

# THE THIRTY-THIRD MEETING OF THE FINANCE COMMITTEE OF THE CITY OF GREATER SUDBURY

Council Chamber  
Tom Davies Square

Wednesday, June 17, 2009  
Commencement: 4:30 p.m.

Chair

**COUNCILLOR TED CALLAGHAN, IN THE CHAIR**

Present

Councillors Cimino; Barbeau; Berthiaume; Dutrisac (A4:35pm); Dupuis; Rivest; Thompson; Craig (A4:36pm); Caldarelli; Gasparini (A4:36pm), Landry-Altmann; Mayor Rodriguez

City Officials

D. Nadorozny, Acting Chief Administrative Officer; G. Clausen, General Manager of Infrastructure Services; C. Matheson, General Manager of Community Development; B. Lautenbach, Acting General Manager of Growth & Development/Planning Director; C. Hallsworth, Executive Director, Administrative Services; L. Hayes, Chief Financial Officer/Treasurer; P. Buchanan, Manager of Accounting; E. Stankiewicz, Manager of Financial Planning & Policy; D. Dumontelle, Manager of Financial Support and Budgeting; B. Bigger, Auditor General; A. Haché, City Clerk; P. Pelletier, Audio-Visual Operator; F. Bortolussi, Council Secretary

News Media

Northern Life; Persona 10 News; Sudbury Star

Declarations of  
Pecuniary Interest

None declared.

**PRESENTATIONS/DELEGATIONS**

2008 Audit Findings  
Report

Report dated June 10, 2009 was received from the Chief Financial Officer/Treasurer regarding 2008 Audit Findings Report.

Draft Audit Findings Report to the Finance Committee for the year ended December 31, 2008 was distributed to Committee Members at the meeting.

Wayne McDonald of KPMG introduced Marc Bertrand of Collins Barrow-Maheu Noiseux, Ed Reilly of Freelandt Caldwell Reilly and Oscar Poloni of KPMG.

Wayne McDonald made an electronic presentation regarding the 2008 Audit Findings Report. He indicated that they have completed their audit of the City's financial statements and the audit report is dated May 1, 2009. He outlined the significant matters including segmented information, solid waste landfill

## PRESENTATIONS/DELEGATIONS (continued)

### 2008 Audit Findings Report (continued)

closure and post-closure liability, employee future benefits, allowance for doubtful taxes and payroll related accruals. He also outlined the unadjusted and corrected audit differences. He detailed the performance improvement observations, the auditor's recommendations and management's comments relating to payroll expenditures, procurement cards and purchase orders. He concluded by stating that no fraudulent acts were encountered, no illegal or possible illegal acts were detected, no serious difficulties were encountered during the audit and there were no disagreements with management.

### 2007 Annual Financial Statements

Report dated June 10, 2009 was received from the Chief Financial Officer/Treasurer regarding 2008 Annual Financial Statements.

The Consolidated Financial Statements of the City of Greater Sudbury (year ended December 31, 2008) and the Financial Statements of the City of Greater Sudbury Trust Funds (year ended December 31, 2008) were distributed under separate cover.

Lorella Hayes, Chief Financial Officer/Treasurer provided an electronic presentation entitled *Consolidated Municipal Financial Information - December 31, 2008*. She advised that the financial statements include the consolidated financial information of all the entities controlled or owned by the City being:

- Greater Sudbury Housing Corporation;
- Metro Centre Management Board;
- Flour Mill Business Improvement Area;
- Library Board;
- Greater Sudbury Police Services Board.

She advised that there are three government business enterprises which are controlled by the City and accounted for in the financial statements using the "Equity Method" and are included in the statement of Financial Activities. The following are the three government business enterprises:

- Greater Sudbury Utilities Inc. – Net Income \$1,679,485;
- Sudbury Airport CDC – Net Income \$763,767;
- Sudbury CDC – Net Income – NIL.

She reviewed the schedule of revenues totalling \$518.4 M, an increase of \$6.4 M from 2007, and the schedule of current expenditures totalling \$434 M, an increase of \$20 M from 2007. She outlined the schedule of capital expenditures, consolidated

## **PRESENTATIONS/DELEGATIONS (continued)**

2007 Annual  
Financial Statements  
(continued)

schedule of financial activities and the change in fund balances. She explained the City's consolidated financial position: assets of \$351.8 M compared to \$314.6 M in 2007; liabilities of \$221.8 M compared to \$176.5 M in 2007 and a net municipal position of \$130 M compared to \$138 M in 2007. She also explained the capital fund continuity, capital fund trends since 2002 and the reserve and reserve fund continuity. She listed the program specific budget variances. She explained the trends in reserve and reserve funds since 2002 stating that, although there is a significant improvement, it is still below the BMA study median. She also explained the long term debt trends since 2002 stating that the majority of the debt is self-supported.

The following recommendation was presented:

2009-08 Berthiaume-Dupuis: 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, 2008 as presented be accepted and recommended for Council approval.

**CARRIED**

Mayor Rodriguez asked if there is a rental agreement in place for 199 Larch Street and is there any provision for rent increases.

The Chief Financial Officer/Treasurer advised that she will provide this information.

The Committee agreed to Councillor Gasparini's request for a report regarding 199 Larch Street and what revenue is expected in the future once the mortgage is paid out. The Committee further agreed to Councillor Caldarelli's request that this report include the years remaining on the term of the lease.

## **CORRESPONDENCE FOR INFORMATION ONLY**

2008 Reserves and  
Reserve Funds

Report dated June 10, 2009 was received from the Chief Financial Officer/Treasurer regarding 2008 Reserves and Reserve Funds for information only.

2008 Capital Fund  
Year-End Position

Report dated June 10, 2009 was received from the Chief Financial Officer/Treasurer regarding 2008 Capital Fund Year-End Position for information only.

Adjournment

2009-09 Berthiaume-Dupuis: THAT this meeting does now  
adjourn. Time: 8:35 p.m.

**CARRIED**

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Councillor Ted Callaghan, Chair

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Angie Haché, City Clerk