



Finance Committee

- Date: Wednesday, July 18th, 2007
- Place: Anderson Room
Richmond City Hall
- Present: Councillor Rob Howard, Chair
Councillor Cynthia Chen, Vice-Chair
Councillor Linda Barnes (5:35 p.m.)
Councillor Derek Dang
Councillor Sue Halsey-Brandt
Councillor Bill McNulty
Mayor Malcolm D. Brodie
- Absent: Councillor Evelina Halsey-Brandt
Councillor Harold Steves
- Call to Order: The Chair called the meeting to order at 5:34 p.m.

It was moved and seconded

That the agenda for the July 18th, 2007 meeting of the Finance Committee be approved with the addition of a report entitled "Chinese Mental Wellness Association of Canada – 2007 Grant Application", to the agenda, and that this matter be dealt with immediately following adoption of the minutes.

CARRIED

(Councillor Linda Barnes entered the meeting – 5:35 p.m.)

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Finance Committee held on Thursday, June 14th, 2007, be adopted as circulated.

CARRIED

Finance Committee

Wednesday, July 18th, 2007

1A. **CHINESE MENTAL WELLNESS ASSOCIATION OF CANADA – 2007 GRANT APPLICATION**

(Report: July 17/07, File No.: 03-1085-20-RCMH1) (REDMS No. 2232639, 2257418)

It was moved and seconded

That the remaining \$3,250 in the 2007 Grants Budget be allocated to the Chinese Mental Wellness Association of Canada.

CARRIED

BUSINESS & FINANCIAL SERVICES DEPARTMENT

2. **APPOINTMENT OF AUDITOR**

(Report: June 20/07, File No.: 03-1000-20-3018P; xr: 03-0950-03/2007-Vol 01) (REDMS No. 2244046)

It was moved and seconded

That KPMG, LLP be appointed as the City of Richmond Auditors from 2007 to 2011, in accordance with the terms of their proposal.

CARRIED

(Councillor Sue Halsey-Brandt entered the meeting – 5:36 p.m.)

3. **2006 SURPLUS APPROPRIATION**

(Report: June 30/07, File No.: 03-0970-01/2007-Vol 01) (REDMS No. 2222581)

Discussion ensued among Committee members and the Director of Finance Jerry Chong on how the request for funds in the amount of \$25,000 received from the Spirit of BC Richmond Community Committee could be approved immediately rather than including the request as part of the 2008 budget process.

Discussion also centred around the use of the words '*previously approved by Council*' in the staff report and whether this usage was correct. The comment was made that any projects requiring funding were always forwarded to the Finance Committee for approval and now the staff report was indicating that specific projects had '*previously been approved by Council*'. In response, advice was given that approval of any project was always contingent on the availability of surplus funds to finance the project. A further comment was made that the wording should be changed in future reports to reflect that statement.

Reference was then made to the ten items which had not been included in the recommended list of projects, and questions were raised as to how specific projects would be dealt with. Advice was given that the projects in question could be submitted (i) as part of the 2008 capital budget process; (ii) for funding as a one time additional level request; or (iii) managed through the Division's own budget. Discussion then took place on the "Oval Precinct Public Art project" and how funding would be provided for this project.

Finance Committee

Wednesday, July 18th, 2007

Reference was also made to the unapproved request of Fire Rescue for (i) Communication Equipment and information was provided that the request would be submitted as part of the 2008 capital budget process; and (ii) Training. With respect to this matter, information was provided that the training was required as part of the recommendations of the Paish report and was now being accomplished on-site during the firefighters' regular shifts.

Further discussion took place briefly on the use of the words '*previously approved by Council*', and the opinion was expressed that the comments voiced earlier in the discussion were appropriate. The comment was made that these projects had been considered earlier in the year and advice was given at that time that Council 'agreed in principle' to the proposal, subject to funding being available.

Reference was made to the request for \$25,000 received from the Spirit of BC Richmond Community Committee, and at this point, representatives of the Committee came forward.

Mr. Edward Gavsie, Chair of the Spirit of BC Richmond Community Committee, accompanied by Member Mary Kemmis, spoke in support of the Committee's request for \$25,000. He referred to correspondence dated May 2nd, 2007, addressed to the Mayor and Councillors, which provided information on (i) the Committee's accomplishments, and (ii) the projects which would be funded from the \$25,000 request. A copy of this correspondence is on file in the City Clerk's Office.

Mr. Gavsie also provided information on action being taken by the Committee to obtain sponsorships from various organizations, and noted that the Committee had been successful in negotiating a sponsorship arrangement with the Richmond Review. He added that the Committee was also currently negotiating with three other potential sponsors. Mr. Gavsie further advised that the Committee had obtained a Service Canada grant to employ a summer student to assist with establishing collateral materials and developing a distribution list for the Committee.

In response to questions, advice was given that the \$25,000 would be spent as follows:

- \$5,000 to allow the Committee to act as ambassadors and to build community support at the many events held throughout the City, and advertising the Committee's involvement through brochures, etc.;
- \$5,000 for promotional items to be provided at these events, including pins, banners, and pens
- \$8,000 to develop the Spirit Recognition Program to recognize random acts of spirit
- \$7,000 to put towards administrative expenses for the summer student and part-time coordinator.

Finance Committee

Wednesday, July 18th, 2007

Discussion then took place among Committee members and the delegation, during which concern was voiced that approval of the request would set a precedent as the request was being dealt with outside of the City's grant approval process.

(Councillor Dang left the meeting at 5:55 p.m., and did not return.)

In response to further questions, information was provided that:

- the Committee had been working with City staff
- the Committee was utilizing as many available resources as possible from within City Hall
- if the Committee did not receive the entire amount of \$25,000, the result would be that the plans of the Committee relating to specific projects would be delayed.

Discussion then took place on the amount of in-kind services which could be contributed by the City as a means of reducing the requested amount, and whether the sponsorships being negotiated by the Committee would provide an additional source of revenue. Information was provided, however, that the sponsorships would be related to specific programs.

Also discussed with the delegation was the proposed Spirit Recognition Program and the number of people which the Committee hoped to recognize; the value of the anticipated sponsorships, and the importance of having the Committee carry out its mandate as directed by Council.

As a result of the discussion, the following motion was introduced:

It was moved and seconded

That the request from the Spirit of BC Richmond Committee for \$25,000 be approved, and that the Committee work with City staff to determine how in-kind and in-house contributions could be used to reduce that amount.

The question on the motion was not called, as discussion took place on the importance of the Spirit of BC Richmond Committee in relationship to the projects being recommended for approval. During the discussion, reference was made to the amounts being approved for the recommended projects. The comment was made that the amounts being requested were only estimates and not actual concrete figures. The suggestion was made that by taking a proportionate amount from each project, funds could be found to fund the Spirit of BC Richmond Committee request.

As a result of the discussion, it was agreed that the following would be inserted into the main motion, after the words 'be approved', "*with funding sources to be taken proportionally from the other approved expenditures,*".

Finance Committee

Wednesday, July 18th, 2007

The question on the main motion, as amended to read, *'That the request from the Spirit of BC Richmond Committee for \$25,000 be approved, with funding sources to be taken proportionally from the other approved expenditures, and that the Committee work with City staff to determine how in-kind and in-house contributions could be used to reduce that amount.,* was then called and it was **CARRIED**.

It was moved and seconded

That the December 31, 2006 surplus be appropriated as outlined in the report dated June 30th, 2007, from the Director of Finance.

The question on the motion was not called, as discussion ensued on the amount of funds spent to date relating to Richmond Fire Rescue and temporary staffing, and to the amount proposed for the Disability Resource Centre and 6931 Granville Avenue.

The question on the motion was then called, and it was **CARRIED**.

4. **B.C. SINGLE BUSINESS LICENCE (SBL) INITIATIVE**

(Report: July 4/07, File No.: 12-8275-00) (REDMS No. 2252694)

It was moved and seconded

That staff:

- (1) *Consult on and discuss the SBL initiative with the appropriate BC Government ministry;*
- (2) *Refer SBL issues to meetings at the UBCM Convention later this year;*
- (3) *Report back to Council with SBL initiative implications.*

CARRIED

5. **COMMUNITY LEGACY AND LAND REPLACEMENT RESERVE FUND**

(Report: June 28/07, File No.: 12-8060-20-8282) (REDMS No. 2250977, 2255671)

It was moved and seconded

That the Community Legacy & Land Replacement Reserve Fund Establishment Bylaw No. 8282 be introduced and given first, second, and third readings.

Finance Committee

Wednesday, July 18th, 2007

The question on the motion was not called, as discussion took place on the amount of funds which were available and where the interest generated from these funds would be deposited. Information was provided in response to questions that no commitment had been made with regard to the use of the funds in question, and that approval would be required from Council prior to any expenditure, and interest generated would be deposited back to the originating fund. Information was also provided that the reserve fund would be lodged with the Municipal Finance Authority of BC to ensure that the long term management of these funds was not mixed with the City's cash match requirements which were handled by Scotia Cassels.

The question on the motion was then called, and it was **CARRIED**.

6. LONG TERM FINANCIAL MANAGEMENT STRATEGY UPDATE

(Report: June 28/07, File No.: 03-0970-03-01) (REDMS No. 2250157)

Discussion ensued with Mr. Chong regarding the update of the Long Term Financial Management Strategy (LTFMS). He indicated that the strategy would be updated as additional information became available.

The Chair added that he anticipated a more in-depth discussion regarding the LTFMS following the receipt of information relating to potential revised reserve targets based on new assessments. He then talked about the current goal of the present reserve accounts which was to provide funding for replacement of the City's existing infrastructure, and the need, as the City grew and additional infrastructure was required, to examine in the future how this need would be addressed.

The Chair also indicated that during the upcoming in-depth discussion on the LTFMS that it would be wise to examine how growth could be tracked within the current formula and suggested that the City should start thinking about the time when its growth was not as robust.

Discussion continued with Committee members and staff on:

- whether there were any other efficiencies which could be implemented as the standing attached to the 'LTFMS Policies' indicated that the area of Efficiencies & Service Level Reductions *'needs improvement'*
- the rationale for the slight decline in the 'Total Reserves Balances vs. Required Reserves' shown in Figure 2 of the staff report
- the statement contained in the staff report which indicated that *'However, in the future most of these funds will be utilized to replenish the land portfolio and other endowment fund opportunities, thus great reliance cannot be placed on these funds as they may not be available for the long-term replacement of infrastructure.'*
- the timing of the implementation of the PSAB 3150 Tangible Capital Asset accounting regulation.

Finance Committee

Wednesday, July 18th, 2007

It was moved and seconded

That the report (dated June 28th, 2007, from the Director, Finance), regarding the Long Term Financial Management Strategy Update, be received for information.

CARRIED

LAW & COMMUNITY SAFETY DEPARTMENT

7. NO. 1 FIRE HALL RENOVATIONS

(Report: July 18/07, File No.: 06-2055-20-004/Vol 01; xr: 03-0970-01-2007) (REDMS No. 2246664)

It was moved and seconded

That \$100,000 be transferred from the Fire Equipment Upgrade Project to the Fire Rescue Upgrade - #1 Fire Hall Project to allow for the completion of renovations in 2007.

CARRIED

8. MANAGER'S REPORT

No reports were made.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:32 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Wednesday, July 18th, 2007.

Councillor Rob Howard
Chair

Fran J. Ashton
Executive Assistant, City Clerk's Office