



City of Richmond

Report to Committee



To: Finance Committee
From: Ivy Wong, CPA, CMA
Acting Director, Finance
Re: 2021 One-Time Expenditures

Date: January 15, 2021
File: 03-0970-25-2021-
01/2020-Vol 01

Staff Recommendation

That the one-time expenditures totalling \$1,081,269 as outlined in Attachment 1 of the 2021 One-Time Expenditures staff report, be approved with funding from the Rate Stabilization Account and included in the Consolidated 5 Year Financial Plan (2021-2025).

Ivy Wong, CPA, CMA
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REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER	
 FOR A. NAZARETH	
REVIEWED BY SMT	INITIALS:
	AC
APPROVED BY CAO	
	

Staff Report

Origin

One-time expenditure requests are typically non-recurring items for consideration over and above the base annual budget or for items that are recurring in nature but are not required on an annual basis. Council established a Rate Stabilization Account (RSA) to provide funding for such requests. The RSA has also been used to defer the City's annual tax increase to a future year. Each year, once the City's accounts from the prior year are finalized, any resulting surplus is transferred into the RSA.

Any approved one-time expenditure requests will be included in the 2021-2025 Consolidated 5 Year Financial Plan (5YFP).

This report supports Council's Strategic Plan 2018-2022 #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

- 5.1. Maintain a strong and robust financial position.*
- 5.2. Clear accountability through transparent budgeting practices and effective public communication.*
- 5.3. Decision-making focuses on sustainability and considers circular economic principles.*
- 5.4. Work cooperatively and respectfully with all levels of government and stakeholders while advocating for the best interests of Richmond.*

Analysis

For 2021, there are eight one-time expenditure requests totalling \$1,222,669. The Senior Management Team (SMT) appointed a Review Team to review and prioritize each request using established ranking criteria. The prioritized requests were also reviewed by the CAO and SMT to finalize a recommendation for Council's approval. There is no tax impact from any of the proposed requests as they will be funded from the RSA.

The RSA has an unaudited balance of \$13,110,112 as of December 31, 2020 before any audit adjustments. While there is no tax impact from utilizing the RSA to fund one-time expenditure requests, the ability to fund such requests from RSA depends on the annual surplus. It is expected that the COVID-19 pandemic will continue to impact the City in 2021 and revenues such as gaming will be reduced. This will impact the future funding and utilization of the RSA. Therefore, staff have restricted their one-time expenditure request to high priority items and programs and services previously endorsed by Council.

Recommended One-Time Expenditure Requests

With the resignation of an elected official on November 17, 2020, the City is required to hold a By-Election to fill one seat of the Office of Councillor in accordance with the *Local Government Act*. The estimated cost of the 2021 By-Election is approximately \$716K, which represents 66% of the total recommended one-time funding expenditure requests. Other programs that have been previously endorsed by Council (i.e. Recreation Fee Subsidy and 2021 City Events) are also included in Table 1 that summarizes the recommended one-time expenditure requests of \$1,081,269 to be funded from the RSA.

Table 1 – Rate Stabilization Funding Summary

One-Time Expenditure Requests	Recommended Amount (in '000s)	Rate Stabilization Account (in '000s)
RSA Unaudited Balance as of December 31, 2020 (before allocation of 2020 surplus)		\$13,110
2021 By-Election	\$716	
Recreation Fee Subsidy Program – Administrative and Program Support	119	
City Events Program 2021	107	
City Document and Records Management System Mobile Access	75	
Red Cross Contract for Emergency Social Services and Emergency Volunteer Management	39	
Required Update of Office Macros and Templates	25	
Total of 2021 Recommended One-Time Expenditures		(\$1,081)
Ending Balance of RSA		\$12,029

Attachments 1 and 2 provide a brief description of all one-time expenditure requests with recommendations and non-recommendations respectively. Council may change any of the recommendations or may choose to address other one-time funding needs. The Consolidated 5 Year Financial Plan (2021-2025) will be revised for any changes from the staff recommendation.

Financial Impact

The recommended \$1,081,269 one-time expenditures requests as outlined in Attachment 1 are proposed to be funded from the Rate Stabilization Account with no tax impact. This recommended amount will be included in the Consolidated 5 Year Financial Plan (2021-2025), should it be approved by Council.

Conclusion

One-time expenditure requests were prioritized and reviewed by the CAO and SMT. The high priority requests in the amount of \$1,081,269 as summarized in Attachment 1 are recommended to be approved and included in the Consolidated 5 Year Financial Plan (2021-2025).



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

2021 One-Time Expenditure Requests - RECOMMENDED

Requested By	Description	Amount
Corporate Administration	2021 By-Election Funding is required to ensure that the City adequately conducts the upcoming 2021 civic By-Election. The estimated financial costs to run the By-Election are based on the past 2018 civic election actuals.	\$716,504
Planning and Development	Recreation Fee Subsidy Program – Administrative and Program Support The Recreation Fee Subsidy Program requires a full-time and a part-time staff position, and administrative resources. In 2019–2020, participation continued to grow beyond anticipated levels (37%). COVID-19 has slowed program uptake, but has increased complexity and administration time.	\$118,765
Community Services	City Events Program 2021 This request is to fund 2021 City events, in alignment with the Event Guiding Principles, and as detailed in the City Events 2021 Report to Council. Events contribute to social and economic well-being, build community capacity and identity and raise Richmond's profile.	\$107,000
Finance and Corporate Services	City Document and Records Management System Mobile Access REDMS, the City's Document and Records Management system, is a Windows client application. Files managed by REDMS are only accessible using a Windows machine. Field and remote workers require access to REDMS documents using non-Windows devices such as City-provided smartphones and tablets.	\$75,000
Community Safety	Red Cross Contract for Emergency Social Services and Emergency Volunteer Management Service agreement with the Canadian Red Cross for delivery of emergency social services and for \$50,000 per year with an annual cost review at renewal. One-time request of \$39,000 to top up funding (annual cost of \$50,000).	\$39,000
Finance and Corporate Services	Required Update of Office Macros and Templates The City has relied on Office macros which have not been consistently optimized for improvements, impacting user productivity and increasing staff support, while newer methods of delivering macros are available. A study to determine the City's best option should be undertaken.	\$25,000
2021 One-Time Expenditures Total – RCOMMENDED		\$1,081,269

2021 One-Time Expenditure Requests – NOT RECOMMENDED

Requested By	Description	Amount
Finance and Corporate Services	Integrated Security Access System (Honeywell) Upgrade The City's Integrated Security Access System (ISAS) integrates the Access Controls, Security and Video systems. This platform and the foundational IT architecture is no longer officially supported by their respective vendors and must be upgraded	\$92,400
Finance and Corporate Services	System Migration of Sensitive Records Fire currently uses QlikView for their inspection, incident, and electricity consumption analytics reporting. The current version will be out of support in November 2020. There is a need to migrate the dashboards and the inspections and incidents stored in the old application to a new system.	\$49,000

2021 One-Time Expenditures Total – NOT RECOMMENDED**\$141,400**