



INFORMATION ONLY COUNCIL REPORT  
Finance, Administrative & Protective Services  
For the September 3, 2019 Council Meeting

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DATE: August 28, 2019  
TO: Paul Gipps, CAO  
FROM: Warren Everton, CFO  
RE: Budget Process Overview and Timelines

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**STRATEGIC PRIORITY OBJECTIVE:**

To align the financial planning process with the organizational strategic planning process.

**BACKGROUND:**

As the new CFO coming into the organization part way through the 2019 financial planning season my main task was to get up to speed on the process as quickly as possible, present to Council and carry the budget through to three readings and adoption. At that time, there were not many opportunities to make changes or to put a personal stamp on the budget except for the odd tweak.

Now that we are entering a new financial planning season, we have had some time over the summer to make changes and organize the process in a way that works better for Finance and its internal customers (departments) it serves.

It is important to have financial planning follow strategy, so the timing of the budget season should align well with Council's plans for strategy sessions at UBCM. Another consideration of financial planning that is important and built into this year's process is a focus on departments taking ownership of their budget line items. Finance is ultimately the facilitator of the budget, not the owner of the plan. It is important for departments to take responsibility for what they budget and to be prepared to present and defend their numbers. The intent is for Finance to coach and guide departments to plan for what is needed to keep their departments performing well and support growth where that aligns with Council priorities.

In order to support departmental budgeting Finance has developed a Budget Guideline Package that is a one-stop shop for financial planning resources. The contents cover all aspects of department budgeting including:

1. Overview of the budget process including direct use of the Vadim financial system
2. Budget entry notes and stepwise description of process
3. Budget Timelines – draft schedule for the budget season
4. Sample department spreadsheet for uploading to the Vadim system

5. Account numbering conventions and explanations
6. Capital asset policy, funding and disposal request forms
7. Business case template with instructions for use with major projects and capital items
8. Other sample documents – Supplemental request forms, IT workstation request forms
9. Reserve fund balance listings for capital planning
10. Sample variance report to be run by departments and used for tracking budget spending throughout the year

The significant timelines for the budget season appear below in draft form. Also attached is a full year planning graphic, which incorporates Strategic Planning, Capital and Operating planning cycles, Citizens Survey and a “Lessons Learned” review.

#### August

- Budget package sent out to department managers
- High level capital planning starts

#### September

- Budget workshop meetings with departments

#### October

- Departmental budget submissions due
- Finance consolidates budgets and uploads to system
- Senior Management Team reviews draft budget
- Managers revisions by the end of October

#### November

- Finance compilation of budget and production of budget binders
- Council reserve workshop proposed for November 19<sup>th</sup>
- Budget delivered to Council by the end of November

#### December

- Special Council Meeting proposed for December 5<sup>th</sup>
- 1<sup>st</sup> to 3<sup>rd</sup> reading of the financial plan bylaw at the December 5<sup>th</sup> meeting
- Council feedback incorporated into budget
- Early approval requests brought to Council

#### January

- 2<sup>nd</sup> budget deliberations Council meeting
- 3<sup>rd</sup> budget deliberations meeting if required
- 1<sup>st</sup> Financial plan town hall meeting

#### February

- Further town hall meetings if required
- Public feedback reviewed by Council and Management and incorporated into budget where appropriate

#### March

- Final growth numbers provided by BC Assessment
- Adoption of financial plan bylaw
- Tax ratio workshop and approval of ratio philosophy/strategy
- Tax bylaw 1<sup>st</sup> to 3<sup>rd</sup> readings

#### April

- Tax bylaw adoption

### FINANCIAL IMPLICATIONS:

Other than year-end completion and audit preparation, the financial planning process is the most significant undertaking by the Finance Department during the year. It is vitally important to the City to balance the service needs of a growing community with revenue collection, reserve deposits and debt. The principal goals of the Finance Department are to ensure transparency of the process, provide staff have the tools and information to do the necessary planning and to ensure the integrity of the information.

### REVIEWED AND APPROVED BY:

Tracey Batten, Deputy CAO/Corporate Officer  
Paul Gipps, CAO

Powerpoint: Yes ☒ No ☐

Attachments:  
Schedule 1 – 2020 Planning Process with Timelines