

WRITTEN SUBMISSION TO BUDGET COMMITTEE
NOVEMBER 3, 2009

Recommendation

The Director of Financial Services and Director of Legal Services recommend that this report be received for information.

Contribution to Sustainability

N/A

Economic Impact

There is no economic impact as a result of this report.

Communications Plan

N/A

Purpose

The purpose of this report is to report pursuant to Budget Committee direction of November 3, 2009.

Background - Analysis and Options

On November 3, 2009, Budget Committee resolved that the written submission of Mr. Gino Ruffolo, 149 Fieldgate Drive, Vaughan, L6A 1K4, dated November 3, 2009, be received and referred to staff for a report to be provided to Budget Committee. The written submission refers to an ongoing lawsuit in which the City is a Defendant and Lucia Milani and Rizmi Holdings Limited are Plaintiffs. The written submission attaches two decisions of Mr. Justice O'Marra in the lawsuit, one dated May 20, 2009 being a decision regarding the City's motion for summary judgment, and one dated October 7, 2009 for costs of the motion.

In addition to the material submitted, Council will recall that on October 27, 2009, the City was granted leave to appeal the two Decisions of Mr. Justice O'Marra by the Supreme Court of Justice (Divisional Court), by Mr. Justice Dambrot. The Notice of Appeal has been filed.

The written submission indicated the lawsuit should be disclosed in the City's 2008 Financial Statements and should be included in the 2010 operating budget.

The City's financial statements are governed by and are in accordance with the Public Sector Accounting Handbook as set out by the Public Sector Accounting Board (PSAB).

In regards to this lawsuit, senior management staff consulted with City legal counsel as it relates to the 2008 financial statements. In addition the City's external auditors reviewed this matter and specifically had discussions with both senior management staff and the City's legal counsel.

Senior management in consultation with the external auditor made a determination that reasonable estimates could not be ascertained for the purposes of the 2008 financial statements. This decision was in compliance with section 3300 of the above referenced PSAB handbook. The appropriate financial disclosure is reviewed annually.

In terms of public disclosure, the City's financial statements include a general provision under Note 15 section (a) that the City is subject to claims, lawsuits and other contingencies and where estimates can be reasonably estimated an accrual is made .

The City's 2008 financial statements received an unqualified audit opinion by the City's external auditors and they were presented at a public Audit Committee meeting on June 29, 2009 and Council on June 30, 2009.

As the matter is before the Court, and the likelihood of a final determination of the lawsuit in 2010 is not expected, therefore no provision has been made in the 2010 Budget.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

N/A

Conclusion

Staff will continue to monitor the matter.

Attachments

None

Report prepared by:

Heather Wilson
Director of Legal Services

Barry Jackson
Director of Financial Services

John Henry
Director of Budget and Financial Planning

Respectfully submitted,

Barry Jackson
Director of Financial Services

Heather Wilson
Director of Legal Services