

**City of Pitt Meadows
Pitt Meadows, British Columbia, Canada**



Working Together for Results

2012 Business Plan
Finance and Facilities Department



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Executive Summary

Key Issues:

Finance and Facilities is a department with a significant commitment to the support of the day to day operations of the City through the provision of accounting, budget, and facility maintenance services to line departments. Completion of the year end financial reporting, the annual budget, and tax collection remain the key activities in our annual cycle.

With imminent completion of significant community projects which have consumed substantial departmental efforts over the past few years, the department needs to refocus on long term financial planning for the benefit of the community and the pursuit of process improvement and efficiencies. The City has “scratched the surface” on Long term financial planning and now needs to do more detailed work projecting the future financial condition of the City.

With a growing community there is increased activity and demands for all service areas and this includes Finance. This includes expanded payment options for both vendors and customers and flexible financial reporting options for departments.

Facilities management for City buildings has put in place good systems and information to react to issues as they arise. The future emphasis must shift to being proactive, focusing on efficient building operations and preventative maintenance.

The same applies for risk management, with a need to shift to practical actions at the front line level to reduce potential claims and losses.

Finance and IT staff continue to be challenged to keep up to the demands for information and a continuously changing environment. Financial information systems changes are necessary over the next few years to support an increasingly dynamic organization and community, these include:

- A robust budgeting system
- An updated chart of accounts that reflects the current organization of the City and promotes budgeting by program in all departments
- Automated time entry and approval
- Modernized billing processes

Also, as with other services housed in the Municipal Hall, the department is challenged to continue to provide effective and efficient services as space limitations limit optimal operations. This includes workspace privacy and back up/coverage issues.

Key projects for coming year include:

Finance

- Develop and initiate a Long Term Financial Planning process
- Review the Permissive Exemption Policy
- Develop a policy for alternate bill payments by customers
- Continue to work on an update of the water system accounting and billing process
- Review Third Party Services for RFP's – Banking, Audit and Investment
- Review vendor payment strategies for optimization
- Participate in needs analysis/strategy for budget and related financial processing and information systems
- Review various processes for optimization such as dog tags and bylaw infractions

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Facilities and Risk Management

- Continue to review budgets and procedures for optimal facility maintenance
- Support for the construction of the new library space in the Solaris development
- Involvement in planning and development of space in old Library
- Risk Management Initiatives:
 - With Development Services, develop/acquire an automated building inspection checklist tool
 - Refresh and update the Risk Management Policy
 - Continue Risk Management education

Finance and Facilities Summary

Services

The department provides financial, facility and risk management services for the corporate entity, line departments, and the public. Specific services are as follows:

Financial Services

- Accounting
- Review and improvement of financial processes and systems
- Production of payroll and benefits
- Accounts payable/receivable
- Taxation and utility billings
- Processing of dog licenses
- Banking and Investments
- Debt management
- Internal and external financial reporting
- Budgeting and Business Planning

Buildings and Resource Management

- Support for day to day facility issues
- Addressing funding, maintenance and lifecycle issues with line departments dealing with facilities
- Coordination and support for the Resource Management Committee
 - Development of strategies to manage properties, buildings and other assets;
 - Provide a forum to exchange information related to the City's assets;
 - Make recommendations to Council on acquisition, disposal and policy issues related to the City's property and other assets.

Risk and Claims Management

- Liability insurance coverage and claims management including receipt of liability claim and incident information from staff and the public and forward to Municipal Insurance Association (MIA)
- Liaise with MIA regarding risk issues and claim status
- Property insurance coverage and claims management

Support for Corporate Initiatives

- Governance and fiscal issues with the Pitt Meadows Airport
- Promoting Performance Measurement and Management
- Promote and explore long term funding solutions for significant growth projects for the community
- Primary Policing Contact for RCMP contract and financial issues
- Staff contact for Fraser Valley Regional Library

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Strategic Plan Alignment

Governance

- The department seeks to provide efficient and effective services through a continuous review of processes and systems
- The goal of financial sustainability is highlighted when pursuing expanded services and facilities to ensure a long term rational funding approach

Community Services

- Long term environmental sustainability is taken into consideration when making facility life cycle and maintenance decisions

2011 Successes

Finance and Facilities is a department with a significant commitment to the support of the day to day operations of the City through the provision of accounting, budget, facility maintenance, and risk management services to the operating departments. Completion of the year end, tax collection, and annual budget, remain the key activities in our annual cycle.

Specific project accomplishments for 2011 include the following:

Finance

- Completed second borrowing process for the completion of the arena renovation
- Completed update of the five year permissive exemption bylaw
- Provided accounting and billing support and completed the first year end with audited financial statements for the Pitt Meadows Economic Development Corporation
- Implementation of CityWide software for accounting for the City's tangible capital assets
- Implementation of payroll services for Paid on Call firefighters
- Continued work with Development Services and Operations in implementing changes to water meter billings
- Provided support to Parks and Leisure Services for the process for revitalization investment in the arena and the commencement of Nustadia as the long term arena operator
- By year end will have completed an updated actuarial review of Post Employment Benefits for accounting purposes

Facilities

- Completed refurbishment of Fire Hall kitchen
- Completed Exterior Painting of the Tourism/PMEDC Building
- Completed Interior Painting of the Community policing Office
- Completed perimeter drainage around Struthers House
- Commenced Parkade operations
- Completed electrical and code upgrades at Masson House
- By year's end, will have completed two courses in Risk Management

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Significant Issues and Trends

With completion of projects such as the arena renovation and the South Bonson Community Centre which have consumed substantial efforts over the past few years, the department needs to refocus on long term financial planning for the benefit of the community and the pursuit of process improvement and efficiencies. In the past, the City has completed some analysis on Long term financial planning and now needs to do more detailed work projecting the future financial condition of the City, determining where adjustments are necessary and preparing policies to effect the desired results.

With a growing community there is increased activity and demands for all service areas and this includes Finance. A key example of this are customers and vendors alike wanting easier and more expedient options for paying bills and receiving payments for invoices. We also remain challenged to provide a range of periodic financial reporting tools to address the varied requirements of the internal departments.

Facilities management for City buildings has put in place good systems and information to react to issues as they arise. The future emphasis must shift to being proactive, focusing on efficient building operations and preventative maintenance. Also, over the past couple of years the City has improved its approach to managing potential claims and losses and their related files. The focus now needs to shift to proactive risk management at the front line level to reduce potential claims and losses.

To support the increasing demands for timely and varied financial information, systems changes are necessary over the next few years to support an increasingly dynamic organization and community, these include:

- A robust budgeting system
- An updated chart of accounts that reflects the current organization of the City and promotes budgeting by program for all departments
- Automated time entry and approval
- Modernized billing processes

Also, as with other services housed in the Municipal Hall, the department is challenged to continue to provide effective and efficient services as space limitations limit optimal operations. This includes workspace privacy and back up/coverage issues.

Performance Measures

Performance measures are a challenge as there are limited meaningful measures available from which to develop benchmarks and standards for this department. We continue to monitor the above and research for additional measures to provide pertinent performance management information.

Measure	Benchmark	2011 Performance	2010 Performance	Management Initiatives
Interim Budget Reports Reviewed by Council	2	1	2	Continue to try to provide 4 month and 8 month updates to Council. Review form/content for usability
Monthly Financial Reports distributed 15 days from month end	10 months	12 months	11 months	Review month end close procedures for efficiencies
Finance Department Operating Costs per capita	NA	\$33.54	\$32.81	Need to determine benchmark
Facilities maintained to recommended life cycle standard	100%	NA	NA	Preventative maintenance programs need to be developed and tracked.

Annual Department Plans

2012 Projects and Initiatives

Governance	Who	When
1. Action: Long Term Financial Planning		
Goal: Develop 20 Year Financial plan		
Outcome or Measure: Plan completed and policies updated by 2013		
<u>Milestones</u> a. Mobilization Phase – Define Purpose and Scope, Identify Resources b. Analysis Phase – Environment, Forecasting, Debt c. Decision Phase – Strategies, Policies, Transition d. Execution Phase – Link to budget, Monitor	All Fin All Fin	Q2/Q3 Q3/Q4 Q4/2013 2013
2. Action: Review Permissive Exemption Policy		
Goal: Update the policy based on Council and community direction		
Outcome or Measure: New Permissive Exemption Policy.	DR/CH	Q2/Q3
3. Action: Develop Policy for Alternate Bill Payments by Customers		
Goal: Allow for expanded payment options with limited loss to the City		
Outcome or Measure: Introduction of additional payment options in Q2.	DR/CH	Q1/Q2
4. Action: Update of Water System Accounting and Billing Processes		
Goal: Improved billing and accounting structure.		
Outcome or Measure: Reduced staff time for billing processes and improved financial information. This work will be in cooperation with Development Services.	CH/TM ODS	Q1-4
5. Action: Review Third Party Services for RFP's – Banking, Audit, Investment		
Goal: Cost Effective Third Party Services		
Outcome or Measure: New agreements in place by Q3		
<u>Milestones</u> a. Determine which services to review this year b. Draft RFP documents and issue c. Complete agreement	Fin DR/CH DR/CH	Q1 Q2 Q3
6. Action: Review Vendor Payment Strategies for Optimization		
Goal: Efficient and effective mix of payment methods (Cheque, EFT, BIP, PCard)		
Outcome or Measure: Implementation of a new strategy by year's end	Fin	Q1-Q4

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7. Action: Review Various Processes for Optimization		
Goal: Effective Interdepartmental processes		
Outcome or Measure: Complete Two Processes Per Year	Fin Other Depts	Q1-Q4
8. Action: Participate in needs analysis/strategy for budget and related financial processing and information systems		
Goal: Understand needs of the City for a comprehensive ERP system		
Outcome or Measure: Plan prepared for 2013 Business Planning Cycle	DR/CH IT	Q2-Q4
9. Action: Continue to Review Budgets and Procedures for Facility Maintenance		
Goal: Appropriate budgets and clear procedures known for Facility maintenance		
Outcome or Measure: Optimal life cycles for City facilities	DR/LS/RMC	Ongoing
10. Action: With ODS, Develop Automated Building Inspection Checklist Tool		
Goal: Reduced Claims/Actions arising out of Building issues		
Outcome or Measure: Tool/Process in place by Q4	DR/ODS	Q1-Q4
11. Action: Continue to Enhance Organizational Capacity for Risk Management		
Goal: Complete Courses and Update the Risk Management Policy		
Outcome or Measure: Updated Risk Management Policy in Place by Q4		
<u>Milestones</u> a. Complete Risk Management Courses b. Review and Update Risk Management Policy	DR DR	Q2 Q2-Q3

Community Services	Who	When
12. Action: Support Construction for the New Library		
Goal: Open New Library		
Outcome or Measure: New Library Open 2012	DR	Q1
13. Action: Finance and Facilities Support of Redevelopment of Existing Library Building		
Goal: Complete Short Term Renovations and Develop Long Term Site Strategy		
Outcome or Measure: Useable Short Term Space by end of 2012 and Clarity on Long Term Uses	DR/LS/RMC	Q1-Q4

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Financial Highlights

Financial Summary - Finance and Facilities

	2011 Projected Actual	2011 Budget	2012 Budget	2013 Budget	2014 Budget	2015 Budget	2016 Budget
Operating:							
Revenue							
Property Revenue	\$ 221,500	\$ 217,566	\$ 245,180	\$ 250,084	\$ 255,085	\$ 260,187	\$ 265,391
Finance Fees and Charges	40,500	39,000	40,100	40,100	40,100	40,100	40,100
Total Revenue	262,000	256,566	285,280	290,184	295,185	300,287	305,491
		\$ Change	\$ 28,714	\$ 4,904	\$ 5,002	\$ 5,102	\$ 5,204
		% Change	11.2%	1.7%	1.7%	1.7%	1.7%
Expenditures							
Common Services	376,000	376,567	380,695	387,545	394,524	401,644	408,905
Finance	592,000	608,332	628,742	641,318	654,144	667,225	680,568
Facilities and Properties	100,900	84,633	86,142	87,865	89,622	91,414	93,241
Total Expenditures	1,068,900	1,069,532	1,095,579	1,116,728	1,138,290	1,160,283	1,182,714
		\$ Change	\$ 26,047	\$ 21,149	\$ 21,562	\$ 21,993	\$ 22,431
		% Change	2.4%	1.9%	1.9%	1.9%	1.9%
Net Operating Expenditures	\$ 806,900	\$ 812,966	\$ 810,299	\$ 826,544	\$ 843,105	\$ 859,996	\$ 877,223
		\$ Change	\$ (2,667)	\$ 16,245	\$ 16,560	\$ 16,891	\$ 17,227
		% Change	-0.3%	2.0%	2.0%	2.0%	2.0%

Key Budget Changes for 2012:

Revenues		
Property - Rentals/Licences to Occupy		\$ (12,700)
Property - Advertisements on Municipal Property		(15,000)
Expenditures		
Inflationary Adjustments		23,533
Legal Claim Deductible		5,000
MIA Premiums and Appraisal Costs		6,400
Telephone Basic & Long Distance Charges		(5,500)
Security & Alarm Monitoring		(4,400)
Change in Net Operating Expenditures		\$ (2,667)

Funded by Insurance Liability Reserve Fund

Capital Budget

The proposed capital budget for the department for 2012 is \$813,000 and is summarized in the Capital Assets Business Plan. It includes an estimate of \$300,000 to carry forward for the completion of the new Library space and \$413,000 for renovations and upgrades to the old library building.

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