

Report to Council



Date: 6/26/2017
File: 0270-02
To: City Manager
From: Garry Filafilo, Accounting Operations Manager
Subject: 2016 Annual Report: Connected

Recommendation:

THAT Council receives, for information, the 2016 Annual Report, titled Connected, for the year ended December 31, 2016 attached to the Report of the Accounting Operations Manager dated June 26, 2017;

AND THAT Council receives, for information, the 2016 Statement of Financial Information report that includes: Council Remuneration and Expense Report, Schedule of Remuneration and Expenses paid to or on behalf of each employee, Schedule of Payments to Suppliers for the Provision of Goods and Services and Schedule of Payments to Suppliers for Grants and Contributions attached to the Report of the Accounting Operations Manager dated June 26, 2017.

Purpose:

To meet legislated reporting requirements for annual financial statements, showcase City services, programs and projects, 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/publications, with print copies available by request. Each year the City prides itself on producing a report that meets financial requirements, while presenting the information in a way that tells the story behind the numbers. To enhance this year's story, the City has included six videos, featuring a variety of speakers, from staff to residents, and consultants to business community members.

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 newspaper advertising, eSubscribe, online marketing and social media) to review the report, provide feedback and ask questions about the report prior to and at today's meeting.

The 2016 Annual Report was posted online at kelowna.ca/publications on June 9. As of June 19, the webpage had received 142 pageviews, the YouTube videos received 189 views, plus there were more than 7,000 views or interactions with the report and its videos on social media (i.e. Facebook, Twitter and Instagram posts, as well as two videos reposted to Facebook at the time). Views and interactions will continue to increase as the report and its videos are promoted over the coming months.

Inside the report

On May 2, the City of Kelowna's Annual Consolidated Financial Statements for the year ended December 31, 2016 were reviewed by the Audit Committee; these statements were subsequently approved by Council on May 8.

In addition to the financial statements, the annual report summarizes the City's strategic plan, highlighting actions and efforts taken in 2016 to achieve that plan. The 2016 report shows how the City of Kelowna is connecting residents, businesses and visitors to services, programs and projects by being a well-run City, active and inclusive, safe, and having a strong economy, a clean, healthy environment and resilient well-managed infrastructure.

In order to provide a more multi-media experience, this year's report features six videos that speak to how the City is connected to and connecting the community.

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 2016 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 2012 through 2016.

Remuneration

The 2016 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 2016 Employee Remuneration report shows a decrease of 12 staff earning more than \$75,000 over 2015 - management staff increased by two, IAFF staff decreased by one and CUPE staff decreased by 13. This decrease is a result of a combination of: no extra pay period in 2016 which had occurred 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 City provides hundreds of services that require a wide variety of degrees and specialized qualifications. It competes with the public and private sector to recruit and retain employees who are qualified to fill these positions. Hiring qualified people who have a heart for public service is an approach that strives to provide citizens with the best service and value possible.

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

Remuneration Comparison 2016 – 2015

	2016	2015	Change in
>\$75,000	Numbers	Numbers	Numbers
Management	115	113	2
IAFF	114	115	(1)
CUPE	127	140	(13)
TOTAL	356	368	(12)

The total employee remuneration for 2016 has decreased by .9 per cent, or approximately \$600,000 to a new level of \$67.6 million.

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, Divisional Director Financial Services

S. Leatherdale, Divisional Director Human Resources and Corporate Performance

C. Weaden, Divisional Director Communications and Information Services

Considerations not applicable to this report:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

Garry Filafilo, CPA, CA

Accounting Operations Manager

Approved for inclusion:



Genelle Davidson, Divisional Director, Financial Services

Attachments:

2016 Annual Report: Connected

2016 Statement of Financial Information