



STAFF REPORT

To: Chief Administrative Officer **Date:** June 17, 2024
From: Scott Ross, Manager of Financial Planning & Analysis
Subject: **2023 Statement of Financial Information**

Recommendation(s)

1. That the City of Mission's 2023 Statement of Financial Information, attached as Attachment A to the report entitled "2023 Statement of Financial Information" from the Manager of Financial Planning & Analysis dated June 17, 2024, be approved for submission to the Ministry of Municipal Affairs and Housing; and
2. That the Mayor and Director of Finance be authorized to sign the Statement of Financial Information Approval form.

Purpose

The purpose of this report is to have Council consider and resolve to approve the City's Statement of Financial Information (SOFI) for submission to the Ministry of Municipal Affairs and Housing prior to the June 30, 2024 legislative deadline.

Background

The SOFI is an annual requirement under the *Financial Information Act (FIA)*. Regulations under *FIA* Schedule 1, sections 1 to 4, require the 2023 SOFI to be submitted to the Ministry of Municipal Affairs and Housing no later than June 30, 2024.

The SOFI report is comprised of the following documents:

- 2023 Financial Statements*
- Management Report
- Statement of Changes in Financial Position – Capital Fund
- Schedule of Debts
- Schedule of Guarantee and Indemnity Agreements
- Schedule of Remuneration and Expenses
- Statement of Severance Agreements
- Schedule of Suppliers of Goods or Services

* The City's audited 2023 Financial Statements are included in the report titled "2023 Annual Report" on tonight's agenda for approval; therefore, they are not included again in this report.

It should be noted that where applicable, SOFI schedules are based on when payments are made

(i.e. on a cash basis), rather than the accrual basis used for financial statement presentation. The primary objective of the SOFI is to provide transparency for the use of public funds to the taxpayer.

Discussion and Analysis

A few key points regarding the attached statements and schedules:

Staff Remuneration

The remuneration amounts disclosed in the SOFI may incorporate a number of items, in addition to the gross salary/wages paid to the employee in the calendar year, such as:

- Overtime (if a unionized position), vacation earned but not taken, and any retroactive pay changes if applicable.
- Taxable benefits; and
- Payment into a trust or any form of income deferral paid by the City to the employee or on behalf of the employee, in the rare case that this occurs.

The City does not pay bonuses to any of its staff or elected officials.

The outgoing/previous Council determines the incoming elected officials' compensation for the first year based on research on comparator local government organizations. The current policy states that "every year, the average of the preceding three years of the Vancouver Consumer Price Indices - All Items will be used to adjust both the Mayor's and Councilors' salary at the beginning of each calendar year. The minimum increase to be provided will be 1% and the maximum will be 5% regardless of the amount of the three-year average.

The City's compensation policy is to pay exempt salaries that meet the median (half of the data points fall above and half fall below) of a set group of comparator municipalities. This is done to ensure that staff are compensated fairly in relation to the market, which is a key consideration for attracting and retaining talent.

Staff Expenses

The *FIA* specifically states that expenses "...are not limited to expenses that are generally perceived as perquisites or bestowing personal benefit and may include expenditures required for employees to perform their job functions". Reported expenses exclude benefits of a general nature applicable to all employees pursuant to an agreement such as medical, dental, counseling, insurance, and similar plans. Any amounts paid directly to an employee, or to a third party on behalf of the employee, which have not been included in "remuneration" are reported as staff expenses.

The figures reported as staff expenses may include items such as:

- Travel expenses
- Professional membership or association dues
- Tuition
- Relocation
- Vehicle leases
- Extraordinary hiring expenses

- Registration, training, and conference fees.

Supplier Payments

The SOFI includes a summary of payments made to outside organizations for goods and services purchased by the City, which total more than \$25,000 for the reporting year. The SOFI also summarizes payments made as cash grants to not-for-profit organizations.

Recoveries/Reimbursements

It is important to note that the SOFI does not include any recoveries. In other words, if a staff member or contracted service provider was paid an amount, and any portion of that amount was reimbursed, the reimbursed amount is not reflected in the report.

Legislation Requirements:

The staff remuneration \$75,000 reporting threshold, as set in the *FIA*, hasn't changed since 2002. At that time, the City had 18 employees on the SOFI list, of which 4 had total remuneration exceeding \$100,000.

Two years ago, at the direction of the Mayor and Council, a letter was prepared and submitted to the Ministry requesting a review of the \$75,000 threshold. The City received a non-committal response saying it would be studied for future consideration.

Notable Changes for SOFI:

Table A: below shows the change in the number of employees in each wage range from 2022 to 2023 by employee group:

Table A: Summary of Changes for Total Remuneration & Expense Year Over Year Comparison

	<u>2023</u>	<u>2022</u>	<u>Change %</u>
Number of CUPE staff \$75K to \$100K	60	48	25%
Number of CUPE staff > \$100K	29	20	45%
Number of IAFF staff \$75K to \$100K	0	1	-100%
Number of IAFF staff > \$100K	18	17	6%
Number of Exempt staff \$75K to \$100K	6	3	100%
Number of Exempt staff > \$100K	35	36	-3%
Total number of all staff \$75K to \$100K	66	52	27%
Total number of all staff > \$100K	<u>82</u>	<u>73</u>	12%
Total number of all staff > \$75K	<u>148</u>	<u>125</u>	

An employee that starts or leaves the employment of the City during the year may not be individually listed even if their normal annual salary exceeds \$75,000. For example, if an employee with an annual salary of \$90,000 decides to retire at the end of August, they will have only been paid for eight months or \$60,000 (\$7,500 per month times eight months of service). If this retiree is replaced with a new employee, at the same time of the retirement, then the new

employee also will not be listed on the SOFI report since they will have only been paid for four months at \$7,500 per month for a total of \$30,000.

Financial Implications

There are no financial implications directly associated with this report.

Communication

The public may view or download the latest SOFI at no cost from the City's website. The approved 2023 SOFI will be submitted to the Ministry of Municipal Affairs and Housing by the June 30, 2024 deadline.

Summary and Conclusion

The SOFI is an annual requirement under the *FIA*. Regulations under *FIA* Schedule 1, sections 1 to 4, require the 2023 SOFI to be submitted to the Ministry of Municipal Affairs and Housing no later than June 30, 2024.

The SOFI includes information such as the City's audited financial statements, remuneration and expenses paid to the Mayor and Council, municipal employees who have remuneration over the threshold amount of \$75,000, suppliers who were paid \$25,000 or more, and grants awarded by the municipality to not-for-profit organizations.

Staff request that Council approve the attached 2023 Statement of Financial Information for submission, in order to meet legislative requirements, and that the Mayor and Director of Finance be authorized to sign the Statement of Financial Information Approval Form.

Report Prepared by: Scott Ross, Manager of Financial Planning & Analysis

Reviewed by: Doug Stewart, Director of Finance

Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment

Attachment A: 2023 Statement of Financial Information