



Finance Committee

Date: Monday, May 9, 2011

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Linda Barnes (4:20 p.m.)
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 4:02 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, March 7, 2011, be adopted as circulated.

CARRIED

DELEGATION

Archie Johnston, Partner, Becky Hui, Senior Manager, and Nancy Adie-MacKay, Partner, KPMG presented the 2010 Auditor's report on the City's financial statements. Mr. Johnston advised that Ms. Adie-MacKay would be working with him on City of Richmond related issues.

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Ms. Adie-MacKay reviewed the Materiality, Timing, Tangible Capital Assets, New Canadian Auditing Standards, new regulations related to Government Transfers, and Liability for Contaminated Sites.

In answer to questions about the Liability for Contaminated Sites, Mr. Johnston provided the following information:

- the new Accounting Standard for Liability for Contaminated Sites has been approved;
- Governments will be required to recognize liabilities for contaminated sites that exceed existing environmental standards, and record the estimate for remediation costs as a liability regardless of whether the site is to be sold or not; and
- Accounting Standards for Liability for Contaminated Sites for the private industry differ than government as the private industry is required to report liabilities only upon the sale of such a site.

Further discussion took place and Committee members questioned the rationale for having different Accounting Standards for government and the private industry. Concerns were expressed about fairness and the need for clarification. Mr. Johnston noted that many of the rules related to the new standard were not clear, and that at this stage the first step would be to determine which sites are contaminated and need remediation.

BUSINESS AND FINANCIAL SERVICES DEPARTMENT

1. **FINANCIAL INFORMATION – 4TH QUARTER 2010**
(File Ref. No.: 03-0970-09-01) (REDMS No. 3141724)

Jerry Chong, Director, Finance was available to answer questions. A brief discussion ensued about council appropriations, at which time Mr. Chong confirmed that a report with additional information regarding appropriations for surplus funds was forthcoming.

It was moved and seconded

That the staff report on Financial Information for the 4th Quarter ended December 31, 2010 be received for information.

CARRIED

2. **2010 CITY OF RICHMOND AUDITED CONSOLIDATED FINANCIAL STATEMENTS**
(File Ref. No.:) (REDMS No. 3198916)

It was moved and seconded

That the City's audited consolidated financial statements for the year ended December 31, 2010 be accepted.

CARRIED

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3. **REFERRAL – FUTURE RESERVES AND SURPLUS AND FUTURE CONSTRUCTION**

(File Ref. No.:(REDMS No. 3136476)

Mr. Chong provided background information, and in answer to questions advised that properties with Purchase/Construction Timelines up to 2011 have been approved and properties for 2012 and beyond are included in the Five-Year Capital Plan but are not yet approved.

A discussion took place about:

- annual repayments for the purchase of the Terra Nova Lands and the initial financing for the Oval;
- projects that require significant internal borrowing between the City's reserve funds that will result in a reduction in the City's reserves until 2029;
- giving consideration to incurring additional debt by borrowing externally for projects and seeking approval for external borrowing through a referendum in the fall of 2011.

It was moved and seconded

- (1) *That the staff report dated April 15, 2011, entitled "Referral – Future Reserves and Surplus and Future Construction" from the Director, Finance, concerning future reserves and surplus, projections of future construction and RCMP costs be received for information; and*
- (2) *That staff report back on possibilities for external borrowing for capital projects and possibilities for referendum questions in conjunction with the 2011 Civic Election.*

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:37 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, May 9, 2011.

Mayor Malcolm D. Brodie
Chair

Shanan Dhaliwal
Executive Assistant
City Clerk's Office