

## Financial Services



### Service Delivery Promise

The Financial Services Department plays a crucial role in maintaining the County's strong financial position. Under the leadership of the Director of Financial Services/Treasurer, the team is responsible for managing the County's finances, procurement and overseeing risk management. These efforts ensure that resources are utilized effectively, supporting the delivery of dynamic services to the community.

The Finance team handles the County's financial planning, budgeting and reporting, ensuring that everything stays on track. Cash flow and investments are managed with a focus on the prudent and secure use of the County's funds. Additionally, payroll and employee benefits are overseen to ensure staff are compensated promptly and have the necessary support.

The team develops the County's budget in alignment with service priorities and the County's Strategic Plan, ensuring resources are allocated to support both current operations and future needs. Investments of County funds are approached carefully to balance safety and return, while financial reporting remains accurate and compliant with regulations. Payroll and benefits administration are closely monitored to ensure compliance with contractual obligations.

The Procurement team is responsible for developing, maintaining, and ensuring compliance with the County's procurement policies, procedures and best practices. The team oversees all procurement activity including Requests for Proposals (RFPs), Request for Quotations (RFQ)s and tenders while promoting competition, fairness and transparency in securing goods and services for the County. The team also negotiates contracts and oversees supplier relationships, ensuring adherence with trade agreements, procurement legislation and regulatory requirements.

Dedicated to supporting the County's operational effectiveness, the procurement team focuses on delivering value for money, through open, fair and transparent processes that align with the County's Procurement Bylaw and industry best practices. By collaborating closely with departments across the organization, the team facilitates procurement need efficiently and fosters strong partnerships with suppliers to ensure seamless operations.

Risk management is integrated into the daily functions of both the Finance and Procurement teams. This commitment to protecting the County involves identifying potential risks and implementing plans to address them. This includes managing insurance coverage and taking proactive measures to prevent losses. Adequate insurance is ensured, efforts are made to minimize risk exposure and assistance is provided in developing contingency plans to maintain service continuity during unforeseen events.

## Level of Service Statement

The Financial Services Department supports all departments of the County, including Community Services, Sun Parlor Home, Emergency Services, Infrastructure and Planning Services, the Essex County Library and other General Government Services departments. Our team provides financial, procurement and risk management support to keep County operations running smoothly and efficiently. We actively collaborate with local partners to share best practices and enhance relationships throughout the County.

## Opportunities, Challenges and Risks for 2026

2026 will be an important transition year for the County as we continue modernizing our financial systems and preparing for full integration of several new tools and processes. Many of the projects launched over the past year are now moving from setup to full implementation, setting the stage for greater efficiency and improved financial management as we head into 2026.

A major focus will be on the continued rollout of the new budgeting software, which is currently being used in parallel with our traditional process. While the preparation of the 2026 Budget is still a hybrid year, the goal is to be fully transitioned for the 2027 budget cycle which begins in summer of 2026. The new system will significantly modernize how we plan, review, and manage budgets by reducing manual work, improving accuracy, and providing better access to real-time data. Once fully in place, it will give staff stronger tools for forecasting, scenario planning, and financial analysis. Training and process alignment will continue throughout 2026 to ensure a smooth transition.

Following the successful 2025 launch of the Human Resources Information System (HRIS), we're already seeing improvements in payroll accuracy and efficiency. In 2026, we'll continue to strengthen the collaboration between the HRIS and Finance systems to enhance reporting, workforce analytics, and long-term planning.

Work will continue on embedding the Asset Management Plan (AMP) into day-to-day financial decision-making. With the regulatory update completed in 2025, the focus this year will be on applying the plan's data and financial strategies directly into budget discussions. Over the next few years, emphasis will also be placed on continuously improving the quality and completeness of the data. This ongoing effort will help ensure infrastructure funding and service levels remain sustainable and aligned with long-term goals.

On the investment side, markets appear to be stabilizing after several volatile years. While the County continues to benefit from relatively strong short-term investment returns, uncertainty in timing and market trends remains a factor. The updated Investment Policy, coupled with regular performance reviews, will help ensure funds are invested safely and strategically to balance liquidity, security, and return.

We continue to face challenges in procurement, particularly with ongoing tariff impacts and uneven price adjustments across suppliers. While overall inflation has eased, the cost of certain commodities, especially those affected by international trade tariffs, remain higher than expected. This will continue to pressure budgets for fleet replacements, and specialized equipment. In response, we will keep focusing on strategic sourcing, cooperative purchasing, and exploring ways to manage costs without compromising quality or timelines.

Finally, Financial Services will keep supporting departments with provincial reporting, funding applications, and grant compliance. Even without major new reporting requirements for 2026, our focus remains on ensuring financial accuracy, maximizing external funding, and maintaining transparency.

## Proposed 2026 Budget Plan

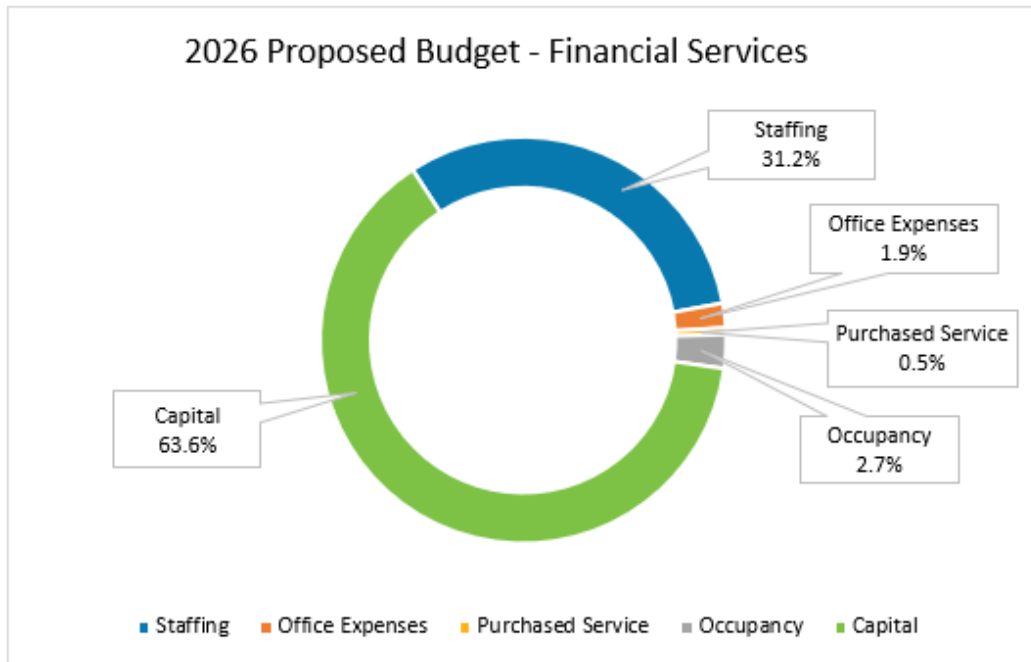
The proposed 2026 Budget continues the County's focus on long-term financial sustainability while addressing immediate operational priorities and supporting key capital investments. This year's plan builds on the work initiated through the new HRIS and budgeting systems, positioning the organization for more efficient, data-driven financial management heading into 2026.

A significant investment in 2026 is the \$1 million allocation to the EMS Capital Reserve to fund the new hub and other priorities identified in the updated EMS Master Plan. Additional funds have also been set aside to support the construction of the three spoke stations identified in the Plan. These projects are managed under Financial Services as the County will own the related facilities.

Investment income has remained stable for 2026. Despite expected reserve draws for specific capital purchases, this target remains achievable given current interest rate trends and the County's prudent investment strategy.

Administrative recoveries have been significantly reduced to better align departmental budgets with actual service delivery. This reallocation ensures that areas such as Corporate Management, IT, HR, and other support functions receive the appropriate funding based on where the services are delivered, improving transparency and accountability across the organization.

The following graph illustrates the key areas of proposed 2026 Budget spending in Financial Services:



Overall, the proposed 2026 Budget for Financial Services, net of recoveries, totals \$2,062,230 (an increase of \$1,736,050 over the restated 2025 Budget of \$326,180).

## Alignment with Strategic Plan Initiatives

### Focusing "Team Essex County" for Results

The ongoing collaboration between Finance, HR, and departmental teams demonstrates the County's commitment to working as "Team Essex County." The continued rollout of the new budgeting software, set for full transition in 2026, reflects a unified approach to modernizing financial management. This system will enhance cross-departmental communication, streamline reporting, and allow for more accurate, real-time financial analysis. Together with the HRIS implemented in 2025, these initiatives strengthen integration between Finance and all departments, supporting more efficient processes and a shared commitment to service excellence.

## Providing Reliable Infrastructure for Partners

Financial Services plays a key role in advancing the County's infrastructure priorities by supporting sustainable financing strategies for major projects. In 2026, this includes a \$1 million investment into the EMS Capital Reserve to fund the new regional hub and other Master Plan initiatives, as well as financing the three spoke stations. These projects ensure reliable infrastructure for partners and residents across the County. Additionally, the continued implementation of the Asset Management Plan supports evidence-based investment decisions, helping maintain and renew assets responsibly.

## A Government Working for the People

The department remains focused on transparency, accountability, and efficient financial stewardship. Administrative recoveries were refined in 2026 to better align with service delivery, ensuring accurate and transparent budgeting across departments. Financial Services also continues to provide analytical support and oversight to ensure that every dollar spent reflects Council's priorities and delivers value to residents.

## Scaling Sustainable Services through Innovation

By embracing new technologies and data-driven decision-making, the County is scaling its financial capacity for the future. The move toward fully integrated budgeting software in 2026 will reduce manual processes, enhance forecasting accuracy, and support continuous improvement in financial planning. Despite expected reserve draws for specific capital needs, investment income is being maintained at sustainable levels, demonstrating strong fiscal management and adaptability in a changing economic environment.