



Finance Committee

Date: Monday, December 4, 2023

Place: Council Chambers
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day
Councillor Laura Gillanders
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 4:12 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on November 6, 2023, be adopted as circulated.

CARRIED

RICHMOND PUBLIC LIBRARY

1. **2024 OPERATING AND CAPITAL BUDGETS FOR RICHMOND PUBLIC LIBRARY**

(File Ref. No. 03-0970-03-01) (REDMS No. 7434262)

It was moved and seconded

That the 2024 proposed Richmond Public Library budget with a municipal contribution of \$11,285,400 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 discussion ensued.

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In response to queries from Council, staff noted (i) the Library Board designated the surplus funding for rebranding of the Public Library, including a long overdue update to the logo; public consultation is scheduled to take place at the end of January 2024 through February 2024, and (ii) an increase to the municipal contribution is requested on an annual basis to cover the increasing operating costs.

It was requested that a memorandum outlining the municipal contributions on a per capita basis for the past 20 years, including available comparatives to other municipal libraries, be provided to Council.

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

FINANCE AND CORPORATE SERVICES DIVISION

2. **2024 PROPOSED OPERATING BUDGET**

(File Ref. No. 03-0970-03-01) (REDMS No. 7374856)

Staff noted the proposed budget is one of the lowest in the region in terms of percentage increases and of actual dollar amounts.

In response to queries from Council, staff noted (i) the current balance of the Capital Building Infrastructure Reserve is \$77 million, (ii) the intent of the 1.0% transfer to reserves is specifically to fund community facilities endorsed by Council, it is not a general account, (iii) 39% of the proposed budget for Police and Fire includes the required \$1.2 million E-comm cost, (iv) with growth as an estimate, the overall budget for 2024 is very conservative, (v) with respect to job security for any new City employment positions, if position is revenue funded and serving the City well, provisions may be made for the continuance of the position subject to a review and the efficiencies of the position, (vi) staff are currently developing the job profile for the two recommended outreach workers based on the need of the community and demands of the role, (vii) any operating surplus is transferred to the rate stabilization account, conservatively used as a funding source, and (viii) the tax growth noted as \$3.5 million is a conservative estimate based on information received from BC Assessment for the previous year.

A brief explanation of the rate stabilization funding to reduce the tax base was provided.

It was moved and seconded

That:

(1) ***The 2024 Proposed Operating Budget as presented in Budget Option 2 for a total of 5.62% be approved as outlined below:***

(a) ***A same level of service budget increase of \$8,900,427 after tax growth with a tax increase of 3.10% be approved; and***

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- (b) *Emerging organizational additional levels in the amount of \$1,501,828 as presented in Attachments 8, 9 and 10 of the staff report titled 2024 Proposed Operating Budget with a tax increase of 0.52% be approved; and*
 - (c) *Transfer to reserves for Investment in Community Facilities as per Council's Long Term Financial Management Strategy in the amount of \$2,870,523 with a tax increase of 1.00% be approved; and*
 - (d) *Senior level government and other government agency increase of \$3,491,599 with a tax increase of 1.22% be approved; and*
 - (e) *Use of reserves for program expenditures for Affordable Housing, Child Care and Public Art programs of \$1,581,197 as presented in Attachment 7 be approved; and*
 - (f) *Operating budget impacts totalling \$971,855 with a tax increase of 0.34% be approved; and*
 - (g) *The Rate Stabilization Account be used to reduce the overall impact of additional operating costs for a total of \$1,612,500 resulting in a tax decrease of 0.56% be approved; and*
- (2) *The 2024 Operating Budget as approved be included in the Consolidated 5 Year Financial Plan (2024-2028).*

The question on the motion was not called as discussion ensued with respect to the positions of Community Social Development – Planner 1 (2 RFTs) and Social Development Leader (RFT), as noted under Item 11, Ref 2 and 3, of the “Emerging Organizational Additional Levels – Not Recommended for Funding in 2024” table. Staff noted that these positions are currently auxiliary positions, not new positions, and proposed to change to regular full time positions.

As a result of the discussion, the following **amendment motion** was introduced:

It was moved and seconded

That the position of Social Development Leader (RFT) be added to the 2024 Proposed Operating Budget, impacting the budget by 0.03% to an overall increase to 5.65%.

The question on the amendment motion was not called as further discussion ensued.

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

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

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3. **2024 ONE-TIME EXPENDITURES**

(File Ref. No. 03-0970-01) (REDMS No. 7402021)

It was noted that the one-time expenditures come from the rate stabilization (previous surpluses that provide funding on a one-time basis).

Discussion ensued with respect to the need for a Public Safety Mobile Command and Communication Centre Vehicle (“Command Vehicle”). Staff noted that any expenditure from the RCMP that is over \$100,000 will require Council approval first, understanding that the Command Vehicle is not for the exclusive use of the RCMP and will also be utilized by different agencies including Richmond Fire Rescue, BC Ambulance Services and any other emergency operations, as well as many community events. Having all the components necessary for disaster or emergency operation needs, the Command Vehicle can be used for any natural disasters or other emergencies or acts of violence, as well as larger community functions such as the Festival of Lights and the Salmon Festival. Further discussion ensued with respect to the rigorous evaluation process, cost determination and options available that address all the benefits sought in the selection of the Command Vehicle. Staff noted that an update to Council will be provided following the procurement process for the Command Vehicle.

It was moved and seconded

That the one-time expenditures totaling \$2,977,311 as outlined in Attachment 1 of the 2024 One-Time Expenditures staff report, be approved with funding from the Rate Stabilization Account and included in the Consolidated 5 Year Financial Plan (2024-2028).

The question on the motion was not called as discussion ensued with respect to Capital Budget items that were not recommended at this time.

As a result of the discussion, the following **amendment motion** was introduced:

It was moved and seconded

That the Brighthouse Park Baseball Diamond Infield Upgrade (noted on page FIN 233), at a cost of \$520,000, be added to the 2024 One-Time Expenditures.

The question on the amendment motion was not called as further discussion ensued, noting that the park upgrade was one of the top recommended items at the recent Parks, Recreation and Cultural Services Committee meeting, and is an item identified for 2025. Completing the proposed upgrades sooner would be beneficial for younger users as well as some soccer, softball and men’s fastpitch, with the park activated all year round.

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As the proposed park upgrade is not on the 2024 One-Time Expenditures list, it was suggested that staff provide further information/description of the proposed park upgrades for consideration.

The question on the amendment motion was not called as there was agreement to consider the Brighthouse Park Baseball Diamond Infield Upgrade at the upcoming Council meeting.

Further to the earlier discussion related to the Command Vehicle, the following **amendment motion** was introduced:

It was moved and seconded

That Item 4 of the 2024 One-Time Expenditure Requests – RECOMMENDED, Ref 4, “Public Safety Mobile Command and Communication Centre Vehicle, be deleted.

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

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

4. **2024 PROPOSED CAPITAL BUDGET**

(File Ref. No. 03-0985-01) (REDMS No. 7375551)

Staff provided an overview of the parameters/criteria that Council follow and the Council policy on the Capital approval process, noting there is also a ranking process undertaken based on Council priorities and Council term goals. Among other things, staff also consider the funding availability, noting that some projects submitted do not have a dedicated funding source which then limits the amount of funding that is available and the program is scaled back to that availability. However, only so many items can be funded of which staff strive to balance with priorities, while also making sure that the project can be delivered within a sufficient timeline.

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In response to queries from Council, staff noted (i) the contingency is for external grants that may be received and put in a place holder until the funding is received. Once the grants are received the project can be set up so that funding for any of these projects will reduce the amount from the reserve and the amount will go back to the reserves if grants are received, (ii) the Hamilton Area Plan requires rezoning applications to provide cash in lieu and the OCP had indicated that the priorities were for the funds to be used for public library, indoor recreation and the community police office, for which the amount in that reserve is currently \$3.6 million, with the current priority to obtain enough funds for those three initiatives, (iii) the Shell Road Multi-Use Pathway will be brought forward in 2024 as a large grant has been awarded, and the Steveston Overpass project is anticipated to be completed in 2025, (iv) the parkland acquisition is always dependent on not only the property in question but also the amount of development costs charges available in reserve; and (v) the Sports Facility Needs Assessment was presented to the Parks, Recreation and Cultural Services Committee on November 28th, and will go forward to Council for further consideration on December 11th, where there were a number of priority projects identified within that, three of which are recommended but on the insufficient funding list.

Staff provided a brief overview of the Playground Replacement Program and associated funding.

It was moved and seconded

- (1) *That the 2024 Proposed Capital Budget as presented in Appendix 3 totaling \$208,564,335 be approved; and*
- (2) *That the 2024 Proposed Capital Budget as approved be included in the Consolidated 5 Year Financial Plan (2024-2028).*

CARRIED

LULU ISLAND ENERGY COMPANY

5. **LULU ISLAND ENERGY COMPANY – 2024 OPERATING AND CAPITAL BUDGETS**

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 7459792)

It was moved and seconded

That the Lulu Island Energy Company report titled "Lulu Island Energy Company – 2024 Operating and Capital Budgets", dated November 20, 2023 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 a brief discussion ensued regarding surplus generated by Lulu Island Energy Company. Staff noted that the surplus is directed to future capital until funded.

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

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ADJOURNMENT

It was moved and seconded
That the meeting adjourn (5:59 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 4,
2023.

Mayor Malcolm D. Brodie
Chair

Lorraine Anderson
Legislative Services Associate