



## Finance Committee

Date: Monday, November 2, 2015

Place: Anderson Room  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Derek Dang  
Councillor Carol Day  
Councillor Ken Johnston  
Councillor Alexa Loo  
Councillor Bill McNulty  
Councillor Linda McPhail  
Councillor Harold Steves

Absent: Councillor Chak Au

Call to Order: The Chair called the meeting to order at 4:49 p.m.

### MINUTES

It was moved and seconded

*That the minutes of the meeting of the Finance Committee held on October 5, 2015, be adopted as circulated.*

**CARRIED**

### FINANCE AND CORPORATE SERVICES DIVISION

1. **DISSEMINATION OF ASSESSMENT AND PROPERTY TAX INFORMATION**

(File Ref. No.) (REDMS No. 4775210)

In reply to questions from Committee, Ivy Wong, Manager, Revenue, advised that the video was developed by an external company and that it would be available on the City's website and promoted through the City's Twitter and YouTube accounts.

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It was suggested that, upon approval of the 2016 Capital, Utility and Operating Budgets, the video be shown at a Regular meeting of Council.

Discussion ensued regarding the BC Assessment Office's phone number appearing on the video and that a greater emphasis on the property assessment and appeal processes may be helpful. It was suggested that the City website provide information regarding the assessment appeal process following BC Assessment's notice mail out and that a link to the video be placed on the City's 2016 tax notice.

It was moved and seconded

*That the property tax 101 video be promoted through the City's multimedia channels.*

**CARRIED**

**2. CORPORATE SERVICE LEVEL REVIEW UPDATE Q2 – 2015**

(File Ref. No.) (REDMS No. 4651551 v. 8)

In response to queries from Committee, Cecilia Achiam, Director, Administration and Compliance, provided background information on the roles and functions of the Administration and Compliance Department, the Corporate Operational Service Level Review Team, and the Finance Cost Control and Efficiency Subcommittee. She commented that the Corporate Service Level Review (CSLR) is a management tool utilized to inform the Chief Administrative Officer (CAO) and Senior Management Team on opportunities for improvement and was not designed to be a budgeting tool or to make recommendations for cost reductions.

Andrew Nazareth, General Manager, Finance and Corporate Services, advised that additional programming or service level requests that have been identified by staff or Council throughout the year are addressed through the budget's additional level process. In addition, he advised that the CSLR was a tool used to review performance, efficiency, effectiveness, and cost containment. It was noted that the addition or removal of services would be at Council's discretion.

George Duncan, CAO, commented that the CSLR is an administrative management tool and that any outcomes resulting in staff identifying a need for additional services would be considered during the additional levels process in the budget. He further commented that, throughout the course of the year, Council may identify or support a need for resources, which would be considered during the additional levels process or, alternatively, staff may identify a funding source without the need to consider an additional level.

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In terms of the organizational structure, Mr. Duncan advised that the review is an ongoing process and that organizational and/or structural changes driven by the current Council Term Goals or the need to improve customer service are brought before Council throughout the year.

*Councillor Steves left the meeting (5:18 p.m.) and returned (5:22 p.m.).*

Discussion ensued regarding providing information related to service level comparisons between local municipalities to demonstrate the City's effectiveness in reaching positive and/or negative efficiency results.

In reply to a question from Committee, Mr. Duncan advised that the figures presented in Attachment 1 - Regional Lens are favourable as they indicate that Richmond, on a per capita basis, invests more on capital projects than a municipality in similar size and circumstance. In addition, he commented that the charts are intended to provide an update on the administrative reviews undertaken to assist in service level improvements and to inform Council on the core, traditional and discretionary services. He further commented that the CSLR also serves to provide direction in the development of departmental strategies such as the Information Technology Digital Strategy.

Discussion continued on the City's success in achieving reasonable budgets and containing property tax increases while responding to downloading of services from senior levels of government. It was suggested that future reports include a flow chart demonstrating how the CSLR works in conjunction with the budget process.

It was moved and seconded

*That the staff report titled "Corporate Service Level Review Update Q2 – 2015," dated October 9, 2015, from the Director, Administration and Compliance, be received for information.*

**CARRIED**

**3. 2016 UTILITY BUDGETS AND RATES**

(File Ref. No. 03-0970-01) (REDMS No. 4716954 v. 5)

In response to queries from Committee, Lloyd Bie, Manager, Engineering Planning, provided the following information:

- Option 3 for the Water Utility budget recommends the removal of the rate stabilization provision drawdown, which would increase the 2016 water budget by 1% while preserving the balance of the provision funds for future capital projects;
- the proposed 2016 Metro Vancouver (MV) water rate is the projected rate and staff do not anticipate receiving the actual rate prior to establishing the 2016 utility rates;
- MV water purchases represent 55% of the total Water Utility budget;

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- Option 3 for the Sewer Utility budget recommends an additional \$1 million for additional Capital Infrastructure Replacement due to aging sewer infrastructure, which can be achieved through a 1% increase in the sewer rates;
- the proposed change to the Drainage and Diking Utility budget represents the first step in a multi-year process to address inequities in the drainage rate system such as that represented by large commercial properties (i.e., shopping malls, warehouses, etc.) that currently pay the same drainage rate as a single-family home;
- the City is one of few municipalities that have implemented a Drainage and Diking Utility; many municipalities collect the fee through the property tax notice;
- a Rain Water Resource Management Strategy report is forthcoming and cost implications would be considered when exploring options regarding the use of rain water;
- there are a number of programs available to the public associated with water meters and the management of water, such as the toilet and clothes washer replacement rebates; and
- residents can arrange for home audits to assist in achieving water usage savings.

In reply to questions from Committee, Suzanne Bycraft, Manager, Fleet and Environmental Programs, advised that Option 1 for the Solid Waste and Recycling budget is the base level with the addition of the bi-weekly garbage collection service in 2016; Options 2 and 3 provide an annual green cart and/or garbage cart cleaning service to residents. She further advised that, upon approval of the utility rates by Council, an aggressive public educational program would commence providing information on cart sizes and their associated costs. Residents would then have an opportunity to complete a form to indicate their choice in cart size including its cost. Where no request has been received by the City by January 31, 2016, residents will automatically receive a 240-litre cart for a single-family home or a 120-litre cart for a townhome.

Robert Gonzalez, General Manager, Engineering and Public Works, commented that the 240-litre cart for a single-family home is the baseline size and that the cost differential associated with an increase or decrease in cart size would be clearly explained in the promotional material.

It was suggested that general information on how to clean and maintain the carts along with the name and contact information of any cart cleaning service provider be made available on the City's website.

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It was moved and seconded

*That the 2016 utility budgets, as outlined under Option 3 for Water and Sewer, Option 2 for Drainage and Diking, and Option 1 for Solid Waste and Recycling, as contained in the staff report titled "2016 Utility Budgets and Rates," dated October 21, 2015, from the General Manager, Finance and Corporate Services, and the General Manager, Engineering and Public Works, be approved as the basis for establishing the 2016 Utility Rates and preparing the 5 Year Financial Plan (2016-2020) Bylaw.*

**CARRIED**

**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 November 2, 2015.

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Mayor Malcolm D. Brodie  
Chair

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Heather Howey  
Legislative Services Coordinator