



Finance Committee

- Date: Monday, December 12, 2011
- Place: Anderson Room
Richmond City Hall
- Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Linda Barnes
Councillor Evelina Halsey-Brandt
Councillor Ken Johnston
Councillor Bill McNulty
Councillor Linda McPhail
Councillor Harold Steves
- Absent: Councillor Derek Dang
- Call to Order: The Chair called the meeting to order at 5:01 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, October 3, 2011, be adopted as circulated.

CARRIED

BUSINESS AND FINANCIAL SERVICES DEPARTMENT

1. **TANGIBLE CAPITAL ASSETS**
(File Ref. No.) (REDMS No. 3365168)

Jerry Chong, Director, Finance, provided background information and in answer to a question, advised that Richmond is at a median when compared to cities such as Burnaby, Vancouver and Surrey, and that the most comparable city to Richmond is Burnaby.

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It was moved and seconded

That the staff report entitled "Tangible Capital Assets" dated November 4, 2011 from the Director, Finance, be received for information.

CARRIED

2. **FINANCIAL INFORMATION – 3RD QUARTER 2011**
(File Ref. No. 03-0970-09-01) (REDMS No. 3414750)

In answer to a question about gaming revenues for the year, Jerry Chong, Director, Finance, advised that an audit will take place between February and March 2012, and that the finalized figures will be available in May or June of 2012.

It was moved and seconded

That the staff report on Financial Information for the 3rd Quarter ended September 30, 2011 be received for information.

CARRIED

3. **3RD QUARTER 2011 - FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**
(File Ref. No.) (REDMS No. 3420069)

John Mills, General Manager, Richmond Olympic Oval and Andrew Nazareth, General Manager, Business and Financial Services were available to answer questions.

A discussion took place about Richmond Olympic Oval's third quarter financial results, and in particular on:

- staffing at the oval and why the salaries and benefits were 4% under budget for 2011;
- the requirement to use of the term "surplus" when reporting on financial performance of a City subsidized facility, in accordance with accounting standards for the public sector;
- providing new members of Council with information on how each of the City's facilities is subsidized by square foot;
- major events, high performance sports, and community uses at the Oval;
- how the Oval addresses community needs by programming options for kids on Pro-D Days and during spring break;
- membership, admission and programs, as well as the Oval's capacity to attract and accommodate more members;
- the stipulation in the operating agreement between the Oval and the City that surplus funds would be placed in a capital reserve in order to establish a sinking fund for the Oval. This would provide the Oval with a future reserve that is separate from the City; and

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- how the hiring and spending freeze that had been in place at the Oval has been a factor in the Oval's final performance results.

It was moved and seconded

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2011 from the Controller of the Richmond Olympic Oval Corporation be received for information.

CARRIED

4. 2012 UTILITY BUDGETS AND RATES

(File Ref. No.) (REDMS No. 3398960)

Jerry Chong, Director, Finance, and Suzanne Bycraft, Manager, Fleet & Environmental Programs, were available to answer questions.

A discussion ensued about the 2012 utility budgets and rates, and in particular on:

- how the required annual water reserve contribution and capital replacement funding contribution have been met;
- the requirements for increases in the annual capital funding contributions for sanitary and drainage;
- the success of the City's multi-family water metering program in reducing water consumption, and the reduced revenues associated with declining water consumption;
- the challenges of increasing costs associated with maintaining City infrastructure, or other factors such as regional or other agency increases which are outside of the City's control;
- how the Greater Vancouver Sewerage and Drainage District Debt (GVS&DD) costs reduction will not benefit the sewer utility rates charged as these costs are recovered from property taxes; and
- the continuation and expansion of the Green Can Pilot Program and a suggestion to look into sealed compost units that would fit under a sink.

It was moved and seconded

That the 2012 Utility Expenditure Budgets, as outlined under Options 1 for Water, Sewer, Solid Waste & Recycling, and Option 3 for Drainage & Diking as contained in the staff report dated December 1, 2011 from the General Managers of Business and Financial Services and Engineering & Public Works, be approved as the basis for establishing the 2012 Utility Rates.

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

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It was moved and seconded

- (1) *That the motion be amended such that Option 2 be used for establishing the 2012 Utility Rates related to Solid Waste & Recycling with the partial contribution to the Rate Stabilization Fund; and*
- (2) *That the motion be amended to add that the "Rate Stabilization Fund" be renamed as the "General Solid Waste and Recycling/Rate Stabilization Fund".*

The question on the amendment motion was not called, as discussion continued about the rationale for changing the name of the Solid Waste and Recycling Rate Stabilization Fund to the General Solid Waste and Recycling/Rate Stabilization Fund. It was also noted that contributions associated with option 2 would allow the City to consider expansion of the recycling programs.

The question on the amendment motion was then called and it was **CARRIED** with Cllrs. Halsey-Brandt and Johnston opposed.

The question on the main motion as amended, to read as follows:

- (1) *That the 2012 Utility Expenditure Budgets, as outlined under Options 1 for Water, and Sewer, Option 2 for Solid Waste & Recycling, and Option 3 for Drainage & Diking as contained in the staff report dated December 1, 2011 from the General Managers of Business and Financial Services and Engineering & Public Works, be approved as the basis for establishing the 2012 Utility Rates; and*
- (2) *That the "Rate Stabilization Fund" be renamed as the "General Solid Waste and Recycling/Rate Stabilization Fund".*

was then called and it was **CARRIED**.

5. 2012 UTILITY RATE AMENDMENT BYLAWS

(File Ref. No.) (REDMS No. 3423695)

Committee directed that the Solid Waste Bylaw be revised in accordance with Option 2 in the staff report and brought forthright to the Special Open Council meeting at which time the Utility Bylaw readings would be considered.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:05 p.m.).

CARRIED

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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 12, 2011.

Mayor Malcolm D. Brodie
Chair

Shanan Dhaliwal
Executive Assistant
City Clerk's Office