



To: Finance Committee

Date: January 16, 2007

From: Jerry Chong
Director, Finance

File:

Re: 2007 Additional Levels

Staff Recommendation

It is recommended that:

Committee review and advise as to which items should be added to the 2007 Operating Budget, which will be used as the basis for preparing the 5 Year Financial Plan (2007-2011).

Jerry Chong
Director, Finance
(4064)

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CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

The Additional Level requests represent new items such as new programs or program enhancements from the previous year’s budget and any increases in the level of service over the prior year. The approved 2007 Additional Levels will be added to the 2007 Operating Budget (Budget), which is required to be approved in order to prepare the Five Year Financial Plan (5YFP) since Subsection 165(1) of The Community Charter requires the City to adopt a 5YFP Bylaw (which forms the base) before May 15th of each year.

The Additional Levels Funding Committee (AL Committee) was tasked with developing new criteria to analyze and rank the 2007 Additional Level requests. The AL Committee is comprised of senior staff from various city departments.

The AL Committee members tried to maintain a balance in the criteria in order to ensure that there was no bias in any type of request. The highest weighting was given to legal/mandatory items with a possible score of 0-40. The balance of 60 was divided evenly between criteria considering the risks and benefits to infrastructure/operational levels protection, social/environmental/liveability impact, and economic/financial impact. The ranking while mainly subjective required consensus by all AL Committee members in order to arrive at a number, therefore the AL Committee believes that the ranking of the additional level requests are fair.

Following are the criteria developed for 2007:

Criteria #1: Legal/Mandatory

Is there a legal or mandatory reason for adding the expenditure?

Maximum Score: 40

Criteria #2: Infrastructure/Operational Levels Protection

Will the expenditure protect/maintain current infrastructure and operational levels?

Factors to consider are:

- 1. Risk – Will future risks to the City be reduced?
Maximum Score: 10
- 2. Benefits – Are there benefits to the City?
Maximum Score: 10

Criteria #3: Social/Environmental/Livability

Will the expenditure have a positive effect from a social, environmental, and/or livability perspective? Factors to consider are:

- 1. Risk – Will future risks to the community be reduced?
Maximum Score: 10
- 2. Benefits – Are there benefits to the community?
Maximum Score: 10

Criteria #4: Economic/Financial

Will the expenditure have a positive impact from a financial perspective? Factors to consider are:

1. Risk -- Will future financial risks to the City be reduced?
Maximum Score: 10
2. Benefits -- What are the financial benefits of the project relative to cost?
Maximum Score: 10

Maximum Total Score 100

Analysis

The following are TAG's recommendations for Council consideration with regards to ongoing Additional Levels:

	Amount \$	Tax Impact Each Item	Overall
Estimated Shortfall net of estimated growth	\$2,559,526	2.10%	2.10%
Additional estimated growth	(547,614)	(0.45%)	1.65%
Shortfall	<u>2,011,912</u>	1.65%	
Additional 1% to reserves	1,216,920	1.00%	2.65%
	<u>3,228,832</u>	2.65%	
Additional Level Requests as ranked by Committee:			
1 RCMP - 10 Officers (5 additional funding and 5 no add'l funding required)	603,930	0.50%	3.15%
2 RFR Deputy Chief, Office Manager and Admin. Assistant	307,099	0.25%	3.40%
3 One Additional IIIIT Team (Richmond's portion)	71,988	0.06%	3.46%
4 Deferred Maintenance (Facilities)	250,000	0.21%	3.67%
5 Mosquito Control in Parks Basin	12,000	0.01%	3.68%
6 Asphalt Capping	200,000	0.16%	3.84%
7 Solicitor	150,000	0.12%	3.96%
	<u>1,595,017</u>	1.31%	
Total Shortfall with Additional Level Requests	<u><u>\$4,823,849</u></u>	<u>3.96%</u>	

<u>Not Recommended</u>		Amount \$	Tax Impact Each Item	Overall
8	Hazmat Program Equipment & Supplies	\$75,000	0.06%	4.02%
9	RFR (1) Fire Prevention Officer	105,540	0.09%	4.11%
10	Sidewalk Maintenance	60,000	0.05%	4.16%
11	RFR Complement adjustment	1,311,992	1.08%	5.24%
12	Human Resources Duty to Accommodate	30,000	0.02%	5.26%
13	Crime Analyst	79,910	0.07%	5.33%
14	Cadet Training Coordinator	60,079	0.05%	5.38%
15	Freedom of Information Records Analyst	61,079	0.05%	5.43%
16	PRCS Volunteer Strategy Coordinator	69,620	0.06%	5.48%
17	Community Policing Programs	15,000	0.01%	5.49%
18	RCMP Auxiliary Salaries & Benefits	63,000	0.05%	5.55%
19	Commty Fac Coordinator – Hamilton	25,723	0.02%	5.57%
20	PRIME Coordinator	67,455	0.06%	5.62%
21	Op Statistical Reporting Clerk	51,581	0.04%	5.66%
22	Steveston Area Maintenance	120,000	0.10%	5.76%
23	Richmond Nature Park Trail Maintenance	30,000	0.02%	5.79%
24	East Richmond Community Station	25,000	0.02%	5.81%
25	Court Liaison Office Clerk	47,870	0.04%	5.84%
26	Richmond Art Gallery Curator	66,600	0.05%	5.90%
27	Hamilton Weekly Library Delivery Svc	97,126	0.08%	5.98%
28	Brighthouse Library Extded Hours Salaries	113,816	0.09%	6.07%
29	Corporate Communication staff member	91,399	0.08%	6.15%
30	RFR Live Fire Training	50,000	0.04%	6.19%
31	Richmond Art Gallery Security	25,000	0.02%	6.21%
32	Back Lanes Pruning	20,000	0.02%	6.22%
33	Special event insurance Community Associations	20,000	0.02%	6.24%
		2,782,790	2.28%	
Total Shortfall with Additional Level Requests		<u>\$7,606,639</u>	<u>6.24%</u>	

The following additional levels are recommended based upon the rankings by the AL Committee and in order to accommodate the requests while minimizing the tax impact the following adjustments have been made;

Descriptions

RECOMMENDED

1. Law & Community Safety – 24 RCMP Officers (\$2,898,674)

Staff levels have not kept pace with population growth and the detachment is beginning to experience stress in maintaining the high level of police service expected by the Council and the Community.

TAG recommends 5 officers funded for \$603,930 and 5 officers with no additional funding.

2. Law & Community Safety –Deputy Fire Chief, Office Manager and AA (\$307,099)
The Paish Review found that RFR has a need for increased management staff. RFR managers continue to respond to day-to-day operational and administrative duties and will continue to be hampered in their ability to perform strategic and operational planning functions.
3. Law & Community Safety – One (1) Additional IHIT Team (\$71,988)
In 2003, IHIT's establishment of resources and equipment was implemented on the basis it would be investigating an average of 24 homicides per year. As a result of the increase in court commitments, backlog of on-going investigations and the very expanding legal and administrative requirements of homicide investigation, IHIT recognizes it must realign to reflect an increasing homicide rate.
4. Engineering & Public Works – Deferred Maintenance (\$250,000)
Required funding levels presented to Council in the Building Infrastructure report proposes a sustainable funding level of \$2.5 million annually. This additional level request represents an annual increase of \$250,000 over five to six years to reach the desired funding level.
5. Parks, Recreation & Culture – Mosquito Control in Parks Basins (\$12,000)
As per Health Department direction, the request is to purchase insecticide and treat the 3,700 drainage catch basins in Parks and School Ground. School Board maintenance is contributing \$6,000 towards the program.
6. Engineering & Public Works – Asphalt Capping (\$335,000)
The City's Pavement Management System currently indicates an annual funding shortfall of \$1,650,000 for the road rehabilitation overlay program, required to keep the City's road infrastructure from premature failure.

TAG recommends an increase of \$200,000 to Asphalt Capping.

7. Law & Community Safety – Solicitor (\$150,000)
The City of Richmond has historically expended 50% of its legal budget on external legal resources. The fees charged by external law firms have risen traditionally 10-15% annually during the last 3 years and this factor combined with additional services requested by the customer departments has seen this budget increase. Legal services can be delivered internally in a more cost efficient and timely manner versus using external resources for often time-sensitive matters.

NOT RECOMMENDED

8. Law & Community Safety – Hazmat Program Equipment and Supplies (\$75,000)
The Hazmat Program was launched in 2006. RFR requests an increase in the consumable equipment and supplies base budget.
9. Law & Community Safety – RFR (1) Fire Prevention Officer (\$105,540)
The current demand is 12,000 inspections per year not including compliance follow-ups. 8,000 of these are assigned to fire suppression crews, the balance of 4,000 are more technical in nature and require Fire Prevention Officers.
10. Engineering & Public Works – Sidewalk Maintenance (\$60,000)
Over the past number of years, there has been an increase in road and sidewalk repairs as a result of underground root systems causing heaving, cracking and lifting in sidewalks, curbs, and gutters.
11. Law & Community Safety – RFR Complement Adjustment (\$1,311,992)
An aging workforce, increased benefit entitlement, age related health concerns, and duty to accommodate positions has resulted in RFR requiring a complement adjustment.
12. Human Resources – Duty to Accommodate (\$30,000)
The City has to undergo substantial due diligence in dealing with issues. With an aging workforce and the increasing pressures of work and society, duty to accommodate cases is expected to increase.
13. Law & Community Safety – Crime Analyst (\$79,910)
The Analyst will determine, design and develop data collection strategies, and implement these strategies by collecting, organizing and analyzing crime data with respect to criminal activity.
14. Law & Community Safety – Cadet Training Coordinator (\$60,079)
As a result of the high number of cadets Richmond receives each year (30-40), this position is requested.
15. Corporate Services – Freedom of Information Records Analyst (\$61,079)
Increase in volume, complexity and sensitivity of FOI requests has resulted in a significant workload.
16. Parks, Recreation & Culture – Volunteer Strategy Coordinator (\$69,620)
The PRCS Master Plan adopted by Council in June, 2006 identified volunteerism as an essential component of service delivery for PRCS in Richmond. This role would dedicate resources to oversee and coordinate the volunteer management system, and work strategically with other departments to ensure consistency of standards and effective utilization of resources where appropriate.
17. Law & Community Safety – Community Policing Programs (\$15,000)
Funding for Crime Watch, Volunteer Honorarium and New Programs.

18. Law & Community Safety – RCMP Auxiliary Salaries & Benefits (\$63,000)
Block Watch, Youth Family Services, Victim/Witness Services and the two Stations have minimal auxiliary funding.
19. Parks, Recreation & Culture - Community Facilities Coordinator (\$25,723)
There is a need to have a full-time CFC at Hamilton CC to build relationships on a full time basis, between community partners, school staff, community members and staff (City & Association), who can lead a variety of community projects.
20. Law & Community Safety – PRIME Coordinator (\$67,455)
Local expert for PRIME who assists members with the operational requirements of the system. The Coordinator will also act as a spokesperson for the members bringing issues forward to the appropriate levels.
21. Law & Community Safety – Operational Statistical Reporting Clerk (\$51,581)
The OSR support position is responsible for reviewing, maintaining and classifying all files generated by the RCMP Officers.
22. Parks, Recreation & Culture – Steveston Area Maintenance (\$120,000)
An increased level of service in Parks Programs for routine maintenance of Imperial Landing Park, Steveston Park, Steveston Town Square, Garry Point, Tin Shed property and Moncton Street.
23. Parks, Recreation & Culture – Richmond Nature Park Trail Maintenance (\$30,000)
This is to increase / improve park trails maintenance.
24. Law & Community Safety – East Richmond Community Station (\$25,000)
Options include either a shared Station with New Westminster Police, Queensborough area or a local Hamilton storefront or both.
25. Law & Community Safety – Court Liaison Office Clerk (\$47,870)
This is a clerical position reporting to the Records and Information Coordinator and is designed to assist the Court Liaison Officers with various record keeping (data entry) functions.
26. Parks, Recreation & Culture – Richmond Art Gallery Curator (\$66,600)
The department requests an additional curator due to growth in operations.
27. Parks, Recreation & Culture – Hamilton Community Weekly Library Delivery Service (\$97,126)
The Hamilton community is looking for provision of a local library service in the community, given the distances and transportation difficulties involved in reaching other branches. As an alternative to a permanent site, the cost of providing regular weekly delivery of library services could be done in cooperation with the community centre.

28. Parks, Recreation & Culture – Brighthouse Library Extended Hours Salaries & Benefits (\$113,816)
Extending Sunday hours will help increase access to residents until a library branch development program is finalized that will keep pace with population growth.
29. Corporate Services – Corporate Communication Staff Member (\$91,399)
The staff member will address the increased demand for communications services to support ongoing operations, major projects (Oval, 2010 Olympics, Canada Line), and emerging issues (RFR workforce issues) and new initiative (RCMP Review, OCP and City Centre Area Plan, etc.)
30. Law & Community Safety – RFR Live Fire Training (\$50,000)
The City does not have its own fire training facility so live fire training and staged scenarios require funding.
31. Parks, Recreation & Culture – Security Service (\$25,000)
The Richmond Art Gallery requests further security to protect the exhibits and equipment.
32. Engineering & Public Works – Back Lanes Pruning (\$20,000)
The department would like to set up a 3-year program to proactively clear lanes where one-third of the inventory is to be cleared each year.
33. Parks, Recreation & Culture – Special Events Insurance (\$20,000)
There are eight events sponsored by Community Associations in Richmond.
The purpose of a Special Event Insurance Policy is to insure the risks associated with these events that attract large numbers of visitors in activities that are outside of the norm of our typical programs. A Special Event Insurance policy insures all parties including organizers, property owners, individuals and participants unless specifically excluded.

Non financial impact

Staff recommend that Council approve an additional 7 Position Complement Control's (PCC's). The additional PCC's will assist Staff's ongoing efforts as per Council's discussions with the CAO to address situations where employees hold temporary and auxiliary status for work that is clearly permanent with no anticipated end date.

1. Engineering & Public Works – Engineering Planning Staff Member (\$92,000)
Over the past few years the volume of development applications and the complexity of servicing requirements for developments have increased substantially. Therefore, Engineering Planning requires an additional Engineer to handle this volume in order to alleviate the burden on existing staff.

2. Business & Financial Services – Film Coordinator (\$65,000)

The establishment of a full-time Film Coordinator will ensure that initiatives are completed and important ongoing efforts will be sustained to attract more film production activity for the City (approved by Council January 22, 2007).

No additional funding of positions

In addition to the 5 funded positions, the RCMP have requested an additional 5 positions and 1 Auxillary Constable Coordinator that would require no additional funding as they would use surplus created by “on leave” members for funding, rather than increasing the budget.

The current RCMP staffing complement is operating at less than the full approved complement of 193. The equivalent of 14.5 members per year are away on paternity, maternity and sick leave resulting in 178.5 members on duty on average. When a member is on leave for more than 30 days their salary is no longer paid out of the detachment budget, which results in tax dollars collected but not necessarily spent on police officers.

Since the Officer In Charge is committed to ensure that the budget is monitored and adjusted accordingly for any possible overage, Staff recommend that the Committee approve the additional 5 positions (\$603,930) and 1 Auxillary Constable Coordinator (\$53,596) that require no additional funding.

On November 27, 2006, Council approved that the creation of an Electrical Safety Inspection Program for Richmond be endorsed on a one-year trial basis. The program will be endorsed on a one year trial basis and the temporary funding is expected to be recovered through revenues received. Positions required on a one-year temporary basis include an administrative staff position, a fire inspector, and two police officers.

Conclusion

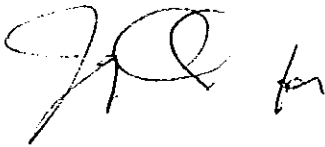
The current proposed 2007 Operating Budget contains a shortfall of \$2,011,912 or a 1.65% tax increase. The Budget is consistent with the items contained within the LTFMS. In addition, Staff recommends that Council add a further 1% contribution to reserves, which is in compliance with the LTFMS, which would bring the proposed 2007 tax increase to a minimum of 2.65%.

Staff recommend that Council consider approving the additional level items, which total an additional 1.31% tax increase (\$1,595,017). The proposed 2007 tax increase would be 3.96%.

The breakdown of the total proposed tax increase between the City and Community Safety is as follows:

	Change	Tax Impact	Additional Levels	Tax Impact	Total Increase	Tax Impact
City	\$ 1,228,816	1.01%	\$ 612,000	0.50%	\$1,840,816	1.51%
Community Safety	2,000,016	1.64%	983,017	0.81%	2,983,033	2.45%
	\$ 3,228,832	2.65%	\$1,595,017	1.31%	\$4,823,849	3.96%

Note that the additional 1% contribution to reserves is included as part of Community Safety as it is intended to be towards the Capital Building Infrastructure reserve, which will be used towards the funding of the construction of the Public Safety Building.



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