

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: June 23, 2025

TO: Mayor and Council

FROM: Candice Gartry, CPA, CGA, Director, Financial Services

SUBJECT: Backfill for Manager of Budgeting and Accounting - ERP Support and Succession Planning

RECOMMENDATION

THAT Council receive the corporate report dated June 23, 2025, from the Director of Financial Services, titled "Backfill for Manager of Budgeting and Accounting - ERP Support and Succession Planning" for consideration; and

1. Approve the hiring of a 2.5-year temporary, full-time, Manager of Budgeting and Accounting to support the City's ERP implementation and succession planning efforts, funded from the unallocated General Operating Fund Accumulated Surplus reserve.
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EXECUTIVE SUMMARY

The City is undergoing a significant organizational transformation with the implementation of a new Enterprise Resource Planning (ERP) system. The Manager of Budgeting and Accounting is a key contributor to this initiative; however, the highly manual nature of the City's current budget and reporting processes, combined with the day-to-day demands of the role, has severely constrained the Manager's ability to fully participate in ERP-related testing, training, and configuration.

To reduce the risk of further project delays and ensure continuity in a critical financial leadership position, staff recommend hiring a full-time temporary backfill. This will allow the incumbent to dedicate time to the ERP project and facilitate a smooth transition in advance of their planned retirement at the end of 2027. This approach follows the successful model Council approved in 2024 for succession planning in the Revenue Services division.

Funding for the proposed position is available through the City's unallocated General Operating Fund Accumulated Surplus reserve fund.

INTRODUCTION/BACKGROUND

The City is currently in the process of implementing a new Enterprise Resource Planning (ERP) system to replace its outdated financial system (iCity/Vadim). This multi-year, organization-wide initiative is essential to modernizing financial operations, improving workflow integration, reducing inefficiencies, and enhancing long-term sustainability across the City.

While the ERP project was designed with backfill support for the Manager of Revenue Services, who was seconded to the project as the Project Manager, and for limited casual assistance for CUPE positions within Financial Services, overall staffing capacity in the Financial Services department remains a significant constraint, particularly at the exempt level.

The Manager of Budgeting & Accounting plays a critical role in this transformation. As one of the few staff members with in-depth knowledge of the City's detailed budget and financial reporting processes, the Manager is responsible for preparing, maintaining, and assembling the working spreadsheets and schedules that underpin the annual operating and capital budgets, as well as financial reporting. These workflows are complex, largely manual and are maintained outside of the City's current ERP system. This Manager leads a small team and works in a highly detailed environment, where the lack of automation and system integration places a heavy reliance on institutional knowledge and hands-on effort.

Meeting internal and external deadlines, particularly those tied to budget and regulatory reporting, has long been a challenge within the department. The added workload from the ERP implementation has further strained the team's capacity. In recent months, meetings related to ERP design and testing have had to be delayed or rescheduled in order to meet financial reporting obligations and maintain compliance with external regulatory timelines. These delays have begun to impact ERP project milestones.

Efforts over the past two years to streamline processes and reduce the Manager's portfolio have not been sufficient to free up the time needed for active participation in ERP training, testing, and system configuration. The specialized nature of the work, combined with the limited size of the team and absence of staff with the same technical expertise, has made it difficult to reassign additional duties internally.

Compounding this issue, the City has experienced ongoing difficulty obtaining reliable information from the software implementer regarding the level of internal staffing resources required for upcoming phases of ERP testing, validation, and training. Only within the past month has the City received more detailed estimates on the time commitment needed, revealing significant overlap with one of the Financial Services department's busiest period, the development of the 2026 Budget and Financial Plan, which begins in late June and extends through January. While earlier project delays have been absorbed within the broader implementation timeline, any further slippage at this stage would likely jeopardize the City's ability to meet the targeted go-live date of January 1, 2026, for the finance and accounting modules.

Additionally, the current Manager has advised of their intention to retire at the end of 2027. This presents both a challenge and an opportunity. The complex and manual nature of the City's budgeting and reporting processes means that the Manager holds a considerable amount of undocumented institutional knowledge. Their departure without a structured succession plan risks disruption to core financial functions and a loss of critical expertise. However, it also presents an opportunity to recruit a full-time temporary Manager who can both support the ERP implementation and transition into the role over time.

Given the level of expertise required, recruiting a part-time or casual employee is unlikely to be successful. A full-time position is necessary to attract a qualified candidate and ensure meaningful knowledge transfer. Staff therefore recommend creating a 2.5-year temporary full-time exempt Manager position to support this transition.

The proposed term length aligns with the overall ERP project timeline. Notably, the Financial Planning & Analysis module, which includes the budgeting and reporting functions, will be the

final ERP component implemented, with configuration and deployment scheduled for 2027. Extending the backfill position through this period will allow the incoming Manager to fully support the setup of this module, apply their training in a live system environment, and ensure a smooth handover ahead of the incumbent's planned retirement.

This approach mirrors the model successfully implemented for the Manager of Revenue Services in 2024, where a backfill hire allowed the incumbent to focus on ERP implementation while training their successor. The same structure is proposed here.

Recruiting a temporary, full-time Manager of Budgeting & Accounting would provide:

- ERP Implementation Support – Enabling the incumbent to more actively participate in testing, training, and configuration, ensuring the new system is tailored to the City's financial structure and practices.
- Succession Planning – Allowing the incoming manager to work alongside the incumbent, gaining direct experience with the City's budgeting and reporting responsibilities.
- Operational Continuity – Maintaining uninterrupted service delivery in budgeting and financial reporting throughout the transition.

FINANCIAL IMPLICATIONS

The approved ERP implementation budget included a contingency allowance of 11%, which is notably lower than the contingency levels typically applied to capital projects in the City's Engineering and Municipal Operations portfolio. This reduced contingency was established based on the funding available at the time of project approval. The project team has made every effort to manage within the approved budget, drawing on the contingency only when necessary. As of this report, the remaining contingency has been reduced to 7%, limiting flexibility to accommodate additional resource needs.

At its April 14, 2025, meeting, Council received the report titled "*Estimated 2024 General Fund Operating Surplus Allocation*," (attached as Appendix A) which confirmed that \$990K remains unallocated in the General Operating Fund Accumulated Surplus Reserve fund. These funds represent the amount of the unallocated 2023 General Fund operating surplus and are available for allocation, at Council's discretion. Importantly, this amount is in addition to the minimum balance required under Council Policy No. 307, which directs the City to maintain between 10% and 15% of general operating expenditures in this reserve.

Staff recommend allocating a portion of these unallocated funds to support the creation of a 2.5-year temporary full-time Manager of Budgeting and Accounting position, with recruitment to begin as soon as possible. The estimated salary range for this position is \$140,700 to \$156,300 annually, excluding benefits.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

Human Resources has been actively engaged in the development of this report and the evaluation of staffing options. Should Council approve the recommended position, Human Resources will lead the recruitment process in collaboration with the Financial Services department.

ALIGNMENT WITH STRATEGIC PRIORITIES

This report aligns with the following Council Strategic Priorities:

Priority Area: Organization and Governance

- Objective 3: Realize service delivery efficiencies via digital transformation and aligning existing processes with best practices.
 - The proposed backfill supports the City's ERP system implementation—a key digital transformation project—by ensuring adequate capacity and staff readiness.

Priority Area: Infrastructure

- Objective 1: Ensure future infrastructure resiliency by making decisions through a long-term lens.
 - By planning for succession in a critical financial leadership role, the City is proactively addressing operational resiliency and long-term financial sustainability.

Priority Area: Community

- Objective 4: Develop new Community Hub.
 - Strong financial systems and staffing capacity are essential to advancing Council's strategic capital projects, such as the Community Hub, which depend on accurate budgeting and financial oversight.

OPTIONS / RISKS / ALTERNATIVES

The following alternate option for Council's consideration:

1. Not approve the hiring of a Backfill Manager, which would delay the implementation of the ERP project and result in significant risk in delivering organizational continuity when the Manager retires.

Without freeing up the current Manager of Budgeting and Accounting, critical ERP tasks, such as testing, training, and configuration, will be delayed or completed without adequate input. This increases the likelihood of further project delays and costly rework. This option would also greatly reduce the opportunity for structured knowledge transfer ahead of the Manager's planned retirement in 2027, heightening the risk of service disruption and loss of institutional knowledge.

Key risks include:

- ERP project delays and higher overall implementation costs;
- Incomplete or inaccurate system configuration;
- Missed succession planning opportunity;
- Strain on staff capacity and core financial operations.

CONCLUSION

The successful implementation of the City's new ERP system and the continuity of core financial operations both depend on the availability of knowledgeable staff and a proactive approach to succession planning. The Manager of Budgeting and Accounting is a critical role in both respects, yet current capacity constraints and the highly manual nature of the work pose significant risks to project delivery and knowledge transfer.

To mitigate these risks and support long-term organizational stability, staff recommend hiring a full-time, temporary Manager of Budgeting & Accounting for a term of approximately 2.5 years. This position will enable focused ERP participation, facilitate hands-on training with the

incumbent ahead of her planned retirement, and ensure operational continuity throughout the transition.

Staff recommend that Council approve the use of unallocated General Operating Fund Accumulated Surplus to fund this temporary position.

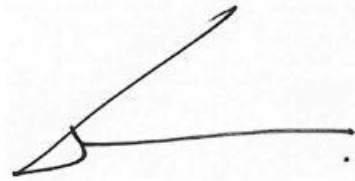
Respectfully submitted,



Candice Gartry, CPA, CGA
Director, Financial Services

Comments from the Chief Administrative Officer

I concur with the recommendation of this corporate report.



Guillermo Ferrero
Chief Administrative Officer

Appendix A: Estimated 2024 General Fund Operating Surplus Allocation