

FINANCIAL SERVICES



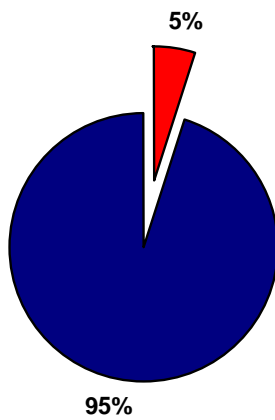
GENERAL FUND

FINANCIAL SERVICES

Paul Macklem - Director of Financial Services

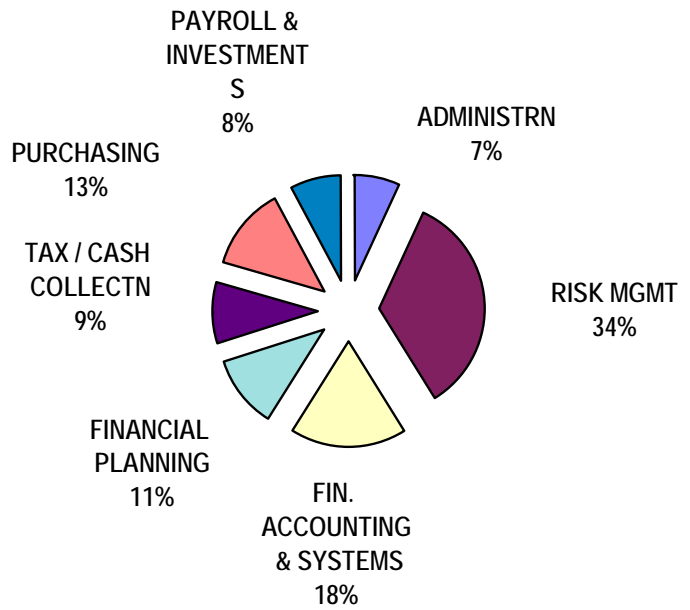
Percent of General Fund Operating

Financial Services = \$3.2 Million



General Fund Operating = \$62.4 Million

Division Summary

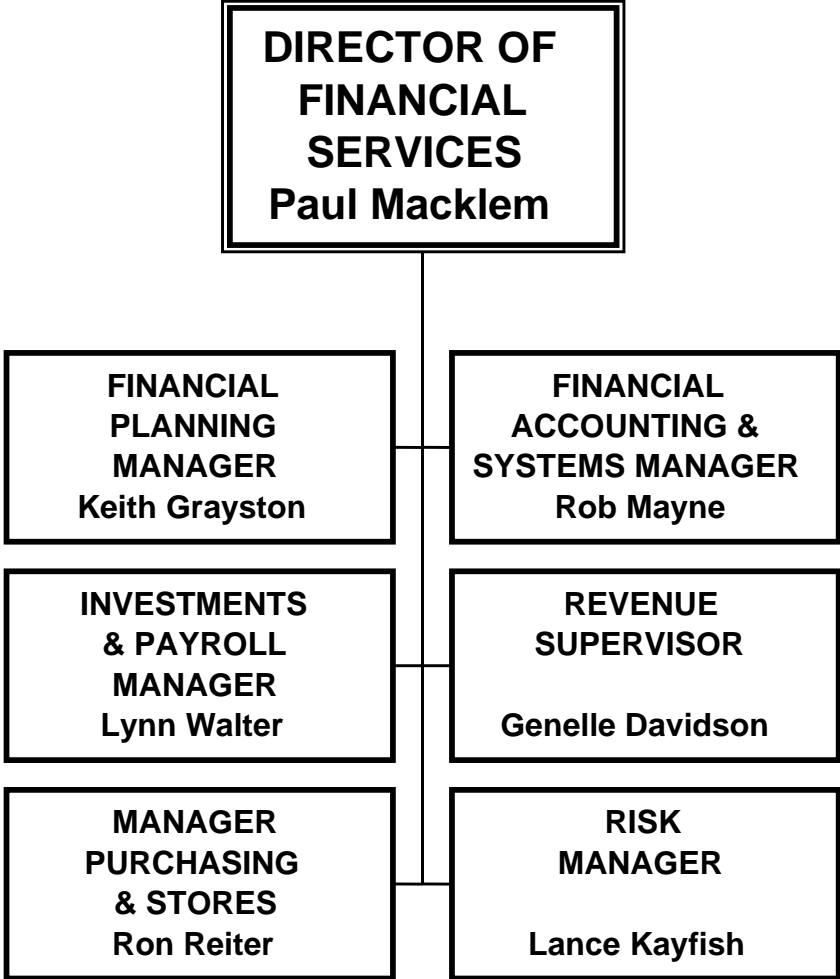


Department Overview

	Revised Adopted 2004	Financial Plan 2005	Change from Prior Year	Percent Change
Taxation Expenditures				
Net Operating	3,059,911	3,164,997	105,086	3.4%
Capital	0	0	0	0.0%
Total Taxation Expenditure	3,059,911	3,164,997	105,086	3.4%
Authorized Positions	41.3	42.3	1.0	2.5%

FINANCIAL SERVICES

ORGANIZATIONAL CHART



FINANCIAL SERVICES

DEPARTMENT GOALS

To provide excellence in customer service to meet the needs of the citizens of Kelowna, Council, City Management, administrative and operating staff of all City departments, external agencies and the Ministry of Community, Aboriginal and Women's Services.

To provide financial advice and guidance on day-to-day operational matters to Council, the City Manager and management staff that will assist them in the decision-making process to the extent that the best overall decisions are made on behalf of the citizens of Kelowna.

To provide the vision to achieve the department mission statement, "Together, we are dedicated to provide quality service", and assist in the development of both short and long term growth management plans for the provision of services to both existing and new citizens.

To participate as a corporate team member in identifying and developing partnerships and alternative service delivery method opportunities that are consistent with corporate strategies.

To safeguard and administer the assets of the City through proper financial controls, insurance plans, accounting systems and policies in accordance with generally accepted accounting principles and statutory requirements.

CURRENT YEAR STRATEGIC OBJECTIVES

FINANCE

1. Review and update of existing Financial Services policies and development of new policies that comply with the Government Finance Officers Association (GFOA) recommended practices for local governments.
2. Prepare an update to the Landfill Model to reflect current conditions and future projections for landfill requirements.
3. Review the City's reserve requirements and develop policies for reserve levels including recommendations for any consolidation or expansion of reserves.
4. Conduct valuation appraisals of significant City owned facilities.
5. Assist Works & Utilities Department in developing policies to administer ditch maintenance and catch basin security.
6. To further automate the preparation of working papers to better align the audit requirements with the City's process of preparing and storing reconciliation and working papers.
7. To coordinate the completion of at least one Value for Money audit.

FACILITIES/EQUIPMENT/TECHNOLOGY

1. Review various software budget modules to determine the product best suited for our budget and reporting needs.
2. Expand Finance's use of internet applications to provide customer service oriented topical, historical and educational information.
 - All taxation related information
 - On-line property tax inquiry
3. Implement an improved claims management system and improve claim reporting.
4. To further develop ebusiness opportunities within the City by providing customers further options for payment of fees and permits either on-line or by establishing an account.
5. To continue the development of eForms throughout the organization.

6. To work with the Development Engineering Division to investigate mature deferred revenue and performance deposit balances unclaimed by developers.

PARTNERSHIPS

1. Continue to work with contractor to improve customer care services for the City's utilities customers.
2. Determine future contract potential for utility billing.

RESEARCH & DEVELOPMENT

1. Review corporate performance based on the various performance measurements being tracked at the divisional level and provide support for making improvements to the performance measurement initiative.
2. Improve compliance management for third party contracts and insurance requirements.
3. To review options brought forward from the Financial Information System Replacement (FISR) Committee to determine if a cost effective alternative to existing finance/human resources software is available in the market.

IMAGE

1. Prepare a consolidated budget summary for ease of understanding of the municipal budget by citizens, staff and other interested parties. The summary will be made available on-line.
2. Commitment to professional and community involvement as a department.
 - Terry Fox Run for the Cure
 - Adopt-a-Family Christmas initiative
 - GFOA
 - RIMS



FINANCIAL SERVICES

Department ID Section Descriptions

ADMINISTRATION

Finance Administration is responsible for providing leadership and direction to Financial Services in the development, coordination and administration of departmental policies and procedures.

RISK MANAGEMENT

The Risk Management Section is responsible for the development, implementation, coordination and administration of the City's comprehensive risk management program. The program is designed to minimize the City's loss exposure and manage the claims process.

FINANCIAL ACCOUNTING AND SYSTEMS

The Financial Accounting and Systems Section prepares annual financial statements, in addition to administering accounts payable, letters of credit, performance deposits, deferred revenues and managing the City's debt. It also develops and implements financial systems.

FINANCIAL PLANNING

The Financial Planning Section prepares the Corporate Budget, manages reserve balances, develops utility models and long-range financial plans to support corporate and community needs (e.g. 20-Year Servicing Plan (DCC's) and 10-Year Capital Plan).

REVENUE (Taxes and Collections)

The Revenue Section is responsible for the administration of: property taxes, general accounts receivable and cash collections. All payments, whether they be for taxes, parking and municipal tickets, or for invoices generated by other departments, are made through City Hall cashiers.

PURCHASING

The Purchasing and Stores Section is responsible for acquiring the materials, equipment and services required by all City departments, for disposing of surplus materials and equipment, and for controlling and maintaining adequate inventory levels.

PAYROLL AND INVESTMENTS

Administration of the payroll function, utility billing function and investment of the City's funds are the responsibility of this section.

PERFORMANCE MEASURES

PROGRAM INPUT MEASURES	Actual 2003	Revised Adopted 2004	Financial Plan 2005
141 ADMINISTRATION	205,156	220,512	222,732
142 RISK MANAGEMENT	927,753	1,082,746	1,081,406
143 FIN. ACCOUNTING & SYSTEMS	454,214	523,323	563,030
144 FINANCIAL PLANNING	322,361	339,662	350,373
146 TAX / CASH COLLECTIONS	209,737	249,485	297,247
147 PURCHASING	394,379	401,377	404,215
149 PAYROLL & INVESTMENTS	252,053	242,806	245,994
Total Net Operating Expenditures	2,765,653	3,059,911	3,164,997

FINANCIAL SERVICES

PERFORMANCE MEASURES

	Actual 2003	Estimated 2004	Proposed 2005
PROGRAM OUTPUTS			
# of budget transfers and amendments processed	154	130	120
# of claims per year	165	185	205
Cost of risk per capita	\$9.28	\$10.47	\$10.10
# of payroll payments made	not available	22,089	22,752
# of tenders / RFPs issued	114	102	105
# of written quotation requests issued	137	150	155
Value of purchase orders issued Not including Blanket Purchase Orders (PO's)	\$14,700,000	\$25,000,000	\$20,000,000
# of purchase orders issued	2,214	2,050	2,100
# of blanket purchase orders	645	654	660
Value of credit card transactions	\$2,000,000	\$2,100,000	\$2,200,000
Average \$ value per credit card transaction	\$150.49	\$151.00	\$151.72
# of Stores issues	3,891	3,820	3,825
PROGRAM OUTCOMES			
% of monthly financial reports prepared by the 18th of the month following	20%	40%	60%
% of tenders / RFPs Awarded	89.40%	88%	92%
% of Stores issues filled first time	n/a	n/a	95%
EFFICIENCY MEASURES			
# of Financial Services staff per 1,000 population	0.38	0.40	0.40
Municipal Residential tax \$ requirement per capita	\$422.00	\$436.70	\$450.56
Average return on investment	3.50%	3.40%	3.60%
Avg % purchasing operations cost per transaction dollar	0.020%	0.013%	0.016%
Avg % Stores operations cost per total \$ Stores issue	0.118%	0.131%	0.136%
CUSTOMER SATISFACTION			
GFOA Budget and Reporting awards received	2	2	2
% of internal users that rate Purchasing as "satisfactory"	n/a	92%	94%
INNOVATION AND LEARNING			
Number of risk management training sessions per year	0	3	6
Number of policy development projects contributed to per year	1	2	4
% staff involved in at least one formal training session per year	80%	80%	100%

FINANCIAL SERVICES SUMMARY

REVENUES / EXPENDITURES BY CATEGORY

	ACTUAL 2003	REVISED ADOPTED 2004	FINANCIAL PLAN 2005
<u>REVENUE</u>			
FEES AND CHARGES	(210,130)	(231,431)	(251,431)
OTHER REVENUE	(1,170,735)	(762,800)	(789,242)
TRANSFERS FROM FUNDS	(177,120)	(232,763)	(247,095)
Special (Stat Reserve) Funds			
Development Cost Charge Funds			
Accumulated Surplus	(177,120)	(232,763)	(247,095)
TOTAL REVENUE	(1,557,985)	(1,226,994)	(1,287,768)
<u>EXPENDITURES</u>			
SALARIES & WAGES	2,232,137	2,492,598	2,589,988
INTERNAL EQUIPMENT	4,281	4,200	4,200
MATERIAL & OTHER	1,244,538	1,203,277	1,236,497
CONTRACT SERVICES	628,170	586,830	622,080
DEBT	1,670		
INTERNAL ALLOCATIONS	4,942		
TRANSFERS TO FUNDS	207,900		
Special (Stat Reserve) Funds			
Development Cost Charge Funds			
Accumulated Surplus	207,900		
TOTAL EXPENDITURES	4,323,638	4,286,905	4,452,765
NET OPERATING EXPENDITURES	2,765,653	3,059,911	3,164,997
<u>CAPITAL EXPENDITURES</u>			
FROM TAX DEMAND			
OTHER FUNDING SOURCES			
GROSS CAPITAL EXPENDITURES			
NET OPERATING & CAPITAL EXP.	2,765,653	3,059,911	3,164,997

AUTHORIZED F.T.E. POSITIONS

	BUDGETED FTE'S 2003	ACTUAL 2003	REVISED ADOPTED 2004	FINANCIAL PLAN 2005
<i>Salaried</i>	39.4	36.9	39.8	40.2
<i>Hourly</i>	1.6	1.3	1.5	2.1
<i>Contract</i>				

FINANCIAL SERVICES

Description of Program Changes	2005 Gross Cost Change	2005 Net Impact	2005 FTE
1) 2004 One-time supplementals	\$72,470	\$0	-1.0
2) Annualized 2004 budget cost	\$33,070	\$33,070	0.2
3) Salary Adjustments	\$37,730	\$37,730	
4) GST Rebate	(\$7,608)	(\$1,132)	
5) Contracted Services (Utility Billing)	\$32,858	\$0	
6) Miscellaneous Adjustments	\$1,808	\$1,808	
7) 2005 Supplementals	\$177,260	\$46,760	1.8
8) 2005 Expenditure Reductions	(\$20,758)	(\$13,150)	
Total Changes for 2005	\$326,830	\$105,086	1.0

**2005 SUPPLEMENTAL REQUEST SUMMARY
FINANCIAL PLAN
GENERAL FUND PRIORITY 1 - BY DEPARTMENT**

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>REVENUE</u>	<u>FUNDING SOURCE</u>	<u>NET AMOUNT</u>	<u>ONE-TIME ONGOING</u>
FINANCE						
XXX-10-142-0-XXX	RISK & CLAIMS ANALYST	7,210			7,210	ONGOING
232-10-142-0-001	PROPERTY VALUATIONS	35,000	35,000	INS DED	0	ONETIME
103-10-142-0-001	CLAIM MANAGEMENT SOFTWARE	12,000	12,000	INS RESV	0	ONETIME
500-10-143-0-001	SUMMER STUDENT	13,500	13,500	PMT RESV	0	ONGOING
311-10-145-0-325	DCC REVIEW	50,000	50,000	DCC ADM	0	ONETIME
511-10-146-0-001	SENIOR ACCOUNTANT	57,350	20,000	REVENUE	37,350	ONGOING
332-10-146-0-001	ADVERTISING	2,200			2,200	ONGOING
DEPARTMENT TOTALS		<u>177,260</u>	<u>130,500</u>		<u>46,760</u>	

**2005 EXPENDITURE REDUCTION SUMMARY
FINANCIAL PLAN
BY DEPARTMENT**

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>REVENUE</u>	<u>FUNDING SOURCE</u>	<u>NET AMOUNT</u>	<u>ONE-TIME ONGOING</u>
FINANCE						
382-10-142-0-001	INSURANCE PREMIUMS	8,750	0		8,750	ONGOING
XXX-10-147-0-340	PURCHASING OPERATIONS	4,400	0		4,400	ONGOING
252-10-148-0-XXX	GST REDUCTION	7,608	7,608	UTILITY	0	ONGOING
DEPARTMENT TOTALS		<u>20,758</u>	<u>7,608</u>		<u>13,150</u>	