



Finance Committee

Date: Monday, December 5, 2022

Place: Council Chambers
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au (by teleconference) (left the meeting at 6:20 p.m.)
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 4:32 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on November 8, 2022, be adopted as circulated.

CARRIED

The Chief Administrative Officer provided a brief introduction to the four reports for consideration, noting the diligent and challenging budget decisions made by the senior management team, in what has been a very difficult year, to ensure the recommendations in the reports are responsible budgets which address the reality of a CPI that was close to 7% last year and projected to be almost 4% this year.

RICHMOND PUBLIC LIBRARY

1. **2023 OPERATING AND CAPITAL BUDGETS FOR RICHMOND PUBLIC LIBRARY**

(File Ref. No. 97-RPLGENERAL) (REDMS No. 7022582)

It was moved and seconded

That the 2023 Richmond Public Library budget of \$10,845,600 as presented in Attachment 1 from the Chief Librarian and the Secretary to the Board, be approved.

Before the motion was called, discussion ensued with respect to (i) community needs focus in materials purchased, (ii) increased diversity in language collections, (iii) per capita budget comparison to other libraries in the region, (iv) fund development to generate revenue within the limitations under the *BC Library Act*, and efforts also underway through the BC Public Library Partners working to develop a plan for increased funding for libraries in BC to achieve secure and stable funding with the provincial government, and (v) budget rationale for eBooks and digital collections vs. print collections.

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

FINANCE AND CORPORATE SERVICES DIVISION

2. **2023 PROPOSED CAPITAL BUDGET**

(File Ref. No. 03-0970-03-01) (REDMS No. 6991972)

Discussion ensued with respect to (i) challenges in addressing parks aging infrastructure needs within the current funding recommendations, (ii) bus stop shelters and accessibility, (iii) flood protection acceleration, (iv) top 20 collision prone intersection improvement funding, (v) road resurfacing concerns, and (vi) funding for multi-use bike path routes.

In response to queries from the Committee, staff noted:

- light installation is not typical for neighbourhood parks;
- the increased expense for the building envelope at South Arm Community Hall is due to the age of the hall and the extent of work required as a result, including different cladding needs;
- staff are in the process of undergoing a parks aging infrastructure review for the implementation of a life cycle maintenance strategy replacement program, to include a complete inventory and project schedule which will reinforce the need for aging infrastructure replacement, anticipated to be brought forward to Council later in 2023;

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- there are a number of programs to enhance bus stops throughout the city, including a sponsored program where funding is received through bus shelter advertising, a program for building bus shelters, and a program for implementing accessible bus stops (currently 88%, working towards 100% accessible);
- flood protection priority areas include ongoing projects on the south dike at No. 9 Rd. and future work between No. 4 Road and No. 5 Road on the south dike;
- design and implementation of the Britannia Shipyards project will begin immediately following Council approval;
- the Operating Budget Impact (OBI) related to IT hardware and software expressed in the budget is an indication of a trend of vendors moving to software subscription and providing the service through the cloud vs. purchasing licenses as done previously;
- debt noted for 2021 in the Funding Capital (2018 to 2027) graph shown on page FIN 23, is in relation to the expense for the Steveston Community Centre Capital project; and
- in general, funding sources in the Capital Budget comes from City reserves, grants and development cost charges (DCCs).

It was moved and seconded

- (1) *That the 2023 Proposed Capital Budget as presented in Appendix 3 totaling \$131,516,181 be approved; and*
- (2) *That the 2023 Proposed Capital Budget as approved be included in the Consolidated 5 Year Financial Plan (2023-2027).*

CARRIED

3. **2023 ONE-TIME EXPENDITURES**

(File Ref. No. 03-0970-01) (REDMS No. 6999306)

Discussion ensued with respect to (i) the rationale for City Centre tree replacement and associated costs, and (ii) the recreation fee subsidy program and eligibility.

In response to queries from the Committee, staff noted that funding for the rate stabilization account is generated from previous years' annual operating surplus, and primarily used within the Operating Budget to directly reduce taxes the public pays, for one time expenditures and to fund items that may not have dedicated funding.

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It was moved and seconded

That the one-time expenditures totaling \$1,121,025 as outlined in Attachment 1 of the 2023 One-Time Expenditures staff report, be approved with funding from the Rate Stabilization Account and included in the Consolidated 5 Year Financial Plan (2023-2027).

The question on the motion was not called as discussion ensued with respect to one-time expenditure requests not recommended. As a result of the discussion the following amendment motion was introduced:

It was moved and seconded

That items 4 (Dog License E-billings) and 5 (Parking Permit Customer Portal), outlined on page FIN 174, be added.

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

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

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

4. **2023 PROPOSED OPERATING BUDGET**

(File Ref. No. 03-0970-01) (REDMS No. 7001464)

Staff noted some of the challenges in preparing the budget given the economic impacts while providing a same level of service budget increase of 3.22%.

Discussion ensued with respect to (i) the three proposed budget options, (ii) the recommended preliminary 2023 Operating Budget increase of 5.88% and proposed 5 year Financial Plan (2023-2027), (iii) Consumer Price Index (CPI) rate of 3.22% vs. the Municipal Index CPI at 4.75%, (iv) budget for the 4 proposed RCMP officers, the vacancy rate (actual and budgetary), and cost implications resulting from member vacancies within the Richmond RCMP (confidential memo regarding the exact number was requested), and (v) increased E-COMM rates to deliver a sustainable service.

In response to queries from the Committee, staff noted:

- as a result of the challenging budget considerations, the recommendation for an increase in the operating hours for the Steveston Outdoor Pool was not ranked as high as the other recommendations for consideration;
- insurance rates are derived from a controlled insurance market reflected by global disasters resulting in increased premium rates, and as the City's building inventory increases, so do the insurance premiums; and
- the projected tax revenue for the next five years are very conservative estimates.

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Councillor Au expressed opposition to the recommended Budget Option 2, noting his preference of Budget Option 1.

Councillor Au left the meeting at 6:20 p.m.

Further discussion ensued with respect to the requested additional organizational staffing levels. Staff noted:

- the positions identified in the budget to move forward are ones that Council had recognized the need for support through the Poverty Reduction Plan, noting an increase with vulnerable populations and poverty, an area that is growing significantly that needs extra assistance; and
- social equity is another area that is really seeing the need to be focussed on in terms of how we are helping other departments really understand the impacts of social equity within our community and how we are planning for the social equity principles within our strategies and plans and our policies as we are moving forward to ensure that what we are planning is equitable for the community.

In response to further queries from the Committee, staff noted:

- the City has been very successful to date accessing grant funding from senior levels of government, and believe there could be a lot more and will continue pressing them in that regard; and
- the Province is currently conducting a strategization exercise that has been accelerated in response to the atmospheric river event last year, which is indicative of the feedback the City has been giving, which includes a lot of requests for additional dedicated funding over the long term.

As a result of the discussion the recommendation was amended to include an additional .01% in Budget Option 2, for a total of 5.89%, for including the emerging organizational additional level of \$26,919 for increasing operating hours for the Steveston Outdoor Pool.

It was then moved and seconded

That:

(1) The 2023 Proposed Operating Budget as presented in Budget Option 2 for a total of 5.89% be approved as outlined below:

- (a) A same level of service budget increase of \$8,623,971 after tax growth with a tax increase of 3.22% be approved; and***

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- (b) *Emerging organizational additional levels in the amount of \$761,929 as presented in Attachments 8 and 9 of the staff report titled 2023 Proposed Operating Budget with a tax increase of 0.28% be approved, including the emerging organizational additional level of \$26,919 for increasing operating hours for Steveston Outdoor Pool with a tax increase of 0.01%; and*
 - (c) *Transfer to reserves for Investment in Community Facilities as per Council's Long Term Financial Management Strategy in the amount of \$2,680,441 with a tax increase of 1.00% be approved; and*
 - (d) *Senior level government and other government agency increase of \$4,058,476 with a tax increase of 1.51% be approved; and*
 - (e) *Council previously approved commitments in the amount of \$240,340 with a tax increase of 0.09% be approved; and*
 - (f) *Operating budget impacts totalling \$1,168,557 with a tax increase of 0.44% be approved; and*
 - (g) *The Rate Stabilization Account be used to reduce the overall impact of additional operating costs for a total of \$1,742,287 resulting in a tax decrease of 0.65% be approved; and*
- (2) *The 2023 Operating Budget as approved be included in the Consolidated 5 Year Financial Plan (2023-2027).*

An amendment motion was then introduced to remove the .01% increase made to item (1)(b) of the main motion, which was not seconded.

Further discussion ensued with respect to additional funding for the Community Social Development Planner 1 – RFT position, currently not recommended for funding in 2023, and the financial impact to the 1.0% transfer to reserves. As a result of the discussion, the following amendment motion was introduced:

It was moved

That additional funding for the Community Social Development Planner 1 – RFT position, at \$150,350, be added to the recommended motion.

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

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

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ADJOURNMENT

It was moved and seconded
That the meeting adjourn (6:56 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 5, 2022.

Mayor Malcolm D. Brodie
Chair

Lorraine Anderson
Legislative Services Associate