



# 2021/2022 BUDGET

Finance & IT

## **Introduction:**

The Finance & IT Department is headed by the Chief Financial Officer / Treasurer. Although the daily operations of Finance and IT run separately, there is a natural and logical synergy of having these two streams under the same roof. As the Township evolves to an increasingly digital environment with the need for accurate, timely metrics and information, the Finance & IT department will be transforming from a back office support function to a strategic business enabler.

## **Overview of department:**

### **The Finance / IT Department is comprised of the following Staff:**

- Chief Financial Officer / Treasurer
  
- Manager, Finance / Deputy Treasurer
- Supervisor, Finance / Tax Collector
- Accounting Clerk (includes Accounts Payable)
- Senior Revenue Clerk
- Revenue Clerk
  
- Manager, Information Technology
- Information Technology Technician x 2

### **The Finance / IT Department provides the following services:**

- Finance:
  - Property Tax & Utility Billing and Collection
  - Daily Accounting / Cash Management
  - Quarterly Financial Reporting & Governance
  - Corporate Operating / Capital Budgets
  - Long Term Financial Planning
  - Investments & Cash Management Planning
  - Asset Management Plan & Strategy
  - Corporate Insurance
  - Procurement Policies & Practices
  - External Financial Audit
  - Enterprise Risk Management
  - Co-Lead on CI/Lean Six Sigma Program
  - Lead – ERP Replacement in 2021 / 2022
  - Corporate Policy Development
  - Strategic Business Support to Township Departments

- Information Technology:
  - Computer Hardware / Software Deployment
  - Computer Network & Data Back Up
  - Enterprise Data Security
  - IT Support & Troubleshooting
  - Council meeting Streaming
  - Cyber Training
  - Corporate Website collaboration with Corporate services
  - Telecommunications & Internet Connectivity
  - Mobile Phones
  - Photocopiers, Fax Machines, Printers
  - Disaster Recovery Planning
  - Digital Transformation Strategy

## **2020 Major Accomplishments:**

### Finance:

- Fully digital Accounts Payable process implemented as a result of COVID-19 / remote work
- Standardized property tax arrears, collection, tax sale process
- Successfully implemented a mid year “Adjusted” budget to adapt to the COVID-19 challenges
  - Effectively hammered on the brakes to allow Municipality to end 2020 with a surplus
- Successfully on-boarded TWO new management staff (Manager & Supervisor) in Q4 2020
- Continued to maintain and increase Township reserves to smooth future costs
- Implemented ability to send customers invoices by email and pay online (PayPal or major credit card)
- Completed RFP process to select a new solution to replace the Baker Enterprise System

### Information Technology:

- Implemented many new solutions to help users since COVID-19 became an issue
- Rolled out computers and phones to allow many users to work remotely
- Began process of replacing desktops with mobile devices (laptops / tablets)
- Investigated and implemented a training platform (Moodle) for HR and other departments to provide training efficiently
  - Cost savings as it is open source
  - Time savings for HR to roll out training
- Instigated Council Meeting streaming solution that would allow Council/Staff to be remote
  - Live YouTube streams
  - End product was high quality and professional stream
  - Efficient online Council Meetings that allow public participation

- Enhanced Operating System and System deployment
- Rolled out enhanced cellular devices to help address connectivity and reliability
- Wi-Fi Calling implemented on new devices to help remote sites with connectivity
- Continued to upgrade and standardize network infrastructure at remote locations
- Enhancement of WIFI at remote locations
- Proactive maintenance on Township systems reducing issues
- Initial rollout of tablet devices for Fire Department vehicles and staff
- Successful implementation of centralized IT Support Email for Staff and Council helped with so many remote users during COVID-19 situation
- Continued Corporate ERP replacement preparation and RFP process
- Implementation of new photocopier solution replacing two units saving money through provincial agreements
- Security measures ongoing:
  - Continuing cybersecurity training
  - Firewall hardening
  - Close investigation of new Software and their security practices (Cloud and On-Premises)
- Continued savings on hardware through provincial/other agreements

### **Environmental Scan:**

- Good level of Provincial support of Grant funding (OMPF, Modernization, COVID relief), but may end as economy recovers
- Resident expectations for digital services and speed of response time increasing dramatically
- Large volume of real estate transactions in the Township increasing back office administration (ownership changes, deed changes, tax certificates, final water bills)
- Ultra-low interest rate environment for infrastructure borrowing
- Low savings rates at banks & GIC investments reducing Township revenues on reserves
- Municipalities feeling pressure to keep tax increases low for 2021 to assist residents manage the financial impact of the pandemic
- Increasing technology requirements from all Departments as the need for quick information and digital transactions continue to evolve
- Increasing cyber threats require more efforts to protect the security of systems and data
- The unique topography of the Township continues to make consistent site connectivity a challenge
- SWIFT initiative bringing high speed Internet to the Township

### **Significant challenges for 2021/2022:**

- Strategic focus for Township is digital transformation – a lot to deliver over next two years (resource constraints)
- Finance staff will be thin in 2021 given focus on Asset Management Plan and ERP Implementation
- Digitizing and revamping many financial processes to work with new environment and ongoing technology changes
- Remote users and their needs continue to increase and this has put extra strain on resources
- The ability to plan (determination of level of service) for dealing with afterhours support for critical and other non-critical issues
- Change Management for all staff will be a significant challenge
- Many new technologies will be implemented in both Hardware and Software requiring support and collaboration
- Need for Implementation of IT ticketing system with root cause analysis
- Network reliability and high speed for Oro-Medonte Remote sites

### **2021/2022 Budget Impacts:**

- Digital transformation initiatives large spend in 2021 / 2022; Provincial grants / Township reserves reduce need for new tax levies
  - ERP implementation will be large allocation in 2021 / 2022, but necessary
- Hardware solutions will need to be purchased to allow remote connectivity and also support of new applications
  - This could include Laptops, servers, phones, and other currently unknown devices
- Support of new technologies will require training, consultants, and afterhours support
- Asset Management Plan counting on \$50,000 FCM grant funding to pay for external consultant work

Finance / IT	A	B	C	D	E	VARIANCES Increase / (Decrease)			Variance Explanation Number
	2020 Original Budget	2020 Adjusted (COVID-19) Budget	2020 Projection	2021 Budget	2022 Budget	2020	2021	2022	
						Projection vs 2020 Adjusted Budget (C - B)	Budget vs 2020 Original Budget (D - A)	Budget vs 2021 Budget (E - D)	
Salaries & Benefits	932,149	922,249	869,463	1,042,020	1,121,740	(52,786)	109,871	79,720	1
Computer Network	175,000	154,000	136,709	172,140	169,875	(17,291)	(2,860)	(2,265)	2
Administrative	192,925	135,525	65,043	165,225	91,583	(70,482)	(27,700)	(73,642)	3
Production Equipment	32,000	32,000	30,087	26,400	26,400	(1,913)	(5,600)	-	4
Other Costs	120	120	221	120	2,920	101	-	2,800	5
Less: Revenues Generated	(25,320)	(19,470)	(24,305)	(23,106)	(23,808)	(4,835)	2,214	(702)	6
Less: Grant Funding Applied For	-	-	-	(50,000)	-	-	(50,000)	50,000	7
Less: Costs Funded from Reserves	(100,000)	(60,000)	-	(30,000)	-	60,000	70,000	30,000	8
<b>Total Tax Levy Requirement</b>	<b>1,206,874</b>	<b>1,164,424</b>	<b>1,077,218</b>	<b>1,302,799</b>	<b>1,388,709</b>	<b>(87,206)</b>	<b>95,925</b>	<b>85,910</b>	
<b><u>Variance Explanations:</u></b>									
	1	2020 Actuals under budget due to delayed hiring of Supervisor and 2 month gapping on Deputy Treasurer. 2021 increase relates to full year student in IT to support digital transformation and 0.5 contract FTE in Finance to offset increased work volumes, plus regular COLA increases. 2022 adds additional 0.5 contract FTE in Finance plus regular COLA							
	2	Software Support costs down in 2020 vs Budget due to ERP project pushed to 2021							
	3	2020 Original Budget had 100k for Asset Management Plan (60k for 2020 Adjusted Budget) but will not be spent until 2021. Budget for Asset Management Plan changed to 80k in 2021. Consulting costs in IT not spent in 2020 and pull back on Education & Training due to							
	4	Small variance							
	5	Small variance							
	6	Small variance							
	7	FCM Grant applied for in 2021 (50k) to offset costs of Asset Management Plan							
	8	Reserve funding is for Asset Management Plan. Will only need 30k of Reserves to pay for Asset Management Plan after applying FCM Grant.							