



Finance Select Committee

Date: Wednesday, October 29th, 2003
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 Derek Dang
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, September 18th, 2003, be adopted as circulated.

CARRIED

At this point the Chair that the order of the agenda would be varied to deal with Item 3 first.

2. **2004 UTILITY BUDGETS**
(Report: Oct. 22/03, File No.: 0970-01) (REDMS No. 1076319)

The General Manager, Engineering and Public Works, Jeff Day, the Director of Finance, Andrew Nazareth, the Manager, Environmental Programs, Suzanne Bycraft, and the Manager, Water Services, Steve McLurg, were present.

Discussion then ensued among Committee members and staff on the 2004 proposed rates for utilities, and in particular, that:

- the City's water levelling fund has, for the first time, been applied to offset increases;

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- the metered water rate is the same for industrial, commercial and residential use;
- monies previously allocated to cover the water debt should, upon maturity of the debt, be transferred in 2004 to the Rate Stabilization Account and/or the Meter Provision Account;
- the Water Utility Bylaw would be amended to require all new residential construction to be metered;
- an analysis of the impact that quarterly billing would have on cash flow was not yet available;
- the public should be informed that GVRD rates are projected to increase 65% over the next five years. Further to this, a request was made that Council be provided with projections indicating over what time frame the levelling fund would be depleted.

It was moved and seconded

- (1) *That the 2004 Utility Expenditure Budgets (as presented in the staff report dated October 22, 2003 from the Managers of Water, Sewer & Environmental Programs), be approved as the basis for establishing the 2004 Utility Rates.*
- (2) *That staff bring forward the following:*
 - (a) *Bylaws to impose fees for water, sewer and solid waste/recycling services as presented in the staff report dated October 22, 2003 from the Managers of Water, Sewer & Environmental Programs, and*
 - (b) *Bylaw amendments to implement the Water Metering Strategy, approved by Council on February 24, 2003, R03/4-19.*

Prior to the question being called, in response to a question, Ms. Bycraft provided the information that utility bill mail outs would include a newsletter informing residents about i) utility rates and increases; and ii) the voluntary metering program.

The question was then called and it was **CARRIED**.

3. 2004 CAPITAL PLAN

(Report: Oct. 22/03, File No.: 0970-02-01) (REDMS No. 1079076)

Mr. Michael Mack, Chair, Land and Capital Team, accompanied by the General Manager, Finance & Corporate Services, Jim Bruce; Director of Finance, Andrew Nazareth; the Manager, Lands and Property, Christine McGilvray; the Manager, Recreation and Cultural Services, Jane Fernyhough; the General Manager, Parks, Recreation and Cultural Services, Cathy Volkering Carlile; the Manager, Engineering Design and Construction, Robert Gonzalez; the Manager, Parks, Programs-Design, Mike Redpath, and the Director of Operations, Eric Gilfillan, were present.

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Discussion ensued among Committee members and staff that included the following:

- that casino revenue for 2004 would be transferred to the Capital program instead of the annual operating budget transfer;
- that Strategic Land Acquisition funds combined with revenues generated by the sale of City property were expected to meet the general needs of the City for land acquisition in 2004;
- the rationale for the \$1M per year, for the next five years, contribution to the Terra Nova NWQ park;
- the rationale for the funds required to finish the space at the Aberdeen Centre;
- that the funds allocated for Britannia Heritage Shipyard would accomplish site servicing, site development and location of the buildings;
- a request for an opportunity to view the Capital Planning model including how it was weighted and what created the output provided;
- that the costs associated with relocating the Steveston Interurban Tram should be separated out of the total costs of tram restoration and relocation;
- that the reduction to Development Cost Charges were the result of the timing factor involved in receipt of funds;
- an explanation of the scoring range that is applied when funding sources are considered in reference to certain projects. Further to this, information was provided that funds borrowed for water and sewer projects would not require a referendum be held on the matter but those borrowed for road or building projects would;
- that a financial cost/benefit of not doing projects was included in the model;
- the Capital budget has a .3% tax impact on the Operating budget;
- a request that an analysis on the purchase of a Hole Excavator be provided.

During the above discussion Cllr. Steves assumed the Chair, 5:02 p.m., when the Chair, Cllr. Kumagai, left the meeting. Cllr. Kumagai returned at 5:04 p.m. and resumed the Chair.

At the conclusion of the discussion, the Chair:

- i) indicated that the meeting would reconvene at a later date;

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- ii) drew attention to the previous distribution of i) several additional pieces of information, copies of which are attached as Schedules 1 – 5 and form a part of these minutes; and, ii) a memorandum entitled 'Williams Road Drainage' from Jenny Beran, Planner, a copy of which is attached as Schedule 6 and forms a part of these minutes; and
- iii) requested that specific requests for information be submitted to Mr. Nazareth, Mr. Chong, or Mr. Mack prior to the meeting being reconvened.

Cllr. Barnes requested that a recent newspaper article that compared City of Victoria property tax rates with other cities across the nation be brought to the next meeting.

It was moved and seconded

That the meeting adjourn (5:24 p.m.).

CARRIED

The Finance Select Committee meeting reconvened at 6:26 p.m., on Monday, November 3rd, 2003, in the Anderson Room, with Committee members, Councillors Kumagai, Evelina Halsey-Brandt, Rob Howard, Bill McNulty and the Mayor present. Also present were Councillors Linda Barnes, Derek Dang and Sue Halsey-Brandt (6:28 p.m.)

The Chair announced that the Committee would continue its review of the proposed 2004 Capital Budget and would not be reviewing the Operating Budget at this time. He advised that the review of the Operating Budget would be at the call of the Chair at sometime in the near future.

The Chair, Land & Capital Team, Mike Mack, came forward, and in response to questions, advised that his team could provide information on the rationale for the ranking of a particular project, and that the project stakeholders were present to respond to specific questions.

Discussion then ensued among Committee and staff on such subjects as:

- the *Britannia Heritage Shipyard* and the improvements which would be made to the Shipyard at a cost of \$250,000 (advice was given that a proposed shipyard plan would soon be submitted which would provide detailed information on the development of the Heritage Zone)
- the *Sports Field Drainage Program* and whether it would be more appropriate to include a larger amount (\$250,000) in the 2004 budget and less in future years to allow drainage improvements to be made to put four fields into operation
- the *Aberdeen Centre Space* and how funding in the amount of \$380,000 would be provided to complete the community space

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- the *Brighouse Library Renovations* and whether grants were applied for to help offset the estimated cost of the renovations; what would happen if the City received grants for the project; and how the remaining funding would be obtained
- the *Richmond Tennis Club Relocation (Advanced Design)*
- the *Affordable Housing Statutory Reserve*
- the *Steveston Tram* and whether there was any part of the project which could be completed this year, such as relocating the tram to the new car barn and to construct track within the barn for the tram to sit on
- the *Minoru Park Fieldhouse & Caretaker Suite Replacement* and whether the cost would be comparable to the cost of the replacement of the London/Palmer fieldhouses; also, how the cost of the proposed relocation and track construction could be placed into the appropriate budget
- whether the investment in parkland in East Richmond was comparable to the rest of the City
- the *Parking Lot Rehab* and the rationale for ranking this project ahead of “roads”; also, whether this work could be spread out over a number of years at a decreased cost
- the *Fire Rescue Records Management System*
- the *Power Smart Projects*, the *Minoru Aquatic Centre Solar Heating Panel System* and the *Watermania Solar Heating Panel System* and the rationale for including these projects on the ‘not recommended’ list
- the *Transit Plan Infrastructure Improvements*
- *Parkland Acquisition* and what could be acquired for \$4,500,000.

During the discussion, the request was made that future years’ budget documentation include funding sources as part of the report.

As a result of the discussion, staff were requested to provide reports on:

- the feasibility of allocating \$250,000 for *Sports Field Drainage* for four fields (to be identified) located in north, south, east and west Richmond; and the impact which this would have on the capital budget;
- with regard to the *Power Smart Projects*, on how these projects could be funded with payback options, with minimum impact on the capital budget;
- the cost of relocating and placing the *Steveston Tram* within the car barn; the cost of, and footage required, to construct a track within the car barn; also, to provide a breakdown of the proposed total cost of the project; and whether there were any unique funding strategies which would be used to accommodate any part of the project; and

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- with regard to the *Skate Spot City Centre*, whether funding could be found to provide a safe location for youth to skateboard within the City Centre, such as in the McLennan North Park; and provide information on where the facility could be located, criteria, etc., including ways of funding the project, such as corporate sponsorship.

Discussion ensued on the form in which the information would be provided to the Committee and the rest of Council, and it was agreed that the information would be provided at the time that the Committee reviewed the proposed 2004 Operating Budget.

Discussion then ensued on when the Committee would be reviewing the 2004 Operating Budget, and as a result, it was agreed that the Committee would meet at 5:30 p.m., on Tuesday, November 18th, 2003, in the Anderson Room.

ADJOURNMENT

It was moved and seconded
That the meeting adjourn (7:14 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 Wednesday, October 29th, 2003 and Monday, November 3rd, 2003.

Deborah MacLennan
Administrative Assistant
(For the October 29th, 2003 meeting.)

Councillor Kiichi Kumagai
Chair

Fran J. Ashton
Executive Assistant, City Clerk's Office
(For the November 3rd, 2003 meeting.)

Analysis – 2003 Residential Tax Draw

2002 – Actual tax draw :

$$(12,791,265,109 / 1000) \times 3.9278 = \$50,241,531$$

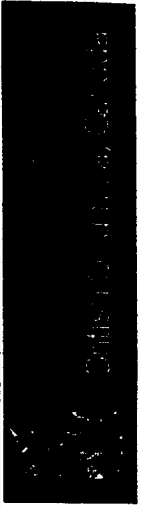
2003 – Tax draw if mill rate is constant:

$$(14,234,819,583 / 1000) \times 3.9278 = \$55,911,524$$

2003 (new Mill Rate, Tax Revenue required):

$$(14,234,819,583 / 1000) \times 3.7185 = \$52,932,176$$

SCHEDULE 1 TO THE MINUTES OF
THE FINANCE SELECT COMMITTEE
MEETING HELD ON WEDNESDAY,
OCTOBER 29TH, 2003 AND ON
MONDAY, NOVEMBER 3RD, 2003.



EXAMPLE: CPI + 1% impact over 5 years

Assumptions:

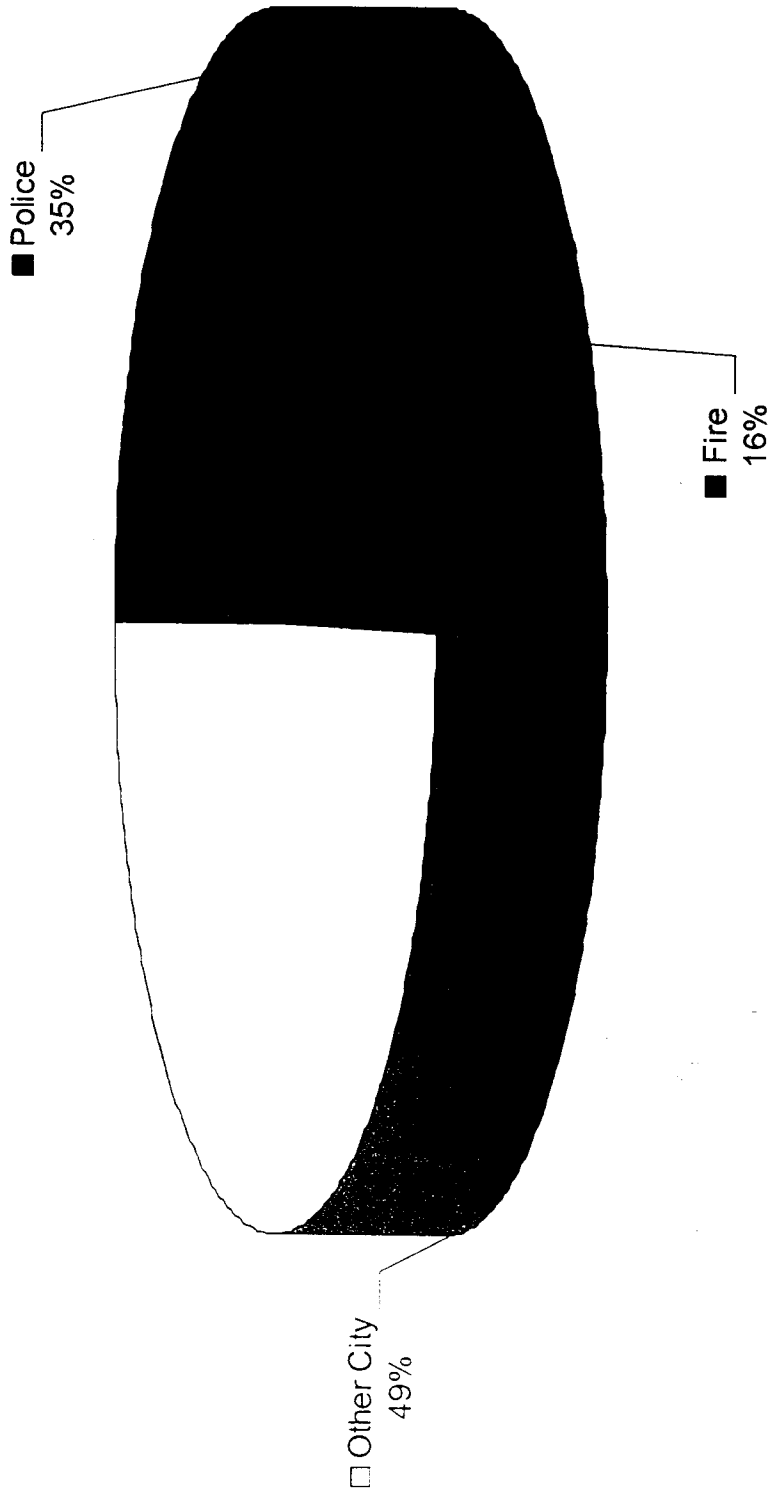
CPI = 2.00%

Tax Opening Base = \$100,000,000

	Tax Opening Base \$	CPI	CPI Increase \$	Infrastructure rate	Infrastructure Increase \$	Cumulative trnsf to infra. reserve \$	Total Tax Increase \$
YEAR 1	100,000,000	2.00%	2,000,000	1.00%	1,000,000	1,000,000	3,000,000
YEAR 2	103,000,000	2.00%	2,060,000	1.00%	1,030,000	2,030,000	3,090,000
YEAR 3	106,090,000	2.00%	2,121,800	1.00%	1,060,900	3,090,900	3,182,700
YEAR 4	109,272,700	2.00%	2,185,454	1.00%	1,092,727	4,183,627	3,278,181
YEAR 5	112,550,881	2.00%	2,251,018	1.00%	1,125,509	5,309,136	3,376,526

SCHEDULE 2 TO THE MINUTES OF
THE FINANCE SELECT COMMITTEE
MEETING HELD ON WEDNESDAY,
OCTOBER 29TH, 2003 AND ON
MONDAY, NOVEMBER 3RD, 2003.

Allocation by Division

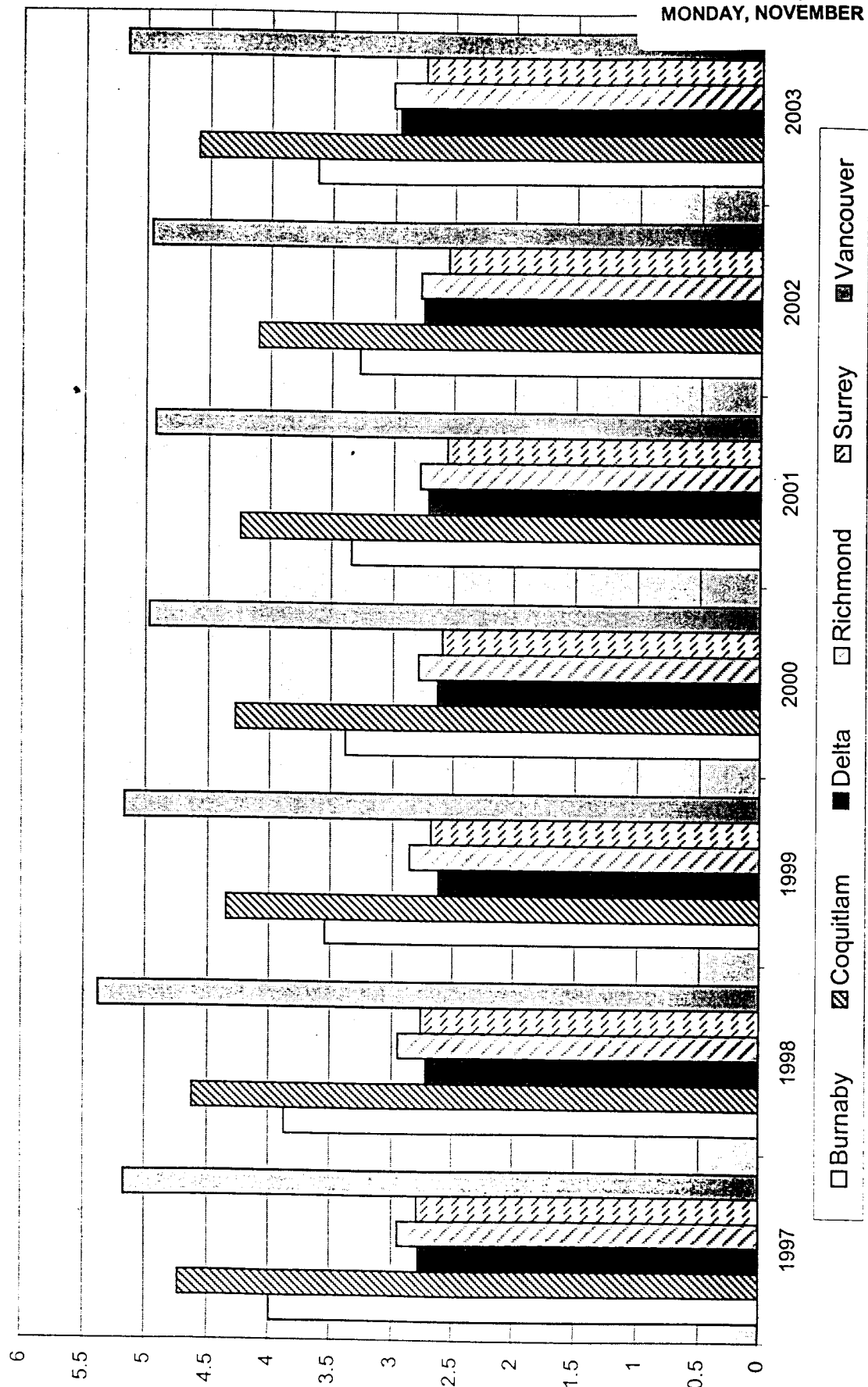


	\$ Change Year over Year	Tax Impact	Impact Per Avg. Household (\$260,067)	Impact per \$100,000 Assessed Value
Police	\$2,178,737	2.06%	\$21.09	\$8.11
Fire	982,100	0.93%	9.51	3.66
Other City	3,122,363	2.96%	30.21	11.62
Estimated Growth	(1,583,802)	-1.50%	(15.33)	(5.89)
	\$4,699,398	4.45%	\$45.48	\$17.49

**SCHEDULE 4 TO THE MINUTES OF
THE FINANCE SELECT COMMITTEE
MEETING HELD ON WEDNESDAY,
OCTOBER 29TH, 2003 AND ON
MONDAY, NOVEMBER 3RD, 2003.**

Municipality	Residential Tax Rate = 1.0						
	Ratio of Business Tax Rate (Class 6) to						
	Residential Tax Rate						
	1997	1998	1999	2000	2001	2002	2003
Burnaby	3.99	3.87	3.54	3.38	3.34	3.28	3.62
Coquitlam	4.73	4.62	4.35	4.28	4.24	4.10	4.59
Delta	2.78	2.72	2.62	2.63	2.71	2.75	2.96
Richmond	2.95	2.95	2.86	2.79	2.78	2.78	3.01
Surrey	2.79	2.76	2.68	2.59	2.55	2.55	2.75
Vancouver	5.17	5.38	5.17	4.97	4.92	4.96	5.16

Property Tax Rate Comparison - Ratio of Business Tax to Residential Tax





City of Richmond
Urban Development Division

SCHEDULE 6 TO THE MINUTES OF
THE FINANCE SELECT COMMITTEE
MEETING HELD ON WEDNESDAY,
OCTOBER 29TH, 2003 AND ON
MONDAY, NOVEMBER 3RD, 2003.

Memorandum

To: Finance Select Committee
From: Jenny Beran, MCIP
Planner, Urban Development
Re: Williams Road Drainage

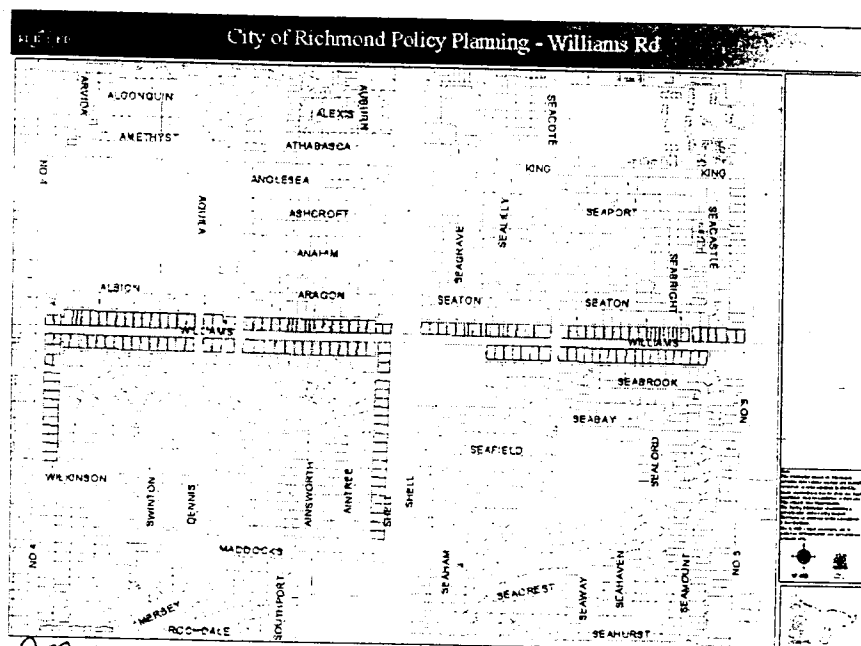
Date: October 28, 2003
File: -

The following information is provided for the Finance Select Committee of October 29th, 2003.

At the July 14th meeting of Council the following motion was CARRIED:

- (1) *the proposed drainage works (identified under Option 2 of the report dated June 18, 2003 from the Director of Engineering), be added to the drainage DCC program;*
- (2) *the proposed drainage works (identified under Option 2 of the report dated June 18, 2003 from the Director of Engineering), be referred for consideration by the Land and Capital Team for addition to the 2004 Capital Program; and*
- (3) *processing of rezoning applications in the 10,000 and 11,000 block of Williams Road, the 10,000 block of Shell Road and the 10,000 block of No. 4 Road be deferred until the works (identified in Option 2 of the report dated June 18, 2003 from the Director of Engineering), are complete.*

The area affected by (3) above is shown on the following map:



JBeran
Jenny Beran, MCIP
Planner, Urban Development

JMB:jmb