



Finance Committee

- Date: Monday, February 23, 2009
- Place: Anderson Room
Richmond City Hall
- Present: Mayor Malcolm D. Brodie, Chair
Councillor Linda Barnes
Councillor Derek Dang
Councillor Evelina Halsey-Brandt
Councillor Greg Halsey-Brandt
Councillor Sue Halsey-Brandt
Councillor Ken Johnston
Councillor Bill McNulty
Councillor Harold Steves
- Call to Order: The Chair called the meeting to order at 4:30 p.m.

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Finance Committee held on Monday, January 26, 2009, be adopted as circulated.

CARRIED

BUSINESS AND FINANCIAL SERVICES DEPARTMENT

2. **2009 CAPITAL BUDGET – REPORT BACK ON REFERRALS**
(Report: February 18, 2009, File No.: 03-0970-01/2009-Vol 01) (REDMS No. 2567956)

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In answer to a query, the General Manager, Business & Financial Services, Andrew Nazareth advised that staff had been unable to locate a previous Council resolution that would have authorized an annual transfer of a specific dollar amount from taxes to reserves for artificial surface fields. However, currently 60% of user fees were being transferred to a reserve fund set up in order to assist with the replacement of the artificial turf as it becomes worn out.

A discussion ensued about the purpose of the Community Legacy and Land Replacement Reserve Fund; the current amount of outstanding debts; as well as the prepaid lease and parking fee accounts. Staff advised that further information regarding the parking spaces was forthcoming in the near future.

It was moved and seconded

That the attached report, dated January 26, 2009, from the Manager of Budgets & Accounting on the 2009 Capital Budget referrals be received for information

CARRIED

3. **2009 OPERATING BUDGET – REPORT BACK ON REFERRALS**

(Report: February 18, 2009, File No.: 03-0970-01/2009-Vol 01) (REDMS No. 2569772, 2574544, 2566524)

Andrew Nazareth, General Manager, Business and Financial Services advised that as a result of new information, staff were requesting that the following two previously proposed reductions: (i) the Transfer of Artificial Turf Revenue; and (ii) the day time security contract, be withdrawn, and that the replacement of three currently vacant exempt positions be deferred in order to offset the corresponding amounts.

A discussion ensued about the proposed 2009 Operating Budget reductions, and the following was noted:

- during a meeting between City staff and the community associations about the proposed reduction of \$40,000 for youth services, several concerns and options were discussed, however no formal agreements had been made. The associations had indicated that they would have appreciated more time in order to allow them to come up with solutions;
- community associations with large surpluses may have the ability to absorb the costs of youth workers, however the City Centre and other small associations may not be able to do the same;
- the two RCMP officers needed for the Canada Line would be in place prior to the opening of the service;
- as a result of interruptions to the Electrical Safety Program the two RCMP members that had been included in the 2007 budget for the Electrical Safety Inspections (ESI) Team had been re-deployed;

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- with the current downturn in the economy, an increased demand for services in the municipal sector is typically observed, in particular, the use of recreational facilities and services;
- no lay-offs were expected in the City workforce;
- the Richmond Olympic Business Office (ROBO) is funded in the City's budget, however the Oval Corporation was at arms length. The City's operating agreement allows for a grant to the Oval, for which a total of \$200,000 was contributed in 2009, and \$650,000 would be allocated in 2009 and 2010. More detailed financial information related to the Oval was forthcoming; and
- the Long Term Financial Management Strategy (LTFMS) was benchmarked to Vancouver's Consumer Price Index (CPI), with an additional 1% towards infrastructure needs (reserves).

Jim Kojima, 7511 Moffatt Road, stated that he was speaking on behalf of the Steveston Community Society, and acknowledged the current hardship faced by the City. He then advised that the Community provided funding of approximately \$41,000 in support of youth, and that surplus monies were usually put back in to the community centre for upgrades such as enhanced wheel chair accessibility for children, resurfacing the tennis court, installation of double storage doors, and new dividers for the community centre and the Japanese Cultural Program. In conclusion, Mr. Kojima stated that he hoped City Council would support youth programs, and give consideration to how community centres were planning to spend their surpluses.

Peter Mitchell, 6271 Nanika Crescent, indicated that he had been the Secretary / Treasurer for the City Centre Community Association. He advised that good cash management techniques were used to manage surpluses and maximize income. Mr. Mitchell then spoke about how some community centres would be significantly challenged due to issues such as the recent drops in interest rates, difficulties associated with fundraising in a downturn economy, the lack of increases in funding for summer grant programs, and inflation generally. In conclusion, he spoke about the involvement of community centres in the RCMP's Positive Ticketing Program, and requested the Committee give careful consideration to reducing youth workers.

A discussion ensued, during which several Committee members expressed concerns regarding the impact associated with reducing the Community Association funding for youth workers. There was general agreement to increase the 2009 Operating Budget by .03% in order to allow the community associations to defer consideration of this reduction until 2010.

It was moved and seconded

- (1) That the attached report from the Manager of Budgets & Accounting on the 2009 Operating Budget referrals be received for information;**

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- (2) *That the 2009 Operating Budget report dated January 22, 2009 with an average tax increase impact of 2.97% be approved as the basis for preparing the 5 Year Financial Plan (2009-2013), provided that:*
- (a) *That the proposed reductions for the Transfer of Artificial Turf revenue (\$240,000) and Day Time Security (\$50,000), as outlined in the 2009 Operating Budget report dated January 22, 2009 not be supported;*
 - (b) *That the replacement of three currently vacant exempt positions be deferred indefinitely to achieve the equivalent amount of savings (\$290,000), as originally contemplated by the two proposed reductions referred to in (a) above; and*
 - (c) *That staff be directed to work with the community centres to consider the impacts of a reduction in the overall youth worker budget by \$40,000 in 2010.*

The question on the motion was not called as discussion continued about the details of the 2009 Operating Budget and the current economic downturn.

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

4. **MANAGER'S REPORT**

No reports were given.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:27 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, February 23, 2009.

Mayor Malcolm D. Brodie
Chair

Shanan Dhaliwal
Executive Assistant, City Clerk's Office