



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

Report Date: September 5, 2008
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Meeting Date: September 16, 2008

TO: Vancouver City Council
FROM: General Manager of Financial Services/Director of Finance
SUBJECT: Financial Services Staffing

RECOMMENDATION

THAT Council approve the creation of an exempt regular full-time Financial Analyst position within Financial Services Group at an estimated annual cost of \$93,000 including benefits. Source of funding for 2008 (\$46,900) to be the existing Operating Budget and ongoing funding to be added to the 2009 Operating Budget without offset.

The position is subject to review and classification by the General Manager of Human Resource Services.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

In recent years, the business of the City has undergone a substantial expansion in scope, complexity and focus which elevated the need to align Council priorities and operational requirements with the City's long term financial capacity. It is important for the City to adopt a multi-year budget framework that supports long range planning and priority setting and institutionalizes a long term perspective in decision making.

COUNCIL POLICY

Council approval is required for the creation and deletion of regular full-time and regular part-time positions.

PURPOSE

The purpose of this report is to seek Council approval to create an exempt regular full-time Financial Analyst position to develop and implement, in consultation with the Corporate Management Team, a multi-year budget framework and associated long term financial policies and strategies.

DISCUSSION

The Vancouver Charter stipulates that staff submit an annual operating budget for Council approval. However, there are programs and projects that span over a year with multi-year financial implications. It is important for the City to adopt a longer term approach in financial planning to ensure that corporate resource requirements are aligned with the City's financial capacity. A key element in long term financial planning is multi-year budgeting.

Key benefits of multi-year budgeting include:

- Integrate corporate strategic plan, departmental business plans, 3-year capital plan, budget, and corporate financial policies
- Support long range business planning and priority setting, including trade-offs between new and existing services and programs
- Institutionalize a long term perspective in decision making and be cognizant of the impact of current decisions on future financial health
- Enable financial modelling under alternative economic conditions and assumptions to develop options and scenarios
- Replace "incremental" budgeting with strategic resource allocation over a longer time horizon
- Enable structural review and prioritization of expenditure commitments
- Strengthen program evaluation on both financial and performance basis
- Provide stability and continuity to the annual budget process

Multi-year budgeting could enhance financial stability, provide a consistent level of services to the public, and avoid fluctuations in taxes and fees. It also facilitates a long term view of financial sustainability by developing and maintaining long term plans, considering life-cycle costs of investments, and developing and adhering to sound financial policies and strategies encompassing debt management, reserve management, and property tax.

To achieve this, staff recommend that a regular full-time Financial Analyst position be created within the Financial Services Group. Key responsibilities will include the design and implementation of a multi-year budget framework and associated processes based on best practices; assessment of software requirements; development and maintenance of corporate financial policies and strategies; analysis of reserves; and periodic evaluation of the City's financial position in relation to its long term financial policies and strategies.

FINANCIAL IMPLICATIONS

The annual cost estimate for the exempt regular full-time Financial Analyst position, including benefits, is \$93,000. The pro-rated cost for 2008, including one-time cost, is \$46,900. Source

of funding for 2008 will be the existing Operating Budget and ongoing costs will be added to the 2009 Operating Budget without offset.

The position is subject to review and classification by the General Manager of Human Resource Services.

CONCLUSION

Staff recommend that an exempt regular full-time Financial Analyst position be created to develop and implement, in consultation with the Corporate Management Team, a multi-year budget framework and associated long term financial policies and strategies.

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