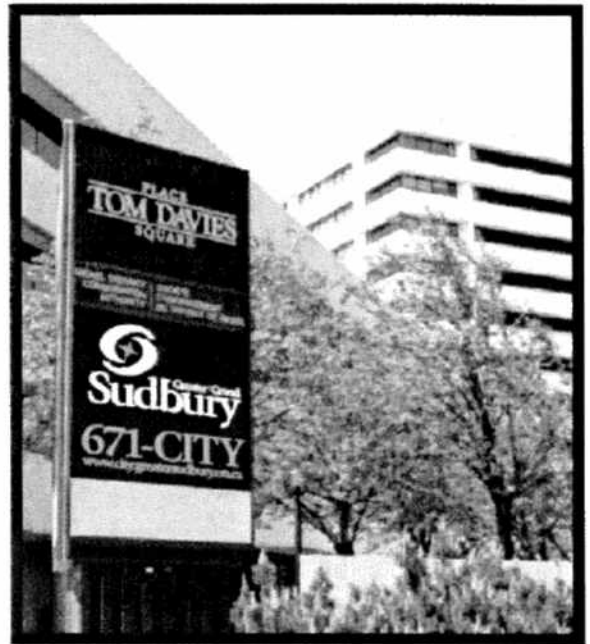


Agenda

Ordre du Jour

Councillor/Conseiller
Ted Callaghan
Chair/Présidente

Councillor/Conseiller
Russ Thompson
Vice-Chair/Vice-Président



For the
Finance Committee
Meeting to be held

Wednesday, June 18, 2008

at 4:00 p.m

Council Chamber
Tom Davies Square

Pour la réunion du
Comité des finances
qui aura lieu

mercredi 18 juin 2008

à 16 h

dans la Salle du Conseil
Place Tom Davies

***NINETEENTH MEETING OF THE FINANCE COMMITTEE
TO BE HELD ON WEDNESDAY, JUNE 18, 2008 AT 4:00 P.M.
IN THE COUNCIL CHAMBER, TOM DAVIES SQUARE***

COUNCILLOR CALLAGHAN, CHAIR

(PLEASE ENSURE CELL PHONES AND PAGERS ARE TURNED OFF)

The Council Chamber of Tom Davies Square is wheelchair accessible. Please speak to the City Clerk prior to the meeting if you require a hearing amplification device. Persons requiring assistance are requested to contact the City Clerk's Office at least 24 hours in advance of the meeting if special arrangements are required. Please call (705) 674-4455, extension 2471. Telecommunications Device for the Deaf (TTY) (705) 688-3919. Copies of Agendas can be viewed on the City's web site at www.greatersudbury.ca.

1. Declarations of Pecuniary Interest

PRESENTATIONS/DELEGATIONS

PAGE NO.

2. Report dated June 11, 2008 from the Chief Financial Officer/Treasurer regarding
2007 Audit Findings Report. **1 - 2**
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

▸ Wayne McDonald, CA, KPMG LLP

(This report provides the audit findings with respect to the 2007 year-end.)

3. Report dated June 11, 2008 from the Chief Financial Officer/Treasurer regarding
2007 Annual Financial Statements. **3 - 4**
(ELECTRONIC PRESENTATION) (RECOMMENDATION PREPARED)
(REPORT UNDER SEPARATE COVER)

▸ Lorella Hayes, Chief Financial Officer/Treasurer

(This report provides the Consolidated Financial Statements of the City of Greater Sudbury
for the year ended December 31, 2007.)

ROUTINE MANAGEMENT REPORTS

{NONE}

CORRESPONDENCE - INFORMATION ONLY

4. Report dated June 11, 2008 from the Chief Financial Officer/Treasurer regarding
2007 Capital Fund Year-End Position. **5 - 10**
(FOR INFORMATION ONLY)

(This report advises on the status of the Capital Fund as of December 31, 2007.)

5. Report dated June 11, 2008 from the Chief Financial Officer/Treasurer regarding
2007 Reserves and Reserve Funds **11 - 23**
(FOR INFORMATION ONLY)

(This report advises of the balances in the reserves and the reserve funds at December 31,
2007.)

MANAGERS' REPORTS

{NONE}

ADJOURNMENT (RECOMMENDATION PREPARED)

COUNCILLOR TED CALLAGHAN
CHAIR

FRANCA BORTOLUSSI
COUNCIL SECRETARY

Request for Recommendation Finance Committee


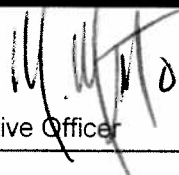


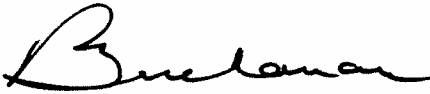
Type of Decision									
Meeting	June 18, 2008				Report Date	June 11, 2008			
Decision Requested		Yes	X	No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed

Report Title
2007 Audit Findings Report

Budget Impact / Policy Implication	Recommendation
X This report has been reviewed by the Finance Division	

NOT APPLICABLE	FOR INFORMATION ONLY
X Background Attached	Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Lorella Hayes Chief Financial Officer	 Mark Mieto Chief Administrative Officer

Report Prepared By	Division Review
 Paddy Buchanan Acting Manager of Accounting	

BACKGROUND

For entities with public accountability, auditing standards now require auditors to communicate specific information to an audit committee. In the absence of an audit committee, the auditor is required to communicate to those with who have responsibility for financial oversight. This is the Finance Committee for the City of Greater Sudbury. The City's auditors will be presenting their Audit Findings report with respect to the 2007 year-end to the Finance Committee on June 18, 2008. Their presentation will cover the following issues:

- Audit Opinion
- Independence
- Audit highlights and Findings
- Current Developments
- Performance Improvement Observations

The purpose of their presentation will be to communicate to the Committee a summary of any significant findings and other matters which our auditors believe should be brought to your attention, thereby assisting this committee with respect to their review and recommendation to Council for approval of the 2007 financial statements.

Staff are pleased to report that this year's audit report has been issued "without reservation". This means that, in the auditor's opinion, our financial statements present fairly, "in all material respects", our financial position and the results of our operations and changes in financial position for the year ended December 31, 2007.

In addition to reporting all financial transactions appropriately following Generally Accepted Accounting Principles, management also has a responsibility to apply their best judgement at the time in preparing accounting estimates and/or disclosures in the financial statements.

The concept of materiality is applied in determining whether or not the statements are considered to be a fair representation. Materiality includes both qualitative and quantitative factors which are assessed in the light of whether or not they may be likely to influence the decisions made by persons relying on the financial statements. The auditors will confirm that they have reviewed uncorrected financial statement misstatements. Management has reviewed the misstatements and determined that individually and in aggregate they are not material to the financial statements.

A further requirement of any audit is to obtain sufficient understanding of internal controls and to test those internal controls so that the auditor can place reliance on them as part of the audit. The Audit Findings Report will comment on any material weaknesses that have been identified as part of the audit.

Request for Recommendation Finance Committee




Type of Decision									
Meeting	June 18, 2008				Report Date	June 11, 2008			
Decision Requested	X	Yes		No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed

Report Title
2007 Annual Financial Reports

Budget Impact / Policy Implication	Recommendation
X This report has been reviewed by the Finance Division	

NOT APPLICABLE	<p>THAT the Consolidated Financial Statements for the City of Greater Sudbury and the City of Greater Sudbury Trust Funds, for the year ended December 31, 2007 as presented be accepted and recommended for Council approval.</p>
X Background Attached	Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Lorella Hayes Chief Financial Officer/Treasurer	 Mark Mieto Chief Administrative Officer

Report Prepared By	Division Review
 Paddy Buchanan Acting Manager of Accounting	

BACKGROUND

Under separate cover, please find the Consolidated Financial Statements of the City of Greater Sudbury and the City of Greater Sudbury Trust funds for the year ended December 31, 2007. These financial statements have been audited and the Audit Report expresses an unqualified audit opinion.

At a later date, you will receive a comprehensive package that includes the following financial reports for the year ended December 31, 2007:

- Consolidated Financial Statements of the City of Greater Sudbury
- Ministry Consolidated Financial Information Return for the City of Greater Sudbury
- Financial Statements of the City of Greater Sudbury Trust Funds
- Financial Statements of the Sudbury Airport Community Development Corporation
- Consolidated Financial Statements of Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc.
- Financial Statements of the Sudbury Metro Centre
- Financial Statements of the Sudbury and District Health Unit
- Financial Statements of the Greater Sudbury Housing Corporation
- Financial Statements of the Sudbury Community Development Corporation
- Financial Statements of the City of Greater Sudbury Community Development Corporation

Request for Recommendation Finance Committee




Type of Decision											
Meeting		June 18, 2008			Report Date		June 12, 2008				
Decision Requested			Yes	<input checked="" type="checkbox"/>	No	Priority		<input checked="" type="checkbox"/>	High		Low
		Direction Only				Type of Meeting		<input checked="" type="checkbox"/>	Open		Closed

Report Title
2007 Capital Fund Year-End Position

Budget Impact / Policy Implication	Recommendation
<input type="checkbox"/> This report has been reviewed by the Finance Division and the funding source has been identified.	

	FOR INFORMATION ONLY
<input checked="" type="checkbox"/> Background Attached	<input type="checkbox"/> Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Lorella Hayes Chief Financial Officer / Treasurer	 Mark Mieto Chief Administrative Officer

Report Prepared By	Division Review
 Dion Dumontelle Manager of Financial Support & Budgeting	

Background

Council has adopted a pay-as you go capital financing strategy, directly funding capital projects through the operating budget each year. The capital fund balance represents the unspent capital funding at the end of the year. The majority of the projects are underway and funding will be spent in 2008 or shortly thereafter.

Year End Balance

The 2007 year-end balance in the Capital Fund was \$48.1 million, an increase of \$13.5 million from the 2006 closing balance. Attached is a summary which shows the breakdown of the fund, by major category as at December 31, 2007, with comparative figures for 2006, and immediately following that is a brief description of the projects underway at the end of 2007.

CITY OF GREATER SUDBURY
Capital Works in Progress
as at December 31, 2007

	Year - End Balance 2006 \$	Year - End Balance 2007 \$
(1) Administrative Services		
Information Technology	746,442	1,010,983
Administration	291,348	929,149
Other Projects	518,394	924,350
Subtotal-Administrative Services	1,556,184	2,864,482
(2) Community Development		
Health & Social Services	(1,032,741)	(511,768)
Healthy Community		117,720
Leisure Services	1,690,213	1,772,844
Leisure Services - Facilities		579,507
Library Services	(442,509)	(162,926)
Cemetary Services	225,247	105,896
Subtotal-Community Development	440,210	1,901,273
(3) Growth & Development		
Economic Development	349,071	173,216
Community & Strategic Planning	223,086	24,264
Planning	480,746	589,191
Transit	-	-
Parking	247,000	352,000
Subtotal-Growth & Development	1,299,903	1,138,671
(4) Police Services	1,393,797	2,272,654
(5) Infrastructure		
Equipment	2,463,577	1,339,810
Facilities	469,863	717,481
Solid Waste	3,021,396	3,520,355
Water	10,264,679	10,474,583
Wastewater	16,487,826	17,234,384
Roadways	(117,301)	8,756,213
Municipal Drains	45,576	80,055
Subtotal-Infrastructure	32,635,616	42,122,881
(6) Emergency Services		
EMS	726,191	636,447
Emergency Planning	(3,329,880)	(2,981,850)
Subtotal-Emergency Services	(2,603,689)	(2,345,403)
(7) Fire Services	(103,453)	193,548
TOTAL - CAPITAL WORKS IN PROGRESS	34,618,568	48,148,106

Explanatory Notes - Capital Works in Progress (CWIP) Summary - December 31, 2007

(1) Administration Services

Information Technology

The major projects still outstanding in this section are Microsoft office conversion, application system upgrades, on-line agenda meetings and certain Hardware and Software costs.

Administration

Document Management System, Council chambers, records management and various projects were not completed at year-end but it is anticipated that all of these projects will be finalized in 2008 and 2009.

Other Projects

Other projects related to funds approved for the implementation of ERP applications, such as position management, commitment control, new budget system and E-recruit. In accordance with the ERP roadmap, it is anticipated that the balance will be largely spent during 2008 to 2010.

(2) Community Development

Health and Social Services

The balance represents expended capital funds for the original Pioneer Manor Redevelopment project, which will be recovered through envelope commitments until 2011.

Leisure Services

A number of projects remain outstanding throughout this section, including Neighbourhood Participation and Community Improvement allocations, the Laurentian track, playground upgrades and miscellaneous equipment.

Leisure Services - Facilities

A number of projects including roof and building shell repairs remain outstanding as well as compliance upgrades.

Library Services

The balance represents the net of expended capital funds for the South Branch Library, which will be recovered through envelope commitments until 2012 and pre-funding for Anderson Farm and the Archive building.

Cemetery Services

The pre-funding relates largely to the expansion of the Civic Memorial cemetery and mausoleum construction.

(3) Growth and Development

Economic Development

Most of the funding here relates to signage costs which will be spent in 2008.

Community & Strategic Planning

The balance represents funds for Connect Ontario and the "My Sudbury" initiative.

Planning

The balance relates to the partial funding for the new zoning by-law and funding designated for the official plan.

Parking

The available funding in this section is mainly for completion of small projects including the gate arm / cash system for the Tom Davies Square parking garage, replacement of pay and display machines and signage.

(4) Police Services

The majority of the capital balance relates to mobile data terminals, vehicles, leasehold improvements and equipment required for the move to the Lionel E. Lalonde Centre, as well as pre-funding for the command post under the Public Safety initiative.

(5) Infrastructure

Equipment

Efforts have been made to reduce the time lag in receipt of the equipment budgeted for in 2007, and it is expected that the equipment will be received in 2008.

Facilities

The balance here is from various mechanical and electrical projects that were not quite completed prior to year-end.

Solid Waste

A number of projects remain open in this section, including Azilda site stormwater and pond, work at the Sudbury and Hanmer sites, the organic pilot project and the Solid Waste management facility.

Water

There are a number of ongoing projects which have been budgeted for and funded such as numerous water main replacements, mandated operating manuals and SCADA upgrades at all facilities, as well as major compliance work at the Wahnapiatae treatment plant. In addition, there are upcoming major projects which have been partially funded such as the Levack and Valley

East water supply systems. These projects will be completed over the next few years.

Wastewater

Similar to water, there are a number of ongoing projects such as sewer replacements, sludge management, mandated operating manuals and SCADA upgrades at all waste facilities, as well as necessary upgrades to a number of lift stations. In addition, the majority of the funding (\$4.7M) has been provided for such major undertakings as the Rock Tunnel. Offsetting this are Kingsway expenditures which will be recovered from s. 391 charges.

Roadways

This balance represents a combined unspent project funding from 2006 and 2007 envelopes. Pre-funding of \$5.6 million for COMRIF I projects MR80 and Main Street are offset by expended funds of \$1.5 million for Kingsway widening, which will be recovered through the 2008 budget. When this is combined with approximately \$600,000 in prefunded culvert monies under COMRIF III, the net prefunded COMRIF projects total close to \$4.7 million. Various projects outstanding from 2006 and 2007 include surface treatment, miscellaneous culverts, storm sewer upgrades, Garson-Coniston road and contingencies which total approximately \$4.9 million. Offsetting this is \$1.0 million in expenditures incurred in 2007 relating to the City's share of the Long Lake bypass which is financed in the 2008 capital budget. The result is a net unexpended balance of \$8.7 million for roads.

Municipal Drains

Drain projects tend to span a number of years, from the initial planning stage to the completion and billing stage. Active projects at the end of 2007 were the Hanmer, Hope, Brunet, O'Bomsawin, Poitras, Horizon and Val Caron Municipal Drains.

(6) Emergency Services

Emergency Medical Services

The available funding in EMS, for the most part, relates to timing between when speciality equipment is ordered and received. It is anticipated that the balance will be spent during 2008.

Emergency Planning

The balance includes the expended capital funds for the Lionel E. Lalonde Centre, which will be recovered through envelope commitments until 2021, combined with pre-funding for Phase II.

(7) Fire Services

Fire Services

The balance represents the net of unexpended and expended capital funds for Fire Equipment.

Request for Recommendation Finance Committee



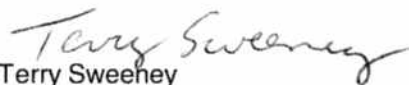
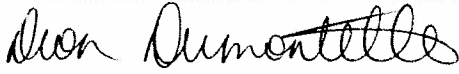
Type of Decision									
Meeting	June 18, 2008				Report Date	June 11, 2008			
Decision Requested		Yes	X	No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed

Report Title
2007 Reserves and Reserve Funds Report

Budget Impact / Policy Implication	Recommendation
<input checked="" type="checkbox"/> This report has been reviewed by the Finance Division and the funding source has been identified.	

	FOR INFORMATION ONLY
<input checked="" type="checkbox"/> Background Attached	Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Lorella Hayes Chief Financial Officer / Treasurer	 Mark Mieto Chief Administrative Officer

Report Prepared By	Division Review
 Terry Sweeney Financial Analyst	 Dion Dumontelle Manager of Financial Support & Budgeting

EXECUTIVE SUMMARY:

The purpose of this report is to provide Council with a snapshot of the balances in the reserve and reserve funds at December 31, 2007.

Overall, the consolidated reserve and reserve funds have increased by \$11.9 million during 2007 to \$100.1 million compared to \$88.2 million at December 31, 2006.

The increase of \$11.9 million is due to:

Operating Surplus	\$ 4.8 million
Net Program Specific under expenditures	1.3 million
Interest Earned by Reserve Funds	3.9 million
Other approved net transfers	1.7 million
Increase in Consolidated Entities	.2 million
	<hr/>
Increase in closing Reserve and Reserve Fund Balance	\$ 11.9 million
	<hr/>

The Net Program Specific under expenditures consist of:

Information technology	\$ 391,000
Parking	352,000
Cemeteries	176,000
199 Larch	106,000
Police	294,000
Winter Control	1,517,000
Organizational Development	188,000

Offset by over expenditures in:

Water	(871,000)
Wastewater	(873,000)
	<hr/>
	\$ 1,280,000
	<hr/>

The following tables illustrate the trends in reserve and reserve funds over the past five years:

	2003	2004	2005	2006	2007
CGS Reserves	\$ 7,329	\$ 3,946	\$ 7,385	\$6,004	\$9,524
CGS Reserve Funds	52,988	59,169	60,356	\$81,581	\$89,765
Total CGS Reserves & Reserve Funds	\$60,317	\$63,115	\$67,741	\$87,585	99,289
Other Consolidated Entities	308	300	382	626	838
Total	\$61,560	\$64,372	\$70,218	\$88,211	100,127

	2003	2004	2005	2006	2007
Reserves as a % of Total Expenditures	15%	15%	16.3%	18.5%	20.2 %
BMA Study - Median	30.0%	27.7%	29.6%	31.8 %	TBD
BMA Study - Low	5.6%	7.4%	10.6%	3.6 %	TBD
BMA Study - High	216.7%	140.9%	141.7%	135.6%	TBD

TBD to be determined

As outlined in the BMA study, reserves and reserve funds are a critical component of a municipality's long-term financing plan. The purpose for maintaining reserves, as outlined in the report, is to:

- ▶ Provide stability of tax rates in the face of variable and uncontrollable factors (consumption, interest rates, unemployment rates, changes in subsidies)
- ▶ Provide financing for one-time or short term requirements without permanently impacting tax and utility rates
- ▶ Make provisions for replacements/acquisitions of assets/infrastructure that are currently being consumed and depreciated
- ▶ Avoid spikes in funding requirements of the capital budget by reducing their reliance on long-term debt borrowings
- ▶ Provide a source of internal financing
- ▶ Ensure adequate cash flows
- ▶ Provide flexibility to manage debt levels and protect the municipality's financial position
- ▶ Provide for future liabilities incurred in the current year but paid for in the future

Reserves offer liquidity which enhances the municipality's flexibility, both in addressing unplanned operating requirements and in permitting the municipality to temporarily fund capital projects internally. The level of reserves and reserve funds is a key measure of the financial health of a municipality. Compared to other municipalities in Ontario, the City is below the median as it pertains to reserves and reserve funds as a percentage of total expenditures, as identified in the 2007 BMA municipal study which is based on statistics for 2006. In 2006, only eleven of seventy-four participants in the study have a lower percentage than Sudbury. The results across the survey range from a low of 3.6% to a high of 135.6% in 2006. For 2007, there has been a slight increase at the CGS from 18.5% to 20.2%.

BACKGROUND:

Reserves and reserve funds are generally set aside for significant future purchases, to replace major capital infrastructure, are accumulated to meet a growing future liability, or are simply accumulated to provide a buffer for significant unanticipated expenditures beyond the control of Council.

The main difference between a reserve and a reserve fund is that a reserve does not earn interest, whereas a reserve fund is in a separate fund and is credited, on a monthly basis, with the interest it has earned.

The attached report provides a more detailed explanation of each of the City's reserves and reserve funds at the end of 2007.

By-law

By-law 2005-15F, being the by-law to establish and continue reserves, reserve funds and trust funds, is reviewed on an annual basis and recommendations to establish, discontinue or consolidate reserves are brought to Council for approval, and for authority to amend the By-law.

Trust Funds

Trust funds are not included in this report. Trust funds are monies of others, being held in trust by the City, for specific purposes. The money is spent on the intended purpose or returned to the original source. Examples of trusts are the cemetery trust where money has been received and is held in trust to ensure perpetual care and maintenance of the cemeteries, or the funds belonging to residents of Pioneer Manor being held in trust for them.

Deferred Revenue - Obligatory Reserve Funds

Obligatory Reserve Funds are not included in this report as they represent deferred revenues. The balance as at December 31, 2007 was \$22.8 million, up from \$18.0 million in 2006. Deferred Revenue-Obligatory reserve funds, that by nature of the revenues received, involve restrictions on their use and are not available for the Discretionary use of Council. The increase relates to unspent Federal and Provincial Gas Tax Revenues and building permit revenues.

Long Term Financial Plan

The Long Term Financial Plan, adopted by Council, references reserves in a number of its recommendations:

- 1.6 Plan for the replacement of infrastructure through the use of life cycle costing and the development of replacement reserves.
- 5.2 Undertake regular reviews of remaining life and condition of assets and determine required annual reserve contributions sufficient to ensure that 90% of approved infrastructure rehabilitation / replacement schedules can be met at the required time.
- 8.1 Facility, equipment and infrastructure replacement reserves should be established and funded to ensure that 90% of approved infrastructure rehabilitation / replacement schedules are met (long-term), as determined in point 5.2
- 8.2 Establish a Stabilization Reserve for programs that are susceptible to significant annual expenditure fluctuations (eg. Winter Maintenance, Ontario Works). Program budgets should be based on a moving five year historical average of program spending. In years when surplus funds occur in these programs, surpluses should be reserved, provided an overall City surplus exists. Where the City's overall surplus is less than the program surplus, funds should only be reserved up to the level of the overall City surplus.
- 8.3 Establish reserves to provide funding for future liabilities (eg. sick leave). Contributions to these reserves should be set, at a minimum, at an amount sufficient to ensure the liability does not increase.

The City needs to address these recommendations through the establishment of and continuation of increased funding for reserves.

At present, there are Capital Financing Reserve Funds for each of the capital envelopes but the annual contributions from the envelopes go directly to Capital as the needs each year are so pressing. There is generally opportunity to build up these reserve funds to meet the future needs that have been identified in the Long Term Financial Plan. The capital funding gap forecasted to 2016 has been identified to be almost \$480 million. The Long Term Financial Plan identified solutions to have these annual needs fully met by the end of the ten year period and the need to continue and fund reserve and reserve funds were integral parts of the solution.

CONCLUSION:

It is recommended that the City continue to implement and foster prudent reserve and reserve fund policies, especially in light of the intense capital financing pressures which it faces over the next five to ten years.

Periodically the By-law governing Reserves, Reserve Funds and Trust Funds is reviewed to ensure the content is still applicable and appropriate. Staff is currently considering updates and amendments to the By-law and a report is forthcoming prior to the end of June.

CITY OF GREATER SUDBURY

Reserve and Reserve Fund Balances as at December 31, 2007 compared to December 31, 2006

NAME	RESERVES	Dec. 31/07 \$	Dec. 31/06 \$
Reserve - Election	Annual contributions are made to this reserve so as to avoid major budget fluctuations in election years.	339,963	
Reserve Libraries / Citizen Service Centre	Because libraries receive Provincial operating grants, a working reserve is required. When the City is in a surplus position overall, any Library surplus is contributed to this reserve, and deficits are funded from this reserve. Also used to finance capital and special projects.	79,991	79,991
Tree Purchases Reserve (Land Reclamation)	Fund created from surpluses due to net under expenditures in Land Reclamation over the years. Used to offset fluctuations in the cost of purchasing seedlings each year, which eliminates fluctuations in operating costs.	194,640	216,359
Reserve for Various Expenses	Created at year-ends, through resolution of Council, to allow funds budgeted in current year to be carried forward to the following year to pay for certain items. The majority of these funds will be spent in 2008.	1,540,868	1,382,790
Reserve for Ex-Gratia Grants	\$25,000 is budgeted each year for ex-gratia grants, which are grants given to residents to help off-set clean-up costs in the event of a sewer back-up. Normally, in years where the grants do not total \$25,000 the difference is credited to this reserve and in years where grants exceed the budget, the difference is funded through this reserve. It is recommended that this reserve be collapsed with water/wastewater reserve.	128,193	128,193
Water Meter Installation Reserve	Deposits collected from developers and / or individuals at the Building Permit stage for installation of water meters in new homes when construction is completed. As homes have meters installed, the funding is taken from the reserve.	138,763	138,763
H/R Organizational Development Reserve	This reserve shall be funded from any annual under expenditures in training related accounts, and shall be used to fund training and development of City staff.	580,312	516,463
Reserve for Ontario Works	Established to be used as a buffer for such instances as the Province increasing benefits to recipients mid-year when no budget provision had been made.	510,150	722,150

NAME	RESERVES	Dec. 31/07 \$	Dec. 31/06 \$
Pioneer Manor Fundraising Reserve	Net revenue resulting from fund-raising activities at Pioneer Manor (mainly through auxiliary). Committee of residents, auxiliary, staff recommend expenditures from this reserve (i.e. prints for walls, etc.). Not truly City's money.	55,659	62,704
Future Development Charges Study Reserve	Set aside to fund a new Development Charges study. Once Provincial legislation governing development charges is passed, a new Development Charges study will be undertaken.	51,247	51,247
Tax Rate Stabilization Reserve	This reserve provides for year-to-year variances in the operating budget.	1,101,602	1,238,551
Committed	Represents funds committed by Council for a number of one-time programs. The balance includes all of Council's decisions to December 31, 2007.	4,429,669	964,934
Reserve for Agricultural Drains	Funded through contributions from the current budget to ensure sufficient funds on hand for municipal portion of agricultural drains maintenance.	106,658	335,884
Reserve for Cultural Exchange	This reserve is to be used for projects related to cultural exchange (e.g. events with Sudbury's twin city in Finland).	2,518	2,518
Reserve for Property Evaluation	Annual contribution to this reserve to update property evaluations for insurance purposes. Updates to be done every third year.	171,949	71,030
Reserve for West Nile Virus	Established to fund the City's share of West Nile Virus expenditures that may be incurred and levied by the Health Unit.	92,000	92,000
	Sub Total	\$9,524,182	\$6,003,579

NAME	RESERVE FUNDS	Dec. 31/07 \$	Dec. 31/06 \$
Sick Leave Reserve Fund	Annual contributions from current budget to be used to pay out accumulated sick leave credits. Most employees no longer receive sick leave credits, but are covered through weekly indemnity and long term disability. Sick leave credits in existence at the time of the change were left intact, and employees are entitled to a payout of 50% of these credits, to a maximum of 6 months pay, when they retire. Employees at Pioneer Manor and Fire Services still accumulate 1.5 days per month of sick leave. Total CGS liability of \$8 million exceeds the balance in the fund.	2,980,140	2,910,145
Sick Leave Reserve Fund - Police	The Police still accumulate sick leave credits of 1.5 days per month, and are entitled to a pay out of 50% of accumulated credits, up to six months of pay, when they leave. Total CGS liability of \$8 million far exceeds the balance in the fund.	1,142,071	1,432,843
Human Resources Management Reserve Fund	Balance in fund indicates favourable claims experience. To be used to fund claims and absorb fluctuations in premium rates. Can also be used for any initiatives targeted to reduce or control expenses to the benefit plans and sick leave reserve fund. In addition, an unfunded liability of \$21.8 million relating to post-employment benefits exists.	6,813,339	9,353,448
Committed	Approved by Council for succession planning, Year of the Employee and other initiatives.	3,805,400	
WSIB (Workers Compensation Insurance Board) Schedule 2 Reserve Fund	Established through contributions from Current Fund by assessing 'premiums' on payroll. In the early years of being a Schedule 2 employer, the premiums charged were equal to those that would be charged by WSIB. The premiums being charged in 2008 are just sufficient to meet expenses. The reserve is used to pay invoices from WSIB, to top up salaries in accordance with Collective Bargaining Agreement requirements, to pay rehabilitation expenses and to fund the premium for stop loss coverage. The reserve ensures there is no detrimental impact on the operating budget. It is strongly recommended that the balance in this reserve fund be maintained in order to have funds available should the City experience any catastrophic loss. The stop loss coverage has a deductible of \$400,000. All City employees except Pioneer Manor are under Schedule 2.	424,596	982,500
Committed	Fully committed is money set aside, through Council resolution in regard to ongoing litigation.	900,000	900,000

NAME	RESERVE FUNDS	Dec. 31/07 \$	Dec. 31/06 \$
Insurance Reserve Fund	Funded through contributions from Current Fund and used to fund adjuster expenses and the deductible portion of claims. There are many outstanding claims, with the deductible portion of most claims being \$50,000. The fund is required to ensure that claims can be covered with no impact on the Current Fund. If deductible limits or claims experience should increase, the annual contributions to this reserve may also have to be increased.	1,875,816	2,390,096
Equipment and Vehicle Replacement Reserve Fund	Funded through contributions from Current Fund by equipment credits. Annual contribution is not sufficient to fund capital needs of Public Works which are about \$4 million per year.	4,392,679	3,594,996
Police Vehicle and Equipment Reserve Fund	Funded through contributions from Current Fund. Annual contribution is scheduled to be fully utilized. This Reserve Fund is controlled by the Police Services Board.	867,714	869,738
Transit Vehicle and Equipment Reserve Fund	Funded through contributions from Current Fund and to be used for replacing transit vehicles.	1,289,666	1,234,338
Fire Vehicle and Equipment Reserve Fund	Funded through contributions from Current Fund and to be used for replacing fire vehicles and equipment. Annual contributions are not sufficient for replacements.	125,620	120,162
Parks Vehicle and Equipment Reserve Fund	Funded through contributions from Current and to be used for replacing parks equipment. Annual contribution is scheduled to be fully utilized.	322,357	407,975
Recycling Equipment Replacement Reserve Fund	Funded through contributions from Current Fund. Much of the recycling equipment is 15 years old and has almost reached the end of its useful life. It is anticipated that the equipment will have to be replaced within the next few years, and the full balance of this fund will be required.	1,388,548	1,448,743
Land Acquisition Reserve Fund	Funded from net proceeds of sale of surplus property and used to fund purchases of any required property. Approximately 1.34 million has been committed by Council	2,530,176	555,763
Parking Improvement Reserve Fund	Funded from net proceeds of parking facilities, and to be used on improvements or expansions to parking facilities.	1,832,635	1,512,594
Pioneer Manor Capital	Funded from surpluses in the current budget to be used for capital improvements at Pioneer Manor as authorized by council. This balance represents the 2007 surplus plus a \$3,000,000 insurance advance. This reserve fund is fully committed based on previous Council approvals.	3,575,483	415,000
Pioneer Manor Donations Reserve Fund	Funded through donations and to be used specifically for improvements to the grounds and courtyards at Pioneer Manor.	31,846	94,535

NAME	RESERVE FUNDS	Dec. 31/07 \$	Dec. 31/06 \$
Social Housing Capital Reserve Fund	Established with Provincial Funding with a small portion remaining which is payable to GSHA employees for benefits (\$263,000), as established by the Province at the time of devolution. Balance needed to fund any major capital undertakings for the housing stock. Operating surpluses in this section are to be credited to this reserve fund if the City is in an overall surplus position. Deficits are to be funded from this reserve fund. However, since this fund is capped at 5 million, it has not increased except for interest earned. A capital funding gap of over \$8 million has been identified.	5,581,099	5,338,610
Industrial Park Reserve Fund	Established from proceeds of land sales in the Industrial Park and to be used for the expansion or creation of Industrial Parks.	2,093,280	1,433,530
Committed	Committed by Council primarily for improvements to Walden Industrial Park.	479,658	479,658
Business Centre Reserve Fund	Originally established through a contribution from the Industrial Reserve Fund, has continued through contributions from partners in the Regional Business Centre. The balance therefore is not completely attributable to the City. The Business Centre was created to help businesses become established and viable. Surpluses and deficits in the Regional Business Centre are credited to or debited from this fund.	339,434	280,456
Centennial Drive Booster Reserve Fund	Funded through \$2,000 per lot charge collected on registration of Plans of Subdivision in area near Centennial Drive. Funds must be used to provide booster for water service.	55,781	31,959
Roads Winter Control Reserve Fund	Established in 2003 in accordance with Long Term Financial Plan recommendations as a stabilization reserve. May be used to offset Winter Control over expenditures. Reflected in this balance is the 2007 winter surplus of \$1.5 million	2,367,462	813,800
Vegetation Enhancement Technical Advisory Committee (VETAC) Reserve Fund	Funded through donations and to be used for projects recommended by the Vegetation Enhancement Technical Advisory Committee, as authorized by Council.	4,057	3,880
Whitewater Lake Park Reserve Fund	Funded from the proceeds of the sale of lots intended for Parks purposes; to be used for improvements to Whitewater Lake Park.	11,257	10,768
Museum Reserve Fund	Carried forward from the former Rayside-Balfour and to be used for projects related to that museum.	24,558	23,491

NAME	RESERVE FUNDS	Dec. 31/07 \$	Dec. 31/06 \$
South Branch Library Reserve Fund	Net rent proceeds from the tenant at the South Branch location were credited to this reserve fund to be used for required renovations. Council has committed additional funds for renovations.	831,871	655,227
Adanac Ski Chalet Reserve Fund	Original contribution of \$50,000 from Insurance Reserve Fund, representing the deductible portion of replacing the chalet. Some funds have been used on replacement of equipment.	-	44,600
Police Services Donations Reserve Fund	Under control of the Police Services Board and to be used for crime prevention initiatives.	79,759	82,876
Capital Lot Levies Reserve Fund	Funds collected under the terms of capital levy by-laws, and related to some subdivisions. Funds collected can be used only on water and / or wastewater capital projects.	211,708	184,958
Gazebo Concert Series Reserve Fund	Funded by donations for the concert series and to be used to offset expenses of the concert series.	5,741	7,660
Cemeteries Reserve Fund	Cemetery Services is self-funding; therefore this reserve is funded through any annual operating surpluses of cemeteries and is to be used only for funding deficits and for cemetery capital projects.	518,583	426,066
Emergency Services - Ambulance Reserve Fund	Funded through contributions from Current and Provincial grants. Must be used for ambulance capital projects including all vehicles and equipment. May be subject to having to return funds to Province if not used for projects specific to EMS.	2,581,568	1,525,284
199 Larch Street Building Maintenance Reserve Fund	Established at time of purchase of 199 Larch (a \$17 million asset), with annual contributions. To be used to offset any major capital repairs not budgeted, thus preventing a substantial impact on the current fund. Surpluses in this section shall be credited to the reserve fund, if the City is in a surplus position overall. Deficits are to be funded from this reserve fund.	1,150,287	1,048,939
	Sub Total	\$50,634,191	\$40,614,638

NAME	CAPITAL FINANCING RESERVE FUNDS (CFRF)	Dec. 31/07 \$	Dec. 31/06 \$
CFRF - Information Technology	Funded from any under expenditures in the Information Technology section, if the City is in an overall surplus position. Also funded from any under expenditures in related capital projects. To be used for information technology projects only. The 10 year capital funding gap for IT is approximately \$3.4 million.	3,478,511	3,924,003
Committed	Previously approved funds for fleet maintenance software and for consulting costs. An additional \$685,000 was committed during the 2008 capital budget process.	148,706	148,706
CFRF - Solid Waste	Funded from annual contributions from the current budget and under expenditures in related capital projects. To be used only for solid waste projects. The balance of this reserve fund is required for projects identified in the approved Certificate of Approval for the landfill sites, in particular the Sudbury site which is slated to become the only landfill site in the City once all other sites are closed. The post-closure liabilities amounted to \$8.3 million at the end of 2007. In addition, there is a capital funding gap of greater than \$19 million.	5,547,542	5,568,082
CFRF - General	One half of any annual current operating surplus or deficit is funded from or contributed to this reserve fund. It is also the only source of funding for capital projects that have no capital envelope.	2,171,283	2,200,372
Committed	Represents funds committed by Council for a number of one-time programs. The balance includes all of Council's decisions to December 31, 2007.	1,782,000	1,080,963
CFRF - Corporate Infrastructure	Originally funded by contributions from current, now only from any under expenditures in related capital projects. To be used only for corporate infrastructure (i.e. telephone systems, docutech equipment, etc.). The balance of this reserve fund has been identified as required in the Long Term Financial Plan. Of this amount, \$263,000 was committed during the 2008 capital budget process.	383,522	322,155
CFRF - Economic Development	To be funded from unallocated or excess funds in the capital envelope, and to be used only for Economic Development projects. Unfinanced capital needs for ED have been identified at over \$27 million.	72,369	392,019
Committed	Committed funds for GSCDC grants.	775,158	1,347,774
CFRF - Assets	Funded from under expenditures in related capital projects. To be used only for assets (buildings) projects. In excess of \$96 million has been identified as unfunded capital needs for 10 years.	193,174	152,195
Committed	Previously approved funds for fuel systems, salt domes and water depots	750,000	750,000
CFRF - Police	Funded from under expenditures in related capital projects. Will be used only for Police projects. Reserve is under the control of Police Services Board.	2,080,255	2,264,238

NAME	CAPITAL FINANCING RESERVE FUNDS (CFRF)	Dec. 31/07 \$	Dec. 31/06 \$
CFRF - Roads	Funded from under expenditures in related capital projects. To be used only for Roads projects. A capital funding gap of \$157 million is projected for 10 years.	1,025,028	726,518
Committed	This balance is committed for property acquisition.	789,821	1,482,468
CFRF - Waste Water	Originally funded from current fund, now funded from under expenditures in related capital projects. In addition, surpluses and deficits in this utility are contributed to or funded from this reserve fund. To be used only for Wastewater projects. Used to address any emergency upgrades which may be required, upon authority of Council. Wastewater has a 10 year capital gap approaching \$19 million.	2,761,776	3,917,460
Committed	The balance is committed to the Rock Tunnel and Lively treatment plant upgrades. An additional \$1.4 million was committed during the 2008 capital budget process.	6,252,000	6,252,000
CFRF - Water	Originally funded from current fund, now funded from under expenditures in related capital projects. In addition, surpluses and deficits in this utility are contributed to or funded from this reserve fund. To be used only for water projects, including any projects necessitated by the Ministry of the Environment. Used to address any emergency upgrades which may be required, upon authority of Council. Water has a 10 year capital gap approaching \$19 million.	7,308,598	8,424,901
Committed	The balance is committed to upgrade of the Levack water supply.	2,254,300	1,000,000
CFRF - Community Development - H & S S	Originally funded from current fund, now funded from restructuring and high wage subsidies received from the Province for Pioneer Manor, and from any under expenditures in related capital projects.	897,020	851,192
Committed	This amount represents previously approved funds for physician recruitment & retention.	278,232	
CFRF - Fire Services	Funded from under expenditures in related capital projects. To be used only for Fire Services Projects. The 10 year capital update identifies about \$19 million of unfunded needs for Fire Services. In addition, another \$13.8 million is needed for Emergency Management and Communications and Information systems.	26,708	16,775
CFRF - Community Development - Citizen / Leisure Services	Funded from under expenditures in related capital projects. To be used only for Citizen and Leisure Services projects. Over \$73 million of unfunded needs were identified in the 10 year capital update for Recreation and Leisure Services.	154,557	144,176
	Sub Total	\$39,130,560	\$40,965,997
	TOTAL RESERVES AND RESERVE FUNDS	\$ 99,288,933	\$87,584,214