



Finance Select Committee

Date: Tuesday, March 23rd, 2004
Place: Anderson Room
Richmond City Hall
Present: Councillor Kiichi Kumagai, Chair
Councillor Harold Steves, Vice-Chair
Councillor Derek Dang
Councillor Evelina Halsey-Brandt
Councillor Sue Halsey-Brandt
Councillor Rob Howard
Councillor Bill McNulty
Mayor Malcolm D. Brodie
Absent: Councillor Linda Barnes
Call to Order: The Chair called the meeting to order at 6:00 p.m.

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Finance Select Committee held on Tuesday, November 25th, 2003, be adopted as circulated.

CARRIED

2. **USER FEES AND NEW REVENUE SOURCES**
(Memo: Mar. 18/04, File No.: 1215-01) (REDMS No. 1198434)

Chief Administrative Officer George Duncan advised that in response to requests from several Councillors, examples had been provided of potential additional revenue sources and cost cutting measures which could be applied against the 2004 operating budget. He explained that he had only provided a memorandum with suggestions from staff, and stressed that the material being considered were not recommendations.

Finance Select Committee

Tuesday, March 23rd, 2004

Mr. Duncan advised, in concluding his opening statements, that time was running short, that Council would soon have to make a decision on the 2004 operating budget, that staff were running out of options to submit to Council, and that the only way to reduce taxes would be increase revenue or reduce expenses.

Reference was made by the Chair to the \$473,541 in potential new revenue for 2004 from the expansion of pay parking to include Minoru Park and Steveston Village, and to the creation of the new Richmond Parking Advisory Committee to examine all aspects of parking within the City. He stated that the suggestion of implementing pay parking in specific areas was premature until the new committee had had the opportunity to review this matter.

Discussion ensued among Committee members and staff on the material provided and the rationale for the suggestions made by Mr. Duncan. Concerns were voiced by several Committee members about (i) considering an increase in user fees when the development of the new Parks Master Plan had not yet been completed, and (ii) expansion of the City's pay parking program. The comment was made that the issue of cost recovery of some of the services provided by the City should be reviewed individually, and that the reality was that Council had to make a decision on whether to continue with the provision of the same level of service.

Mayor Brodie spoke about (i) the use of anticipated casino revenue to help reduce any property tax increase, especially in light of the lawsuit filed by Musqueam against the relocation of the Great Canadian Casino to the former Bridgeport Market site; (ii) the efforts of Council and City staff to maintain a high level of service, at the same time, keeping taxes low in comparison to other Lower Mainland cities; (iii) the imbalance which now existed in that the City could not afford to continue with low tax increases and still maintain existing services; and (iv) the crisis faced by the City if the City's long term financial sustainability was not resolved.

The long term financial sustainability strategy was addressed, with comments being made that the strategies adopted should be followed in preparing the 2004 operating budget. Reference was made by the Chair to the work of staff to find potential efficiencies and alternate revenue sources, and he commented that the suggestions proposed did not seem to be palatable to some members of Council. Discussion continued with comments being made that the City was now faced with a one year tax increase which would lead into the implementation in 2005 of an annual increase in property taxes by the rate of CPI plus 1%.

Mr. Hans Havis, President of the West Richmond Community Association, spoke about the City's community associations working together with the City to find revenue sharing options. He noted however that the equipment in each of the facilities had been purchased by the Community Association for that facility, and that the programs offered at each facility were managed by Association staff.

Finance Select Committee

Tuesday, March 23rd, 2004

Mr. Havis stated that the proposed suggestions in Mr. Duncan's memorandum, to generate additional revenue by taking revenue from the associations were a 'slap in the face' in light of the many hours which the associations had spent with the City and Task Force members in developing the Parks Master Plan. He commented that a notice of intent to the associations would have been beneficial.

The question was raised about whether it was necessary to ask staff to review revenue sharing opportunities with the community associations and the Task Force. The Chair directed that a resolution would not be needed as he felt that this issue should be left with the Task Force.

Reference was again made to the need to make a decision on the 2004 operating budget, during which it was noted that 2004 was the transition year and that an adjustment was required to ensure that in 2005, property taxes would increase through the application of the CPI plus 1%.

Reference was made to material circulated to the Committee, a copy of which is on file in the City Clerk's Office, which showed a new amount (\$837,836) for the 'Revolving Line Repayment from Casino' rather than the amount of \$1 Million which had previously been approved by the General Purposes Committee. Discussion then ensued as to the origin of the amount and the rationale for the change from the amount approved previously.

The rationale for referring the budget resolutions from the March 22nd, 2004 Regular Council Meeting to this meeting of the Finance Select Committee was also addressed, along with the question of whether the Committee could make any amendments to that resolution. As a result of the discussion, the Chair directed that the original motion, which would, if approved, call for a property tax increase of 3.74%, be maintained.

It was moved and seconded

That the memorandum (dated March 18th, 2004, from the Chief Administrative Officer), regarding User Fees and New Revenue Sources, be received for information.

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

It was moved and seconded

That the main motion be amended by adding the following, "and that the memorandum be referred to stakeholders for discussion."

The question on the amendment was not called, as discussion ensued on whether such an amendment was appropriate.

The question on the amendment was then called, and it was **DEFEATED** with Cllrs. Dang, E. Halsey-Brandt, S. Halsey-Brandt, Howard, Kumagai and Steves opposed.

Finance Select Committee

Tuesday, March 23rd, 2004

The question on the main motion was not called, as discussion ensued on (i) whether the memorandum should be referred to the next meeting on the financial sustainability strategy, (ii) the types of efficiencies which existed, i.e. operating which were incorporated automatically, and those of a political nature which required Council approval, such as the implementation of user and parking fees; (iii) the new revenue sources proposed within the Engineering & Public Works Division, and how these proposals would be considered; and (iv) whether consideration of the specific items of user fees as they related to the Parks, Recreation & Cultural Services Division and expansion of the City's pay parking program should be delayed until after the submission of the Task Force reports on these matters.

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

It was moved and seconded

That the memorandum (dated March 18th, 2004, from the Chief Administrative Officer), regarding User Fees and New Revenue Sources, be forwarded in its entirety to the next meeting on the long term financial sustainability strategy.

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

It was moved and seconded

That the main motion be amended by deleting the words "in its entirety", and by substituting, "with the exclusion of the parks and recreation user fee and parking issues."

CARRIED

OPPOSED: Cllr. Howard

The question on the main motion, as amended, was then called, and it was **CARRIED** with Cllr. Howard opposed.

Discussion then ensued among Committee members on the need to call a Special Meeting of Council to deal with the budget resolutions. Also discussed was whether (i) staff would begin preparations on the Five Year Financial Plan, and (ii) CPI plus 1% could be used to develop years 2, 3, 4 and 5 of the Plan.

As a result of the discussion, it was agreed that a Special Council meeting would be held at 4:00 p.m., on Monday, March 29th, 2004, in the Council Chambers, and that a General Purposes Committee meeting would follow immediately after on the long term financial sustainability strategy.

Finance Select Committee

Tuesday, March 23rd, 2004

Discussion then ensued among Committee members on the use of casino revenue to reduce the amount of property taxes. In response to questions, information was provided by staff about the amount of casino revenue which had been pre-committed to other projects; the amount of 2004 casino revenue which had been pre-committed to projects, and the amount of casino revenue which had been received to date. Also discussed briefly was the impact that the Musqueam lawsuit could have on potential casino revenue.

ADJOURNMENT

It was moved and seconded
That the meeting adjourn (7:45 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Finance Select Committee of the Council of the City of Richmond held on Tuesday, March 23rd, 2004

Councillor Kiichi Kumagai
Chair

Fran J. Ashton
Executive Assistant, City Clerk's Office