



Audit Committee MINUTES

**Held Tuesday, January 14, 2009
City Council Chambers
11:30 a.m.**

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PRESENT: Councillor A. Poirier, Chair
Councillor D. McCann, Member
Councillor W. Cuthbert, Member
Kathleen O'Flaherty, Member
Cindy Gasparini, Member
Mayor L. Compton, Ex-Officio
Councillor R. McMillan
B. Preisntanz, CAO
K. Brown, Finance & Administration Manager

REGRETS: Councillor C. Drinkwalter
Councillor C. Van Wallegghem

A. PUBLIC INFORMATION NOTICES AS PER BY-LAW NUMBER 144-2007

N/A

B. DECLARATION OF PECUNIARY INTEREST

N/A

C. CONFIRMATION OF MINUTES

Moved by D. McCann, Seconded by L. Compton & Carried:-
THAT the Minutes from the last meeting held Tuesday, November 18, 2008 be confirmed as written.

D. DEPUTATIONS

N/A

E. REPORTS

1. Investment RFP Report

Karen Brown reviewed the RFP report with Committee. There was an extended discussion on the RFP report, together with the current state of the markets and how that may impact both the RFP responses received, and the related awarding.

Committee agreed to shortlist the top four candidates based on the final rank in the report and that those candidates be contacted for an interview process. Interviews are to be set for January 29th. Interviews are to include the opportunity for the respondent to provide a presentation, up to a maximum of a half hour, as well as about a half hour for discussion / questions by committee members. Interviews will be scheduled as follows: 9:00 a.m., 10:30 a.m., 1:00 p.m., 2:30 p.m.

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Committee agreed that the interview team will be the Audit Committee members, plus Bill Preisenzanz and Karen Brown. The rest of Council will be invited to attend the interview for information purposes.

With regards to interview questions, it was recommended that all questions will be sent to the short listed candidates in advance, and that they can respond to the questions as part of their presentation. This will provide committee members with the opportunity for follow up questions following the presentation. In addition, given the upheaval in the market, each shortlisted candidate will be requested to provide, prior to the date of the interview, a new investment portfolio to the City as at a common date in January 2009. In conjunction, each candidate will also be requested to provide information on the amount of money currently under their management together with information on the difference in the overall portfolio managed from the time of their original response, including a breakdown of the overall portfolio and outlining any mitigating factors that may have impacted the level of investments managed.

Other possible questions discussed the Committee included:

- Can you do the job?
- Tell us why would you be the best selection?
- Where do you see your firm in 20 years?
- Can you provide Ontario Municipal References, or other institutional references if don't have specific Ontario Municipal experience?

The committee directed Karen Brown to prepare the list of questions and distribute to Audit Committee members by end of day Thursday. It was agreed that Audit committee members would review the BDO report, and would contact Karen Brown if they would like a copy of the shortlisted RFP submissions. Cindy Gasparini requested a scanned copy of the shortlisted RFP submissions.

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2. 2007 City Annual Report - Update

Committee had a detailed discussion on this matter. Concern was noted with the significant delay in receiving the final audited KMTS 2007 financial statements. It was noted that this is the latest the City will have ever published its annual report, and the current timing may result in the inability to publish until closer to March 2009 at this point.

The Audit Committee directed Karen Brown to send e-mail correspondence to Dan Reynard and Cathy Nelson, cc'ing Dennis McCaffrey, Council and the Audit Committee advising that the City has received numerous requests for our 2007 financial statements and that the audited KMTS 2007 financials must be completed as soon as possible. A deadline for information of January 31st for KMTS to provide Martin R. Nelson's office with the requested information was discussed. The e-mail should also indicate that Andrew Poirier will be contacting Dennis McCaffrey as both the Chair of the Audit Committee and a former member of the KMTS Commission to discuss this matter further.

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ITEMS ON HOLD:

N/A

OTHER BUSINESS

N/A

NEXT MEETING

- To be determined
- Investment RFP Interviews on Thursday, January 29th at 9:00 a.m.

The meeting adjourned at 12:46 p.m.