



## Finance Select Committee

Date: Monday, November 15<sup>th</sup>, 2004  
Place: Anderson Room  
Richmond City Hall  
Present: Councillor Kiichi Kumagai, Chair  
Councillor Harold Steves, Vice-Chair  
Councillor Linda Barnes  
Councillor Derek Dang  
Councillor Evelina Halsey-Brandt  
Councillor Sue Halsey-Brandt  
Councillor Rob Howard  
Councillor Bill McNulty  
Mayor Malcolm D. Brodie  
Call to Order: The Chair called the meeting to order at 6:23 p.m.

1. **2005 OPERATING BUDGET**  
(Report: Nov. 2/04, File No.: 03-0970-01) (REDMS No. 1350407)

The Chair referred to a statement in the staff report, which indicated that “.....*significant efficiencies have been achieved by managing the Olympic Oval Project and Rav Project with existing staffing resources.*” In response to a question from the Chair about whether the City had had an excess of staff in the past, Chief Administrative Officer George Duncan confirmed that the City had less staff than cities of a comparable size. He advised that because of the team strategy adopted by the City in 1997, teams had been assigned to help with the additional workloads so that the work did not fall to one person. In addition, he indicated that many of the teams would work on their specific projects on a part-time basis to allow them to manage their regular workload.

The Director of Finance, Andrew Nazareth, accompanied by the Manager, Budgets & Accounting, Jerry Chong, provided a brief update on the operating budget process.

Discussion then ensued among Committee members and staff on:

- the GST rebate and whether this revenue was being used for replacement of the City’s infrastructure

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- the status of the Council Provision Account
- appropriated and unappropriated surpluses
- the rationale for the significant increase in gas, hydro, and E-Comm expenditures,
- the rationale for increasing fees at the arenas and aquatic centres
- whether the financial projections relating to the amount of gaming revenue to be received by the City were realistic, and why there was no reference within the operating budget to addiction and addiction programs as decisions had been made previously to dedicate approximately \$1,500,000 to City addiction programs
- the rationale for the significant increase in the expenditures for the Gateway Theatre and the Policy Planning Department of the Urban Development Division
- the increase in expenditures for E-Comm by 18.8%
- the amount of funds available in the City's statutory reserve accounts, and the possible use of these accounts for specific projects
- the date by which the City's debts would be paid off
- the Public Sector Accounting Board (PSAB) standards and how the City's accounting policy was modified to reflect these standards
- the components which comprised the "Fiscal" line in the budget
- the impact to the City, if any, if the projected gaming revenue figures decreased as a result of the new casino opening in New Westminster.

During the discussion, staff were requested to provide comments and information to Council on (i) the GST rebate and how this revenue was being used for infrastructure; (ii) the balance of the Council Provision Account; (iii) the USD Exchange program and whether the figure of 1.30% was appropriate; (iv) the amount of funding received by RADAT from the Provincial Government and the BC Lottery Corporation to deal with addictions; and (v) where staff felt that the additional casino revenue (approximately \$4.7 Million) should be utilized (direction was given that the Council Provision Account not be considered).

During the discussion, with reference to E-Comm, the Chair advised that he would be providing an update within the next while on the financial status of that organization.

Reference was made to the amount of casino revenue being received by the City, and discussion took place on the feasibility of increasing the amount of the grants budget to provide funding to social agencies which offer addiction programs to the community; how the additional funding could be provided without changing the current budget figures; whether the increased amount would be sufficient, and whether the proposal was premature.

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

It was moved and seconded

*That the Grants budget be increased to \$500,000 by shifting the appropriate amount from the Capital Building and Infrastructure account.*

The question on the motion was not called, as discussion ensued on whether the grants budget was the appropriate account from which to grant funds to those social agencies which deal with addiction issues. Reference was also made to a previous commitment by Council that a portion of the revenue obtained from gaming would be returned in some way to the community.

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

It was moved and seconded

*That the 2005 Operating Budget report be approved as the basis for preparing the 5 Year Financial Plan (2005 – 2009).*

**CARRIED**

OPPOSED: Cllr. McNulty

2. **2005 ADDITIONAL LEVEL REQUESTS**  
(Report: Nov. 2/04, File No.: 03-0970-01) (REDMS No. 1350749)

The Mayor requested that arrangements be made to hold another Committee meeting as soon as possible to deal with the 2005 Additional Level Requests.

## ADJOURNMENT

It was moved and seconded

*That the meeting adjourn (7:13 p.m.).*

**CARRIED**

Certified a true and correct copy of the Minutes of the meeting of the Finance Select Committee of the Council of the City of Richmond held on Monday, November 15<sup>th</sup>, 2004.

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Councillor Kiichi Kumagai  
Chair

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



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## Finance Select Committee

Date: Tuesday, November 9<sup>th</sup>, 2004  
Place: Anderson Room  
Richmond City Hall  
Present: Councillor Kiichi Kumagai, Chair  
Councillor Harold Steves, Vice-Chair  
Councillor Linda Barnes  
Councillor Derek Dang  
Councillor Evelina Halsey-Brandt  
Councillor Sue Halsey-Brandt  
Councillor Rob Howard  
Councillor Bill McNulty  
Mayor Malcolm D. Brodie  
Call to Order: The Chair called the meeting to order at 5:24 p.m.

### MINUTES

1. It was moved and seconded  
*That the minutes of the meeting of the Finance Select Committee held on Monday, April 26<sup>th</sup>, 2004, be adopted as circulated.*

**CARRIED**

2. **2005 UTILITY BUDGETS**  
(Report: Nov. 3, 2004; File No: 12-8060-20-7851/7852/7853) (REDMS No. 1340951, 1351067, 1350602, 1350421)

The Manager, Environmental Programs, Suzanne Bycraft, the Manager, Water Services, Steve McClurg, and the Manager, Sewerage & Drainage, J. Doug Anderson, were present to respond to questions from the Committee. (Prior to discussion of the report, copies of an amended Page 5 to the staff report, and an amended Page 3 to the Proposed Budget background information were circulated to Committee members.)

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Discussion then ensued among Committee members and staff on:

- the GVRD 12% year-over-year increase for water purchases and the application of the City's 'water levelling' fund to offset the impact of the increase
- whether the City's goal of having a certain number of residents switching to water meters was being achieved
- the West Nile Virus Treatment program, the threat posed by catch basins and inspection chambers; the proposed use of 'briquets' to control the virus and whether other options had been considered; and the rationale for including \$165,000 in the budget prior to Council approval of the treatment plan
- the minimum quarterly water charge for metered properties and the rationale for increasing the amount from \$10 to \$20
- the rationale for the increase in program costs as a result of increased demand for litter collection
- what action was being undertaken to reduce curb side garbage collection, and at the same time, increase the recycling program; whether anything was being done about the amount of recyclable materials being deposited in garbage and if any opportunity existed to monitor garbage; and the need to reduce the amount of garbage being deposited into landfills.

During the discussion, staff were requested to provide information on those areas which required sewer and water infrastructure replacement, and how many areas had been completed. Reference was made to a report prepared in 2001, and staff were requested to provide an update to all members of Council.

The Chair referred to the proposed sewer budget and noted that while the rates had increased, expenditures had decreased, and he questioned whether it was achievable to maintain the same sewer rates for 2005 as 2004 by reducing the budget by \$170,000. Staff confirmed that the 2005 sewer budget could be maintained at the 2004 rates, and as a result, advice was given that a new report, and accompanying bylaw would be submitted to Council.

It was moved and seconded

- (1) *That the 2005 Utility Expenditure Budgets (as presented in the staff report dated November 3, 2004 from the Managers of Water, Sewer & Environmental Programs), be approved as the basis for establishing the 2005 Utility Rates.*
- (2) *That the following bylaws, which bring into effect the 2005 Utility Rates, be introduced and given first, second and third readings:*

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- (a) *Waterworks and Water Rates Bylaw No. 5637, Amendment Bylaw No. 7851 (2005);*
- (b) *Sanitary Sewer System and Drainage System Bylaw No. 7551, Amendment Bylaw No. 7852 (2005); and*
- (c) *Solid Waste and Recycling Regulation Bylaw No. 6803, Amendment Bylaw No. 7853 (2005).*

**CARRIED**

### 3. **2005 CAPITAL BUDGET**

(Report: Nov. 2/04, File No.: 03-0970-01) (REDMS No. 1350414)

The Director of Finance, Andrew Nazareth, accompanied by the Manager, Revenue, Ivy Wong, briefly reviewed the 2005 Capital Budget report with the Committee.

Discussion then took place on:

- the possible realignment of River Road
- replacement of the Minoru Park Fieldhouse/caretaker suite and park washrooms, and the rationale for including this particular project in the budget when the Parks Master Plan had not yet been completed
- the inclusion of three specific park projects – construction work in the McLennan North Community Park; development of the Terra Nova North-West Quadrant Park; and redevelopment of Steveston Park, and the anticipated cost of each of the three projects
- the rationale for including funding to continue with the waterfront improvement projects when the City was in the process of developing the Olympic Oval
- the renovations to the Britannia Heritage Shipyard at a cost of \$400,000
- the proposed Stores Warehouse Post Disaster Renovation
- the rationale for the inclusion of funds for affordable housing projects
- the impact of the proposed budget on Richmond property owners if the revenue generated from gaming had not been included in the budget to reduce the proposed property tax increase
- whether construction would be able to proceed on the Hamilton and Sea Island Fire Halls, and how funding would be provided
- how financing would be provided to complete construction of the Olympic Oval on River Road through statutory reserve accounts, unappropriated and appropriated surpluses
- the City's long term financial strategy and how it compared to the rates being proposed in the budgets now being considered by the Committee

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- the current drainage problems occurring in East Richmond and the farming areas and whether the proposed drainage program would result in improvements being made to these areas
- the Britannia Heritage Shipyard; whether a plan existed for the restoration of the site, and the projects to be financed by the proposed \$400,000 expenditure
- whether the funds proposed within the Land Acquisition Program were allocated for specific purchases or would there be funds available for unexpected purchases
- how the City would finance the possible acquisition of the DFO lands
- waterfront improvement projects and the need to follow through on the development of the tram route in Steveston
- the annual fleet replacement program
- the Arterial Road Crosswalk Improvement program and whether there were sufficient funds available in the program for unplanned projects
- the lack of funding within the budget for the installation of drainage systems in sports fields, and how funding could be found to improve drainage in parks.

(Councillor Dang left the meeting at 6:30 p.m., during discussion on the above matters, and did not return.)

With reference to the Minoru Park Fieldhouse/Caretaker Suite and park washrooms project, concern was expressed about the construction of the new facility prior to completion of the Parks Master Plan. As a result of the discussion on the Minoru Park Fieldhouse/Caretaker Suite and park washrooms, staff were requested to delete the project from the budget and to transfer the funds to 'Parks Minor Capital'.

However, discussion continued on how the funds would be expended, during which concern was expressed about the possible lack of control. As a result, the following motion was introduced:

It was moved and seconded

- (1) *That the 2005 Capital Budget be adopted for inclusion in the 2005 Five Year Financial Plan (2005 – 2009) Bylaw.*
- (2) *That staff be authorized to commence construction of the 2005 capital projects effective January 1<sup>st</sup>, 2005.*
- (3) *That the Minoru Park Fieldhouse/Caretaker Suite and park washrooms project, in the amount of \$565,000, be re-designated as "Parks Minor Capital", and that no funds be expended without the approval of Council.*

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The question on the motion was not called, as staff were requested to provide information to Council on (i) the status of the funds which were available to finance the cost of constructing the community safety buildings; (ii) an analysis of the statutory reserve accounts; and (iii) the status of the budget as it compared to the City's Long Term Financial Sustainability Strategy.

As well, reference was made to the 2001 Infrastructure report, and staff were requested to report through the Public Works & Transportation Committee on (i) the improvements which have been made to the City's infrastructure system since 2001, and (ii) what the next steps would be.

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

4. **2005 OPERATING BUDGET**  
(Report: Nov. 2/04, File No.: 03-0970-01) (REDMS No. 1350407)

5. **2005 ADDITIONAL LEVEL REQUESTS**  
(Report: Nov. 2/04, File No.: 03-0970-01) (REDMS No. 1350749)

It was moved and seconded

*That Item Nos. 4 and 5 of the agenda, 2005 Operating Budget and 2005 Additional Level Requests respectively, be referred to a meeting of the Finance Select Committee to be held on Monday, November 15<sup>th</sup>, 2004, immediately following the General Purposes Committee.*

**CARRIED**

## ADJOURNMENT

It was moved and seconded

*That the meeting adjourn (6:45 p.m.).*

**CARRIED**

Certified a true and correct copy of the Minutes of the meeting of the Finance Select Committee of the Council of the City of Richmond held on Tuesday, November 9<sup>th</sup>, 2004

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Councillor Kiichi Kumagai  
Chair

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