



Finance Committee

Date: Tuesday, April 14, 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 4:28 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, February 23, 2009, be adopted as circulated.

CARRIED

1. **2008 4TH QUARTER FINANCIAL INFORMATION**
(Report: March 20, 2009, File No.:) (REDMS No. 2579426)

In answer to a query, the Director of Finance, Jerry Chong, advised that the amounts indicated in the staff report related to the surplus were unaudited, and that upon completion of the audit, the matter would be brought forward to an upcoming Finance Committee meeting.

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A discussion ensued about several aspects of the 2008 4th Quarter Financial Information, and in particular on:

- the RCMP vacancy rate. It was noted that many of the vacancies were related to paternity and maternity leave;
- current and future levels of community policing;
- the budget process in terms of vacant positions within the City;
- the budget for snow removal;
- the basis for the budget increase to the City's payroll. It was noted that the Job Evaluation Program, which had been approved prior to the end of 2008, had contributed to the increase; and
- the reduction in the sick time used by the Fire Department.

During the discussion staff was requested to provide further information relating to: (i) employment statistics; (ii) the library deficit; and (iii) staff suggestions related to the surplus for Council's consideration and feedback. With regard to the surplus allocation, Council requested that information be provided on the items that were being recommended as well as those that were not.

It was moved and seconded

That the staff report dated March 20, 2009 from the Director, Finance, entitled "2008 4th Quarter Financial Information" be received for information.

CARRIED

2. **FIVE YEAR FINANCIAL PLAN (2009-2013)**

(Report: April 1, 2009, File No.:) (REDMS No. 2591866)

The General Manager, Finance, Andrew Nazareth, advised that the budget for 2010 and onward was based on the same level of service offered in 2009, and did not factor in additional levels of funding, with two exceptions: (i) the Operating Budget for Capital Projects; and (ii) a one percent increase to infrastructure in 2012.

Mr. Nazareth clarified that the report entitled "Five Year Financial Plan (2009-2013)" should have indicated an amount of \$238,000 instead of \$438,000 for "Future Grant/Donation contributions to Oval Project"; and that an additional \$200,000 should have been indicated for dyke enhancements.

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During the ensuing discussion and in answer to questions, the following was noted:

- Future Grant/Donation Contributions to the Oval Project were changes that had been requested by VANOC, and would be considered additional capital expenditures for the Oval, funded by VANOC, not the City;
- dyke enhancements would take place in front of the Oval, and would be funded through an engineering project;
- the one percent proposed tax increase for reserves would resume as of 2012;
- as part of the operating agreement with the Oval Corporation, financial statements must be submitted to the City by April 30th each year. It was anticipated that an annual report regarding the Oval start-up would be forthcoming in June, 2009;
- the City uses a balanced budget method for collecting property tax, and an increase in assessment values did not necessarily result in an increase in tax rates;
- revenues from property tax and utility revenue are dealt with separately;
- information related to the RCMP contract increases was based on estimates and assumptions provided by the RCMP for budgeting purposes; and
- expenditures related to the Richmond Olympic Business Office and Major Projects were expected to decrease in upcoming years. It was noted that a detailed report regarding the matter, including information related to the future outlook of various staff positions was forthcoming.

During the discussion staff was requested to provide further information relating to: (i) the effect of a potential regional pool on the City's Gap-funding strategy; (ii) Five Year Financial Plans from other cities, Metro Vancouver, and organizations such as Translink and the Richmond Board of Education; and (iii) growth figures prior to 2009 for comparison purposes.

It was moved and seconded

- (1) *That the proposed 5 Year Financial Plan (2009 – 2013) be approved; and*
- (2) *That staff undertake a process of public consultation prior to adoption by Council as required in Section 165 of the Community Charter.*

CARRIED

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3. **2009 TAX RATIO REPORT**

(Report: April 3, 2009, File No.:) (REDMS No. 2597392)

A discussion took place regarding the factors that are taken into account for determining the tax class for businesses.

It was moved and seconded

That the recommended allocations of the tax burden by class as per the attached 2009 Tax Ratio Report be approved as the basis for setting the 2009 annual property tax rates.

CARRIED

4. **MANAGER'S REPORT**

Jerry Chong introduced the new Manager of Treasury, Venus Ngan.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:34 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 Tuesday, April 14, 2009.

Mayor Malcolm D. Brodie
Chair

Shanan Dhaliwal
Executive Assistant, City Clerk's Office