



# City of Richmond

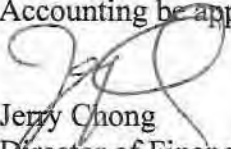
## Report to Committee

**To:** Finance Committee  
**From:** Jerry Chong  
Director of Finance  
**Re:** 2012 Operating Budget

**Date:** January 10, 2012  
**File:**

### Staff Recommendation

That the 2012 Operating Budget as presented in the attached report by the Manager of Budgets & Accounting be approved.

  
Jerry Chong  
Director of Finance  
(604-276-4064)

FOR ORIGINATING DEPARTMENT 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 proposed 2012 Operating Budget ("Budget") is the starting point for updating the 5 Year Financial Plan ("5 YFP") and the 2012 property tax rates and fees. Under the Community Charter ("Charter"), the City is prohibited from incurring any expenditure unless the expenditures have been included for that year in its financial plan, and the City is required to provide a balanced budget, with no projection of a deficit. Therefore under these requirements, staff projected all expenditures to the best of their ability in order to ensure that amounts have been included in the City's financial plan and protecting Council from incurring a deficit.

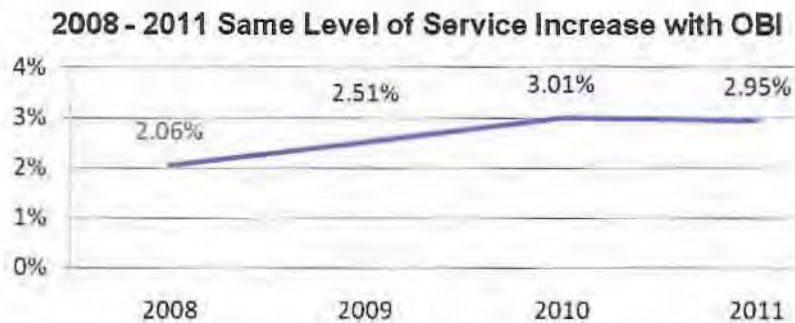
In preparing the budget, staff followed item one in Council's Long Term Financial Management Strategy Policy (LTFMS) (Policy 3707), *"Tax increases will be at Vancouver's CPI rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1.0 % towards infrastructure replacement needs."* Infrastructure could include items such as community centers, fire halls, civic buildings, etc. The costs in providing programs while maintaining the same level of service has increased as the City and community grows. Municipal expenditures for such items as union negotiated collective agreements and non-discretionary items; i.e. policing services, asphalt, regional utility costs and materials increased at a rate more than the Consumer Price Index (CPI). These increases in conjunction with the fact that a significant portion of City revenues do not increase at the same rate as expenditures, result in a challenging budgeting process and staff must look for efficiencies and innovative ways to deliver services.

### Analysis

Staff were directed to bring forward a budget that met Council's policy in maintaining that any tax increase would not exceed Vancouver's CPI rate, factor in an additional 1% levy towards infrastructure replacement needs, and provide a breakdown of discretionary and non-discretionary increases.

The City was not immune to the recession that occurred over the last few years and sources of revenues were negatively impacted. Revenues subsequently recovered to pre-recession levels, however in 2009 Council was required to make difficult decisions in balancing the budget. These decisions included reductions in exempt and unionized staffing complements, which resulted in reductions of service levels for City services such as street sweeping, building permit inspections, tax clerks, parks and boulevard plantings and business liaison. In addition, although the City continues to face retirement in the workforce, it was decided to delay filling some of the current vacant positions. As a result of these prudent decisions, Council delivered an Operating Budget including additional levels of service with a tax increase of 3.45% and 2.95% respectively for 2010 and 2011). These tax increases were amongst the lowest in the Lower Mainland. Council approved the 5 Year Financial Plan (2011-2015) Bylaw 8568 which forecasts a tax increase of 3.10% for 2012. However, for 2012 budget year staff are recommending an even lower tax increase of 1.70% for the same level of service in order to meet Council's LTFMS. In addition to the same level of service increase, there are ongoing costs or operating budget impacts associated with recommended capital projects of .16% and a 1% levy for

infrastructure replacement needs as required by the LTFMS. In order to balance the budget without any reduction to service levels and programs, \$500,000 of prior years surplus was required.



It should be noted that development activity does not translate into additional tax growth immediately. New tax growth estimates are based on “non-market change” figures provided by BC Assessment. Non-market change is the term BC Assessment uses for changes to the municipal roll value that is not a result of market conditions. Non-market change could include: changes in assessment class, exempt properties that become taxable in the following year or taxable properties that become exempt in the following year and developments under construction. With respect to developments under construction, Assessors at BC Assessment determine the value of all new developments under construction by percentage of completion by November 30th of each calendar year. Increases in a property’s market value are not included in the non-market change figure. Therefore the development applications received during the year should have no impact on new growth for the coming year as actual construction on the property would not have taken place. The reported project value of the development may take up to three years to be fully reflected in the municipality’s assessment roll. Based on the above, staff are confident that growth will materialize in future years, therefore minimizing the tax impact.

For 2012, the following assumptions and forecasts have been utilized in preparing the Budget:

**Table 1 - Assumptions**

Key Financial Drivers/Indicators	Preliminary 2012 Budget Assumptions
Consumer Price Index	1.70%
Municipal Price Index (For comparative purposes only)	3.23%
Salaries and fringe benefits	Estimate
Electricity	Based on contracts and usage- 8.00% approx.
Natural Gas	2.00%
RCMP Contract increase	3.40%
Increase in user fees	2.00%
Return on investments	2.50%
Growth (tax base)	1.47%



The Budget has also been prepared taking into consideration

1. The existing service levels of 2011
2. The principles of the Long Term Financial Management Strategy (Attachment 5)

The demand for City services has increased annually and this is reflected in the following statistics:

**Table 2 – Demand for City Services**

	2008	2009	2010	2011 Est.	2012
Population Growth (per annum)	1.20%	1.50%	1.40%	1.10%	1.20%
Capital Construction Costs (\$mil)	\$147.83	\$63.90	\$152.95	\$75.16	\$63.69
Registration in Recreation Programs*	109,789	113,396	128,622	122,784	128,923
RCMP Calls for Services	77,876	82,767	84,658	72,423	75,000
Fire Rescue Responses	8,989	9,240	9,048	9,141	9,164
Public Works Calls for Services	6,334	12,554	13,664	13,332	13,800

*\*year over year drop due to a change in recording facility rental uses with the conversion to new software*

The City of Richmond has tried to maintain a value proposition by offering excellent services while maintaining relatively low taxes (Attachment 4).

In comparison to other municipalities the City has tried to balance its business tax structure in this manner.

#### **Comparison of average residential property taxes to business taxes**

**Table 3 – Residential Taxes and Business Ratio**

	2011 Average Residential Property Taxes	2011 Business to Residential Tax Ratio
Richmond	\$1,309	3.7
Vancouver	\$1,867	4.3
Burnaby	\$1,424	3.9
Surrey	\$1,166	3.1

Staff are aware of the tax burden that is faced by the average Canadian household. Based on information obtained from the Fraser Institute in their "2011 Canadian Consumer Tax Index" published on April 19, 2011, the average household incurs 41.32% of their average income on taxes.

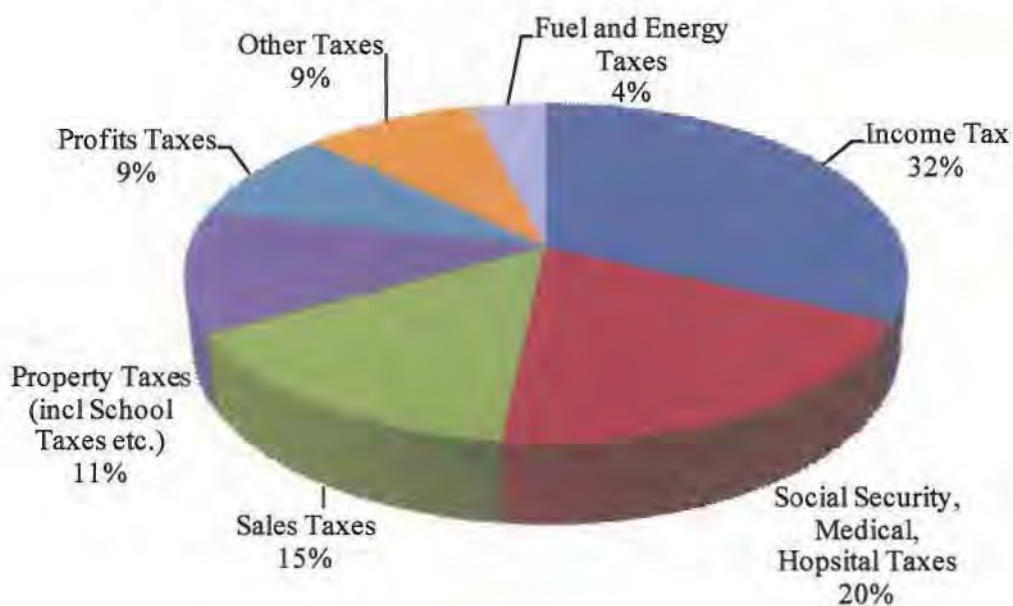
However it should be noted that only 4.75 % of this is for property taxes, of which approximately more than half (51%) is for taxes collected on behalf of the Province including school taxes and TransLink taxes.

**Table 4 – Taxes as a proportion of average total income**

	Amount	% of Income	% of Tax
Total Cash Income	\$72,393	100.00%	-
Income Taxes	9,594	13.25%	32.07%
Social Security, Medical, Hospital Taxes	5,873	8.11%	19.63%
Sales Taxes	4,532	6.26%	15.15%
Property Taxes (incl. School Taxes etc.)	3,436	4.75%	11.49%
Profits Taxes	2,628	3.63%	8.79%
Other Taxes	2,698	3.73%	9.02%
Fuel and Energy Taxes	1,152	1.59%	3.85%
<b>Total Taxes</b>	<b>\$29,913</b>	<b>41.32%</b>	<b>100.00%</b>

Source: Fraser Institute in their "2011 Canadian Consumer Tax Index"

### Average Household's Percentage of Tax





## 2012 Operating Budget

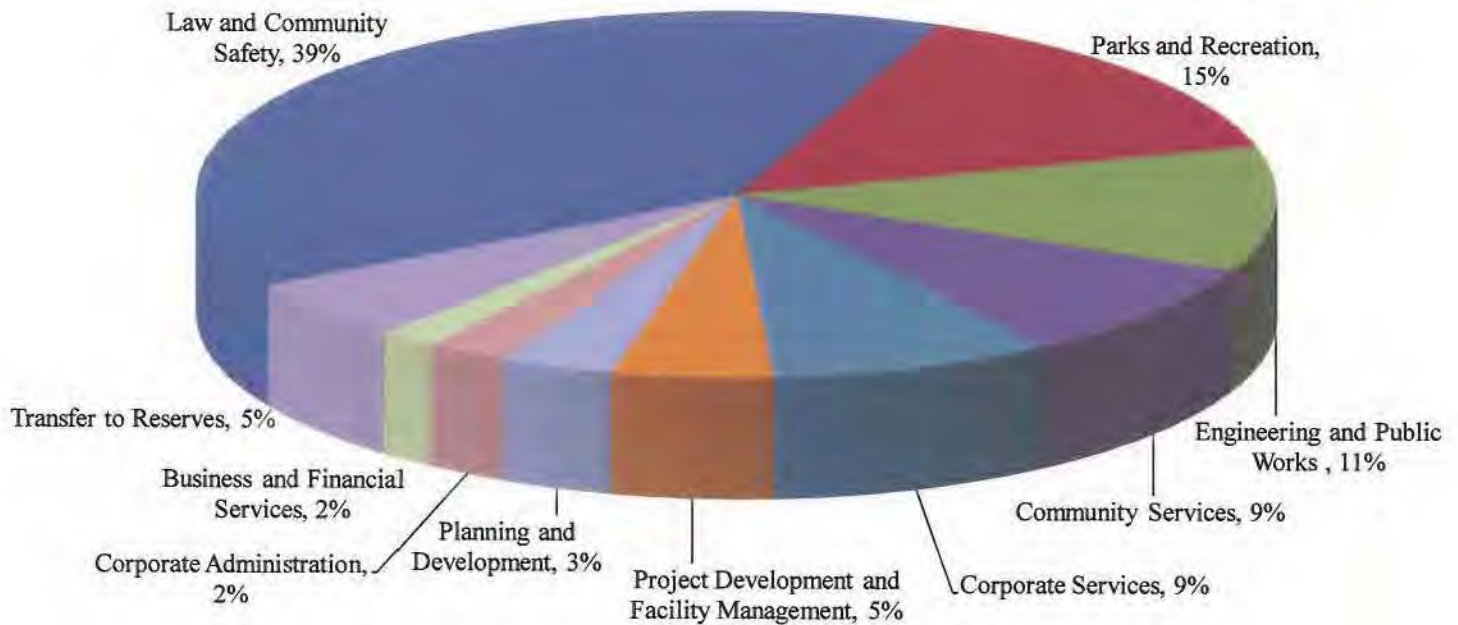
The proposed 5 Year Financial Plan (2012-2016) tax increase for 2012 is 1.86%. The Proposed 2012 Budget indicates that additional funding in the amount of \$2.7M for the same level of service is required in order to balance the budget. Staff have reviewed different alternatives in order to balance the budget and given the past reductions in staffing and associated service levels did not want to compromise the future service level requirements of current and future taxpayers. Therefore a strategy of reductions and use of prior years accumulated surplus has been utilized. The reductions, as explained on the following table, have impacts attached to them however staff believe that these impacts are mitigated through flexibility with future expenditures. Pursuant to Council's LTFMS policy, staff have proposed an additional 1% levy for infrastructure replacement needs. Additional costs imposed on the City as a result of mandatory senior government policy that were absorbed by the City in 2012 include increases in Canada Pension Plan and Employment Insurance rates. These costs totalled approximately \$0.25M.

The estimated growth figures including the entire City Centre exempted properties (\$0.91M) is approximately \$2.64M. However, pursuant to Council's direction to mitigate the tax impact, the following has been done: 1/3 of the growth from the City Centre exempted properties has been added back to all business and light industrial properties, 1/3 has been allocated to the all other remaining tax classes and 1/3 has been funded by the Appeals Provision account, which results in net new growth of \$2.36M.

Table 5 - Operating Budget Summary

	\$	%	Cumulative Tax %
Proposed Budget - Net Increase	6,315,689	3.91%	3.91%
<b>Recommended reductions</b>			
Prior years accumulated surplus	(500,000)	(0.31%)	3.60%
Delayed replacements / hiring's	(71,448)	(0.04%)	3.56%
Other operating expense (Supplies, Contract, telephone etc.)	(637,041)	(0.39%)	3.17%
	5,107,200	3.17%	3.17%
Estimated Growth	(2,364,594)	(1.47%)	1.70%
Same level of service Increase (Attachment I)	2,742,606	1.70%	1.70%
2012 OBI	263,733	0.16%	1.86%
<b>Net Expenditure Increase After Growth and OBI</b>	<b>3,006,339</b>	<b>1.86%</b>	<b>1.86%</b>
<i>Additional 1% Levy- infrastructure replacement</i>	<i>1,613,400</i>	<i>1.00%</i>	<i>1.00%</i>

## 2012 Proposed Operating Budget



For the 2012 Budget, the significant non-discretionary drivers that impact the City are:

**Table 6- 2012 Operating Budget Significant Non-Discretionary Drivers and Related Tax Impact:**

Items:	Amount	Tax Impact
Salary Increase	2,600,700	1.61%
Oval Contribution (funded from surplus in 2011)	1,500,000	0.93%
RCMP Contract Increase	1,063,200	0.64%
Transfer to Reserve (funded from surplus in 2011)	1,000,000	0.62%
Leased / Monthly Vehicles – fuel/insurance	319,700	0.20%
Asphalt Capping	169,000	0.11%
Watermania Lease	127,000	0.08%
Debt Reduction	(414,300)	(0.26%)
Net Other (User fees, other revenue increases and expense increases/decreases)	(1,258,100)	(0.76%)
<b>Net Increase Before Growth &amp; 2012 OBI</b>	<b>\$ 5,107,200</b>	<b>3.17%</b>

Note: There are no discretionary increases.



**2012 Operating Budget Impact (OBI)**

The total OBI relating to the recommended projects is \$297,184. Of this amount, \$33,451 is associated to utility projects and will be funded by provisions in 2012. The net impact of \$263,733 in OBI results in a property tax impact of 0.16%.

There is also a 3<sup>rd</sup> year of the OBI relating to the 2010 capital projects amounting to \$170,000 are included in the 2012 operating base budget .

Some of the major components of the \$297,000 OBI related to the 2012 capital projects are:

- The Gardens Agricultural Park – OBI of \$60,000. The OBI consists of \$48,000 for associated labour costs such as park design and maintenance and \$12,000 for materials and equipment.
- Fire Training Site – OBI of \$35,500. The \$35,500 is for materials and equipment to maintain the fire training site such as sewage holding tank, utility costs for gas and hydro, janitorial supplies and site maintenance.
- Hamilton Child Care Facility – OBI of \$25,100. The \$25,100 is for building maintenance and repairs including \$5,700 for pump maintenance.
- Oval West Waterfront Park - Phase 1 – OBI of \$21,000. The OBI consists of \$14,700 for associated labour costs for parks maintenance and \$6,300 is for materials and equipment.
- Terra Nova – Play Environment – OBI of \$20,000. The OBI consists of \$14,000 for labour costs for parks maintenance and \$6,000 for materials and equipment.

**Additional Level Requests**

TAG have reviewed the additional level requests (Attachment 3) and have classified the requests as high, medium or low based upon order of priority for Councils review. Staff are only recommending the City Grant program based on the direction received from Council at the July 25, 2011 Council Meeting, where the City Grant Program Review report was adopted on consent. Staff recommended establishing three distinct components of the City Grant Program, as follows: Health, Social & Safety (HSS); Arts, Culture and Heritage (ACH); Parks, Recreation and Community Events (PRCE). The total 2012 operating budget allocation for the three components of the City Grant Program is \$733,306 with an additional level requirement of \$190,784 (0.12% tax increase)



## Financial Impact

The proposed 2012 Operating Budget, results in an increase of \$2.7M in net expenditures (1.70% tax increase) for the same level of service plus \$0.26M (0.16%) for OBI and \$0.19M (0.12%) for proposed additional level requests which results in a tax increase of 1.98%. An additional 1% levy for infrastructure replacement needs has also been proposed.

	\$	%	Cumulative Tax %
Same level of service Increase	2,742,606	1.70%	1.70%
2012 OBI	263,733	0.16%	1.86%
Net Expenditure Increase After Growth and OBI	3,006,339	1.86%	1.86%
Proposed additional level	190,784	0.12%	1.98%
Proposed net increase	3,197,123	1.98%	1.98%
<i>Additional 1% Levy- infrastructure replacement</i>	<i>1,613,400</i>	<i>1.00%</i>	<i>1.00%</i>

## Conclusion

Staff recommends that Council adopt the 2012 Budget net expenditure increase of \$4.81M. The net expenditure increase based on information provided in the Completed Roll will amount to an estimated average tax increase of \$54.39 for an average residential home assessed at \$697,274. This is an increase of \$91,382 from the 2011 average of \$605,892. A property's tax change will vary depending on whether that property's assessment, as provided by BC Assessment was higher or lower than the average overall increase in assessment values. In 2012, residential properties in the City of Richmond increased in value by approximately 17%. If an assessment increase was higher than average, the property tax increase will be higher than the approved tax increase. If a property assessment increase was lower than the average increase, then the property tax increase will be lower than the approved tax increase given, and in some cases may be less than the previous year's taxes.



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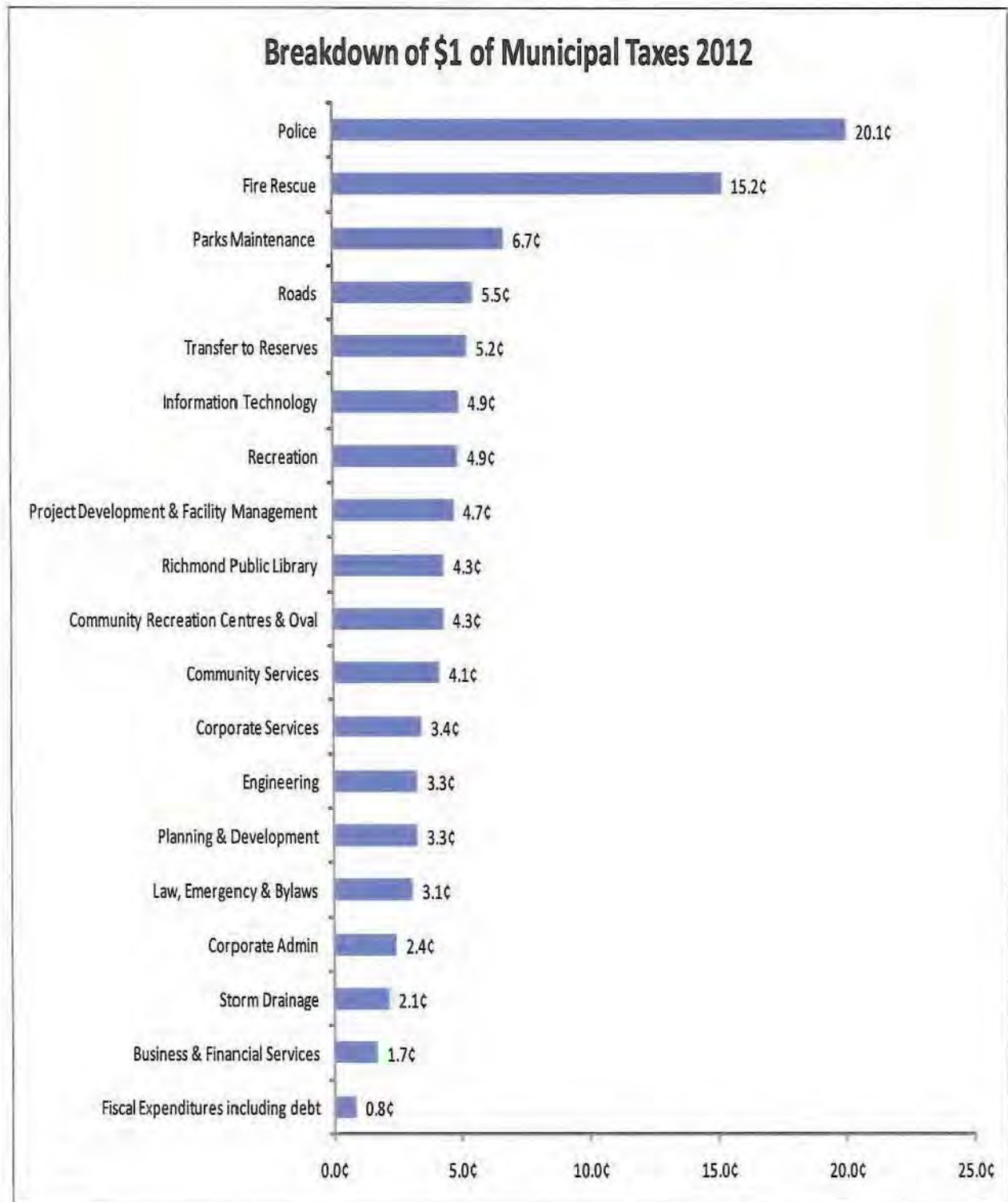
**Attachment 1**  
**2012 Same Level of Service**

Department	2011 Adjusted Budget	2012 Proposed Budget	Change \$	Change %	Tax Impact
<b><u>Law and Community Safety</u></b>					
Revenue/Transfers	8,839,200	8,874,800	35,600	0.4%	
Expenditures	(76,956,400)	(79,522,100)	(2,565,700)	3.3%	
	(68,117,200)	(70,647,300)	(2,530,100)	3.7%	1.57%
<b><u>Parks and Recreation</u></b>					
Revenue/Transfers	7,654,400	7,703,100	48,700	0.6%	
Expenditures	(32,839,200)	(33,774,200)	(935,000)	2.8%	
	(25,184,800)	(26,071,100)	(886,300)	3.5%	0.55%
<b><u>Engineering and Public Works</u></b>					
Revenue/Transfers	17,480,300	18,640,700	1,160,400	6.6%	
Expenditures	(37,118,400)	(38,641,100)	(1,522,700)	4.1%	
	(19,638,100)	(20,000,400)	(362,300)	1.8%	0.22%
<b><u>Community Services</u></b>					
Revenue/Transfers	3,217,900	3,451,800	233,900	7.3%	
Expenditures	(18,206,100)	(19,008,200)	(802,100)	4.4%	
	(14,988,200)	(15,556,400)	(568,200)	3.8%	0.35%
<b><u>Corporate Services</u></b>					
Revenue/Transfers	130,000	130,000	-	0.0%	
Expenditures	(15,299,100)	(15,454,900)	(155,800)	1.0%	
	(15,169,100)	(15,324,900)	(155,800)	1.0%	0.10%
<b><u>Project Development and Facility Management</u></b>					
Revenue/Transfers	3,050,000	3,050,000	-	0.0%	
Expenditures	(11,652,500)	(11,714,300)	(61,800)	0.5%	
	(8,602,500)	(8,664,300)	(61,800)	0.7%	0.04%
<b><u>Planning and Development</u></b>					
Revenue/Transfers	4,851,400	5,200,600	349,200	7.2%	
Expenditures	(10,771,000)	(11,192,400)	(421,400)	3.9%	
	(5,919,600)	(5,991,800)	(72,200)	1.2%	0.04%
<b><u>Corporate Administration</u></b>					
Revenue/Transfers	-	-	-	0.0%	
Expenditures	(4,342,200)	(4,463,500)	(121,300)	2.8%	
	(4,342,200)	(4,463,500)	(121,300)	2.8%	0.08%
<b><u>Business and Financial Services</u></b>					
Revenue/Transfers	3,891,700	3,957,800	66,100	1.7%	
Expenditures	(6,929,800)	(7,025,000)	(95,200)	1.4%	
	(3,038,100)	(3,067,200)	(29,100)	1.0%	0.02%



Department	2011 Adjusted Budget	2012 Proposed Budget	Change \$	Change %	Tax Impact
<b><u>Fiscal</u></b>					
Revenue/Transfers	219,627,800	219,009,000	(618,800)	(0.3%)	
Expenditures	(45,983,600)	(44,684,900)	1,298,700	(2.8%)	
	173,644,200	174,324,100	679,900	0.4%	(0.42%)
<b><u>Transfer to Reserves</u></b>					
Revenue/Transfers	20,866,900	19,866,900	(1,000,000)	(4.8%)	
Expenditures	(29,511,300)	(29,511,300)	-	0.0%	
	(8,644,400)	(9,644,400)	(1,000,000)	11.6%	0.62%
Revenue/Transfers	289,609,600	290,182,700	275,100	0.1%	
Expenditures	(289,609,600)	(294,991,900)	(5,382,300)	1.9%	
Net Increase	-	(5,107,200)	(5,107,200)		3.17%
Estimated Growth 2012			2,364,594		(1.47%)
Same level of service increase			(2,742,606)		1.70%

## ATTACHMENT 2





## ATTACHMENT 3

## 2012 ADDITIONAL LEVEL REQUESTS

Division	Description	Total Amount Requested \$	Amount Recommended by TAG \$
<b>HIGH PRIORITY</b>			
<b>RECOMMENDED</b>			
Social Planning	At the July 25, 2011 Council Meeting, the City Grant Program Review report (Redms # 3245549) was adopted on consent. Staff recommended establishing three distinct components of the City Grant Program, each with its own budget line. The total allocation recommended for each category for 2012 was as follows: Health, Social & Safety (HSS) \$536,719; Arts, Culture and Heritage (ACH) \$100,000 Parks, Recreation and Community Events (PRCE) \$96,587. The total 2012 operating budget allocation for the three components of the City Grant Program is \$733,306 with an additional level requirement of \$190,784.	190,784	190,784
<b>NOT RECOMMENDED</b>			
Fire	Fire-Rescue has identified that their vehicle reserve is not adequate to ensure funding for current and future vehicle replacements. Some vehicle replacements have already been pushed out to the maximum life of 15 years to keep the reserve intact.	450,000	
RCMP Administration	3 Serious Crime Unit members for the historical unsolved crimes. These cases are of a more serious nature and include homicides, attempted homicides, suspicious deaths, missing persons and other serious crimes. Some of the cases are several decades old and new forensic investigative techniques and the cooperation of previous reluctant witnesses may provide opportunity to clear files.	441,231	
RCMP Administration	An additional member for Professional standards would address the internal human resource matters relating to RCMP members. There is currently one member performing these duties but with a 65% increase in case load over the past few years this is causing a backlog which we are unable to effectively manage with our current staffing complement. In 2007 there were 39 case files, in 2010 there were 60 case files. Some of these cases are complicated requiring multiple investigations. Professional Standards is now responsible for overseeing this disclosure maintaining up to date records, forwarding and receiving required discipline documents for submission to Crown Counsel.	147,077	
Fleet	As outlined in a reserve review conducted by MMK Consulting in 2008, the fleet reserve annual funding contribution should be increased to approximately \$3 million to avoid depleting the reserve while managing vehicle replacements. Current reserve funding is \$1.6 million and this submission represents an additional level increase of \$100K in 2012.	100,000	

Division	Description	Total Amount Requested \$	Amount Recommended by TAG \$
Energy Management	To establish an on-going base operating budget to carry out energy management projects to achieve the results as envisioned by Council when it endorsed the Corporate Sustainability Framework and targets. Consultant fees are required for policy development for Energy Management. Examples of policies include enabling home energy retrofit to be financed through property taxes; improvement to green building requirements beyond LEED Silver; establishing corporate energy and greenhouse gas reduction.	50,000	
<b>MEDIUM PRIORITY</b>			
Fire Administration	This request is for fire hall grounds maintenance. The City has 7 fire halls that require regular maintenance to prevent loss and damage of the landscaping features, fire hall structures, paved areas and to present a clean, safe, and aesthetically pleasing community presence. Fire halls that are maintained contribute to a City that is appealing and liveable.	50,000	
Law	This request is to hire an additional lawyer. The traditional areas of legal services have become more challenging and complex. Furthermore legal services are being requested for a greater range of City matters. Some litigation, procurement or complex legal opinions require the exclusive or near exclusive focus of a particular in-house lawyer for the duration of the project thereby preventing him or her from otherwise providing the broader legal support and services expected by in-house counsel.	190,591	
RCMP Administration	Computer Services is requesting an additional person. The strength of RCMP members has increased over the past several years but the municipal employees have remained constant. It is now necessary to increase municipal staff to handle the workload generated by the members. Computer Services is requesting the creation of an additional position.	91,014	
RCMP Administration	Plain Clothes Support would be utilized to assist the 49 police officers that require clerical support. Duties include preparation of information packages for court, transcription of statements, and maintaining data banks of persons of interest.	61,939	



Division	Description	Total Amount Requested \$	Amount Recommended by TAG \$
Citywide Special Events	Additional Special Event Funding is requested. Over the past several years the number of special and community events have increased in both frequency and scope. Special event funding in Parks and Recreation Services is no longer adequate to serve the needs and an increase in the baseline budget is requested. Policing, traffic and safety costs increase each year as do the equipment and labour costs. We continue to develop our volunteer base but there is still a need for support from the City for many of the events. Given Richmond's ever increasing reputation as an international destination we can only anticipate that the need for expertise and capacity for special events will continue to increase and it is in the City's best interest to take this opportunity to encourage the growth of new signature events.	50,000	
Parks Additional Programs & Grants	The bylaw adopted by Council banning the use of pesticides on non ALR land has had a significant impact on both the methodology and on the financial cost of maintaining effective weed control with traditional pesticides. Additional funding is necessary if we are to maintain the current service level and the standards of maintenance in effect prior to passage of the bylaw.	200,000	
Community Services Administration	To establish a RFT Department Associate 2 position. Currently a position is staffed by auxiliary hours, but since the funding is not secured and the position is temporary, it is challenging to keep trained staff in the position. There is an increased demand on the support staff for the department in their support of 20 managers and 15 coordinators. The admin support level of this Department is less than other City Departments.	57,103	
Cultural Center Admin.	Currently, the budget only allows for one Attendant during the day (Mon-Fri) and does not account for extending the facility's hours on Saturdays for programming and events. On Saturdays, an extra Attendant shift is often needed because of an increase in participation at the arts centre. All other recreation facilities have two attendants to manage the volume of customer service needs. The arts centre is below this standard.	27,100	
Energy Management	Establish an on-going base operating budget to carry out energy management projects to achieve the results as envisioned by Council when it endorsed the Corporate Sustainability Framework and targets. This funding would fund five to six detailed energy audits on City assets per year to establish the most effective energy management projects to undertake for the following year.	85,000	
Energy Management	The request is for consultant fees for detailed Establish an on-going base operating budget to carry out energy management projects to achieve the results as envisioned by Council when it endorsed the Corporate Sustainability Framework and targets. This funding would fund ongoing feasibility studies to investigate local renewable energy sources such as sewer, river and ocean heat recovery, wind and solar.	20,000	



Division	Description	Total Amount Requested \$	Amount Recommended by TAG \$
Social Planning	Request for 1 new position - Social Planning and Programs Liaison. Existing staff within the Division are currently working at capacity and have limited ability to take on additional responsibilities or respond to requests from Council and the Community in a timely manner.	99,600	
Social Planning	This is the request for funding for the Child Care Grant program. On July 11, 2011, Council resolved that "staff develop new Terms of Reference for the Child Care Development Grant Program to expand their ability to recommend grants for more than minor capital expenses". Staff are requesting an additional level of \$20K funded from gaming revenue for the Child Care program.	20,000	
Sustainability	Establish a base budget for sustainability, energy and environmental outreach activities within the City's Sustainability Unit. Outreach activities are needed to inform the community of what the City of Richmond is doing. Outreach is also critical for building the necessary awareness and capacity, both internally and externally to gain support for implementing sustainability initiatives. Without adequate resources the City will not be able to meet approved targets.	30,000	
<b>LOW PRIORITY</b>			
Law	This request is for a half time legal assistant. Litigation is becoming more complex and time consuming and the increase in the broader legal support and services expected by in-house counsel is taxing the Division's support staff.	47,977	
Community & Recreation Services Administration	In order to ensure that our programming meets the needs of the community West Richmond Community Centre, Thompson Community Centre, Cambie Community Centre, South Arm Community Centre and Steveston Community Centre all require a modest increase in hours for their Recreation Leader positions. We are requesting funding for an additional 750 hours per year to be allocated between the centres based on individual need. This position is critical in both the interface with the Community Association Programming Teams and in ensuring that programming is appropriate, effective and efficient.	27,691	
Parks Program	The request is for a coordinate position to oversee additional areas of responsibility. Over the past two years, Parks and Recreation has experienced considerable growth and assumed a much larger portfolio with the addition of responsibility for overall management of the Richmond Animal Shelter and oversight of the contractor, RAPS; and responsibility for management of wildlife (Snow Geese, Rabbits, Beavers) and the interface between the community and wildlife which includes components for control, education, protection and stewardship. In addition the Terra Nova Rural park area now has more than 5 buildings and is becoming a centre for promoting agriculture, horticulture, community gardens, stewardship of our wild environment amongst other things.	90,808	

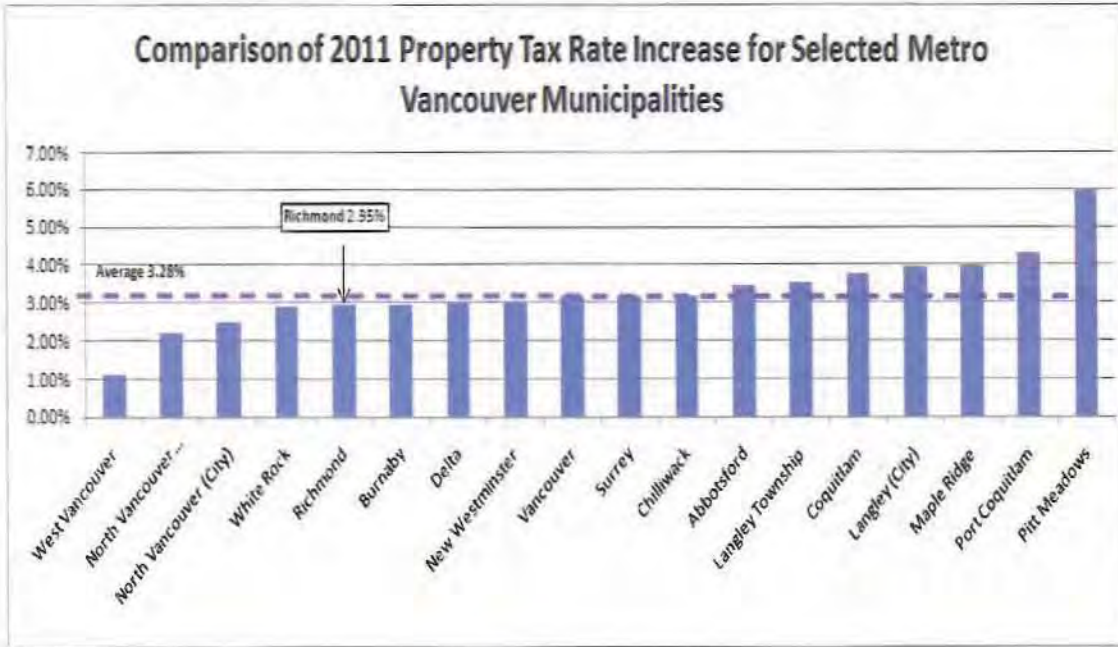
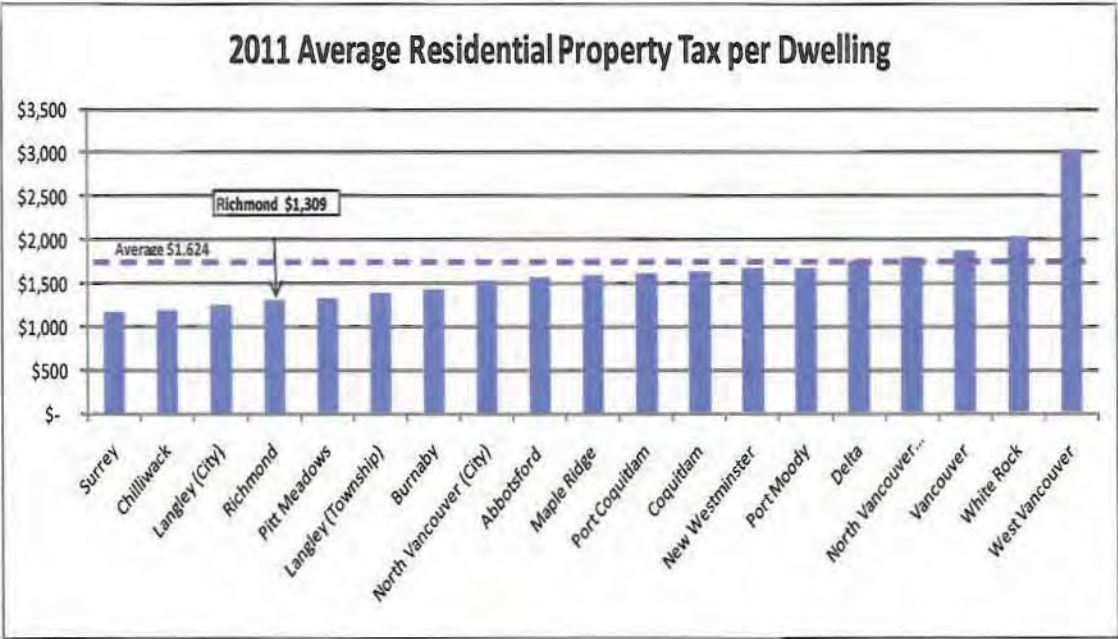


Division	Description	Total Amount Requested \$	Amount Recommended by TAG \$
Social Planning	A new Community Social Services position is required to implement City child care initiatives. In October 2010, regarding the 2009 - 2016 Richmond Child Care Needs Assessment and Strategy, Council resolved that 'in preparation of the Social Planning Strategy, consideration be given to permanently incorporating expertise in child care facility development and early and middle childhood services into City social planning staff capacity'. A new Community Social Services position is required to implement City child care initiatives.	94,696	
Sustainability	New staff position - Sustainability Liaison. The purpose of this request is to create a new regular full time exempt position for providing services for implementing the City's carbon neutral initiative and Sustainability Framework. The Sustainability Framework serves to move the City from a collection of ad-hoc action initiatives to a well-managed approach to sustainability - one that is complete (i.e., addresses all core areas), focuses resources on priorities and integrates action across the corporation.	88,179	
Sustainability	The purpose of this request is to establish a consultancy budget for the City's corporate sustainability services section. The consulting fee serves three core services: corporate sustainability services, environmental sustainability services and energy services.	55,000	
Heritage & Cultural Services	There is insufficient funding to cover the Public Art Assistant's salary. This auxiliary position was created due to increased demands placed on the Public Art Program, administration of multiple projects and the increased demands on the Public Art Planner.	49,296	
Major Events and Film Office	Council Term Goals envision a city that is "vibrant and cultural". The City has become well known for a variety of City-produced festivals and events. Without allocated event funding being pre-set, however, there is a lack of ability to engage in long-term planning for Council-approved festivals and events. The funding requested above ensure that such events, once determined as deserving of annual re-occurrence, will have base funding annually. This allows for the creation of budget, grant application, sponsorship campaigns and other preparatory actions in a reasonable time and with the security of assured partial funding from the City.	200,000	
Corporate Communication	The request is for a Social Media Officer to provide strategic planning, development and implementation of social media strategy, use and shall provide support, training and advise staff engaged in social media use at the departmental level across the organization.	90,000	

Division	Description	Total Amount Requested \$	Amount Recommended by TAG \$
Budgets & Accounting	The request is for a Regular Full Time Capital Analyst position. This position is required under the new accounting standards relating to the reporting to Tangible Capital Assets. This position is to accommodate the additional level of service required to track and report the infrastructure, equipment, land, and facilities assets.	100,000	
Heritage & Cultural Services	The request is to fund the Public Art Planner salary as here are insufficient funds in the Public Art Provision to cover it. Originally, when the Public Art Planner position was created, it was expected that salary would be covered by developer fees (voluntary contribution of 1% to the Public Art program). However, contributions are voluntary and so there is no constant dollar amount going into the Public Art Provision annually particularly because developer contributions and public art projects do not line up year to year.	114,656	
	<b>Total</b>	<b>\$3,128,958</b>	<b>\$190,784</b>



ATTACHMENT 4



**ATTACHMENT 5**

**Policy 3707:**

**It is Council Policy that:**

1. **Tax Revenue**

Tax increases will be at Vancouver's CPI rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1.0 % towards infrastructure replacement needs.

2. **Gaming Revenue**

Gaming revenues will go directly to the capital reserves, the grants program and a community legacy project reserve.

3. **Alternative Revenues & Economic Development**

Any increases in alternative revenues and economic development beyond all the financial strategy targets can be utilized for increased levels of service or to reduce the tax rate.

4. **Changes to Senior Government Service Delivery**

Any additional costs imposed on the City as a result of mandatory senior government policy changes should be identified and added to that particular year's taxes above and beyond the CPI and infrastructure percentage contribution.

5. **Capital Plan**

Ensure that long term capital funding for infrastructure (e.g. parks, trails, facilities, roads etc.) is in place in order to maintain community liveability and generate economic development.

6. **Cost Containment**

Staff increases should be achieved administratively through existing departmental budgets, and no pre-approvals for additional programs or staff beyond existing budgets should be given, and that a continuous review be undertaken of the relevancy of the existing operating and capital costs to ensure that the services, programs and projects delivered continue to be the most effective means of achieving the desired outcomes of the City's vision.



7. **Efficiencies & Service Level Reductions**

Savings due to efficiencies or service level reductions identified in the strategy targets should be transferred to the capital reserves. Any savings due to efficiencies beyond the overall strategy targets can be utilized to reduce the tax rate or for increased levels of service.

8. **Land Management**

Sufficient proceeds from the sales of City land assets will be used to replenish or re-finance the City's land inventory. Any funds in excess of such proceeds may be used as directed by Council.

9. **Administrative**

As part of the annual budget process the following shall be undertaken:

- all user fees will be automatically increased by CPI;
- the financial model will be used and updated with current information, and
- the budget will be presented in a manner that will highlight the financial strategy targets and indicate how the budget meets or exceed them.

10. **Debt Management**

Utilize a "pay as you go" approach rather than borrowing for financing infrastructure replacement.