



General Purposes Committee

Date: Tuesday, March 9th, 2004

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Linda Barnes
Councillor Evelina Halsey-Brandt
Councillor Sue Halsey-Brandt
Councillor Rob Howard
Councillor Kiichi Kumagai
Councillor Harold Steves

Absent: Councillor Derek Dang
Councillor Bill McNulty

Call to Order: The Chair called the meeting to order at 6:05 p.m.

1. **FINANCIAL SUSTAINABILITY**
(Material to be distributed prior to meeting.)

Mayor Brodie advised that due to the absence of members of Council both this evening and on Tuesday, March 16th, 2004, that further discussion on the budget would take place on Tuesday, March 23rd, 2004.

A brief discussion ensued on this proposal, as a result of which, the following motion was introduced:

It was moved and seconded

That the report (dated March 8th, 2004, from the Chief Administrative Officer), regarding the March 2nd, 2004 General Purposes referral, be dealt with at this meeting.

The question on the motion was not called, as discussion ensued among all Committee members on the matter.

Councillor Kumagai advised, on behalf of Cllrs. Dang and McNulty and himself, that regardless of the recommendations contained in the Chief Administrative Officer's report (a copy of which is on file in the City Clerk's Office), and that as far as the 2004 budget was concerned, that they would not support any staff reduction as means to means to decrease the budget.

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As a result of Cllr. Kumagai's announcement, Cllr. Steves advised that he was now prepared to delay further discussion of the proposed 2004 budget until the March 23rd, 2004 meeting. The motion was then **WITHDRAWN**.

Discussion continued, with advice being given that recommendations had not been made with respect to possible staff reductions; and that to propose such recommendations would require notification being given to the unions and the unions being provided with the opportunity to review the material and to meet with Council. Further advice was given that the recommendation made to Council was intended to obtain further direction as to whether there should be any action taken.

Based on the statement made by Cllr. Kumagai, questions were raised about whether that would change the direction of the General Purposes Committee March 2nd, 2004 referral regarding a 2% tax reduction if staff reductions were no longer part of the factor for reducing the budget.

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

It was moved and seconded

That staff provide a report commenting on the implications for reductions without staff cuts, to the 2004 Operating Budget.

The question on the motion was not called, as the comment was made that the purpose of Mr. Duncan's report had been to clarify whether or not staffing implications could be a part of the budget process, and which a number of Councillors had indicated that they would not consider. The comment was expressed however, that as part of the long term financial strategy for the City, not to evaluate whether there would be any staff reductions in the future would be irresponsible.

Discussion continued, with the request being made that the suggestions made by Cllr. Kumagai at the March 2nd meeting about the use of (i) the GST rebate refund from the Federal Government, and (ii) casino revenue, to reduce the 2004 operating budget, be considered for incorporation in the budget.

Cllr. Kumagai spoke further on the 2004 budget, indicating that he had a proposal which would result in a 3.96% tax increase. He stated that if the City received \$10 Million, 2% of that amount could be used to lessen the impact of the proposed operating budget on Richmond taxpayers. He also noted that there was approximately \$700,000 remaining in the Casino Reserve Account and suggested that .35% could be used to further reduce the impact of the budget.

Further discussion ensued among Committee members on the issue of staffing implications, and on the suggestion that casino revenue to used to reduce the operating budget.

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

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The Director, Corporate & Intergovernmental Relations, Lani Schultz then briefly reviewed the material which had been distributed to the Committee. (A copy of this material is on file in the City Clerk's Office.) She also reviewed the questions to be considered by the Committee at this meeting.

Reference was made to Question #4 – *If necessary, are you prepared to make cuts to achieve your property tax increase goal?*, and Mayor Brodie stated that based on the action just taken by Committee, that discussion on this question was no longer necessary. However, a brief discussion ensued on whether this question should be addressed, and in response to a call for a show of hands on who wished to discuss Question #4 further, only Cllrs. Sue Halsey-Brandt and Howard indicated their support. As a result, the Committee then moved on to the next question.

Question #5 – *Are you prepared to exceed your Five Year Plan or Sustainable Financial Plan Goal projections in order to accommodate additional level requests which Council wishes to support (e.g. policing)?*

Advice was given by Mr. Duncan that Question #5 dealt with the City's Five Year Financial Plan and long term sustainability. He added that the Five Year Financial Plan for 2005 did not include any additional levels. Discussion then ensued among Committee members and staff on:

- whether funding for the Disability Resource Centre and the Therapeutic Equestrian Society would be included in the 2004 budget as an additional level, and then included in the base operating budget for 2005
- the purpose of the question, which was asking whether Council was prepared to increase property taxes even more to accommodate an additional level request
- the fact that the only way to include additional level requests would be to exceed the Five Year Financial Plan goal
- the use of the CPI
- the need to find a way to support fire and police costs
- the percentage of the budget (52%) which was allocated for community safety, and how fire and police costs could be shown on the property tax notice
- increasing fire and police operating costs and how these costs compared to the cost of running the City
- whether there should be a cap placed on additional level costs
- whether a one time premium on taxes which could be attributed to police and fire costs should be considered, with information being provided to taxpayers that this premium would help the City to absorb fire and police costs over the past three years

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- the need to reduce costs or increase revenue, or alternatively, not approve additional level requests because they could not be sustained.

In response to a question from the Mayor, there was general consensus among the Committee that the answer to Question #5 was 'yes'. However comments were added about the need to control police growth at the rate of the CPI and the difficulties faced by the City to control police growth

(Cllr. Barnes left the meeting – 7:15 p.m.)

A brief discussion then ensued on whether or not the City had the ability to control police costs, during which the comment was made that discussions should be held with the RCMP on these costs.

At the request of the Mayor, Ms. Schultz then reviewed the intent of Question #7 – *Is Council prepared to place an in-depth focus on cost centres where our costs are actually increasing to a significant degree, as opposed to continuing current budget review practices?*

(Cllr. Barnes returned to the meeting – 7:20 p.m.)

Discussion ensued among Committee and staff members on this question, and in particular on:

- the feasibility of redeploying RCMP School Liaison Officers to general duty work and hiring more youth workers to replace these officers, and whether this would reduce the effectiveness of the service currently provided
- the feasibility of having the City's Bylaw Enforcement Officers assume some of the duties of RCMP officers as a way of reducing police costs if it was possible to provide that service in another way.

During the discussion, Mr. Duncan stated that unless Committee was prepared to charge a premium on taxes, the City would not be able to sustain the continual increase in police services. He further stated that the suggestion had been made that Council work with the RCMP to examine ways to enhance police services, and, at the same time, provide better value for the City's money.

Discussion continued on the need for more focus, with comments being made about (i) political will; (ii) cost containment; (iii) the Library; (iv) the use of volunteers in a more productive manner; (v) the need to consider those additional level requests which would allow City staff to work with the RCMP to assume some of their responsibilities; and (vi) the need to address City cost centres.

Mayor Brodie spoke briefly about Question #7, and stated in response to a show of hands that the consensus to the question appeared to be 'yes'.

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ADJOURNMENT

It was moved and seconded

That the meeting adjourn (7:50 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the General Purposes Committee of the Council of the City of Richmond held on Tuesday, March 9th, 2004.

Mayor Malcolm D. Brodie
Chair

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