



# City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Ivy Wong, CPA, CMA  
 Acting Director, Finance  
**Re:** **2023 One-Time Expenditures**

**Date:** November 21, 2022  
**File:** 03-0970-01/2022-Vol  
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### Staff Recommendation

That the one-time expenditures totaling \$1,121,025 as outlined in Attachment 1 of the 2023 One-Time Expenditures staff report, be approved with funding from the Rate Stabilization Account and included in the Consolidated 5 Year Financial Plan (2023-2027).

Ivy Wong, CPA, CMA  
 Acting Director, Finance  
 (604-276-4046)

Att. 2

<b>REPORT CONCURRENCE</b>	
<b>CONCURRENCE OF GENERAL MANAGER</b>	
<b>REVIEWED BY SMT</b>	<b>INITIALS:</b>
<b>APPROVED BY CAO</b>	

## 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 2023-2027 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 2023, there are eleven one-time expenditure requests totalling \$1,375,723. 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 additional tax impact from any of the proposed requests as they will be funded from the RSA.

The RSA has an unaudited balance of \$13,120,507 as of October 31, 2022. While there is no additional tax impact from utilizing the RSA to fund one-time expenditure requests, the ability to fund such requests depends on the annual surplus.

The CAO and SMT have carefully reviewed all one-time expenditure requests to be funded from RSA. A description of the requests recommended by the CAO and SMT for funding in 2023 are included in Attachment 1 and those not recommended for funding in 2023 are included in Attachment 2.

Council may change any of the staff recommendations. The Consolidated 5 Year Financial Plan (2023-2027) will include the amounts as approved by Council.

One-Time Expenditure Requests

Table 1 shows the summary of the one-time expenditure requests:

**Table 1 – One-Time Expenditure Requests Summary**

<b># of One-Time Expenditures Requested</b>	<b>Recommended Amount (In \$000s)</b>	<b>Not Recommended For Funding in 2023 Amount (In \$000s)</b>	<b>Total (In \$000s)</b>
<b>11</b>	<b>\$1,121</b>	<b>\$255</b>	<b>\$1,376</b>

Table 2 summarizes the RSA balance after funding the recommended amounts:

**Table 2 – Proposed RSA Utilization**

<b>RSA Balance as of October 31, 2022</b>		<b>\$13,120,507</b>
<b>2023 One-Time Expenditures (Attachment 1)</b>	<b>(1,121,025)</b>	
Proposed Rate Stabilization of the 2023 Operating Budget*	(1,742,287)	
<b>Total 2023 Proposed RSA Utilization</b>		<b>(2,863,312)</b>
<b>Balance After Proposed 2023 Utilization</b>		<b>\$10,257,195</b>

\* To be considered in companion report “2023 Proposed Operating Budget” dated November 15, 2022.

A total of \$1,742,287 from the RSA is proposed to be utilized to reduce the tax impact of the 2023 Proposed Operating Budget as per Budget Option 2.

### **Financial Impact**

The recommended one-time expenditures totaling \$1,121,025 as outlined in Attachment 1 are proposed to be funded from the Rate Stabilization Account with no additional tax impact. The final amount approved by Council will be included in the Consolidated 5 Year Financial Plan (2023-2027).

## Conclusion

One-time expenditure requests were carefully reviewed by the CAO and SMT. The high priority requests in the amount of \$1,121,025 as summarized in Attachment 1 are recommended to be approved and included in the Consolidated 5 Year Financial Plan (2023-2027).



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

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Att. 1: 2023 One-Time Expenditure Requests – RECOMMENDED  
2: 2023 One-Time Expenditure Requests – NOT RECOMMENDED FOR FUNDING IN  
2023

2023 One-Time Expenditure Requests - RECOMMENDED			
Ref	Category	Description	Amount
1	<b>Council Strategic Goal</b>	<b>Cyber Risk Security Enhancement – Augmented Patch Management and Anti-Virus Detection</b> A cybersecurity audit was commissioned through a funding grant received by Municipal Insurance Association of British Columbia in June 2022. This audit, while overall favourable, did identify a number of key enhancements that the City should undertake to further strengthen its posture on protecting the City. This request is to increase the City's patch management and anti-virus detection functionality to improve the City's day to day security posture.	\$53,300
2	<b>Program adopted by Council on Sep 25, 2017</b>	<b>Recreation Fee Subsidy Program (RFSP) - Central Fund</b> The RFSP requires continued support through a Central Fund as work on the Community Services Pricing Policy progresses. The program was to be funded by contributions from Associations/Societies; however, this funding source was put on hold while the age of eligibility for seniors pricing is revisited as directed by Council.	\$83,000
3	<b>Endorsed by Council on Dec 6, 2021</b>	<b>Waterfront Coordinator Temporary Full Time Position</b> Request is to support the continuing pilot of the Waterfront Coordinator Temporary Full Time (TFT) position that was approved by Council on December 6, 2021. This position oversees operations of the docks at Britannia Shipyards and Imperial Landing, including ensuring adherence to regulations, fee collection, and program promotion.	\$85,406
4	<b>Council Strategic Goal</b>	<b>Richmond Sports Wall of Fame Technology</b> The Sports Wall of Fame digital kiosk uses Flash Player software to highlight inductees' achievements. Flash Player is no longer supported by its maker Adobe Software. This provides an opportunity to expand its reach worldwide through the creation of a web-based solution.	\$40,000
5	<b>Council Strategic Goal</b>	<b>City Events Program 2023</b> This request is to fund 2023 City events, in alignment with the Event Guiding Principles, and as detailed in the City Events Program 2023 Report to Committee, which was presented to the General Purposes Committee on November 21, 2022. Events contribute to social and economic well-being, build community capacity and identity and raise Richmond's profile.	\$702,000
6	<b>Council Strategic Goal</b>	<b>City Centre Tree Replacement</b> There are 34 trees in City Centre planted in 1996 that are dying from stress associated with tree roots outgrowing planting pits. Due to the presence of underground utilities, the stumps and roots need to be removed with a hydro excavation truck. Removing and replanting such a large number of trees in one location is highly unusual and beyond the cost of what can be accommodated within the existing parks operation budget.	\$157,319
<b>2023 One-Time Expenditures Total – RECOMMENDED</b>			<b>\$1,121,025</b>

2023 One-Time Expenditure Requests – NOT RECOMMENDED FOR FUNDING IN 2023			
Ref	Category	Description	Amount
1	<b>Council Strategic Goal</b>	<b>Performing Arts Facility Needs Assessment</b> As per the Council-approved Richmond Arts Strategy, a Performing Arts Facility Needs Assessment is needed to gain a better understanding of the needs and opportunities for expanding the number and type of purpose-built performing arts spaces in Richmond.	\$70,000
2	<b>Infrastructure need</b>	<b>Redundant Fiber Connectivity From City Hall to Cambie Community Centre</b> Purchase and install a new 96-strand fiber cable for Bridgeport Road Redundant Link that will go from Garden City/Bridgeport to Cambie Community Centre to provide a fiber path IT network redundancy.	\$31,000
3	<b>Council Strategic Goal</b>	<b>Argus Database Enhancements</b> The Arts and Museum Collections System, Argus.net, requires enhancement to improve loans management, compliance with latest regulations, rules and City policies, as well as building a brand new Indigenous collections portal.	\$32,330
4	<b>Council Strategic Goal</b>	<b>Dog Licence E-billings</b> Dog Licence renewal invoices are printed and manually mailed out to residents. E-billings would allow us to move towards a digital renewal approach with notices delivered to customers through email. Implementing a digital renewal process will save postage and printing costs. There is a future year operating budget impact associated with this one-time funding request for ongoing software licensing fees, less savings from reduced postage estimated at \$1,650.	\$41,658
5	<b>Council Strategic Goal</b>	<b>Parking Permit Customer Portal</b> An online customer portal for purchasing parking permits, will improve customer experience, and allow for more self-serve capabilities. Using the portal (for both staff and customer) to process payment will remove any unnecessary errors caused by manual processing. There is a future year operating budget impact associated with this one-time funding request for ongoing licensing fees estimated at \$4,710.	\$79,710
<b>2023 One-Time Expenditures Total – NOT RECOMMENDED FOR FUNDING IN 2023</b>			<b>\$254,698</b>