



Finance Select Committee

Date: Thursday, July 25th, 2002
Place: Anderson Room
Richmond City Hall
Present: Councillor Kiichi Kumagai, Chair
Councillor Harold Steves, Vice-Chair
Councillor Evelina Halsey-Brandt
Councillor Rob Howard
Councillor Bill McNulty
Also Present: Councillor Lyn Greenhill
Call to Order: The Chair called the meeting to order at 2:01 p.m.

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Finance Select Committee held on Thursday, June 20th, 2002, be adopted as circulated.

CARRIED

DELEGATION

2. *Mr. Don Matthew, representing KPMG LLP Chartered Accountants, to present audited financial statements for the year ending December 31st, 2001.*

Advice was given that Mr. Matthew was not in attendance at this afternoon's meeting and that he would make his presentation to a future meeting of the Committee.

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3. RELIGIOUS PROPERTIES – NO. 5 ROAD

(Report: June 17/02, File No.: 0925-01) (REDMS No. 733269) (Referred from the June 20th, 2002 Committee meeting.)

At the request of the Chair, the General Manager, Finance & Corporate Services, Jim Bruce, reviewed the history of the 1/3-2/3 requirement, i.e. one-third of the property would be used for the religious facility and the rear two-thirds would be farmed. He explained during his review that City staff had been unable to find any written agreement which reflected this latter requirement. In response to further questions, Mr. Bruce advised that:

- *'permissive exemptions'*, authorized by Council, were applied to all religious properties in Richmond no matter where they were located, for specific items over and above those allowed under a statutory exemption
- *'statutory exemptions'* were regulated by the BC Assessment Authority (BCAA)
- exemptions were applied to the land and improvements associated to the religious institution; the rear two-thirds of the property was assessed by the BCAA; recreational or business uses were not permitted
- the area of the property which provided parking qualified as a permissive exemption; only the building and land under the building which was used as a place of worship qualified as a statutory exemption.

Discussion then ensued among Committee members and staff on whether (i) there were any documents in existence which required that the rear two-thirds of the No. 5 Road religious properties were to be farmed; (ii) the rear two-thirds of these properties were to be given permissive exemptions; and (iii) covenants were in place to require that the backlands be farmed. Advice was given during the discussion that there were no formal agreements in place between the City and the landowners, and that if these agreements existed, they were between the Agricultural Land Commission and the owners.

Also addressed during the discussion were the complaints made by a number of commercial businesses who believed that the operators of these religious facilities who rented their facilities to the public as banquet facilities had an economic advantage because of the special tax rate.

The history of this matter was then reviewed by staff with the Committee. As well, information was provided on the various land classifications used by the BC Assessment Authority. During the discussion, staff were requested to provide to the Committee, a copy of the report prepared by former City employee Ian Chang on the No. 5 Road Backlands Study.

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Comments were made during the discussion that now was the time to address this matter, and that as an incentive, the affected property owners should be advised that until farming activity occurred on the rear portions of their respective properties, that the permissive tax exemptions would be removed.

Mr. Steven Choy, representing the Cornerstone Evangelical Baptist Church, questioned whether the City had advised his church that farming was to be undertaken on the property. Discussion then ensued among Committee members and Mr. Choy on the suitability of the soil for farming. Committee members and staff also spoke about the need to undertake a review of the 'permissive tax exemption' and the uses permitted within that exemption.

In concluding his presentation, Mr. Choy advised that his church had never received a written request from the City to farm the rear portion of the property and never had any plans to undertake any farming activity. He questioned whether any action would be taken if his church did not farm the property, and requested written direction from the City.

Mr. Herb Barbalett, a former member of the committee which studied the feasibility of farming the No. 5 Road backlands, expressed concern about the integrity of the farmland in that area. He stated that the only reason church property owners had been allowed to build in this area was because those owners had indicated that they would farm the backlands. Mr. Barbalett stated that while large scale farming was not possible, small operations were. He then spoke about the refusal of the owners to consolidate their properties to make farming more viable and the lack of co-operation between the owners and the City.

In response to questions, Mr. Barbalett suggested that orchards could be established in the backlands. He noted that the church owners had been asked to voluntarily farm their respective properties with negative results, and advised that he agreed with earlier suggestions that the permissive tax exemptions on these properties should be revoked.

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

It was moved and seconded

That:

- (1) staff provide the owners of the religious properties located on No. 5 Road with information on the amounts of both their statutory and permissive tax exemptions;*
- (2) the owners be advised that unless there is agricultural activity taking place on the backlands of their properties, that the permissive tax exemption applied to such property would be revoked for the 2003 year; and*
- (3) the owners be requested to provide a formal response to the City on this matter by September 1st, 2002.*

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The question on the motion was not called, as Committee members expressed their views on the proposed recommendation. Concern was expressed during the discussion about making a decision prior to reviewing land titles and other documents.

The question on the motion was then called, and it was **CARRIED** with Cllr. Howard opposed.

4. **RFP FOR SALE AND LEASEBACK AGREEMENT FOR VEHICLE FLEET**

(Report: June 27/02, File No.: 0780-01) (REDMS No. 770159)

A brief discussion ensued among Committee members and staff on the proposal, during which advice was given that the project was financially viable because City staff could leverage a higher rate of return.

It was moved and seconded

That the Purchasing department issue a Request For Proposal for a sale and leaseback agreement for the vehicle fleet (as described in the report dated June 27, 2002 from the Fleet Management and Budgets & Accounting Departments) and report to Committee with a recommendation.

CARRIED

5. **AMENDMENT TO WATERWORKS & WATER RATES BYLAW**

(Report: July 4/02, File No.: 8060/20-7405) (REDMS No. 784994, 809791)

It was moved and seconded

That Waterworks & Water Rates Bylaw No. 5637, Amendment Bylaw No. 7405, be introduced and given first, second and third readings.

CARRIED

6. **SERVICE LEVEL REVIEW – CITY CLERK’S OFFICE**

(Report: July 8/02, File No.: 0340-20-FCSE1) (REDMS No. 777705, 744601, 719778, 655710, 724937)

City Clerk Richard McKenna reviewed the service levels provided by the City Clerk’s Office, during which a brief discussion ensued on the availability of reports on the City’s web site.

(Councillor Kumagai left the meeting at 3:40 p.m., and did not return. Councillor McNulty assumed the Chair.)

It was moved and seconded

That the memorandum (dated July 8th, 2002, from the City Clerk), regarding the Service Level Review – City Clerk’s Office, be received for information.

CARRIED

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7. **SERVICE LEVEL REVIEW – LAW DEPARTMENT**
(Report: July 8/02, File No.: 03400-20-FCSE1) (REDMS No. 808407, 733241)

It was moved and seconded

That the report (dated July 8th, 2002, from the City Solicitor), regarding the Levels of Service – Law Department and Land Agent, be received for information.

CARRIED

8. **SERVICE LEVEL REVIEW – CORPORATE & STRATEGIC PLANNING**

(Report: July 10/02, File No.: 0340-20-FCSE1) (REDMS No. 809715)

The Manager, Corporate & Strategic Planning, Lani Schultz, responded to questions from the Committee on the rationale for (i) overhead expenses, and (ii) the use of consultants.

It was moved and seconded

That the report (dated June 20th, 2002, from the Manager, Corporate & Strategic Planning), regarding the Service Levels for Corporate & Strategic Planning, be received for information.

CARRIED

9. **SERVICE LEVEL REVIEW – CUSTOMER SERVICE**
(Report: July 10/02, File No.: 0340-20-FCSE1) (REDMS No. 730175)

The Manager, Customer Service, Anne Stevens, reviewed the level of service provided within her area.

(Mayor Brodie entered the meeting at 3:46 p.m.)

During the brief discussion which ensued, the Committee spoke favourably of the services provide by the members of the Customer Service Department.

It was moved and seconded

That the memorandum (dated July 10th, 2002, from the Manager, Customer Service), regarding Service Levels for Customer Service, be received for information.

CARRIED

10. **SERVICE LEVEL REVIEW – HUMAN RESOURCES DEPARTMENT**
(Report: June 20/02, File No.: 0340-20-FCSE1) (REDMS No. 736416, 682490, 736529)

The General Manager, Human Resources, Mike Kirk, briefly reviewed the service levels provided within his department, and responded to questions on whether outside assistance would be required to help with upcoming labour negotiations.

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It was moved and seconded

That the report (dated June 20th, 2002, from the General Manager, Human Resources), regarding the Human Resources Department – Levels of Service, be received for information.

CARRIED

11. MANAGER'S REPORT

Mr. Bruce reviewed with the Committee, the proposed schedule for the 2003 budget process.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (3:54 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 25th, 2002.

Councillor Kiichi Kumagai
Chair (For Items 1 to 5 Inclusive)

Councillor Bill McNulty
Chair (For Items 5 to 10 Inclusive)

Fran J. Ashton
Executive Assistant