



Finance Committee

Date: Monday, December 2, 2024

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day (by teleconference)
Councillor Laura Gillanders (by teleconference)
Councillor Kash Heed
Councillor Andy Hobbs
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Michael Wolfe

Call to Order: The Chair called the meeting to order at 4:18 p.m.

It was moved and seconded
That Councillor Day and Councillor Gillanders be permitted to join the meeting electronically.

CARRIED

MINUTES

It was moved and seconded
That the minutes of the meeting of the Finance Committee held on November 4, 2024, be adopted as circulated.

CARRIED

RICHMOND PUBLIC LIBRARY

1. **2025 OPERATING AND CAPITAL BUDGETS FOR RICHMOND PUBLIC LIBRARY**

(File Ref. No. 03-0970-01) (REDMS No. 7866348)

It was moved and seconded

That the 2025 proposed Richmond Public Library budget with a municipal contribution of \$11,803,300 as presented in Attachment 1 from the Chief Librarian and the Secretary of the Board, be approved.

The question on the motion was not called as staff responded to queries, noting that (i) Richmond has a municipal contribution per capita that is 26% below the average, and has the longest operating hours of any library in any municipality in BC, (ii) two libraries are in City owned facilities, and two libraries are in leased properties, which impacts the difference in budgets, (iii) steady growth over the years has necessitated the ability to standardize staffing schedules across all four locations (iv) with respect to the removal of fines, there have not been any issues with books not being returned, and (v) \$235,000 of the salaries and benefits total is funded from the Enhancement Grant.

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

FINANCE AND CORPORATE SERVICES DIVISION

2. **2025 PROPOSED CAPITAL BUDGET**

(File Ref. No. 03-0970-25-2025-01) (REDMS No. 7775861)

Staff provided a brief summary of the 2025 Proposed Capital Budget, noting that the budget is quite similar to the 2024 Capital Budget.

In response to queries from Committee, staff noted (i) Council previously approved \$100 million for phase 1 of the Works Yard project as it is a significant project that will be phased over 10 years, and next year \$50 million is set aside for phase 2 of the project, (ii) as per Council direction, a monthly memorandum will be provided with updated cost estimates and expenditures as the Works Yard planning and construction progresses, (iii) it was previously identified the McDonald Beach Boat Basin Dredging program would come forward in 2025 for capital funding, however since that time the federal government has come forward with some partnership funding opportunities, (iv) there have not been any applications for funding grants with respect to the Park Shelter and Shade program (due to climate change either a shade perspective or inclement weather) and the Trail Network Enhancements program, as the Crown Packaging Trail is priority at this time, (v) a phased plan for both the Richmond Ice Centre and the Richmond

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Curling Club was implemented in 2021 for year by year repair/replacement work in order to minimize disruptions (vi) the Britannia Shipyards project is phased to several phases, with the current submission being the third or fourth submission for roof and envelope improvements, (vi) developing pickleball courts has unique challenges including, sound attenuation, surfacing and lighting, (vii) a capital project at the Gateway completed two years ago with a number of mechanical system upgrades, and it was determined during assessment that the time for mechanical and HVAC renewal is appropriate for 2029, and (viii) a typical playground lasts 15-18 years, however Hugh Boyd Park playground experienced some deterioration, requiring some components to be removed and temporary measures put in place.

It was moved and seconded

- (1) *That the 2025 Proposed Capital Budget as presented in Appendix 3 totaling \$152,581,457 be approved; and*
- (2) *That the 2025 Proposed Capital Budget as approved be included in the Consolidated 5 Year Financial Plan (2025-2029).*

The question on the motion was not called as a brief discussion ensued with respect to pickleball courts. It was requested that staff provide a memo to Committee outlining opportunities for consideration to expand upon the number of pickleball courts at South Arm.

The question on the motion was then called and it was **CARRIED** with Cllr. Wolfe opposed.

3. 2025 PROPOSED OPERATING BUDGET

(File Ref. No. 03-0970-01) (REDMS No. 7811426)

Staff reported the operating budget has been challenging as there are some significant cost drivers as outlined in the report. It was further noted the report also recognizes the work that has been done to find efficiencies within the organization and opportunities for revenue growth, which collectively has helped manage the organization base budget; in particular, the same level of service budget keeping below 2.0% and in line with CPI and the long-term financial management strategy.

The Committee noted the additional chart provided on table (attached to and forming part of these minutes as Schedule 1) gives an overview of the three proposed budget options; staff are recommending Option 1 with a tax increase of 5.86%, which includes the 1.0% transfer to the Rate Stabilization reserve (4.86% plus 1.0%) which makes a vital difference when compared to other municipalities in the region.

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Superintendent Julie Drotar, Officer in Charge- RCMP, noted the additional officer and support staff request is based on considerable analysis undertaken. In response to a query from the Committee, Superintendent Drotar estimated it would take 12–18 months to have the requested RCMP officers in place.

A brief discussion on the funding of the Rate Stabilization Fund ensued, and options to include funding for invasive plant management.

In response to further questions from Committee, staff noted (i) Option 1 is a phased approach that allows a lower tax impact for 2025, and (ii) \$0.3946 of every tax dollar is directed to police and fire, which does not include the additional level request for consideration.

It was moved and seconded

That:

- (1) The 2025 Proposed Operating Budget as presented in Budget Option 1 for a total of 5.86% be approved as outlined below:*
 - (a) A same level of service budget increase of \$6,115,400 after tax growth with a tax increase of 1.99% be approved; and*
 - (b) Ongoing funding for expenditures previously approved by Council totaling \$5,675,000 as presented in Table 11 on page 22 with a tax increase of 1.85% be approved; and*
 - (c) Emerging organizational additional levels in the amount of \$2,647,135 as presented in Attachments 9, 10, 11, and 12 of the staff report titled 2025 Proposed Operating Budget with a tax increase of 0.86% be approved; and*
 - (d) The Rate Stabilization Account be used to pay for the one-time initial capital costs for the recommended additional levels from Attachment 11 and 12 totaling \$246,688 be approved; and*
 - (e) Transfer to reserves for Investment in Community Facilities as per Council's Long Term Financial Management Strategy in the amount of \$3,066,765 with a tax increase of 1.00% be approved; and*
 - (f) Senior level government and other government agency increase of \$2,121,638 with a tax increase of 0.69% be approved; and*
 - (g) Use of reserves for program expenditures for Affordable Housing, Child Care and Public Art programs of \$1,442,191 as presented in Attachment 8 on page 59 be approved; and*
 - (h) Operating budget impacts totalling \$368,774 with a tax increase of 0.12% be approved; and*

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- (i) *The Rate Stabilization Account be used to reduce the overall impact of additional operating costs for a total of \$2,000,000 resulting in a tax decrease of 0.65% be approved; and*
- (2) *The 2025 Operating Budget as approved be included in the Consolidated 5 Year Financial Plan (2025-2029).*

The question on the motion was not called as a brief discussion ensued with respect to invasive plant management. As a result of the discussion, the following **amendment motion** was introduced:

It was moved and seconded

That the motion be amended to add:

- (1) (j) *That one time rate stabilization funding of \$534,431 for the Blackberry Management: Natural Areas Technician position (RFT), the Climate & Environment Coordinator 2 (RFT) and a Parks Labourer including a truck, be added*

The question on the amendment motion was not called as further discussion ensued with respect to ongoing future funding for the positions.

The question on the amendment motion was then called and it was **DEFEATED** with Mayor Brodie and Cllrs. Au, Day, Heed, Hobbs, Loo and McNulty opposed.

A further amendment motion to add a fourth option to use more of the Rate Stabilization Fund to reduce the increase to 5.55% was introduced but failed to receive a seconder.

The question on the main motion was then called and it was **CARRIED** with Cllrs. Au, Loo and Wolfe opposed.

The following **referral motion** was then introduced:

It was moved and seconded

That staff look for strategies and options for more blackberry and other invasive species management and report back to the Parks, Recreation and Cultural Services Committee.

CARRIED

4. **2025 ONE-TIME EXPENDITURES**
(File Ref. No. 03-0970-01) (REDMS No. 7833379)

Staff advised that most of the items recommended by staff were previously brought forward to Council for endorsement to be brought forward to the budget process and some of the other items are ongoing items.

5.

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It was moved and seconded

That the one-time expenditures totaling \$2,690,457 as outlined in Attachment 1 of the 2025 One-Time Expenditures staff report, be approved with funding from the Rate Stabilization Account and included in the Consolidated 5 Year Financial Plan (2025-2029).

The question on the motion was not called as a brief discussion ensued with respect to various expenditures.

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

LULU ISLAND ENERGY COMPANY

5. **LULU ISLAND ENERGY COMPANY – 2025 OPERATING AND CAPITAL BUDGETS**

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 7862558)

It was moved and seconded

That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 2025 Operating and Capital Budgets”, dated November 15, 2024 from the Chief Executive Officer and Chief Financial Officer, Lulu Island Energy Company be received for information.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:58 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, December 2, 2024.

Mayor Malcolm D. Brodie
Chair

Lorraine Anderson
Legislative Services Associate

November 19, 2024

Schedule 1 to the Minutes of the Finance Committee meeting of Richmond City Council held on Monday, December 2, 2024.

ON TABLE ITEM

Date: Dec 2, 2024

Meeting: FINANCE

Item: B

NOTE: additional information to Fin 189

Table 18: Proposed Budget Options (in \$000s)

Budget Components	Option 1	Option 2	Option 3
	<i>Recommended</i>		
	Reduced Emerging Additional Levels with Rate Stabilization	Emerging Additional Levels with Rate Stabilization	Emerging Additional Levels with preservation of Rate Stabilization
Same Level of Service	\$8,615	\$8,615	\$8,615
Less: 2025 Tax Growth	(2,500)	(2,500)	(2,500)
Same Level of Service after tax growth (below CPI target of 2.10%) - Table 7, page 18	6,115	6,115	6,115
Previously Approved Expenditures Table 11, page 22	5,675	5,675	5,675
Law and Community Safety Emerging Organizational Additional Level Increases - Budget Option 1 (Attachment 12, page 77) - Budget Option 2 and 3 (Attachment 12 + Attachment 13 # 1-4, page 78)	1,763	2,881	2,881
Citywide Emerging Organizational Additional Level Increases (Attachments 10, 11 and 12)	884	884	884
Investment in Infrastructure Replacement Needs (Transfer to Reserves) page 23	3,067	3,067	3,067
LTFMS Policy: Same Level of Service + Previously Approved Expenditures + Emerging Organizational Additional Levels + 1.00% for Infrastructure Replacement Needs	17,504	18,622	18,622
Community Safety Cost-Sharing Obligations Table 13 page 25	1,412	1,412	1,412
Canada Pension Plan Enhancements Table 13 page 25	460	460	460
WorkSafeBC Rate Increases Table 13 page 25	250	250	250
Senior Government Increases	2,122	2,122	2,122
Estimated OBI from 2025 Capital Budget Table 13 page 26	369	369	369
Operating Budget Impacts	369	369	369
Rate Stabilization page 27	(2,000)	(2,000)	-
Subtotal of Senior Government Increases, Operating Budget Impacts and Rate Stabilization	491	491	2,491
Preliminary 2025 Operating Budget Increase	\$17,995	\$19,113	\$21,113
Annual equivalent tax increase for average residential property	\$128	\$136	\$150