

Finance Committee
Monday, November 1, 2010

BUSINESS AND FINANCIAL SERVICES DEPARTMENT

1. **2ND QUARTER 2010 - FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**
(File Ref. No.:) (REDMS No. 3034944)

In answer to queries, the General Manager, Business and Finance, Andrew Nazareth and the Director, Finance, James Chong provided the following information:

- the financial statements for the Richmond Olympic Oval Corporation were prepared in accordance with Generally Accepted Accounting Principles (GAAP);
- legal fees associated with space leasing contracts will be amortized over a period of ten years; and
- several expenses have been reduced, including utilities, professional fees, salaries, and administration. The budget for the categories that have been reduced will be adjusted accordingly.

It was moved and seconded

That the staff report dated October 15, 2010, on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended June 30, 2010 from the Manager, Finance and Administration of the Richmond Olympic Oval Corporation be received for information.

There was agreement that for discussion purposes, Item No. 2 - *Metro Vancouver Projection of Water, Liquid Waste and Solid Waste Costs* and Item No. 3 - *2011 Utility Budgets and Rates* would be dealt with simultaneously. It was noted that Item No. 2 addressed the general principles associated with the recommendations made in Item No. 3.

2. **METRO VANCOUVER PROJECTION OF WATER, LIQUID WASTE AND SOLID WASTE COSTS**

(File Ref. No.:) (REDMS No. 3044763)

3. **2011 UTILITY BUDGETS AND RATES**

(File Ref. No.: 03-0970-01/2010-Vol 01) (REDMS No. 3030597)

The Manager, Fleet and Environmental Programs, Suzanne Bycraft, provided background information related to the report entitled *Metro Vancouver Projections of Water, Liquid Waste and Solid Waste Costs*. The General Manager, Engineering and Public Works, Robert Gonzalez, and the General Manager, Business and Financial Services, Andrew Nazareth were also available to answer questions.

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A discussion then ensued about:

- Metro Vancouver's need to renew, expand and upgrade infrastructure, and the increased costs associated with the maintenance of aging infrastructure;
- the necessity to have adequate levels of funding in place to address the infrastructure in the future, and the associated impact on budgets and rates until such funding has been secured;
- the projected trend of increasing utility rates, and that the trend was expected to continue;
- the upgrades projected to take place in 10-15 years to the Iona and Lions Gate wastewater treatment plants, and the related cost increases in utilities to Vancouver and the North Shore;
- the Firm Price/Receivable for water. It was noted that there had been an increase in the cost of labour, and that the cost increases would be offset with a corresponding increase in revenues, which would be recovered from those receiving the services;
- how users on the City's Residential Water Metering Program pay only for the water that has been used, whereas flat rate users may pay for water that has not been used;
- the differences in the way that townhouses and apartments are configured with respect to installation of water meters;
- maintenance and building of sewer lines in Richmond;
- that Metro Vancouver does not have a rate stabilization fund;
- how the increase in cost projections for Metro Vancouver would impact the City's utility costs, leading to higher user rates;
- the impact on the average household in Richmond from the projected increase in utility rates;
- forthcoming reports to Committee related to (i) aging infrastructure and long term replacement of the sewer pump station; and (ii) the green can program;
- the rationale for a full-time litter attendant position for waste and litter removal along No. 3 Road in relation to the Canada Line station;
- the feasibility of sharing the costs of a litter attendant with TransLink;
- the lack of waste receptacles inside the Canada Line Station;
- the feasibility of approaching the newspaper distributors regarding the recycling of papers and cleanliness at the Canada Line Stations;
- the feasibility of having small business kiosks on City property at the Canada Line Station, as it would assist with keeping the Station clean;

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- the impact of the Organics Program on user rates, including costs associated with administration of the program, as well as outreach and education;
- a proposed pilot Organics Program related to townhouses and apartments; and
- garbage disposal vouchers, available to Richmond residents at a cost of five dollars.

During the discussion, staff was requested to provide a memo with information related to the rationale of an additional full-time program coordinator in relation to the Organics Program, a description of what the coordinator would do, as well as the related expenses.

It was moved and seconded

That the staff report dated October 18, 2010, from the Director, Finance, regarding the update on Metro Vancouver projection of water, liquid waste and solid waste costs over the next 5 years (2011 to 2015) and over a period of 20 years be received for information.

CARRIED

It was moved and seconded

- (1) *That the 2011 Utility Expenditure Budgets, as outlined under Option 1 for Water and Sewer; and Option 3 for Drainage & Diking and Solid Waste & Recycling, contained in the staff report dated October 28, 2010 from the General Managers of Business and Financial Services and Engineering & Public Works, be approved as the basis for establishing the 2011 Utility Rates;*
- (2) *That staff be directed to report directly to Council with the necessary amendment bylaws to bring into effect the 2011 utility rates option recommended by Committee for the Drainage, Dike and Sanitary Sewer System Bylaw, Waterworks and Water Rates Bylaw, and Solid Waste and Recycling Regulation Bylaw;*
- (3) *That the amending bylaws presented per recommendation 2 above include a provision to increase the toilet rebate program from the current \$50 credit per toilet to \$100 credit per toilet, with the maximum allowable rebate of \$200 (or two toilets) per household for replacing a 13 litre per flush toilet with a 6 litre or lower per flush toilet;*
- (4) *That additional personnel complement control positions be approved for:*
 - (a) *An additional level of service for a full-time litter attendant position for waste and litter removal along No. 3 Road in relation to the Canada Line,*

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- (b) *A full-time program coordinator in relation to the organics recycling program,*
with the additional level funding as included under Option 3 within the Solid Waste & Recycling Utility Budget; and
- (5) *That staff look at possibilities for retail operations on City property in the vicinity of the Canada Line Stations and report back.*

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

It was moved and seconded

That Option 2 be selected for Sewer in Part (1) of the recommendation.

The question on the amendment motion was not called, as a discussion ensued, during which clarification was provided that option 2 would contribute funds into the rate stabilization fund, whereas option 1 would not.

The question on the amendment motion was then called, and it was **DEFEATED** with Councillors E. Halsey-Brandt, G. Halsey-Brandt, Johnston, McNulty and Mayor Brodie opposed.

Prior to the question on the main motion being called, a request was made to deal with Part 4(a) of the separately.

The question on Parts 1, 2, 3, 4(b), and 5 of the motion was then called, and it was **CARRIED**.

The question on Part 4(a) of the motion was not called, as questions were raised about the need to have a full-time litter attendant position for waste and litter removal along No. 3 Road in relation to the Canada Line. Committee members emphasized the need to investigate other options including the feasibility of having small business kiosks on City property at the Canada Line Station, as well as having discussions with TransLink and newspaper distributors regarding the sharing of responsibility to keep No. 3 Road and the Canada Line Stations clean.

It was also noted that the funding for the full-time litter attendant position had already been approved by Council, and that the issue at hand was approval of the position, rather than the funding.

The question on Part 4(a), of the motion was then called, and it was **CARRIED** with Cllrs. Johnston, McNulty, and Steves opposed.

As discussion continued, staff were requested to provide an update in approximately six months, detailing the impact of having a full-time litter attendant position, as well as the outcome of any discussions with TransLink and the newspaper distributors.

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It was also noted that the landscaping in the vicinity of the Brighthouse Canada Line Station may need to be addressed as some of it had died. A comment was made that if the landscaping was better kept, then the public may be inclined to keep the area clean as well.

It was moved and seconded

That in approximately six months, staff review the progress made in cleaning No. 3 Road and investigate further options for cleanliness in the vicinity of the Canada Line and the stations.

The question on the motion was not called, as comments were made about the importance of maintaining cleanliness on No. 3 Road along the Canada Line Station. Concerns were expressed about how the cleanliness issue was impacting more than just the Canada Line Stations, as it was impacting the neighbourhood.

The question on the motion was then called, and it was **CARRIED**.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:54 p.m.).

CARRIED

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 Monday, November 1, 2010.

Mayor Malcolm D. Brodie
Chair

Shanan Dhaliwal
Executive Assistant
City Clerk's Office