

Report to Council



Date: 06/15/2015
File: 0270-02
To: City Manager
From: Garry Filafilo, Financial Projects Manager
Subject: 2015 Annual Report

Recommendation:

THAT Council receives, for information, the 2015 Annual Report for the year ended December 31, 2015 attached to the Report of the Financial Projects Manager dated June 15, 2016;

AND THAT Council receives, for information, the 2015 Council Remuneration and Expense report, Employee Remuneration and Schedule of Payment for the Provision of Goods and Services' attached to the Report of the Financial Projects Manager dated June 15, 2016.

Purpose:

To meet legislated reporting requirements for annual financial statements and provide contextual information for the data contained in the remuneration reports.

Background:

Annual reporting of financial information is mandatory for all municipalities under the Financial Information Act. The City's annual report is available online at kelowna.ca/annualreport. Print copies are available by request.

Public review

The Community Charter requires that the public is informed that the report is available for review two weeks prior to Council's consideration of the annual report. Public were invited (via traditional correspondence, media relations, newspaper advertising, online marketing and social media) to review the report, provide feedback and ask questions about the report prior to and at today's meeting.

Between June 3 (when it was posted online) and June 10, the report was viewed 152 times in Zmags, and the summary video has been viewed 356 times on YouTube and 510 times on Facebook. Additionally, kelowna.ca/annualreport has received 174 views.

Inside the report

On April 26, the City of Kelowna's Annual Consolidated Financial Statements for the year ended December 31, 2015 were reviewed by the Audit Committee; these statements were subsequently approved by Council on May 2.

In addition to the financial statements, the annual report summarizes the City's strategic plan, highlighting actions and efforts taken in 2015 to achieve that plan. The 2015 report shows how the City of Kelowna is Building on Momentum, to create:

- A well-run City
- An active, inclusive City
- A safe City
- A strong economy
- A clean, healthy environment
- Resilient, well-managed infrastructure

Building on the momentum of change in design for the annual report over the past few years, this year's report features an executive summary video and other videos that had been created by the City throughout the year.

Tax exemptions

A report on permissive tax exemptions granted by Council is included in the annual report. The amount reported in this section includes the municipal portion of taxes exempted for the year 2015 as required under the Community Charter. A report is also included on Development Cost Charges to indicate the activity for charges received, expenditures made and any waivers or reductions for each DCC group.

Statistical review

Within the annual report, following the Audited Consolidated Financial Statements and Notes to Consolidated Statements, is the Statistical Review, in graphic format for the years 2011 through 2015.

Remuneration

The 2015 Council Remuneration and Expenses report, Employee Remuneration and Expenses report, and the Payment for the Provision of Goods and Services schedule are prepared annually as part of Financial Information Act reporting requirements.

The 2015 Employee Remuneration report shows an increase of 52 staff earning more than \$75,000 over 2014 - management staff increased by three, IAFF staff increased by eight and CUPE staff increased by 41. This increase is a result of: an extra pay period in 2015, Management and CUPE contract increases (steady at 1-2 per cent over the past several years); IAFF increase of 2.5 per cent and other compensation such as vacation payouts or travel charges.

The chart below provides a summary of the changes by employee group:

Remuneration Comparison 2015 - 2014			
	2015	2014	Change
>\$75,000	Number	Number	Number
Management	113	110	3
IAFF	115	107	8
CUPE	140	99	41
Total	368	316	52

This increase breaks down as:

Additional Pay Period in 2015:	\$2,200,000*
IAFF Retro	\$2,100,000
CUPE increase 1.5%:	\$587,000
Mgmt. increase 2.0%:	\$260,000
IAFF increase 2.5%:	\$250,000
Other (overtime, vacancies filled, staff additions, etc):	\$1,403,000

*an extra pay period occurs once every 11 years due to calendar

Legal/Statutory Authority:

Community Charter section 98, Annual Municipal Report - requires that the annual report be prepared by June 30 of each year and that it be available for public inspection at the meeting the Annual Report is to be considered by Council.

Community Charter section 99 - Council must give notice of the meeting at which the Annual Report is to be considered in accordance with section 94, and consider, the annual report along with any submissions and questions from the public.

Financial Information Act Regulations Schedule 1 Section 9(2) - requires that a Municipality have the Statement of Financial Information approved by its Council and by the officer assigned responsibility for financial administration under the Local Government Act.

Internal Circulation:

- G. Davidson, Financial Services Director
- R. Mayne, Divisional Director Corporate and Protective Services
- S. Leatherdale, Divisional Director Human Resources and Corporate Performance
- C. Weaden, Divisional Director Communications and Information Services

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:
Communications Comments:
Alternate Recommendation:

Submitted by:

Garry Filafilo, CPA, CA
Financial Projects Manager

Approved for inclusion:



Genelle Davidson, Financial Services Director

Attachments:

2015 Annual Report

2015 Council Remuneration and Expenses, Employee Remuneration and Expenses and Payment for the Provision of Goods or Services