



## Finance Committee

Date: Wednesday, December 21<sup>st</sup>, 2005

Place: Anderson Room  
Richmond City Hall

Present: Councillor Evelina Halsey-Brandt, Chair  
Councillor Derek Dang, Vice-Chair  
Councillor Linda Barnes  
Councillor Sue Halsey-Brandt  
Councillor Rob Howard  
Councillor Bill McNulty  
Councillor Harold Steves

Absent: Mayor Malcolm D. Brodie  
Councillor Cynthia Chen

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

### MINUTES

1. It was moved and seconded  
*That the minutes of the meeting of the Finance Select Committee held on Tuesday, November 22<sup>nd</sup>, 2005, be adopted as circulated.*

**CARRIED**

2. **REFRESHER/INTRODUCTION TO FINANCE COMMITTEE FUNCTIONS**

(PowerPoint Presentation)

The Chair of the Finance Committee, Councillor Evelina Halsey-Brandt, talked about the City's vision and reviewed the Finance Department's Mission Statement. She talked about the need for transparency, and advised that the material contained in the Finance Committee binders would be reviewed to determine if any of the confidential components could be released to the public.

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The Acting General Manager, Finance & Corporate Services, Andrew Nazareth, through a PowerPoint presentation (a copy of which is on file in the City Clerk's Office), reviewed with the Committee:

- the Finance Department organization chart
- the Long Term Financial Management Strategy
- the Financial Model
- the Budget Process
- the Budget Cycle
- the question of "Why Does the City Prepare a 5 Year Financial Plan?"
- the 5 Year Financial Plan (2005 – 2009)
- the 2005 Financial Plan
- the Allocation of Cost by Department – 2005
- 2005 Revenues
- Statutory Reserve Funds
- Development Cost Levies
- Trust Accounts
- Appropriate Surplus
- Long Term Debt
- 2005 Investments
- 2005 Assessments
- Calculation of Property Tax Rates
- the breakdown of the 2005 Residential Property Tax Bill
- City of Richmond – Full Time Staff Equivalency

The Chair referred to the Finance binders distributed to all Committee members, and noted that these were being provided to be a resource for Committee members. The binders contained very detailed information and probably answers to the most frequently asked questions about the City's finances. She urged Committee members to make use of these binders and if they still had unanswered questions to then contact either her or Finance Department staff for more information. She further advised that the media was also being provided with the same binders minus the confidential materials.

Discussion then ensued among Committee members and staff on:

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- the criteria, if any, which allowed the holding of funds in trust – *as a result of the discussion, staff were requested to prepare guidelines for holding money in trust, for discussion at the next non-budget meeting of the Finance Committee*
- the printing of the City's property tax notice with separate lines to clearly identify to the taxpayers, the cost of providing community safety services, including police and fire
- the preparation of the City's 2006 base line budget and if 2005 growth was factored into the baseline budget
- how the accumulated surplus of \$47 Million had been achieved – *as a result of the discussion, staff were requested to identify the amount of the surplus ten years ago, and five years ago*
- the feasibility of creating a totally separate budget for community safety

In concluding the discussion, the Chair advised that staff would report back to committee with the requested information regarding the accumulated surplus. She also advised that when the amount of the 2005 surplus was known that information would be provided to committee.

### 3. **2006 CAPITAL BUDGET**

(Report: Nov. 10/05, File No.: 03-0970-01/2005-Vol 01) (REDMS No. 1697585)

The Budgets and Accounting Manager, Jerry Chong, accompanied by Revenue Manager, Ivy Wong, Chair and Vice Chair of the Land and Capital Team respectively, provided a brief overview of the proposed 2006 Capital Budget.

Discussion then took place between Committee members and staff on:

- the post-games legacy
- how the land acquisition account would be replenished; and what would be the impact to the City if this account was increased to its 2004 level
- the need to be realistic and to prioritize certain capital projects to ensure that the City was not overburdened financially
- the various components which comprised the list of 'approved projects and funding sources'
- the status of the City's various capital projects
- the status of the volunteer residential water metering program
- the provision of community space in the Hamilton Fire Hall facility
- the parkland acquisition reserve fund, and why funding to it was being reduced.

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It was moved and seconded

- (1) *That the 2006 Capital Budget report be approved as the basis for preparing the 5 Year Financial Plan (2006-2010) and*
- (2) *That staff be authorized to commence construction of the 2006 projects.*

**CARRIED**

4. **2006 OPERATING BUDGET (INCLUDING ADDITIONAL LEVELS)**

(Report: Nov. 10/05, File No.: 03-0970-01/2005-Vol 01) (REDMS No. 1697587)

Andrew Nazareth and Jerry Chong indicated that they were available to respond to questions from the Committee.

Discussion then ensued among Committee members and staff on the additional level requests as ranked by TAG, and in particular, on:

- the impact to the City if outside legal services were not provided
- the rationale for including the Emergency Response Team (ERT) as an additional level request
- the rationale for including two arborists and a clerk to provide support for the City's Tree Protection Bylaw
- the option of using the City's current gaming revenue as a possible funding source for specific additional level requests
- the 'general' and 'specific' assumptions put forward by staff and the rationale for setting specific percentage increases
- staff salaries
- the need for additional staff in the Finance Department; and why there were such a high number of people on leave from the City at the present time
- the Emergency Response Team (ERT) and how additional officers would be put on the street if the ERT program was not supported.

(Cllr. Dang left the meeting at 5:55 p.m. during the above discussion, and did not return.)

Discussion continued briefly, with the Chair suggesting that the additional level requests be dealt with at the January Finance Committee meeting.

(Cllr. Sue Halsey-Brandt left the meeting at 5:58 p.m., and did not return.)

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Reference was made to the third quarter financial results, and in particular, to the amount of parking revenue which had been generated. Questions were raised about the amount of time spent by Bylaw Officers working as animal control officers, and information was requested at the next meeting on the costs versus the benefits of having dual officers.

Information was also requested on each of the 'specific assumptions' – staff were requested to provide detail on each of the percentage increases and what these percentages would be comprised of. Staff were also requested to provide information on the City's sale/leaseback deal on the Public Works fleet, and whether any similar program was being considered for the future.

### ADJOURNMENT

It was moved and seconded

*That the meeting adjourn (6:01 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 Wednesday, December 21<sup>st</sup>, 2005.

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Councillor Evelina Halsey-Brandt  
Chair

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