

DATE OF MEETING | JUNE 24, 2019

AUTHORED BY | LAURA MERCER, ACTING DIRECTOR, FINANCIAL SERVICES

**SUBJECT | 2018 STATEMENT OF FINANCIAL INFORMATION**

## **OVERVIEW**

### **Purpose of Report**

To present the 2018 Statement of Financial Information for acceptance by Council.

### **Recommendation**

That Council approve the City of Nanaimo 2018 Statement of Financial Information for filing with the Ministry of Municipal Affairs and Housing.

## **BACKGROUND**

The *Financial Information Act* requires municipalities to prepare a Statement of Financial Information (SOFI) by June 30 each succeeding year to be filed with the Ministry of Municipal Affairs and Housing. Within the SOFI, the Schedule of Remuneration & Expenses includes information which must be considered annually by Council under section 168 of the *Community Charter*.

The SOFI contains information not found in the City of Nanaimo's financial statements:

- Schedule of Guarantee or Indemnity
- Schedule of Remuneration & Expenses
- Schedule of Severance Agreements
- Schedule of Goods and Services

The *Financial Information Regulation* provides some detail on what should be included in these schedules, including specific definitions of "remuneration" and "expenses". For example, while "remuneration" specifically includes salary, wages, and taxable benefits, it specifically excludes anything payable under a severance agreement.

The Schedule of Severance Agreements must include the number of severance agreements and the range of equivalent months' compensation represented by those agreements.

"Expenses" specifically must exclude benefits of a general nature applicable to all employees, such as medical, dental, counseling, insurance and similar plans. It includes travel expenses, memberships, tuition, relocation expense and registration fees. It is not limited to expenses that are generally perceived to be perquisites and may include expenditures required for employees to perform their job functions.

When compared to 2017, the 2018 employee listing for salaries greater than \$75,000 shows an increase in 28 staff. The chart below provides a summary by the employee group:

	2018	2017	Change
<b>Management</b>	54	63	(9)
<b>IAFF members</b>	91	92	(1)
<b>CUPE members</b>	158	120	38
<b>Total</b>	303	275	28

In 2018, the City of Nanaimo signed a two-year collective agreement with CUPE Local 401. This agreement was effective for the years 2017 and 2018. As such, retroactive wages back to 2017-JAN-01 were paid to all CUPE employees in June 2018. This accounts for the large increase in the number of CUPE members on the over \$75,000 list. |

### OPTIONS

1. That Council approve the City of Nanaimo 2018 Statement of Financial Information for filing with the Ministry of Municipal Affairs and Housing.
  - **Legal Implications:** The City would become non-compliant with the Province of BC's reporting requirements if the report was not approved.
2. That Council request further information pertaining to the 2018 Statement of Financial Information.
  - **Legal Implication:** If the report is not approved by Council before June 30<sup>th</sup>, the City would not be compliant with Provincial Legislation. |

### SUMMARY POINTS

- The *Financial Information Act* requires municipalities to prepare a Statement of Financial Information (SOFI) by June 30 each year to be filed with the Ministry of Municipal Affairs and Housing.
- 303 Employees were listed as earning over \$75,000 in the 2018 Statement of Financial Information. |

### ATTACHMENTS

Attachment A: 2018 Statement of Financial Information |

**Submitted by:** |

Laura Mercer  
Acting Director, Financial Services |