



Finance Committee

Date: Monday, November 29, 2021

Place: Council Chambers
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day
Councillor Andy Hobbs
Councillor Alexa Loo (by teleconference)
Councillor Bill McNulty
Councillor Linda McPhail (by teleconference)
Councillor Harold Steves (by teleconference)
Councillor Michael Wolfe (by teleconference)

Call to Order: The Chair called the meeting to order at 4:45 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on November 1, 2021, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

1. **ALTERNATIVE SOURCES OF FUNDING REFERRAL RESPONSE** (File Ref. No. 03-0905-01) (REDMS No. 6781671)

Discussion ensued with regard to (i) minimizing the tax payer impact by borrowing funds to construct the Steveston Community Centre and Branch Library, (ii) securing favourable loan interest rates and terms, (iii) maintaining the City's reserve funds and utilizing them only in times of emergency, and (iv) examining the lifespan of City buildings.

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In reply to queries from Committee, staff noted that (i) the proposed loan will carry the full 20 year term and interest rates will be locked 10 years, (ii) the City's net debt to revenue ratio is low in comparison to other municipalities, and (iii) staff anticipate that the earliest date to secure the loan would be in Fall 2022.

It was moved and seconded

- (1) *That the funding strategy Option 3 and the external borrowing Option C as outlined in the staff report titled "Alternative Sources of Funding Referral Response" be endorsed;*
- (2) *That staff be directed to prepare a report for external borrowing of \$95 million for the Steveston Community Centre and Branch Library Capital Project; and*
- (3) *That the Consolidated 5 Year Financial Plan (2022-2026) be amended accordingly.*

CARRIED

2. 2022 OPERATING AND CAPITAL BUDGETS FOR RICHMOND PUBLIC LIBRARY

(File Ref. No.)

It was moved and seconded

That the 2022 Richmond Public Library budget of \$10,396,100 as presented in Attachment 1 from the Chief Librarian and the Secretary to the Board, be approved.

CARRIED

3. 2022 PROPOSED CAPITAL BUDGET

(File Ref. No.) (REDMS No. 6642826)

Discussion ensued with regard to (i) supporting energy management projects, (ii) acquiring more park land, (iii) utilizing external grants to support City projects, (iv) supporting projects to improve the City's diking and drainage, (v) consulting the Burkeville Community Association on Burkeville park improvements, (vi) continuing with minor repairs to road infrastructure and maintenance of bike lanes,

In response to queries from Committee, staff highlighted the following:

- upgrades to the facilities at the Richmond Nature Park with no additional expansion are proposed;
- City snow and ice response tracking is proposed with integration into the MyRichmond mobile app;

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- funding for park acquisition is typically secured through the Development Cost Charges (DCC) account, however additional funding can be secured for land acquisition from other accounts, such as industrial use, if required;
- the proposed sport court surfacing repairs at Hamilton and McLean Parks will use permanent surfacing;
- enhancement of the Burkeville park is not recommended for this year's budget as the park has not reached it's end of life;
- the proposed fire apparatus high-flow industrial pumper will assist in the response by Richmond Fire-Rescue to potential hazards from the Vancouver Airport Fuel Facility;
- the RCMP Command Vehicle replacement is not recommended in this year's budget, however, the City will be working with the Richmond RCMP on future replacement of the vehicle;
- staff do not anticipate that the road deterioration along Williams Road and No. 4 Road will impact underground infrastructure and that specific road section will be addressed at a future date; and
- the project development of the Geographic Information System (GIS) roads database will be submitted at a future budget.

It was moved and seconded

- (1) *That the 2022 Proposed Capital Budget as presented in Appendix totaling \$107,762,191 be approved; and*
- (2) *That the 2022 Proposed Capital Budget as approved be included in the Consolidated 5 Year Financial Plan (2022-2026).*

The question on the motion was not called as an amendment motion to include the replacement of the RCMP Command Vehicle into the 2022 Capital Budget was introduced, but failed to receive a seconder.

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

4. **2022 ONE-TIME EXPENDITURES**

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

It was moved and seconded

That the one-time expenditures totaling \$1,799,521 as outlined in Table 1 of the 2022 One-Time Expenditures staff report, be approved with funding from the Rate Stabilization Account and included in the Consolidated 5 Year Financial Plan (2022-2026).

The question on the motion was not called as the following **amendment motion** was introduced:

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It was moved and seconded

That the Election Reserve – One Time Top Up amount of \$362,000, as listed in the staff report titled, 2022 One-Time Expenditures, from the Acting Director, Finance, dated November 5, 2021, be removed.

The question on the amendment motion was not called as staff noted that election supplies cost, including costs related to COVID-19 health regulations and mail ballots, have increased.

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

Discussion ensued with regard to the proposed Waterfront Coordinator Position at Britannia Shipyards and Imperial Landing. In reply to queries, staff noted that the City is working on a cost sharing agreement with the Britannia Shipyards National Historic Site Society and will present the proposed agreement to Council for consideration at a future date. Also, staff added that the hiring of the Waterfront Coordinator and the noted Agreement with the Britannia Shipyards National Historic Site Society can proceed concurrently.

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

5. **2022 PROPOSED OPERATING BUDGET**

(File Ref. No. 03-0970-01) (REDMS No. 6642866 v. 14)

Discussion ensued with regard to (i) considering potential costs increases related to RCMP unionization, (ii) considering potential costs related to the Provincial mandate of a compulsory minimum five sick day allocation to all workers, and (iii) streamlining the City's labour costs in relation to the total operating budget.

In reply to queries from Committee, staff noted that (i) federal COVID-19 Recovery Funding has been used in previous budget items, (ii) budget surplus from previous years can be used to offset potential costs related to RCMP unionization, and (iii) staff are recommending transferring 1% of the operating budget into reserves.

The Chair noted that there was agreement to deal with the Fire-Rescue portion of the Proposed 2022 Operating Budget separately.

It was moved and seconded

(1) *That the 2022 Proposed Operating Budget (City-Wide excluding Fire-Rescue) as presented in Budget Option 2 (City-Wide excluding Fire-Rescue) for a total of 3.57% be approved as outlined below:*

(a) *a same level of service budget increase of \$2,617,515 after tax growth with a tax increase of 1.02% be approved; and*

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- (b) *transfer to reserves for Investment in Community Facilities as per Council's Long Term Financial Management Strategy for 2022 in the amount of \$2,553,659 with a tax increase of 1.00% be approved; and*
- (c) *senior level government and other government agency increase of \$7,677,745 with a tax increase of 3.01% be approved; and*
- (d) *emerging organizational additional levels in the amount of \$63,200 as presented in Attachment 8 of the staff report titled 2022 Proposed Operating Budget with a tax increase of 0.02% be approved; and*
- (e) *Council previously approved contract commitment of \$382,580 with a tax increase of 0.15% be approved; and*
- (f) *operating budget impacts totalling \$506,126 with a tax increase of 0.20% be approved; and*
- (g) *that the 2021 operating surplus be used to reduce the impact of RCMP unionization cost for a total of \$4,666,667 resulting in a tax decrease of 1.83% be approved; and*

Discussion ensued with regard reducing to the transfer to reserves to 0.75% to help offset potential costs to RCMP unionization, and as a result, the following **amendment motion** was introduced:

It was moved and seconded

That the proposed 1% transfer to reserves be reduced to 0.75%, with the 0.25% balance going to a reserve.

The question on the amendment motion was not called as discussion ensued with regard to the benefits of contributing to the reserve fund for future projects and City operations.

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

The question on Part (1) of the 2022 Proposed Operating Budget was then called and it was **CARRIED** with Cllrs. Au, Day and Wolfe opposed.

In accordance with Section 100 of the *Community Charter*, Cllr. Au declared to be in a conflict of interest as his son works as a firefighter in Richmond Fire-Rescue, and Cllr. Au left the meeting – 6:26 p.m.

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It was moved and seconded

(2) *The 2022 Proposed Operating Budget (Fire-Rescue) for a total of 0.29% as presented be approved as outlined below:*

- (a) *a same level of service budget increase of \$583,800 with a tax increase of 0.23% be approved; and*
- (b) *senior level government increase of \$67,500 with a tax increase of 0.03% be approved; and*
- (c) *operating budget impacts totalling \$93,333 with a tax increase of 0.03% be approved; and*

CARRIED

It was moved and seconded

(3) *The 2022 Operating Budget as approved be included in the Consolidated 5 Year Financial Plan (2022-2026).*

CARRIED

Cllr. Au returned to the meeting – 6:28 p.m.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:30 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, November 29, 2021.

Mayor Malcolm D. Brodie
Chair

Evangel Biason
Legislative Services Associate