



Finance Committee

Date: Monday, June 4, 2012

Place: Anderson Room
Richmond City Hall

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

Call to Order: The Chair called the meeting to order at 4:04 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, May 7, 2012, be adopted as circulated.

CARRIED

BUSINESS AND FINANCIAL SERVICES DEPARTMENT

1. **RICHMOND OLYMPIC OVAL CORPORATION – 2011 AUDITED FINANCIAL STATEMENTS**

(File Ref. No. 01-0060-20-ROVA1/2012-Vol 01) (REDMS No. 3526713)

In answer to questions from Committee, Andrew Nazareth, General Manager, Business and Financial Services, and John Mills, General Manager, Richmond Olympic Oval Corporation, provided the following information:

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- the Richmond Olympic Oval Corporation has an accumulated surplus of approximately 2.2 million dollars, with 1.7 million allocated as a capital reserve;
- there were 43 full-time employees at the end of the fiscal year, which has now increased to 49 full-time employees;
- the City will continue to receive funding from the 2010 Games Operating Trust Fund (GOT) as long as the City continues to comply with the obligations set by the Trust;
- GOT is an endowment fund which is maintained by the 2010 Games Operating Trust Society; and
- an annual report on GOT is provided to the City following the 2010 Games Operating Trust Society's Annual General Meeting.

Staff were requested to provide copies of the 2010 Games Operating Trust Fund Annual Report to Council when it is available.

It was moved and seconded

That the report on the 2011 Audited Financial Statements for the Richmond Olympic Oval Corporation from the Controller of the Richmond Olympic Oval Corporation be received for information.

CARRIED

2. **2011 ANNUAL REPORT AND 2011 ANNUAL REPORT – HIGHLIGHTS**

(File Ref. No.:) (REDMS No. 3521666)

Ted Townsend, Senior Manager, Corporate Communications, accompanied by Jerry Chong, Director, Finance, drew attention to the following two changes that have been made to the Annual Report since last year: (i) the short version of the report was further reduced in size, and new reader friendly charts were introduced; and (ii) in the interest of accountability and transparency, a four page wrap will be developed and placed in the Richmond Review.

It was moved and seconded

That the attached City of Richmond 2011 Annual Report and the 2011 Annual Report – Highlights be approved.

CARRIED

3. **2011 ANNUAL DEVELOPMENT COST CHARGES**

(File Ref. No. 03-0900-01/2012-Vol 01) (REDMS No. 3516552)

In answer to questions, Jerry Chong, Director, Finance, advised that: (i) the Annual Development Cost Charges (DCC) report is a local government requirement; (ii) DCCs are reviewed every three to four years, and that the last review and increase of DCCs took place in 2009; and (iii) an assessment of DCCs will take place at the end of 2012.

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It was moved and seconded

That the staff report titled 2011 Annual Development Cost Charges (dated April 27, 2012 from the Director, Finance) be received for information.

CARRIED

4. **REVENUE ANTICIPATION BORROWING (2012) BYLAW NO. 8896**
(File Ref. No.: 03-0900-01/2011-Vol 01) (REDMS No. 3515105)

Jerry Chong, Director, Finance, advised that Bylaw No. 8896 addressed “housekeeping” matters, and that in the event the City needs to draw upon its lines of credit, the City would need prior approval via this bylaw.

It was moved and seconded

That Revenue Anticipation Borrowing (2012) Bylaw No. 8896 be introduced and given first, second, and third readings.

CARRIED

5. **2011 SURPLUS APPROPRIATION**
(File Ref. No.:) (REDMS No. 3518825)

Andrew Nazareth, Business and Financial Services, joined by Jerry Chong, Director, Finance, provided an overview of the process related to the proposed 2011 Surplus Appropriation, advising that over 60 submissions had been reviewed by the The Administrators Group (TAG) Cost Control Sub-Committee. The submissions were forwarded to the Corporate Directors Group to be prioritized, prior to TAGs final review.

A discussion then ensued about:

- options for the funds that have been proposed for Item No. 12 – 2013 Capital Program. It was noted that expenditure of any funds allocated to Item No. 12 would require further approval from Council, and that Council may access funds proposed for Item No. 12 for alternative uses if required;
- costs related to labour, and how the TAG Cost Control Sub-Committee has recommended that labour costs and requests for positions become a part of the budget process rather than the surplus appropriation process;
- Item No. 16 – Consultant Fees for Policy Development. It was noted that this item was not recommended at this time as it may also receive provincial funding;
- a request from the Child Care Development Committee for a three year Child Care Coordinator position. It was noted that the Committee had submitted a request last year, and that there was an understanding that the request would be addressed during the 2011 Surplus Appropriation process. Staff advised that the request had been deferred to the 2013 budget process, as it is a staff expenditure;

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- the feasibility of replenishing the Major Events Provision Fund (Item No. 13);
- the feasibility of providing seed funding for Item No. 15 – Mobile Community Safety Education Unit, and Item No. 18 – Salmon Row 2013. It was noted that sponsorship funding is being investigated for both items, and if achieved, sponsorship funding would be used to reduce the amount requested from the City;
- the feasibility of re-allocating funds from Item No. 12 – 2013 Capital Program to other items; and
- the need to place additional funds in reserves.

It was moved and seconded

That the December 31, 2011 surplus of \$4.556 million be appropriated as outlined in the staff report titled 2011 Surplus Appropriation (dated April 26, 2012 from the General Manager, Business and Financial Services).

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

It was moved and seconded

That \$50,000 be taken from Item No. 12 – 2013 Capital Program, for funding of a one year temporary part-time position of a Child Care Coordinator.

CARRIED

Staff were directed to provide further information on the Child Care Coordinator position via memo.

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

It was moved and seconded

That \$167,500 be taken from Item No. 12 – 2013 Capital Program, and

- (1) *\$67,500 be appropriated to Item No. 15 – Mobile Community Safety Education Unit, as seed funding; and*
- (2) *\$100,000 be appropriated to Item No. 18 – Salmon Row 2013, as seed funding.*

CARRIED

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

It was moved and seconded

That \$500,000 be taken from Item No. 12 – 2013 Capital Program, and placed into reserves.

The question on the amendment motion was not called as a **sub-amendment** was introduced:

It was moved and seconded

That the \$500,000 for reserves be placed specifically into the Capital Building and Infrastructure Reserve.

CARRIED

The question on the **amendment** motion, which now reads as:

“That \$500,000 be taken from Item No. 12 – 2013 Capital Program, and placed into Capital Building and Infrastructure Reserve.”

was then called, and it was **CARRIED** with Cllrs. McNulty and Steves opposed.

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

It was moved and seconded

That \$125,000 be taken from Item No. 12 – 2013 Capital Program, and placed in the Major Events Provision Fund.

CARRIED

OPPOSED: Cllrs. Johnston
McNulty

The question on the main motion as amended, which now reads as:

“That the December 31, 2011 surplus of \$4.556 million be appropriated as outlined in the staff report titled 2011 Surplus Appropriation (dated April 26, 2012 from the General Manager, Business and Financial Services) with the following amendments:

- (1) That \$50,000 be taken from Item No. 12 – 2013 Capital Program, for funding of a one year temporary part-time position of a Child Care Coordinator;*
- (2) That \$167,500 be taken from Item No. 12 – 2013 Capital Program, and*
 - (a) \$67,500 be appropriated to Item No. 15 – Mobile Community Safety Education Unit, as seed funding; and*
 - (b) \$100,000 be appropriated to Item No. 18 – Salmon Row 2013, as seed funding;*

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- (3) *That \$500,000 be taken from Item No. 12 – 2013 Capital Program, and placed into Capital Building and Infrastructure Reserve; and*
- (4) *That \$125,000 be taken from Item No. 12 – 2013 Capital Program, and placed in the Major Events Provision Fund.”*

CARRIED

OPPOSED: Cllrs. Johnston
McNulty

ADJOURNMENT

It was moved and seconded
That the meeting adjourn (5:16 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, June 4, 2012.

Mayor Malcolm D. Brodie
Chair

Shanan Dhaliwal
Executive Assistant
City Clerk's Office