



City of Richmond

Report to Committee

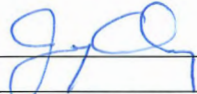
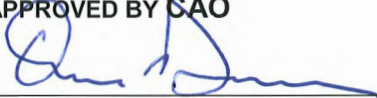
To: Finance Committee
From: Ivy Wong, CPA, CMA
 Acting Director, Finance
Re: 2022 One-Time Expenditures

Date: November 5, 2021
File: 03-0970-01/2021-Vol
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Staff Recommendation

That the one-time expenditures totaling \$1,799,521 as outlined in Table 1 of the 2022 One-Time Expenditures staff report, be approved with funding from the Rate Stabilization Account and included in the Consolidated 5 Year Financial Plan (2022-2026).

Ivy Wong, CPA, CMA
 Acting Director, Finance
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REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER	
 ACTING FOR A NAZARETH	
REVIEWED BY SMT	INITIALS:
APPROVED BY CAO	
	

Staff Report

Origin

One-time expenditure requests are typically non-recurring items over and above the base annual budget or items that are recurring in nature but are not required on an annual basis. Council established a Rate Stabilization Account (RSA) to provide funding for such requests. The RSA has also been used to defer the City's annual tax increase to a future year. Each year, once the City's accounts from the prior year are finalized, any resulting surplus is transferred into the RSA.

Any approved one-time expenditure requests will be included in the 2022-2026 Consolidated 5 Year Financial Plan (5YFP).

This report supports Council's Strategic Plan 2018-2022 #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.*
- 5.2. *Clear accountability through transparent budgeting practices and effective public communication.*
- 5.3. *Decision-making focuses on sustainability and considers circular economic principles.*
- 5.4. *Work cooperatively and respectfully with all levels of government and stakeholders while advocating for the best interests of Richmond.*

Analysis

For 2022, there are thirteen one-time expenditure requests totalling \$1,799,521. The Senior Management Team (SMT) appointed a Review Team to review each request using established ranking criteria. The prioritized requests were also reviewed by the CAO and SMT. There is no tax impact from any of the proposed requests as they will be funded from the RSA.

The RSA has an unaudited balance of \$8,842,332 as of September 30, 2021 before any audit adjustments. While there is no tax impact from utilizing the RSA to fund one-time expenditure requests, the ability to fund such requests depends on the annual surplus.

In the past, staff have typically recommended an annual funding of approximately \$1.5M for one-time expenditures. However, provincial regulations require each local government to be responsible for running its own local election every four years. Since 2022 is an election year, staff have increased the recommended amount to \$1,799,521 including the election reserve top up amount of \$362,000. The CAO and SMT have carefully reviewed all one-time expenditure requests to be funded from RSA as summarized in Table 1.

Table 1 – One-Time Expenditure Requests

Category	Description	Amount
Regulatory Requirement	Election Reserve - One Time Top Up In order to ensure for a legislatively and COVID -19 compliant election, a one-time top up to the reserve is required to ensure for adequate funding. The overall budget reflects past, growth-related and COVID-19 related costs.	\$362,000
Endorsed by Council on Oct 25, 2021	City Events Program 2022 This request is to fund 2022 City events, in alignment with the Event Guiding Principles, and as detailed in the City Events 2022 Report approved by Council on October 25, 2021. Events contribute to social and economic well-being, build community capacity and identity and raise Richmond's profile.	\$539,000
Program adopted by Council on Sep 25, 2017	Recreation Fee Subsidy Program (RFSP): Administrative and Program Support The RFSP requires a full-time and a part-time staff position, and administrative resources. While participation slowed in the 2020–2021 RFSP due to COVID-19, demand for the program is increasing and expected to return to pre-pandemic levels as restrictions ease.	\$134,911
Endorsed by Council on Nov 23, 2020	Red Cross Contract for Emergency Social Services and Emergency Volunteer Management On November 23, 2020, Council announced that the City of Richmond had entered into an agreement with the Canadian Red Cross for Emergency Support Services and emergency volunteer management starting February 1, 2021. The amount for 2022 (Year 2) at \$45,000 will support continuing with this service.	\$45,000
Endorsed by Council on Jan 25, 2021	Menstrual Equity Initiative A total of \$40,000 is requested to support this one year pilot project in alignment with the Council referral. At the end of the pilot project, a more accurate budget can be determined, provided to Council and included in the 2023 budget process should Council support the continuation of the program.	\$40,000
Endorsed by Council on May 10, 2021	Increased Operating Hours for Steveston Outdoor Pool As directed by Council, additional length swim hours were added at Steveston Outdoor Pool in 2021 and were funded by the Council Community Initiatives fund. Funding is required to maintain this service level while staff evaluate the operation and provide recommendations.	\$28,661
Council Strategic Goal	One-Time Funding to Replace CARIP for Sustainability Initiatives With the cancellation of the Climate Action Revenue Incentive Program, in which the City received \$230,000 annually, funding is needed to continue implementing Step Code regulations, Electric Vehicle (EV) and solar policies, capacity building and renewable infrastructure projects needed to achieve Greenhouse Gas (GHG) reduction targets.	\$230,000

Category	Description	Amount
Council Strategic Goal	Resources to update the Social Development Strategy 2023-2033 An updated Social Development Strategy will guide the City and its partners in a unified approach to policy development and service delivery that best supports the evolving social needs of the community. It will ensure the City continues to foster a resilient, connected and thriving Richmond.	\$125,000
Council Strategic Goal	Resources to Update the Child Care Strategy 2022-2032 An updated Child Care Strategy for 2022-2032 will guide the City's initiatives and actions over the next 10 years related to child care as well as ensuring the City is strategic in securing and allocating resources to expand child care options in Richmond.	\$75,000
Council Strategic Goal	Planning Assistant - Community Social Development (2 days/ week) A Temporary Part Time Planning Assistant position is required to support various initiatives in Community Social Development (2 days/week).	\$44,578
Program Requirement	Waterfront Coordinator Temporary Full Time Position This request is to support a new Waterfront Coordinator Temporary Full Time (TFT) position. This position will oversee operations of the docks at Britannia Shipyards and Imperial Landing, including ensuring adherence to regulations, fee collection, and program promotion.	\$84,871
Infrastructure need	QlikSense migration and Wang application replacement The application hosting the old Fire inspection data is at end of life status, and the application server used for Fire inspection and incident reporting will soon be out of support. They both must be migrated to ensure full compliance with City Bylaw 7400 and to avoid any security risks.	\$59,500
Infrastructure need	Integrated Security Access System (Honeywell) upgrade The City's Integrated Security Access System (ISAS) integrates the Access Controls, Security and Video systems using the WebsAX v2.3 application. This platform and the foundational IT architecture is no longer officially supported by their respective vendors and must be upgraded.	\$31,000
2022 One-Time Expenditures Total		\$1,799,521

Council may change any of the staff recommendations. The Consolidated 5 Year Financial Plan (2022-2026) will be revised for any changes from the staff recommendation.

Financial Impact

The recommended \$1,799,521 one-time expenditures requests as outlined in Table 1 are proposed to be funded from the Rate Stabilization Account with no tax impact. This recommended amount will be included in the Consolidated 5 Year Financial Plan (2022-2026), should it be approved by Council.

Conclusion

One-time expenditure requests were carefully reviewed by the CAO and SMT. The high priority requests in the amount of \$1,799,521 as summarized in Attachment 1 are recommended to be approved and included in the Consolidated 5 Year Financial Plan (2022-2026).



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