



Finance Committee

Date: Tuesday, April 7, 2015

Place: Anderson Room
Richmond City Hall

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

Call to Order: The Chair called the meeting to order at 4:27 p.m.

MINUTES

It was moved and seconded
*That the minutes of the meeting of the Finance Committee held on Monday,
March 2, 2015, be adopted as circulated.*

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

1. **2015 ANNUAL PROPERTY TAX RATES BYLAW**
(File Ref. No. 12-8060-20-009231; 03-0925-01) (REDMS No. 4526152)

In response to a query from Committee, Ivy Wong, Manager, Revenue, commented that there was a slight decrease in the Commercial and Industrial tax rates for 2015.

Finance Committee
Tuesday, April 7, 2015

It was moved and seconded

That the Annual Property Tax Rates (2015) Bylaw No. 9231 be introduced and given first, second and third readings.

The question on the motion was not called as Committee requested clarification on the impact of the residential growth to the 2015 tax rate. Ms. Wong advised that the revenue generated from new residential growth was included as a line item in the 2015 budget, which assists in reducing the amount of revenue to be drawn from the tax base.

CARRIED

1A. TAX LEGISLATION

(File Ref. No. 12-8060-20-008776; 03-0925-01)

The Chair referenced the *2011 Municipalities Enabling and Validating Act (No. 4)* and the City's *City Centre Area Transitional Tax Exemption Bylaw No. 8776*, which provided tax relief, on an interim basis, during a period when there were significant increases in assessment values within the Brighthouse area. The term for any tax exemption provided under Bylaw No. 8776 will expire after the 2016 municipal taxation year. As a result of the discussion, the following **referral** was introduced:

It was moved and seconded

That the 2011 Municipalities Enabling and Validating Act (No.4) and Richmond's City Centre Area Transitional Tax Exemption Bylaw No. 8776 be referred to staff for analysis and to provide advice as to the potential for the renewal of the Bylaw.

The question on the motion was not called as discussion ensued regarding the analysis, including information on whether the area affected has expanded. It was suggested that staff conduct a telephone survey of a random number of commercial rental tenants inquiring whether the tax savings had been passed on by the property owners.

In reply to a query, Ms. Wong advised that Section 19 of the *Assessment Act* allows residential property owners, having occupied the eligible residential property as his or her principal place of residence for more than 10 years, to apply for relief.

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

Finance Committee
Tuesday, April 7, 2015

2. **DONATION OF SURPLUS FROM NON REDEMPTION OF TAX SALE PROPERTY**

(File Ref. No. 03-1240-01) (REDMS No. 4530462)

It was moved and seconded

That the donation of the excess proceeds from the sale of 4348 Carter Drive be accepted and the issuance of a donation receipt to Blackcomb Way Properties for \$660.33 be authorized.

CARRIED

3. **REVENUE ANTICIPATION BORROWING (2015) BYLAW NO. 9226**

(File Ref. No. 03-0900-01) (REDMS No. 4525135)

It was moved and seconded

That Revenue Anticipation Borrowing (2015) Bylaw No. 9226 be introduced and given first, second, and third readings.

CARRIED

LULU ISLAND ENERGY CORPORATION

4. **2015 OPERATING BUDGET FOR THE LULU ISLAND ENERGY COMPANY**

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 4530432 v. 5)

It was moved and seconded

That the report titled 2015 Operating Budget for the Lulu Island Energy Company, dated March 17, 2015, from the Chief Executive Officer and Chief Financial Officer, Lulu Island Energy Company, be received for information.

The question on the motion was not called as in response to a query from Committee, Mr. Chong, Director, Finance, advised that the Lulu Island Energy Company utility rates meet the City's objective to provide users with rates equal to or below other service providers.

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

RICHMOND OLYMPIC OVAL CORPORATION

5. **RICHMOND OLYMPIC OVAL – 2015 ANNUAL OPERATING AND CAPITAL BUDGETS**

(File Ref. No.) (REDMS No. 4542029)

In reply to queries from Committee, Rick Dusanj, Controller, Richmond Olympic Oval Corporation (ROOC), provided the following information:

Finance Committee
Tuesday, April 7, 2015

- “other revenue” includes income pertaining to sponsorship, leasing, and parking;
- the increased marketing budget relates to both one-time and annual costs associated with new business initiatives;
- the increase in the Administration/Finance budget includes expenses related to (i) amortization, (ii) new initiatives, and (iii) non-discretionary items including charge backs from City resources used by the ROOC;
- following the completion of the financial audit, the annual report, including a full breakdown of the ROOC revenue and expenses, will be submitted to Council; and
- approximately 50% of the 2015 Capital budget is related to new business initiatives.

In response to queries from Committee, George Duncan, Chief Executive Officer, ROOC, advised that the increased marketing budget is due to the one-time and ongoing expenditures pertaining to the promotion of three significant business initiatives: (i) the Richmond Olympic Experience; (ii) YYoga; and (iii) new retail operations. He further advised that the estimates were below those proposed by marketing experts.

It was suggested that (i) staff provide a memorandum to Council that provides a breakdown of the salary and marketing costs, and (ii) future reports include comparisons of the previous quarter and/or year’s figures.

It was moved and seconded

That the report on the 2015 Annual Operating and Capital Budgets for the Richmond Olympic Oval from the Controller of the Richmond Olympic Oval Corporation be received for information.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:48 p.m.).

CARRIED

Finance Committee
Tuesday, April 7, 2015

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 7, 2015.

Mayor Malcolm D. Brodie
Chair

Heather Howey
Committee Clerk