



Finance Select Committee

Date: Thursday, June 16th, 2005
Place: Anderson Room
Richmond City Hall
Present: Councillor Kiichi Kumagai, Chair
Councillor Linda Barnes
Councillor Derek Dang
Councillor Rob Howard
Councillor Bill McNulty
Mayor Malcolm D. Brodie
Absent: Councillor Harold Steves, Vice-Chair
Councillor Evelina Halsey-Brandt
Councillor Sue Halsey-Brandt
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 Select Committee held on Monday, January 31st, 2005, be adopted as circulated.

CARRIED

DELEGATION

2. *Mr. Don Matthew, Partner KPMG, to discuss:*
 - (1) *Independence Letter;*
 - (2) *Oversight Letter; and*
 - (3) *Auditor's Report.*

Mr. Don Matthew, Partner KPMG, provided brief summaries of the information contained in the noted documents, with particular emphasis provided to:

1.

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- i) the incorporation of the accrual of employee future benefits into the financial statements, as required of all local governments;
- ii) a Whistle Blowing Policy, which was said to be anticipated to become a requirement for the public sector in due course. Discussion ensued among Committee members and Mr. Matthew on the development of such a policy, during which Mr. Matthew indicated that the process could be undertaken as part of a contractual process by an outside agency, or as part of an internal process;
- iii) the accounting for tangible capital assets; and,
- iv) the segregation of duties in Peoplesoft – accounts payable and receivable staff should not have the ability to maintain and create vendors.

The Chair thanked Mr. Matthew for his presentation.

FINANCE & CORPORATE SERVICES DIVISION

3. 2004 CITY OF RICHMOND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(Report: April 28/05, File No.: 03-1200-02/2005 Vol 01) (REDMS No. 1509511)

Discussion ensued among Committee members and the Director of Finance, Andrew Nazareth; during which Mr. Nazareth provided the following information:

- that water savings arose out of a reduction to the budgeted water usage estimated by the City;
- that traffic fine revenue was hard to predict year to year. The increase in revenue for 2004 was attributable to changes in provincial legislation;
- that, as per the Public Sector Account Board (PSAB) requirements, reporting on capital expenditures was based on the amount of cash spent during the 12 month period in question. The balance is not accruable, and any unused funds transferred from reserve accounts to fund capital projects, must be returned to the appropriate account.

It was moved and seconded

That the surplus funds that were generated for 2004:

- i) the \$1.44 Million traffic fine surplus;*
- ii) the \$.8 Million utilities fund surplus; and*
- iii) the \$2.6 Million General funds balance,*

be referred to staff for suggestions as to appropriate allocation and future uses.

CARRIED

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It was moved and seconded

That the 2004 City of Richmond audited consolidated financial statements (attached to the report dated April 28th, 2005, from the Director of Finance), be approved.

CARRIED

4. **2004 ANNUAL REPORT**

(Report: June 6/05, File No.: 03-1200-01/2005 Vol 01) (REDMS No. 1589599)

It was moved and seconded

That the 2004 City of Richmond Annual Report (attached to the report dated June 6th, 2005, from the Director of Finance), be approved.

Prior to the question being called the Chair thanked both Finance and City Hall staff for their efforts in producing the Annual Report document, which had been produced in-house.

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

It was moved and seconded

That the Production Centre be acknowledged and thanked for the production of the Annual Report.

CARRIED

5. **TAX ASSESSMENTS – COMMERCIAL STRATA VERSUS TRADITIONAL MALLS**

(Report: May 31, 2005, File No.:) (REDMS No. 1407741)

It was moved and seconded

That the report (dated May 31st, 2005, from the Director of Finance), regarding Tax Assessments – Commercial Strata Versus Traditional Malls, be received for information.

CARRIED

6. **PROPERTY TAX EXEMPTION – ROD & GUN CLUB**

(Report: May 31/05, File No.: 03-0925-01/2005 Vol 01) (REDMS No. 1586215)

In response to a question, the Manager, Taxes, Ivy Wong, indicated that once it had been determined that representatives of the Rod & Gun Club were not interested in the donation of the property to the City in return for a lease agreement, the matter was not pursued.

A question was then put forth by Cllr. McNulty as to why the property could not be utilized by the Richmond RCMP detachment, and possibly other detachments, for firearm training, as a result of which Part 2 was added to the recommendation.

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It was moved and seconded

That:

- i) the tax status of the property owned by the Rod and Gun Club, at 1020 Eburne Place, remain unchanged; and*
- ii) staff explore usage of the land and how it might be utilized to the benefit of the community.*

CARRIED

As a result of a question put forth by Cllr. Barnes regarding the recommendations contained in the Oversight Letter referred to in Item 2:

It was moved and seconded

That:

- i) staff explore how a Whistle Blowing Policy might be implemented including what process might be used and what protection would be provided; and*
- ii) staff provide benchmarks of Federal and Provincial initiatives.*

CARRIED

7. MANAGER'S REPORT

The Director of Finance, Andrew Nazareth, reported that as the result of a departure within the Treasury Department, the Scotiabank Investment arm would assist the City with its investment portfolio on an interim basis for the immediate future. Mr. Nazareth indicated that the City would retain full control of the portfolio and would be solely responsible for all decisions made. An adjustment to the banking resolution is to be forwarded to Council on June 27th, 2005.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:45 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 Thursday, June 16th, 2005.

Councillor Kiichi Kumagai
Chair

Deborah MacLennan
Administrative Assistant