



Finance Committee

Council Chambers, City Hall
6911 No. 3 Road

Monday, July 5, 2021

4:00 p.m.

Pg. # ITEM

MINUTES

FIN-4

Motion to adopt the minutes of the Special Finance Committee meeting held on April 26, 2021, and the Finance Committee meeting held on June 7, 2021.



FINANCE AND CORPORATE SERVICES DIVISION

1. **REVENUE ANTICIPATION BORROWING (2021) BYLAW NO. 10270**
(File Ref. No. 03-0900-01) (REDMS No. 6689521)

FIN-9

See Page FIN-9 for full report

Designated Speaker: Venus Ngan

STAFF RECOMMENDATION

- (1) *That Revenue Anticipation Borrowing (2021) Bylaw No. 10270 be introduced and given first, second and third readings.*
- (2) *That Revenue Anticipation Borrowing (2021) Bylaw No. 10270 be adopted.*



2. **BANKING RESOLUTION UPDATE**

(File Ref. No. 03-0900-01) (REDMS No. 6684789)

FIN-14

[See Page FIN-14 for full report](#)

Designated Speaker: Venus Ngan

STAFF RECOMMENDATION

That effective July 12, 2021, the banking resolution (part 9 of resolution R09/11-4) adopted by Council on June 8, 2009, be replaced with the following:

- (1) All cheques be signed on behalf of the City by the Mayor or, in his/her absence, the Acting Mayor as determined by Council resolution, and counter-signed by the General Manager, Finance and Corporate Services or, in his/her absence, the Acting General Manager, Finance and Corporate Services. The use of a mechanical or other device in affixing a facsimile of their signatures to such cheques is also an acceptable means of authorization.*
- (2) The following persons are authorized in all dealings (as described below) with the City's bank on behalf of the City:*
 - Chief Administrative Officer, or in his/her absence, the Deputy Chief Administrative Officer*
 - General Manager, Finance and Corporate Services, or in his/her absence, the Acting General Manager, Finance and Corporate Services*
 - Director, Finance, or in his/her absence, the Acting Director, Finance*
 - Manager, Revenue, or in his/her absence, the Acting Manager, Revenue*
 - Manager, Treasury and Financial Services, or in his/her absence, the Acting Manager, Treasury and Financial Services*

Two of the above persons, one of whom must be the Chief Administrative Officer (in his/her absence, the Deputy Chief Administrative Officer), or the General Manager, Finance and Corporate Services (in his/her absence, the Acting General Manager, Finance and Corporate Services), or the Director, Finance (in his/her absence, the Acting Director, Finance), are authorized to:

- (a) Provide instructions, verifications and approvals to the City's bank (without limitation) to transfer funds, wire payments and authorize debits on behalf of the City;*

- (b) *Enter into and authorize Financial Services Agreement, other banking agreements, cash management service requests, and electronic banking arrangements with the City's bank on behalf of the City;*
- (c) *Obtain delivery of all or any stocks, bonds and other securities held in safekeeping or otherwise for the account of the City; and*
- (d) *Give instructions to the City's bank and its subsidiaries in assisting with the management of the City's investments.*

Any one of the above persons is authorized to:

- (e) *Negotiate with, deposit with, or transfer to the City's account, all or any cheques and other orders for the payment of money to the City, and to endorse such cheques and orders for the payment of money to the City, either in writing or by rubber stamp.*
- (3) *Authorization from both the Mayor (in his/her absence the Acting Mayor) and the General Manager, Finance and Corporate Services (in his/her absence the Acting General Manager, Finance and Corporate Services or the Director, Finance), along with a copy of the adopted bylaw, are required for the City to obtain long-term borrowing from the City's bank and to grant security to the City's bank on behalf of the City.*
 - (4) *The City's bank is authorized to honour, pay and charge to the account of the City, all City's written instructions bearing a facsimile or facsimiles of the signature of the above-mentioned authorized persons on the understanding that each instruction will be binding on the City to the same extent as though they had been manually signed.*
 - (5) *This resolution:*
 - (a) *Remains in force and effect until written notice to the contrary has been given in writing to, and acknowledged in writing by, the City's bank; and*
 - (b) *Be certified by the Corporate Officer and provided to the City's bank, together with specimens of facsimiles of the signatures having authority to sign cheques and/or written instructions on behalf of the City.*

ADJOURNMENT





Special Finance Committee

Date: Monday, April 26, 2021

Place: Council Chambers
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Alexa Loo (by teleconference)
Councillor Bill McNulty (by teleconference)
Councillor Linda McPhail (by teleconference)
Councillor Harold Steves (by teleconference)
Councillor Michael Wolfe (by teleconference)

Absent: Councillor Carol Day

Call to Order: The Chair called the meeting to order at 4:00 p.m.

In accordance with Section 100 of the *Community Charter*, Cllr. Au declared to be in a conflict of interest as his son is a member of Richmond Fire-Rescue, and Cllr. Au left the meeting – 4:01 p.m.

FINANCE AND CORPORATE SERVICES DIVISION

1. **ANNUAL PROPERTY TAX RATES (2021) BYLAW NO. 10249**
(File Ref. No. 03-0925-10-01) (REDMS No. 6644396)

It was moved and seconded

- (1) *That the Annual Property Tax Rates (2021) Bylaw No. 10249 be introduced and given first, second and third readings.*
- (2) *That the Annual Property Tax Rates (2021) Bylaw No. 10249 be adopted.*

The question on the motion was not called as discussion ensued with regard to (i) public awareness of the property tax rate process, (ii) the City's tax rate in comparison to other municipalities, and (iii) comparison of the City's residential property tax rates and the business tax rates.

Special Finance Committee
Monday, April 26, 2021

In reply to queries regarding property classes, staff noted that BC Assessment determines the property class and that staff can forward information on the matter to Council.

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

Cllr. Au returned to the meeting – 4:11 p.m.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:11 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, April 26,
2021.

Mayor Malcolm D. Brodie
Chair

Evangel Biason
Legislative Services Associate



Finance Committee

Date: Monday, June 7, 2021

Place: Council Chambers
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day (by teleconference)
Councillor Alexa Loo (by teleconference)
Councillor Bill McNulty (by teleconference)
Councillor Linda McPhail (by teleconference)
Councillor Harold Steves (by teleconference)
Councillor Michael Wolfe (by teleconference)

Call to Order: The Chair called the meeting to order at 4:34 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on May 3, 2021, be adopted as circulated.

CARRIED

NEXT COMMITTEE MEETING DATE

July 5, 2021, (tentative date) at 4:00 p.m. in Council Chambers

Finance Committee
Monday, June 7, 2021

FINANCE AND CORPORATE SERVICES DIVISION

1. FINANCIAL INFORMATION – 1ST QUARTER MARCH 31, 2021

(File Ref. No.) (REDMS No. 6668369)

It was moved and seconded

That the staff report titled, “Financial Information – 1st Quarter March 31, 2021”, dated May 7, 2021 from the Acting Director, Finance be received for information.

CARRIED

2. ACTIVE CAPITAL PROJECTS INFORMATION - 1ST QUARTER MARCH 31, 2021

(File Ref. No. 03-0975-01) (REDMS No. 6657762)

It was moved and seconded

That the staff report titled, “Active Capital Projects Information – 1st Quarter March 31, 2021”, dated May 10, 2021 from the Director, Finance be received for information.

CARRIED

3. 2022-2026 BUDGET PROCESS

(File Ref. No. 03-0970-25-2021-01) (REDMS No. 6665522)

It was moved and seconded

That the staff report titled “2022-2026 Budget Process” dated May 17, 2021 from the Director, Finance be received for information.

The question on the motion was not called as in reply to queries from Committee, staff noted that a copy of Policy 3016 can be provided and all external factors will be considered when preparing the budget.

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

4. LULU ISLAND ENERGY COMPANY – 1ST QUARTER MARCH 31, 2021 FINANCIAL INFORMATION

(File Ref. No. 10-6600-10-01) (REDMS No. 6672096)

It was moved and seconded

That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 1st Quarter March 31, 2021 Financial Information”, dated May 7, 2021 from the Chief Executive Officer and Chief Financial Officer, be received for information.

CARRIED

Finance Committee
Monday, June 7, 2021

5. **RICHMOND OLYMPIC OVAL CORPORATION – 2021 Q1 INTERIM FINANCIAL STATEMENTS**

(File Ref. No.) (REDMS No. 6671478)

It was moved and seconded

That the report on the 2021 first quarter interim financial statements ended March 31, 2021 for the Richmond Olympic Oval Corporation from the Director, Finance, Richmond Olympic Oval Corporation be received for information.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:43 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 7, 2021.

Mayor Malcolm D. Brodie
Chair

Sarah Goddard
Legislative Services Associate



City of Richmond

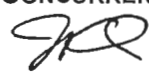


Report to Committee

To: Finance Committee **Date:** May 31, 2021
From: Ivy Wong **File:** 03-0900-01/2021-Vol
Acting Director, Finance 01
Re: Revenue Anticipation Borrowing (2021) Bylaw No. 10270

Staff Recommendation

1. That Revenue Anticipation Borrowing (2021) Bylaw No. 10270 be introduced and given first, second and third readings.
2. That Revenue Anticipation Borrowing (2021) Bylaw No. 10270 be adopted.

Ivy Wong
Acting Director, Finance
(604-276-4046)

| REPORT CONCURRENCE | | |
|-----------------------------------|---|--|
| ROUTED TO: | CONCURRENCE | CONCURRENCE OF GENERAL MANAGER |
| Law | <input checked="" type="checkbox"/> |  Acting GM, F&CS |
| SENIOR STAFF REPORT REVIEW | INITIALS:  | APPROVED BY CAO  |

Staff Report

Origin

The City of Richmond (the City) continues to maintain a sound financial position with access to cash and liquid investments to meet its financial obligations. Consistent with ongoing practice, it is prudent for the City to maintain adequate level of credit facility as a contingency plan in the event that the City requires bridge funding to meet current lawful expenditures and obligations.

The City maintains a credit facility agreement with its bank and is seeking Council's approval and authorization of the proposed Revenue Anticipation Borrowing (2021) Bylaw No. 10270. This bylaw requires annual adoption in accordance with Section 177 of the *Community Charter*.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

5.1 Maintain a strong and robust financial position.

Findings of Facts

Last year, Council adopted Revenue Anticipation Borrowing (2020) Bylaw No. 10153 whereby the City was authorized to borrow up to \$36,500,000 to meet its obligations, if required. The authorized amount of the revenue anticipation borrowing took into consideration the uncertainty of the potential financial impacts of the COVID-19 pandemic had on households, businesses and the City's finances.

Despite the unprecedented conditions, the City has been able to maintain and continue to sustain a strong financial position and the available credit facility was never activated. Staff have reassessed the credit requirements and is proposing that the amount of revenue anticipation borrowing for the current year be reduced by \$15,000,000 to \$21,500,000. The proposed amount of \$21,500,000 in credit facilities is comprised of:

- (i) \$15,000,000 in standby letters of credit, demand promissory notes or bank overdraft;
- (ii) \$4,500,000 in leasing lines of credit; and
- (iii) \$2,000,000 in commercial card credit facility.

Analysis

Section 177 of the *Community Charter*

Pursuant to Section 177 of the *Community Charter*:

- Council may, by bylaw, provide the authority to borrow money that may be necessary to meet current lawful expenditures or to pay amounts required to meet the City's taxing obligations in relation to other local governments or public bodies.
- The maximum amount of borrowing allowed for revenue anticipation borrowing is the sum of the unpaid taxes for the current year and the money remaining due from other governments (e.g. payment in lieu of taxes and grants).
- Before the adoption of the annual property tax bylaw in any year, the taxes in that year are deemed to be 75% of all property taxes imposed for all purposes in the preceding year.
- If money is borrowed pursuant to a revenue anticipation borrowing bylaw, any money to be collected from property taxes must be used to repay the money borrowed.

The proposed bylaw amount of \$21,500,000 satisfies all the conditions set out in Section 177 of the *Community Charter*.

Purpose of the City's Credit Facility Agreement

Standby Letters of Credits/Demand Promissory Notes/Bank Overdraft

The purpose of the \$15,000,000 operating line of credit is to ensure that the City has a secondary source of credit in place to protect its bank accounts from the unlikely event of going into an overdraft position. Staff regularly monitor the City's cash flow position to prevent the possibility of having to draw down on the credit facility. The credit facility has never been utilized by the City. If the operating line of credit remains unused, it will be free of charge for the City to maintain.

Leasing Lines of Credit

The purpose of the \$4,500,000 leasing lines of credit is to ensure that a leasing facility is available in the event it is required. If the leasing line of credit remains unused, it will be free of charge for the City to maintain.

Commercial Credit Card Facility

The purpose of the \$2,000,000 limit in commercial credit card facility is to provide a convenient and cost-effective method of procuring and paying for low value goods and services. The commercial credit card facility is free of charge if payment is received within three days after the statement date.

Costs of the City's Credit Facilities

The credit facilities are offered to the City by Scotiabank at no charge unless they are being drawn upon. The following table summarizes the interest rates under the City's existing credit facility agreement:

| | Operating Lines of Credit | Leasing Lines of Credit | Commercial Credit Card |
|---------------|---------------------------------------|---|------------------------------------|
| Interest Rate | Bank's prime lending rate minus 0.50% | Bank's prime lending rate or leasing base rate plus 0.60% | Bank's prime lending rate plus 12% |
| Grace Period | None | None | 3 days after statement date |

The current bank's prime lending rate at the time of this report is 2.45%.

Proposed Revenue Anticipation Borrowing (2021) Bylaw No. 10270

The proposed Revenue Anticipation Borrowing (2021) Bylaw No. 10270 does not automatically result in any borrowing upon adoption. The adoption of the Bylaw will enable the establishment of available credit facilities in the event that bridge financing is required.

With the City's solid financial position, the City has never activated any credit facilities in the past. The purpose of maintaining these credit facilities is to ensure that they will be available in the event that funds are required to meet short-term operational cash flow needs. Should any of these credit facilities be utilized resulting in the City incurring interest charges for a consecutive period of more than two weeks, staff will prepare a memo to inform Council of such financial activity.

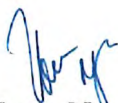
The Revenue Anticipation Borrowing Bylaw is required to be adopted annually by Council. Credit facility arrangements are reviewed with the bank at least once a year to evaluate the City's credit needs in determining the optimal level of credit facility balances to maintain.

Financial Impact

None.

Conclusion

Staff recommend that the Revenue Anticipation Borrowing (2021) Bylaw No. 10270 be approved for adoption.



Venus Ngan, CPA, CA
 Manager, Treasury and Financial Services
 (604-276-4217)
 Att. Revenue Anticipation Borrowing (2021) Bylaw No. 10270



REVENUE ANTICIPATION BORROWING (2021) BYLAW NO. 10270

The Council of the City of Richmond enacts as follows:

1. Council shall be and is hereby empowered and authorized to borrow upon the credit of the City, from a financial institution, a sum not exceeding \$21,500,000 at such times as may be required.
2. The form of obligation to be given as acknowledgement of the liability shall be \$15,000,000 in the form of standby letters of credit, demand promissory notes or bank overdraft, \$4,500,000 in the form of leasing lines of credit, and \$2,000,000 in the form of commercial credit card facility.
3. All unpaid taxes and the taxes of the current year (2021) when levied or so much thereof as may be necessary shall, when collected, be used to repay the money so borrowed.
4. Revenue Anticipation Borrowing (2020) Bylaw No. 10153 is hereby repealed.
5. This Bylaw is cited as **“Revenue Anticipation Borrowing (2021) Bylaw No. 10270”**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

| |
|---|
| CITY OF RICHMOND |
| APPROVED for content by originating dept. VN |
| APPROVED for legality by Solicitor BRB |

MAYOR

CORPORATE OFFICER



To: Finance Committee

Date: June 2, 2021

From: Ivy Wong
Acting Director, Finance

File: 03-0900-01/2021-Vol
01

Re: Banking Resolution Update

Staff Recommendation

That effective July 12, 2021, the banking resolution (part 9 of resolution R09/11-4) adopted by Council on June 8, 2009, be replaced with the following:

- (1) All cheques be signed on behalf of the City by the Mayor or, in his/her absence, the Acting Mayor as determined by Council resolution, and counter-signed by the General Manager, Finance and Corporate Services or, in his/her absence, the Acting General Manager, Finance and Corporate Services. The use of a mechanical or other device in affixing a facsimile of their signatures to such cheques is also an acceptable means of authorization.
- (2) The following persons are authorized in all dealings (as described below) with the City's bank on behalf of the City:

Chief Administrative Officer, or in his/her absence, the Deputy Chief
Administrative Officer

General Manager, Finance and Corporate Services, or in his/her absence, the
Acting General Manager, Finance and Corporate Services

Director, Finance, or in his/her absence, the Acting Director, Finance

Manager, Revenue, or in his/her absence, the Acting Manager, Revenue

Manager, Treasury and Financial Services, or in his/her absence, the Acting
Manager, Treasury and Financial Services

Two of the above persons, one of whom must be the Chief Administrative Officer (in his/her absence, the Deputy Chief Administrative Officer), or the General Manager, Finance and Corporate Services (in his/her absence, the Acting General Manager, Finance and Corporate Services), or the Director, Finance (in his/her absence, the Acting Director, Finance), are authorized to:

- (a) Provide instructions, verifications and approvals to the City's bank (without limitation) to transfer funds, wire payments and authorize debits on behalf of the City;
- (b) Enter into and authorize Financial Services Agreement, other banking agreements, cash management service requests, and electronic banking arrangements with the City's bank on behalf of the City;
- (c) Obtain delivery of all or any stocks, bonds and other securities held in safekeeping or otherwise for the account of the City; and
- (d) Give instructions to the City's bank and its subsidiaries in assisting with the management of the City's investments.



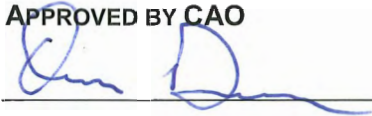
Any one of the above persons is authorized to:

- (e) Negotiate with, deposit with, or transfer to the City's account, all or any cheques and other orders for the payment of money to the City, and to endorse such cheques and orders for the payment of money to the City, either in writing or by rubber stamp.
- (3) Authorization from both the Mayor (in his/her absence the Acting Mayor) and the General Manager, Finance and Corporate Services (in his/her absence the Acting General Manager, Finance and Corporate Services or the Director, Finance), along with a copy of the adopted bylaw, are required for the City to obtain long-term borrowing from the City's bank and to grant security to the City's bank on behalf of the City.
 - (4) The City's bank is authorized to honour, pay and charge to the account of the City, all City's written instructions bearing a facsimile or facsimiles of the signature of the above-mentioned authorized persons on the understanding that each instruction will be binding on the City to the same extent as though they had been manually signed.
 - (5) This resolution:
 - (a) Remains in force and effect until written notice to the contrary has been given in writing to, and acknowledged in writing by, the City's bank; and

- (b) Be certified by the Corporate Officer and provided to the City's bank, together with specimens of facsimiles of the signatures having authority to sign cheques and/or written instructions on behalf of the City.



Ivy Wong
Acting Director, Finance
(604-276-4046)

| REPORT CONCURRENCE | | |
|-----------------------------------|---|--|
| ROUTED TO: City Clerk | CONCURRENCE <input checked="" type="checkbox"/> | CONCURRENCE OF GENERAL MANAGER  Acting GM, F&CS |
| SENIOR STAFF REPORT REVIEW | INITIALS:  | APPROVED BY CAO  |

Staff Report

Origin

The City's Banking Resolution was last approved by Council in June 8, 2009. The purpose of this report is to propose housekeeping amendments to the City's Banking Resolution for administrative changes that occurred since the last update.

Analysis

Staff propose that the Banking Resolution be updated to include the Chief Administrative Officer (or the Deputy Chief Administrative Officer in his/her absence) as one of the authorized signatories. The addition of the Chief Administrative Officer will align the authorized signatories of the Banking Resolution to the authorized individuals listed under the City's Emergency Management Organization Establishment Bylaw No. 9232 (last amended in 2014) in the event that expenditures are required to be authorized during a declaration of state of local emergency. The position names and acting position names of the all authorized signatories have also been updated to reflect changes to their titles since the last update.

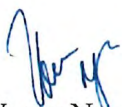
Refer to Attachment 1 for a redlined version of the proposed changes to the City's Banking Resolution.

Financial Impact

None.

Conclusion

That the updated Banking Resolution be adopted by Council.



Venus Ngan
Manager, Treasury and Financial Services
(604-276-4217)

Attachment 1: Redlined version of proposed Banking Resolution update

(Redlined Version)

**Extract From:
Regular Council Meeting
Change To The City's Banking Resolution
June 8, 2009**

- (1) All cheques be signed on behalf of the City by the Mayor or, in his/her absence, the Acting Mayor as determined by Council resolution, and counter-signed by the General Manager, Finance and Corporate Services – ~~Business & Financial Services~~ or, in his/her absence, the Acting General Manager, Finance and Corporate Services – ~~Business & Financial Services~~. The use of a mechanical or other device in affixing a facsimile of their signatures to such cheques is also an acceptable means of authorization;

- (2) The following persons are authorized in all dealings (as described below) with the City's bank on behalf of the City:

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Director, Finance, or in his/her absence, the Acting Director, Finance

Manager, Revenue, or in his/her absence, the Acting Manager, Revenue

Manager, Treasury and Financial Services, or in his/her absence, the Acting Manager, Treasury and Financial Services

- (a) ~~General Manager – Business & Financial Services~~
- (b) ~~Director – Finance~~
- (c) ~~Manager – Revenue~~
- (d) ~~Manager – Treasury~~

Two of the above persons, one of whom must be the Chief Administrative Officer (in his/her absence, the Deputy Chief Administrative Officer), or the General Manager, Finance and Corporate Services (in his/her absence, the Acting General Manager, Finance and Corporate Services) – Business & Financial Services, or the Director – Finance (in his/her absence, the Acting Director, Finance), are authorized to:

- (a) Provide instructions, verifications and approvals to the City's bank (without limitation) to transfer funds, wire payments and authorize debits on behalf of the City;

- (b) Enter into and authorize Financial Services Agreement, other banking agreements, cash management service requests, and electronic banking arrangements with the City's bank on behalf of the City;
- (c) Obtain delivery of all or any stocks, bonds and other securities held in safekeeping or otherwise for the account of the City;
- (d) Give instructions to the City's bank and its subsidiaries in assisting with the management of the City's investments;

Any one of the above persons is authorized to:

- (e) Negotiate with, deposit with, or transfer to the City's account, all or any cheques and other orders for the payment of money to the City, and to endorse such cheques and orders for the payment of money to the City, either in writing or by rubber stamp;

- (3) Authorization from both the Mayor (in his/her absence the Acting Mayor) and the General Manager, Finance and Corporate Services ~~—Business & Financial Services~~ (in his/her absence the Acting General Manager, Finance and Corporate Services or the Director, ~~—Finance~~), along with a copy of the adopted bylaw, are required for the City to obtain long-term borrowing from the City's bank and to grant security to the City's bank on behalf of the City;
- (4) The City's bank is authorized to honour, pay and charge to the account of the City, all City's written instructions bearing a facsimile or facsimiles of the signature of the above-mentioned authorized persons on the understanding that each instruction will be binding on the City to the same extent as through they had been manually signed;
- (5) This resolution:
 - (a) remain in force and effect until written notice to the contrary has been given in writing to, and acknowledged in writing by, the City's bank; and
 - (b) be certified by the Corporate Officer and provided to the City's bank, together with specimens of facsimiles of the signatures having authority to sign cheques and/or written instructions on behalf of the City.