



## General Purposes Committee

Date: Monday, September 15<sup>th</sup>, 2003  
Place: Anderson Room  
Richmond City Hall  
Present: Mayor Malcolm D. Brodie, Chair  
Councillor Linda Barnes  
Councillor Derek Dang  
Councillor Evelina Halsey-Brandt  
Councillor Sue Halsey-Brandt  
Councillor Rob Howard  
Councillor Kiichi Kumagai  
Councillor Bill McNulty  
Councillor Harold Steves  
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 General Purposes Committee held on Tuesday, September 2<sup>nd</sup>, 2003, be adopted as circulated.*

**CARRIED**

### ENGINEERING & PUBLIC WORKS DIVISION

2. **CANADA/BRITISH COLUMBIA INFRASTRUCTURE PROGRAM APPLICATIONS**

(Report: Sept. 17/03, File No.: 1087-19-01) (REDMS No. 1060914)

The General Manager, Engineering & Public Works, Jeff Day, accompanied by the Manager, Engineering Planning, Siu Tse, provided the following information in response to questions:

# General Purposes Committee

Monday, September 15<sup>th</sup>, 2003

---

- with regard to public consultation regarding the implementation of a water metering program, the City was serious about the installation of the meters, especially in light of the recent water shortage
- the list of project priorities had been approved by Council at a previous Council meeting; whether the City would receive funding for all or any one of the projects was determined by the Ministry of Competition, Science and Enterprise (MCSE) through the Canada/British Columbia Infrastructure Program.

Reference was made to discussions which the former Director, Engineering, Steve Ono had had with staff in the MCSE on the criteria used to determine which projects would qualify for funding, and staff were requested to contact the MCSE to confirm the information which was required to submit a complete application.

Reference was made to the priority of projects and the suggestion was made that Priority Nos. 6 and 7, Water Metering Program and Brighthouse Library Renovation, should be reversed with Nos. 12 and 13, Britannia Heritage Shipyard and Steveston Tram, respectively. However, advice was given the reversal could not happen because different funding sources were used. Also, the MCSE would consider 'green' projects ahead of 'other' projects.

In response to further questions, advice was given that park projects were often included as projects, however, with specific reference to Terra Nova Park, that project had been removed from the list in 2002 because it was felt that the City would not be able to acquire the properties required and complete the work by 2006. The request was made that staff have discussions with Council when preparing the priority list for 2004 to determine if the Terra Nova park project could be included in the application.

Reference was made to the removal of the East Richmond Branch Library from the application, and advice was given that the removal had been the result of problems with the lease. Advice was given that the problems would not have arisen if the building for the library had been a new building.

It was moved and seconded

*That:*

- (1) *the complete priority ranking of projects submitted to the Canada/British Columbia Infrastructure Grant Program (as identified in the report dated September 17<sup>th</sup>, 2003, from the General Manager of Engineering and Public Works), be adopted and included in the 2004 to 2008 5 Year Capital Plan.*
- (2) *the City's portion of the project cost and funding source for the projects with priorities 6 through 13, be conditionally approved, pending the award of that project grant.*

**CARRIED**

# General Purposes Committee

Monday, September 15<sup>th</sup>, 2003

---

TAG

### 3. LONG TERM FINANCIAL MANAGEMENT STRATEGY

(Report: July 31/03, File No.: 0970-03-01) (REDMS No. 1062401)

Mr. Day reviewed the history of the development of the financial management strategy, as well as the options which were available, the proposed policy, and the recommended option.

A lengthy discussion then ensued among Committee members and staff on:

- the need to educate the public about efficiencies and service level reductions
- the proposed cost containment plan, and how this could be achieved
- operating efficiencies and whether these efficiencies were a reduction in growth
- Policy One – Tax Revenue - the rate of inflation and whether the Consumer Price Index (CPI) should be used to increase taxes on an annual basis
- Policy Two – Gaming Revenue and the perceived expectation that the City would receive \$10 Million in revenue each year following the opening of the casino
- Policy Four – Changes to Senior Government Service Delivery
- Policy Eight – Land Management,
- Policy Three – Alternative Revenues and Economic Development
- the City's current investment practices, and whether these practices were being maintained
- the rationale for recommending that staff work towards full implementation of the new strategy for the 2005 budget
- Policy Nine – Administrative.

As a result of the discussion on Policy Four – Changes to Senior Government Service Delivery, it was agreed that Policy Four would be amended to read, *“Any additional costs imposed on the City as a result of mandatory senior government policy changes should be identified and added to that particular year's taxes above and beyond the CPI and infrastructure percentage contribution.”*

During the discussion, staff were requested to provide definitions for “Consumer Price Index (CPI)”, “downloading” and “additional levels”.

## General Purposes Committee

Monday, September 15<sup>th</sup>, 2003

---

As a result of the discussion on Policy Eight – Land Management, which proposed that land assets should not be sold to finance the purchase of depreciating assets, staff were instructed to reword the policy to reflect the concerns of the Committee. It was noted that based on the current wording, the City would be unable to complete its Fire Hall Replacement Program because funding for the project was based on the premise that a portion of the funding would be obtained from the sale of City assets. A suggestion was made during the discussion that consideration should be given to companies which were interested in leasing City property for 25 years or longer, rather than selling the property.

During the discussion, reference was made to the City's business licence fees, and staff were requested to provide to the Committee, a list of all user fees which could be affected by the adoption of the proposed policy.

Also during the discussion, it was acknowledged that the document now being considered and if adopted, would be phased in with the development of the 2005 budget, provided staff with a template for the next twenty years.

Reference was made to Policy Two – Gaming Revenue, and the request was made that it be made clear that the gaming revenue would not be included as part of the City's operating budget.

As a result of the discussion on Policy Six – Cost Containment, the policy was amended to indicate that: *"Staff increases should be achieved administratively through existing departmental budgets, and no pre-approvals for additional programs or staff beyond existing budgets should be given, and that a continuous review be undertaken of the relevancy of the existing operating and capital costs to ensure that the services, programs and projects delivered continue to be the most effective means of achieving the desired outcomes of the City's vision."*

With the conclusion of the discussion on the proposed policy, the following motion was introduced:

It was moved and seconded

***That:***

- (1) ***Policy No. 8 – Land Management, be referred to staff for rewording and submission to the September 22<sup>nd</sup>, 2003 Regular Council Meeting.***
- (2) ***the following remaining policies for the Long Term Financial Management Strategy be adopted:***
  - (a) ***Policy One – Tax Revenue - Tax increases will be at Vancouver's CPI rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1.0 % towards infrastructure replacement needs.***

## General Purposes Committee

Monday, September 15<sup>th</sup>, 2003

---

- (b) *Policy Two – Gaming Revenue - Gaming revenues will go directly to the capital reserves, the grants program and a community legacy project reserve.*
- (c) *Policy Three – Alternative Revenues & Economic Development - Any increases in alternative revenues and economic development beyond all the financial strategy targets can be utilized for increased levels of service or to reduce the tax rate.*
- (d) *Policy Four – Changes to Senior Government Service Delivery – (as amended by Committee to read as follows), Any additional costs imposed on the City, as a result of mandatory senior government policy changes, should be identified and added to that particular year’s taxes above and beyond the CPI and infrastructure percentage contribution.*
- (e) *Policy Five – Capital Plan - Ensure that long term capital funding for infrastructure (e.g. parks, trails, facilities, roads etc.) is in place in order to maintain community liveability and generate economic development.*
- (f) *Policy Six – Cost Containment - (as amended by Committee to read as follows), Staff increases should be achieved administratively through existing departmental budgets, and no pre-approvals for additional programs or staff beyond existing budgets should be given, and that a continuous review be undertaken of the relevancy of the existing operating and capital costs to ensure that the services, programs and projects delivered continue to be the most effective means of achieving the desired outcomes of the City’s vision.*
- (g) *Policy Seven – Efficiencies & Service Level Reductions - Savings due to efficiencies or service level reductions identified in the strategy targets should be transferred to the capital reserves. Any savings due to efficiencies beyond the overall strategy targets can be utilized to reduce the tax rate or for increased levels of service.*
- (h) *Policy Nine – Administrative - As part of the annual budget process the following shall be undertaken:*
  - *all user fees will be automatically increased by CPI;*
  - *the financial model will be used and updated with current information, and*
  - *the budget will be presented in a manner that will highlight the financial strategy targets and indicate how the budget meets or exceed them.*

# General Purposes Committee

Monday, September 15<sup>th</sup>, 2003

---

- (i) *Policy Ten – Debt Management - Utilize a “pay as you go” approach rather than borrowing for financing infrastructure replacement.*

**CARRIED**

Discussion then ensued among Committee members and staff on the options which were available to address future tax increases, and in particular, on:

- operating efficiencies and how these efficiencies would be determined
- whether adoption of Policy Three – Alternative Revenues & Economic Development would mean that tax payers would be faced with a property tax increase every year
- whether in the Options Summary (Figure 1 in the staff report dated July 31<sup>st</sup>, 2003, from TAG), Fire and Police Efficiencies and Service Level Reduction could be included in one section
- the rationale for projecting gaming revenue at \$10 Million per year.

During the discussion on the Options Summary, the suggestion was made that for “Total Casino Revenue”, the wording be amended in Option B1 to indicate “\$10 Million per year by the 2<sup>nd</sup> year of expanded gaming”.

Discussion also ensued briefly on whether service level reductions would occur, during which advice was given that additional programs would not be considered until a source of funding had been identified and existed.

At the conclusion of the discussion, the following motion was introduced:

It was moved and seconded

*That staff proceed with the implementation of Scenario Option “B1”, with respect to variables “Tax Increase”; “Economic Development”; “New Alternative Revenue”; “Total Casino Revenue” as amended to reflect the wording ‘\$10 Million per year by the 2nd year of expanded gaming’; “Fire and Police Efficiencies” and “Operating Efficiencies”.*

**CARRIED**

It was moved and seconded

*That staff proceed with the implementation of Scenario Option “B1” with respect to the variable “Service Level Reduction”, and that the wording in Option “B1” for this variable be amended by deleting the words “No reduction”, and by substituting therefor, the words “No planned reduction in the level of service”.*

**CARRIED**

OPPOSED: Mayor Brodie

## General Purposes Committee

Monday, September 15<sup>th</sup>, 2003

---

Discussion then ensued on the implementation strategy and on the rationale for implementing the strategy in conjunction with the 2005 budget. As a result of the discussion, the following motion was introduced:

It was moved and seconded

*That staff work towards the full implementation of Scenario Option "B1" for the 2005 budget, on the understanding that staff would report to Committee on those strategies which could be implemented on an incremental basis in time for preparation of the 2004 budget.*

**CARRIED**

### ADJOURNMENT

It was moved and seconded

*That the meeting adjourn (6:08 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 Monday, September 15<sup>th</sup>, 2003.

---

Mayor Malcolm D. Brodie  
Chair

---

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