



Finance Committee

Date: Monday, January 4, 2010

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 4:56 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, December 21, 2009, be adopted as circulated.

CARRIED

BUSINESS AND FINANCIAL SERVICES DEPARTMENT

- 1. CLARIFICATION OF REFERRAL MOTION FROM FINANCE COMMITTEE MEETING OF DECEMBER 21, 2009**
(File Ref. No.: 03-0970-01/2009) (REDMS No. 2787629)

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Discussion ensued regarding the intention of Items 2 and 4 of the referral made at the December 21, 2009 Finance Committee meeting. During the discussion, it was noted that Committee wished to receive information on the Victim Services program but that these two items were not directed to potential staff reductions.

It was moved and seconded

That in relation to Items 2 and 4 of the referral made at the December 21, 2009 Finance Committee meeting, Committee is seeking general comments, but not including staff reductions.

CARRIED

2. **IMPACT OF HARMONIZED SALES TAX (HST) TO THE CITY**

(File Ref. No.: 03-0900-01/2009-Vol 01) (REDMS No. 2758155)

Katherine Lecy, Manager, Payroll & Accounts Payable, provided background information and noted that the Harmonized Sales Tax (HST) will be effective July 1, 2010.

In response to queries from Committee, Ms. Lecy and Jerry Chong, Director, Finance advised the following:

- the effects of the upcoming HST should be revenue neutral by 2012 as discrepancies will be funded through reserves;
- the Provincial rebate program will provide a rebate of 75% on the provincial portion of the HST for local governments that qualify for federal municipal GST rebates;
- the intention of the rebate program is to ensure that local governments will not pay any more provincial HST after harmonization than they currently pay in Provincial Sales Tax (PST); and
- at present, the rebate program is offered on a permanent basis.

Also, staff commented on three municipal parking lots subject to PST and noted that effective January 1, 2010, PST on the purchase price of parking rights has increased to 21% as set by Translink.

It was moved and seconded

That a letter be sent to the Premier, the Finance Minister, local MLAs, and local MPs, stressing the importance that the HST remain cost neutral to the City of Richmond in the short and long run.

CARRIED

3. **2009 3RD QUARTER FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**

(File Ref. No.:) (REDMS No. 2774742)

4. **2010 RICHMOND OLYMPIC OVAL CORPORATION BUDGET**

(File Ref. No.:) (REDMS No. 2776373)

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Andrew Nazareth, General Manager, Business & Financial Services, provided background information and noted that the figures shown in the 2010 budget are not unexpected in light of the VANOC exclusive use period.

In response to queries from Committee, Mr. Nazareth and John Mills, General Manager, Richmond Olympic Oval, provided the following information:

- the City would cover the Oval's operating discrepancies should there be a shortfall, as it would for other organizations such as the Gateway Theatre and the Richmond Public Library;
- although the Oval retrofit is anticipated to be completed by June 2010, the Oval's estimated revenues were calculated from September 2010 in order to accommodate a 'setting up' period for future tenants;
- the Oval's membership pricing is competitive;
- the Games Operating Trust is a stable fund and has seen a minimum of 5% per year; and
- the Oval is considering a proposal that would be aimed at employees of Richmond employers.

George Duncan, Chief Administrative Officer, spoke of the exclusive use period with VANOC and highlighted that the City negotiated positive financial terms and the benefit of having the Oval remain open to Richmond citizens and the public prior to the exclusive use period to offset the potential loss of revenues during that period.

Discussion ensued regarding the perception that subsidizing the Oval will potentially take away from other existing City programs.

Mr. Duncan advised that the Oval's post-Games operations have been studied thoroughly, accounting for all scenarios. Mr. Duncan noted that in the worst-case scenario, the Oval could receive a \$3 million grant, which is very conservative in comparison to annual grants given to other Richmond organizations.

Discussion ensued and Committee requested that the Oval's quarterly reports incorporate Oval usage patterns.

It was moved and seconded

- (1) *That the staff report entitled "2009 3rd Quarter Financial Information for the Richmond Olympic Oval Corporation" from the General Manager, Business & Financial Services be received for information; and*
- (2) *That the 2010 Richmond Olympic Oval Corporation Budget be received for information.*

CARRIED

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5. **MANAGER'S REPORT**

None.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:00 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 4, 2010.

Mayor Malcolm D. Brodie
Chair

Hanieh Floujeh
Acting Executive Assistant
City Clerk's Office