

CITY OF LEDUC
COMMITTEE-OF-THE-WHOLE MEETING AGENDA



Monday, September 9, 2019, 5:00 P.M.

Lede Room, Leduc Civic Centre

1 Alexandra Park, Leduc, Alberta

		Pages
1.	CALL TO ORDER	
2.	APPROVAL OF AGENDA	
3.	ADOPTION OF PREVIOUS NOTES	
3.1	Approval of Notes of the Committee-of-the-Whole Meeting held Monday, August 19, 2019	2 - 6
4.	DELEGATIONS & PRESENTATIONS	
5.	BUSINESS ARISING FROM PRESENTATIONS	
6.	IN-CAMERA ITEMS	
6.1	Taxation and Economic Development Considerations (J. Cannon - 20 minutes)	
7.	RISE AND REPORT FROM IN-CAMERA ITEMS	
8.	REPORTS FROM COMMITTEE & ADMINISTRATION	
8.1	Integrated Enterprise Finance and HR System (J. Graham / B. Pouteau - 30 minutes)	7 - 24
8.2	2019 Tax Shift Feedback for September 9, 2019 (J. Cannon - 15 minutes)	25 - 27
9.	INFORMATION ITEMS	
10.	ADJOURNMENT	



**NOTES OF THE CITY OF LEDUC
COMMITTEE-OF-THE-WHOLE MEETING**

Monday, August 19, 2019

Present: Mayor B. Young, Councillor B. Beckett, Councillor G. Finstad,
Councillor B. Hamilton, Councillor L. Hansen, Councillor L. Tillack
Absent: Councillor T. Lazowski
Also Present: P. Benedetto, City Manager, S. Davis, City Clerk

1. CALL TO ORDER

Mayor B. Young called the meeting to order at 5 pm.

2. APPROVAL OF AGENDA

MOVED by Councillor B. Beckett

That the Committee-of-the-Whole approve the agenda with the following additions:

4. DELEGATIONS & PRESENTATIONS

4.1 Edmonton Global

6. IN-CAMERA ITEMS

6.7 Economic Development FOIP s. 25

Motion Carried Unanimously

3. ADOPTION OF PREVIOUS NOTES

**3.1 Approval of Notes of the Committee-of-the-Whole Meeting held Monday,
July 8, 2019**

MOVED by Councillor L. Hansen

That the notes of the Committee-of-the-Whole meeting held on Monday, July 8,
2019, be approved as presented.

Motion Carried Unanimously

4. DELEGATIONS & PRESENTATIONS

4.1 Edmonton Global

M. Bruce, CEO, and L. Tremblay, VP, Strategy & Innovation, Edmonton Global, made a PowerPoint presentation (Attached to the Council Agenda of August 19, 2019). M. Bruce and L. Tremblay outlined:

- Corporate Objectives
- Progress
- Focus Sectors
 - Energy
 - Advanced Manufacturing
 - Agriculture & Food
 - Life Sciences
- Sector and Export Market Analysis
- Bench-marking the Edmonton Metro Region Globally
- Regional Advocacy Plan Development
- Policy Recommendations
 - Provincial and Federal Government
 - Municipal

M. Bruce and L. Tremblay answered the Committee's questions.

5. BUSINESS ARISING FROM PRESENTATIONS

6. IN-CAMERA ITEMS

MOVED by Councillor L. Hansen

That Committee-of-the-Whole move In-Camera at 5:47 pm.

Motion Carried Unanimously

6.1 Christenson Senior Housing Development

FOIP s. 16, 24 & 25

6.2 Appointment of Airport Tax Share Agreement Negotiating Committee Members

FOIP s. 21, 24 & 25

6.3 Regional Initiatives

FOIP s. 21, 24 & 25

6.4 Business Follow-up

FOIP s. 16 & 24

6.5 Community Group Request

FOIP s. 16 & 24

6.6 Ministerial Briefing

FOIP s. 21

6.7 Economic Development

FOIP s. 25

MOVED by Councillor L. Hansen

That Committee-of-the-Whole move In-Public at 8:14 pm.

Motion Carried Unanimously

7. RISE AND REPORT FROM IN-CAMERA ITEMS

7.1 Christenson Senior Housing Development

FOIP s. 16, 24 & 25

Also in attendance:

Executive Team

S. Olson, Director, Engineering

K. Woitt, Director, Planning and Development

S. Losier, Manager, Current Planning

S. Davis, City Clerk

S. Olson and I. Sasyniuk, General Manager, Corporate Services, made a presentation.

S. Olson, I. Sasyniuk, P. Benedetto, City Manager, and M. Pieters, General Manager, Infrastructure and Planning, answered the Committee's questions.

7.2 Appointment of Airport Tax Share Agreement Negotiating Committee Members

FOIP s. 21, 24 & 25

Also in attendance:

Executive Team

K. Woitt, Director, Planning & Development

S. Davis, City Clerk

Mayor B. Young made a presentation and answered the Committee's questions.

7.3 Regional Initiatives

FOIP s. 21, 24 & 25

Also in attendance:

Executive Team

M. Hay, Director, Government Relations & Corporate Planning Strategy

S. Olson, Director, Engineering

K. Woitt, Director, Planning & Development

S. Losier, Manager, Current Planning

S. Davis, City Clerk

M. Hay, P. Benedetto, City Manager, and Mayor B. Young made a PowerPoint presentation (Attached to Agenda Package) and answered the Committee's questions.

7.4 Business Follow-up

FOIP s. 16 & 24

Also in attendance:

Executive Team

K. Woitt, Director, Planning & Development

S. Davis, City Clerk

Mayor B. Young, M. Pieters, General Manager, Infrastructure and Planning, and P. Benedetto, City Manager, made a presentation and answered the Committee's questions.

7.5 Community Group Request

FOIP s. 16 & 24

Also in attendance:

Executive Team

K. Woitt, Director, Planning & Development

S. Davis, City Clerk

Mayor B. Young made a presentation and answered the Committee's questions.

The Committee recessed at 6:49 pm.

The Committee reconvened at 7:55 pm.

7.6 Ministerial Briefing

FOIP s. 21

Also in attendance:

Executive Team

S. Davis, City Clerk

Mayor B. Young and P. Benedetto, City Manager, made a presentation and answered the Committee's questions.

7.7 Economic Development

FOIP s. 25

Also in attendance:

Executive Team

S. Davis, City Clerk

Mayor B. Young made a presentation and answered the Committee's questions.

8. REPORTS FROM COMMITTEE & ADMINISTRATION

9. INFORMATION ITEMS

There were no information items.

10. ADJOURNMENT

The meeting adjourned at 8:14 pm.

B. YOUNG, Mayor

S. DAVIS, City Clerk



COMMITTEE-OF-THE-WHOLE

MEETING DATE: September 9, 2019

SUBMITTED BY: J. Graham, CIO

PREPARED BY: B. Pouteau, Manager, Integrated Business Solutions and J. Graham, CIO

REPORT TITLE: Integrated Enterprise Finance and HR System

EXECUTIVE SUMMARY

In 2019 Council approved the capital budget for the replacement of the organization's current financial and human resources (HR) software applications. This initiative aligns with Council's 2019-2022 Strategic Plan under the goals of "A City with a Plan for the Future" and "A City where People want to Live, Work and Play"

Specifically, it is required to execute the 2019-2022 Corporate Business Plan action to "Investigate and implement increased accountability and transparency for rate payers through a financial system upgrade and an open data strategy". It is also foundational for the execution of the related action to "Investigate and implement open data strategy and program"

Open data is the foundation for the accountability, transparency and collaboration that is fundamental to open government and a smart community. In delivering capital, program and project costing as well as high quality, integrated data, this initiative not only positions the City of Leduc for open government but it will provide the in-depth information needed for a higher level of understanding and decision making regarding municipal services.

The current financial system and the lack of integration of financial data across corporate business applications is a significant risk that needs to be addressed. If it is not addressed with this project, any open data or open government initiatives cannot include financial data which would significantly reduce the value of those initiatives. If this project does not proceed, Administration will continue to experience significant payroll inefficiencies and increased staff costs for financial reporting. As well, neither Administration nor council will have access to comprehensive and timely project or program costing or the ability to mine financial or HR data for informed decisions making.

Since HR and Finance are two core functions that cross all business lines, a project such as this will transform the way the organization operates. As a result, Corporate Information and Technology have been working with City stakeholders, other municipalities and industry experts to better understand the potential scope and impact that this project will have and the approach the City of Leduc will take to optimize outcomes.

Consequently, this project will be divided into the following three stages. After the conclusion of each stage, a decision will be made to proceed to the next stage.

Stage 1-Process Review and Optimization

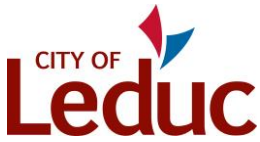
Stage 2-Gap and Needs Analysis

Stage 3-Procurement and Implementation

BACKGROUND

The 2017 Corporate Information and Technology Strategic Plan highlighted that the finance and HR management software applications currently being used by Administration are either nearing or are at the end of their useful life and no longer provide the functionality required to support decision making at management, executive and Council levels. Applications that provide comprehensive HR and finance capabilities can cover a variety of functions, all of which have a significant impact on how an organization operates.

In March 2019, Administration held a four-day workshop, hosted by industry experts from Info-Tech Research Group in order to understand the scope and impact HR and finance systems would have on the City of Leduc. Participation from



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across the organization was achieved either directly by attending the workshop or indirectly through a survey. The workshop covered the following topics:

1. Current state
2. Business strategy
3. Technology alternatives
4. Implementation roadmap

Representatives from Finance, Human Resources, and Corporate Information and Technology are currently having discussions with counterparts in other organizations such as the cities of Grande Prairie and Medicine Hat who have taken on similar projects.

APPROACH

In June 2019, workshop findings were presented to Executive Committee to discuss next steps. The detailed scope of this project will be determined, along with the timelines and resource requirements to complete the work. Considering the impact this project will have on how the organization operates, a change management strategy will also be developed.

In keeping with project management practices, Administration will use a stage or decision gate model to manage the scope and progress of this project. At end the end of each stage, a decision will be made about how the project will proceed. Specifically, at the end of a stage, we will ensure that the work of the current stage is done, that the next stage still aligns with our business goals and, if the decision is to proceed, create a detailed plan for the next stage.

Given the integrated and transformational nature of this project and based on learnings from the workshop in March and subsequent discussions with the cities of Medicine Hat and Grande Prairie, Corporate Services has decided that the first stage will be a review and optimization of all finance and HR processes. This review supports both future planning and scoping of this project and may fulfil Council’s direction for a Corporate Services review.

Assuming that the decision is made to proceed after the process review and optimization stage, the next stage is a detailed gap analysis and assessment of the current systems. This gap and needs analysis will provide the information needed to determine the scope of the software procurement and implementation stages. Specifically, it will provide the information needed to determine which of the following approaches will be taken:

- maintain the current environment, look for consolidation opportunities while investigating future options;
- upgrade the current financial system;
- replace and augment systems, that is, implement an integrated system including financials, core human resources and payroll and procurement; or
- take a hybrid approach and implement “Best of Breed” financial and human resources solutions.

This table summarizes the mid-range cost estimates by management stage represented by the capital budget submission.

	2020	2021	2022	2023	2024
Stage 1-Process Review and Optimization	\$283,475				
Stage 2-Gap and Needs Analysis	\$178,250	\$178,250			
Stage 3-Procurement and Implementation		\$373,750	\$1,992,375	\$1,799,750	\$885,500
Total	\$461,725	\$552,000	\$1,992,375	\$1,799,750	\$885,500

Given existing workloads of staff in Finance, Human Resources and Corporate Information and Technology, and the requirement for additional expertise, Administration does not have the resource capacity for the in-depth process review and gap analysis that is required for stages 1 and 2. Hence, capital funds for these stages are primarily allocated to contract services that specialize in these disciplines.



COMMITTEE-OF-THE-WHOLE

ATTACHMENTS

Attachment 1: Integrated Enterprise Finance & HR System PowerPoint presentation

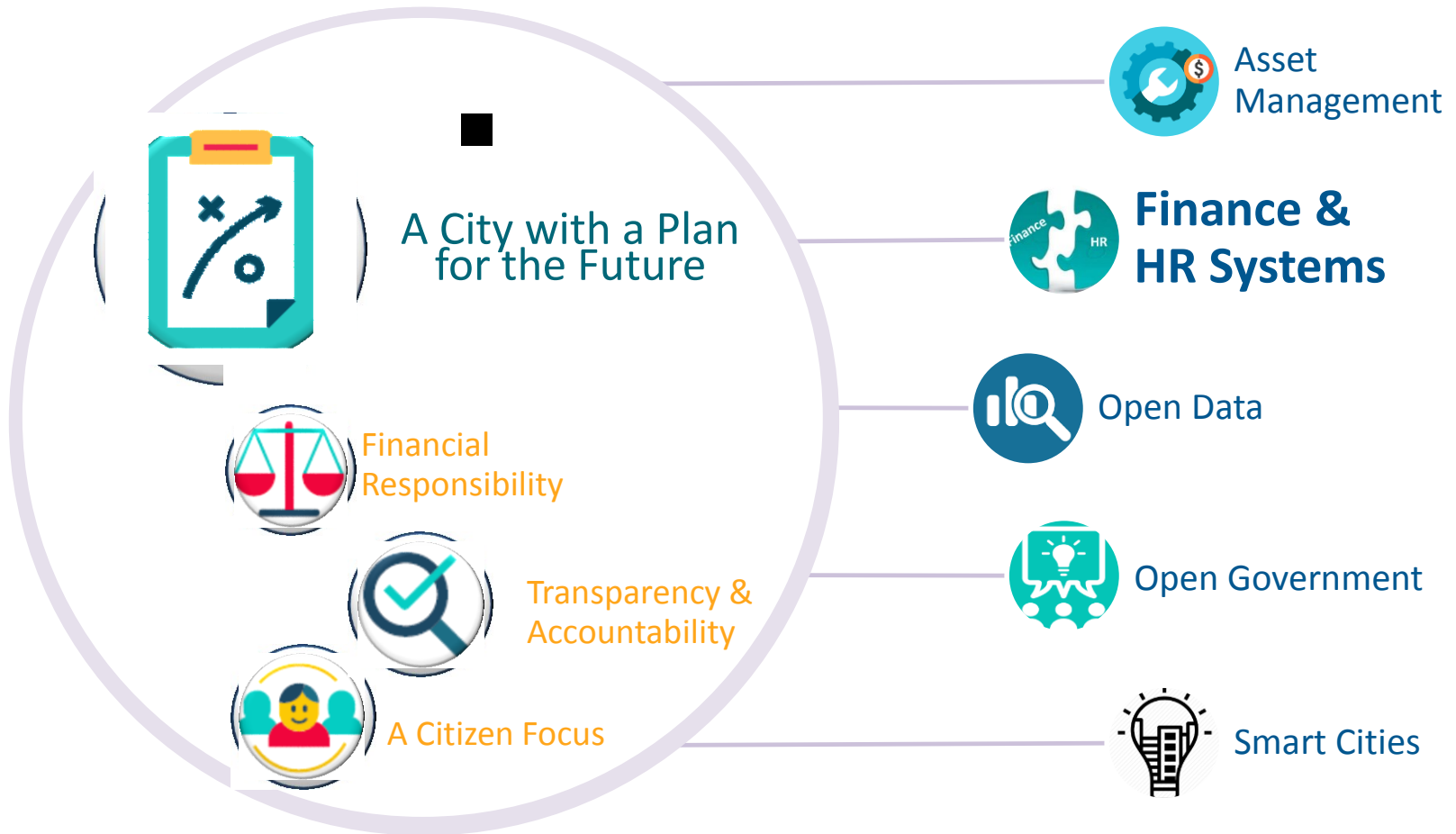
Integrated Enterprise Finance & HR System

www.leduc.ca

City Council Committee of the Whole
September 9, 2019



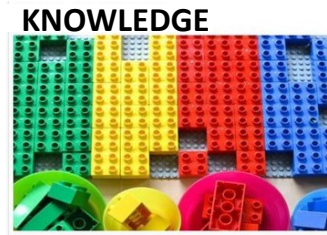
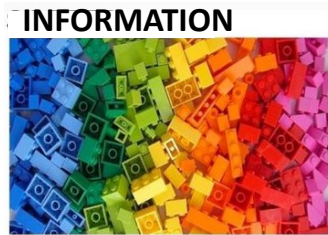
Open Vision for Leduc



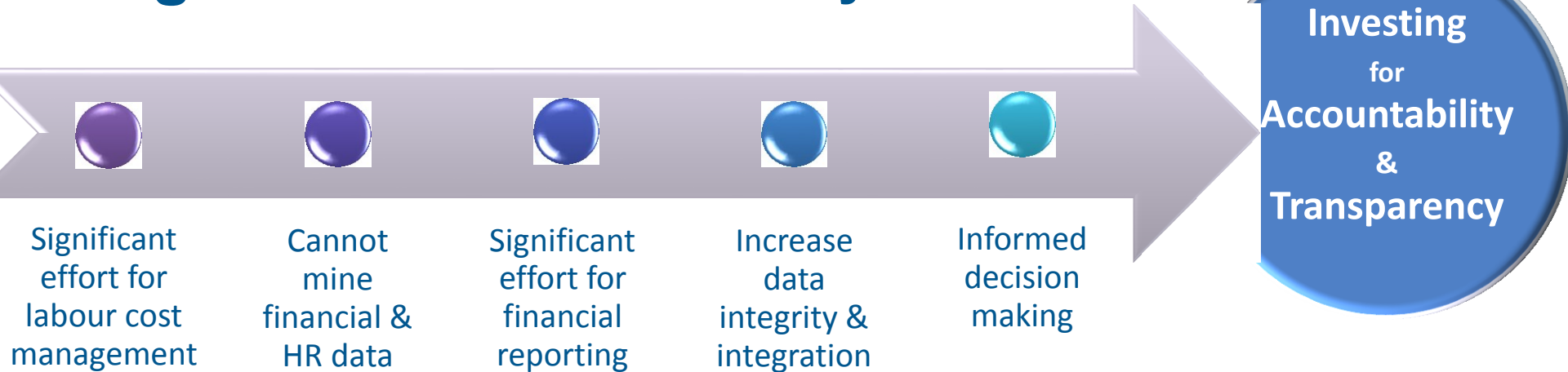
How do we **modernize** to meet this **expectation** as a municipality?

How do we **lay** the **foundation**?

Current State



Integrated HR & Financial System



Required State

DATA



INFORMATION



KNOWLEDGE



STRATEGY



Integrated HR & Financial System



Integrated
Financial /
HR functions

Data Quality,
Integrity &
Integration

Capital
Reporting &
Planning

Project
Costing

Priority
Based
Budgeting



Current Challenges



6 months of manual compilation



Point in time analysis



Needs recalculating

Investing in Success

THE CHALLENGE

These projects are **long, complex**, and **costly**.

They drive **massive changes** to the way we work and the data we use.

HR & finance systems touch many parts of the organization, which has an **exponential impact** in the event of failure.

THE SOLUTION

To avoid extensive challenges and failures, organizations must **take time upfront** to assess their readiness and create a **solid foundation**.

*Challenges can be addressed with upfront **PLANNING & a STRUCTURED approach***

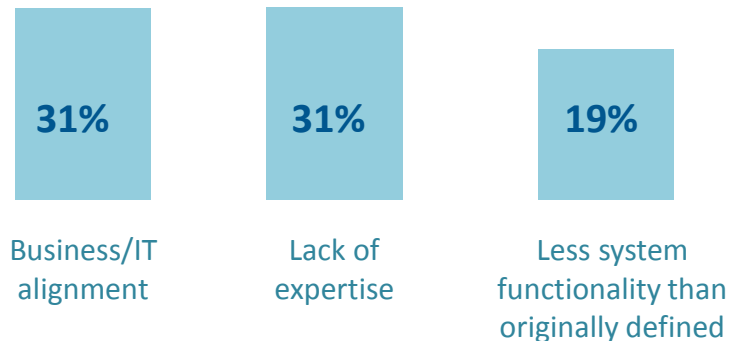
THE STATISTICS

54% of projects exceeded their **budgets**

72% of projects did not meet their **deadlines**

66% of organizations received **less than 50%** of their anticipated **benefits**

Three Biggest Challenges



Our Scope

Facilitates flow of information across business units

Automates processes, reducing amount of manual, routine work

Integrates with core modules, eliminating fragmented systems

Creates a holistic view to support decision making

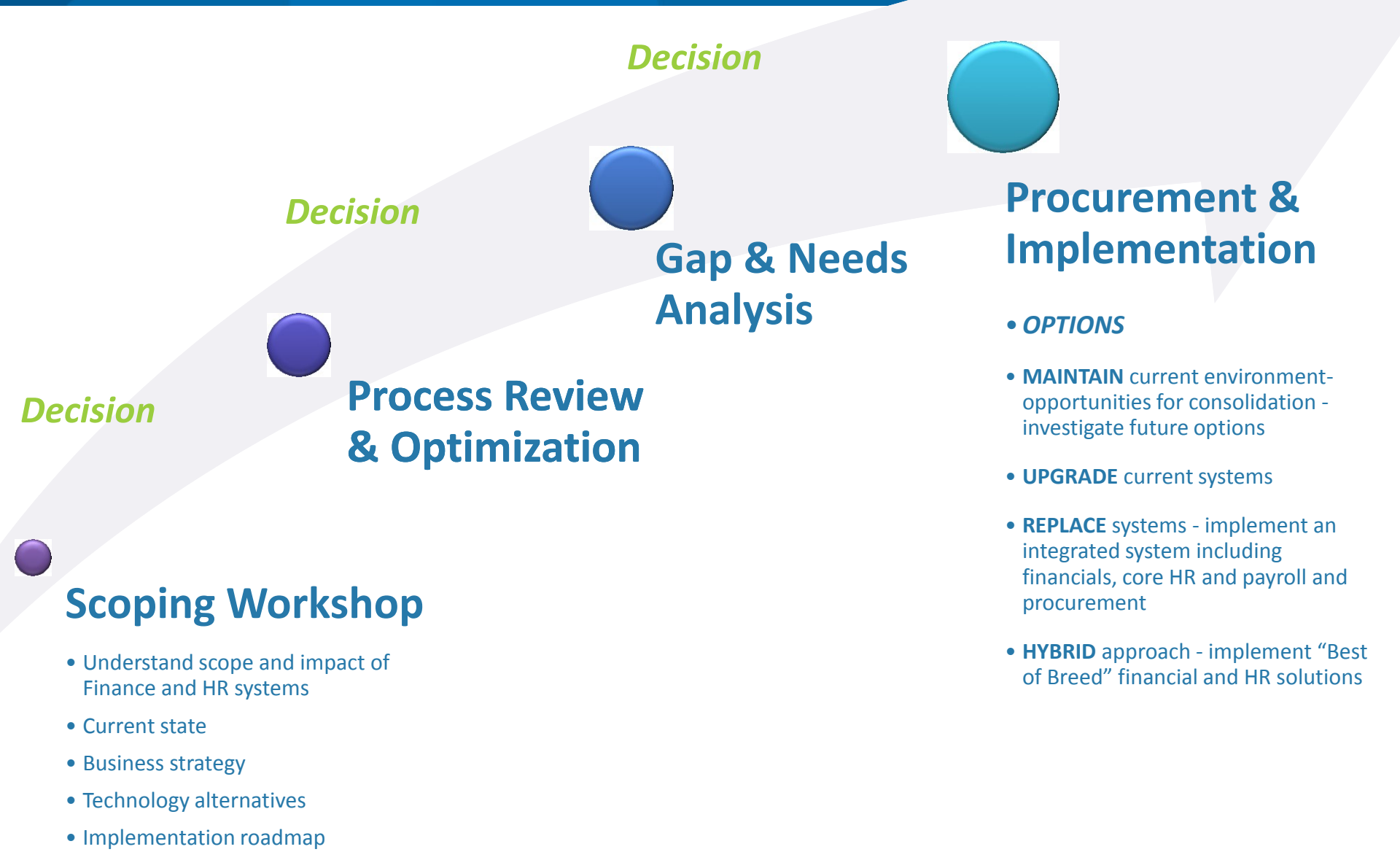
Reporting centralizes information from multiple parts of the organization to a single point



Our Vision

*Establish a roadmap that meets current needs,
will grow as we grow,
leverages all our resources,
improves process efficiencies and
leads to business transformation.*

Our Approach



Decision

Scoping Workshop

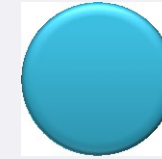
- Understand scope and impact of Finance and HR systems
- Current state
- Business strategy
- Technology alternatives
- Implementation roadmap

Decision

Process Review & Optimization

Decision

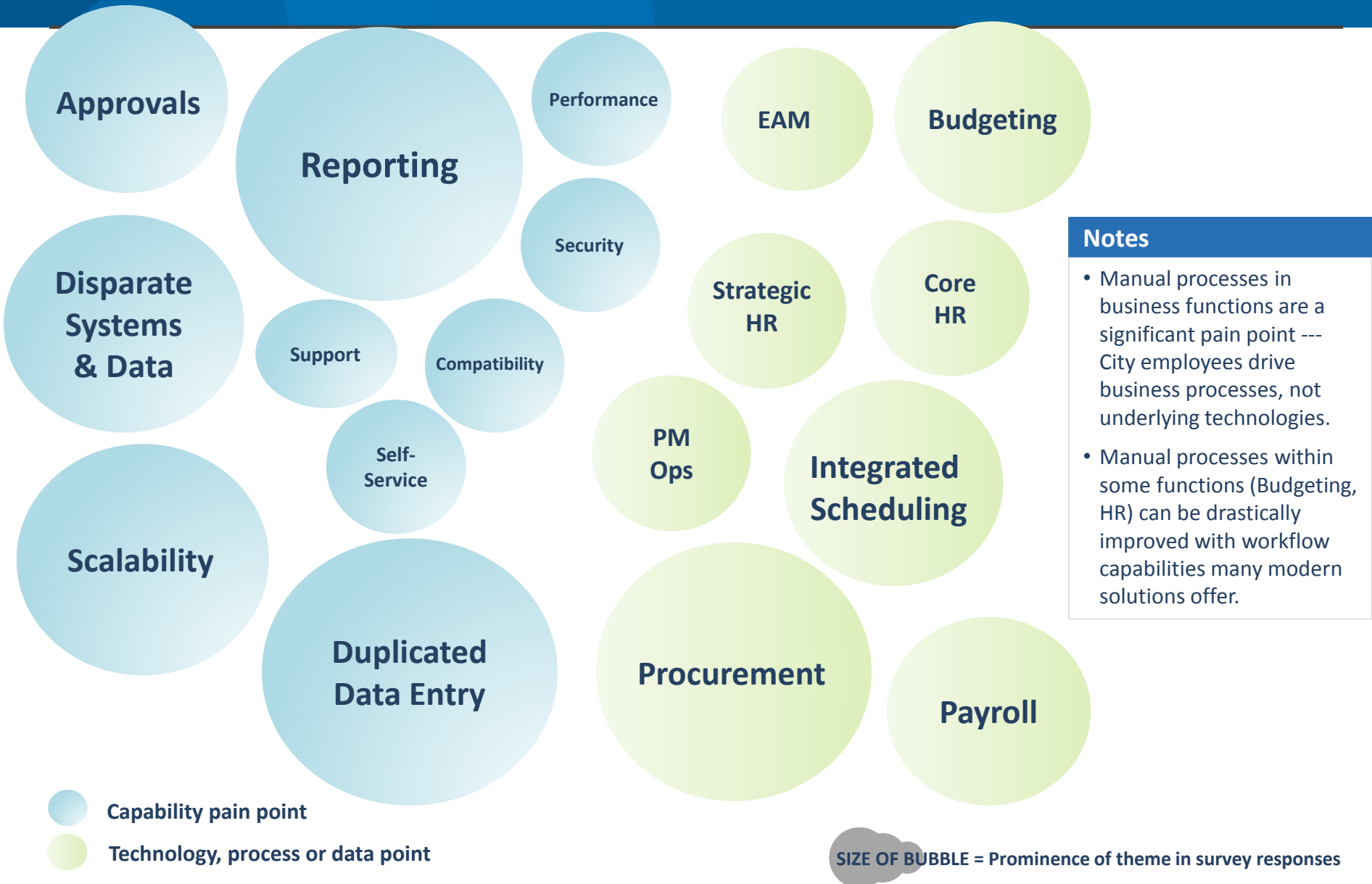
Gap & Needs Analysis



Procurement & Implementation

- **OPTIONS**
- **MAINTAIN** current environment - opportunities for consolidation - investigate future options
- **UPGRADE** current systems
- **REPLACE** systems - implement an integrated system including financials, core HR and payroll and procurement
- **HYBRID** approach - implement “Best of Breed” financial and HR solutions

User Survey: pain points, challenges, opportunities



Why Process Review & Optimization?

Process improvement is proven to positively impact the bottom line through process efficiency and cost savings

A streamlined process means less redundancy, duplication, timely and repeatable information

1 Realize Savings

Streamlining and consistently improving processes generates savings from reducing rework, eliminating errors, increasing customer satisfaction, and removing process delays.

Motorola reported savings of over 20 billion.

2 Return on Investment

Recoup the investment of establishing a continuous business process improvement program.

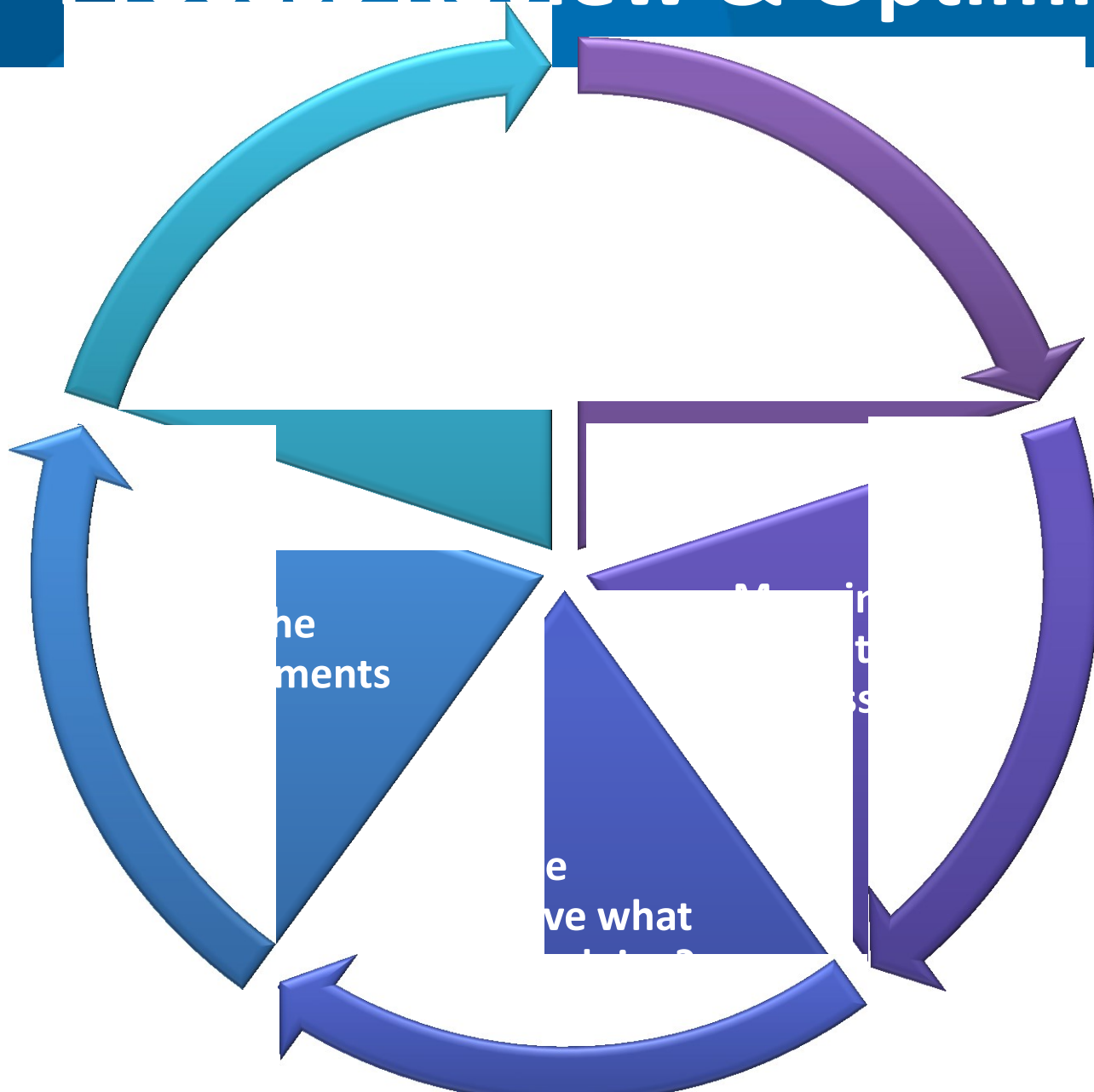
McKesson reported that their improvement program had a 190% ROI in the first year.

3 Increase Process Efficiency

Through reducing waste, minimizing process variation, and eliminating the non-value added activities, your organization can optimize process efficiency.

Implementing improvement methods saved 1.5 million labor hours for Boeing.

Process Review & Optimization



*Expertise
Capacity
Consistency*

Gap & Needs Analysis



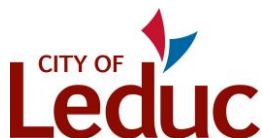
Next Steps & Budget



	2019	2020	2021	2022	2023	2024
2019 Budget (no longer required)	\$1.7M					
1- Process Review & Optimization		\$280K				
2- Gap & Needs Analysis		\$180K	\$180K			
3- Procurement & Implementation			\$370K	\$2.0M	\$1.8M	\$890K
Total	\$1.7M	\$460K	\$550K	\$2.0M	\$1.8M	\$890K

Questions?





COMMITTEE-OF-THE-WHOLE

MEETING DATE: September 9, 2019

SUBMITTED BY: Jennifer Cannon, Director, Finance

PREPARED BY: Gino Damo, Manager, Revenue Services

REPORT TITLE: 2019 Tax Shift Feedback

BACKGROUND

Property Tax Concerns

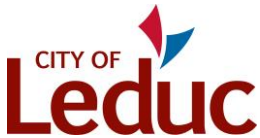
As part of the assessment transition, Administration was asked by Council to track all incoming property tax/assessment inquiries where property owners were concerned with their property tax increase. The provided list contains five residential and two non-residential tax rolls where the property owner agreed with the assessment but had concerns with the tax increase. Please note that the five tax rolls with asterisks had their property assessment decreased after talking to the assessors however are still not satisfied with the overall property tax increase. In all cases assessment was increased to reflect market value. Reviewing and adjusting assessment is a standard annual practice and these adjustments can either increase or decrease to reflect market value. The majority of the property owners felt that the property tax increase was significant over the previous year. Stated within the tables below are the concerns that the property owners have with respect to their taxes. From an assessment standpoint, all the property owners feel that their assessment is representative of market value and fair.

It is imperative to recognize that due to legislation, property assessment increases are not permitted to be phased in over several years and as indicated many concerns were around this issue. It is equally important to note that there were many other residences and businesses that had a similar level of property tax increase this year that did not voice concerns.

Non-Residential

No.	2018 Property Tax	2019 Property Tax	Variance (%)	Comments
1.	\$22,204	\$26,542	20%	Property owner is concerned over the continued property tax increase over the last several years. Assessor adjusted market rental rates to reflect the market which reduced the assessment. Property owner feels assessment is fair after reassessment.
2.	\$6,092	\$6,726	10%	Property owner is concerned over the continued property tax increase over the last several years. Assessor adjusted market rental rates to reflect the market which reduced the assessment. Property owner feels assessment is fair after reassessment.

Please note both tax rolls shown in the non-residential table are owned by the same owner.



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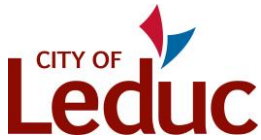
Residential

No.	2018 Property Tax	2019 Property Tax	Variance (%)	Comments
3.	\$2,446	\$2,837	16%	Located in North Telford. Property owner feels that the property tax increase is not reciprocal to what they receive in services in the area. Overall neighbourhood has increased based on previous historical market value. Property owner feels assessment is representative of market value and fair.
4.	\$2,163	\$2,310	7%	Located in North Telford. Property owner feels that the property tax increase is not reciprocal to what they receive in services in the area. Overall neighbourhood has increased based on previous historical market value. Property owner feels assessment is representative of market value and fair.
5.	\$3,908	\$4,144	6%	Property owner is concerned with the property tax increases over the last few years. They feel assessment is representative of market value and fair.
6.	\$3,772	\$4,094	9%	Property owner is concerned about the continued property tax increases in relation to their fixed income as a senior. They feel their assessment is fair after talking to the assessor and receiving a reassessment.
7.	\$1,793	\$2,229	24%	Property owner is concerned with the property tax increases over the last few years. This year assessment was updated to reflect market value as it was under assessed previously. Property owner feels current assessment is representative of market value and fair.

As previously stated all owners feel the assessment is representative of the market value and fair. Moving forward Administration cautions setting a precedent by making tax adjustments as taxes are based on fair and equitable assessment and taxation should be consistent across all ratepayers. Consideration should be taken as there are a significant number of property owners that did not come forward for the same reason.

Assessment Open House

Another new addition to the assessment process that occurred this year was conducting assessment open houses, they were held on two separate dates: Thursday June 20 & Tuesday June 25; between 1-7 pm. The reason for the open house was to enhance customer service by providing the opportunity for the property owners to meet the assessors in person to discuss their property's assessment. As Administration was also present it provided the opportunity for them to discuss any matters related to property tax.



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In regards to participation there were 24 participants at the Thursday June 20 open house and 13 participants at the Tuesday June 25 open house. During the open house, some concerns that were brought up included:

- There are too many make work projects such as the downtown project and the musical instruments.
- The property taxes are too high while the economy is down.
- The property taxes are higher than other municipalities in the region.
- There is service inequality for modular homes and condominium owners.
- A number of seniors are concerned with the continued increase of taxation when they have a fixed income.
- Suggestion to improve cross country ski trails.
- There is a perception of having a new fleet all the time.
- Suggestion to build an animal shelter.
- Suggestion to decrease the overall snow removal on walking paths as they do not need to be cleared as often.
- There is an adequate amount of paved walking paths therefore no more paved walking paths required.

On another note, Administration received accolades with respect to:

- Free access to the LRC for seniors.
- Telford Lake Multiway going all the way around Telford Lake.
- Decision to hold assessor open houses.

NEXT STEPS

Council provide Administration with feedback with regard to addressing the property owners' tax concerns.

ATTACHMENTS