

CITY OF NANAIMO

BUSINESS CASE – Finance Department: Manager, Financial Services & Special Projects

CURRENT OVERVIEW

The Finance Department provides financial services to Council, the Public and City departments. They are responsible for safeguarding the City financial assets and plans, in order to ensure the financial stability and viability of the City. This includes, providing information, reports, analysis and guidance to Council and City departments regarding the financial operations of the City.

The Finance Department is overseen by the Director, Finance (the Director) and consists of the following sections and FTEs:

- Accounting Services (10.5)
- Business, Asset and Financial Planning (5.5)
- Payroll (3)
- Purchasing and Stores (9)
- Revenue Services (13)

The Director is a member of the City's Senior Leadership Team (SLT) and is required to participate in the overall planning, administration, and management of the City. The Director is also the officer responsible for financial administration as defined by the *Local Government Act* and *Community Charter*. These statutory duties are allocated amongst the various sections within the Finance Department.

In 2016, a corporate reorganization eliminated the Director position, and a Chief Financial Officer (CFO) position was created. The CFO assumed the Director's duties, as well as direct oversight of the Information Technology (IT) department. This reorganization also eliminated the Manager, Financial Planning position and a Deputy Director, Financial Services position was created which; assumed the duties of the Manager, Financial Planning, performed duties and responsibilities as directed by the CFO, and acted as CFO in their absence.

In early 2018 the Manager, Business & Asset Planning assumed the duties of the Financial Planning function and the Deputy Director, Financial Services position was revised. In 2019, the Accounting Services and Financial Planning departments were at critical staffing levels due to a loss of positions and increasing workload, and it was determined that additional staffing resources were needed. Another corporate reorganization was being undertaken and the decision was made to revert the CFO position back to a Director, Finance, and eliminate the Deputy Director, Financial Services position (vacant since 2017), to fund three new union positions; a Financial Analyst, a Junior Financial Analyst (shared position) and an Assistant Accountant.

BUSINESS ISSUE

In recent years, the Finance Department has seen its volume of work grow exponentially due to a growing City, increased reporting requirements, higher volume of information requests, increased grant opportunities, changing technology, and a higher level of support required by departments. It is becoming apparent that the workload of the Director is unbalanced with a significant amount of time being spent on day to day operations, and little time to devote to departmental improvements or special projects.

With all of the Finance Managers working at or near capacity, it limits the Director from delegating additional work resulting in an unsustainable workload.

The unbalanced workload of the Director has resulted in:

- Reduction in ability of staff to provide higher service levels (projects and implementation)
- Reduction of strategic planning by the Director
- Slower response time/completion of current ongoing projects
- Reduction in identifying opportunities for proactive policy improvements

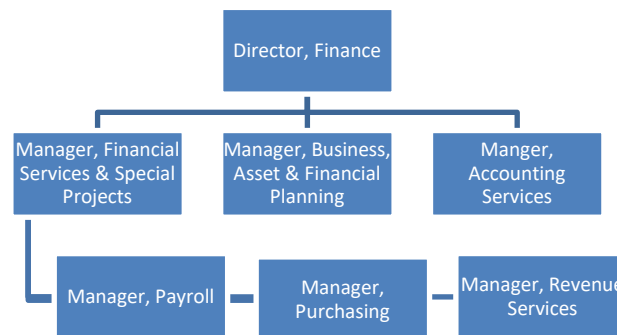
EXPECTED OUTCOME

While all of the Finance sections are integral to the operations of the City, Accounting Services and Business, Asset and Financial Planning are the highest profile sections, and should be under the direct oversight of the Director.

The addition of a Manager, Financial Services & Special Projects to oversee Payroll, Purchasing, and Revenues Services and assist with special projects, would provide the additional resources required to effectively and efficiently manage the City's Finance Department.

Increased capacity is anticipated to:

- Allow the Director the ability to provide further strategic advice to the department, SLT, and Council.
- Address capacity to oversee and provide leadership to staff in the day-to-day operations of Payroll, Purchasing, and Revenue Services.
- Provide the ability for the Director to respond to issues of concern, strategically plan, and provide expert advice, effectively.
- Provide another Manager to fulfill the duties of the Financial Officer in their absence.
- Allow for management and maintenance of projects through their life-cycle.
- Improve response time to departments for financial support and advice.
- Increase capacity for Finance staff to focus on the core functions of their positions.
- Allow the upcoming ERP Software Project to be supported and implemented by providing the necessary coverage for staff seconded to the project.
- Allow Finance staff to work on progressive projects.



OPTIONS

Option #1 – Manager, Financial Services & Special Projects Position

Create a permanent full-time Manager, Financial Services & Special Projects position reporting to the Director, Finance.

Benefits:

- Increase capacity of Finance function to meet current and future expectations and demands.
- Provide support to the Director, Finance to allow for more strategic initiatives.
- Provide additional coverage of the Financial Officer function in the absence of the Director.
- Allow for the undertaking of new projects set out in Council's Strategic Plan
- Allow for the monitoring and maintenance of current projects that are ongoing and complete.

Weaknesses:

- Permanent increase to operating budget.

Financial Analysis:

- Position is anticipated to be at a management level 7, subject to JEC, with an annual salary of \$130,007 plus benefits. 2022 budget impact including benefits is estimated at \$122,103 based on an April 1st start, 2023 budget impact is estimated at \$166,100
- Additional annual costs are anticipated at \$3,745 for membership dues, professional development, and computer charges.
- One-time costs upon the creation of the position are projected at \$8,300. This includes the purchase of computer and office furniture.

Option #2 – Status Quo

Continue with the current organizational structure.

Benefits:

- No impact to operating budget.

Weaknesses:

- Service levels will remain status quo and there will be little to no ability to undertake additional projects.
- Projects will continue to take longer than desired to execute and complete.
- Lack of oversight and strategic direction for Payroll, Purchasing, and Revenue Services departments.
- Does not provide ability for department to make proactive improvements.
- Slower response times for financial support and advice to City departments.

RECOMMENDATION

Option #1 is recommended.