



City of Richmond

Report to Committee

To: Finance Committee **Date:** October 28, 2016
From: Jerry Chong, CPA CA **File:** 03-0985-01/2016-Vol
01
Re: **2017 Council Community Initiatives One-Time Expenditures**

Staff Recommendation

That the one-time expenditure requests as outlined in Attachment 1 of the 2017 Council Community Initiatives One-Time Expenditures staff report, be received for information and staff be directed if any amounts should be included in the 5 Year Financial Plan (2017-2021).

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

Att. 1

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
CONCURRENCE OF SMT	INITIALS:
APPROVED BY CAO 	

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 2017-2021 5-Year Financial Plan (5YFP).

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

Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.

- 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.*
- 7.4. *Strategic financial opportunities are optimized.*

Analysis

2017 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.

The balance in the Council Community Initiatives Account at September 30, 2016 is \$713,524. Any unallocated amount will remain in the Council Community Initiatives Account for distribution in future years.

The annual gaming revenue budget for 2017 is \$18.1M, therefore a total of \$362,000 (2% as part of the gaming revenue allocation model) will be allocated toward the Council Community Initiatives Account.

2017 Requests for Funding

There are three Council Community Initiatives expenditure requests received to date totalling \$562,000.

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 (2017-2021). 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

Any approved one-time expenditure requests will be funded from the Council Community Initiatives Account with no tax impact. The expenditure will be included in the 5-Year Financial Plan (2017-2021).

Conclusion

This report seeks Council's direction on expenditures to be funded from the Council Community Initiatives Account.



Melissa Shiao, CPA, CA
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MS:jy

Att. 1: 2017 Council Community Initiatives Account Requests

2017 Council Community Initiatives Account Requests (in \$000s)

Ref	Requested By	Description	\$ Requested Amount	Status
1	Community Services	The Sharing Farm - Tractor Purchase of a tractor, with a loader, tiller and plow for The Sharing Farm to support their agricultural activities at Terra Nova Rural Park.	\$32	Pending Council Decision
2	Community Services	South Arm Community Centre Fitness Renovation This South Arm Community Centre renovation will expand the second floor fitness area, increasing the usable fitness space from 3070 square feet to 7835 square feet. This project is estimated to take ten months to complete, commencing in February 2017 and completing in December 2017. The South Arm Community Association is a partner in this project, contributing \$500,000 to the building costs and a potential \$500,000 grant.	\$500	Pending Council Decision
3	Community Services	Richmond Gateway Theatre Society Sustainability Richmond Gateway Theatre Society proposes to establish community dialogue mechanisms. Gateway recognises that two-way dialogue with their audience, both English and Chinese-speaking, is key to ongoing success. This includes engaging external expertise to help design and implement platforms to connect with these constituents to understand their perspectives about Gateway and its programming, to discuss how they can build the audience for the long term, and to share their plans and ideas. The intent is not to program by committee, but to understand the audience and build platforms for ongoing discussion. Gateway staff would maintain and develop those platforms in future years, based on the knowledge gained; at present, there is not the expertise in-house to effectively do this work alone.	\$30	Pending Council Decision
2017 Council Community Initiatives Total			\$562	