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**To:** Finance Committee **Date:** January 28, 2019  
**From:** Jerry Chong, CPA, CA **File:** 03-0970-01/2019-Vol  
Director, Finance 01  
**Re:** **2019 Proposed Operating Budget – Referral Response**

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**Staff Recommendation**




That:

1. The 2019 Operating Budget as presented in Table 8 of the staff report titled 2019 Proposed Operating Budget – Referral Response be approved as follows:
  - a. A same level of service budget increase, after tax growth, of \$3,249,703 with a tax increase of 1.50% before additional levels of service be approved; and
  - b. Non-discretionary external senior government related increases of \$2,987,000 with a tax increase of 1.38% be approved; and
  - c. Ongoing funding for expenditures previously approved by Council totaling \$1,112,825 for the following items: an Emergency Program Neighbourhood Preparedness Program Assistant, Richmond Public Library Expanded Senior Services, Minoru Centre for Active Living operating budget impact phase-in, and operating budget impact of developer contributed assets with a tax increase of 0.51% be approved; and
  - d. Pursuant to Council’s Safe Community Priority program, provide funding for 36 additional firefighters in the amount of \$6,023,898 with a three-year phase in plan, resulting in a tax increase of 0.93% in 2019, 0.93% in 2020 and 0.93% in 2021 be approved; and
  - e. Pursuant to Council’s Safe Community Priority program, the capital and one-time costs for the additional 36 firefighters in the amount of \$2,541,276 be approved with funding from the Rate Stabilization Account; and
  - f. Pursuant to Council’s Safe Community Priority program, provide funding for 51 RCMP officers and 20 municipal employees to support the RCMP Detachment in the amount of \$8,844,350 with a three-year phase-in plan, resulting in a tax increase of 2.62% in 2019, 0.73% in 2020 and 0.73% in 2021 be approved; and

- g. Pursuant to Council’s Safe Community Priority program, the capital and one-time costs for the additional 35 RCMP officers and 17 municipal employees to support the RCMP Detachment in the amount of \$839,519 be approved with funding from the Rate Stabilization Account; and
  - h. Operating budget impact of the 2019 Capital Budget totaling \$1,208,320 with a three-year phase-in plan, resulting in a tax increase of 0.18% in 2019, 0.18% in 2020 and 0.18% in 2021 be approved; and
  - i. Transfer to reserves for community facilities infrastructure needs as per Council's Long Term Financial Management Strategy in the amount of \$2,167,033 with a tax increase of 1.00% be approved; and
  - j. City-wide additional levels in the amount of \$149,828 as presented in Attachment 1, with a tax increase of 0.07% be approved; and
  - k. The Rate Stabilization Account be used to reduce the overall impact of additional operating costs for a total of \$2,968,835 resulting in a tax decrease of 1.37% be approved; and
2. The 2019 Operating Budget overall tax increase of 6.82% as listed in staff recommendation 1 above be approved; and
  3. The 2019 Operating Budget of 6.82% be included in the Consolidated 5 Year Financial Plan (2019-2023).

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

Att. 2

<b>REPORT CONCURRENCE</b>	
<b>CONCURRENCE OF GENERAL MANAGER</b>	
	
<b>CONCURRENCE BY SMT</b>	<b>INITIALS:</b> 
<b>APPROVED BY CAO</b>	
	

## Staff Report

### Origin

At the Special Finance Committee meeting on January 14, 2019, the 2019 Proposed Operating Budget from the Director, Finance dated January 3, 2019 was presented. All options included funding for 51 RCMP Officers, phased-in over three years. Options 1 and 2 included funding for 36 firefighters phased-in over three years, starting in 2019 and Options 3 and 4 included funding for 36 firefighters phased-in over seven years, starting in 2020. Staff recommended Option 4, which also included 1% for investment in community facilities infrastructure (transfer to reserves) and a 1.37% reduction using rate stabilization.

Following discussion on the 2019 Proposed Operating Budget, the Finance Committee referred the budget back to staff with the following direction:

- 1) *That 36 additional firefighters with 12 in 2019, 12 in 2020, 12 in 2021 and zero in 2022 be approved; and*
- 2) *That 51 RCMP officers and 20 municipal employees over three years (2019, 2020, 2021) with 19 RCMP officers designated for 2019 be approved; and*
- 3) *That the "2019 Proposed Operating Budget" from the Director, Finance dated January 3 2019, be referred back to staff.*

This report details the impact of the additional levels described in items 1 and 2 above, combined with the rest of the operating budget items, forming a new budget option. All budget components are summarized in this report. For further details, please refer to the original 2019 Proposed Operating Budget report from the Director, Finance dated January 3, 2019.

### Analysis

#### 2019 Operating Budget Overview

The following table provides an overview the 2019 Proposed Operating Budget. There are two significant items that are included in the 2019 Operating Budget:

- External Senior Government Related Increases with a tax impact of 1.38% in 2019 (discussed on page 7), and
- Council's Safe Community Program with a tax impact of 3.55% in 2019 (summarized in Table 4 on page 6).

The combined tax impact of the mandatory external senior government related increases and the additional fire rescue and policing positions approved by Council is 4.93%, which accounts for most of the 2019 tax increase. Excluding these items, the tax impact would be 2.26%, before the additional 1% transfer to reserve for investment in community facilities infrastructure. The increase including the additional 1% transfer to reserves is 3.26%, which is in line with the

3.30% tax increase approved in 2018 and approximates the 2.99% estimated increase for 2019 that was included in the 5 Year Financial Plan (2018-2022).

**Table 1 – 2019 Proposed Operating Budget**

<b>Budget Component</b>	<b>Amount (in \$'000s)</b>	<b>2019 Tax Impact</b>
Proposed 2019 Operating Budget Increases before External Senior Government Related Increases and the Safe Community Program	4,915	2.26%
Investment in Community Facilities Infrastructure (Transfer to Reserves)	2,167	1.00%
External Senior Government Related Increases	2,987	1.38%
Safe Community Program – 51 RCMP officers, 20 municipal employees to support the RCMP Detachment, and 36 fire rescue positions, phased-in over three years	7,621	3.55%
<b>Proposed 2019 Operating Budget Increases with External Senior Government Related Increases and the Safe Community Program</b>	<b>17,690</b>	<b>8.19%</b>
Less: Rate stabilization	(2,969)	(1.37%)
<b>2019 Proposed Operating Budget Increase with External Senior Government Related Increases and the Safe Community Program</b>	<b>\$14,721</b>	<b>6.82%</b>

### 36 Additional Firefighters

The ongoing cost for 36 additional firefighters is \$6,023,898 with a capital and one-time cost of \$2,541,276. The capital and one-time costs are recommended to be funded from the Rate Stabilization Account (RSA).

**Table 2 – Summary of Approved Fire Rescue Additional Resources**

<b>Location</b>	<b>Firefighters</b>	<b>Capital and One-Time Costs (in \$'000s)</b>	<b>Ongoing Amount (in \$'000s)</b>
Steveston/Seafair <sup>1</sup>	12	\$780	\$1,951
City Centre/Brighthouse <sup>2</sup>	24	1,761	4,073
<b>Total Firefighters</b>	<b>36</b>	<b>\$2,541</b>	<b>\$6,024</b>

1. An additional Rescue vehicle and staffing to service Steveston/Seafair is required by 2023.

Capital and one-time costs include:

- Minor capital upgrades to Steveston Fire Hall
- Purchase of vehicle including equipment
- Personal protective equipment

2. An additional Fire Engine vehicle and staffing to service City Centre/Brighthouse is required by 2027.

Capital and one-time costs include:

- Purchase of vehicle including equipment
- Personal protective equipment

Originally, staff recommended the 36 firefighters be phased-in over seven years resulting in a tax impact of 0.40% per year starting in 2020. As a result of accelerating the recruitment and funding over 3 years, starting in 2019, this approved expenditure adds \$2,007,966 to the 2019 budget, for a tax increase of 0.93% per year.

51 RCMP Officers & 20 Municipal Employees to Support the RCMP Detachment

The ongoing cost for 51 additional RCMP Officers and 20 municipal employees to support the RCMP Detachment is \$8,844,350 with a capital and one-time cost of \$839,519. The capital and one-time costs are recommended to be funded from the Rate Stabilization Account (RSA).

In the 2018 Budget, Council approved 16 additional RCMP Officers and 3 municipal employees to support the RCMP Detachment in the amount of \$2,276,483 with the tax impact fully offset by the RSA, thus deferring these costs to be funded in the future. These officers have been received at the RCMP Detachment and the municipal employees have been hired as of the end of the 2018 calendar year and therefore ongoing funding is required in the 2019 budget.

**Table 3 – Summary of Approved RCMP Additional Resources 2018-2021**

Year	Police Officers	Municipal Employees	Capital and One-Time Costs (in \$'000s)	Ongoing Amount (in \$'000s)
2018	16	3	\$-*	\$2,276*
2019	19	10	437	3,722
2020	12	5	284	2,105
2021	4	2	119	741
<b>Total</b>	<b>51</b>	<b>20</b>	<b>\$840</b>	<b>\$8,844</b>

\*The capital, one-time and ongoing costs for the 16 RCMP Officers and 3 municipal employees to support the RCMP Detachment previously approved by Council were funded by the Rate Stabilization Account in 2018. The ongoing amount requires funding.

Originally, staff recommended to fund the previously approved expenditures of \$2,276,483 in the 2019 budget with a 1.05% tax increase. In addition, the new 35 officers and 17 municipal employees to support the RCMP Detachment requested over 2019-2021 were recommended to be funded straight-line over three years, for an additional tax increase of 1.01% per year. This would have funded 16 previously approved officers, plus approximately 11-12 additional officers per year.

Based on the Finance Committee’s direction, 51 RCMP officers are approved, with 19 additional RCMP officers designated for 2019. The phase-in plan has been revised to align with the approved number of officers. The phase-in plan for the municipal employees to support the RCMP Detachment remains phased-in straight-line over three years.

The new phase-in plan is summarized in Table 4, resulting in a combined tax impact of 2.62% in 2019, 0.73% in 2020, and 0.73% in 2021 for the 51 RCMP officers and 20 municipal employees to support the RCMP Detachment.

Table 4 also summarizes the total tax increase for the 107 additional fire rescue and policing positions approved by Council for the Safe Community Program over the years 2019-2021. This constitutes a 3.55% tax increase in 2019, 1.66% in 2020 and 1.66% in 2021.

**Table 4 – Funding Summary of the Approved Safe Community Program 2019-2021**

Year	2019	2020	2021
<b>Previously approved expenditures that require ongoing funding:</b>			
16 police officers (approved in 2018, but not funded)	0.96%	-%	-%
3 municipal employees to support the RCMP (approved in 2018, but not funded)	0.09%	-%	-%
<b>Total Previously Approved Expenditures (16 RCMP officers and 3 municipal employees to support the RCMP Detachment)</b>	<b>1.05%</b>	<b>-%</b>	<b>-%</b>
<b>Additional Level Expenditures:</b>			
35 police officers (19 designated for 2019)	1.38%	0.54%	0.54%
17 municipal employees to support the RCMP	0.19%	0.19%	0.19%
<b>Total Additional Expenditures – Policing: 35 RCMP officers and 17 municipal employees to support the RCMP Detachment</b>	<b>1.57%</b>	<b>0.73%</b>	<b>0.73%</b>
<b>Safe Community Program – Policing: 51 RCMP officers and 20 municipal employees to support the RCMP Detachment</b>	<b>2.62%</b>	<b>0.73%</b>	<b>0.73%</b>
36 firefighters	0.93%	0.93%	0.93%
<b>Safe Community Program – Fire Rescue: 36 fire rescue positions</b>	<b>0.93%</b>	<b>0.93%</b>	<b>0.93%</b>
<b>107 Positions – Safe Community Program: 51 RCMP officers, 20 municipal employees to support the RCMP Detachment, and 36 fire rescue positions</b>	<b>3.55%</b>	<b>1.66%</b>	<b>1.66%</b>

Other items included in the proposed 2019 Operating Budget are summarized in the following table.

**Table 5 – Summary of Proposed 2019 Operating Budget**

<b>Budget Component</b>	<b>Amount (in \$'000s)</b>	<b>Tax Impact</b>
<b>1. Same Level of Service Increase – meets LTFMS target</b>	<b>\$3,250</b>	<b>1.50%</b>
2. External Senior Government Related Increases	2,987	1.38%
3. Previously Approved Expenditures	1,113	0.51%
4. Safe Community Program – 36 fire rescue positions phased-in over three years	2,008	0.93%
4. Safe Community Program – 51 RCMP officers and 20 municipal employees to support the RCMP Detachment phased-in over three years	5,613	2.62%
5. Operating Budget Impact from 2019 Capital Budget	402	0.18%
6. Investment in Community Facilities Infrastructure (Transfer to Reserves)	2,167	1.00%
7. City-wide Additional Levels	150	0.07%
8. Less: Rate Stabilization	(2,969)	(1.37%)
<b>Proposed 2019 Operating Budget Increase</b>	<b>\$14,721</b>	<b>6.82%</b>

### **1. Same Level of Service Increase**

Council's Long Term Financial Management Strategy (LTFMS) policy is that "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." Vancouver's CPI forecast for 2019 is 2.20% and therefore this policy target is met as the proposed same level of service increase is 1.50%. The main cost driver for the 2019 increase across all City divisions is the salary and step increases in accordance with collective agreements. Another significant driver of the same level of service increase is the RCMP contract increase for the existing complement of RCMP officers.

### **2. External Senior Government Related Increases**

The Provincial Government announced that it would be replacing the current system of subsidizing the health care system through collecting individual Medical Services Plan (MSP) premiums with a new Employer Health Tax (EHT), effective 2019. The estimated budget impact to the City is \$2.56M for a 1.18% tax impact.

The Federal Government announced enhancements to the Canada Pension Plan (CPP) which would be phased-in gradually starting in 2019 through 2025. The full impact through 2025 results in a budget increase of \$2.5M, with \$0.3M estimated for 2019 for a 0.14% tax impact.

Federal Government changes to the Municipal Officers' Expense Allowance take effect in 2019 which results in 1/3 of salaries and benefits for council members no longer being tax-free. The estimated budget impact as a result of this change is \$0.13M for a tax impact of 0.06%.

### 3. Previously Approved Expenditures

The amounts previously approved by Council that require funding in the 2019 budget include:

- An Emergency Program Neighbourhood Preparedness Program Assistant (approved in the 2018 Budget) - \$0.1M (0.05% tax impact)
- Richmond Public Library – Expanded Senior Services (approved in the 2018 Budget) - \$0.2M (0.09% tax impact)
- Minoru Centre for Active Living expanded programming (estimated amount approved in the 2014 Budget and detailed service levels approved by Council on November 14, 2016) - \$0.6M (0.27% tax impact)
- Operation and maintenance costs of developer contributed assets that will be transferred to the City in 2019 (approved by Council through various development and rezoning applications detailed in Attachment 9) - \$0.2M (0.10% tax impact)

### 4. Safe Community Program

Council's Safe Community Program includes 107 new police and fire personnel, including:

- 51 RCMP Officers and 20 municipal employees to support the RCMP Detachment, with funding to be phased-in over three years. Specifically this includes:
  - 16 RCMP Officers and 3 municipal employees to support the RCMP Detachment which were approved by Council in the 2018 budget, but funding was deferred to 2019 therefore this is included as part of the Safe Community Program.
  - 35 additional RCMP Officers and 17 additional municipal employees to support the RCMP Detachment.
- 36 firefighters, including 12 for Steveston / Seafair and 24 for City Centre/Brighthouse, with funding to be phased-in over three years.

As directed by the Finance Committee, staff have funded the 107 positions (51 RCMP Officers, 20 municipal employees to support the RCMP Detachment, and 36 Firefighters) over three years (2019-2021).

### 5. Operating Budget Impact from the 2019 Capital Budget

Operating Budget Impacts (OBI) from the 2019 Capital Budget in the amount of \$1,208,320 (excluding Utility projects) are proposed to be phased-in over three years, which amounts to \$0.4M or a 0.18% tax impact.

### 6. Investment in Community Facilities Infrastructure

Civic buildings, including recreation facilities, fire halls, community centres and other public amenities are important to ensure the safety, upkeep and well-being of the community.

Council's Long Term Financial Management Strategy (LTFMS) has a policy to increase 1% transfer to reserves to fund community infrastructure replacement needs. This reserve funds the replacement of buildings, such as Fire Hall 1 which opened in 2018. The Minoru Centre for Active Living is currently under construction and is anticipated to open in 2019. In 2018, Council approved Major Facilities Phase 2 which includes the Animal Shelter, Lawn Bowling Clubhouse, Phoenix Net Loft, and Steveston Community Centre and Branch Library. This



reserve fund is also largely utilized to fund major repairs for City owned or leased buildings, including Gateway Theatre and Watermania, to ensure community buildings remains safe and operational.

It is recommended to continue with Council’s LTFMS and transfer an additional 1% into the capital reserves to replenish the funds spent on completed projects, as well as to bolster the funds available for required capital projects in the future years. It is important to recognize that a significant portion of reserve balances are committed to active projects. The reserve balances are drawn down on a cash basis (i.e. when spent), not as projects are approved. Therefore it is prudent to ensure funding is in place for future investments, such as the Steveston Community Centre and Branch Library.

If an additional 1% is not transferred into the reserves, this will have an impact on funding available for future year capital plans which may result in cancellation or deferral of planned projects. The 2019 Budget recommends funding \$5,743,000 from the Rate Stabilization Account because the current contributions into the reserves is not sufficient to fund the proposed capital program. It is expected that the level of required funding to maintain aging facilities will continue to exceed the current funding and therefore an increase to the funding is required.

**7. City-Wide Additional Levels**

Additional level submissions have been prioritized and reviewed by the Senior Management Team (SMT) and the CAO. Only high priority items are recommended to be added to the base budget. For 2019, 20 additional level submissions (excluding RCMP and Fire Rescue positions) have been received totaling \$1,298,595. After reviews and discussions, seven are recommended by SMT and the CAO with only two submissions having a tax impact of \$149,828. Both recommended additional levels with a tax impact were endorsed by Council to include in the budget, namely the OBI for the Council approved City Centre Police Office and to incorporate the Sister City Program, which has been funded through Rate Stabilization in recent years into the ongoing base budget. The remaining additional levels of service are funded through reallocations of existing resources or through an increase in program revenues, thus resulting in no tax impact.

Please refer to Attachment 1 for the list of recommended additional levels and Attachment 2 for the list of not recommended additional levels. The tax impact of the recommended additional levels is summarized in Table 6.

**Table 6 – Tax Impact of Recommended City-Wide Additional Levels**

<b>Additional Level</b>	<b>Amount (in \$’000s)</b>	<b>Tax Impact</b>
RCMP City Centre Community Police Office Operating Budget Impact	\$90	0.04%
Sister City Program	60	0.03%
<b>Total Additional Levels (Attachment 1)</b>	<b>\$150</b>	<b>0.07%</b>

## 8. Rate Stabilization

The City's Rate Stabilization Account (RSA) was approved by Council in 2013 in order to ensure that funding be available to help balance the budget for non-recurring items and smooth out tax increases. The establishment of an RSA for the operating budget was also based on past experience where external non-controllable events impacted the City's operating budget and there was no funding available to offset this "temporary condition". In 2009-2010 the City felt the impacts of the economic recession and there were significant reductions in building activity which required staff to reduce the amounts budgeted for permit and development revenue. The City also froze the annual increase to business licenses to assist businesses. Due to these reductions in budgeted revenues the City had to appropriate surplus in order to balance the budget. Staff are starting to see a slowdown in building activity and have not reduced the current year budget partly based on the knowledge that the RSA is available.

The City has used RSA in a practical and effective manner and staff are careful in managing the usage to ensure that the RSA is not carried forward on an indefinite basis. The risk and downside of utilizing RSA is that once it has been carried forward in this way, it must be maintained because the reduction or elimination of it will create a pressure in the following year's operating budget. This would be reflected in the 2019 budget where RSA was used to offset the funding of 16 RCMP Officers and 3 municipal employees in the 2018 budget. While the RSA reduced the tax increase in 2018, the expenditure needs to be funded in 2019, therefore the tax increase is not reduced but temporarily shifted.

When taxpayers do not pay for what they receive and move these costs to the future then intergenerational inequity is created since today's taxpayers pay less than the full cost of the services they use today, and a future taxpayer will pay instead.

It is proposed to utilize the RSA to reduce the 2019 impact by 1.37%, which will gradually be phased-out over four years as shown in Table 7. This recommended amount includes \$810,000 for the one-time impact of the transition costs from the current Medical Services Plan premiums to the Employer Health Tax. In addition, 1% tax impact is proposed to temporarily stabilize the impacts of the 2019 budget increase. Staff recommend utilizing a four year period to phase-out the rate stabilization funding such that no tax impacts are deferred into the next Council term.

Utilizing more rate stabilization in the first year of the plan would decrease the 2019 tax increase, but will also result in a higher tax increase for the second and third year and so on until the rate stabilization is phased-out. Utilizing less rate stabilization in the first year would result in a higher increase in the 2019 year, but will result in lower tax increases in the second and third year.

Table 7 summarizes how the RSA balance is proposed to be utilized as a result of the 2019 Budget Process.

**Table 7 – Proposed RSA Utilization**

<b>RSA Balance as of November 30, 2018</b>		<b>\$14,633,790</b>
2019 Capital Projects funded by RSA	(5,743,000)	
<b>2019 One-Time Expenditures (Table 1)</b>	<b>(1,315,909)</b>	
Fire Rescue Capital and One-Time Costs for 36 Firefighters	(2,541,276)	
RCMP Capital and One-Time Costs for 51 RCMP Officers and 20 Municipal Employees to support the RCMP Detachment	(839,519)	
Proposed Rate Stabilization of the 2019 Operating Budget	(2,968,835)	
<b>Total 2019 Proposed RSA Utilization</b>		<b>(13,408,539)</b>
<b>Balance After Proposed 2019 Utilization</b>		<b>\$1,225,251</b>

**Financial Impact**

Based on direction from the Finance Committee, staff have prepared the 2019 Proposed Operating Budget as summarized in Table 8.

**Table 8 – 2019 Proposed Operating Budget (in \$000s)**

<b>Budget Component</b>	<b>Amount (in \$'000s)</b>	<b>Tax Impact</b>
Same Level of Service Increase (meets LTFMS target)	\$3,250	1.50%
External Senior Government Related Increases	2,987	1.38%
Previously Approved Expenditures	1,113	0.51%
Safe Community Program – 36 fire rescue positions phased-in over three years	2,008	0.93%
Safe Community Program – 51 RCMP officers and 20 municipal employees to support the RCMP Detachment phased-in over three years	5,613	2.62%
Operating Budget Impact from 2019 Capital Budget	402	0.18%
Investment in Community Facilities Infrastructure (Transfer to Reserves)	2,167	1.00%
City-Wide Additional Levels	150	0.07%
Less: Rate stabilization	(2,969)	(1.37%)
<b>2019 Proposed Operating Budget Increase</b>	<b>\$14,721</b>	<b>6.82%</b>

**Conclusion**

The 5 Year Financial Plan (2019-2023) is proposed to be built based on the summary in Table 9.

**Table 9 – Proposed 2019 Budget and 5 Year Financial Plan**

<b>Budget Component</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Same Level of Service Increase	1.50%	1.50%	0.96%	1.49%	1.91%
External Senior Government Related Increases	1.38%	0.16%	0.16%	0.18%	0.18%
Previously Approved Expenditures	0.51%	1.26%	0.75%	0.38%	0.09%
Safe Community Program – 36 fire rescue positions	0.93%	0.93%	0.93%	-%	-%
Safe Community Program – 51 RCMP officers and 20 municipal employees to support the RCMP Detachment	2.62%	0.73%	0.73%	-%	-%
Operating Budget Impact from Capital Budget	0.18%	0.58%	0.74%	0.63%	0.56%
Investment in Community Infrastructure	1.00%	1.00%	1.00%	1.00%	1.00%
City-Wide Additional Levels	0.07%	0.23%	0.23%	0.23%	1.62%
Less: Rate stabilization	(1.37%)	(0.70)%	(0.30)%	-%	-%
<b>Proposed Tax Increase – including 107 positions – Safe Community Program 51 RCMP officers, 20 municipal employees to support the RCMP Detachment, and 36 fire rescue positions</b>	<b>6.82%</b>	<b>5.69%</b>	<b>5.20%</b>	<b>3.91%</b>	<b>5.36%</b>



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

MS:ms

Att: 1: 2019 Additional Level Expenditure Requests – RECOMMENDED  
 Att 2: 2019 Additional Level Expenditure Requests – NOT RECOMMENDED

**1. 2019 Additional Level Expenditure Requests – RECOMMENDED**

Ref	Requested By	Description	Net Requested Amount	Tax Impact
1	Community Safety	<p><b>RCMP City Centre CPO increase to OBI</b></p> <p>Council has approved a 10,000 sq. ft. City-owned building at 6931 Granville Avenue for expanded police services (24 hour) in the City Centre, improving police response times, increasing police presence, enhancing public engagement and offering better customer service in this growing area.</p>	\$89,828	0.04%
2	Community Safety	<p><b>Sister City Program (SCP)</b></p> <p>In accordance with the SCP Objectives, the primary focus of the SCP activities is to foster activities with the Richmond community and its sister cities (Pierrefonds, Quebec, Wakayama, Japan, Xiamen, China) / friendship city (Qingdao, China) through projects and youth exchanges that promote cultural awareness and joint learning opportunities.</p>	\$60,000	0.03%
3	Community Services	<p><b>Increase to operations at Arts Centre with zero tax impact</b></p> <p>Demands and need for Arts Centre programs continue to increase with growing waitlists. As the only purpose built arts centre in the community with limited space, staff continue to maximize the use of space and provide new programs.</p>	-	-%
4	Engineering and Public Works	<p><b>IPS Coordinator - RFT</b></p> <p>A dedicated IPS Coordinator is required to direct the change management, training, administration, configuration, reporting, and support of the new IPS Mobility application, which expands the capabilities of the Asset and Work Management system outside of the office environment.</p>	-	-%

Ref	Requested By	Description	Net Requested Amount	Tax Impact
5	Finance and Corporate Services	<b>Conversion of Auxiliary to Accounts Payable Clerk – RFT</b> Conversion of one auxiliary staff position to regular full-time based on review of historical utilization. Reallocation of resources will be used to offset the additional expenses.	-	-%
6	Planning and Development	<b>2 Development Applications - Planner 1 - RFT</b> City continues to experience high application volumes. Reoccurring temporary appointments have addressed workload pressures for past 2 years. Application volume is expected to remain high and review complexity intensifying due to new Council bylaws/policies, public consultation and referrals.	-	-%
7	Planning and Development	<b>Policy Planning Coordinator - RFT</b> Policy Planning is working at capacity. Council requested work includes: 702 Lot Size Policy review, Agricultural Viability Strategy, Infill / Laneway Housing in Burkeville, Heritage Updates in Steveston, Bridgeport Corridor Study. Without additional staff resources, the workplan cannot be delivered.	-	-%
<b>2019 Ongoing Expenditures Total - RECOMMENDED</b>			<b>\$149,828</b>	<b>0.07%</b>

**2. 2019 Additional Level Expenditure Requests – NOT RECOMMENDED**

Ref	Requested By	Description	Net Requested Amount	Tax Impact
1	Community Services	<b>Affordable Housing - Planner 1 - RFT</b> A RFT Planner 1 is required to support the current implementation of the Affordable Housing Strategy; including securing contributions, policy development, project coordination (i.e., emergency shelter), homelessness, working with stakeholders and public education regarding poverty.	\$109,447	0.05%
2	Community Services	<b>Child Care Program - Planner 1 - RFT</b> A Planner 1 position is required to support the current City's Child Care Program and to implement the 32 actions noted in the recently adopted 2017-2022 Richmond Child Care Needs Assessment and Strategy.	\$86,496	0.04%
3	Community Services	<b>Curatorial Assistant Position - RFT</b> The City has over 20,000 objects in its artefact collection and a growing demand to source and manage artefacts for both acquisition and loan. This work has been funded annually and conducted by auxiliary staff for five years and warrants the creation of a permanent full-time position.	\$80,874	0.04%
4	Community Services	<b>Public Art Planner Base Budget Funding</b> The Public Art Planner position is currently funded from developer contributions to the public art provision. This request is to have the position funded as part of the base operating budget.	\$103,712	0.05%
5	Community Services	<b>City Centre Landscape Maintenance OBI</b> In recent years, the City Centre area has grown causing an increase in park area use requiring raised maintenance levels. In addition, climate change conditions (summer drought/colder winters) are requiring increased staffing for water maintenance tasks and the replacement of dead plant materials.	\$98,749	0.05%

Ref	Requested By	Description	Net Requested Amount	Tax Impact
6	Community Safety	<b>Richmond Fire Rescue Community Outreach and Program Development Coordinator - RFT</b> Council endorsed Fire's Community Outreach and Public education Plan (COPEP). This position will provide capacity and expertise in outreach, program development, implementation and evaluation to ensure COPEP initiatives are achieved.	\$116,205	0.05%
7	Community Safety	<b>Richmond Fire Rescue Fire and Life Safety Educator - RFT</b> Fire's Community Outreach and Public Education Plan (COPEP) has been endorsed by Council. It outlines strategies and goals to dramatically increase RFR's public education delivery. This position is necessary to undertake those strategies and fulfill the goals.	\$97,361	0.04%
8	Community Safety	<b>Richmond Fire Rescue Recruiting and Testing Costs</b> Recruitment Costs including testing and outfitting that are required to fulfill staffing requirements. Portions of the testing is paid by applicants however, RFR still incurs costs during the hiring process.	\$35,000	0.02%
9	Corporate Administration	<b>Applicant Tracking System Replacement</b> Human Resources (HR) needs to select and implement a new Applicant Tracking System (ATS) to replace HireDesk, for which our current contract is set to expire January 2019.	\$45,000	0.02%
10	Finance and Corporate Services	<b>Tax Clerk - RFT</b> Since 2000, the number of properties in Richmond have increased by over 38% or almost 23,000 properties while staffing levels in the Tax Section have remained constant. A new Tax Clerk (PB 7) is needed to improve the current level of customer service to the growing number of taxpayers.	\$70,000	0.03%
11	Finance and Corporate Services	<b>Tempest Mobile App *</b> Initiative for Bylaw Officers to have access to Tempest while on the road performing their general duties. This would increase revenue and improve services to residents as more time can be given to proactive enforcement. Officer's safety is also increased with access to historical records.	\$12,000	0.01%

\* In addition to the requested amount, there is an initial capital cost of \$75,000



Ref	Requested By	Description	Net Requested Amount	Tax Impact
12	Finance and Corporate Services	<b>IT Security Staff - RFT</b> Increased public awareness and highly publicized data breaches of large companies and banks have increased the need for IT Security programs/dedicated staff. IT is working to improve corporate IT security hence additional expertise is required.	\$125,405	0.06%
13	Library	<b>Expanded Children and Family Library Services</b> 2 staff to expand services for vulnerable youth, and increase collaboration with city staff, schools and community service agencies. Request originates from the Referral Report on Borrowing Limits, Municipal Library Services and Impact of Increased Per Capita Funding (Finance Committee, Oct. 28/16)	\$168,518	0.08%
<b>2019 Ongoing Expenditures Total - NOT RECOMMENDED</b>			<b>\$1,148,767</b>	<b>0.54%</b>

Not Recommended