



Finance Select Committee

Date: Thursday, June 20th, 2002
Place: Anderson Room
Richmond City Hall
Present: Councillor Kiichi Kumagai, Chair
Councillor Harold Steves, Vice-Chair
Councillor Rob Howard
Councillor Bill McNulty
Absent: Councillor Evelina Halsey-Brandt
Also Present: Councillor Linda Barnes
Councillor Lyn Greenhill
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 Thursday, May 16th, 2002, be adopted as circulated.

CARRIED

2. **STATUTORY RESERVE FUNDS – ACCEPTABLE LEVELS**
(Report: June 10/02, File No.: 0905-01) (REDMS No. 728943)

The Manager, Budgets & Accounting, Andrew Nazareth, circulated and reviewed with the Committee, material which compared the amount of funding in the statutory reserve funds to the usage of the accounts from 1995 to 2001, as well as the current level of the reserve fund balances in comparison to acceptable levels. A copy of the material is on file in the City Clerk's Office.

Discussion then ensued among Committee members and staff on:

- anticipated usage and fund amounts for the next five years

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- whether there were certain regulatory standards which required that statutory reserve funds be maintained at certain minimum levels
- whether the upcoming infrastructure replacement report, which had been adjusted to reflect new technological advances since its initial presentation to Council would have a significant impact on the amount of funds required for the current 5 Year Capital Plan
- the feasibility of entering into sponsorships with private corporations for the lease of City equipment
- the rationale for maintaining reserve funds for 'Steveston Off-Street Parking' and 'Steveston Road Ends'
- rate stabilization for water and sewer projects
- whether the elimination of specific reserve fund accounts would have a major impact on the amount of funding still required for the remaining accounts
- the rationale for the significant increase in usage in 1998 and the dramatic decrease in the amount of funding from 1995 to 1996
- the options currently being considered by staff to increase the funds in the various reserve fund accounts.

In concluding the discussion, the Chair commented on the realistic picture which the graph provided to the Committee on the shortfall in reserve funds in comparison to the City's operating budget expenses. He also spoke about the feasibility of using lottery funds to assist with the capital budget, and expressed the hope that the City would eventually be in a position to increase the amount of funds in the reserve accounts.

The Chair also advised that if the City's attempts to have a full service casino locate within its boundaries were successful, then he would like to have a discussion to determine whether there were specific areas of interest for which casino revenue could be used to fund those projects.

It was moved and seconded

That the report (dated June 10th, 2002, from the Manager, Budgets & Accounting), regarding Statutory Reserve Funds – Acceptable Levels, be received for information.

CARRIED

3. RELIGIOUS PROPERTIES – NO. 5 ROAD

(Report: June 17/02, File No.: 0925-01) (REDMS No. 733269)

It was moved and seconded

That the report (dated June 17th, 2002, from the General Manager, Finance & Corporate Services), regarding Religious Properties – No. 5 Road, be received for information, and that the report be placed on the agenda for the next meeting.

CARRIED

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4. **FINANCE & CORPORATE SERVICES – IT DEPARTMENT**
(Report: June 12/02, File No.: 0340-20-FCSE1) (REDMS No. 730357)

The General Manager, Finance & Corporate Services, Jim Bruce, spoke about the service level review for the Information Technology (IT) Department. The Director, Information Technology, John Lindberg briefly reviewed the report, during which he noted that his department absorbed all of the costs for the City's entire computer system while the individual departments reaped the benefits.

Mr. Lindberg then reviewed the operations of his department with the Committee, during which he highlighted some of the programs which had been initiated to improve the efficiency of the City, such as the on-line registration program for community centres ("Bookit"), the new on-line inspection program which allowed inspectors to enter the results of building inspections over the telephone, and improvements to the City web site to increase the ability of Richmond residents to obtain information from that site. He noted during the review that the City was considered to be a leader in the use of technology and that other municipalities from across Canada often sought information on the programs implemented by the City.

During the discussion, Mr. Lindberg responded to questions on such matters as:

- the rationale for the amount of overtime spent within the department
- the cost of the contracts
- the feasibility of including the Library on the City's computer system
- whether the IT Department paid for the cost of cell phones for other departments
- the 'smart card' and the ability to use that card to pay for parking costs
- whether there were areas within the department where savings could be found, whether this department would ever be able to find cost savings, and the impact which staff reductions could have on the Department's ability to maintain the computer system
- whether the City could obtain a commission for its "Bookit" program
- whether some of the costs associated with the operation of community centre facilities should be downloaded to the community associations
- software programs and the use of outside technicians to resolve problems which arise

(Councillor Howard left the meeting at 5:02 p.m. during the above discussion, and did not return.)

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It was moved and seconded

That the report (dated June 12th, 2002, from the Director, Information Technology), regarding Finance & Corporate Services – IT Department, be received for information.

Prior to the question on the motion being called, a brief discussion ensued on whether the Committee wished to hold a special meeting to review the service levels of the remaining departments within the Finance & Corporate Services Division. It was agreed that the review would take place at the Committee's next regular meeting on July 18th, 2002.

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

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:21 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 20th, 2002.

Councillor Kiichi Kumagai
Chair

Fran J. Ashton
Executive Assistant