

**THE FOURTEENTH MEETING OF THE FINANCE COMMITTEE
OF THE CITY OF GREATER SUDBURY**

**C-11
Tom Davies Square**

**Wednesday, June 23, 2004
Commencement: 4:35 p.m.**

Chair

COUNCILLOR ELDON GAINER, IN THE CHAIR

Present

Councillors Berthiaume; Bradley; Caldarelli; Craig (A4:46 p.m.); Dupuis; Gasparini; Kett; Reynolds; Rivest; Thompson; Mayor Courtemanche

City Officials

M. Mieto, Chief Administrative Officer; D. Nadorozny, General Manager of Economic Development & Planning Services; D. Wuksinic, General Manager of Corporate Services; S. Jonasson, Director of Finance/City Treasurer; C. Mahaffy, Manager of Financial Planning & Policy; M.L. Gauvreau, Manager of Current Accounting Operations; J. Van de Rydt, Co-ordinator of Capital Budget and Risk Management; T. Mowry, City Clerk; CJ Caporale, Council Secretary

"In Camera"

2004-55 Rivest-Gainer: That we move "In Camera" to deal with matters regarding the security of the property of the municipality in accordance with Article 15.5 of the City of Greater Sudbury Procedure By-law 2002-202 and the Municipal Act, 2001, s.239(2)(f).

CARRIED

Chair

COUNCILLOR FRANCES CALDARELLI, IN THE CHAIR

Declarations of
Pecuniary Interest

None declared.

Recess

At 5:10 p.m., Council recessed.

Reconvene

At 5:30 p.m., Council moved to the Council Chamber to continue the regular meeting.

Chair

COUNCILLOR ELDON GAINER, IN THE CHAIR

Present

Councillors Berthiaume; Bradley; Caldarelli; Callaghan; Craig; Dupuis; Gasparini; Kett; Reynolds; Rivest; Thompson; Mayor Courtemanche

City Officials

M. Mieto, Chief Administrative Officer; G. Clausen, Acting General Manager of Public Works; C. Hallsworth, General Manager of Citizen & Leisure Services; D. Nadorozny, General Manager of Economic Development & Planning Services; A. Stephen, General Manager of Emergency Services; D. Wuksinic, General Manager, Corporate Services; S. Jonasson, Director of Finance/City Treasurer; C. Mahaffy, Manager of Financial Planning & Policy;

City Officials
(continued)

M.L. Gauvreau, Manager of Current Accounting Operations; J. Van de Rydt, Co-ordinator of Capital Budget and Risk Management; T. Mowry, City Clerk; F. Bortolucci, Receptionist/Stenographer; CJ Caporale, Council Secretary

News Media

Sudbury Star

Declarations of Pecuniary Interest

None declared.

MATTERS ARISING FROM THE "IN CAMERA" SESSION

Rise and Report

Councillor Caldarelli, as Vice-Chair of the Finance Committee, reported Council met to deal with matters regarding the security of the property of the municipality falling within Article 15.5 of the City of Greater Sudbury Procedural By-law 2002-202 and the Municipal Act, 2001, s.239(2)(f) and no resolutions emanated therefrom.

PRESENTATIONS/DELEGATIONS

Item 2
2003 Annual Financial Reports

Report dated 2004-06-18 from the General Manager of Corporate Services regarding the 2003 Annual Financial Reports was received.

Mr. Bernie Freelandt of Freelandt Caldwell Reilly LLP, gave an electronic presentation entitled *Consolidated Municipal Financial Information*. The presentation outlined the following:

- ▶ financial activities for Metro Centre Management Board; Greater Sudbury Housing Corporation; Flour Mill BIA; Greater Sudbury Utilities Inc.; Sudbury Airport CDC; SDEC
- ▶ schedule & sources of revenue
- ▶ schedule of expenditures (current & capital)
- ▶ summary of consolidated financial activities
- ▶ consolidated financial position

The following recommendation was presented:

2004-56 Bradley-Rivest: 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, 2003 be accepted and approved as presented.

CARRIED

Item 3
Infrastructure Renewal
Loan Program OSIFA

Report dated 2004-06-18, with attachments, from the General Manager of Corporate Services regarding Infrastructure Renewal Loan Program - Ontario Strategic Infrastructure Financing Authority (OSIFA) was received for information only.

Ms. Susan T. McGovern, Vice President of Community Relations and Communications gave an electronic presentation regarding the following:

- ▶ Ontario's infrastructure challenge
- ▶ all levels of governments responding to the challenge
- ▶ 2004 Infrastructure Planning, Financing and Procurement (IPFP) consultations
- ▶ main objectives of the IPFP framework
- ▶ OSIFA's mandate and responsibilities
- ▶ OSIFA's 2004-2005 loan program priorities
- ▶ benefits to smaller and larger borrowers
- ▶ OSIFA program expansion
- ▶ 2004-05 loan program applications now available
- ▶ application process and review
- ▶ types of financing
- ▶ payments from OSIFA to municipality
- ▶ Infrastructure Renewal Bonds (IRBs)
- ▶ www.osifa.on.ca

Item 4
Financial Forecasts &
Draft 2005 Budget
Process

Report dated 2004-06-18, with attachments, from the General Manager of Corporate Services regarding Preliminary Financial Forecasts 2005-2007 and Draft 2005 Budget Process was received for information only.

The Chair advised the Committee that an electronic presentation had been prepared, however, because of lack of time the presentation would not be given. He stated that there were two motions arising from the presentation which should be dealt with by the Committee.

The following recommendation was presented:

2004-57 Caldarelli-Gainer: WHEREAS the Province of Ontario, in the Fall Economic Statement, committed to a review of the Community Reinvestment Fund (CRF) for 2005 as part of an extensive and broad consultation process to determine how public services can be sustained and adequately funded in the long term;

AND WHEREAS the last Provincial Reconciliation of the CRF, for the 2002 year end, indicated that the Province could not commit in advance to a Fall 2004 Reconciliation;

Item 4
Financial Forecasts &
Draft 2005 Budget
Process
(continued)

AND WHEREAS the recent Provincial Budget did not specifically address the Government's intent with respect to the Community Reinvestment Fund and showed CRF payments relatively flat-lined;

AND WHEREAS the CRF is a significant funding source for the City of Greater Sudbury, with the 2004 allocation estimated and budgeted at \$58.2 million;

AND WHEREAS, if the CRF is not reconciled after 2002, it means an estimated loss of revenue of \$400,000 for 2003, a further \$3.6 million in 2004 and would require a levy increase estimated at \$4.3 million or 3.1% for 2005;

THEREFORE BE IT RESOLVED THAT the Council of the City of Greater Sudbury petition the Province of Ontario to continue to recognize the theme of revenue neutrality with respect to Local Services Realignment Costs by maintaining the reconciliation process for 2003 and 2004;

AND THAT the portion of the CRF that is not subject to reconciliation be increased annually to account for the effects of inflation;

AND THAT the administrative programs funding caps for services such as child care, ambulance and social services be removed;

AND FURTHER THAT the review and realignment of the CRF for 2005 recognize and reflect the reason that the CRF was created initially, that being to ensure revenue neutrality with respect to downloaded services;

AND FURTHER THAT copies of this resolution be forwarded to the Honourable Dalton McGuinty, Premier of Ontario, the Honourable Greg Sorbara, Minister of Finance, the Honourable John Gerretsen, Minister of Municipal Affairs & Housing, the Honourable Rick Bartolucci, Minister of Northern Development and Mines and Ms. Shelley Martel, M.P.P. (Nickel Belt), and to FONOM and AMO for endorsement.

CARRIED

Item 4
Financial Forecasts &
Draft 2005 Budget
Process
(continued)

Gainer-Bradley: WHEREAS the Mission of the Council of the City of Greater Sudbury is to provide excellent access to quality municipal services and leadership in the social, environmental and economic development in the City of Greater Sudbury;

AND WHEREAS focusing on providing excellent value to Citizens and exceptional customer service, while striving for cost-effective, efficient, open, accountable and accessible local government, are the priorities of this Council;

Item 4
Financial Forecasts &
Draft 2005 Budget
Process
(continued)

AND WHEREAS it is necessary to put in place sound financial planning in order to maintain the public's trust and confidence in its ongoing financial stewardship of the public purse through long-term financial forecasting and budgeting;

AND WHEREAS Council as part of its financial stewardship recognizes the need to balance municipal services and the ability to pay taking into account inflationary pressures and the fact that 60 - 70% of a municipal budget is outside of its direct control;

AND WHEREAS the current traditional budget model does little to facilitate long-term financial planning and impedes effective expenditure management in that financial resources are made on a piecemeal basis while the implications of past and present decisions beyond the next year are neglected;

AND WHEREAS Council is committed to developing more effective ways of preparing and presenting the City's Budget;

AND WHEREAS multi-year budgeting offers the following potential benefits over the traditional practice of annual budgeting:

- decreased staff time;
- enhanced long-range planning;
- improved program evaluation; and,
- facilitates the integration of financial and strategic planning with a more strategic approach to resource allocation;

THEREFORE BE IT RESOLVED THAT Council adopts for the 2005 - 2006 budget years the multi-year budgeting approach outlined in the Report from the General Manager of Corporate Services dated June 18th, 2004;

AND THAT Council directs staff to prepare a 2005 - 2006 Multi-Year Budget, using all of the tools at their disposal; e.g. efficiencies, new or enhanced revenues, service reviews, new ways of doing business, assessment growth, etc. to present an Operating Budget not to exceed the rate of inflation;

AND THAT Council directs staff to prepare a Capital Budget inclusive of inflation and the new Capital Levy.

Motion for Deferral

Mayor Courtemanche moved that the foregoing recommendation be deferred to the 2004-07-13 Council meeting under *Matters Arising from the Finance Committee (2004-06-23)* for consideration.

CARRIED

Adjournment

2004-58 Bradley-Gainer: That this meeting does now adjourn. Time:
7:00 p.m.

CARRIED

Councillor Eldon Gainer, Chair

City Clerk