



Finance Committee

- Date: February 15th, 2007
- Place: Anderson Room
Richmond City Hall
- Present: Councillor Rob Howard, Chair
Councillor Cynthia Chen, Vice-Chair
Councillor Linda Barnes (4:09 p.m.)
Councillor Evelina Halsey-Brandt
Councillor Sue Halsey-Brandt
Councillor Bill McNulty
Councillor Harold Steves (4:01 p.m.)
Mayor Malcolm D. Brodie
- Absent: Councillor Derek Dang
- Call to Order: The Chair called the meeting to order at 4:00 p.m.

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Finance Committee held on Thursday, October 19th, 2006, be adopted as circulated.

CARRIED

COUNCILLOR EVELINA HALSEY-BRANDT

2. **DISABILITY RESOURCE CENTRE (DRC) RELOCATION TO 6931 GRANVILLE AVENUE**
(Report Feb 7 07, File No. 06-2280-20-133)

In response to a question from the Chair regarding the status of the referral to staff, advice was given that staff were negotiating with the Disability Resource Centre (DRC) on the proposal to relocate the DRC to 6931 Granville Avenue, and that a report, with options, should be submitted to Committee in approximately three to four weeks.

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Discussion then ensued among Committee members and staff on the proposed recommendations, during which concern was expressed about the impact of making a decision on these recommendations without giving staff the opportunity to report on the outcome of their negotiations with the DRC. Reference was made to the proposed recommendations, and questions were raised about the timing of the repayment of the loan. In response, advice was given that the period to repay the loan would be ten years.

Ms. Frances Clark, Chair, Disability Resource Centre Committee, accompanied by Ms. Ella Huang, Executive Director, Disability Resource Centre, asked Committee to support the proposal that the City agree to underwrite the cost of the renovations to the building at 6931 Granville Avenue, and the DRC agreeing to pay at least 50% of the improvements. She explained that this would allow the City and the DRC to be partners which was very important when undertaking fundraising.

Ms. Clark also spoke about the negotiations being undertaken with City staff regarding the rental amount, and she questioned this process when it was Council who would be making the final decision. In response, the Chair explained that this was the process followed by the City and he commented that it was his belief that the appropriate course of action to take at this time would be to re-emphasize the referrals which had previously been made to staff on this matter.

(Councillor Barnes entered the meeting at 4:09 p.m.)

Ms. Clark then spoke about the need to obtain the approval of the Finance Committee to ensure that this project would form part of the additional level requests, and to provide protection to the DRC with respect to future fundraising activities. At this point, information was provided by staff that the impact of approval of this project would not affect the additional level process as the proposed relocation would be a capital project. Further information was provided that staff could amend the Five Year Capital Plan if Council chose to approve the expenditure now being considered.

Discussion continued with Ms. Clark and Ms. Huang, with information being provided that the DRC would be occupying approximately 4,000 sq. ft. of the 6931 Granville Avenue facility.

Reference was made to the possible cost of improvements at \$300,000, and as a result of questions being raised regarding these improvements, information was provided that staff had met with representatives of the DRC who had provided information on the improvements that they would like to see undertaken in the facility; and that that information would form part of the referral response to Committee.

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Information was also provided on the steps which would be taken by staff in the event that the recommendations were adopted by Committee, indicating that staff would calculate the interest rate on the portion for which the DRC would be responsible, and would apportion it over a 10 year time period.

Discussion continued, during which a proposal was put forward that the DRC should be treated as any other City community association and that the cost of the renovations should be funded entirely by the City. Questions were also asked about who would be responsible if the cost of renovations exceeded \$300,000 and the delegation responded that they were hopeful that the City would absorb any additional costs.

The delegation spoke further on the proposed recommendations, with comments being made about the importance of the City providing its support to the project as a means to help with future fundraising. Comments were also made that the DRC felt that City staff needed additional direction from Council on this matter. Reference was made to the tight timeframe available to the DRC to obtain capital funding, and the comment was made that staff should be instructed to work with the DRC with certain guidelines in place.

Reference was made to the future payment of rent, and the delegation noted that the DRC was a non-profit organization and that only a very small portion of their operating budget was dedicated to the payment of rent. Reference was made to the funding provided by the City to the DRC, and concern was voiced that if that funding was lost, the DRC would be unable to continue to provide services to the disabled in Richmond and staff would have to be let go. Further comments were made by the delegation that Council should be supporting the DRC in the same light as the Seniors Centre was supported.

Cllr. Evelina Halsey-Brandt, in speaking to her report, noted that there was a narrow window of opportunity when the DRC could apply for matching funding, and she stated that the DRC needed a partner to help facilitate their fundraising activities. She further stated that it was important for Council to commit funds to assist the DRC in its relocation to 6931 Granville Avenue because of the valuable services they provided to the community. Cllr. Halsey-Brandt further stated that the DRC was not a commercial retail, for profit, tenant, and she questioned how the DRC would raise \$300,000 for the proposed renovations.

It was moved and seconded

That:

- (1) the City and the Disability Resource Centre each be responsible for 50% of the cost of the Tenant Improvements required to relocate the DRC to 6931 Granville Avenue;*
- (2) the cost of the improvements is not to exceed \$300,000 in total;*
- (3) the City pay for the improvements up front, and that the DRC repay their 50% back to the City over a mutually agreed upon repayment schedule;*

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- (4) *staff negotiate a lease agreement with the DRC that is not based on commercial rates; and*
- (5) *staff identify all possible funding sources for this project.*

The question on the motion was not called, as the following referral motion was introduced:

It was moved and seconded

That the following motion be referred to staff to use as information, and that staff continue with their negotiations with the Disability Resource Centre.

“That:

- (1) *the City and the Disability Resource Centre each be responsible for 50% of the cost of the Tenant Improvements required to relocate the DRC to 6931 Granville Avenue;*
- (2) *the cost of the improvements is not to exceed \$300,000 in total;*
- (3) *the City pay for the improvements up front, and that the DRC repay their 50% back to the City over a mutually agreed upon repayment schedule;*
- (4) *staff negotiate a lease agreement with the DRC that is not based on commercial rates; and*
- (5) *staff identify all possible funding sources for this project.”*

The question on the motion was not called, as, in response to questions, advice was given that staff could arrange a meeting with the DRC to conclude negotiations, and report to Council with options for their review at the March 5th, 2007 meeting of the General Purposes Committee.

Discussion continued, with further comments being made that the DRC should be treated in the same manner as other City community organization. It was noted that the DRC was constantly having to undertake fundraising activities and the opinion was voiced that the City should be 100% responsible for the cost of the renovations and then allow the DRC to have the same rights as any other community organization.

Concern was voiced during the discussion about the impact which a delay in making a decision could have on the DRC's applications for funding.

Reference was made to the proposed recommendations, and staff were requested to thoroughly examine these recommendations, with comments being made that Committee needed to (i) have all of the options available for each of the recommendations; (ii) know what the impact of adopting these recommendations would be the capital budget; (iii) be given information on timelines for funding, etc.; and (iv) with regard to the proposed partnership, information on whether the City could undertake such a partnership or whether the City would have to sign a Memorandum of Understanding.

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

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BUSINESS & FINANCIAL SERVICES DEPARTMENT

3. TANGIBLE CAPITAL ASSETS

(Report Jan. 29 07, File No. 03-0900-01) (REDMS No. 2024256)

It was moved and seconded

That, to implement Public Sector Accounting Board (PSAB) requirements regarding tangible capital assets (as outlined in the report dated January 29th, 2007, from the Director, Finance) that one-time funding of \$400,000 be considered for funding from any arising 2006 surplus.

The question on the motion was not called, as reference was made to the City's 2006 surplus. Questions were asked about those projects which had been selected for funding from the City's surplus account, and staff were requested to provide the Committee with this information.

Discussion then ensued on the benefits to the City of undertaking the work to comply with the new reporting format for 'tangible capital assets'. Advice was given during the discussion that the intended result would be the development of a inventory of all City assets, which would allow the City to report capital assets at historical cost, the net of accumulated depreciation and begin recording depreciation expenses in its 2009 financial statements. Further advice was given that as part of this process, the City would be required to submit comparative 2008 figures and therefore, work processes, policies, systems and asset records must be updated and ready for use prior to the end of 2008.

In response to further questions, information was provided that local governments were the last to implement this new recording method. Reference was made to the need to provide historical costs and information was provided that previous regulations did not require an inventory of assets, and that for many assets, the historical cost was not recorded as it was not felt to be relevant information at that time. Discussion then ensued among Committee members and staff on the requirement for the provision of historical costs.

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

4. 2007 ADDITIONAL LEVELS

(Report Jan. 16 07, File No. 03-0970-01) (REDMS No. 2030323)

The Director, Finance, Jerry Chong, accompanied by the General Manager, Business & Financial Services, Andrew Nazareth, briefly reviewed how staff had arrived at the figures and recommendations now being considered by the Committee. Discussion then took place among Committee members and staff on the following additional level requests:

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- Deputy Fire Chief – whether the person hired for this position would be hired from within existing firefighters or from the outside; what the duties of the new Deputy Fire Chief, as well as the current Deputy Fire Chiefs, would be once this individual had been hired; whether this person would be exempt or in the union
- Solicitor – the rationale for requiring an additional solicitor; the impact, if any, on existing consulting fees; whether the external consulting fees could be eliminated; the cost to the City of using external solicitors
- Asphalt Capping
- Additional 1% to reserve accounts – the amount of funds being transferred from the operating budget to the reserve accounts
- the Community Policing Programs and why these programs had not been included in the recommended list of additional level requests
- the amount of the RCMP overtime budget and how this could be addressed; whether the City could hire sufficient RCMP officers to eliminate the payment of overtime; the amount of funding being set aside in 2007 for RCMP overtime; whether the hiring of additional police officers would reduce the overtime budget by \$1 Million
- the Community Facilities Coordinator – Hamilton
- the Crime Analyst position and whether this request should be supported
- RCMP Auxiliary Salaries and Benefits
- the ten additional RCMP officers, and the rationale for five officers with no additional funding; whether casino funding could be used to fund a number of the proposed new officer positions rather than ‘gap funding’; the use of the surplus funding created by ‘on leave’ members as a means to fund the additional officers and how this surplus was created
- ‘Human Resources Duty to Accommodate’ and how this would be provided if funding was not approved
- Hamilton Community Weekly Library Delivery Services
- Richmond Nature Park – Trail Maintenance
- One additional IHIT Team
- Special event insurance -- Community Associations
- Sidewalk Maintenance
- the PRCS Volunteer Strategy, and whether the duties of the ESS Coordinator were to have included the coordination of the Parks, Recreation & Cultural Services volunteers
- the ‘Electrical Safety Inspection Program’ and how funding would be obtained for the required positions

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- Back Lane Pruning
- Richmond Fire & Rescue Live Fire Training
- Deferred Maintenance (Facilities)

Also addressed during the discussion was (a) the timing of debt repayment; (b) the amount of revenue generated from the local casino and the amount anticipated for 2007; and (c) the City's reserve accounts and the impact to these accounts if the amount of funds to be transferred to the reserves was reduced to \$1 Million from \$1,216,920.

The Chair then reviewed the list of 'not recommended' additional level requests and advised that as a result of the discussion, the following items had been selected by the Committee to be recommended for approval:

- No. 27 – Hamilton Weekly Library Delivery Service
- No. 19 – Community Facility Coordinator – Hamilton
- No. 24 – East Richmond Community Station
- No. 10 – Sidewalk Maintenance
- No. 13 – Crime Analyst
- No. 16 – PRCS Volunteer Strategy Coordinator
- No. 33 – Special event insurance, Community Associations
- No. 12 – Human Resources Duty to Accommodate
- No. 17 – Community Policing Programs, and
- No. 32 – Back Lanes Pruning.

In response to questions, confirmation was given that the seven recommended additional level requests would be included; along with the ten additional 'not recommended' requests, and that the proposed amount of \$1,216,920 to the reserve accounts would be reduced to \$1 Million to accommodate the recommended additional level requests.

Discussion then ensued among Committee members and staff on:

- possible funding options to fund the additional RCMP officers, such as (i) whether these officers should be funded through 'gap funding', and the number of officers which could be funded by this option; (ii) dividing the current \$1.6 Million surplus by four, which would provide sufficient funding for additional police officers until 2010; (iii) whether the use of casino revenue to fund two of the RCMP officer positions would be acceptable;
- whether the amount of funds to be transferred to the City's reserve accounts should be reduced; the amount of revenue being put into the reserve accounts each year and the compounding effect; the impact which a reduction in funds to the reserve accounts could have on the City's long term financial strategy
- the level of the tax increase which would be acceptable

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- the concerns of the public that the City's emergency services were not keeping up with the growth in population, and statements being made that citizens would be willing to pay more taxes if the result would be an increase in the number of police officers in the City.

During the discussion, reference was made to the need for a pool of officers which could be used to provide officers to replace those who were absent on maternity leave, sickness, etc. A comment was also made that the local casino should be made responsible for funding the officers needed to address crime in the area around the casino.

During the discussion, staff were requested to provide scenarios on the impact to the City's budget, if gap funding was approved.

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

It was moved and seconded

That:

- (1) *\$1 Million be transferred to the City's reserve accounts rather than \$1,216,920;*
- (2) *The following Additional Level Requests as ranked by Committee, be approved:*
 - (a) *RCMP – 10 officers (with four officers being funded from casino revenue);*
 - (b) *RCMP – 1 Auxiliary Constable (gap funded); 2 Officers (Enterprise Fund);*
 - (c) *RFR Deputy Chief, Office Manager and Administrative Assistant;*
 - (d) *One Additional IHIT Team (Richmond's portion);*
 - (e) *Deferred Maintenance (Facilities);*
 - (f) *Mosquito Control in Parks Basin;*
 - (g) *Asphalt Capping; and*
 - (h) *Solicitor.*
- (3) *The following additional level requests be approved:*
 - (a) *No. 27 – Hamilton Weekly Library Delivery Service*
 - (b) *No. 19 – Community Facility Coordinator – Hamilton*
 - (c) *No. 24 – East Richmond Community Station*
 - (d) *No. 10 – Sidewalk Maintenance*
 - (e) *No. 13 – Crime Analyst*
 - (f) *No. 16 – PRCS Volunteer Strategy Coordinator*
 - (g) *No. 33 – Special event insurance, Community Associations*
 - (h) *No. 12 – Human Resources Duty to Accommodate*
 - (i) *No. 17 – Community Policing Programs, and*
 - (j) *No. 32 – Back Lanes Pruning,*

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which would result in a property tax increase of 3.75%.

DEFEATED ON A TIED VOTE

OPPOSED: Cllr. E. Halsey-Brandt
S. Halsey-Brandt
Howard
McNulty

Discussion continued, with reference being made to the recommendation that the 'not recommended' additional level request - No. 16 – PRCS Volunteer Strategy Coordinator, be approved. Concern was expressed about including this position when there was already a Volunteer Coordinator who was to be responsible for the coordination of all volunteers, and the suggestion was made that this request could be eliminated from the list of recommended additional level requests. However, this suggestion was not agreed to by the Committee.

The following motion was then introduced, which proposed the elimination of No. 12 – Human Resources Duty to Accommodate from the list of additional level requests being recommended for approval:

It was moved and seconded

That:

- (1) *\$1 Million be transferred to the City's reserve accounts rather than \$1,216,920;*
- (2) *The following Additional Level Requests as ranked by Committee, be approved:*
 - (a) *RCMP – 10 officers (with four officers being funded from casino revenue);*
 - (b) *RCMP – 1 Auxiliary Constable (gap funded); 2 Officers (Enterprise Fund);*
 - (c) *RFR Deputy Chief, Office Manager and Administrative Assistant;*
 - (d) *One Additional IHIT Team (Richmond's portion);*
 - (e) *Deferred Maintenance (Facilities);*
 - (f) *Mosquito Control in Parks Basin;*
 - (g) *Asphalt Capping; and*
 - (h) *Solicitor.*
- (3) *The following additional level requests be approved:*
 - (a) *No. 27 – Hamilton Weekly Library Delivery Service*
 - (b) *No. 19 – Community Facility Coordinator – Hamilton*
 - (c) *No. 24 – East Richmond Community Station*
 - (d) *No. 10 – Sidewalk Maintenance*
 - (e) *No. 13 – Crime Analyst*

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- (f) *No. 16 – PRCS Volunteer Strategy Coordinator*
- (g) *No. 33 – Special event insurance, Community Associations*
- (h) *No. 17 – Community Policing Programs, and*
- (i) *No. 32 – Back Lanes Pruning,*

which would result in a property tax increase of 3.73%.

DEFEATED ON A TIED VOTE

OPPOSED: Cllr. E. Halsey-Brandt
S. Halsey-Brandt
Howard
McNulty

Discussion continued on possible funding options for the RCMP police positions, and as a result, the following motion was introduced:

It was moved and seconded

That six RCMP police officer positions be funded from 'gap funding'.

DEFEATED

OPPOSED: Mayor Brodie
Cllr. Barnes
Chen
E. Halsey-Brandt
S. Halsey-Brandt
McNulty

Discussion then took place on the use of casino revenue to fund the additional police officers rather than 'gap funding'. As a result of the discussion, the following motion was introduced:

It was moved and seconded

That:

- (1) *\$1 Million be transferred to the City's reserve accounts rather than \$1,216,920;*
- (2) *The following Additional Level Requests as ranked by Committee, be approved:*
 - (a) *RCMP – 10 officers (with 7 of the RCMP police officer being funded from 'gap funding' and 3 from casino revenue);*
 - (b) *RCMP – 1 Auxiliary Constable (gap funded); 2 Officers (Enterprise Fund);*
 - (c) *RFR Deputy Chief, Office Manager and Administrative Assistant;*
 - (d) *One Additional IHIT Team (Richmond's portion);*
 - (e) *Deferred Maintenance (Facilities);*
 - (f) *Mosquito Control in Parks Basin;*
 - (g) *Asphalt Capping; and*
 - (h) *Solicitor.*

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- (3) *The following additional level requests be approved:*
- (a) *No. 27 – Hamilton Weekly Library Delivery Service*
 - (b) *No. 19 – Community Facility Coordinator – Hamilton*
 - (c) *No. 24 – East Richmond Community Station*
 - (d) *No. 10 – Sidewalk Maintenance*
 - (e) *No. 13 – Crime Analyst*
 - (f) *No. 16 – PRCS Volunteer Strategy Coordinator*
 - (g) *No. 33 – Special event insurance, Community Associations*
 - (h) *No. 12 – Human Resources Duty to Accommodate*
 - (i) *No. 17 – Community Policing Programs, and*
 - (j) *No. 32 – Back Lanes Pruning,*

which would result in a property tax increase of 3.47%.

DEFEATED

OPPOSED: Mayor Brodie

Cllr. Barnes

Chen

E. Halsey-Brandt

S. Halsey-Brandt

Steves

Discussion continued on possible funding options to fund the ten RCMP officers. As a result, the following motion was introduced:

It was moved and seconded

That:

- (1) *\$1 Million be transferred to the City's reserve accounts rather than \$1,216,920;*
- (2) *The following Additional Level Requests as ranked by Committee, be approved:*
 - (a) *RCMP – 10 officers (with 6 officers funded from 'gap funding' and 4 funded from casino revenue);*
 - (b) *RCMP – 1 Auxiliary Constable (gap funded); 2 Officers (Enterprise Fund);*
 - (c) *RFR Deputy Chief, Office Manager and Administrative Assistant;*
 - (d) *One Additional IHIT Team (Richmond's portion);*
 - (e) *Deferred Maintenance (Facilities);*
 - (f) *Mosquito Control in Parks Basin;*
 - (g) *Asphalt Capping; and*
 - (h) *Solicitor.*

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- (3) *The following additional level requests be approved:*
- (a) *No. 27 – Hamilton Weekly Library Delivery Service*
 - (b) *No. 19 – Community Facility Coordinator – Hamilton*
 - (c) *No. 24 – East Richmond Community Station*
 - (d) *No. 10 – Sidewalk Maintenance*
 - (e) *No. 13 – Crime Analyst*
 - (f) *No. 16 – PRCS Volunteer Strategy Coordinator*
 - (g) *No. 33 – Special event insurance, Community Associations*
 - (h) *No. 12 – Human Resources Duty to Accommodate*
 - (i) *No. 17 – Community Policing Programs, and*
 - (j) *No. 32 – Back Lanes Pruning,*

which would result in a property tax increase of 3.57%.

CARRIED

OPPOSED: Cllr. E. Halsey-Brandt
McNulty

It was moved and seconded

That the following matters be referred to staff for review and comment:

- (1) *the “Solicitor” position and the rationale, if an additional solicitor was to be hired, as to why the consulting budget could not be reduced accordingly;*
- (2) *the RCMP overtime issue and the long term vision for the RCMP; and that staff report on the long term vision through the Community Safety Committee;*
- (3) *the Richmond firefighters;*
- (4) *the reserve accounts and specifically, the Physical Facilities Reserve Account;*
- (5) *Item No. 16 – the PRCS Volunteer Strategy Coordinator and specifically, why an additional position was required when it had been understood that the Emergency Services Coordinator would also coordinate the Parks, Recreation & Cultural Services volunteers;*
- (6) *the impact of the decision to transfer \$1 Million to the reserve accounts rather than the \$1.2 Million originally proposed, on the City’s Long Term Financial Strategy;*
- (7) *the feasibility of requiring the local casino to fund police officers (not through casino revenue) because of the additional demand which the casino was placing on the City; and*
- (8) *the Deputy Fire Chief position and specifically, a job description for this new position.*

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The question on the motion was not called, as staff were requested, with reference to the RCMP overtime issue, to provide information on how much of the \$2 Million RCMP overtime budget was for unpredictable overtime, i.e. emergency callouts, etc., and how much was utilized as part of the normal operation of the detachment during special events, to have a minimum number of officers on the road.

Staff were also requested to provide an update on the City's Long Term Financial Strategy. Advice was given by the Chair that he hoped to have a meeting in May or June of this year which would deal solely with this topic.

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

5. MANAGER'S REPORT

There were no reports.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (7:28 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 Thursday, February 15th, 2007.

Councillor Rob Howard
Chair

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