



Finance Committee

Date: Monday, June 1, 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 6:02 p.m.

MINUTES

1. It was moved and seconded
That minutes of the meeting of the Finance Committee held on Tuesday, April 14, 2009, be adopted as circulated.

CARRIED

DELEGATION

2. *KPMG to present the 2008 Auditors report on financial statements.*

Representing KPMG, Brian Szabo, Associate Partner, accompanied by Becky Hui, Senior Manager, commented on the 2008 Auditors report on financial statements.

A discussion took place between Committee members and the delegation about (i) financial reporting related to the Oval; (ii) responsibility of management; and (iii) internal controls.

Finance Committee

Monday, June 1, 2009

BUSINESS & FINANCIAL SERVICES DEPARTMENT

3. **2008 CITY OF RICHMOND AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

(File Ref. No.:(REDMS No. 2632337)

It was moved and seconded

That the City's audited consolidated financial statements for the year ended December 31, 2008 be approved.

CARRIED

4. **2008 ANNUAL REPORT**

(File Ref. No.:(REDMS No. 2633101)

It was moved and seconded

That:

(1) the 2008 City of Richmond Annual Report be approved; and

(2) the 2008 City of Richmond Annual Report be referred to Council on June 22, 2009 for approval.

CARRIED

DELEGATION

Item No. 9 – 2008 Surplus Appropriation

Frances Clark, Board Secretary, Richmond Centre for Disability, and Board Chair, Richmond Therapeutic Equestrian Society, suggested that undesignated funds be used to establish a social services sustainability fund that may be used to assist social service agencies during the economic downturn. She stated that a significant number of agencies rely on grants and sponsorships in order to operate and that these agencies are experiencing difficulties fundraising in the current economy. In conclusion, Ms. Clark stated that she felt it was important for the City of Richmond to have a way to ensure that the needed social services agencies survived the economic downturn.

A discussion ensued between Committee members and the delegation, and the following **referral** motion was introduced:

It was moved and seconded

That the issue of establishing a social services stability fund for short term emergency funding, including possible funding sources and criteria, be referred to staff.

Finance Committee

Monday, June 1, 2009

5. **5 YEAR FINANCIAL PLAN (2009-2013) -- REPORT BACK ON REFERRALS**

(File Ref. No.: 03-0970-01/2009-Vol 01) (REDMS No. 2603207)

It was moved and seconded

That the staff report from the Director, Finance on the 5 Year Financial Plan (2009-2013) referrals be received for information.

The question on the motion was not called, as comments were made about the increase in tax rates resulting from Metro Vancouver and Translink programs and services.

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

6. **2009 1ST QUARTER FINANCIAL INFORMATION**

(File Ref. No.): (REDMS No. 2621615)

It was moved and seconded

That the staff report on Financial Information for the 1st quarter ended March 31, 2009 be received for information.

The question on the motion was not called, as staff were asked to provide further information related to (i) the decrease in parking fine revenue; and (ii) actual figures to date for net expenditure variances.

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

7. **INVESTMENT POLICY UPDATE**

(File Ref. No.: 03-0900-01/2008-Vol 01) (REDMS No. 2434960, 2249531, 2631072)

It was moved and seconded

That Council Policy 3703 (Investment Policy) adopted on June 25, 2007 be amended by deleting Sections 8 and 9 and replacing them with the proposed Sections 8 and 9 as outlined in Attachment 2 of the staff report dated May 21, 2009 from the Director, Finance.

The question on the motion was not called, as the Director of Finance, Jerry Chong, provided additional information related to the Dominion Bond Rating Service (DBRS) ratings.

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

8. **CHANGE TO THE CITY'S BANKING RESOLUTION**

(File Ref. No.: 03-0900-01/2009-Vol 01) (REDMS No. 2631283)

It was moved and seconded

That effective June 8, 2009, the banking resolution (part 8(3) of resolution R06/7-5), adopted on April 10, 2006, be rescinded, and replaced with the following:

Finance Committee

Monday, June 1, 2009

(1) *All cheques be signed on behalf of the City by the Mayor or, in his absence, the Acting Mayor as determined by Council resolution, and counter-signed by the General Manager – Business & Financial Services or, in his absence, the Acting General Manager – Business & Financial Services. The use of a mechanical or other device in affixing a facsimile of their signatures to such cheques is also an acceptable means of authorization;*

(2) *The following persons are authorized in all dealings (as described below) with the City's bank on behalf of the City:*

(a) *General Manager – Business & Financial Services*

(b) *Director – Finance*

(c) *Manager – Tax*

(d) *Manager – Treasury*

Two of the above persons, one of whom must be the General Manager – Business & Financial Services or the Director – Finance, are authorized to:

(a) *Provide instructions, verifications and approvals to the City's bank (without limitation) to transfer funds, wire payments and authorize debits on behalf of the City;*

(b) *Enter into and authorize Financial Services Agreement, other banking agreements, cash management service requests, and electronic banking arrangements with the City's bank on behalf of the City;*

(c) *Obtain delivery of all or any stocks, bonds and other securities held in safekeeping or otherwise for the account of the City;*

(d) *Give instructions to the City's bank and its subsidiaries in assisting with the management of the City's investments;*

Any one of the above persons is authorized to:

(e) *Negotiate with, deposit with, or transfer to the City's account, all or any cheques and other orders for the payment of money to the City, and to endorse such cheques and orders for the payment of money to the City, either in writing or by rubber stamp;*

(3) *Authorization from both the Mayor (in his absence the Acting Mayor) and the General Manager – Business & Financial Services (in his absence the Director – Finance), along with a copy of the adopted bylaw, are required for the City to obtain long-term borrowing from the City's bank and to grant security to the City's bank on behalf of the City;*

Finance Committee

Monday, June 1, 2009

- (4) *The City's bank is authorized to honour, pay and charge to the account of the City, all City's written instructions bearing a facsimile or facsimiles of the signature of the above-mentioned authorized persons on the understanding that each instruction will be binding on the City to the same extent as through they had been manually signed;*
- (5) *This resolution:*
- (a) *remain in force and effect until written notice to the contrary has been given in writing to, and acknowledged in writing by, the City's bank; and*
 - (b) *be certified by the Corporate Officer and provided to the City's bank, together with specimens of facsimiles of the signatures having authority to sign cheques and/or written instructions on behalf of the City.*

CARRIED

9. **2008 SURPLUS APPROPRIATION**

(File Ref. No.:) (REDMS No. 263268, 2620528)

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

A discussion ensued about the 2008 Surplus Appropriation, and the following was noted:

- the submissions presented in the report entitled 2008 Surplus Appropriation do not appear in an order of priority;
- the City Olympic Hosting and Protocol Program is for the purpose of funding Richmond's own hosting and protocol events;
- all Olympic-related submissions for funding are over and above the previously approved Strategic Operational Plan Budget;
- the submission for increased staffing to meet Venue City obligations is strictly for staff resources, as the City would need to backfill staff that may be seconded from City departments to the Richmond Olympic Business Office. Questions were raised about specific staffing needs and what would happen after the Olympics to staff that have been seconded, and those who were hired to backfill;
- the submission for an additional three parking meters is for an existing pay parking area that has an inadequate number of meters and does not represent an expansion of the pay parking program;

Finance Committee

Monday, June 1, 2009

- in relation to the \$500,000 submission for the Olympic Expo, staff advised that the total cost of hosting the Olympic Expo in Richmond City Hall was originally estimated at approximately 5 million dollars, however, the size and scope of the Expo has since been reduced to a 2.5 million dollar program in response to reductions in outside funding. The \$500,000 would be put towards the City's contribution of approximately \$750,000 for the cost of hosting the Expo;
- the cost of \$120,000 associated with the new Pesticide Bylaw would also include funding for temporary staff for the purpose of implementing the bylaw and educating the public. Comments were made about the feasibility of utilizing the staff member currently responsible for the Tree Preservation Bylaw for handling the educational component related to the Pesticide Bylaw;
- an update and a capital budget request in connection with the Tall Ships 2011 are anticipated as part of the 2010 budget process;
- the submission by Law and Community Safety for \$317,000 is in response to an anticipated increase of emergency calls by 25% during the Olympic and Paralympic time period. At this time, VANOC is not willing to cover these costs, however, the cities are continuing to challenge this position;
- the submission for enhanced look of the City in the amount of \$150,000 includes updating gateway signage at key locations. Without the funding, the City has a budget for replacement of two gateway signs. It was noted that the signs are outdated, as they make reference to Richmond's sister cities only and not to the friendship cities.

It was moved and seconded

That the 2008 Surplus Appropriation be referred back to staff for more information on priorities and options for each specific item.

CARRIED

It was moved and seconded

That staff provide an update on the status of Olympic related sponsorships, as well as the current status of the previously approved Strategic Operational Plan budget of 6.3 million dollars for the Olympic Celebration site.

CARRIED

10. MANAGER'S REPORT

None.

Finance Committee

Monday, June 1, 2009

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (7:49 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, June 1, 2009.

Mayor Malcolm D. Brodie
Chair

Shanan Dhaliwal
Executive Assistant, City Clerk's Office