



MINUTES

**FINANCE SELECT COMMITTEE**

- Date: Thursday, July 20<sup>th</sup>, 2000  
Place: W.H. Anderson Room  
Richmond City Hall  
Present: Councillor Ken Johnston, Chair  
Councillor Kiichi Kumagai, Vice-Chair  
Councillor Lyn Greenhill  
Councillor Bill McNulty  
Mayor Greg Halsey-Brandt (4:32 p.m.)  
Absent: Councillor Harold Steves  
Also Present: Councillor Linda Barnes  
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, June 15<sup>th</sup>, 2000, be adopted as circulated.***

**CARRIED**

2. **CITY REVENUE**

(Memo: July 7/00, File No.: 1215-01) (REDMS No. 163538)

The Director of Finance, Danley Yip reviewed the material with Committee members, during which he provided the following information in response to questions:

- utilities revenue was not 100% collected - water meters had only been billed for the first quarter
- grants-in-lieu had not yet been received by the City, and therefore could not be included in the revenue statement
- revenues were on target, however revenue projection was a difficult exercise
- it appeared that some departments would exceed their budgeted revenue projections; managers were very conservative about potential revenue when they prepared their 2000 budgets
- growth projections were on target for the year

Reference was made to the figures shown in "Fiscal Revenues", in the 'Total for Year' column for 'Property Taxes', (\$88,675,235). A question was raised as to why this figure was less than the figure shown for the period January to June, 2000 (\$88,676,440), when revenue for the period July to December had been projected at a decrease of \$1,205. Mr. Yip advised that staff had been endeavouring to balance the actual and projected revenue with the budgeted amount. He added that he would amend the figure to the correct amount.

Discussion continued, during which the Chair commented that the material provided confirmed that there was not a great deal of leeway in making adjustments. He referred to the list of Council priorities and questioned whether there were any areas which could be used to enhance the City's revenue. Advice was given by the General Manager, Finance & Corporate Services, Jim Bruce, that a committee had been formed to review the structure of business licences to determine if increases would be warranted to cover the cost of issuing such licences. Mr. Bruce also commented that such revenue generating projects as implementing user fees for playing fields and pay parking in the downtown core could be considered, however, there were not many opportunities available to generate additional revenue.

It was moved and seconded

***That the memorandum (dated July 7<sup>th</sup>, 2000, from the Director of Finance), regarding City Revenue, be received for information.***

**CARRIED**

**3. UPDATE ON STATUTORY RESERVES**

(Memo: July 6/00, File No.: 1075-01) (REDMS No. 163484)

Mr. Yip reviewed his memo with the Committee.

Concern was expressed about the decrease in Development Cost Charges (DCC) and the likelihood that if the economy did not improve, the City would not have any capital funds available to complete major projects in the future.

During the discussion which ensued on this issue, Mr. Bruce advised that the first stage (growth projections) of the DCC review was now complete, and that staff would be reporting to Council in September on the problems faced by the City. He advised that these problems included not having sufficient funds available in the DCC account for road operations, based on a Council policy of only taking 50% of DCC contributions for roads.

Discussion then ensued on related topics, and the following information was provided:

- an 'assist factor' was not required for the Watermain Replacement and Sewer Reserves; the majority of the water and sewer debt has been paid
- the bulk (75%) of the City's debt was caused by the funds borrowed to finance (i) the construction of the No. 2 Road Bridge; (ii) the acquisition of properties in the North-West Quadrant of Terra Nova; and (iii) the construction of the Library/Cultural Centre
- the Revolving Fund was used to allow the City to borrow against itself - these funds helped to upgrade City facilities

- the funds in the Off-Street Parking Reserve had resulted from contributions made by developers in the Steveston area who were unable to provide sufficient off-site parking for their businesses; the City was to locate an appropriate site and use this revenue to construct a parkade.

Reference was made to the 'Specific Fund - Health Building' fund, and questions were raised regarding the creation of this fund. Information was provided that the revenue put aside to finance the once proposed health building was to be used to finance the new City Hall. The request was made that staff provide a report to the next meeting of the Committee to allow the Committee to make a recommendation on a possible course of action for this revenue. However, Chief Administrative Officer George Duncan advised that staff were preparing a report to Council, the purpose of which was to identify short, intermediate and long term facility needs, and he suggested that the Committee should delay making a decision on the 'Health Building' reserves until after reviewing the upcoming report.

It was moved and seconded

***That the memorandum (dated July 6<sup>th</sup>, 2000, from the Director of Finance), regarding Update on Statutory Reserves, be received for information.***

**CARRIED**

4. **FINANCIAL STATEMENTS FOR THE 6 MONTH PERIOD ENDING JUNE 30<sup>TH</sup>, 2000**

(Memo: July 6/00, File No.: 1200-02) (REDMS No. 163414)

Mr. Yip briefly reviewed the financial statements with Committee members. Comments were made about the apparent high number of vacancies throughout City Hall, and the response was given that the number of vacant positions was no higher than usual. Reference was made to the salaries associated to the Mayor, and advice was given that the Mayor's section was being reorganized to include Hilda Ward and Susan Blackburn.

Questions were raised about the status of the billings to the Vancouver International Airport Local Authority, and Mr. Bruce provided an explanation on the problems with the Authority about the payment of bills relating to the provision of policing services by the RCMP.

(Mayor Halsey-Brandt entered the meeting at 4:32 p.m., during the above discussion.)

Mr. Bruce referred to the RCMP expenses and advised that the Richmond RCMP would soon have software in place which would allow the detachment to provide to the City, monthly reports on their actual expenses. Reference was made by the Mayor to the amount of overtime being claimed by RCMP officers and whether there would be a surplus at the end of the year because of the number of vacant positions currently within the detachment.

A discussion ensued between the Mayor and Mr. Bruce on these issues and on RCMP expenses, during which Mr. Bruce reiterated that the RCMP's new software program would allow the City to monitor police expenses. Information was also provided by Mr. Duncan on an approval process to be implemented as part of the policing study currently underway.

Reference was also made to the vacant staff positions, and the Mayor questioned whether there would be a surplus at year end within those departments which had these positions. A response was given that in certain cases, the salaries of the vacant positions had been used to finance the cost of a consultant or a temporary person who had been hired to fill the position until an individual had been employed to fill that position. Mr. Duncan explained that for those reasons, a surplus might not be possible. A brief discussion then ensued between the Mayor and Mr. Duncan on this matter.

Reference was made to the overtime charged by the RCMP, and advice was given by Mr. Bruce that he reviewed, and the Watch Commander was required to sign the timesheets of the officers. As a result of the discussion which ensued on the need for accountability, the following motion was introduced:

It was moved and seconded

***That the General Manager, Finance & Corporate Services be requested to prepare the appropriate report to the Finance Select Committee on the rationale for overtime by officers of the Richmond Detachment of the RCMP.***

CARRIED

It was moved and seconded

***That the memorandum (dated July 6<sup>th</sup>, 2000, from the Director of Finance), regarding Financial Statements for the 6 Month Period Ending June 30<sup>th</sup>, 2000, be received for information.***

CARRIED

5. **UPDATE ON OPERATING RESERVES & PROVISIONS**

(Report: July 7/00, File No.: 1075-01) (REDMS No. 163729)

It was moved and seconded

***That the Operating Reserves & Provisions, as established, be maintained for their presently defined purposes.***

Prior to the question being called, information was provided in response to questions by Committee members on:

- the rationale for including 'Debt Retirement Reserve' in the Primary Provisions
- 'Training & Development Provision';
- 'Gratuities Accrual';
- 'Terra Nova Land Provision';
- 'Council Provision'; and
- 'Tram Car Provision'.

Discussion then ensued among Committee members and staff on whether any action should be taken with respect to certain accounts. Mr. Bruce suggested that no action should be taken until the end of the year, at which time staff would review the accounts to determine how any surplus should be allocated, with a report to the Finance Select Committee on possible options which were available. Further advice was given that this report would also include information on the rationale for creating the secondary provisions.

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

6. **RETIREMENT OF SELECTED LONG TERM DEBT ISSUES**

(Report: July 7/00, File No.: 1040-01) (REDMS No. 163708)

The Manager - Treasury Services, Gavin Julius, reviewed the various debt issues and the impact which payment of any of these debt issues would have on the City.

Discussion then ensued among Committee members and staff on possible payment options and whether any of the outstanding debt issues should be paid at this time. During the discussion, the comment was made that before making any decisions, the City's long term plan should be reviewed with respect to future capital works projects and how funding would be provided. Mr. Bruce advised, in response, that staff would be reporting to the Committee in September with an update on the status of development and how infrastructure projects would be financed. Questions were asked about the maximum borrowing power which was available to the City, and Mr. Bruce stated that he would provide this information to the Committee.

It was moved and seconded

*That the memorandum (dated July 7<sup>th</sup>, 2000, from the Manager - Treasury Services), regarding Retirement of Selected Long Term Debt Issues, be received for information.*

**CARRIED**

7. **NEXT MEETING DATE**

The next meeting of the Committee will be held at 4:00 p.m. on Thursday, **September 21<sup>st</sup>, 2000.**

8. **MANAGER'S REPORT**

*Property Tax Exemptions for Churches* - Mr. Bruce provided information to Committee members on a proposal which might be feasible to resolve the issue of permissive exemptions for churches. He explained that the percentage of every church property would be calculated, and that based on the average size of these churches, every church would be assessed a percentage figure based on that amount

A brief discussion ensued, as a result of which, staff were directed to report to the Finance Select Committee on the impact which the proposal would have on each of the church properties in Richmond.

**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, July 20<sup>th</sup>, 2000.

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Councillor Ken Johnston  
Chair

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Fran J. Ashton  
Executive Assistant