

To: Finance Committee

Date: June 18, 2010

From: Councillor Greg Halsey-Brandt

Re: Policy on Use of Council Contingency and Council Provision accounts

Recommendation:

That the policy for the use of funds from the Council Contingency and Council Provision accounts is as follows:

The use of the Council Contingency and Council Provision accounts may be identified as a funding source on projects proposed by individual Council members, through Council or a Committee of Council or for Council initiatives. Senior staff may recommend either account as a funding source for civic issues or Council initiatives but must have the concurrence of the Committee Chair before the report recommending the expenditure is brought forward to the relevant committee.

Discussion:

The present guidelines as set forward by staff regarding access to the Council Contingency and Council Provision accounts states that the "use of the account may be identified by Council or recommended by senior staff, who are aware of civic issues and Council initiatives. Staff cannot proceed with utilizing the account without referencing the funding source in a report to Council in order to obtain approval before proceeding."

The Council Contingency account was established to fund unplanned items identified by Council as worthy of support during the financial year. The Council Provision account is the repository of annual surpluses from the Council Contingency account and is similarly used to fund large Council identified expenditures arising during a financial year and unbudgeted for. Given the above rationale for the creation of the accounts, Council members and Council as a whole must be the decision makers regarding what expenditures are considered appropriate to draw on the accounts.

The fundamental principle of unexpected Council expenditures arising from issues that come up after the annual budget is set must be respected. Expenditures on events such as Winterfest, a Sister City trip and the B.C. Senior Games which are planned well in advance of the year in which they take place would not normally be eligible. Expenditures such as the Vial of Life and the Richmond Family and Youth Court Conference are examples of acceptable candidates to access the account.

A copy of the April 30, 2010 staff memo on their position of expenditures from the accounts is attached for information.

Councillor Greg Hasley-Brandt



To: Mayor and Councillors
From: Jerry Chong
Director, Finance

Date: April 30, 2010
File: 03-0970-01/2010-Vol 01

Re: Council Contingency and Council Provision

At the April 6, 2010 Finance Committee meeting the following request was made.

That the Council Contingency fund and Council Provision fund be referred to staff for general explanation of how the fund operates

The City's annual operating base budget includes a \$100,000 budgeted expenditure for Council Contingency. This amount is set aside for unplanned items arising during the year that are deemed to be worthy of financial support and the item is not part of a base program or service. The use of the account may be identified by Council or recommended by senior staff, who are aware of civic issues and Council initiatives. Staff cannot proceed with utilizing the account without referencing the funding source in a report to Council in order to obtain approval before proceeding. Some items which have been funded in the past 3 years from Council Contingency include the Richmond Family and Youth Court Conference, the Sister City trip and modifications to the Rosewood Manor Bus.

At the end of each fiscal year any un-utilized funds in the Council Contingency account are appropriated into the Council Provision account. During 2009 the Council Contingency account was not utilized, therefore the budgeted amount of \$100,000 was appropriated into the Council Provision account. The Council Provision account is also available for civic requirements and Council initiated projects. The current balance in the account is \$512,936 and the use of the account generally follows the same guidelines as the Council Contingency account. Some items which have been funded in the past 3 years from the Council Provision account include Winterfest and the BC Senior Games.

Should you require any further information, please feel free to call me at 604-276-4064.

Jerry Chong
Director, Finance

JC:naw