



Finance Committee

Date: Monday, December 3, 2012

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Derek Dang
Councillor Evelina Halsey-Brandt
Councillor Ken Johnston
Councillor Bill McNulty
Councillor Linda McPhail
Councillor Harold Steves

Absent: Councillor Linda Barnes

Call to Order: The Chair called the meeting to order at 4:00 p.m.

MINUTES

It was moved and seconded
*That the minutes of the meeting of the Finance Committee held on Monday,
November 5, 2012, be adopted as circulated.*

CARRIED

FINANCE AND CORPORATE SERVICES DEPARTMENT

1. **3RD QUARTER 2012 – FINANCIAL INFORMATION FOR THE
RICHMOND OLYMPIC OVAL CORPORATION**

(File Ref. No.) (REDMS No. 3713926)

In reply to queries from Committee, John Mills, General Manager, Richmond Olympic Oval, advised that (i) approximately \$15,000 of surplus funds were placed into an Enterprise Fund; (ii) each program offered at the Richmond Olympic Oval is assessed and evaluated annually in an effort to eliminate those that are not cost-effective; and (iii) membership figures are consistent.

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In response to a comment made by Committee, Mr. Mills advised that information related to the status of each program offered at the Richmond Olympic Oval would be provided to Council. Also, Mr. Mills stated that although martial arts programming is not offered at the Richmond Olympic Oval, the Oval will soon become the new home of karate in Canada.

It was moved and seconded

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2012 from the Controller of the Richmond Olympic Oval Corporation be received for information.

CARRIED

2. **FINANCIAL INFORMATION – 3RD QUARTER SEPTEMBER 30, 2012**
(File Ref. No.) (REDMS No. 3654343)

Discussion ensued regarding the rate of office space vacancy in Richmond, and staff was requested to provide a comparison of Richmond's vacancy rate with other Metro Vancouver municipalities.

It was moved and seconded

That the staff report titled Financial Information – 3rd Quarter September 30, 2012 be received for information.

CARRIED

3. **2013 OPERATING BUDGET**
(File Ref. No.) (REDMS No. 3690906)

4. **2013 ONE TIME EXPENDITURES**
(File Ref. No.) (REDMS No. 3691391)

Jerry Chong, Director, Finance, highlighted that the proposed 2013 Operating Budget offers the same level of service as provided in 2012, with less than a 1% increase. He stated that the proposed 2013 Operating Budget includes a 1% transfer to reserves for future facilities and community infrastructure demands. Also, Mr. Chong advised that there are two additional level requests for the 2013 Operating Budget: (i) additional transfer to the Fire Vehicle Reserve and (ii) Child Care Coordinator position.

Mr. Chong commented on the City's past practice of allocating the previous year's annual surplus to fund one-time expenditures, noting that the process for 2013 was modified in an effort to ensure one-time expenditure requests were addressed in a timely manner as part of the current budget process. He stated that the Senior Management Team conducted a thorough review of all the requests, and prioritized them based on risk factors.

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In reply to comments made by Committee, staff provided the following information:

- the proposed 2013 Operating Budget was prepared using the principles of Council's Long Term Financial Management Strategy;
- the one-time expenditure request for a Museum Collections Management System would facilitate the creation of a database for the City's museum assets;
- the one-time expenditure request for the Major Events Provision Fund is to replenish the Fund following several approved events that were held; all expenditures from the Fund are brought forward for Council's consideration;
- the City has invested considerably more than anticipated on the various mechanical systems at Watermania; however, the one-time expenditure request for the Watermania retrofit is expected considering the age of the building;
- staff will liaise with the Richmond School District on the proposed improvements to the aging park infrastructure; and
- it is Council's purview to determine whether the funds transferred from the Salary Provision Account to the Rate Stabilization Account are paid back; however, staff are comfortable with the amount in the Salary Provision Account.

Staff was requested to provide Council with information related to the design specifications of Watermania.

It was moved and seconded

That:

- (1) the 2013 Operating Budget as presented in the staff report dated October 18, 2012 from Director of Finance be approved;***
- (2) ongoing additional levels for a total of \$400,000 be approved; and***
- (3) the 5 Year Financial Plan (2013-2017) be prepared for presentation to Council incorporating the 2013 Operating Budget.***

CARRIED

It was moved and seconded

That:

- (1) the committee establishes a Rate Stabilization Account with a \$3.2M transfer from the salary provision account;***

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- (2) *the recommended One-time Expenditures in the amount of \$1.75M, as outlined in the staff report titled 2013 One Time Expenditures dated November 16, 2012 from the Director, Finance, be approved;*
- (3) *the One-time Expenditures be included in the City's Five Year Financial Plan (2013-2017) Bylaw; and*
- (4) *any future arising operating budget surplus be transferred into the Rate Stabilization Account.*

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

It was moved and seconded

That the motion be amended by adding the following text to Part (2) after \$1.75M: 'plus \$30,000 for the Gateway Theatre Web Site Upgrade.'

The question on the **amendment** motion was not called as discussion ensued regarding the Gateway Theatre's annual grant as it relates to the allocation of funds for administrative purposes.

The question on the **amendment** motion was then called and it was **DEFEATED** with Mayor Brodie, and Councillors Dang, Halsey-Brandt, Johnston, McNulty, McPhail, and Steves opposed.

The question on the main motion was then called and it was **CARRIED** with Councillor Au opposed.

Staff was given direction to work with the Gateway Theatre to find an alternative way to obtain web site improvements.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:50 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 3, 2012.

Mayor Malcolm D. Brodie
Chair

Hanieh Berg
Committee Clerk

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