



City of Richmond


Report to Committee

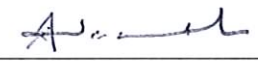

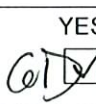
To: Finance Committee
From: Jerry Chong
Director Finance
Re: 2006 Surplus Appropriation

Date: June 30, 2007
File: 03-0970-01/2007-Vol 01

Staff Recommendation

That the December 31, 2006 surplus be appropriated as outlined in the attached report.


Jerry Chong
Director, Finance
(4046)

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

Staff Report

Origin

The City does not budget for a surplus as part of the development of the annual operating budget, however, due to increased revenues or decreased costs during the year it is not unusual to have a surplus at the end of each fiscal year. Historically, Richmond has utilized the surplus to fund unanticipated one-time expenditures not budgeted for or for items that were anticipated but could not be accommodated through the City's budget. This use of consolidated surplus allows the City to address important unanticipated and unfunded corporate expenditures without impacting taxes.

For the year ended December 31, 2006, the City of Richmond had a surplus of \$3.02 million resulting primarily from the following;

- Favourable revenues from building permits and development applications due to an active housing market of approximately \$1.9 million,
- RCMP contract costs lower than budget due to delayed replacements therefore billings being less than approved strength of approximately \$1.0 million,
- Other items such as vacant positions, supplies, maintenance, etc.

This report outlines the status of the allocation of the 2006 surplus.

Analysis

The 2006 surplus budget amount of \$3.02 million has been allocated to one-time expenditures previously approved by Council.

Division	Description	Total Amount Requested	Amount Approved by Council	Resolution # and Approval Date
2006 Surplus Balance			\$3,027,401	
Fire Rescue	RFR temporary staffing	<i>\$1,500,000</i>	\$1,500,000	February 26, 2007
Finance	Tangible Capital Assets (PSAB)	<i>\$400,000</i>	\$400,000	February 26, 2007
Parks	Major Events	<i>\$225,000</i>	\$225,000	April 10, 2007
Facilities	DRC/ 6931 Granville	<i>\$461,000</i>	\$461,000	March 12, 2007
Fire Rescue	Recruitment	<i>\$75,000</i>	\$75,000	March 15, 2007
Corporate Administration	Staff retention, recruitment and development	<i>\$1,000,000</i>	\$366,401	June 11, 2007
Total		<i>\$3,661,000</i>	\$3,027,401	
Remaining Surplus Balance to be Allocated			\$0	

The following chart summarizes additional requests for one-time expenditures in order of dollar value which are not funded:

	Division	Description	Total Amount
Items for Consideration			
1	Heritage & Culture	Oval precinct public art	<i>\$819,150</i>
2	Major Projects	Canada Line	<i>\$377,000</i>
3	Fire Rescue	Training	<i>\$358,300</i>
4	Engineering	OCP implementation	<i>\$300,000</i>
5	Engineering	Flood Protection Strategy	<i>\$272,500</i>
6	Roads	No 2 Rd Bridge Painting	<i>\$250,000</i>
7	Olympic Business Office	Business objectives	<i>\$240,000</i>
8	Planning	OCP	<i>\$180,000</i>
9	Fire Rescue	Communication equipment	<i>\$126,334</i>
10	Recreation Admin	Spirit of BC Committee	<i>\$25,000</i>
Total Items for Consideration			<i>\$2,948,284</i>

Detailed descriptions of each of the items above follows:

1. Oval Precinct Art

The funding request is for the next phases of the Oval precinct art projects as adopted by Council in the Oval Art Plan. The requested \$819,150 would fund the completion of the pedestrian bridge and water works project currently underway; the next phases of the legacy plaza project, concept design for the lobby sculpture and design and initial construction of the water-sky viewpoint. This will allow work to proceed on the projects to ensure integration with the building and landscape and be in place for 2010.

2. Major Projects – Funding Request

The funding for the Canada Line has come from previous year's surplus allocations as a way to minimize any impact to the taxpayer. In order to maintain the level of funding for the Canada Line project, \$377,000 is requested from the 2006 surplus.

3. Fire Rescue - Training

Anti-harassment and equality training has begun to ensure all RFR employees clearly understand workplace expectations and to facilitate a positive welcoming environment. Requested funding would be used for Insights sessions (\$30,000), staff time (\$307,000) and training delivered both on-line and in the halls (\$21,300).

4. Engineering – OCP Implementation

The proposed zoning changes and subsequent re-development and densification will require adequate sewer, water and drainage services. Many of the areas that will be re-developed and densified are currently utilized for single family residential and light industrial use. The requested funds of \$300,000 are required for the determination of the potential servicing upgrades.

5. Engineering – Flood Protection Strategy

Funding of \$272,500 is requested to update the flood profile information for the flood protection bylaw. An updated flood protection bylaw is part of the Council endorsed 2006-2031 Flood Protection Management Strategy.

6. Roads – No 2 Rd Bridge Painting

The No 2 Road Bridge is highly visible to both residents and visitors and is situated close to the Olympic Oval site. The funding request of \$250,000 is to repaint the No 2 Road Bridge.

7. Olympic Business Office

A funding request of \$240,000 from surplus is for additional resources. This is to support the Olympic Business Office's business objectives by minimizing the impact to the taxpayer.

8. Planning - OCP

A funding request of \$180,000 in order to update the City's Official Community Plan (OCP). The OCP assists in managing change and co-ordination the interests of the City. Some of the major items that the OCP addresses are: growth, demographics, densification, phasing, land use, transportation, servicing, urban design, social planning and environment.

9. Fire Rescue – Communication Equipment

Funding of \$126,334 is requested in order to increase the inventory of available equipment. The additional equipment request consists of radios, batteries, chargers, adapter inserts and a portable generator.

10. Recreation Admin – Spirit of BC Committee

The Spirit of BC Community Committee was appointed in 2004 to build on the Olympic spirit in the community and to help capitalize on the opportunities related to 2010. A funding request of \$25,000 is for promotional, workshop and event costs.

Financial Impact


For the year ended December 31, 2006, the City of Richmond had a surplus of \$3.02 million which has been previously allocated by Council.

The additional requests for one-time expenditures will be considered from future funding sources.

Conclusion

Staff recommend that the \$3.02 million of surplus funds generated in 2006 be appropriated as approved:

1	Fire Rescue	RFR temporary staff	\$1,500,000
2	Finance	Tangible Capital Assets (PSAB)	\$400,000
3	Parks	Major Events	\$225,000
4	Facilities	Richmond Disability	\$461,000
5	Fire Rescue	Recruitment	\$75,000
6	Corporate Admin	Staff retention, recruitment and development	\$366,401
			<u>\$3,027,401</u>


 Jerry Chong
 Director, Finance
 (4064)
 JC:jc