



Finance Committee

Date: Monday, June 7, 2010

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 6:36 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, May 3, 2010, be adopted as circulated.

CARRIED

DELEGATION

1. Brian Szabo, Associate Partner, joined by Becky Hui, Senior Manager, KPMG, presented the 2009 Auditors report on financial statements. Mr. Szabo stated that the financial statements were completed in accordance with Canadian generally accepted accounting principles for government entities (GAAP) and that KPMG is independent of the City.

He spoke of the audit's significant findings in light of newly adopted accounting standards: PS3150 – Tangible Capital Assets and PS 1200 – Financial Statement Presentation.

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In response to queries from Committee, Mr. Szabo advised that the audit does not conduct value for money reviews and as of 2011, the Richmond Olympic Oval will be under the same accounting standards as the City.

Jerry Chong, Director, Finance, commented that the tangible capital asset endeavour was onerous, however, much of the work was done in house utilizing existing databases, GIS, and engineering records.

It was moved and seconded

That the 2009 Auditors report on financial statements be received for information.

CARRIED

BUSINESS AND FINANCIAL SERVICES DEPARTMENT

2. **2009 CITY OF RICHMOND AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

(File Ref. No.:) (REDMS No. 2897364)

Andrew Nazareth, General Manager, Business & Financial Services, provided background information and highlighted that there is approximately \$534 million in cash investments and \$273 in reserves. Also, he noted that the City's net debt has been reduced to approximately \$11.8 million and the City ended 2009 with approximately \$2.2 million in operating surplus.

In response to queries from Committee, Mr. Nazareth advised the following:

- the senior administrative group is currently reviewing projects that could utilize part of the 2009 surplus;
- typically, one-time budget requests are not included in the annual budget process; and
- 1% was not put in reserves last year as the Legacy Fund was earning interest relatively equivalent, and Council had resolved to use that interest earned to fund the 1% to reserves rather than increasing the tax draw by an equivalent amount.

It was moved and seconded

That the City's audited consolidated financial statements for the year ended December 31, 2009 be approved.

CARRIED

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3. **2009 ANNUAL REPORT**

(File Ref. No.): (REDMS No. 2898313)

Cynthia Lockrey, Senior Manager, Media Relations, highlighted that the City has created a 32-page 'sustainable version' of the 2009 Annual Report. This version summarizes the complete 2009 Annual Report and highlights what tax payers receive for their dollars.

It was moved and seconded

That the City of Richmond 2009 Annual Report and the 2009 Annual Report – Highlights be approved.

CARRIED

4. **2010 1ST QUARTER FINANCIAL INFORMATION**

(File Ref. No.: 03-0970-09-01) (REDMS No. 2896751)

Mr. Chong stated that the estimated 2010 year-end surplus was not included the first quarter financial report as it is too early to predict with certainty.

In response to a query from Committee, staff advised that the RCMP's budget variance fluctuates throughout the year due to maternity/paternity leaves and occasionally bringing consultants in to provide expertise. Also, it was mentioned that Richmond Fire-Rescue has not yet hired for 2010 and several 2010 projects have not yet commenced.

It was moved and seconded

That the staff report dated May 14, 2010 from the Director, Finance on Financial Information for the 1st quarter ended March 31, 2010 be received for information.

CARRIED

5. **ADMINISTRATIVE PROCEDURES – CATERING EXPENSES**

(File Ref. No.) (REDMS No. 2806392, 2788290)

It was moved and seconded

That the Administrative Procedures for Catering Expenses be received for information.

CARRIED

6. **MANAGER'S REPORT**

(1) 2010 Property Taxes

Ivy Wong, Manager, Revenue, noted that the 2010 property taxes were mailed out on May 25, 2010 and the Tax division has since received over 1,700 phone calls. She noted that the majority of calls were general complaints, and there does not appear to be a common theme to the complaints.

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(2) *Utility and Property Tax Bills*

Discussion ensued and it was noted that both the utility and property tax bill mention drainage and dyking charges and that this has been confusing for some who have made written complaints. As a result of the discussion, the following **referral** was introduced:

It was moved and seconded

That the wording and placement of items on the property tax and utility bills be referred to staff.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (7:15 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 7, 2010.

Mayor Malcolm D. Brodie
Chair

Hanieh Floujeh
Acting Executive Assistant
City Clerk's Office