



Regional Board Report

TO: Regional Board

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: October 21, 2019

SUBJECT: Proposed Changes to Budget Binder for 2020-2024 Budget Process

Voting Entitlement: All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208.1

Purpose: Staff is seeking approval for changes to the budget binder format for the next budget cycle.

Executive Summary:

Following the 2019 Budget presentation, the Board indicated it would be receptive to receiving a reduced information package in the Budget Binder. The current Planning and Performance Based Budgeting model has served its purpose and the Board indicated it would prefer a more focused financial plan document instead.

Corporate Services and Communications will continue the evolution of reporting Strategic Planning Information and Results from an administrative perspective.

Staff is recommending the deletion of several sections from the Budget Binder, reducing the number of binder tabs from 16 to 10. Should the Board support staff's recommendation, significant time and resources would be saved with the elimination of over 460 pages in the Budget Binder, thereby improving its readability.

During the budget process, should the Board wish to see more detailed information, it could still be requested and provided at a future meeting as a report.

RECOMMENDATION:

THAT the budget binder information provided to the Board be reduced in accordance with the recommendations listed in the table in the "Proposed Changes to Budget Binder for 2020-2024 Budget Process" report presented at the October 28, 2019 Board Meeting.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "M. Rilkoff".

Marilyn Rilkoff, CPA CMA
Director of Financial Services

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO

Implications of Recommendation:

Strategic Plan:	Corporate Services and Communication will now report out on Strategic Plan Results.
Organizational:	Strategic Plan is managed and reported by Corporate Services. Shift responsibility for reporting Strategic Planning and Corporate results from Financial Services to Corporate Services and Communications Departments.
Financial:	Budget Document is financially focused.

Background:

Direction has been given to staff to return the budget document to a focused financial plan document.

Corporate Services will continue with the evolution of reporting Strategic Planning Information and Results. Financial Services previously prepared the reported that was presented in the budget binder. The Communications Department will also take on a larger role in this area. Strategic and operational results would now be communicated separately from the financial budget information.

The budget binder is currently a lengthy document which includes the Strategic Plan, and ties in the Department Plans and Annual Initiatives (79 pages), as well as Program Plans for each of the services (106 pages). In addition, there is the lengthy *Year End Quarterly Program Measures Report (227 pages)*, of results for the prior year and comparatives for historical years.

After the incorporation of West Kelowna, demands for transparency resulted in the addition of a detailed Staffing and Full Time Equivalent (FTE) section (9 pages), as well as an extensive 30 page section on administrative overhead calculations.

Feedback from some of the Board and staff has indicated that they do not use all the documentation provided during the budget process, and the services and Strategic Plan could be managed in other ways.

Several of the sections highlighted in red in the table on the next page could be deleted from the Budget Binder. This would reduce the number of binder tabs from 16 to 10. The preparation of some of these sections is very time consuming, especially the Year End Quarterly Performance Measures Report. It is felt that staff resources could be used in other ways and extensive additional hours worked over several months could be reduced. Ultimately, it would reduce the budget document by over 460 pages, improving readability. Strategic and operational results would be communicated separately.

During the budget process, should the Board wish to see most of the detailed information, it could still be requested and provided at a future meeting as a report.

Tab	Section	Keep / Delete (& Why)
1	Staff Reports to Board	Keep
2	How to Use The Binder (3 pages)	Delete – Not necessary – Usage tips are at the beginning of each section
3	Table of Contents (1 page)	Delete – Redundant Presented at the front already.
4	Strategic Priorities Plan	Keep
5	Department Plans & Initiatives (79 pages)	Delete – This information on plans for the current year with regard to Strategic Plan will be managed internally by Corporate Services. No longer part of Budget Document.
6	20XX Budget Summary	Keep – Critical Information
7	Budget Impact: Tax Requisitions & Rates	Keep – Critical Information
8	Budget & Financial Plans By Service	Keep – Critical Information
9	Grants	Keep
10	Staffing & FTE's (9 pages)	Delete – This originated from a transparency request. Total FTE's would be reported in the summary presentation, and each budget page contains the FTE information. Org. charts are available online.
11	List of Services, Who Participates & How	Keep
12	20XX Service Program Plans (106 pages)	Delete – This information describing each service will be managed by Corporate Services. No longer part of Budget Document.
13	Administrative Overhead (35 pages)	Delete – Overhead Policy has been reviewed by Board, consultant, etc. Annual rates are calculated in accordance with Board Policy.
14	Prior Year - Year End Quarterly Program Measures Report (227 Pages)	Delete – This report will no longer be produced. The Quarterly reporting will be provided by Corporate Services in summary format rather than this level of detail.
15	Budget 20XX Forecast for Year End Reserve Balances	Keep
16	Central Okanagan Regional Hospital District	Keep – Critical Information

Financial Considerations:

Improved readability of Budget Document. Reduced staff overtime.

Organizational Issues:

Shift responsibility for reporting Strategic Planning and Corporate results from Financial Services to Corporate Services and Communications Departments.

External Implications:

Improved ease of budget document readability for taxpayers by reducing length.

Alternative Recommendation:

The Board could alternatively choose to keep any of the sections that have been recommended for deletion.

Considerations not applicable to this report:

- General
- Policy
- Legal/Statutory Authority