

Finance Select Committee

Date: Thursday, February 17th, 2000

Place: W. H. Anderson Room
2nd Floor, Richmond City Hall

Present: Councillor Ken Johnston, Chair
Councillor Kiichi Kumagai
Councillor Bill McNulty
Councillor Lyn Greenhill
Mayor Greg Halsey-Brandt

Absent: Councillor Harold Steves

The Chair called the meeting to order at 4:00 p.m.

1. OPENING REMARKS

The General Manager, Finance & Corporate Services, Jim Bruce, spoke briefly about the role and purpose of the Committee as it related to its mandate and goals. During the discussion which ensued on the various components of the mandate, reference was made to the first point “to review the City’s current financial status” and the Chair expressed the belief that this was intended to provide an overview only. Reference was made to the City’s debt policy and payment structure, and information was requested on how the City proposed to pay off outstanding debt. Reference was also made to the provision of quarterly budget reports, and the request was made that these reports be provided to Council on a monthly basis as information reports. At the conclusion of the discussion, Mr. Bruce asked that Committee members provide him with their comments relating to the mandate.

2. MEETING STRUCTURE

Discussion ensued on the proposed structure, and as a result, it was agreed that when a decision of the Committee required ratification by Council, that staff would prepare a written report. It was also agreed that written reports would be prepared at any time new policies, or amendments to existing policies, were submitted to the Committee for approval. It was also agreed that because the Committee is a Standing Committee of Council, that an agenda would be circulated to Committee members prior to the meeting, and that minutes would be prepared for each meeting.

3. MEETING DATES

It was agreed that the Committee would initially meet monthly on the third Thursday of each month, at 4:00 p.m. in the W. H. Anderson Room.

4. RESERVE REVIEW

Mr. Bruce undertook a review of the statutory and operating reserve accounts, during which he responded to questions from Committee members on such matters as:

- the current balance of the statutory reserve account
- the watermain replacement reserve account and whether an 'assist factor' would be required
- the purpose and use of 'assist factor'
- the rationale for maintaining a "Specific Fund – Health Building" and whether or not the funds in this account were to be used to reduce the construction debt of the new City Hall
- Development Cost Charge rates
- the status of the Steveston Road End account
- the rationale for including various projects within the 'operating reserves and provisions'
- the components which make up 'deposits and trusts'

As a result of the discussion, staff were requested to report to a future Committee meeting on:

- (a) Statutory Reserve - "Industrial Use": information on the properties which were acquired by funds from this account;
- (b) the action which the Committee would have to take to change certain reserve accounts;

Staff were also requested to provide:

- (i) 'notes' to explain why a fund, such as the 'equipment reserve fund' had decreased and that after a certain period of time, the balance would again increase;
- (ii) a copy of the letter from the Provincial Government on the use of the Steveston Road End fund to purchase properties for other than park use;
- (iii) information on the background on the following components of the 'deposits in trusts' account:
 - Seniors Building Fund
 - Recreation Commission Trust
 - Richmond Boys Fastball Fund; andinformation on whether the monies within the various 'deposits in trusts' account was in the name of the specific organization or the City.

The suggestion was also made by the Chief Administrative Officer, George Duncan, that the 'financial impact' section of a report could also include a statement on the impact which the proposed expenditure would have on the statutory reserve accounts.

With reference to the 'operating reserve', the suggestion was made that those provisions within the operating reserve which were no longer necessary, should be eliminated. It was also suggested that the 'gaming revenue provision' be re-established as a statutory reserve fund, and that staff provide a policy and guidelines on how the funds in this account could be used.

5. FUTURE MEETINGS

Mr. Bruce briefly reviewed the material which he would be submitting to future meetings.

6. ITEMS FOR COMMITTEE CONSIDERATION

Mr. Bruce spoke briefly on the proposed topics, which included wages, expense policies, purchasing policies and Council remuneration.

A brief discussion ensued between Mr. Bruce and the Chair about whether the Committee should be reviewing expense policies. Information was requested by the Mayor on the different levels which exist within this policy.

The Chair questioned the status of the review being undertaken by staff on the application of taxes to church properties which were agricultural backlands. Mr. Bruce advised that staff were currently preparing a report on this matter which would offer a number of recommendations, and which would provide information on the impact which would result if a particular recommendation was adopted. He then reviewed the options which would be available to Council.

Reference was made to the planned Hamilton Elementary School/Community Centre expansion. The Manager, Arena Services, Vern Jacques and Mr. Bruce provided information on a budget shortfall which had occurred as a result of changes made by the Richmond School District to the construction drawings. Discussion ensued on this matter, and it was agreed that efforts should be made to find the additional funds to complete the City's portion of the project as the City had initially agreed to the proposed expansion. The suggestion was made that if at all possible, a report on the matter be submitted to the February 21st, 2000 meeting of the General Purposes Committee.

Discussion continued briefly, during which the Chair asked that staff provide a projection of the 2001 revenue estimates and anticipated contract settlements, as well as other issues which staff knew could or would be arising in the future. Committee members also complimented staff on the excellent job they did to provide such detailed information to the Committee.

7. NEXT MEETING

The next meeting of the Committee will be held at 4:00 p.m., on **Thursday, March 16th, 2000.**

8. ADJOURNMENT

It was moved and seconded
That the meeting adjourn (5:35 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 Thursday, February 17th, 2000.

Councillor Ken Johnston,
Chair

Fran J. Ashton,
Executive Assistant