Overview

Finance & Administration represents departments and offices that provide some of the corporate support and administrative services to the corporation. Reported within Finance & Administration are Mayor, Council and the CAO’s office, the Airport and Financial Services.

Total expenditures for this group are approximately $7.9M, offset by non-tax revenues of $3.9M, including $600K of revenues from Utilities Kingston and other external agencies for support services. The 2020 net budget requirement from taxation is increasing by $109K or 2.8%.

Priority focus for 2020-2023

The major focus areas of Finance and Administration for 2020-2023 include the following:

- Mayor, Council & CAO
  - Corporate governance and development of service standards
  - Corporate Strategic Plan updates and reporting
  - Coordination and implementation of Workforce Development and In-migration Strategy and initiatives
  - Co-lead, with the Economic Development Corporation, the development of an economic development plan that aligns with the Council Strategic Plan.
  - Continued collaborative relationships with institutional partners such as Queen’s University and St. Lawrence College to advance strategic priorities of a smart community, workforce development and economic growth
  - Implement initiatives in support of the land-use development strategy
  - Development and implementation of an air service growth strategy
Financial Services Department

- Ongoing investment in the Financial Management System (FMS) – upgrade to the cloud-based version of the application; continue to automate processes through additional functionality
- In conjunction with Corporate Services, develop annual internal audit plans with an initial focus on policies and internal controls relating to procurement and supplier payment processes and cash collection procedures
- Continue to implement best practices in procurement and leverage technology to improve and standardize processes across the city; consider sustainable procurement practices and coordinated purchasing opportunities
- Select and implement a new corporate point-of-sale solution to process customer payments
- Review results of four-year reassessment update and recommend changes to tax policy, as applicable

1. Mayor, Council & CAO

These offices set the corporate leadership direction within the framework of Council’s strategic priorities. A key priority in this Council term will be the work related to the implementation of the Mayor’s Task Force on Housing recommendations and support the development of an economic development strategic plan.

Council related budgets, similar to the prior year, include costs for elected officials’ remuneration and amounts for Council travel, training, cell phones and miscellaneous charges. Travel is primarily for attending conferences and for training purposes and is set at $2,400 for each councillor for the year. The City Clerk’s department will continue to administer the Council-related travel and training requests. For those members of Council appointed to the Association of Municipalities of Ontario (AMO) and/or the Federation of Canadian Municipalities (FCM), a separate amount is provided in the budget for those purposes.

These offices will continue to work closely with:

- Federal and Provincial governments
- Association of Municipalities of Ontario (AMO)
- Federation of Canadian Municipalities (FCM)
- Large Urban Mayors’ Caucus (LUMCO)
- Mayors and Regional Chairs of Ontario (MARCO)
- Eastern Ontario Wardens’ Caucus (EOWC)
- Eastern Ontario Mayors’ Caucus (EOMC)
- Eastern Ontario Leadership Council (EOLC)

For 2020-2023, other key initiatives of the CAO Office include:

**Workforce Development & In-Migration**

With the Workforce Development & In-migration Strategy implementation in full swing, with overarching goals of attracting, developing and retaining a productive workforce are being advanced through innovative programs and tools. Under the direction of a community-based steering team, seven working groups, supported by the CAO’s Office, have developed and executed initiatives in key areas of workforce development and talent attraction.

Highlights of the work underway and planned for 2020 include:

- Sourcing of government funding to expand a community-wide Professional Internship for Newcomers (PIN) program
- Promotion of the talent attraction portal possiblemadhere.org to support job seekers, workers, and employers through the use of natural language processing, artificial intelligence and data analytics
- Supporting awareness & access to the Dual Career Concierge Office that provides services to the spouses/partners of new hires being recruited to Kingston including as part of physician recruitment
- Implementation of the Community Secondment Pilot Program with 8 participating employers to match 6 high-potential employees with short-term work opportunities at other participating organizations
- Implementation & expansion of the Workplace Inclusions Charter by targeting both private and public sector and small and medium sized firms.
- Introduction of new programs & tools to support innovative workforce development including succession planning, predictive analytics for workforce demand planning, food product business incubation program for newcomer women and workforce navigation hub development

**Innovation**

Following the Smart Kingston Symposium held in fall 2019, implementation of Smart Kingston Strategy will begin in 2020 with engagement of the broader community in working groups that will develop projects for residents that leverage data and technology. Other initiatives in the innovation portfolio for 2020 include:
• Approval and implementation of a corporate innovation strategy with the goals of improving innovation performance, fostering an innovation culture and development of organizational capacity for innovation

• Implementation of a new strategy management software (Cascade) that will support planning, measurement, tracking and reporting of Council’s strategic priorities and departmental work plans for improved integration, efficiency and accountability

• Continuation of the Mayor’s Innovation Challenge including the successful collaboration with the Queen’s QHacks technology hackathon. This year’s challenge themes include removing barriers of access to municipal services, climate action, smart cities and food security

• Development of the Kingston innovation ecosystem in partnership with community stakeholders around Councils innovation hub foci of health/life science/biotechnology, clean etch/green tach and culture through funding applications to senior levels of government

• Completion of a Broadband Strategy for Kingston and sourcing of potential funding for implementation

Grant Development

In 2020, the CAO’s Office will continue to focus on sourcing, assessing, coordinating and writing grant applications. Building on the many successes in 2019 ($20.2M for Disaster Mitigation, FCM Electric Bus funding of $556K and $200K for workforce development), strategies will continue to be advanced for securing funding and positioning the municipality with senior level government and other grant funding agencies. Staff will be developing resources (grant content/language) and workshops to support new grant revenue development across city departments.

Institutional Partnerships

One of the Kingston community’s competitive advantages is the large, broader public sector presence (talent and physical infrastructure) in a number of strategic sectors of the economy, including education, national defence and healthcare. In particular, post-secondary education institutions (Queen’s University, St. Lawrence College and the Royal Military College of Canada) play a critical role in providing the required infrastructure for innovation and knowledge creation in the modern digital economy. Renewal of the Memorandum of Understanding with both Queen’s University and St. Lawrence College will be completed in 2020.

Collaborations between the City and post-secondary education institutions will continue to focus on workforce development and experiential learning, the use of the community as a living laboratory for trials of new technology and ideas that emerge from research and
business incubation & acceleration. Work with education partners will continue in 2020 with a particular focus on healthcare, life science, biotechnology innovation and clean tech/green tech in order to deliver in Council’s priority of innovation hub development.

Kingston Airport

With the Kingston Airport terminal expansion and runway extension complete, work is underway to support the vision airport as an economic development driver that supports the business, tourism and student markets for both inbound and outbound travelers.

The priorities for the airport in 2020 will include:

- Implement an air service development plan to support existing carriers to expand services and to attract new airlines/carriers to Kingston for new outbound & inbound destinations and greater flight frequency
- Increase collaboration and alignment of the airport with City, Tourism Kingston and Kingston Economic Development initiatives
- Explore initiatives to support the recently adopted land-use development strategy in order to maximize airport infrastructure utilization
- Focus efforts on enhancing the customer journey and experience at the airport
- Improved communication and marketing and the undertaking of a rebranding of the airport

2. Financial Services Department

Financial Services is responsible for safeguarding and managing the financial resources of the municipality. The department oversees corporate long-term financial planning, including debt and investment management, and is responsible for the preparation of the annual audited financial statements and the Standard and Poor’s credit rating review. The department provides financial reporting and other finance and business support to City departments and Utilities Kingston and provides accounting, reporting and financial support services to a number of external organizations, including Utilities Kingston, Kingston Economic Development Corporation, Tourism Kingston, Downtown Kingston BIA and Sustainable Kingston.

For 2019-2022, key initiatives of the Financial Services Department include:

Ongoing Technology Investment – Microsoft Dynamics AX

The initial deployment of Microsoft Dynamics AX went live July 1, 2017 and efforts have continued to modify and add functionality in order to stabilize and expand the system. In 2020 Financial Services will continue to focus efforts on the project’s guiding principles that support simplifying, standardizing and automating financial processes. Priority will include
consolidating accounts receivable and billing systems, enhancing accounts payable automation and improving reporting and budgeting functions.

A readiness assessment was completed in 2019 which provided input to a multi-year roadmap for the ongoing investment in the financial management system. A planned upgrade in 2020 to a cloud-based version of Microsoft Dynamics 365 will provide improved functionality and integration and will ensure solution sustainability by providing better access to continuous system updates.

Future phases of Microsoft Dynamics AX will be considered after completion of the upgrade and will include consideration of a budgeting module which will create the ability to integrate budgets with historical data. Work plans will also include ongoing efforts to integrate other systems directly with the corporate financial management system.

Risk Management

Financial Services will work closely with the Insurance and Risk Manager in Corporate Services to develop internal audit plans that will review compliance with corporate financial policies and procedures and ensure that corporate financial risk is considered and mitigated. Compliance reviews will focus on the integrity, reliability and effectiveness of the City’s processes, internal controls and policy compliance. In 2020, there will be a focus on policies and internal controls relating to procurement and supplier payment processes and cash collection procedures.

Corporate Procurement

Financial Services will continue to review and update the vision for improving and standardizing purchasing practices across the City and implementing best practice public procurement processes that reflect principles of fairness, objectivity and transparency for both vendors and taxpayers.

2020/2021 work plans will include the following:

- Continue to implement changes in purchasing agent responsibilities and reporting structure to create an operation function within the procurement division

- Implement e-procurement and evaluation processes to streamline the bidding process, guarantee consistency across all submissions and ensure compliance with applicable legislation

- Ensure compliance with recent and ongoing changes to Trade Treaties and the Construction Act legislation and provide training and support to departments

- Identify coordinated purchasing opportunities to realize cost savings and streamline procurement processes
- Consider sustainable procurement practices and principles and how they can influence corporate procurement processes

**Taxation and Revenue**

Every four years the Municipal Property Assessment Corporation (MPAC) conducts a province-wide assessment update and mails property assessment notices to every property owner in Ontario. In 2020, MPAC will update the assessed values of every property in Ontario. All properties will have a legislated valuation date of January 1, 2019. Financial services will work closely with MPAC to review the effects of the reassessment on tax payers and consider tax planning strategies that will consider the timely recognition of assessment growth, align with assessment and taxation legislation and consider the fairness in tax distribution. Relative changes in assessment among property classes can create shifts of the tax burden between property classes. Changes to tax policy will be reviewed and recommendations made to Council as applicable.

In support of assessment roll management, Financial Services will continue to use analytics software to monitor and review the accuracy of the assessment roll, analyze assessment values that are under appeal and help to identify early in the process when assessment values may be at risk.

The 2020 work plan will include the selection and implementation of a new enterprise point-of-sale (POS) solution to process customer payments. The procurement process will focus on the advantages of current technologies to improve the customer experience and expand security and fraud protection features. A new POS solution will support the customer experience strategy with the ability to implement additional payment channels and offer integrated web-based payments.

**Capital Budget**

**Capital Works in Progress (WIP) Highlights**

**CAO Office**

At September 30, 2019, capital works-in-process included Airport capital of approximately $466K including $160K with respect to the infrastructure expansion and $134K for grounds/underground/fencing.

**Capital Budget Highlights**

**CAO Office**

The 2020 capital budget includes $420K for Airport capital including $250K for runway rehabilitation.