



# City of Richmond

## Report to Committee

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**To:** Finance Committee **Date:** November 29, 2017  
**From:** Jerry Chong, CPA, CA **File:** 03-0985-01/2017-Vol  
01  
Director, Finance  
**Re:** **2018 One-Time Expenditures**

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### Staff Recommendation

That the recommended one-time expenditures totalling \$1,449,774 as outlined in Attachment 1 of the 2018 One-Time Expenditures staff report, be approved and included in the 5 Year Financial Plan (2018 – 2022).

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

Att. 2

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

## Staff Report

### Origin

One-time expenditure requests are typically non-recurring items for consideration over and above the base annual budget. Council established a Rate Stabilization Account (RSA) to provide funding for such requests without a tax impact. Each year, once the City's accounts from the prior year are finalized, any arising surplus is transferred into the RSA. The funds can be used to help balance the budget in order to minimize any tax increases or to offset any one-time expenditure requests.

Any approved one-time expenditure requests will be included in the 2018 - 2022 5 Year Financial Plan (SYFP).

This report supports Council's 2014 - 2018 Term Goal #7 Strong Financial Stewardship:

*Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.*

- 7.1. *Relevant and effective budget processes and policies.*
- 7.2. *Well-informed and sustainable financial decision making.*
- 7.3. *Transparent financial decisions that are appropriately communicated to the public.*
- 7.4. *Strategic financial opportunities are optimized.*

### Analysis

For 2018, there are nine one-time expenditure requests totalling \$2.0 million. Senior Management Team (SMT) and the CAO conducted a thorough review and prioritized each request using established ranking criteria. Only high priority requests are recommended.

Major Events funding for 2019 has not been included in the one-time requests as staff will be bringing a report concerning Major Events 2019 in the new year after consultation with the event steering committee. However, it might be appropriate for Council to allocate up to \$2.0M at this time, which could then be further refined upon approval of the program. These funds will not be accessed without further approval from Council.

If any one-time expenditure requests are approved by Council, the respective expenditure will be included in the 5 Year Financial Plan (2018 - 2022). There is no tax impact from any of the proposed requests as they will be funded from the RSA which has a balance of approximately \$20.3 million as of September 30, 2017.

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 Amount (In \$000s)</b>	<b>Total (In \$000s)</b>
<b>9</b>	<b>\$1,450</b>	<b>\$563</b>	<b>\$2,013</b>

Table 2 presents a summary of the recommended amounts all of which are in support of Council's 2014-2018 Term Goals.

**Table 2 – Recommended One-Time Expenditures Summary**

<b>Council Term Goal</b>	<b>Recommended Amount (In \$000s)</b>	<b>Reference Numbers (Attachment 1)</b>
Vibrant Programs	\$195	4, 6
Well-Planned Community	\$100	5
Quality Infrastructure	\$225	2
Strong Financial Stewardship	\$930	1, 3
	<b>\$1,450</b>	

Attachments 1 and 2 provide a brief description of all one-time expenditure requests with recommendations and non-recommendations respectively provided by SMT and the CAO. Council may change any of the recommendations or may choose to address other one-time funding needs.

Capital Project Requests

In addition to the one-time expenditure requests, there were items considered in the capital process but not recommended in the 2018 Capital Budget due to funding constraints and other priorities. Ten capital projects totalling \$8.0M has been recommended for Council's

consideration to be funded by RSA or a combination of capital funding and RSA. The capital projects are listed as follows:

- City Hall Annex Renovations - \$2.0M
- No. 4 Road Reconstruction from Blundell Road to Granville Ave - \$1.8M
- Citywide Street Light Replacement and Sidewalk Repair Program - \$1.1M
- Minoru Park Cultural Precinct Site Improvements - \$0.8M
- 2018 Digital Strategy Implementation - \$0.5M
- South Arm Boiler Replacement and Domestic Water Repiping - \$0.5M
- Thompson Community Centre Heat Pump Replacements - \$0.4M
- Public Works Minor Capital - Roads - \$0.3M
- Bridge Rehabilitation Program - \$0.3M
- Public Works Minor Capital - Traffic - \$0.3M

Details of each individual capital project are included in the 2018 Capital Budget Report.

### **Financial Impact**

The recommended \$1,449,774 one-time expenditure requests are to be funded from the Rate Stabilization Account with no tax impact. This recommended amount will be included in the 5 Year Financial Plan (2018 - 2022), should they be approved by Council.

### **Conclusion**

One-time expenditure requests were reviewed and prioritized by SMT and the CAO. The high priority requests in the amount of \$1,449,774 as summarized in Attachment 1 are recommended to be approved and included in the 5 Year Financial Plan (2018 – 2022).



Mike Ching, CPA, CMA  
Manager, Financial Planning and Analysis  
(604-276-4137)

MC:mc

- Att. 1: One-Time Expenditure Requests – RECOMMENDED
- 2: One-Time Expenditure Requests – NOT RECOMMENDED

## 2018 One-Time Expenditure Requests - RECOMMENDED

Ref	Requested By	Description	Net Request	SMT Recommended Amount
1	ENGINEERING AND PUBLIC WORKS	<b>Replenish Sanding and Salting Provision</b> The severe, extended winter conditions resulted in the need for significant operational response to deliver maximum service levels and provide driver and public safety on City roads.	\$800,000	\$800,000
2	COMMUNITY SERVICES	<b>Parks Strategic Ageing Infrastructure Replacement Plan</b> The Parks Ageing Infrastructure Replacement Plan will be a long-term plan for the replacement of parks infrastructure, ensuring that levels of service are sustained and maintenance costs are not adversely impacted by the need for emergency repairs. The Plan will be used to establish priorities and will provide the direction for annual Capital requests to allow for the timely implementation of infrastructure replacement projects. The objective of the Plan is to shift from project planning based on the five year capital funding process to a more systematic and consistently funded approach.	\$225,000	\$225,000
3	FINANCE AND CORPORATE SERVICES	<b>Election Reserve - One-Time Top-up</b> In order to provide the same level of service for the 2018 civic election, a one-time top-up of \$130K to the Election Reserve is required in 2018 to provide the same level of funding as the previous election. The overall budget reflects past and growth-related election costs.	\$130,000	\$130,000
4	COMMUNITY SERVICES	<b>Recreation Fee Subsidy Program - Administrative Support and Promotion</b> The updated Recreation Fee Subsidy Program will require funding for 1) auxiliary staff and promotional resources and 2) contingency fund in case the number of applications is higher than anticipated. Ongoing funding will be requested after operational need has been assessed.	\$117,824	\$117,824

## 2018 One-Time Expenditure Requests - RECOMMENDED

Ref	Requested By	Description	Net Request	SMT Recommended Amount
5	FINANCE AND CORPORATE SERVICES	<p><b>City's Industrial Land Intensification Initiative</b></p> <p>Funding in the amount of \$100,000 is required to retain consulting expertise to support the City's Industrial Land Intensification Initiative - a review and update of City policies towards better utilization of the City's industrial lands to meet long-term City objectives and industry needs.</p>	\$100,000	\$100,000
6	LIBRARY	<p><b>Richmond Public Library - Book Vending Technology at Hamilton</b></p> <p>Innovative library book vending technology will provide Hamilton residents with daily access to broader library collections during the community centre open hours. This technology could act as a proof-of-concept service that could be expanded to other neighbourhoods across our community.</p>	\$76,950	\$76,950
<b>2018 One-Time Expenditures Total - RECOMMENDED</b>			<b>\$1,449,774</b>	<b>\$1,449,774</b>

## 2018 One-Time Expenditure Requests – NOT RECOMMENDED

Ref	Requested By	Description	Net Request	SMT Recommended Amount
7	COMMUNITY SERVICES	<p><b>Enhanced Hours and Programming for Steveston Heritage Sites: Britannia, Tram, Steveston Museum</b></p> <p>Destination Enhancement for Steveston: ensure heritage facilities (Britannia, Tram, Steveston Museum) are valued destinations for residents and visitors 7 days per week, year round. Programming designed for attracting visitors and residents. Staffing to 2017 level of service.</p> <p>The Britannia Feasibility Study is currently underway and the CAO has initiated a service level review, future funding will be subject to completion of both.</p>	\$303,093	-
8	COMMUNITY SERVICES	<p><b>History of Richmond Film</b></p> <p>Richmond's 140th birthday is in 2019. This is an ideal time to create a series of short 3- to 5-minute videos to tell our City's stories. The videos can be stitched together into one longer presentation. Specific stories can be used by educators and be made available on the Museum's website.</p>	\$200,000	-
9	COMMUNITY SERVICES	<p><b>London Heritage Farm Master Plan</b></p> <p>London Farm site is one of the earliest farm sites in Richmond. It is actively used today for events, programs, rentals and museum and park users. The last plan for the site was developed in 1982. This is an opportunity to develop a vision for the site and implementation plan.</p>	\$60,000	-
2018 One-Time Expenditures Total – NOT RECOMMENDED			\$563,093	\$-