



City of Richmond

Report to Committee

To: General Purposes Committee
From: Jim Bruce
General Manager, Finance and Corporate Services
Re: 2002 OPERATING BUDGET

Date: March 14, 2002

File: 0970-01-2002

Staff Recommendation

That Committee receive the report for information and forward the report to Council for their consideration and direction to staff in preparing the final draft of the 2002 Operating Budget.

A handwritten signature in black ink, appearing to read "Jim Bruce".

Jim Bruce
General Manager, Finance and Corporate Services

Staff Report

Origin

The General Purposes Committee at their meetings of March 6 and March 7 reviewed Divisional programs and service levels as part of the 2002 Operating Budget preparation. The outcome of those reviews was to have staff undertake the following for presentation at the March 18, 2002 General Purposes Committee.

- To re-examine the additional level requests to ensure they were absolutely required for 2002 or if a portion of the funding requirement would be adequate
- To review the potential of increasing revenue opportunities through the implementation of new user fees or to increase existing fees in an effort to realize a greater portion of program cost recovery opportunities
- To review once again all areas of operations in an attempt to find further efficiency opportunities that, if implemented, would generate cost savings

Council at its meeting of March 11, 2002 also directed that the General Manager of Community Safety review on March 12th at the Community Safety Committee Meeting, the RCMP operations and that recommendations from that review be forwarded to the March 18th General Purposes Committee meeting for discussion in context of the full Operating Budget review. The results of that March 12th meeting are detailed in Mr. Gale's memo attached to this report as Appendix 1.

Analysis

The CAO and General Managers have once again met and completed the review as requested by Committees. In so doing, the base level budget was adjusted to include some amendments that have happened since the last full budget presentation. Namely, the tax revenue increase of 5.28% has been increased by 0.21% bringing the proposed increase to 5.49%. This increase was necessary to account for the Provincial Government decision to increase the Provincial Sales Tax by 0.5%. We have also amended the budget bottom line by \$200,000 to account for the Council discussion relative to having additional funding available should Council wish to consider community grant requests. There is, however, no impact on the tax revenue requirement for this action as the funding source identified was the 2002 gaming revenue and therefore, there is no impact on the tax draw.

Before proceeding with the review, there are several areas of concern that need to be highlighted. These concerns are detailed below:

Areas of Concern

1. The budget process is based on a calendar year and as such, if expenditure reductions or revenue opportunities are to be incorporated, they must be identified and incorporated as early as possible in the budget process. The longer it takes to approve these expenditure reductions or revenue opportunities the deeper the expenditure cuts or revenue opportunity

increase will have to be if dollar values are to be realized. We are already 2.5 months into the year and this must be taken into consideration when determining expense reductions and revenue opportunities.

2. Changes to programs, service levels or implementation of efficiencies, in most cases, will have a direct impact on staffing. The Labour Code requires that where layoffs are to occur, that the Unions must be given 60 days notice before layoff actions can be implemented. This being the case, we must evaluate the true dollar savings for the budget period after meeting the requirements of the Labour Code. There are also the requirements of our Collective Agreements that must be considered. If layoffs are to occur, the areas of seniority and bumping rights will have an impact on the timelines of implementation. This will also have a bearing on the cost savings that will be realized.
3. Some user fees have already been increased for 2002 and further increases are not recommended. Many of our user fees are comparable to those levied by surrounding jurisdictions, however, we will, in some cases, recommend an increase. These will definitely increase revenue opportunities but may generate some negative feedback from users and Council should be aware of this possibility.

Prior to commencing the detailed review, I must also advise Committee that the additional level item – install mobile workstations - RCMP has now been included in the RCMP base level budget. This decreases the tax revenue requirement by 0.08% and has the impact of lowering the tax revenue requirement increase to 5.40% from the 5.49% previously identified. Attachment 1. details these changes.

Financial Impact

The following sections address the items from the Committee referral

ADDITIONAL LEVELS

The senior management team reviewed in detail all of the items previously presented as additional level requests. The review has generated a new prioritized list that has, as previously mentioned, had the install mobile workstations – RCMP removed. The balance of the list is still presented for consideration in priority order with the last item being the item that could most easily be eliminated with the least operational impact. Staff do not recommend deleting any items from this list. The Emergency Social Services Co-ordinator (Item 5) is addressed in Appendix 1.

It should also be noted that not funding these items, will have an impact on some programs and the delivery of service and our ability to meet legislative requirements.

1.	Turnout Gear	\$ 57,000	0.06%
2.	Occupational Health & Safety Officer	\$ 25,000	0.03%
3.	Software Funding (upgrade)	\$200,000	0.22%

4.	E.Comm Levy (RMS integration)	\$142,100	0.15%
5.	Emergency Social Services Co-ordinator	\$ 70,000	0.07%
		\$494,000	0.52%

Committee may review each item and should they wish to remove the funding requirement, the percentage applicable for each item can be deducted from the 5.40% increase.

Each 1% of expenditure or revenue relates to \$953,425. Therefore, a partial tax revenue changes of expenditures or revenues can readily be calculated.

1. USER FEES

User fees presently levied by all divisions have been reviewed to the point where staff have identified some opportunities to increase fees and at the same time minimize the negative impact on customer service and the potential for significant increases in complaints relative to fairness and equity. This section of the report details the user fee options.

The items identified are not an exclusive list but are identified as those that could most easily be implemented.

USER FEE INCREASES

1. NSF Charges

Presently, the City has a set fee of \$25 per returned cheque. Staff annually handle roughly 320 returned cheques and generate approximately \$8000 of revenue. The \$25 fee is consistent with what most financial institutions charge. Raising the fee to \$35 could be justified due to staff time spent on returned cheques. This could generate an additional \$3200 annually or roughly \$1500 for 2002. This action would generate a significant taxpayer backlash as we already have a significant number of complaints relative to the \$25 charge as the bank also levies a \$25 fee. No bylaw amendment would be required for this fee change.

The increase in fees will reduce the tax revenue requirement by such an insignificant amount and that for the extra revenue generated, I do not believe the negative consequences justify the change in fee.

Recommendation: That the NSF fees remains at \$25.

2. Development Application Fees

These rates are presently being reviewed and a full report is due for presentation at the April meeting of the Planning Committee. The proposed changes, if adopted, would generate roughly \$225,000 annually. For 2002 the change could be effective on July 1st, will require a bylaw amendment and will generate a \$110,000 potential revenue opportunity. This revenue equates to a 0.12% revenue increase.

Recommendation: That the Development Application Fees be increased according to the staff recommendation being presented to the Planning Committee in April.

3. False Alarms

The City charges fees for the RCMP and Fire Supression response to false alarms. These fees are set by bylaw and any charges levied and unpaid at year end are added to taxes associated with the property in question. The present fee structure is detailed below:

1 st incident	Free
2 nd incident	\$50
3 rd or more incident	\$100

We respond to roughly 4200 incidences annually. Of these responses, roughly 2850 are free as first occurences. The total annual billing approximates \$95,500.

Staff have suggested, in the past, to change the fee structure but this has not been accepted. There are several ways to handle a change in fee structure. Any change in fees would require a bylaw amendment. The proposals below reflect a revenue increase opportunity for half a year.

	<u>Existing</u>	<u>Option 1.</u>	<u>Option 2.</u>	<u>Option 3.</u>	<u>Option 4.</u>
1 st incident (2850)	-	\$25	-	\$50	\$100
2 nd incident (790)	\$39,500	\$50	\$100	\$50	\$100
3 rd incident (560)	<u>\$56,000</u>	<u>\$100</u>	<u>\$100</u>	<u>\$100</u>	<u>\$100</u>
4200					
Half Year Revenue Potential	\$95,500	\$35,625	\$19,750	\$71,250	\$162,250
Revenue Impact		.04%	.02%	.07%	.17%

Recommendation: That the fee structure detailed in Option 4 be approved.

4. Comfort Letters

The City presently prepares Comfort letters upon request. The present fee structure is that we charge \$50 for residential information and \$100 for commercial, industrial and other information. In 2001 we prepared 44 residential requests for a \$2200 income and 168 commercial requests for a total of \$16,800 of income.

Staff believe these fees could be increased as they are usually third party costs. Doubling the fees would generate an additional \$19,000 of revenue or a 0.02% increase.

Recommendation: That the fees be increased to \$100 for residential information and to \$200 for commercial and industrial and others.

5. Tax Information

The Tax Department provides property tax information to various agencies and the public for property conveyancing and general information purposes. This information is provided via the internet, fax or in person. Each information system has a fee structure and this could be consolidated to a single fee or maintain the present categories with revised rates. The present fee structure is detailed below:

Counter Service (1900)	\$20	\$38,000
Internet Service (4900)	\$15	\$73,500
Fax Service (1200)	\$20	\$24,000
		\$135,500

The internet rate is set lower to encourage this type of use as the other two types of service require staff intervention.

The greatest percentage of these costs are what we consider third party costs, passed onto another party. A raise in the fees could be justified. Fee increases could be implemented immediately but July 1st is recommended.

The proposed fee structure is detailed below:.

	<u>Option</u>	<u>New</u>	<u>Existing</u>		
Counter Service (1900)	\$35	\$ 57,000	\$38,000	=	\$19,000
Internet Service (4900)	\$25	\$122,500	\$73,500	=	\$49,000
Fax Service (1200)	\$30	\$36,000	\$24,000	=	\$12,000
		\$215,500	\$135,000		\$80,000
Half Year Revenue					\$40,000
Potential Revenue Generation Impact					0.04%

Recommendation: That the fees be raised according to the option detail above.

6. Sports Fields

The City presently does not charge for the use of its sports fields. There have been numerous attempts to implement such a fee over the years but to date there has been no desire to implement any such fee.

The proposal would again be to charge for field use by adult users. Field sports impacted would be for adult use of the City's high quality fields and ball diamonds. Sports groups effected would be soccer, baseball, softball, cricket, track and field and rugby. Fees would be charged for practices, games and tournaments. The current policy enables charging for adult use.

The Sports Council is currently opposed to charging for field use. They have indicated that if there is a direct relationship between fees and quality of fields and improved field maintenance or development of new fields they might be more interested in supporting a fee policy. A good time to start charging for fields will be when the City's first artificial turf field is constructed. That will be later this year. In excess of 1600 adults would be impacted by these charges.

Revenue potential for 2002 would be approximately \$23,100 which equates to 0.02%.

Recommendation: That the charging for use of existing playing fields be implemented for 2002.

7. New User Fees and Future Considerations

There are several opportunities for the implementation of new user fees that could have an impact on revenue generation. Some are of a significant nature and they should be reviewed for implementation opportunity prior to the preparation of the 2003 Operating Budget. Some examples of the major fees that could be implemented are detailed below:

- Water flow calculations for the public
- Market rent for City owned facilities leased to community groups
- Drainage infrastructure adjustments on private property
- Market rent for daily use of City facilities
- Sale of sponsorship opportunities

Committee should also be reminded that staff annually review most of our fees and charges and implement amendments where they can be justified in relation to cost recovery, inflation and market comparability and compatibility. Many of our fees have already been increased for 2002, and implementing another increase to these fees for 2002 is not recommended.

EFFICIENCIES AND SERVICE LEVEL OPTIONS

Staff have again reviewed all programs and service levels. Using the criteria of maintaining programs and levels of service, staff could find no further efficiencies in our service delivery

model without impacting staffing, programs and service levels. Our review of operations is continuing. For several years we have made adjustments for expanded plant, inflationary impact on goods and services, contract settlements and absorbed senior levels of government downloading with minimal tax increases. These types of actions are done annually and the review continues to be part of the senior management teams mandate.

As we have done over the past several meetings, the senior management team will point out where there may be opportunities to reduce costs through changing the service delivery model. These areas are detailed below, however, it is imperative that I stress that many of these actions will have a direct impact on staffing and again, I would remind Committee of the Labour Code regulations.

The items identified below are not recommendations but are only offered as opportunities for discussion. It should also be noted that in some areas where Committee may want to reduce costs, Committee would be better served to just provide a dollar figure for a reduction and let the appropriate General Manager determine which program and service level to amend and the most efficient manner to implement the program and service level changes.

Grants

Council could eliminate the funding for basic community grants coming from the tax draw and replace the funding source with funds from casino revenue.

The impact of this for 2002 would mean an additional contribution of \$318,500 from the casino revenue to offset the same amount from the tax draw. This would reduce the tax draw by roughly 0.33% but would require a revenue contribution from the potential 2002 Casino Gaming Revenue.

Janitorial Services

These services could be contracted out for all or some City facilities. Contracting out all could generate roughly \$200,000 annually in cost savings. The impact of this action would require lay off notices for approximately 35 staff. I would point out that due to the Labour Code restrictions, that by the time all this was completed, including the seniority and bumping provision of the Collective Agreement, that the actual savings for 2002 would approximate \$50,000. This relates to 0.05% reduction in the tax revenue draw.

Outdoor Aquatics

This summer operation could be contracted out to the private sector. The facility would continue to be maintained by the City but staffing and operations would not be the responsibility of the City. The approximate savings for this would equate to roughly \$161,000 or 0.17%.

Fire Rescue

This departments operations have been reviewed over the past several months. There have been several options for cost reductions discussed but all will impact on staffing levels. To date there has been no consensus if changes to operations should be considered. Due to the complexity of

fire rescue operations, it would be advisable that if Committee wants a cost reduction in this area that they provide the General Manager with a fixed dollar amount and let the General Manager and Fire Chief determine how best to implement a change to ensure the highest quality of service delivery is maintained.

SPCA Contract

The City contracts with the SPCA for the delivery of specific services. The City could amend its service requirements to reduce the contract costs or it could eliminate any funding for the service and let the SPCA set all its own fees and charges to be fully financially sustainable.

The full impact of not funding this process could save the City \$264,000 or roughly 0.28% of a tax revenue requirement.

Library Services

The City could reduce by a fixed amount, its funding commitment to the Library Board. This would, undoubtedly, have an impact on staffing and service delivery.

RCMP Operations

This operational review of the RCMP was completed at the Community Safety Committee meeting of March 12th. The outcomes of that review are detailed in the attached Appendix 1.

Community Centres

The City presently has community centres that are run by associations and the City presently pays for a great many of the operating costs associated with the running of these various community centres. Many of these costs could be passed onto the community associations. However, there are presently operating agreements in place between the City and the Associations and any changes to the responsibilities for payment of operating costs would have to be negotiated through the contract process. To complete this negotiation process for any cost saving opportunities could not be completed in time to have any significant impact on the 2002 Operating Budget. However, staff should be directed to commence immediately with the re-negotiation of the contracts so a greater amount of the operating costs become the responsibility of each community association. The negotiations should be completed prior to December 2002 so the 2003 Operating Budget reflects the savings to the City.

Service Levels

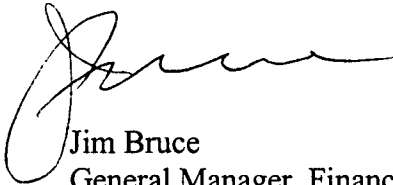
Committee could again review, in more detail, specific Divisional programs and service levels. The outcomes would be to identify areas where Committee would like to recommend specific changes to programs or service levels or to give direction for specific dollar amounts to be reduced from total departmental expenditures. The appropriate General Manager would then proceed to implement the appropriate action to ensure proper program co-ordination is maintained.

Should Committee wish to consider the changes to user fees, the total potential revenue opportunity would approximate \$331,250 or roughly a 0.35% tax revenue requirement decrease. Use of casino revenue to offset the tax revenue usage for basic grants would also reduce the tax revenue requirement by \$318,500 or 0.33 %.

This would bring the total casino gaming revenue from 2002 to \$518,500 or roughly what we expect to receive for the first quarter of 2002.

Conclusion

That the report be received for information and discussion.



Jim Bruce
General Manager, Finance and Corporate Services

JWB:naw

**2002 BUDGET
Comparison to 5 Year Financial Plan (2001-2005) Projections**

	TAX IMPACT		
AMOUNT (\$)	EACH ITEM	OVERALL	EXPLANATION

2002 Projection as per 5 Year Financial Plan (2001-2005):

Estimated Shortfall	7,524,457	7.78%	7.78%	Planned Revenues less Planned Expenses
OPTIONS USED TO REDUCE TAX:				
Growth estimate	1,451,590	(1.50%)	6.28%	Growth estimate of 1.5% was used as per Council
Casino Gaming Revenues	1,700,000	(1.76%)	4.52%	One-time use of Casino Gaming Revenues was used as per Council
	4,351,415	4.52%	4.52%	

New Information (as at November, 2001)

Growth short of expectation	349,590	0.37%	4.89%	5YFP was 1.5% or \$1,451,590, new estimate is \$1,102,000
Energy cost reductions (Gas&Fuel)	(713,800)	(0.75%)	4.14%	5YFP was 5% increase or \$217,000, new estimate is \$496,800 savings due to falling interest rates
Investment income decline	507,028	0.53%	4.67%	5YFP expectation was for Parking revenues to remain at the same level
Parking fine revenues decline	125,000	0.13%	4.80%	5YFP was a 5% increase, new estimate is 25% on property
Insurance premiums	112,850	0.12%	4.92%	2000 retro payout of 2.95% + Benefits not in base
Fire Rescue Salaries	620,000	0.65%	5.57%	5YFP was 8 months for telecomm staff, 2002 is 12 months
RCMP ECOMM staff costs	157,140	0.16%	5.73%	5YFP was 1.5%, actual was 4.04% due to 2.0% retro + 2.0% for 2002
RCMP Contract Salaries	470,077	0.49%	6.23%	5YFP was rate of 1.51, new estimate is 1.58
USD Exchange	42,000	0.04%	6.27%	reduction from Provincial Govt. not anticipated in 5YFP
Loss of traffic fine revenue sharing	80,000	0.08%	6.36%	
	1,749,885	1.84%	6.36%	

Non-Discretionary Items:

Fire Rescue equipment	65,400	0.09%	6.44%	high angle rescue equipment not in 5YFP
Fire Rescue Contracts	102,000	0.11%	6.55%	increase in CAD levies
Bank Charges	98,200	0.10%	6.65%	increase in POS, credit card charges, etc.
	265,600	0.28%	6.65%	

Discretionary Items:

Fire Rescue Vehicle Reserve	598,700	0.63%	7.28%	5YFP was \$259,600, new estimate is \$858,300
Fleet Vehicle Reserve	500,000	0.52%	7.81%	5YFP was \$1,000,000, new estimate is \$1,500,000
Increased armoured car pick-up	44,000	0.05%	7.85%	Bookit program expectation of pick up at all Community Centres
GVRD LR net savings for 1/2 year	(23,000)	(0.02%)	7.83%	5YFP did not factor these savings
RCMP positions	428,000	0.45%	8.28%	5YFP expected the trend of carrying 4 vacancies to continue
Fire Rescue overtime	51,700	0.05%	8.33%	Managers Standby/Callout & Mechanic OT increase not in 5YFP
Media Coverage	38,300	0.04%	8.37%	Chinese media coverage not in 5YFP
Payback to Revolving Fund	554,100	0.61%	8.98%	under-budgeted in 5YFP
	2,191,800	2.30%	8.98%	

Draft 1 - Tax Increase **\$8,558,700**

8.98%

2002 BUDGET
Comparison to 5 Year Financial Plan (2001-2005) Projections cont.

	TAX IMPACT		EXPLANATION
	AMOUNT (\$)	EACH ITEM	
Increase carryforward	\$8,558,700		
			8.98%
Possibilities to Mitigate Increases:			
REVENUE OPPORTUNITIES:			
Parking revenues	(200,000)	(0.21%)	Net parking revenues from new block & regular meters
Business Licenses	(37,500)	(0.04%)	move to annual license fees only, no pro-rates for half year
Business Licenses	(60,000)	(0.06%)	increase the License fee by 5%
Rentals	(20,000)	(0.02%)	increase in City Hall net rental revenues if we advertise
Development Applications	(17,500)	(0.02%)	expect Development Applications to be up more than Plan based on trend
Building Approvals	(60,000)	(0.06%)	increase permit fees to keep up with cost increases
Parking Fines	(125,000)	(0.13%)	fine increase from enforcement
	(520,000)	(0.55%)	
COST REDUCTIONS:			
RCMP positions	(428,000)	(0.45%)	continue to carry 4 vacancies
RCMP Contract	(158,500)	(0.17%)	reduction due to Fiscal period overlap
Fire Rescue Vehicle Reserve	(400,000)	(0.42%)	slow down buildup of Fire Rescue Vehicle Reserve (go to 3 year plan)
Fleet Vehicle Reserve	(333,333)	(0.35%)	slow down buildup of Fleet Vehicle Reserve (go to 3 year plan)
Planner position	(78,575)	(0.08%)	position has been vacant since 1999
Construction Inspector position	(63,785)	(0.07%)	position has been vacant since 1999
Document scanning	(60,000)	(0.06%)	Zoning dept. duplicate as part of additional levels request
Fire Rescue equipment	(65,400)	(0.07%)	do not purchase high angle rescue equipment
Fire Rescue overtime	(51,700)	(0.05%)	eliminate Managers Standby/Callout & Mechanic Overtime increases
Fire Rescue turnout gear	(42,100)	(0.04%)	cut cleaning costs of turnout gear due to purchase of washer
Facility Management	(88,400)	(0.09%)	eliminate BC Gas rate increase provision for Q4, 2002
Armoured car pick-up	(44,000)	(0.05%)	eliminate pick-ups at Community Centres
Strategic P/T Planning Asst.	(20,000)	(0.02%)	cancel the P/T TFT position
Payback to Revolving Fund	(554,100)	(0.58%)	delay increased portion of payback to Revolving Fund
Vacation Provision	(300,000)	(0.31%)	reduce contribution to vacation provision
Contribution to Capital Program	(744,000)	(0.78%)	reduce contribution to capital program from \$1.74 million to \$1.0 million
Various expenses (all orgs)	(294,870)	(0.32%)	Vacant positions and miscellaneous cost reductions/duplications
	(3,726,763)	(3.91%)	
			4.52%

Draft 2 - Tax Increase 4,311,937 4.52%

2002 BUDGET
Comparison to 5 Year Financial Plan (2001-2005) Projections cont.

	TAX IMPACT		
	AMOUNT (\$)	EACH ITEM	OVERALL
			EXPLANATION
Increase carryforward	4,311,937		4.52%
<u>Additional Levels Approved</u>			
Council Consideration:			
Emergency Social Svcs Coordinator	70,200	0.07%	4.59%
TAG Recommendations:			
Occupational Health & Svcs Officer	25,800	0.03%	4.62%
Software Upgrade Funding	200,000	0.22%	4.84%
ECOMM Levy (Integrated RMS)	142,100	0.15%	4.99%
Turnout Gear	57,000	0.06%	5.04%
Install mobile workstations-RCMP	80,000	0.08%	5.13%
	575,100	0.61%	5.13%
<u>Revenue Opportunity to mitigate increase</u>			
Additional Casino Funds	(1,200,000)	(1.26%)	3.87%
Draft 3 - Tax Increase	3,687,037		3.87%
Exclude additional Casino Funds	1,200,000	1.26%	5.13%
Service Level reductions per Council	(115,000)	(0.12%)	5.01%
Draft 4 - Tax Increase	4,772,037		5.01%
do not touch 2002 potential Casino revenues a total of 4 cuts			
Change in tax base			
Increase in MSP premiums	(28,603)	(0.03%)	4.98%
Draft 5 - Tax Increase	5,027,434		5.28%
adjusted for new assessment values Provincial Govt. downloading			
Include 2002 Casino Funds	(1,000,000)	(1.05%)	4.23%
Draft 6 - Tax Increase	4,027,434		4.23%
as per GP Meeting Feb 15, 2002			
Exclude 2002 Casino Funds	1,000,000	1.05%	5.28%
PST Increase of 0.5%	200,000	0.21%	5.49%
Include 2002 Casino Funds	(200,000)	(0.21%)	5.28%
Casino Funds Community Grants	200,000	0.21%	5.49%
Mobile Workstations - RCMP	(80,000)	(0.08%)	5.40%
Draft 7 - Tax Increase	5,147,434		5.40%
Provincial Govt. downloading funds already earned in 2002 additional level rejected			

TAX NOTICE BREAKDOWN - EXAMPLE

Increases over 2001:	\$ Increase	Avg. Tax Rate	Avg. per Household
Basic City Services	\$1,579,434	1.66%	\$14.86
Fire Rescue Services	\$1,704,600	1.79%	\$16.04
Policing Services	\$1,063,400	1.12%	\$10.00
Infrastructure Reserve-Capital	\$1,000,000	1.05%	\$9.41
Additional Casino Funding	\$ (200,000)	(0.21%)	\$(1.88)
TAX INCREASE	\$5,147,434	5.40%	\$48.43



Memorandum

To: General Purpose Committee **Date:** March 13, 2002
From: Chuck Gale, P. Eng. **File:** -
General Manager, Community Safety
Re: Community Safety 2002 Budget Reductions

This memo addresses issues from the Community Safety Committee Meeting, Tuesday March 12th, 2002. It addresses requests for additional information, and responds to Committee's discussions regarding possible service level and budget reductions for the Community Safety Division. Through the course of the meeting, the discussion of Committee suggested agreement on the following general principles:

- Committee did not want total elimination of any programs but would consider program reductions.
- Consideration of possible budget reductions should include a blend of both City and RCMP Policing Programs.
- The intent of proposed reductions is that they are for the 2002 budget calendar year.

There was discussion but no agreement on possible service level reductions. Following the discussions, Committee addressed budget reduction possibilities. They appeared to reach a general agreement on a number of possible reductions as set out below:

ESS Co-ordinator

Community Safety Committee, while supportive of the Emergency Program and the proposed ESS Plan, expressed concern about the impact of funding this requested new position on the annual budget. Subsequently, a resolution was passed to the effect that:

The Emergency Social Services Co-ordinator valued at \$70,000 be funded from previously approved sources, not additional funding in the 2002 budget.

As a consequence of the discussions at Committee, the item was again reviewed with TAG. There is a strong commitment to this project from TAG, which led to a recommendation to:

Eliminate the ESS Co-ordinator from the 2002 Additional Level request list

In making this recommendation, and recognizing the shared interests in continuing to advance the ESS Plan:

TAG will undertake to reassign existing corporate resources to accommodate this priority.

Additionally, TAG will ensure that the issue of the ESS Co-ordinator is revisited as an Additional Level item in the 2003 budget deliberations.

G8 Summit

Richmond detachment will be deploying approximately 30 officers for one week to assist the Federal Government with security services. The City will recover all costs from the Federal Government, estimated at \$100,000. This opportunity provides the City the flexibility to reduce the 2002 Budget by this amount.

Supervisor Youth Services

The vacant Supervisor Youth Services position valued at \$63,700 in Youth Family Services should not be filled in the 2002 calendar year. Staff are currently involved in a review and evaluation of the Youth Intervention Program. This review is unlikely to conclude before the fall because of the need to assess the implications of the new Youth Criminal Justice Act and its impact on the need to establish a Restorative Justice program. This review will determine the future direction and resource allocation appropriate for this program.

Mobile Work Stations

The Additional Level request of \$80,000 for Mobile Work Stations was reviewed again by TAG at the request of the CAO, following the March 11th Council meeting. TAG recommends that this request be removed from the 2002 budget as an Additional Level. In support of this recommendation, the GM Community Safety has been instructed to re-adjust Divisional priorities to accommodate this essential item. This item is included in the budget report to GP Committee.

Summary of Budget Reductions

The reductions outlined above would generate the following cost savings:

- ESS Co-ordinator \$70,000
- G8 Summit \$100,000
- Supervisor Youth Services \$64,000
- Mobile Work Stations \$80,000

Total \$314,000

Budget reduction implications

In reducing the RCMP budget by removing funding from the YIP position and using the G8 funding, Committee will be creating an “automatic Additional Level item” for consideration in 2003. This is because once funding is removed from the base budget, the only way to re-instate the funding is through the Additional Level process. The impact of this move is the same as creating an increase of \$160,000 for the 2003 budget. Additionally, there is no expectation that in future years the City will be able to count on receiving the \$100,000 from the G8 initiative. To eliminate this “automatic” Additional Level request, staff has been directed to identify reductions

in the budget as “permanent”. This places the obligation on staff to initiate an Additional Level request that complies with our budgeting policy for the 2003 budget year.

Responses to Questions

- 1) In response to questions from Committee, the following information is provided regarding the RCMP budget:
 - The City recovers 100% of costs associated with the RCMP - YVR Contract.
 - The City will recover the cost of regular members associated with the Port Coquitlam police investigation.
 - Staff will explore other possible revenue opportunities within RCMP operations as part of our on-going organizational review.
- 2) An organizational review of the Community Safety Division began in January. Through the consolidation of the four departments into one Division, we anticipated the need to review services and programs to identify and reconcile any gaps or overlaps in specific service areas. I anticipate this review will be concluded by the fall of 2002.
- 3) The use of Fire Rescue or RCMP personnel for the management and implementation of the ESS Plan will be considered as part of the divisional organizational review.
- 4) Staffing ratio information for policing services was requested. The following information is expressed as a ratio of :

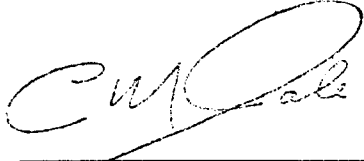
Police Officer : Population

□ Richmond	1:874	Vancouver	1:532
□ Victoria	1:421	Burnaby	1:798
□ Surrey	1:890	New West	1:495
□ Abbotsford	1:806	Delta	1:735

Caution should be exercised in interpretation of these numbers, as there are many reasons and circumstances that lead to the different ratios.

- 5) The following information is provided on growth projections for Richmond over the next five years. Committee identified the need for staff to “take into account” the implications of this growth as part of their policing review. (Provided by Policy Planning ... see Att. 1 for more detailed information):
 - The City’s population will increase from 165,130 to 178,010 in the next five years.
 - The most substantial increase will be in City Centre ... addition of over 12,000 people.
 - Moderate increases of approximately 1,100 - 1800 will occur in Steveston, Shellmont, Seafair, and Hamilton.

- There will be a decline in population of approximately 3,000 people in the Thompson area, and 1,400 in the West Cambie.
- 6) While it is generally realized that as population increases there is an impact on the need for policing resources to support the growth, as demonstrated by more calls for service, this is only one component for determining detachment strength. Given the significant change in the way community safety services are being delivered in Richmond, staff would rather address the need for additional resources at the time of need. We do not anticipate a need for additional resources at the present time.



Chuck Gale, P. Eng.
General Manager, Community Safety

Population Projections by Planning Area

Year	Blundell	Bridgeport	Broadmoor	City Centre	East Cambie	East Richmond	Fraser Lar	Gilmore	Hamilton	Sea Island	Seafair	Shellmont	Steveston	Thompson	West Cal	City Wide
2001	18,983	3,030	23,043	28,902	10,167	3,669	0	639	3,895	840	16,597	10,477	22,239	15,644	7,006	165,130
2002	19,184	3,040	23,392	29,969	10,201	3,724	0	638	3,954	810	16,848	10,636	22,576	15,680	7,006	167,631
2003	19,176	3,034	23,342	31,720	10,184	3,783	0	628	4,317	790	17,114	10,804	22,933	15,532	6,924	170,282
2004	18,974	3,042	23,425	34,515	10,144	3,801	0	589	4,478	773	17,376	10,969	23,283	14,978	6,335	172,882
2005	18,363	3,028	23,526	39,035	10,049	3,827	0	548	4,637	763	17,548	11,229	23,621	13,316	5,941	175,432
2006	18,138	3,015	23,528	41,906	9,975	3,832	0	514	4,940	750	17,620	11,685	24,004	12,495	5,610	178,010

Note: these are estimates and are subject to change based on new data received from BC Stats, Statistics Canada, BCAA and City of Richmond Building Permit Information

