



Finance Select Committee

Date: Thursday, October 25th, 2001
Place: Anderson Room
Richmond City Hall
Present: Councillor Kiichi Kumagai, Chair
Councillor Bill McNulty
Councillor Linda Barnes (4:07 p.m.)
Acting Mayor Lyn Greenhill
Absent: 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 Finance Select Committee held on Thursday, July 26th, 2001, be adopted as circulated.

CARRIED

The General Manager, Finance & Corporate Services, Jim Bruce, referred to a memorandum circulated to Council with the agenda package, regarding the 'Bookit' system, and he asked if Committee had any questions on this new system. The Chair advised that he was happy with the report, and was awaiting comments on how the system was working.

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PARKS, RECREATION & CULTURAL SERVICES DIVISION

2. **2002 FEES AND CHARGES – AQUATIC SERVICE**

(Report: Oct. 11/01, File No.: 1070-01) (REDMS No. 518828, 496034, 522468)

The Manager, Aquatic Services, Dave McBride, reviewed the report with the Committee. In response to questions, advice was given that an average 5% increase for all group swim lesson programs could generate an additional \$35,000 in instructional program fees and \$6,000 in facility rentals in 2002. Further advice was given that the new fees would become effective January 1st, 2002.

It was moved and seconded

That the report (dated October 11th, 2001, from the Director, Recreation & Cultural Services), regarding the 2002 Aquatic Fees and Charges approved by the Aquatic Services Board, be received for information.

CARRIED

FINANCE & CORPORATE SERVICES DIVISION

3. **STATEMENT OF FINANCIAL ACTIVITIES FOR THE 9 MONTH PERIOD ENDING SEPTEMBER 30TH, 2001**

(Report: Oct. 12/01, File No.: 1200-02) (REDMS No. 524615)

The Director of Finance, Danley Yip, accompanied by the Manager, Budgets & Accounting, Andrew Nazareth, reviewed his report with the Committee.

A brief discussion ensued, during which, in response to questions, information was provided that the 64.9% expense shown for the “Cultural Services” section of the Parks, Recreation & Cultural Services Division was low because some expenses had not yet been recorded.

(Councillor Barnes entered the meeting at 4:07 p.m., during the above discussion.)

Reference was made to previous requests for comparative figures for previous years, and advice was given that the reorganization of various departments and budgets over the past year made it difficult to provide this information because of the many variables which would have to be considered. During the discussion which ensued, concern was expressed about Reason No. 2 in the report which indicated that “....*the use of comparative information as part of the review of the current year's financial activities is not particularly relevant....*” As a result of the discussion on this issue, advice was given that for the first quarter of 2002, staff would provide comparative figures for the prior year and the 2002 first quarter. Staff were also requested by the Chair to provide information on whether (i) expenses were lower, (ii) the City was ‘on track’; and (iii) there were any anomalies which had to be considered.

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It was moved and seconded

That the report (dated October 12th, 2001, from the Director of Finance), regarding the Statement of Financial Activities for the 9 Month Period ending September 30th, 2001, be received for information.

CARRIED

4. **UPDATE ON 2002 BUDGET PROCESS**

(Oral Report)

The Manager, Budgets & Accounting, Andrew Nazareth, reported on the status of the 2002 budget process, advising that a 'line by line' review of department budgets was now underway and would be completed in approximately two weeks time. Mr. Nazareth stated that the process was proceeding as scheduled and that a budget review workshop would be held in mid-November.

Discussion then ensued among Committee members and staff on possible property tax increase percentages, and staff were requested to provide at the next meeting, three different scenarios (including ramifications and service levels), based on (i) a zero, (ii) a four, and (iii) an eight percent property tax increase. Information was provided that although the budget process had not yet been completed, staff were of the view that if current service levels were maintained, a 4.5% increase could be required. Further advice was given that the 5 Year Financial Plan for 2002 indicated an increase of 4.52%, based on the same level of service provided in 2001.

Reference was made to the proposed November 19th, 2001 budget workshop, and advice was given that the new members of Council would have to be consulted to confirm their availability.

In concluding the discussion, the Chair confirmed that staff would be providing to the next meeting of the Committee, a preliminary budget based on a zero (same level of service) percent increase, as well as a scenario for a four percent increase, which would include anticipated service levels increases.

5. **NEXT MEETING TOPICS – NOVEMBER 15TH, 2001**

- The Chair asked that staff prepare a report and recommendation on the benefits, if any, of the City administering a proposed water pre-levy.

6. **MANAGER'S REPORT**

- The General Manager, Parks, Recreation & Cultural Services, Cathryn Carlile, reported that she would be submitting a report to the November 5th General Purposes Committee meeting on the "Tall Ships Event", based on the results of a meeting being held this evening on this matter.

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Discussion then ensued among Committee members on tall ship events which had been held in other cities, and the amount of funding required for the current project.

- Mr. Bruce, reported that notification had been received from the Municipal Insurance Association that because of the difficulties being experienced in obtaining insurance with respect to 'leaky condo' protection, the City could see substantial increases in the budget for this type of insurance.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:37 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, October 25th, 2001.

Councillor Kiichi Kumagai
Chair

Fran J. Ashton
Executive Assistant