

Government Finance Officers Association
of the United States and Canada

Committee Highlights!

Committee on Canadian Issues (CCI)

Milwaukee, Wisconsin • June 12, 2004

Co-chairs Janice Baker and Stan Westby welcomed the committee to Milwaukee for the 12th meeting since the committee's inception in San Francisco in 1998.

Janice Baker discussed with the committee the recent activities of GFOA's Executive Board. The committee was briefed on a new member directory and the appointment of five new members to GFOA's Executive Board. Stan Westby also updated the committee on links with Infrastructure Canada.

Standards Task Force

Jo-Anne Ferrier, the co-chair of the Standards Task Force, submitted for review additional GFOA recommended practices to determine their applicability to Canadians.

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Check Out the Canadian Page of GFOA's Web Site

Just double-click on the Canadian flag on www.gfoa.org to find the Canadian page. Among other items you will find on this page are:

● recommended practices approved by the Committee on Canadian issues as being applicable to Canadians

● the latest issue of *Canadian Finance Matters*

● background information on the Canadian Award for Financial Reporting (CanFR)

● Committee on Canadian Issues information

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COMMITTEE ON CANADIAN ISSUES (CCI)

Janice M. Baker — CCI Co-Chair, *Mississauga, ON*
Stan Westby — CCI Co-Chair, *District of Powell River, BC*

Andrew Beckett — *Saint John, NB*

Robert Bishop — *St. John's, NF*

Karen Bittner — *Regina, SK*

Len Brittain — *Toronto, ON*

Terry Corrigan — *Vancouver, BC*

Keith Dowdall — *Victoria, BC*

Del Dyck — *St. Albert, AB*

Jo-Anne Ferrier — *Winnipeg, MB*

Bruce Fisher — *Halifax, NS*

Roger Galipeau — *Montréal, QB*

Chris Good — *Calgary, AB*

Ray Goruick — *Whitehorse, YK*

Paul Macklem — *Kelowna, BC*

Jacques Marleau — *Montréal, QB*

John H. Rop — *Municipal District of Rocky View, AB*

Roger Rosychuk — *Edmonton, AB*

Lloyd W. Russell — *Ottawa, ON*

Michael Ruta — *Winnipeg, MB*

Steve Zorbas — *Burlington, ON*

GFOA Staff Members: Stephen Gauthier
Jim Phillips

**The next meeting of the CCI is
scheduled to take place
in St. John's on
January 21-22, 2005.**

Committee on Canadian Issues — Cont'd. from page 1

The committee approved three recommended practices relating to retirement and benefits administration; two recommended practices relating to accounting, auditing, and financial reporting; two recommended practices relating to budgeting and fiscal policy; two recommended practices relating to cash management; and one recommended practice relating to debt management as applicable to Canadians. Recommended practices that are deemed applicable to Canadians are in Canadian section on [GFOA's Web site](#).

Andrew Beckett, the co-chair for this task force led a discussion with the committee on the PSAB standards process and the committee's potential role. The committee will examine further a potential role it can adopt. Please visit www.cica.ca for more information on the PSAB.

Advocacy & Communications Task Force

John Rop, the co-chair of the Advocacy & Communications Task Force, briefed the committee on the group's activities. The committee reviewed future additions to the Canadian section on GFOA's Web site, such as the inclusion of committee member profiles. The committee also will examine working with British Columbia GFOA and MFOA to contact municipalities that are not currently GFOA members. Proposed modifications to the GFOA national Canadian newsletter, *Canadian Finance Matters*, were also reviewed.

Professional Development Task Force

Len Brittain, the co-chair of the Professional Development Task Force, led the discussion by updating the committee on the Canadian speakers at GFOA's conference. The committee recommends potential Canadian speakers for

GFOA's annual conference, including the upcoming conference in San Antonio.

Len Brittain also briefed the committee on the work relating to the Innovative Revenue Sources Study Team and the Infrastructure Study Team.

A report on the potential operation of the GFOA Yield Advantage in Canada was reviewed by the committee. The committee will further examine the feasibility of Canadian entities participating in the GFOA Yield Advantage.

2006 GFOA Montreal Conference

Roger Galipeau, along with Patrice Martin from the City of Montréal, updated the committee on the work in progress for the 2006 GFOA Montréal Conference. The objectives, list of planned activities leading up to the conference, and promotional material were discussed with the committee.

The committee also discussed the planning for a Canadian preconference day at the GFOA's Montréal Conference. The committee will make a final decision on the specifics for the preconference day at the next meeting in January.

Other Business

The committee reviewed the results of a survey that was distributed to all of the committee members for input to increase the committee's effectiveness.

Two new members joined the Committee on Canadian Issues. Terry Corrigan is the director of financial services for the City of Vancouver. Ray Goruick is the manager of financial services for the City of Whitehorse.

The next CCI meeting is scheduled to take place in the City of St. John's on January 21- 22, 2005. 🇨🇦

What's Happening Coast to Coast

ALBERTA

AUMA Calls for Province to Pay Fair Share of Policing Costs:

Members urged to press MLAs on issue

Urban Perspective

Alberta ranks at the bottom of the heap in provincial spending for policing, according to recent figures from Statistics Canada. At \$32 per capita, the Alberta government spends less than half as much as Saskatchewan (\$70) and a quarter of the money per capita that Newfoundland (\$128) puts into policing.

This leaves Alberta municipalities paying the highest percentage of provincial policing costs in Canada, at nearly

82 per cent. What's more, Alberta comes in third lowest among the provinces, behind Prince Edward Island and Newfoundland, in the number of police officers per 100,000 population.

These numbers underscore AUMA's contention that policing is underfunded in Alberta because the province is not paying its fair share, says AUMA President Ernie Patterson. As a result, municipalities are struggling to pick up the slack at the expense of infrastructure and other urgent needs.

AUMA has proposed changes in the way the provincial government funds policing, including an immediate injection of \$45 million more in annual spending with

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the upcoming spring budget. That increase would still only move Alberta ahead of British Columbia, which holds next-to-last place among Canadian provinces at \$46 per capita spending for policing. However, it would be a "good start," says Patterson, who chaired the AUMA Protective Services Task Force on Policing. Patterson says he is "hopeful" the province will come through.

"I see policing as part of the whole issue of municipal sustainability. The AUMA has put a lot of time and money into the policing problem in Alberta and I'm hopeful we'll see some results. As president, I am very pleased we have the full backing of the Alberta Association of Municipal Districts and Counties on our policing proposal and that is very significant."

Patterson takes the issue with a recent paper from The Fraser Institute suggesting Alberta should have its own provincial police force. He points out that the report's authors did not contact any of the 63 towns in Alberta currently under contract with the RCMP to provide policing services.

"Absolutely no research or consultation was ever done with the AUMA to determine how those urban municipalities affected felt about RCMP contracted policing services. Instead, the authors based their findings on the opinion of the president of the Alberta Federation of Police Associations. His opinion is not shared by those 63 towns nor by their local RCMP detachments.

"I find it extremely disappointing that an organization such as the Fraser Institute would release such a document."

Patterson says that he, AAMD&C President Jack Hayden, Calgary Mayor Dave Bronconnier, and Edmonton Mayor Bill Smith will continue to stress to all three government caucuses the need to increase funding for policing.

"We've already talked to the Minister of Municipal Affairs

and the Solicitor General and we'll continue talking to the ministers. While we are pleased with the commitment to change the funding model as indicated in the Speech from the Throne, we still do not have the details and we're not going to give up."

Meanwhile, AUMA urges members to draw their MLAs' attention to the discrepancies in police spending between Alberta and the other provinces and the resulting plight of municipalities with regard to policing.

Special thanks to John Rop, director of finance and systems, Municipal District of Rocky View (403/520-1180; jrop@gov.mdrockyview.ab.ca) and Del Dyck, general manager of corporate services, St. Albert (780/459-1621; ddyck@st-albert.net) for forwarding this article from the Alberta GFOA newsletter.

What's Happening in Calgary

Executive Information Reporting

Beginning in 2003, monthly Executive Information Reports (EIRs) were provided to Council members and the administration, regarding economic indicators and operating and capital budget status updates. The results were discussed at the monthly Finance and Corporate Services committee meetings, and posted on our internal and external Web sites. The reports displayed the financial results by business unit, department, and account group, along with details of any budget variances to date and projected to year end.

Based on feedback from committee members that the reports were too lengthy and detailed, the EIR format has been scaled back for 2004. The results now focus on business unit and department results only, and provide explanations of, and mitigation plans for, all budget variances exceeding \$250,000. The results are posted on the Web monthly and reviewed by the committee every two months.

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Join us to Celebrate GFOA's 100th Anniversary!

Attend GFOA's 2006 Annual Conference in Montréal

May 7-10, 2006

The CCI is planning a Canadian preconference day at the GFOA Montréal annual conference.

For more details: www.gfoamontreal2006.org.

Work Pressure—What Can I Do About It?

By John Rop

We've all had those times on the job where we've felt like the pressures at work are going to kill us. We've faced impossible deadlines. We've run full steam ahead to tackle unbearable workloads. We've jugged too many things that have all needed to be done at once. We've delivered for that boss who doesn't care about anything except getting the job done. We've stepped up to get jobs done when our staff members have been away at critical times. We've handled all different types of work pressures. And indeed, we have survived. In fact, we even live for another day knowing that very soon we will be expected to do it all over again.

Each day, we take a head-on approach to address the many different types of work pressures we encounter on the job. We often deal with these daily pressures by getting the issues of today out of the way with just barely enough time left to catch a quick breath before we do it all over again tomorrow. We are easily sucked into a crisis management vortex wherein work pressures constantly control our actions. We can get so caught up in it that we forget to ask ourselves some hard questions. Do we want to continually react to work pressures, or would we rather be in control of the pressures that we face at work? Are we prepared to control the pressures that build up in our work environments, or are we resigned to having them control us?

The reality of any job situation is that work pressures are always a challenge. For those of us in the municipal finance profession, we continually face pressures arising from fiscal limitations, as well as from service delivery expectations put forth by the general public, council, and staff members. We are in the customer service business and our focus has to be on serving both external and internal clients. Our customers' expectations typically exceed the fiscal capacities of our municipalities. We often face many different types of pressures that are created by the gap between service delivery expectations and available dollars.

I would like to take a few moments to share some practices that I believe are vital for handling work pressures. These practices have helped me to effectively address the questions outlined above. They have helped me tremendously over the years to cope with work pressures, particularly with ensuring that work pressures do not ultimately control my actions while I am on the job, or while I am off of the job. They have helped me to stay in control of the job, rather than being in a situation where the job is controlling me. In some instances, these practices have even helped me to use work pressures as a springboard for raising the bar with respect to completing tasks even more effectively than they have been done in the past.

Here's my list. A lot of the items on it evolve from common sense. A number of the items on it have been initially acquired and learned and then later they have been refined and polished. This list is not all inclusive, nor is it intended to be a reference list that is guaranteed to work for every-

one all of the time. You may already very well be utilizing most, if not all, of the same practices to handle your work pressures. Maybe reading this will be a good refresher and reminder for you. Maybe there are one or two new practices you can deploy that will help you to handle your work pressures. Please feel free to take what you want and leave the rest.

Your Mental Approach To Work

- **Be Positive:** Look for reasons to find and create success at work. It's far too easy to be negative, critical, cynical, or sarcastic about your work. Get involved with building ideas to move them ahead in one way or another. This is so much better than sitting on the sidelines while being critical of others' actions. When you are at work, focus yourself primarily on the types of work you enjoy doing. Do the things you are good at and get help from others to address those things that you want to learn to do better. When you make mistakes, don't beat yourself up. Instead, learn from them so they are not repeated. Refuse to let others or difficult situations drag you down. And don't waste an inordinate amount of time and effort on addressing negative pressures. Rather, direct your time and effort towards staying positive in the workplace.
- **Find Solutions:** Be determined in your efforts to find solutions to problems. Focus on solutions rather than problems. Take the time that is typically spent on analyzing why problems have occurred and finding who is to blame for them and direct this time towards finding and implementing solutions. While remembering that past and current practices have their merits, be willing to think outside of the conventional box as you focus on developing new solutions for the future. Share your solutions with others and ask them to help you to shape and develop them. Find solutions that others have implemented and use them in your work environment. At the end of the day, it's the implementation of a solution that matters, not the person who thought of it. Remove work pressures by looking to implement solutions that eliminate problems.
- **Set Objectives:** Before you completely jump into a multitude of tasks, take a moment to stop and look at the big picture. Draw up a schedule that includes targeted work objectives for the day, the week, the month, and the year. Try to focus your efforts on attaining the objectives that are most important to you. Ensure that your work objectives are directly linked to and integrated with the objectives of your colleagues in the workplace. Face work pressures created by time deadlines head on by first completing the tasks that are the most important to you. And don't be obsessed with striving for perfection when completing your work. We've all heard of the 80/20 rule. Focus on producing top-quality documents

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Funding Employee Benefit Obligations

Since 2001, The City of Calgary has been working toward a funding plan for employee benefit liabilities, in order to meet the Public Sector Accounting Board standards for reporting by January 1, 2004. At the end of 2003, the City of Calgary had total employee benefit obligations of \$174.3 million, of which \$75 million was unfunded. The unfunded amount includes: vacation and overtime deferred until future years; retirement allowances of additional weeks of salary for qualifying retirees; and the cost of health, dental, and life insurance benefits for qualifying retirees until age 65.

In December, 2003, Council approved a three-pronged plan to fully fund these employee benefit obligations over the next 11 years. The funding comes from:

- debt charge savings of \$2 million per year;
- a contribution from the 2004 operating budget of \$2 million; and
- 25 per cent of the current year's operating surplus from tax-supported operations. In 2003, that amounted to approximately \$3.8 million, supplemented by a \$2.7 million contribution from the Calgary Police Service favourable variance.

The approach chosen is to match funding requirements to the most valid predictor (age) of future retirement dates and turnover rates. The policy will be reviewed at three-year intervals.

Multi-Year Planning and Budgeting

Over the past several years, City Council and the administration have worked to build a strong foundation for better co-ordination of long-term plans and budgets. Council developed its own set of priorities for the current term, 2002-04. It took an active role in developing specific budget guidelines for 2004, and reduced the time spent on formal budget reviews to three days from two weeks in the previous year. Council worked with the administration in creating a three-year "Shadow Budget" to improve understanding of the longer-term implications of budget decisions made for the current year. As well, all departments were instructed to develop "sustainability analyses" in 2004 to determine the current costs of major services provided, and to prepare plans to make operations sustainable within the constraints of future budget projections.

For 2004, the focus is on co-ordinating several pieces of work related to the sustainability analyses, development of a Council and departmental three-year business plans, and a multi-year budget process. In March of this year, Council approved that, following the development of a one-year budget for the first year of the new Council's term (for 2005). The next budget cycle would cover the years 2006 to 2008. Work is proceeding on defining the

policies around this longer-term approach, so that the benefits of greater clarity in resource allocation over several years are supplemented by sufficient flexibility to adjust the budget when economic circumstances change.

Contributed by Chris Good, chief financial officer and executive officer—corporate services, City of Calgary (403/268-6475; cgood@gov.calgary.ab.ca).

BRITISH COLUMBIA

Kelowna: Personal Customer Service—Thing of the Past?

The Financial Services department at the City of Kelowna used a team-building exercise entitled, 'Not Just a Walk in the Park' to familiarize staff with city projects (history, costs, financing, benefits, etc.) and also to generate customer service ideas. As experienced in most cities, Kelowna has a perennial overload of taxpayers standing in line as the July 2nd property tax deadline approaches. Staff were encouraged to blue sky on the basis that there were no bad ideas, albeit some that are more achievable than others.

Managers presented to staff the details of our Waterfront Park development. Ice cream was served and then staff was asked to participate in a problem-solving exercise to suggest ways and means to keep people out of City Hall at tax time, potentially through the use of alternate payment methods. Thoughts were captured on tear sheets and later assigned to a staff-led committee for development of a realistic and achievable plan.

Two significant initiatives were implemented. First was the introduction of Customer Appreciation Day, well advertised by insertion of a flyer with every tax notice and then held on two consecutive Tuesdays in early June. The hook was coffee and 'timbits' for those who showed up to pay their property taxes on those days. Signing up for the monthly pre-authorized cheque payment plan (PAC) netted a city pin. The result? All-day lineups on both days; seniors and young folks thoroughly enjoying the coffee and timbits; customers who were happy to receive a little extra for their taxes; and more than 200 new PAC enrolments.

The second initiative was a community outreach program involving two tax department staff members taking payments and homeowner grant applications at three different seniors' strata developments. The result? Seniors with their cheques in hand patiently awaiting the arrival of our staff; many sincere words of appreciation and gratitude. Total time involved? In and out in one hour.

Did all go as expected? Absolutely not! We ran out of coffee and donuts in the first two hours on the initial Customer Service Day; had to send for more supplies on a rotating basis; lineups were long and constant both days;

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staff was overtaxed; some seniors stayed as long as they could. While one of the original objectives was to keep people out of City Hall, quite the opposite was being encouraged!

What were the benefits? Hopefully, many of those who showed up would have come in later in the month and we may benefit from shorter lines at that time. Most importantly, we learned a very valuable lesson in customer service. The business and government trend to depersonalize customer service in the name of efficiency isolates not only seniors but the customers who require the most personal assistance, such as those with physical and mental challenges. The invitation to come in, talk to a few people, and be appreciated as we lighten their wallet can be a definite boost to their well being. A kind word and a thank you may be what we are all looking for. The entire exercise is very much a testament to a staff that sees a need and has a desire to fill it.

Will we do it again? You bet!

Contributed by Paul Macklem, director of financial services, City of Kelowna (250/862-3339, ext. 417; pmacklem@city.kelowna.bc.ca).

Vancouver to Receive Over \$24.9 Million to Reduce Homelessness

By Greater Vancouver Regional District

Approval for the updated Greater Vancouver Regional Plan on Homelessness was announced today. Under the Government of Canada's National Homelessness Initiative (NHI), community organizations in the Greater Vancouver Regional District (GVRD) will receive \$24,940,060 to assist their efforts to address homelessness.

The Honourable Stephen Owen, Minister of Public Works and Government Services made the announcement on behalf of the Honourable Claudette Bradshaw, Minister of Labour and Minister responsible for Homelessness, along with Lorne Mayencourt, MLA for Vancouver-Burrard, Kiichi Kumagai, GVRD Housing Committee Chair, and GVRD Steering Committee representative Sandy Cooke.

Community organizations are already receiving part of this Community Plan funding. Of the \$25 million Minister Owen announced, more than \$5.7 million will be going to 31 projects that are already working towards reducing homelessness in Greater Vancouver. These projects are being operated by 26 organizations in the Greater Vancouver area. They include a range of supports and services needed to effectively address homelessness, such as the provision of temporary shelter beds, the development of transitional housing units and the hiring of outreach workers to assist individuals in accessing services.

"Addressing homelessness requires solutions based on the unique needs of our communities. The updated

Regional Plan on Homelessness is the result of strong partnerships and hard work between community groups, the private sector, and all levels of government," said Minister Owen. "I would like to commend everyone involved in their efforts to tackle the issue of homelessness. The Government of Canada is committed to continue finding ways to provide effective solutions."

"Under the regional plan, communities are working with funding partners to ensure that homeless people and people at risk of homelessness across the region have access to housing, facilities, and services within their home communities," said Verna Semotuk, senior planner with the GVRD.

The Regional Plan is the community's vision of how best to help homeless individuals and families, as the community is in the best position to identify assets and gaps and determine priorities that will meet local requirements to both prevent and reduce homelessness.

The projects announced today are funded under the Supporting Communities Partnership Initiative (SCPI), a key component of the Government of Canada's National Homelessness Initiative (NHI). Launched in 1999, the SCPI aims to increase the availability and access to a range of services and facilities along the continuum of homelessness to self-sufficiency.

Funding to organizations in Vancouver is provided in the spirit of the Vancouver Agreement, a partnership whereby the federal and provincial governments and the City of Vancouver are working with community groups and businesses to address pressing issues concerning health, housing, homelessness, socio-economic development, and public safety.

The government of Canada launched the National Homelessness Initiative in December 1999 to support communities' efforts to help Canadians out of homelessness. From 1999 to 2006, \$1.5 billion is being spent towards the federal government's commitment to addressing homelessness in Canada. Since the launch, the federal government has supported more than 300 projects with a total of more than \$71.3 million to alleviate homelessness in B.C. and the Yukon. Funding for these projects was provided for in the 2004 federal budget.

Since December 1999, communities across Canada have undertaken more than 1,800 projects, funded wholly or in part by the National Homelessness Initiative. These projects will result in:

- the creation of approximately 8,000 new, permanent beds in shelters, transitional, and supportive houses;
- the construction, renovation, and enhancement of roughly 1000 sheltering facilities and support facilities, such as food banks, soup kitchens, and drop-in centres;

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- the transfer of 50 federal surplus properties worth more than \$9 million, which will result in the creation of 214 transitional and affordable housing units; and
- in addition to the Government of Canada investment, partnerships have leveraged more than a half billion dollars towards the implementation of homelessness projects in Canada.

Regional District of Nanaimo Implementing Innovative Environmental Management System

By Regional District of Nanaimo

To maintain a healthy community, it's important to maintain a healthy and thriving environment. With this in mind, the Regional District of Nanaimo Environmental Services Department is in the process of creating an Environmental Management System (EMS) for its Liquid Waste Department (LWD), which manages the RDN's wastewater treatment facilities, pump stations, and septage receiving sites.

An Environmental Management System (EMS) is a management framework that is used to implement environmental policies in businesses, industries, institutions, and governments. An EMS establishes a set of management processes and procedures that allow an organization to analyze, control, and reduce the environmental impact of its activities, products, and services while operating with greater efficiency and control. An EMS also provides an auditable system for tracking, managing, and improving environmental performance and regulatory compliance.

This management system that is being created will conform to ISO 14001 standards, the leading EMS standard worldwide. The ISO 14001 framework encourages continual improvement by following the "Plan, Do, Check, Act" operating model. Once established, this new system will strengthen the RDN's commitment to high standards of environmental management and protection by allowing Liquid Waste Department staff to analyze, control, and reduce the environmental impact of RDN activities and services.

"A major issue for all communities is how to deal with waste," says RDN Manager of Liquid Waste Dennis Trudeau. "This should be handled in a manner that enhances the environment, while ensuring that all facilities operate in a cost-effective manner, now and into the future. The RDN's EMS will do that."

The system is expected to achieve significant cost savings for the department in both the short and long term. In the United States, operations similar to the RDN's treatment facilities have been able to conserve water and electricity and reduce use of chemicals as a result of implementing EMS.

Thousands of organizations have established or are in the

process of establishing EMS based on the ISO 14001 standard, but the RDN is one of only a few local governments now striving to do so. In fact, the RDN will be the first in British Columbia. The Environmental Services Department will finalize the system by spring 2005 and will aim for EMS certification and registration by June 2005.

Special thanks to Stan Westby, chief administrative officer, District of Powell River (604/485-8618; swestby@cdpr.bc.ca) for forwarding these articles from the CivicInfo BC.

MANITOBA

News from the City of Winnipeg ...

City Council Passes New Deal

Council voted in favour of a "New Deal" proposal to Prime Minister Paul Martin and Manitoba Premier Gary Doer. The plan has five parts:

1. the city is asking for two-thirds of one per cent of the federal GST collected in Winnipeg;
2. the city is asking for six cents a litre of the province's gas tax collected in Winnipeg;
3. all current provincial grants to the city would be converted to the Provincial-Municipal Tax Sharing formula;
4. residential property taxes would be reduced by four per cent, followed by a five-year freeze; and
5. the city will find \$10 million in efficiency savings.

PeopleSoft Budget System Goes Live

A new Budgeting System based on PeopleSoft's Enterprise Performance Management System (EPM) was implemented as part of Release 2 of the city's PeopleSoft implementation. For the first time, all the city's common administrative business functions (Inventory, Purchasing, Accounts Payable, Projects, General Ledger, Base Human Resource and Benefits, Time and Labour, Payroll, Budgeting, Health and Safety, Recruitment, Training Administration and Competencies) are all housed on a single integrated system.

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Employment Ads

Advertising rates for Employment Opportunity listings are \$150 per position/insertion for active GFOA members; \$250 per position/insertion for associate members; and \$500 for nonmembers. All ads must be prepaid. Order forms to place an ad are required and can be downloaded from GFOA's Web site. Please send ads paid by check and credit card to GFOA, Dept. 77-3076, Chicago, IL 60678-3076. To ensure that your ad is received, please fax a copy of all ad materials to Paula Shields at 312/977-4806. Ads also will be posted to GFOA's Web site (www.gfoa.org) and the Canadian section on GFOA's Web site for a period of two weeks.

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International Design Competition

City Crossing winners announced glass silos punctuating an urban forest of light and trees, prairie grasses, and a field of wind turbines, along with new pedestrian crossings that could transform Winnipeg's already famous corner of Portage and Main into a world-class architectural showpiece. Five award winners, chosen by a blue-ribbon international jury, were selected from 72 entries from around the world, including Canada, the United States, Europe, South America, Asia, Australia, and Mexico. Creating structures that make a bold architectural statement and draw people back to the city's centre will breathe new life into the downtown.

Improvements to the City's Permit Application System

The City of Winnipeg, together with representatives from two major industry associations, Manitoba Home Builders Association and the Winnipeg Construction Association, announced Phase 1 of the Permits X-Press Project—a joint initiative of the City of Winnipeg and the building industry aimed at making improvements to the city's permit application process. This comprehensive system improvement effort has been divided into three phases and will extend over a two-year period.

Contributed by Jo-Anne Ferrier, city treasurer, City of Winnipeg (204/986-2186; jferrier@winnipeg.ca); and Michael Ruta, corporate controller, City of Winnipeg (204/986-7986; mruta@winnipeg.ca).

ONTARIO

City of Burlington: Activity-Based Costing Initiatives

Overview

Since 1997, when the first Activity-Based Costing (ABC) projects were undertaken, the City of Burlington has embraced this emerging costing methodology to better determine the true costs of the services provided to Burlington residents. This paradigm shift in costing techniques arose from the realization that calculating the total costs incurred to provide services was more complex than simply reading the balance of a G/L account.

Recognizing that municipal governments are primarily service-based organizations, this complexity arises from the type of services provided and the nature of the resources used to provide those services.

Most services provided to the public represent the time and efforts of multiple employees from a variety of business units performing a diverse set of activities. Therefore, the direct costs associated with any specific service may be spread across many different G/L accounts or cost centres. This makes the calculation of a service's total direct cost extremely difficult. Complicating

matters further are the presence of indirect costs or overhead, which historically have not been included in the calculation of individual service costs. These indirect costs are associated with corporate support service departments that provide financial, human resources, legal, and information technology support. Given the cross-functional nature of municipal services and the general omission of corporate overhead, service cost estimates derived using traditional costing methods were, in some cases, significantly understated.

Cost Recovery and Legislation

In light of various governing legislation, complete and accurate costing has become standard practice at the City of Burlington. Whereas this was once a voluntary exercise carried out for internal purposes, costing has since moved to the forefront as Burlington's focus has shifted to "cost recovery" and away from "revenue generation." The distinction between these two terms lies in the Municipal Act (2001). The Act states that a municipality may impose fees or charges for services or activities provided or done by the municipality. However, courts have held that fees cannot raise more than 100 per cent of the "reasonable costs" of the services. In other words, a municipality should generate revenues from its operations up to the point of full cost recovery but not beyond.

The greatest implication of this focal shift was that Burlington had to be able to determine its total service costs, in a defensible manner, so that it could determine how much revenue could be generated. It was decided that Activity-Based Costing was the best tool for this job.

Activity-Based Costing (ABC) has allowed the City of Burlington to calculate and analyse its costs horizontally, across multiple departments, by first breaking each service into processes and then each process into activities. The resources that each activity consumes (in dollar terms) are derived based on staff input and consultation, and each activity's cost is then allocated to the various services using carefully selected cost drivers.

The City of Burlington has committed to making ABC an integral part of the development of rates and fees corporate-wide. Most recently, Burlington's efforts have gained notoriety for the use of ABC in costing the Development Application Approval Process. The Development Application Approval Process, or DAAP, refers to the comprehensive, multi-stage process involving the evaluation and approval of land development applications and the post-approval monitoring of development projects.

Within the overall DAAP process are multiple service outputs that cater to the different stages of the development process. These stages include:

1. *Development Planning*—all activities carried out prior to a decision regarding application approval;

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2. *Development Control*—all activities carried out following the approval decision; and

3. *Building Permits*—all activities related to the issuance of building permits.

Each stage of DAAP requires input from multiple departments and/or multiple business units within a specific department. Therefore, using SAS Activity-Based Management Software, an ABC model was developed that includes all resources committed to processing development-related applications regardless of where the resources are situated within Burlington's organizational structure. Using the activity-based costing model, analysts are able to calculate costs at the input, activity, and output levels. Furthermore, cost information can be extracted from the model at the micro, intermediate, or macro scale. For example, information is available regarding a single activity, a group of activities performed by a single department, or all activities related to providing a service output from start to finish.

This has resulted in service cost estimates that are deemed reliable and defensible by both staff and the development community alike. In the past, the development community was asked to take on faith that service cost estimates were accurate. Now, however, the Development Application Approval Process ABC model provides a superior level of transparency and accountability by providing cost estimates that can be substantiated with hard cost data.

Obtaining the development community's acceptance of the legitimacy of the DAAP Activity-Based Costing model has been a major step forward in Burlington's progression towards a "Growth Pays for Growth" development policy.

In response to impending provincial legislation (specifically, Bill 124) that severely limits a municipality's ability to generate revenue through issuing building permits, city staff was forced to revisit the way that DAAP costs were recovered. Historically, the majority of DAAP costs were recovered at the end Building Permit stage to better accommodate the cash flows of the development community. However, under the new legislation, Burlington's practice of subsidizing earlier-stage DAAP costs with later-stage DAAP revenues would no longer be feasible.

Therefore, activity-based costing has provided Burlington with the essential costing information necessary for the complete revision of development application and approval fees. By gaining extensive insight into where DAAP costs are incurred throughout the process, Burlington is well positioned to meet a City Council direction of recovering 85 per cent of development application-related costs in accordance with the regulatory guidelines imposed by provincial legislation.

Corporate Support Costs and "Total" Costing

Burlington has also undertaken an initiative to deal specifically with the second shortfall of traditional costing mentioned above, the omission of corporate support costs as part of the service cost equation. Support services, such as Finance, Human Resources, Information Technology, and Legal, are critical because they provide front-line staff with tools and information that allow for the efficient, effective delivery of services to the public. Unfortunately, many organizations lack the ability to allocate support costs to direct service outputs with any degree of certainty.

However, in an organization focused on cost recovery, failing to include support service costs when determining corporate rates and fees means that total costs will inherently and consistently be under-recovered. To solve this problem, Burlington once again utilized activity-based costing in order to treat corporate overhead costs as direct costs.

Currently, a Corporate Overhead ABC model has been developed that is partially based on the Ontario Municipal Benchmarking Initiative (OMBI) framework. This model allows analysts to effectively trace corporate services support costs to specific departments within the organization. At the corporate level, the information provided by activity-based costing allows management to gain a better understanding of where resources are being consumed, where rates and fees must be increased or decreased to achieve desired recovery-to-cost ratios, and where changes in service outputs may be required. At the departmental level, an accurate allocation of support service costs means managers are able to gain a better appreciation of the demands placed on the corporation by departmental operations, view their service outputs in the context of total service delivery cost, and to identify areas where potential operating efficiencies may be attained.

While developed in the latter part of 2003, Burlington has already incorporated the results of the Corporate Overhead ABC model into the decision making process at multiple organization levels.

Conclusion

The City of Burlington has recognized the benefit of devoting resources to developing and maintaining activity-based costing models. The information produced by these ABC models continues to assist both management and City Council in making financial and operational decisions that ensure Burlington will continue to function and grow in a sustainable, cost-efficient manner while meeting the needs of residents and businesses alike.

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that effectively address 80 per cent (or more) of what you are trying to achieve. The time and effort you put into completing the last 20 per cent (or less) that is required to attain a 100 per cent rating on one task can be much more effectively and efficiently deployed to accomplish a large part of the next task that is awaiting your attention. Finally, set realistic objectives. And make a conscious effort to know when and how you can realistically and feasibly say “no” in instances where new objectives are added to your plate to the extent that it is spilling over. But don't just simply say “no.” Consider whether you really need to say “no” to a specifically identified objective, or if instead you can come up with solutions that will make it easier for you to add it to your plate. This could include reducing the volume of work you may have to directly put into addressing the objective, or it may entail modifying or removing other objectives that are currently on your plate. In summary, try to bite off only what you can chew and do your best to fully address what is on your plate without having it spill over.

- **Set a Strong and Steady Pace:** Work is more like a marathon than a sprint. You should plan to be involved in it for the long haul. Work at a solid and steady pace over the long haul, instead of at a slow pace when deadlines are off in the distance and then at a frenetic pace at times when deadlines are looming on the horizon. Many work pressures can be alleviated simply by retaining a steady pace on an ongoing basis.
- **Don't Expect To Do the Job All by Yourself:** The martyr syndrome at work typically leads to someone dying on the job. That someone is most often the person on the job who thinks he or she is the only one who can effectively complete a task. Get help. If you are not sure of what needs to be done, then ask for more specific guidelines to get the job done. Do what you do best and ask others to help you to do what they do best. Use the “two heads are better than one” collaborative approach so that you produce work that is understandable from perspectives and points of view other than your own. The self-imposed pressures bestowed on oneself by a person who takes on the martyr syndrome are very easily addressed by sharing one's workload with others. The added bonus that comes with taking this approach is that a person will more often than not have a better product to show for his or her efforts.

Your Physical Approach To Work

- **Take Care of Your Body:** Look after yourself on an ongoing basis. Don't wait until a health crisis strikes to take actions that will assist you with handling work pressures. Spend less time worrying about work pressures and more time getting work done. If you do get sick, don't be the office hero who refuses to take time off. Instead, go home so that you will get better sooner, rather than later. This will assist you in your efforts to make sure that your work pressures will not be com-

pounded by your workload piling up while you are away for a prolonged period, rather than for only a brief period. A healthy body helps you to have work pressures run off of your body just like water runs off of a duck's back!

- **Take Time for Physical Activity:** Your body is amazing! Take the time to fine tune it and to push it. Walk. Hike. Run. Golf. Skate. Whatever works for you! Stretch your body's physical capacity. Don't focus on what you can't do physically or what you have not yet done, but rather celebrate what you've already accomplished with your body. Stay at it. Develop an ongoing physical routine and take the time for yourself to stick with it. Set targets for yourself. And don't judge your success solely by what the weigh scale says. By taking time for physical activity, you are creating a wonderful opportunity to wash pressures from work stress out of your life. And you will perform better when you are on the job!
- **Take Time to Rest:** Take some down time for yourself. Don't feel guilty about it. Don't rest in a way that leaves you bored. And get good sleep. Allow yourself to sleep in every now and then. Don't add to your work pressures by being so tired at work that you cannot perform optimally while on the job. A well-rested individual can much more easily handle work pressures than a person who is constantly fatigued.
- **Look Good and Feel Good:** Ensure that you look professional and that your attire fits your work environment. Whether you like it or not, the reality is that many people equate the credibility of one's job performance with how that person looks in the workplace. Avoid incremental work pressures that may arise because certain people perceive that the credibility of your work is compromised by your physical appearance or your attire.
- **Eat and Drink Right:** Fuel your body properly with good energy sources. As with most things in life, moderation is the key to your eating and drinking habits. Don't flood your engine with too much fuel or the wrong fuel. Look to other avenues besides eating and drinking to release work pressures and stress.

Your Spiritual Approach To Work

- **Believe in Yourself:** Have faith and confidence in yourself and in your abilities. Know that you can do the job. Tell yourself you can handle the work pressures. You have to be your best cheerleader! Creating a strong inner foundation for yourself is key to thriving in your job, especially when work pressures are coming at you from many different angles.
- **Look To Have Fun and Enjoy Yourself:** Keep your chin up at all times. Even if you don't feel like it,

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exude confidence and optimism in the workplace.

The best way to do this is to find ways to have fun in the workplace. Another way to enjoy your work is to play some of your favorite background music in your office while you are working. Nothing calms you down in the face of workload pressures like a smile, a chuckle or some good tunes.

- **Focus on Those Work Pressure Factors that Are within Your Control:** Every municipality faces pressures from many different sources. You need to realize that you cannot address or resolve all of these pressures. More realistically, you need to focus your efforts primarily on addressing only those factors that are in your control. By not focusing or wasting your time and effort on addressing those factors that are beyond your control, you will have much more time and effort available to you that can be positively directed towards managing the work pressures that you can control.
- **Look for a Higher Purpose:** Know that you are in your job for more than just the pay cheque. You have to know that you are in your position because of your interest in being of service to others. You have a mandate in your job that includes leadership responsibilities, as well as the need for personal integrity. People look up to you. They rely on you to get the job done. By understanding the bigger picture as to why you have chosen to work for a municipality, a number of the work pressures that pertain to day-to-day operations are relatively minor in their nature when you compare them to your overall work mandate and the related responsibilities that go along with it.
- **Do Your Best to Make a Difference:** Know that you are in your position to make a difference to your municipality over the long term. Be committed to making a difference. Be passionate and caring about your work. If your commitment, passion, and sense of caring about your work are waning, ask yourself what you need to do to rejuvenate your desire to make a difference over the long term. Do you need to change things about your job, including those factors in your control that are adding to your work pressures? How are you going to change your responses to those work pressures beyond your control? What positive solutions can you find that will make a difference for you and your municipality? Are you willing to rekindle your commitment, passion, and sense of caring about your work? If not, is it time to find a new job? Answering these questions is vital for ensuring that you will, on a long-term basis, have the desire to overcome work pressures in order that you really can make a difference on the job.

Your Approach Towards Interacting with Other People While on the Job

- **Surround Yourself with Good People:** One of the best ways to handle work pressures is to hire strong, skilled, and motivated people who have an interest in working as a team. A group of people who strive to work together can handle pressures much more effectively than one individual who keeps work pressures solely to himself or herself. In addition to surrounding yourself with good people internally, be sure to affiliate yourself with one or more colleagues in the municipal finance sector who you consider to be highly valued friends. Take the time to share your experiences and work pressures with these individuals and be sure to listen to them when they share theirs with you.
- **Encourage Others and Hand Out Compliments:** Human nature being what it is, for many people the most natural way to communicate with others is to only speak to them in critical and argumentative tones when problems arise. Big mistake! Taking the time, at any time, to give a word of encouragement or to hand out a compliment will take you a long ways in your efforts to seek the assistance of others when work pressures increase. Consciously decide to continually offer encouragement and compliments to others.
- **Say Thanks:** When work pressures build and even when they don't, nothing will take you further in your efforts to seek the assistance of others than letting an individual know that you appreciate his or her work. You can say thanks in many different ways, most of which can be done at minimal or no cost. Be innovative and sincere in the way you express your appreciation to others. One of the best ways to do this is to seek the advice of others as you move ahead with completing your tasks at work. People become more motivated, they feel more highly valued, and they are more committed and loyal to leaders who say thanks in conjunction with seeking their ideas and insight. And they will help you to handle your work pressures.
- **Deal with Small Personnel Problems before They Become Big Ones:** Encourage all personnel who report to you to work at a high standard. Set this standard by having your actions serve as an example for others. Expect strong performances from your staff members. Make a high standard the norm for the people who report to you. Have your people aim to work at the highest rather than the lowest common denominator. And if you see someone slipping, tackle the related performance issues while they are comparatively small in size. Don't wait

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for a major “rock-bottom” type of performance issue to explode in your face before you take action. You can’t afford to let one individual’s lack of performance drag down the performances of other personnel who report to you. To effectively address work pressures, you need to have all of your people working at a high standard all of the time.

- **Take the Time To Listen and To Talk Informally:** Listening to your personnel informally at work is just as important of a skill as is giving them formal direction on the job. If you have surrounded yourself with good people, you have a tremendous opportunity to have them help you to handle your work pressures. One of the best ways to make this happen is to ensure you regularly take a few moments to briefly chat with your staff members about anything except work. Find out how they are doing. Show interest in some aspects of their personal lives. Ask them questions and carefully listen to their answers. Make sure that these short informal discussions are all about them, instead of being about you or work. Reaching out to your people this way helps to build loyalty and commitment that you can rely on when you need your personnel to assist you with handling work pressures.

Your Approach To Work While You Are Away from Work

- **Have Interests Other Than Work:** Find a hobby, or two or three. Enjoy them by actually taking the time to participate in them. Focusing exclusively on other interests when you are away from work will help you when you are at work to more fully concentrate on the tasks at hand. This will lead to increased productivity that will alleviate work pressures.
- **Take Time for Family and Friends:** Give your time to those who are most precious to you. Remember that they support you when you do your job. You need to support them in their activities. This will give you a strong support base beyond the workplace, a foundation that is invaluable for helping you to address work pressures and stress.
- **Balance Your Time Allotments:** Being effective in one’s job does not entail working 60 or more hours each and every week to get the work done. Avoid work pressures that arise from the burnt-out feeling one gets when excessive amounts of time are continually being committed to the job. You may have to remind yourself at times to stop thinking about work. In addition, be sure to have other interests in your life to fill the parts of the day that you are not working. Include in your activities away from work volunteer efforts on behalf of your church, community association, sports club, or professional organization. Give back to your community. It feels good! If you do it right, you will personally

realize as much, if not more, in benefits and satisfaction coming back to you as you have given to the groups for which you are volunteering. Without volunteer and other personal interests, you will incur a risk that unallocated time will be dedicated towards addressing work tasks.

- **Take Active Vacations:** Quite often a change is as good as a rest. Use your vacation and other time away to really get away from work and its pressures. The best way to do this is to be active, instead of idle, while away from work. With this approach, when you return to work after having been away, you will be much more effective in your efforts to address work pressures and get the job done.
- **Totally Focus on Being Away from Work When You Are Away from Work:** When you are away, truly be fully away. Dump the cell phone. Don’t bother checking e-mails. Avoid calling into the office to check to see how things are going. Instead, delegate these tasks to a valued and reliable individual who is working while you are away. Then place your trust in that person to get the job done while you are away. And do your best to disregard work pressures when you are away. You’ll be in a much better position to tackle the job once you return to work.

I hope that some of these practices will help you in your efforts to do more than just cope with work pressures. Remember that you are in charge of yourself. You need to hold yourself accountable for ensuring that you consciously and effectively manage the work pressures associated with your job. You need to be in control of work pressures, rather than them controlling you. Now that you’ve read this, it’s up to you to decide if you can manage your work pressures even better than you’ve done to date. All the best with your efforts to thrive in your work environment! 🍀