



Finance Committee

Date: Thursday, November 29, 2007

Place: Anderson Room
Richmond City Hall

Present: Councillor Rob Howard, Chair
Councillor Cynthia Chen, Vice-Chair
Councillor Linda Barnes
Councillor Derek Dang
Councillor Evelina Halsey-Brandt
Councillor Sue Halsey-Brandt
Councillor Bill McNulty
Councillor Harold Steves
Mayor Malcolm D. Brodie

Call to Order: The Chair called the meeting to order at 4:01 p.m.

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Finance Committee held on November 8, 2007, be adopted as circulated.

CARRIED

DELEGATIONS:

The Chair asked for an indication from the gallery of those individuals who wish to speak to a particular item on the agenda. The following delegations were then heard:

Bill Sorenson, Treasurer of the Minoru Seniors Society, shared his concerns regarding the increased needs of Richmond's senior centres due to the growth in the population of seniors.

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Roger Barnes Richmond Soccer Alliance, joined by Roy Oostergo, Richmond Girl's Soccer shared his belief that the artificial turf fields, committed to by Council, would not be built in 2008 if the 2008 Capital Budget received approval as it is proposed. He also spoke about the success related to the Hugh Boyd artificial turf field.

Mr. Oostergo made reference to the build out options for the artificial turf fields which had been discussed at Parks, Recreation and Cultural Services Committee meetings earlier in 2007. He requested that the City honour its commitment to build the two artificial turf fields within 2008.

Willa Walsh, Chair of the Public Art Commission, spoke about the different phases of the Oval Art Precinct Update, stating that the second phase would add visual impact, and was a priority for completion before the Olympics. She also spoke about accommodations of the festival area located along the waterfront at the Oval precinct, and emphasized the importance of the size of the art elements in relation to the Oval.

2. 2008 CAPITAL BUDGET

(Report: Oct. 19/07, File No.: 03-0970-01/2007-Vol 01) (REDMS No. 2292978)

Andrew Nazareth, General Manager, Business & Financial Services, Jerry Chong, Director, Finance, and George Duncan, Chief Administrative Officer were available to answer questions. Mr. Nazareth provided a brief history associated with the 2008 Capital Budget.

A discussion ensued about several components of the budget, including the following:

- funding requests in comparison to the City's proposal for funding related to artificial turf sports fields;
- the pending land acquisition and the costs associated with the replacement of the #2 Fire Hall in Steveston during the current housing and construction market;
- setting funds aside in a reserve for the purpose of matching provincial contributions for both the Child Care Program, and the Affordable Housing Projects;
- funding which had been allocated for the study related to Advanced planning – Hamilton Community Space;
- the types of projects currently funded by the Special Sports Statutory Reserve Fund, which was made up of developer contributions;
- funding requirements for maintenance of Oval Art projects;
- the annual Unsafe Playground Replacement Program;

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- funding for waterfront enhancements from the No. 2 Road Bridge to Hollybridge Way;
- the annual review of provisions for additional snow removal trucks;
- the Mid-Island Dyke scoping study, and the process for identifying the most suitable location; and
- funding requirements for staffing, including custodial staff, at the Britannia Heritage Shipyard.

Staff advised that funds authorized for placement in projects were not guaranteed to be spent, but provide authority to staff for related project expenditures in the forthcoming year. Specific project details would be presented to Council for approval prior to the expenditures actually taking place. If a project was cancelled, the funds would be returned to the original reserve.

Discussion took place about several projects that had not been included in the 2008 Capital Projects Budget, including Steveston Waterfront Improvements; Steveston Heritage Conservation; and the Thermo-Plastic Road Marking Program.

Considerable discussion also took place about the artificial turf fields, and Council's commitment; staff's understanding about the direction given by Council; possible locations; funding requirements; deferring build out of one field until 2009; and public consultation related to building the fields. There was also discussion regarding the way this item had been presented on the Approved Projects and Funding Sources list of the 2008 Capital Budget.

As a result of the discussions, the following requests were made to staff:

- provide further details about the glass art piece with etching proposed for the Oval;
- provide information related to the possibility of an ending point for the Water Meter Program; and
- include the matter of reserve funds, including rationale for how funds are transferred to reserves, on the Finance Committee agenda for the next meeting.

Further discussion took place about the artificial turf fields and the impact on the Revolving Fund if the funding for the fields was increased. The Legacy Reserve Fund was suggested as a possible alternative source of funding for the artificial turf fields. During the discussion, questions were raised about the exact commitment made by Council regarding building of artificial turfs in 2008.

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

It was moved and seconded

That staff be directed to guarantee completion of two new artificial turf fields by Thanksgiving of 2008, as per Council's commitment.

The question on the motion was not called, as further discussion took place during which questions were raised about specific details related to the commitment Council had made; funding requirements; and the feasibility of constructing two new artificial turf fields within 2008.

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

It was moved and seconded

That the issue of the artificial turf fields be referred back to staff for a full analysis regarding the funding sources and costs, as well as exact details regarding Council's commitment related to building artificial turf fields within 2008.

Prior to the question on the referral motion being called, staff responded to questions, and advised that a report regarding the artificial turf fields could be available at the next General Purposes Committee meeting, scheduled for Monday, December 3, 2007.

The question on the motion was then called, and it was **CARRIED** with Cllrs. Dang, McNulty, and Steves opposed.

It was moved and seconded

That the 2008 Capital Budget report be approved as the basis for preparing the 5 Year Financial Plan (2008 – 2012) upon removal of the Artificial Turf Sports Fields item.

CARRIED

OPPOSED: Cllrs. McNulty
Steves

3. 2008 ONGOING ADDITIONAL LEVELS

(Report: Nov. 15/07, File No.:) (REDMS No. 2301445)

Andrew Nazareth, General Manager, Business & Financial Services, and Jerry Chong, Director, Finance briefly reviewed the figures and the impact of the operating budget.

The Chair, briefly spoke about the impact of removing the artificial sports fields item from the 2008 Capital Budget, and the consideration of inflation factors.

A discussion then ensued about several factors related to the 2008 Ongoing Additional Levels, including the following:

- personnel issues related to Duty to Accommodate;

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- the impact of reducing funds available for item No. 2 Vehicle replacement reserve; No. 3 Fire Vehicle replacement reserve; and No. 4 Building Infrastructure Maintenance;
- reserve funds that have been included in budgets of previous years;
- funding requirements for Asphalt Capping, prevention of road deterioration, and maintenance of roads according to current standards;
- funding increases connected to the Election Budget;
- staff turnover and the current levels of the Gateway Theatre Administration staff salaries in comparison to the standard levels. An increase in rates form part of a staff recruitment and retention strategy;
- how the funding request for the RCMP Officers would provide three officers, and as part of the RCMP Risk Management Position, civilianizing two positions would free up two officers for a total of five additional officers; and
- the goals of the Parks, Recreation and Cultural Diversity for advertising community events and contracts by targeting specific diverse populations which were not currently mainstream.

Reference was made to the Sister City Committee, with comments suggesting that it be considered as a one time funding item.

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

It was moved and seconded

That the amount allocated for the Sister City Committee Program be removed from list of additional level requests, and relocated to the list of one time funding requests.

The question on the motion was not called, as discussion continued about either removal of the Sister City Committee Program from the list of additional levels requests, or a funding reduction. Comments were made that all factors related to the Sister City Committee were yet unknown, and as the additional levels requests were repeated each year, the matter should be removed from that list at this time.

The question on the motion was then called, and it was **DEFEATED** with Mayor Brodie, and Cllrs. Barnes, Chen, Dang, Howard, S. Halsey-Brandt, and McNulty opposed.

A discussion took place about the future funding requirements for Oval Operating Rate Stabilization. Advice was provided that constraints associated with establishing a related reserve funding account exist, therefore such an account has not yet been set up.

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Several Non Recommended Additional Level Requests were also discussed, including Library Customer Service Staff; Library Circulation; Spirit of BC; and Parking Bylaw Enforcement Officer.

Staff advised that all items listed under the Non Recommended Additional Level Requests were considered important, however due to the current demands, all requests could not be met at this time.

At this point Councillor Dang left the meeting and did not return (6:45 p.m.).

A discussion took place about the possibility of removing Item no. 26 - Senior Centre Extended Hours from the list of the Non Recommended Additional Level Requests and adding it to the list of Recommended Additional Level Requests.

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

It was moved and seconded

That Additional Level Requests No. 1 through 14 be approved with:

- (1) *A \$25,000 reduction to each of the following \$250,000 requests:*
 - (a) *No. 2 – Vehicle Replacement Reserve;*
 - (b) *No. 3 – Fire Vehicle Replacement Reserve;*
 - (c) *No. 4 – Building Infrastructure Maintenance; and*
- (2) *That No. 26 – Senior Centre Extended Hours be removed from the list of Not Recommended Additional Level Requests, and be added to the Recommended Additional Level Requests for the amount of \$45,000,*

for an overall tax impact of 3.92%.

The question on the motion was not called, as the following amendment was introduced:

It was moved and seconded

That the following Recommended Additional Level Requests:

- (a) *No. 2 – Vehicle Replacement Reserve;*
- (b) *No. 3 – Fire Vehicle Replacement Reserve;*
- (c) *No. 4 – Building Infrastructure Maintenance;*

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each be reduced a further \$25,000, for a total of \$200,000 each, resulting in an overall tax impact of 3.88%.

DEFEATED

OPPOSED: Cllrs. Barnes
E. Halsey-Brandt
Howard
McNulty
Steves

The question on the main motion was not called, as an additional amendment was introduced:

It was moved and seconded

That the following Recommended Additional Level Requests

- (a) No. 2 – Vehicle Replacement Reserve;*
- (b) No. 3 – Fire Vehicle Replacement Reserve;*
- (c) No. 4 – Building Infrastructure Maintenance; and*
- (d) No. 5 – Asphalt Capping;*

be removed from the list of additional level requests, and be considered under One Time Funding requests, resulting in an overall tax impact of 3.24%.

DEFEATED

OPPOSED: Mayor Brodie
Cllrs. Barnes
Chen
S. Halsey-Brandt
Steves

The question on the main motion which now reads as follows:

"That Additional Level Requests No. 1 through 14 be approved with:

(1) A \$25,000 reduction to each of the following \$250,000 requests:

- (a) No. 2 – Vehicle Replacement Reserve;*
- (b) No. 3 – Fire Vehicle Replacement Reserve;*
- (c) No. 4 – Building Infrastructure Maintenance; and*

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(2) *That No. 26 – Senior Centre Extended Hours be removed from the list of Not Recommended Additional Level Requests, and be added to the Recommended Additional Level Requests for the amount of \$45,000; for an overall tax impact of 3.92%.*

was then called, and it was **DEFEATED** on a tied vote, with Cllrs. E. Halsey-Brandt, S. Halsey-Brant, Howard, and McNulty opposed.

It was moved and seconded

That the 2008 Ongoing Additional Levels be forwarded to the Regular Council meeting of December 10, 2007 without a recommendation from the Finance Committee.

CARRIED

4. **MANAGER'S REPORT**

Announcement of new staff

Andrew Nazareth introduced Joan D'Angola to the Committee, Ms. D'Angola has assumed the role of Affordable Housing Coordinator within Real Estate Services.

Deputy Chief Geoff Lake introduced Deputy Chief of Administration, Kim Howell to the Committee.

Port Tax Cap

Councillor Linda Barnes made reference to the issue of Port tax cap, and made the following referral motion:

It was moved and seconded

That staff examine the issue of the Port Tax Cap, and provide an analysis, including options.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (7:27 p.m.).

CARRIED

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Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Thursday, November 29, 2007.

Councillor Rob Howard
Chair

Shanan Dhaliwal
Committee Clerk