



City of Richmond

Report to Committee

To: Finance Committee **Date:** November 19, 2019
From: Jerry Chong, CPA, CA **File:** 03-0985-01/2020-Vol
Director, Finance 01
Re: **2020 Council Community Initiatives One-Time Expenditures**

Staff Recommendation

That the one-time expenditure request as outlined in Attachment 1 of the 2020 Council Community Initiatives One-Time Expenditures staff report, be received for information and staff be directed if the amount should be funded from the Council Community Initiatives Account and included in the Consolidated 5 Year Financial Plan (2020-2024).

Jerry Chong, CPA, CA
Director, Finance
(604-276-4064)

| REPORT CONCURRENCE | |
|------------------------------------|--------------|
| CONCURRENCE OF GENERAL MANAGER | |
| REVIEWED BY SMT | INITIALS |
| APPROVED BY CAO | |

Staff Report

Origin

On July 13, 2015, Council established a Council Community Initiatives Account with an initial balance of \$3.0M transferred from the Gaming provision. The purpose of the account is to enable Council to utilize a portion of gaming revenue towards one-time initiatives that address social, environmental, recreation and sports, heritage, arts and culture, safety and security, or infrastructure needs in accordance with the established Terms of Reference. One-time expenditure requests are typically non-recurring items for consideration over and above the base annual budget.

Council also approved a gaming revenue allocation model with 2% of budgeted gaming revenue toward the Council Community Initiatives Account.

All expenditures from this account are at Council's discretion. Any approved one-time expenditure requests will be included in the 2020-2024 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

Approved Expenditures

At the Council meeting on October 15, 2019, Council approved the following:

- (8) *That Council approve funding of \$241,000 from the Council Community Initiative Account, to the Richmond Tennis Club, and that the expenditure be included in the Consolidated 5 Year Financial Plan (2020-2024), as outlined in the staff report titled, "Replacement of the Richmond Tennis Club Bubble," dated August 29, 2019, from the Director, Recreation and Sport Services.*

2020 Projected Funding

The Terms of Reference for this account suggests the maximum annual distribution should not exceed 50% of prior year's ending account balance in order to ensure funding availability for future years; however, Council has the discretion to waive this limitation.

The balance in the Council Community Initiatives Account at October 31, 2019 is \$1,000,849, after providing funding for the replacement of the Richmond Tennis Club Bubble grant. Any unallocated amount will remain in the Council Community Initiatives Account for distribution in future years.

The estimated annual gaming revenue budget for 2019 is \$14.5M; therefore \$290,000 (2% as part of the gaming revenue allocation model) is budgeted to be allocated toward the Council Community Initiatives Account.

2020 Request for Funding

There is one Council Community Initiative expenditure request received to date as presented in Attachment 1.

Table 1 summarizes the Council Community Initiatives Account should the proposed request be approved by Council.

Table 1 – Proposed CCIA Utilization

| | |
|--|--------------------|
| CCIA Balance as of October 31, 2019* | \$1,000,849 |
| 2020 Proposed CCIA Expenditures – Pending Decision | (50,000) |
| Balance After 2020 Proposed CCIA Expenditures | \$950,849 |

*After the approved funding of the Replacement of the Richmond Tennis Club Bubble.

Financial Impact

The one-time expenditure request as outlined in Attachment 1 will be funded from the Council Community Initiatives Account with no tax impact and included in the Consolidated 5 Year Financial Plan (2020-2024).

Conclusion

This report summarizes a one-time expenditure request initiated by members of Council to be funded by the Council Community Initiatives Account. The amount approved by Council will be included in the Consolidated 5 Year Financial Plan (2020-2024).

Melissa Shiao, CPA, CA
Manager, Financial Planning and Analysis
(604-276-4231)

MS:jy

Att. 1: 2020 Council Community Initiatives Account Requests

2020 Council Community Initiatives Account Requests

| Ref | Division | Description | Requested Amount | Status |
|-----|--------------------|---|------------------|---|
| 1 | Community Services | Steveston Harbour Authority Archway Sign The Steveston Harbour Authority (SHA) is requesting funding of \$50,000 to place a new archway on City property at Sixth Avenue. The SHA and Musqueam Indian Band is providing \$100,000 toward the total cost of \$150,000. | \$50,000 | Pending Committee Resolution on Nov. 26, 2019 |