region for York taxes and the school board taxes. Taxes as billed are remitted to the Region and school boards even if not paid by taxpayers. The Town collects and retains all late payment and collection fees associated with unpaid taxes. This measure is the total taxes outstanding at year end as a percent of the total taxes (all portions) billed in the year, including supplementary taxes. Ontario municipalities average 5-8% of taxes levied, with GTA municipalities averaging closer to 5%. The Town normally experiences no collection losses for property taxes. Revenue losses occur only as a result of property assessment reductions arising from appeals and assessment corrections agreed to by MPAC or the Assessment Review Board.

Measure: Water accounts receivable as % of annual water billings

2017		2018		2019
Target	Actual	Target	Actual	Target
20	31	20	19	15

Comments: The Town separately bills residents and businesses for water, sanitary sewer and storm water charges. This measure is the total outstanding at the end of the year, as a percent of the total billings in the year. There is no Ontario benchmark available for this measure as there is for taxes receivable. Water arrears can be transferred to the tax account of the property owner, and fully secured against the title of the property. The Town's renewed procedures will serve to minimize collection losses of water accounts, even for those who move away from town.

▶ 2019 BUDGET OVERVIEW

Net Operating Results (shown in \$'000's)	Historical Expenditures			2018 Budget (adjusted)	Forecasted Net (as of Oct. 31, 2018)	2019 Draft Budget	2019 Budget vs 2018 Budget		2020 Outlook	2021 Outlook	2022 Outlook
	2015	2016	2017				Fav / (UnFav)				
Policy & Planning Administration	283.4	317.5	352.1	343.4	548.3	342.2	1.2	0.4%	355.4	366.2	388.5
Accounting & Revenue	402.5	383.4	432.1	541.2	575.9	469.7	71.5	13.2%	545.2	578.0	583.9
Financial Planning	461.8	494.7	490.9	502.5	497.7	517.4	(14.9)	(3.0%)	528.1	540.1	551.5
Procurement Services	317.5	340.7	346.8	471.4	470.1	559.8	(88.3)	(18.7%)	634.7	652.8	665.5
Total NET Operations	1,465.3	1,536.3	1,621.8	1,858.6	2,092.0	1,889.1	(30.5)	(1.6%)	2,063.4	2,137.0	2,189.3

KEY CHANGES TO 2019 OPERATING BUDGET		
VARIANCE	DESCRIPTION	AMOUNT (\$'000's)
Salaries & Wages	COLA, step increases, other approved staffing actions	100.2
Planned Revenue increases	Increase of most fees for inflation.	(5.1)
Various administrative revenues	Anticipated increases in multiple administrative revenue categories as well as the the introduction of new administrative fees.	(248.5)
Reflection of position uplift and collections position	The position uplift and new collections position associated requirements were officially reflected in Financial Services to be fully recovered from water through corporate overhead chargeback reflected under corporate accounts.	72.2
Training & Development Right-sizing	Right-sizing of training budgets for both mandatory and non-mandatory training	9.7
NEW Accounting Analyst	July 1st Start Date	24.9
NEW Procurement Consultant	July 1st Start Date	51.8
Other Minor Variances		25.5
Overall Departmental Savings		TOTAL \$ 30.5

