



## Finance Committee

Date: Monday, January 26, 2009

Place: Anderson Room  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Linda Barnes  
Councillor Derek Dang  
Councillor Sue Halsey-Brandt  
Councillor Ken Johnston  
Councillor Bill McNulty  
Councillor Harold Steves

Absent: Councillor Evelina Halsey-Brandt  
Councillor Greg Halsey-Brandt

Call to Order: The Chair called the meeting to order at 4:40 p.m.

## MINUTES

1. It was moved and seconded  
*That the minutes of the meeting of the Finance Committee held on Wednesday, June 11, 2008, be adopted as circulated.*

**CARRIED**

The Chair of the Finance Committee called for delegations related to agenda items.

Robert Gilchrist, President of CUPE 718, addressed the Committee regarding Item No. 4 – 2009 Operating Budget. Mr. Gilchrist made reference to information in the report related to a potential lay off of some Union members, and requested that the 2009 Operating Budget be referred back to staff to allow CUPE 718 a reasonable amount of time to discuss potential lay-offs and offer alternative solutions.

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### BUSINESS & FINANCIAL SERVICES DEPARTMENT

#### 2. LONG TERM FINANCIAL MANAGEMENT STRATEGY UPDATE

(Report: January 14, 2009, File No.: 03-0970-03-01) (REDMS No. 2513439)

The General Manager, Business and Financial Services, Andrew Nazareth, and the Director of Finance, Jerry Chong were available to answer questions.

Mr. Chong advised the Committee that the report was for information only, and indicated that the overall policies within the Long Term Financial Management Strategy (LTFMS) were functioning effectively, although staff were planning to undertake a review of the appropriateness and validity of using CPI as a measure for municipal service delivery.

A discussion ensued about the City's financial situation and reserve levels, and in particular on:

- the need to update information related to the reserve levels to reflect current projections rather than those from 2002;
- the impact of interest rates on the reserve accounts;
- the possibility of implementing an automatic annual increase of user fees by CPI, including fees managed by community partners and associations for recreational activities / lessons;
- bylaw requirements in order to implement automatic user fee increases; and
- the rationale for not including revenue generated from Development Cost Charges (DCCs) and the Community Legacy funds when calculating the total reserve balances.

It was moved and seconded

*That the Long Term Financial Management Strategy Update report (dated January 14, 2009) be received for information.*

The question on the motion was not called, as in answer to question, staff advised that projections based on updated information would be forthcoming in 2009.

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

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3. **2009 CAPITAL BUDGET**

(Report: January 15, 2009, File No.:03-0970-01) (REDMS No. 2523586)

A discussion ensued, during which questions were raised and concerns were expressed about several aspects of the proposed 2009 Capital Budget, in particular about:

- increasing Council's input and involvement with regard to setting priorities listed in the Capital Budget;
- the need to establish the priorities for the Capital Budget based on current projections;
- the length of time that has elapsed between Finance Committee meetings;
- funding in the amount of \$50,000 for artificial turf sports field upgrades. Staff indicated that the funding was for maintenance of the fields, and that there were partner programs with sports groups;
- prioritization of expenditures related to projects that may be deemed necessary such as the Canada Line, and No. 3 Road restoration, as well as projects that may not be deemed as necessary;
- the possibility of re-allocating funds to raise the amount of funding for the Child Care Program. Staff advised that the Capital Budget funding related to Child Care was designated for equipment, and did not include the actual costs to run child care programs;
- accumulated funds in the Land Program or for land acquisition for the provision of affordable housing. Staff indicated that funds in the affordable housing reserve were raised through developer contributions;
- the process of re-allocating funds in order to support unfunded capital projects such as the Britannia site. It was noted that a one-time funding option may be considered, as well surplus appropriation;
- the matter of Surplus Appropriation is usually considered and dealt with annually in June or July;
- funding related to the "Community Safety Building". Clarification was provided that the reference to funds for the "Community Safety Building" was to allow staff to hire consultants to start designing Fire Hall 3 – West Cambie, and that it should not be confused with the "Public Safety Building";
- funding for land acquisition, in particular, regarding the possibility of the City "buying out" properties that were "boxed in" as a result of surrounding developments;
- the possibility of acquiring an emergency back-up generator;



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- the possibility of Council passing a resolution allowing the re-allocation of funds from the Legacy Reserve; and
- the 5 Year Plan, which was forthcoming in April, 2009

It was moved and seconded

***That:***

***(1) the 2009 Capital Budget be approved as the basis for preparing the 5 Year Financial Plan (2009-2013); and***

***(2) the staff be authorized to commence 2009 capital projects.***

The question on the motion was not called, as discussion continued during which, Mr. Nazareth advised that although staff preferred to have Council approve any necessary changes to the Capital Budget, including project additions and deletions as soon as possible, Council had until the Provincial deadline date of May 15, 2009, for submission of any bylaws related to the budget. It was noted that adequate time would be needed to follow the full process from first reading to final adoption of bylaws, prior to their submission to the province.

Mr. Nazareth also advised that (i). any potential purchases planned for 2009, would need to be identified in the 2009 Capital Budget; and (ii). that DCC funding may be used for purchases approved under the DCC Program.

During the discussion, staff was requested to provide Committee members with further information on:

- priorities for the 5 Year Capital Plan;
- the current amount in each DCC fund, and what those funds are used for.

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

It was moved and seconded

***That staff provide additional information and report on:***

- (1) the allocation of funds to reserves for artificial surface fields;***
- (2) the allocation of funds to reserves for the Britannia Heritage Shipyard***
- (3) a general discussion related to priorities;***
- (4) the question of general property acquisition and park land acquisition, including details regarding the DCC Program;***
- (5) the general outline and parameters for the Community Legacy Fund; and***
- (6) the allocation of funds to reserves for an emergency back-up generator.***

**CARRIED**

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Upon conclusion of the discussion, the Chair asked staff to ensure that both Councillors Evelina Halsey-Brandt, and Greg Halsey-Brandt are kept apprised of the motions made during this meeting.

**4. 2009 OPERATING BUDGET**

(Report: January 12, 2009, File No.: 03-0970-01) (REDMS No. 2566524)

Mr. Nazareth advised that other Cities had been consulted prior to preparing the City of Richmond's 2009 Operating Budget. A discussion took place about the impact associated with several of the proposed reductions, as well as additional expenditure requests outlined in the report, including the following:

- Gap funding for 2 RCMP Officers. Renny Nasset, OIC, Richmond RCMP, indicated that the RCMP could manage the funding in this manner;
- safety issues associated with the elimination of day-time security staff at City Hall, Committee members were advised that doing so would not compromise safety;
- library administration. It was noted that the Library Board would need to discuss the matter;
- funding for youth workers. Staff advised that the cost to the city could be reduced without impacting the programs;

*Councillor Harold Steves left the meeting at 5:52 p.m., and returned at 5:55 p.m..*

- replacement of five flower beds on Steveston Highway with turf, as well as ensuring adequate funding for continuation of acceptable levels of service and maintenance of parks;
- overtime necessary to support advisory committees;
- staff vacancies, seasonal / auxiliary positions, and further lay offs, which may include 14 FTEs (full-time equivalencies);
- provisions for RCMP at the Canada Line Stations. It was noted that Transit Police would also be patrolling the stations; and
- plans for eventually closing the Richmond Business Olympic Office, and re-integrating the staff and positions elsewhere.

It was moved and seconded

***That the 2009 Operating Budget be referred back to staff to address the following:***

- (1) to discuss the potential reductions with the Unions; and***
- (2) to provide more information on the impact resulting from the proposed reductions and changes in the budget related to:***
  - (a) the artificial turf fields reserve;***

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- (b) the reduction for youth workers; and*
- (c) the RCMP Gap funding and source of funding.*

**CARRIED**

5. **MANAGER'S REPORT**  
None.

### ADJOURNMENT

It was moved and seconded  
*That the meeting adjourn (6:20 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, January 26, 2009.

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Mayor Malcolm D. Brodie  
Chair

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Shanan Dhaliwal  
Executive Assistant, City Clerk's Office