



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong
Director Finance
Re: 2008 Surplus Appropriation

Date: May 26, 2009
File: 03-0985-01/2009-Vol 01

Staff Recommendation

That the December 31, 2008 surplus of \$2,670,370 be appropriated as outlined in the attached report.

Andrew Nazareth
General Manager Business & Financial Services Department
(4046)

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER 		
REVIEWED BY TAG	YES 	NO <input type="checkbox"/>
REVIEWED BY CAO <i>Acting</i>	YES 	NO <input type="checkbox"/>

Staff Report

Origin

The City is required to present a balanced budget and does not budget for a surplus in the annual operating budget, however, the City might realise a surplus due to favourable revenues and costs at the end of each fiscal year. Historically, the City has utilized the surplus to fund one-time expenditures that could not be accommodated in the City's annual budget. The use of consolidated surplus in this manner allows the City to address important unanticipated and unfunded corporate expenditures without impacting property taxes.

For the year ended December 31, 2008, the City of Richmond had a consolidated surplus of \$2,670,370 resulting primarily from the following:

- RCMP contract costs were lower than budgeted due to the delayed personnel replacements, therefore billings were less than the approved contract costs (approximately \$1.8 million)
- Other items such as vacant positions, supplies, maintenance, investment income, etc.

This report outlines the status of the appropriation of the 2008 operating surplus.

Analysis

Generally speaking, the City does not budget for one time (non-recurring) items as part of the annual budget and instead funds the items from surplus if available. This approach allows the City to have a predictable steady annual tax rate increase rather than one with significant swings from one year to the next.

From an accounting perspective, once the 2008 appropriations are approved by Council, most of the expenses will be built into the 2010 Operating and Capital budgets accordingly with the corresponding revenues to offset them resulting in no 'bottom line' impact. This step is necessary in order to have Council authorization to spend on these programs, services and capital items in 2010. There will be no tax impact from these transactions as they will have funding from the 2008 Surplus to cover them.

This year is an exceptional year as there are a number of one time funding requests associated with the Olympic Games. City Council made the decision to become an Official Venue City and with that designation comes certain obligations. In addition, in order to fully capitalize on the exposure generated by the Olympic Games and receive significant legacy benefits, the City will require a one time investment in hosting, beautification, economic development & tourism initiatives, marketing, Olympic Expo program, additional resources and so on. It is noted that funding has not been allocated for those requirements to date. Should Council not choose to use the Operating budget surplus for this purpose, there are unallocated funds totalling \$1,285,885 in the accumulated Casino revenue surplus account that may be used.

The following provides a brief description of all one time expenditure requests from departments and Councillors, with recommendations provided by the senior managers administrator group (TAG) based on the following criteria:

- 1) Legislated and/or mandatory requirements
- 2) Health and Safety requirements
- 3) Consistent with Council approved plans or direction
- 4) Corporate planning and needs
- 5) Workforce needs and enhancements

Department Submissions:

1. External Legal Counsel (\$250,000)

The overall cost of retaining external legal counsel to represent the City on complex matters has remained relatively consistent for the last 4 years. These costs have been funded by the legal settlement account but this practice is not sustainable. This request will address the 2009 provision of service and in 2010, a budget request will be presented for more consistent funding.

TAG recommends that this request be rejected and that the shortfall in 2009 be covered by the legal settlement account once more. Subsequently, the request for additional level ongoing funding be submitted to the 2010 Operating Budget for consideration.

2. Fire Rescue outreach and outfitting of new recruits (\$150,000)

Due to continuing anticipated retirements in 2009 and 2010, Fire Rescue will be conducting community outreach for its next recruitment. Costs will be incurred for advertising and testing of candidates combined with outfitting new recruits with safety equipment and uniforms.

TAG recommends that \$130,000 be appropriated with \$20,000 rejected.

3. Fire Rescue equipment (\$90,000)

Richmond Fire requires the upgrade of some equipment as well as new equipment for new program development. This would include the purchase of new Automatic External Defibrillators, electric PPV fans to clear smoke or fumes out of buildings or area during incidents and the ability to equip all Fire Prevention personnel and investigators with a basic tool kit in order to facilitate their jobs. Also includes upgrade to holmatro hoses (jaws of life), which are at the end of their useful life and the upgrading of light systems on some of the older trucks with the new standard LED lights, which are much brighter with longer life expectancy.

TAG recommends that \$90,000 be appropriated.

4. Fleet maintenance parts room upgrade (\$80,000)

Fleet maintenance parts room upgrade as required by WorkSafe BC to meet minimum

standards for shelving and storage.

TAG recommends that \$80,000 be appropriated.

5. Fire Rescue training (\$50,000)

Fire Rescue does not have live fire training facilities. However, training can be held through the use of facilities in the Township of Langley. All members have the theoretical training but currently only 60 members have the practical training. This request is to provide practical training to the remaining members so that they are better equipped to deal with live fire situations.

TAG recommends that \$50,000 be appropriated.

6. Planning for Tall Ships 2011 event (\$30,000)

Planning needs to commence for the proposed Tall Ships 2011. The City has advised ASTA that we are interested in being a ASTA Tall Ships host port in 2011. A tentative date has been set and staff are in communication with ASTA in this regard. An update report on Tall Ships 2011 will be coming to Council within the month outlining options for consideration. An operational plan is an integral part of the overall business plan and will include such topics as location, facility equipment, staffing, volunteers, inventory, suppliers and operational details. It will outline the structural and management model, the event and facility requirements, strategic issues, event management and support. Without this important information, planning and implementation progress in the event will be seriously delayed and impact the quality of the event.

TAG recommends that \$30,000 be appropriated.

7. Seniors Games 2009 support (\$45,000)

Seniors' Games in kind expenses as outlined in the agreement. These are additional one time expenditures for the City that are not included in the service program and current budget and include such services as bus rental, storage rentals, lighting technicians, equipment rental etc.

TAG recommends that \$45,000 be appropriated.

8. Parks equipment (\$36,500)

Small equipment replacement for parks and grounds maintenance such as weed whips, backpack blowers, hedge trimmers, floor cleaners and pressure washers.

TAG recommends that \$36,500 be appropriated.

9. City facilities additional maintenance (\$191,000)

Janitorial, Sanitation, Parks Services for proactively maintaining City facilities, washrooms and streets as a result of the anticipated elevated use of all public facilities and gathering spaces across the City through March 2010. This will ensure a high level of hygiene and cleanliness is maintained.

TAG recommends that \$191,000 be appropriated.

10. New Pesticide bylaw related costs (\$120,000)

Funding to support Pesticide Bylaw and staffing as outlined to Council. There is an operational impact to Parks Operations in completely eliminating use of Round Up. Funding to complete development and implementation of bylaw and hiring staff for half year.

TAG recommends that \$120,000 be appropriated.

11. Small Equipment Shop improvements (\$35,000)

Improvements in Small Equipment Shop: Exhaust Extraction System over Hose - \$20,000; Plate Compactor - \$7,000; Pipe Saws (2) - \$2,500; Evaporative Cooling Fan - \$3,000; Backpack Blowers - \$2,500.

TAG recommends that \$23,000 be appropriated with \$12,000 rejected.

12. Olympic Expo-Richmond 2010 (\$500,000)

In July 2008, Council adopted the 2010 Arts and Culture Plan. The plan included the research and development of an Olympic Themed Exhibit working with the IOC and the IOC Museum in Lausanne Switzerland. City Hall has been selected as the premier venue for this significant exhibit and the exhibit concepts have been developed. A comprehensive sponsorship and donor program has been launched and has already garnered interest from local and international companies. This initial funding is requested to leverage sponsorship and donor support as the City must also be seen as a premier sponsor for this event. This event is to be held over 20 days, is attracting a truly global audience and is expected to draw over 80,000 guests to City Hall for the exhibit.

TAG recommends that \$500,000 be appropriated.

13. Emergency Response 'Gold Exercise' 2009 (\$34,800)

Participation costs in "Gold Exercise" (multi-jurisdictional emergency response exercise) scheduled for November 2009 to prepare the City to respond to emergencies. The level of participation will be governed by the funding provided by Council. The requested one time expenditure would permit the City to have a live, field emergency response exercise, involving a number of disciplines. If the funds are not provided the level of the City's involvement will be reduced to a simple paper exercise with limited staff involvement. The funds were requested throughout the 2008/2009 budget process.

TAG recommends that \$26,400 be appropriated with \$8,400 rejected.

14. Increased staffing to meet Venue City obligations (\$250,000)

When the City accepted the challenge of being a venue city, funding for staffing the project was estimated with the knowledge of the day. The Olympics is a once in a lifetime opportunity that has not been experienced by staff. As we get closer to the opening ceremonies, staff are realizing that the scope of the project is larger and more

complex than originally anticipated and it is becoming clear that our estimates of required resources were significantly less than required. As an example the City of Vancouver has 9 staff in their protocol office compared to our single staff member and despite the difference in staffing levels, the responsibility and expectations of each city in the protocol area is the same. This funding is for additional staff or to backfill City staff that may be seconded from other City departments to allow the successful delivery of the Olympic experience.

TAG recommends that \$250,000 be appropriated.

15. Installation of mobile compact shelving systems (\$33,500)

The City's Archives is now at full capacity for secure records storage. In previous years capacity has been expanded through installation of mobile compact shelving systems. This request is to complete that process by installing the same type of system in the last remaining portion of the Archives space that currently has lower capacity old-style shelving. It should be noted that Archives expects to receive a significant volume of 2010 Games records next year from ROBO and other divisions; the capacity afforded by the new shelving is very important to allow us to receive these important records.

TAG recommends that \$33,500 be appropriated.

16. Major special event equipment (\$100,000)

Major special events funding in support of the Major events strategy, including purchasing equipment such as tents, p.a. system, event decking, storage containers to replace deteriorated equipment and improve on City's capacity to support events.

Events in the City have grown from 60 - 80+ over the past few years and the City's event equipment has deteriorated and needs replacement. Demand for new event support equipment has increased. This would fund new equipment such as tents, pa system, event decking, storage containers will improve the City's capacity to support events.

TAG recommends that \$90,000 be appropriated with \$10,000 rejected.

17. Community Safety auxiliary staff (\$45,200)

Auxiliary staff (students, Co-Op students) to provide technical and data maintenance support to the new and existing hardware and software systems including geographic information systems and integration with ECOMM.

TAG recommends that \$45,200 be appropriated.

18. Fire Rescue Flashover Simulator (\$40,000)

The purchase of a Flashover Simulator will provide necessary training for Fire Rescue members in a flashover environment.

TAG recommends that \$40,000 be appropriated.

19. Nature Park improvements (\$40,000)

Nature Park clean up & signage including trail maintenance, site furnishings, interpretive signage.

Richmond's Nature Park is still suffering from the impacts of wind storms and bad weather from the past few years and has not had the funding to improve amenities and park maintenance within the park. This additional level will continue with the clean up of the Nature Park and improve signage, trail maintenance, install new site furnishings and interpretive signage.

TAG recommends that \$30,000 be appropriated with \$10,000 rejected.

20. Service Shop/Garage equipment (\$28,000)

Materials for equipment service shop/garage: AVR tester - \$5,000; Diagnostic Software/Hardware Updates - \$5,000; 10 Ton (Air) Floor Jacks (2) - \$8,000; Lighting Upgrades Installed at Work Stations - \$6,000; Ventilation Hoses - \$4,000.

TAG recommends that \$20,000 be appropriated with \$8,000 rejected.

21. Corporate marketing and communications (\$24,000)

Information and marketing material and other communication supplies and expenses to support general City Corporate Communication activities, including communicating with residents, visitors, media and others.

TAG recommends that \$24,000 be appropriated.

22. Welding shop equipment (\$17,000)

Welding Shop: Tarp Cover for Steel Storage Area - \$10,000; Steel Storage Area Upgrade for Material Handling - \$7,000.

TAG recommends that \$17,000 be appropriated.

23. Parking meters (\$10,500)

The addition of 3 parking meters for expansion at Alderbridge, Alexander and Elmbridge Way.

TAG recommends that \$10,500 be appropriated.

24. Junior non-fiction book collection upgrade (\$100,000)

Upgrade of junior non-fiction book collection at Brighthouse Library due to heavy demand.

TAG recommends that this request be rejected. The Library has indicated that the auto sorter is a higher priority.

25. Law & Community Safety (\$317,000)

Additional Fire Services resources to address a projected 25% increase in calls volume in urban domain, including YVR. The resources include additional staffing and equipment

for 24 hours per day during the Olympic and Paralympic time period. The City is negotiating/discussing with both VANOC and the Province to have the costs of providing fire services to the Oval and the celebration site paid for by VANOC. To date, VANOC is showing an unwillingness to cover these costs but the Cities are challenging this position. This request is to provide for contingency in the event that the City has to incur these costs.

TAG recommends that \$317,000 be appropriated.

26. Enhanced look of the City (\$150,000)

During the Olympic games Vanoc will be implementing a particular look in the area surrounding the Olympic Oval. As the Olympics approach there is an opportunity to leverage the look of the Games by implementing complementary infrastructure so that it will be in place when the world comes to visit Richmond. There is a significant opportunity to update gateway signage at key locations of the city, replacing existing ones that have become out of date, are in poor condition and not reflective of the image of a venue city. By completing this work prior to the games we can ensure that Richmond establishes a legacy and confirms our identity as a world class City.

TAG recommends that \$106,520 be appropriated with \$43,480 rejected.

27. City Olympic Hosting and Protocol Program (\$250,000)

One of the key benefits of being a Venue City is the opportunity to leverage Vanoc's protocol program. The protocol program provides the ability to develop focussed hosting programs that will provide the City significant opportunities to develop economic development initiatives, sport hosting, promote tourism of Richmond and highlight Richmond's heritage. In addition, as we move closer to the Olympic games we are being requested to receive increasing number of foreign delegations such as the upcoming visit by the Emperor of Japan. In many cases these visits by foreign dignitaries are excellent opportunities to develop ongoing relationships that may provide future benefits to the City of Richmond

TAG recommends that \$250,000 be appropriated.

28. Installation of Automatic External Defibrillators (\$130,000)

Install Automatic External Defibrillators in all City buildings including defibs and storage, certification, medical oversight and training of staff.

TAG recommends that this request be rejected as Council has not made a determination on whether AED's should be in all City public facilities. At this point, without these approvals and potential strategies to implement, staff felt that we should not recommend installation of AED's and the training of all staff on the apparatus. It is very likely that this request will reappear in the 2010 one time additional level process subject to Council approval.

29. Wildlife management programs (\$39,800)

The wildlife management programs will target reducing the impact of snow geese on school parks and playing fields, managing large flocks of Canadian geese in residential areas, producing strategies for long-term habitat management for both of these species and public education. Other wildlife species will also be considered under this program including coyotes and rabbits.

TAG recommends that this request be rejected as staff are working with other stakeholders including YVR and Canadian Wildlife Services on an overall strategy. Staff will be bringing forward a report on this topic later this year. In that report, a broader approach will be considered with likely funding requests for ongoing additional levels in the 2010 budget process.

30. Fire Rescue Business Continuity Plan (\$30,000)

Develop a Business Continuity Plan for Fire Rescue to permit more rational and effective decisions to be made in advance.

TAG recommends that this request be rejected.

Councillor's Submissions:

1. E. Halsey-Brandt – 2 wheelchairs (\$1,000)

2 wheelchairs required by the Richmond Disability Centre. The Centre routinely lends these chairs to clients who need them on a temporary basis.

TAG recommends that \$1,000 be appropriated.

2. L. Barnes – mechanised sorting equipment (\$100,000)

Mechanised sorting equipment at Brighthouse Library is required in order to automate the check in and sorting of over 2,750,000 items a year. A capital submission was raised for \$250,000 in the 2009 capital budget.

TAG recommends that \$100,000 be appropriated.

3. G. Halsey-Brandt – 24 passenger bus (\$95,000) – Attachment A

24 passenger bus for East Richmond Community Association to replace a 12 year old 15 passenger van.

TAG recommends that this request be rejected as the agreements with the Associations do not require the City to purchase buses for the Associations. To purchase a bus for one Association would set a precedent. As well, consistent with current practice, maintenance and replacement costs for buses are funded by the Community Associations.

4. G. Halsey-Brandt – covered structure (\$13,750) – Attachment B

Covered structure for agricultural antique for London Heritage Farm Society.

TAG recommends that \$13,750 be appropriated.

Financial Impact

For the year ended December 31, 2008, the City of Richmond had a consolidated surplus of \$2,670,370. This surplus is to be appropriated to meet the additional funding requests for one-time expenditures as recommended by TAG above. These recommended items will have no ongoing operating budget impacts.

Conclusion

Staff recommends that the 2008 surplus of \$2,670,370 be appropriated on the additional one-time expenditure requests as recommended by TAG above.



Jerry Chong,
Director, Finance
(4064)



EAST RICHMOND COMMUNITY ASSOCIATION

12800 Cambie Road, Richmond, British Columbia V6V 0A9 • Telephone 604-233-8399
Fax 604-278-2609

May 11, 2009

Councillor Halsey-Brandt
City of Richmond
6911 No 3 Road
Richmond, BC V6Y 2C1

Dear Councillor Halsey-Brandt:

I understand that the City of Richmond (currently) has a 2008 Budget surplus of \$2.7 million. On behalf of the East Richmond Community Association (ERCA), I would like to request that the City purchase a 24 passenger bus for our Community Centre. The ERCA is specifically recommending that a 2009 Ford GC11 Minibus be purchased, which would cost approximately \$95,000. The ERCA would be pleased to contribute a portion of this cost. In addition, we will also explore the possibility of procuring some donors or sponsors to assist us with the purchase of this proposed bus.

Currently, our Association operates a 12 year old van, with a passenger capacity of 15. Recent motor vehicle restrictions placed on 15 passenger vans have drastically limited the use of our van for a variety of basic uses. For example, our current van is no longer permitted to be driven on a highway, or over 60 km/hour. This restriction has significantly impacted many of our trips and outings for the seniors, youth and children in our community. In addition, new car seat legislation has additionally limited our ability to transport children under the age of 9 years old in our current van.

According to Motor Vehicle Statistics, a 24 passenger bus is extremely safe, which is always our first concern. Additionally, the proposed new 24 passenger bus would greatly assist the ERCA in meeting the growing needs of our community. Below is a brief summary of our community centre's services that are currently being challenged with our current van, as well as a description of the patron and program benefits from having a new and safer bus.

- Seniors are currently relying on a very awkward step stool to get in and out of the van. This is physically challenging for some participants. In addition, some seniors have difficulty moving to the rear and sides of the van, as the passage way is quite narrow. Finding storage space for walkers (which some seniors do rely on for mobility) is also extremely awkward. The following destinations would all be possible with a new 24 seater minibus (Starlight Casino; Bowen Island; New Westminster; False Creek;

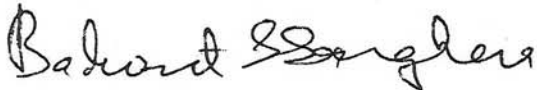
Fraserdowns; Hastings Raceway; UBC, Christmas Light Tour; Burnaby Casino; Agassiz; walking trips to various parks in Richmond and in Vancouver)

- Youth. Many trips that would interest and appeal to this age group are outside the City's driving limit with our current 15 passenger bus. As summer approaches, it becomes extremely difficult to book a larger bus with the City, as other Youth Workers, Seniors Programs and Summer Day Camps are competing to use the same vehicles. Our Youth Worker has had to postpone or cancel trips because no vehicle was available.
- Preschool and School Aged Care Services. Booster Seats are required for all children under the age of 9 years, if they are being transported in our current van. However, booster seats would be exempt in a new 24 passenger minibus, which would make outings anywhere much easier and accessible. In addition, the minibus could accommodate a larger group of children, thus reducing the need to 'ferry' children in smaller groups to and from the Community Centre.
- Fitness. The opportunity to facilitate some fitness and/or wellness out trips (ie. hiking; trail running; orienteering; walking groups; dragon boating, kayaking) currently does not exist with our current 15 seater van.

On behalf of the East Richmond Community Association Board and Staff, I would like to thank you and the City of Richmond for considering our request.

If you need any more information regarding this matter, please feel free to contact me at (604) 836-8976.

Yours truly,



Balwant Sanghera
President

BS:sa



London Heritage Farm

(Owned by the City of Richmond, operated by London Heritage Farm Society)

6511 Dyke Road

Richmond, B.C. V7E 3R3

Phone: 604-271-5220

Fax: 604-271-5248

www.londonheritagefarm.ca

Greg Halsey-Brandt
Councillor, City of Richmond
Richmond City Hall
6911 No. 3 Rd
Richmond BC
V6Y 2C1

April 29, 2009

Dear Mr Halsey-Brandt,

The London Heritage Farm Society has been working closely with the City of Richmond's Heritage Services and Parks Department on the development of our agricultural antique farm equipment interpretive displays. One of the outstanding pieces is a 1926 thrashing machine that requires a covered structure to retain its integrity from the elements. A covered structure would also allow the thrashing machine to be properly displayed with interpretive signage as well as the opportunity for selected and careful restoration. Completion of this project would make the site a prime agricultural heritage display celebrating Richmond's agricultural history.

The City Parks Department has supplied a concept drawing of the structure and we have had the drawings reviewed by a contractor who has advised to budget costs at \$13,750.

The London Heritage Farm Society requests that a grant of \$13,750 be considered for this project. The concrete slab for the structure has been installed. Once funding is allocated, we would finalize the drawings for construction purposes, review the finished drawings with the City's Heritage Services and Parks Department then contract to have the structure completed.

Your consideration for this project is very much appreciated.

Yours,

Robert Berkhout, Chair
London Heritage Farm Society



"Threshing Day"

Thresher (Post 1929; c 1940s)
Red River Special Thresher
Oliver Corporation

In 1857, Nichols & Shepard Company from Battle Creek, Michigan developed the first vibrator thresher. It was a huge success with farmers. In 1900, they introduced their Red River Special line of threshers. In 1929, Nichols & Shepard merged with the Oliver Farm Equipment Company. Oliver continued to make the Red River line of threshers for many years after this merger.



The photo at the top of this page is a historical photo of a Red River Special Thresher in operation. The photo at the bottom of this page is a historical photo of a Red River Special Thresher in operation.

