



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** January 30 2015

**From:** Jerry Chong, CA  
Director, Finance

**File:**

**Re:** 2015 One-Time Expenditures

### Staff Recommendation


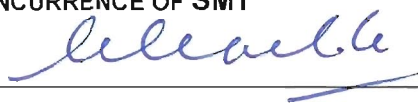
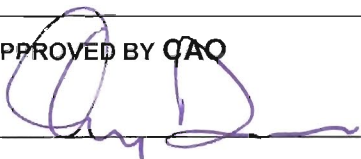
That:

1. The recommended one-time expenditures in the amount of \$1.87M, as outlined in the 2015 One-Time Expenditures staff report, be approved.
2. The One-Time Expenditures be included in the City's 5-Year Financial Plan (2015-2019) Bylaw.



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

Att. 2

<b>REPORT CONCURRENCE</b>
<b>CONCURRENCE OF GENERAL MANAGER</b> 
<b>CONCURRENCE OF SMT</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 2015-2019 5-Year Financial Plan (5YFP). The City must adopt the 5YFP Bylaw before May 15<sup>th</sup> of each year in accordance with Subsection 165(1) of the Community Charter.

**Analysis**

For 2015, there are 21 one-time expenditure requests totalling \$3.0M. The list includes items that were referred to staff, but not recommended in the 2015 Capital Budget due to funding constraints, capital and other priorities. Staff conducted a thorough review and prioritized each request using established ranking criteria.

Only high priority requests are recommended. If any one-time expenditure requests are approved by Council, the respective expenditure will be included in the 5-Year Financial Plan (2015-2019). There is no tax impact from any of the proposed one-time expenditures as they will be funded from the RSA which has a balance of approximately \$6.9M. The proposed 2015 Operating Budget recommends the use of \$0.4M funding from the RSA to reduce the tax impact, which would leave a balance of \$6.5M.

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>21</b>	<b>\$1,870</b>	<b>\$1,140</b>	<b>\$3,010</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.

### **Financial Impact**

The recommended one-time expenditure requests of \$1.87M are funded from the Rate Stabilization Account with no tax impact. These recommended amounts will be included in the 5-Year Financial Plan (2015-2019), should they be approved by Council. This leaves a balance of approximately \$4.6M in the RSA prior to the transfer of any surplus arising from 2014.

### **Conclusion**

One-time expenditure requests were reviewed and prioritized by SMT and the CAO. The high priority requests in the amount of \$1.87M as summarized in Attachment 1 are recommended to be funded from the Rate Stabilization Account.



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

MS:sx

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

**Attachment 1: One-Time Expenditure Requests – RECOMMENDED**

Ref	Requested By	Description	Requested (in \$000s)	SMT Recom'd (in \$000s)
1	Community Services	<b>Steveston Community Amenities Master Plan</b> There is a Council referral to examine community amenities in Steveston in light of the current status of the community centre, library and park as well as other private and public development in the community. This project will evaluate the options and opportunities related to development / redevelopment of Community Amenities and lay out both a short and long term plan to meet community needs. The project will include facility evaluation and planning as well as significant engagement with key partners in Steveston and the public.	\$69	\$69
2	Finance and Corporate Services	<b>Google Search Appliance</b> This request is to replace the City's current obsolete and out-of-support Google Mini Search Appliance with the Google Search Appliance. Google no longer markets the Google Mini and the Google Search Appliance is an extremely enhanced replacement with many advanced search features. Implementing even some of these features will enhance the search provided on our City website significantly. Improvements to the City website search are in line with the mandate of the City's Digital Strategy.	\$71	\$71
3	Community Services	<b>Major Events Provision Funding</b> Major events in the City have been funded through surplus allocations in the past. This request is for \$750,000 to be allocated to the Major Events Provision account to allow continued financial support for City produced festivals such as Ships to Shore, Maritime Festival, Children's Arts Festival, the multicultural block party, the marketing campaign "Richmond Days of Summer" and others as endorsed. Each year a separate report is prepared seeking Council approval on events funded from the provision. The proposed allocations include: Plaza Activation 2015 - \$75,000 Maritime Festival 2016 - \$180,000 Ships to Shore 2016 - \$150,000	\$750	\$750

Ref	Requested By	Description	Requested (in \$000s)	SMT Recom'd (in \$000s)
		Multicultural Block Party 2016 - \$225,000 Days of Summer 2016 - \$40,000 Event Sustainability Conference 2016 - \$20,000 Children's Arts Festival 2017 - \$60,000		
4	Community Services	<b>Facilities Plan</b> There is a requirement to update the City's Major Capital Facilities Plan and present to Council in 2015 in order to plan for the next phase of civic facility development. This one-time additional level request is to assist staff in developing the Community Services future facility needs and requirements. This technical plan will identify, assess and prioritize the Community Services facilities to be developed, decommissioned or replaced such as aquatics facilities, arts, heritage and culture facilities, ice facilities, sports amenities, community halls, libraries, animal shelter and community centres in the upcoming 10-20 years.	\$95	\$95
5	Finance and Corporate Services	<b>Richmond Archives and Corporate Information Database Upgrade</b> An Inmagic database upgrade will allow the City to provide a new level of efficient, 24-hour online service benefitting the public, Council and staff by increasing access to Richmond's past and present while reducing operational costs due to inefficiencies in the current system. Access to an array of archival records and corporate information from incorporation in 1879 to today will be enabled. Descriptions of photographs, maps, minutes, bylaws, and other City and community records will be available on the web. Thousands of digitized photographs that celebrate Richmond's heritage will be accessible. Improved web-based Council minutes search tools will facilitate public engagement.	\$43	\$43
6	Finance and Corporate Services	<b>DCC Program Update</b> The additional funding would be used to hire a consultant to help update the DCC program to incorporate new infrastructure required to support the growth envisioned in the updated Official Community Plan and Hamilton Area Plan as well as update the scope and cost	\$125	\$125

Ref	Requested By	Description	Requested (in \$000s)	SMT Recom'd (in \$000s)
		estimates of existing projects in the DCC program to better reflect current conditions.		
7	Community Services	<p><b>Sports For Life Strategy</b>                      An updated Sport for Life Strategy is required to ensure there is a coordinated and comprehensive approach to sport in the community which takes into account the changing community demographics and facility landscape in the city. The Sport for Life Strategy provides direction to staff and community sport organizations related to the priorities for sport programming and facilities in the community. The updated strategy will include significant community consultation.</p>	\$50	\$50
8	Law and Community Safety	<p><b>RFR Recruitment and Hiring Costs</b>                      In 2009, \$130,000 of surplus was allocated for recruitment and hiring new recruit fire fighters to replace vacancies. Between 2009 and 2013, the cost of recruitment and hiring entry level fire fighters completely expended the allocated \$130,000. The costs associated with recruitment and hiring include items such as advertising, testing and background checks. Although, portions of these costs are paid by the applicants, RFR still incurs cost. Additionally, when new employees are hired, they require new sets of personal protective equipment (PPE). Unlike the PPE for incumbent fire fighters, the cost of this new equipment is not included in the current operating budget.</p> <p>Hiring entry level fire fighters to replace employees will continue to occur on an annual basis. In 2013, RFR received over 500 fire fighter applications, and over 200 of those applicants went through rigorous testing. This testing costs RFR approximately \$250 per applicant. Additionally, each recruit fire fighter hired incurs a cost of \$2,200 for background checks and PPE. In the future, RFR will recruit year round, with those hired being from a qualified pool of candidates. Based on the past 6 years, RFR is anticipated to hire 6 candidates per year with a projected cost of \$25,000 per year for applicant</p>	\$38	\$38

Ref	Requested By	Description	Requested (in \$000s)	SMT Recom'd (in \$000s)
		testing (based on 100 new qualified applicants each year) and \$13,200 per year in background checks and PPE for recruit fire fighters.		
9	Library	<p><b>Kids' Computer Learning Lab at Richmond Library</b></p> <p>The Library's strategic plan identified a need for improved digital resources and for more programming focussing on digital literacy and learning skills, especially for children. Currently children's computer programs are held in the adult computer lab creating problems by displacing the adults and creating an intimidating environment for the children. The Kids' Computer Learning Lab would focus on digital resources for children and teach appropriate internet and social media use. Being laptop based means the program would be mobile and go out to other library branches and community locations.</p>	\$27	\$27
10	Finance and Corporate Services	<p><b>WiFi Network Expansion Phase I</b></p> <p>Item One: WiFi in Fire Halls (2015:\$18K) This two-year project will supply WiFi services to fire halls, including the vehicle bays. This will allow automatic updating of maps and pre-plans in trucks.</p> <p>Item Two: Recreation Centres (2015:\$27K) This two-year project will supply WiFi service to indoor &amp; outdoor areas where required.</p> <p>Item Three: Aquatics, Arenas, Heritage Sites (2015:\$5K) This two-year project would supply WiFi service to outdoor areas.</p> <p>Item Four: Parks and Public Spaces (2015:\$208K)</p>	\$258	\$258
11	Finance and Corporate Services	<p><b>Service Level Review Management System</b></p> <p>The Project will involve the sourcing and implementation of a software solution to manage the life cycle of corporate service level reviews which have been initiated by the CAO: 1) to ensure effective management reporting, over the long term, of continuous improvement measures by business units; and 2) to gain efficiency in the administration of service level review</p>	\$50	\$50

Ref	Requested By	Description	Requested (in \$000s)	SMT Recom'd (in \$000s)
		<p>information collected.</p> <p>IT will be involved in vendor selection, and assist with oversight of system implementation and support services from the selected vendor.</p>		
12	Community Services	<p><b>The Sharing Farm – Barn Construction</b>                      The construction of a 1,400 square foot barn with a storage loft, walk-in cooler and sink will allow The Sharing Farm to efficiently process and store recently harvested fruits and vegetables and securely store tools and equipment. The barn will replace the former garage that was demolished in 2013. The project requires City funding and is funded by a \$30,000 Community contribution.</p>	\$294	\$294
<b>Recommended Grand Total</b>			<b>\$1,870</b>	<b>\$1,870</b>



**Attachment 2: One-Time Expenditure Requests – NOT RECOMMENDED (CONT'D)**

Ref	Requested By	Description	Requested (in \$000s)	SMT Recom'd (in \$000s)
1	Community Services	<p><b>Richmond Museum Development Plan</b> To further Council Goal 9.2 to plan for new cultural infrastructure including a new Richmond Museum, creating a Development Plan is the next stage of planning. It will include detailed information re: vision, mission statement and mandate; size and location; governance and administrative structure; programming, interpretation and storyline; branding and design requirements; capital and operating funding strategies; and further partnerships, amenity contribution and collaboration opportunities. Public consultation will take place throughout the plan to ensure stakeholder and community needs are addressed.</p>	\$200	\$-
2	Community Services	<p><b>Child Care Needs Assessment</b> The current 2009-2016 Richmond Child Care Needs Assessment and Strategy was based on information collected in 2008. Since that time there has been an increase in the number of private child care businesses, changes to Provincial policy regarding full day kindergarten and shifts in parent preferences favouring institutional group care settings over home based family child care. The City needs current data in order to make informed decisions about child care facility development and service needs.</p>	\$50	\$-
3	Community Services	<p><b>Heritage Inventory Database</b> The 2003 Heritage Inventory is a database of the most important historical sites in Richmond. The Inventory documents these sites, helps to increase awareness about Richmond's past, serves as a research tool and flags a property when inquiries are made regarding development that may affect it.</p> <p>The project will update, add to, delete where necessary and re-format the heritage inventory, coordinate it with the GIS database, and create an overall framework that will facilitate decision-making. Statements of significance for individual</p>	\$100	\$-

**Attachment 2: One-Time Expenditure Requests – NOT RECOMMENDED (CONT'D)**

Ref	Requested By	Description	Requested (in \$000s)	SMT Recom'd (in \$000s)
		resources will be updated or prepared where required and properties built after 1940, heritage trees, archaeological sloughs and archaeological sites will be added.		
4	Community Services	<b>Replacement of Arts Centre Cargo Van</b> Request to add a cargo van to the fleet inventory for the Art Centre for \$30K to replace the current Art Truck which is not in the fleet inventory. The annual operating costs for the cargo van would be \$12K, which includes maintenance, insurance, fuel and vehicle replacement program. The Art Truck provides arts outreach programming with a particular focus on connecting children/youth who may have financial barriers to the arts.	\$30	\$-
5	Finance and Corporate Services	<b>Meeting Room Evergreen &amp; Media Distribution Network</b> Level One will incorporate the following replacements: (Total \$275K) <ul style="list-style-type: none"> <li>- Meeting Rooms paging equipment &amp; sound system \$17K</li> <li>- Meeting Rooms video distribution network \$93K</li> <li>- Fibre cabling for media distribution \$15K</li> <li>- Analog-to-digital cable TV system upgrade \$28K</li> <li>- Cat-6e or fibre cabling for digital TV \$10K</li> <li>- Meeting Rooms podium &amp; presentation systems upgrade \$88K</li> <li>- Anderson Room acoustic upgrade \$10K</li> <li>- Anderson Room audio system upgrade \$14K</li> </ul> Level Two will upgrade the video distribution network (\$72K) Level Three will incorporate the following replacements: (Total \$90K) Additional Meeting Rooms (City Hall & Works Yard) (Total \$123K)	\$560	\$-
6	Finance and Corporate Services	<b>Network Access Control (NAC)</b> The City's network extends to approximately 40 locations, plus wireless access in City Hall and Public Works Yard. The wireless network is appropriately secured from unauthorized access,	\$52	\$-

**Attachment 2: One-Time Expenditure Requests – NOT RECOMMENDED (CONT'D)**

Ref	Requested By	Description	Requested (in \$000s)	SMT Recom'd (in \$000s)
		<p>however it is still possible for someone to join the City's internal wired network from any location with limited physical access controls. This would apply to meeting rooms and remote locations in particular. Without physical controls to network access, logical controls have become imperative.</p> <p>The Network Access Control (NAC) would force anyone joining the network to authenticate themselves first. This would be accomplished using PKI security certificates stored on each machine, similarly to how laptops connect to the City Wifi network today.</p>		
7	Finance and Corporate Services	<p><b>REDMS Security Model Review</b>                      The proposed project is the design of a new access model for REDMS. Our current access model is a combination of system requirements and strategic design. Due to technological changes and City re-organizations, we would like to re-examine our approach to REDMS access to ensure it meets our current needs. This project would involve mapping the current access model, reviewing and documenting all settings, groups and historical usage, consultation with users about access needs, mapping a new access model and identifying best practices, implementing changes, documenting procedures, and training staff on a new REDMS access &amp; security model.</p>	\$55	\$-
8	Community Services	<p><b>Gateway Theatre Computer Upgrade</b>                      Gateway Theatre currently operates with outdated computer hardware; 24 out of 26 units being unable to run on operating systems newer than Windows XP. New hardware and updated software are required in order to continue to offer consistency of service to theatre patrons as well as to community producers. This upgrade would also improve staff productivity and reduce the number of support hours currently required from City of Richmond IT staff to repair and troubleshoot problems associated with out-of-date technology.</p>	\$43	\$-

**Attachment 2: One-Time Expenditure Requests – NOT RECOMMENDED**

Ref	Requested By	Description	Requested (in \$000s)	SMT Recom'd (in \$000s)
9	Community Services	<p><b>Space Planning Consultant for Corporate Storage</b></p> <p>There is a requirement for a City wide storage space allocation study to determine the most effective and economical long term solution to the corporate need for storage. This request is for a space planning consultant. Many departments in the City have ongoing storage needs including Museum Collection, Gateway Theatre, RCMP, Clerks, Emergency Programs, Capital, and Buildings Project Development. Museum Collection: The current off-site storage warehouse on River Road which houses the majority of the 20,000 artefacts in the City's museum collection will be demolished in the next several years to make way for the Middle Arm Park. The building systems are starting to fail and the loading bay is now a concern with the new configuration of River Road.</p>	\$50	\$-
<b>Not Recommended Grand Total</b>			<b>\$1,140</b>	<b>\$-</b>