



City of Richmond

Report to Committee

To: Finance Select Committee **Date:** March 2, 2004
From: Andrew Nazareth **File:**
Director of Finance
Re: 2004 Operating Budget-Additional Level Referrals

Staff Recommendation

1. That the attached report on the 2004 additional level referrals be received for information, and
2. That items numbers 1, 2 and 3 from the Additional Levels Request listing (ATTACHMENT I) be approved for inclusion as part of the 2004 Operating Budget.

Andrew Nazareth
Director of Finance
(4365)

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CONCURRENCE OF GENERAL MANAGER

Staff Report

Origin

Due to the discussions arising from the Finance Select Committee meeting on November 25, 2003, there were 8 referrals requesting additional information on the 2004 Additional Levels.

Analysis

The following information has been completed by staff for your review:

1. Fire Rescue additional level, EMS fees-questions were raised about (i) whether this should be part of the Firefighter's Collective Agreement; and (ii) why the individual firefighters were not paying for the fees. (See ATTACHMENT A)
2. Community Bylaws additional level, overtime funding- (i) whether the request could be accommodated within the current operating budget; (ii) whether there was any additional revenue to offset costs; and (iii) clarification on the comment in the report. (See ATTACHMENT B)
3. During the discussion on the use of casino revenue and the decision of Council that this revenue would be deposited into the City's reserve accounts as part of the City's Long Term Financial Strategy, staff were requested to provide copies of those reports, which dealt with the first casino being established in Richmond.

Response

Please note that Policy number 2 of the Long Term Financial Management Strategy (*"Gaming revenues will go directly to the capital reserves, the grants program and a community legacy project reserve."*) now supersedes Policy 3706 (See ATTACHMENT C)

4. Staff were also requested to provide copies of the report which dealt with the provision of funding to the Disability Resource Centre, and to clarify how funding to the Centre was provided in the past. (See ATTACHMENT D)
5. Emergency & Environmental additional level, "Environmental Technician/Coordinator". The Chair asked that this request be reflected within Mr. Duncan's report on the reorganization of the Community Safety Division. The Chair also directed that information be provided on (i) why TAG had not approved the request; (ii) why the request was included in each subsequent year's budget as an additional request, and (iii) what the risk would be if the position was not approved. (See ATTACHMENT E)
6. Policy Planning, additional level, "Air Photo and Remote Sensing Program". A question was asked about why TAG rejected the request, and the Chair asked that this information be provided to the December 10th Committee meeting.

Response

TAG was originally presented with a 2004 Operating Budget that had a 5.45% tax increase. TAG was cognizant that the 2003 5 Year Plan (5YFP) called for a 4.45% tax increase, therefore additional analysis and decisions were required in order to bring the tax increase to this level. TAG was originally presented with ongoing additional levels of \$2,289,107 (not including late additions \$15,000, (total \$2,304,107)), which if passed would have resulted in an additional 2.17% tax increase. TAG reviewed the business cases presented for each level with the parameters of the 5YFP, limited funding availability and the responsibility to act in the best interests of Council and the citizens of Richmond . TAG initially approved 2 items that had a low tax impact (.06% combined), and were the most critical to the City's operations and subsequently approved item 3 regarding increasing the RCMP's complement by 6 after capacity was created as a result of the Community Safety Division re-organization.

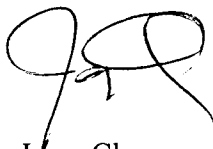
7. Policy Planning, additional level, "Child Care Statutory Reserve Fund", information was requested on the amount collected and the amount which had been promised to this fund. (See ATTACHMENT F)
8. Staff were also directed, as part of the operating budget referral, to examine the feasibility of funding the \$316,000 grants program from casino revenue. (See ATTACHMENT G). This was subsequently approved at the General Purposes Committee meeting on December 10, 2003.

Financial Impact

The Additional Levels submitted including late additions total \$2,304,107 (2.2% tax increase). The Committee approved one additional level during the November 25, 2003 Finance Select meeting for \$34,059 (Election reserve (.032% tax increase)). Staff recommend that the additional level for the Highlight Copier (\$28,730-.027% tax increase) and increasing the RCMP complement by 6 (\$630,988-.60% tax increase) be approved and included as part of the 2004 Operating Budget.

Conclusion

The current proposed 2004 Operating Budget contains a shortfall of \$4,767,551 or a 4.52% tax increase. Staff recommend that 3 additional levels totalling \$693,777 (.66% tax impact) (ATTACHMENT H) be approved and included as part of the 2004 Operating Budget. The 2004 Operating Budget with additional levels would have a shortfall of \$5,461,328 (5.18% tax increase).



Jerry Chong
Manager - Budgets and Accounting
(4064)

ATTACHMENT A

Geoff Lake
Deputy Chief

The short answer to this question is "No, there are no references to EMS fees in the current collective agreement between the City and I.A.F.F." There are however, several factors that should be considered prior to a decision being reached on who should pay the EMS Licence fees.

The question that needs to be answered is, "Can the Department require members to be licensed through the EMS College, without the City paying their licence fees?" Unfortunately there is not a short answer to this question.

The Employer does have the right to require a new employee, at their expense, to have and maintain a valid driver's license as a condition of employment. The expectation is that the employee would continue to maintain the driver's license, at their expense, for the duration of their employment with the City. It should be noted however, that this "condition of employment" is long standing and accepted by both the City and the I.A.F.F.

Whether the Department has the right to introduce a new "condition of employment" (EMS fees) without agreement of the I.A.F.F. is another matter. It is fair to assume that the I.A.F.F. would react negatively if this were the case, and if not settled internally, would need to be resolved by a third party. Although a legal opinion has not been sought at this time, it is the opinion of both RFR and HR that the City would be unsuccessful in arbitration at this time.

An alternative option for the Department could be to pay the fees on a non-prejudicial basis until the expiry of the current collective agreement (2006), at which point the matter would become the subject of future negotiations between the parties.

ATTACHMENT B

Don Pearson
Manager, Community Bylaws

i)At present there are no overtime funds available for the Bylaw Enforcement (Property Use) staff. The 2004 budget proposal was to include \$11,700 for this purpose.

ii)Bylaw complaints are largely, but not exclusively, received and handled during the normal working hours of the staff from Monday - Friday. There are, however, ongoing incidents and events that occur where the ability of the Bylaw staff to attend is beneficial. It is unlikely that there will be a full cost recovery by the issuing of tickets/fines to cover these costs. Bylaw staff are much more oriented to education and gaining voluntary compliance than the issuing of tickets but there would likely be some off-setting revenue.

Over the past while Bylaw staff have worked the Halloween evening to patrol and attend complaints of a bylaw nature. Staff also worked the Chinese New Year to patrol and attend to fireworks complaints. We worked a considerable amount of overtime on the water restrictions but were able to do so only because that Department were able to provide funding. Staff also respond to complaints about garbage scavenging that occurs early in the morning. We had staff out ensuring the Nightmarket was not creating a littering problem with their event. There are occasions and opportunities for staff to attend special events to inform and educate the citizens of the bylaws. Staff attended a Parks Dept. event on a Sunday at Garry Point Park and the Fire/Rescue Open House. Additionally the Supervisor has attended the RCMP morning briefings to inform their staff of the various bylaw provisions. The RCMP training NCO has indicated he would like similar sessions to be held in the New Year. These sessions are held at 6 or 7 am, outside our normal working hours. As the RCMP become more familiar with the bylaws and how they can be used for the mutual benefit of the City and the police I would expect there to be more joint operations.

On the parking side we have included overtime as a normal cost of doing business given their shifts now have them working stats. For special events, if there will be more revenue generated than overtime costs expended I authorize the overtime. An example would be the Nightmarket where we spent about \$12,000 in overtime but generated in excess of \$30,000 in revenue.

iii)The comment was intended to say that it is unlikely that the additional overtime would be recovered through any incremental tickets/fines.



City of Richmond

Policy Manual

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Adopted by Council: June 12, 2000

POLICY 3706

File Ref: 1085-00

CASINO FUNDING GUIDELINES

POLICY 3706:

It is Council policy that:

Applications for casino funds can be made by Council or as a result of applications from the community. All community applications must be for *new* community programs, projects or events.

Casino funding may be designated for expenditure in or add to a statutory reserve fund. Funds need not be fully allocated in a period received.

Casino Funding Focus Areas:

Casino funds should be targeted to the following focus areas:

- Youth
- Seniors
- Policing in the Community
- Childcare Reserve Fund
- Preventative, alternative and/or educational programs relating to addictive behaviour which could include:
 - I. Drug abuse
 - II. Alcoholism
 - III. Gambling
 - IV. Smoking

Not all organizations meeting the City of Richmond's Casino Funding Program guidelines will automatically receive funding.

ATTACHMENT D

Funding to the Disability Resource Centre

RICHMOND ASSOCIATION ON DISABILITIES

YEAR	CASINO REVENUE	GRANTS	COMMITTEE EXPENSES	TOTAL
2000		\$ 1,000.00	\$ 6,079.00	\$ 7,079.00
2001	\$ 45,493.00	\$ 1,500.00	\$ 9,600.00	\$ 56,593.00
2002	\$ 53,000.00	\$ 17,000.00	\$ 9,600.00	\$ 79,600.00
2003	\$ 70,000.00		\$ 9,600.00	\$ 79,600.00
TOTAL	\$ 168,493.00	\$ 19,500.00	\$ 34,879.00	\$ 222,872.00

ATTACHMENT E

i) TAG was originally presented with a 2004 Operating Budget that had a 5.45% tax increase. TAG was cognizant that the 2003 5 Year Plan (5YFP) called for a 4.45% tax increase, therefore additional analysis and decisions were required in order to bring the tax increase to this level. TAG was also presented with additional levels which if passed would have brought an additional 2.32% tax increase. TAG reviewed the additional levels with the parameters of the 5YFP, limited funding availability and the responsibility to act in the best interests of Council and the citizens of Richmond. TAG reviewed the additional levels and only approved the 2 items that had a low tax impact (.06% combined), and were the most critical to the City's operations.

Suzanne Bycraft
Manager Emergency and Environmental Programs

ii) & iii) The Environmental Programs Department currently has one regular full time staff member dedicated to environmental management. It is not possible for the individual to handle the workload in this area, therefore, we have, for some time, had a temporary position assisting us in a variety of areas. The Environmental Programs function is very diverse. Some key challenges we are dealing with are:

- Environmental Impact Reviews - i.e. RAV project, large development projects, BP Cherry Point, Sumas 2, etc.

- Environmental Legislative Changes - there is an onus on local government to evaluate senior government changes in this area and determine impacts and liabilities to local government.

- Stormwater Management - There are several diverse issues relating to this area, including impacts to business, agriculture and local ditch maintenance activities. Senior government legislation, i.e. the Fisheries Act, drives our activities in this area.

- Pollution Issues Management - We receive numerous complaints and reports of illegal discharges to the City's storm sewer. These requests must be investigated and followed up on to ensure compliance. Regardless of who caused the discharge, the City is liable under senior government legislation if pollutants enter the Fraser River.

- Contaminated Sites Issues - these range from projects such as the Garden City Road extension, to contaminated soils import issues, to business proposals for treating hazardous wastes. All must be evaluated.

- Resource to other departments - Environmental programs is often very involved in key projects of other departments to ensure overall environmental compliance.

- There are numerous other issues pertaining to the development of an Environmental Management Strategy, a proactive approach to sustainability issues for the City, public education and outreach, etc.

With respect to the funds: Adjustments were made in other areas of the Environmental Programs budget such that the temporary position resulted in no net increase to the budget. We were simply seeking approval to make the position permanent, as we see an on-going need due to the challenges and issues identified above. If the regular full time position were not approved, we would simply continue with filling this work requirement with a temporary position. While the temporary position approach provides relief for the workload issues, it has drawbacks to attracting the most suitable applicants for the work (since temporary positions are less attractive to potential candidates).

ATTACHMENT F

Child Care Statutory Reserve Fund
 Terry Crowe
 Manager, Policy Planning

2003 Developer Contributions to Statutory Reserves				
Program	Provided by Developers To date		Promised By Developers (estimates)	
Child Care				
	1. 22111 Westminster Hwy	\$26,000	• 22611 West. Hwy	\$11,000
	2. Riverport	\$50,000		
Reserve Total Nov 28, '03		\$81,155		
Affordable Housing				
	• Riverport	\$15,000	1. Porte Realty	\$36,960
			2. JEMA- CENTRO	\$15,750
			3. Adera	\$52,400
Reserve Total Nov 28, '03		\$4.2 Million		
Public Art				
	1. Riverport	\$10,000	• Am-pri Const.	\$27,400
	2. Lucky realty (Cooney Rd)	\$9,500		
	3. Polygon	\$56,953		
Reserve Total Dec. 2, '03		\$154,000		

ATTACHMENT G

Feasibility of funding the \$316,000 grants program from casino revenue.

Casino		
Budgeted amount 2003		\$ 2,043,000
YTD (September 30, 2003)	1,972,640	
4th quarter amount	<u>705,126</u>	
		<u>2,677,766</u>
Excess		634,766
Grant expense		<u>(316,500)</u>
Funding Available		<u><u>\$ 318,266</u></u>

There will be adequate funds to cover the grants program of \$316,500.

2004 Operating Budget - Additional Levels

	\$	Tax Impact	Cumulative Tax Impact
2004 Operating Budget Shortfall DRAFT 3 - MARCH 2, 2004.....	4,767,551	4.52%	4.52%
1 Annual Election Reserve Contribution Increase	34,059	0.032%	4.55%
2 Highlight Copier Kodak IS70 Replacement - Lease	28,730	0.027%	4.58%
3 Increase RCMP Complement By 6 (4 for Green Team & 2 For School Liaison Officers)	630,988	0.598%	5.18%
* RECOMMENDED * DRAFT 4 - MARCH 2, 2004.....	5,461,328	0.66%	5.18%

CITY OF RICHMOND
2004 Operating Budget
Additional Level Requests in Priority Order

PRIORITY ORDER (AND PAGE NUMBER)	DIVISION	DEPARTMENT	DESCRIPTION	REQUESTED AMOUNT	COUNCIL CONSIDERATION	TAG RECOMM.	PENDING OR DEFERRED	REJECTED	TAX IMPACT EACH ITEM	TAX IMPACT OVERALL
1	Finance Corp.	Clerks	Annual Election Reserve Contribution Increase	\$34,059		\$34,059			0.032%	0.032%
2	Urban Dev	Dev Applications	Highlight Copier Kodak IS70 Replacement - Lease	\$28,730		\$28,730			0.027%	0.955%
3	Comm Safety	RCMP	Increase RCMP Complement By 6 (4 for Green Team & 2 For School Liaison Officers)	\$630,988		\$630,988			0.598%	0.657%
4	Comm Safety	Fire - Rescue	Water & High Angle Rope Rescue Equipment Maintenance	\$11,900				\$11,900	0.011%	0.668%
5	Comm Safety	Fire - Rescue	EMS College Licensing Fees & Medical Advisory Committee Fee	\$26,250				\$26,250	0.025%	0.695%
6	Comm Safety	RCMP	CPIC Clerk Municipal Position	\$45,500	\$45,500			\$335,000	0.043%	0.736%
7	Eng & P.W.	Roads	Asphalt Rehab Catch Up	\$335,000				\$80,000	0.317%	1.053%
8	Eng & P.W.	Roads	Parking Lot Surface Infrastructure Annual Increase	\$80,000				\$45,000	0.076%	1.129%
9	Comm Safety	Fire - Rescue	0.5 FTE Information Technology Staff	\$43,000				\$45,500	0.041%	1.170%
10	Comm Safety	RCMP	OSR Support Position	\$45,500	\$45,500			\$638,480	0.043%	1.215%
11	Comm Safety	RCMP	Increase RCMP Members By 5	\$638,480				\$11,700	0.605%	1.818%
12	Comm Safety	Community Bylaws	Additional Overtime Funding For Bylaw Investigation	\$11,700				\$70,000	0.011%	1.829%
13	Parks & Rec	Rec & Cultural Svcs	Disability Resource Centre Funding	\$70,000	\$70,000			\$23,000	0.066%	1.895%
14	Parks & Rec	Rec & Cultural Svcs	Richmond Therapeutic Equestrian Society Funding	\$23,000	\$23,000			\$10,000	0.022%	1.917%
15	Parks & Rec	Rec & Cultural Svcs	Seniors Wellness Program Funding	\$10,000	\$10,000			\$72,000	0.009%	1.926%
16	Comm Safety	Emerg & Environ	Environmental Technician/Co-ordinator	\$72,000				\$63,000	0.068%	1.994%
17	Urban Dev	Policy Planning	Air Photo & Remote Sensing Program	\$63,000				\$50,000	0.060%	2.054%
18	Urban Dev	Policy Planning	Child Care Statutory Reserve Contribution	\$50,000				\$5,000	0.047%	2.101%
19	Corp Admin	Comm & Public Affairs	Chinese Translation Services	\$21,000	\$16,000			\$49,000	0.020%	2.121%
20	Comm Safety	RCMP	Admin & Finance Clerk Position	\$49,000	\$49,000			\$693,777	0.046%	2.167%
			ONGOING TOTAL	\$2,289,107	\$897,480	\$693,777	\$0	\$697,850	39.2%	30.5%
PRIORITY ORDER (AND PAGE NUMBER)	DIVISION	DEPARTMENT	DESCRIPTION	REQUESTED AMOUNT	COUNCIL CONSIDERATION	TAG RECOMM.	PENDING OR DEFERRED	REJECTED	TAX IMPACT EACH ITEM	TAX IMPACT OVERALL
46	Urban Dev	Policy Planning	Agricultural Advisory Committee	\$5,000	\$5,000				0.005%	2.172%
47	Urban Dev	Policy Planning	Intercultural Advisory Committee	\$5,000	\$5,000				0.005%	2.177%
48	Urban Dev	Policy Planning	Public Art Commission	\$4,000	\$4,000				0.004%	2.181%
49	Urban Dev	Policy Planning	Seniors Advisory Council	\$1,000	\$1,000				0.001%	2.182%
			LATE ONGOING TOTAL	\$15,000	\$15,000	\$0	\$0	\$0	0.0%	0.0%

NOTE: BUSINESS CASES ARE AVAILABLE UPON REQUEST