



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** November 27, 2015

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

**File:** 03-0970-01/2015-Vol  
01

**Re:** 2016 Council Community Initiatives One-Time Expenditures

### Staff Recommendation

That:

1. The one-time expenditure requests as outlined in Attachment 1 of the 2016 Council Community Initiatives One-Time Expenditures staff report, be received for information.
2. Funding of \$895,000 for the 2017 Canada 150<sup>th</sup> Steveston Ships to Shore Events be included in the City's 5-Year Financial Plan (2016-2020) Bylaw.

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

Att. 1

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

## Staff Report

### Origin

On July 13, 2015, Council established a Council Community Initiatives Account with an initial balance of \$3.0M transferred from the Gaming provision. The purpose of the account is to enable Council to utilize a portion of gaming revenue towards one-time initiatives that address social, environmental, recreation and sports, heritage, arts and culture, safety and security, or infrastructure needs in accordance with the established Terms of Reference. One-time expenditure requests are typically non-recurring items for consideration over and above the base annual budget.

Council also approved a new gaming revenue allocation model with 2% of budgeted gaming revenue toward the Council Community Initiatives Account.

Any approved one-time expenditure requests will be included in the 2016-2020 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.

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

- 7.1. *Relevant and effective budget processes and policies.*
- 7.2. *Well-informed and sustainable financial decision making.*
- 7.3. *Transparent financial decisions that are appropriately communicated to the public.*

### Analysis

#### *2016 Projected Funding*

The Terms of Reference for this account suggests the maximum annual distribution should not exceed 50% of prior year's ending account balance in order to ensure funding availability for future years; however, Council has the discretion to waive this limitation.

Based on the initial balance of \$3.0M the suggested annual distribution for 2016 should not exceed \$1.5M. Any unallocated amount will remain in the Council Community Initiatives Account for distribution in future years.

The annual gaming revenue budget for 2016 is \$18.1M, therefore a total of \$362,000 (2% as part of the new gaming revenue allocation model) will be allocated toward the Council Community Initiatives Account.

#### *2016 Requests for Funding*

There are two Council Community Initiatives expenditure requests received to date totalling \$0.9M as summarized in Table 1.

**Table 1 – CCIA Requests Summary**

# of CCIA Expenditures Requested	Previously Approved by Council (in \$000's)	Pending (in \$000's)	Total (in \$000s)
2	\$895	\$24	\$919

All expenditures from this account are at Council's discretion. Any approved one-time expenditure requests will be included in the 5-Year Financial Plan (2016-2020). There is no tax impact from any of the proposed one-time expenditures as funding is available in the Council Community Initiatives Account.

Attachment 1 provides a brief description of the Council Community Initiative requests for Council consideration.

Allocations may be approved throughout the year and will be included in the original 5 Year Financial Plan Bylaw or subsequent 5 Year Financial Plan Amendment Bylaw, depending on the timing.

### **Financial Impact**

The approved one-time expenditure request of \$0.9M will be funded from the Council Community Initiatives Account with no tax impact. Any further approved amounts will be included in the 5-Year Financial Plan (2016-2020) or the 5-Year Financial Plan Amendment (2016-2020), depending on the timing of the approval.

### **Conclusion**

Council previously approved \$0.9M to be funded by the Council Community Initiatives Account. Any further approvals will be included in the 2016-2020 Financial Plan.



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MS:gjn

Att. 1: Council Community Initiative Account Requests

### Council Community Initiatives Requests

Ref	Description	Amount (in 000's)	Status
	<p><b>2017 Canada 150th Steveston Ships to Shore Events</b></p> <p>Funding would be used to support the event delivery for the 2017 Canada 150<sup>th</sup> Steveston Ships to Shore events as follows:</p> <p style="padding-left: 40px;">\$575,000 would be allocated to programming for the Ships to Shore Kaiwo Maru visit including sail raising ceremonies, daily concerts, vessel boarding and landside programming for approximately 45,000 to 60,000 people per day ending with a fireworks presentation in the harbor. Involvement of the local Japanese community and the community at large would be an integral part of these celebrations.</p> <p style="padding-left: 40px;">\$320,000 would be allocated to the Canada Day July 1<sup>st</sup> Canada 150<sup>th</sup> Anniversary Ships to Shore event which will be combined with the 72<sup>nd</sup> Annual Steveston Salmon Festival. Attendance is estimated at over 70,000 and the celebrations are proposed to include ships from the Pacific Rim including if possible, an additional Tall Ship. Recruitment is currently underway. Programming will focus on public boarding and viewing of the ships as well as landside roving entertainment, kids' zone, maritime demonstrations, entertainers and a boat building booth.</p> <p>At the Council meeting on November 9, 2015, the following resolution was adopted:</p> <p style="padding-left: 40px;"><i>That \$895,000 be transferred from the Council Community Initiatives Fund in 2016 to support the event delivery for the 2017 Canada 150th Steveston Ships to Shore Events and that the 2017 Canada 150th Steveston Ship to Shore Events be considered in the 2016 budget process.</i></p>		
1		\$895	Approved on Nov 9, 2015

### Council Community Initiatives Requests

Ref	Description	Amount (in 000's)	Status
<b>Richmond Gateway Theatre Society Sustainability</b>			
2	<p>Richmond Gateway Theatre Society ("Gateway Theatre") needs to address long-term sustainability issues by engaging consultant expertise to improve revenue generation. This includes a complete change of pricing strategy, making many of Gateway's tickets more accessible and competitive in the market, and a new marketing and audience retention plan based on best practices and the latest arts industry research. The result will be increased organizational capacity, more financial stability and sustainability, and more accessible ticket prices for Richmond residents with limited means.</p>	\$24	Pending Council Decision
<b>2016 Council Community Initiative Submissions Grand Total</b>		<b>\$919</b>	<b>\$24</b>