



Finance Committee

Date: Thursday, March 15th, 2007

Place: Anderson Room
Richmond City Hall

Present: Councillor Rob Howard, Chair
Councillor Cynthia Chen, Vice-Chair
Councillor Linda Barnes
Councillor Derek Dang
Councillor Harold Steves
Mayor Malcolm D. Brodie

Absent: Councillor Evelina Halsey-Brandt
Councillor Sue Halsey-Brandt
Councillor Bill McNulty

Call to Order: The Chair called the meeting to order at 4:01 p.m.

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Finance Committee held on Thursday, February 15th, 2007, be adopted as circulated.

CARRIED

COUNCILLOR ROB HOWARD

2. **MUNICIPAL PROPERTY TAX RATES**
(Report Mar 8 07, File No. 03-0925-01 2007-Vol 01) (REDMS No. 2088873)

In response to questions, the Revenue Manager, Ivy Wong, provided information on how the figures provided in the staff report relating to 'Actual Taxation Revenue By Property Class' and 'Actual Tax Rates For Residential And Business' 'Commercial' were calculated. Information was also provided on the 'business' to 'residential' ratio.

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In answer to further questions, advice was given that the City's 'business ratio', in comparison to other local municipalities, was 'in the middle of the pack'. Information was provided that the City had a smaller percentage of residential properties in comparison to other municipalities, and that even with additional growth and maintaining taxes at 50%, the result would not be a burden to commercial properties.

Discussion ensued among Committee members on this matter, during which comments were made about the need for balance to ensure that the City was competitive with other cities and that Richmond's ability to attract businesses and corporations was maintained.

During the discussion, reference was made to a business tax which had been implemented by the City of Burnaby a number of years ago, and the suggestion was made that perhaps consideration should be given to increasing business licence fees.

The Chair, in speaking to his report, commented on the increase in the business to residential ratio over the past five years, stating that a determination should be made on what the ideal residential business tax ratio should be and a debate held on that rate. He also talked about measurements which could be implemented with regard to services provided to residents and businesses, based on the amount of taxes paid.

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

It was moved and seconded

That staff:

- (1) comment on the relationship between the 'Commercial/Business' taxes and 'Residential' taxes, and*
- (2) review licence fees charged by the City, and provide information on whether the City of Burnaby had a separate 'business tax' rather than a licence fee.*

The question on the motion was not called, as the comment was made that the wording of the referral which had been proposed by Cllr. Howard in his report drew conclusions. It was felt that more information was required on whether (i) a strategy was required to address any imbalance, and (ii) there was an imbalance between the actual tax rates for residential and business/commercial, before making a decision on whether a strategy was required.

Discussion continued, with staff being requested to provide scenarios, such as, if the City Centre residential population was increased, what would that mean for the future, to ensure that the City's rates remained in line with other cities.

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During the discussion, reference was made to a recent newspaper article in *The Vancouver Sun* (dated February 16, 2007), regarding municipal taxes, and the request was made that members of Council be provided with a copy of this article. (A copy of this newspaper article is on file in the City Clerk's Office.)

Reference was made to a comprehensive report which had been prepared by staff two or three years ago, regarding business in a global sense and comparing the City to other municipalities. The suggestion was made that Council should be provided with a copy of that report.

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

BUSINESS & FINANCIAL SERVICES DEPARTMENT

3. **2006 4TH QUARTER FINANCIAL INFORMATION**
(Report - Mar 5/07, File No. 03-0970-09-01) (REDMS No. 2074140)

The Director, Finance, Jerry Chong, reviewed his report with the Committee.

Discussion then took place among Committee members and staff on:

- Fire Rescue expenditures
- the decrease in parking revenue
- Development Cost Charges revenue.

It was moved and seconded

That the report (dated March 5th, 2007, from the Director, Finance), regarding the Financial Information for the 4th quarter ended December 31, 2006, be received for information.

CARRIED

4. **5 YEAR FINANCIAL PLAN (2007-2011)**
(Report - Feb. 28/07, File No. 12-8060-20-8216) (REDMS No. 2085952, 2088280)

Mr. Chong briefly reviewed the proposed 5 Year Financial Plan, during which he provided an explanation on those projects which had been added to the final provisional budget.

It was moved and seconded

- (1) *That the proposed 5 Year Financial Plan (2007-2011) be approved; and*
- (2) *That staff undertake a process of public consultation regarding this Plan before it is adopted by Council, as per the requirement of Section 165 of the Community Charter.*

CARRIED

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5. MANAGER'S REPORT

There were no reports.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:32 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 Thursday, March 15th, 2007.

Councillor Rob Howard
Chair

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