



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong, CPA, CA
 Director, Finance
Re: 2020 One-Time Expenditures

Date: November 18, 2019
File: 03-0985-01/2020-Vol
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Staff Recommendation

That the recommended one-time expenditures totaling \$930,869 as outlined in Attachment 1 of the 2020 One-Time Expenditures staff report, be approved with funding from the Rate Stabilization Account and included in the Consolidated 5 Year Financial Plan (2020-2024).

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

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|---------------------------------------|------------------|
| REPORT CONCURRENCE | |
| CONCURRENCE OF GENERAL MANAGER | |
| | |
| REVIEWED BY SMT | INITIALS: |
| | |
| 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. Each year, once the City's accounts from the prior year are finalized, any arising annual surplus is transferred into the RSA. The funds can be used to help balance the budget in order to defer any tax increases or to offset any one-time expenditure requests.

Any approved one-time expenditure requests will be included in the 2020-2024 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 2020, there are 12 one-time expenditure requests totalling \$2,140,869. The Senior Management Team (SMT) appointed a Review Committee to review and prioritize each request using established ranking criteria. The prioritized requests were also reviewed by SMT and the CAO 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 which has a balance of \$8,818,511 as of October 31, 2019.

One-Time Expenditure Requests

Table 1 shows the summary of the one-time expenditure requests:

Table 1 – One-Time Expenditure Requests Summary

| # of One-Time Expenditures Requested | Recommended Amount (In \$000s) | Under Consideration Amount (In \$000s) | Not Recommended Amount (In \$000s) | Total (In \$000s) |
|---------------------------------------------|---------------------------------------|-----------------------------------------------|-------------------------------------------|--------------------------|
| 12 | \$931 | \$1,040 | \$170 | \$2,141 |

Attachments 1, 2, and 3 provide a brief description of all one-time expenditure requests with recommendations and non-recommendations respectively provided by SMT and the CAO. Council may change any of the recommendations or may choose to address other one-time funding needs. The Consolidated 5 Year Financial Plan (2020-2024) will be revised for any changes from the staff recommendation.

Table 2 – Rate Stabilization Funding Summary

| Council’s Strategic Plan | Recommended Amount (In \$000s) | Attachment 1 Reference No. |
|----------------------------------------------------------|---------------------------------------|-----------------------------------|
| A Safe and Resilient City | \$276 | 8, 9 |
| A Sustainable and Environmentally Conscious City | \$50 | 7 |
| One Community Together | \$120 | 5 |
| An Active and Thriving Richmond | \$355 | 2, 3, 4 |
| Strategic and Well-Planned Growth | \$100 | 1 |
| An Engaged and Informed Community | \$30 | 6 |
| Total Funding Recommended from Rate Stabilization | \$931 | |

Table 3 summarizes how the RSA balance is proposed to be utilized as a result of the 2020 Budget Process.

Table 3 – Proposed RSA Utilization

| | |
|-----------------------------------------------------------------|--------------------|
| RSA Balance as of October 31, 2019 | \$8,818,511 |
| 2020 One-Time Expenditures – Recommended (Attachment 1) | (930,869) |
| 2020 One-Time Expenditures – Under Consideration (Attachment 2) | (1,040,000) |
| Proposed Rate Stabilization of the 2020 Budget | (1,609,318) |
| Total 2020 Proposed RSA Utilization | (3,580,187) |
| Balance After Proposed 2020 Utilization | \$5,238,324 |

A total of \$1,609,318 from the RSA is proposed to be utilized to reduce the tax impact of the proposed 2020 Operating Budget.

Financial Impact

The recommended \$930,869 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 (2020-2024), should it be approved by Council.

The \$1,040,000 one-time expenditure for 2020 Major Events Funding is under consideration as outlined in Attachment 2. This amount will be included in the Consolidated 5 Year Financial Plan (2020-2024), should it be approved by the General Purposes Committee on December 2, 2019.

As summarized in Table 3, if all amounts are approved, a total of \$3,580,187 is recommended to be funded from RSA as a result of the 2020 Budget Process, which would leave a remaining balance of \$5,238,324.

Conclusion

One-time expenditure requests were prioritized and reviewed by SMT and the CAO. The high priority requests in the amount of \$930,869 as summarized in Attachment 1 are recommended to be approved and included in the Consolidated 5 Year Financial Plan (2020-2024). All amounts approved by Council will be included in the Consolidated 5 Year Financial Plan (2020-2024).

Melissa Shiao, CPA, CA
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MS: jy

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

| 2020 One-Time Expenditure Requests - RECOMMENDED | | | |
|--------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Ref | Requested By | Description | Amount |
| 1 | Finance and Corporate Services | <p>Development Cost Charges (DCC) Bylaw Major Update</p> <p>The next major DCC update is required by May 2022. Due to the amount of estimates and projections involved in the update of the City's DCC program, staff will need to begin the necessary background and consultation work starting in 2020.</p> | \$100,000 |
| 2 | Planning and Development | <p>Update Fee Subsidy Program – Administrative Support</p> <p>The Fee Subsidy Program requires both a full-time and a part-time staff position to administer the program as the administrative load is beyond what was originally anticipated. Funding is also required due to Central Fund postponement. Ongoing funding will be requested in 2021.</p> | \$205,378 |
| 3 | Planning and Development | <p>Update the Youth Service Plan 2021-2031</p> <p>An updated Youth Service Plan for 2021-2031 will guide the City's programs and services for youth and aid in a unified approach to working with young people across the community. This will ensure that the City is responsive to the needs of youth including the expanded scope of youth 19-24 years.</p> | \$75,000 |
| 4 | Planning and Development | <p>Update the Seniors Service Plan 2021-2031</p> <p>An updated Seniors Service Plan for 2021-2031 will guide the Division's programs and services for seniors, ensuring the City is strategic in the allocation of resources and that residents have opportunities to remain active and well across their lifespan.</p> | \$75,000 |
| 5 | Community Services | <p>Enhanced Hours and Programming for Steveston Heritage Sites</p> <p>In 2017, Council approved funding to increase levels of service at the Steveston Heritage Sites. This level of service continued in 2018 and 2019 and has resulted in a significant increase in visitation across all three sites.</p> | \$119,671 |
| 6 | Finance and Corporate Services | <p>Upgrade of Live Streaming Video Production Equipment for Council Chambers</p> <p>The current video recording equipment is out of date and an upgrade is required to bring the system up to date. This will ensure less downtime of the live streaming of Council Meetings.</p> | \$30,000 |

| 2020 One-Time Expenditure Requests - RECOMMENDED | | | |
|-------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Ref | Requested By | Description | Amount |
| 7 | Community Services | <p>Sustainable Community Event Initiatives (Wheel Watch and Community Events)</p> <p>Funding is required to continue the momentum on numerous sustainable event programs developed from the City of Richmond Sustainable Event Toolkit. These programs focus on reducing the carbon footprint of event transportation, as well as the decrease of single-use plastic food service materials.</p> | \$50,320 |
| 8 | Community Safety | <p>Property Use - 2 Bylaw Officer Positions - Temporary Full-Time (TFT) Dedicated to Short term rental Licensing and Enforcement</p> <p>Two additional property use officers are required to provide dedicated enforcement of illegal short-term rentals.</p> | \$200,000 |
| 9 | Community Safety | <p>Business Licenses - Licensing Clerk - Temporary Full-Time (TFT) - 12 Month Trial</p> <p>This resource will administer a licensing program specific to short-term boarding and lodging. A licensing program would enable the City to pursue agreements with internet providers, to publish business licence numbers to confirm legal operations and not allow listings of illegal operations.</p> | \$75,500 |
| 2020 One-Time Expenditures Total - RECOMMENDED | | | \$930,869 |

| 2020 One-Time Expenditure Requests – UNDER CONSIDERATION | | | |
|-----------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Ref | Requested By | Description | Amount |
| 1 | Community Services | 2020 Major Events Funding Funding for major events to be held in 2020 is under consideration from the Rate Stabilization Account. If approved by the General Purposes Committee on December 2, 2019, the approved amount will be included in the Consolidated 5 Year Financial Plan (2020-2024). | \$1,040,000 |
| 2020 One-Time Expenditures Total – UNDER CONSIDERATION | | | \$1,040,000 |

| 2020 One-Time Expenditure Requests - NOT RECOMMENDED | | | |
|-------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Ref | Requested By | Description | Amount |
| 1 | Richmond Public Library | <p>Automated Materials Handling System and Redesigned Book Return Wall for Brighthouse Branch</p> <p>Introducing customer RFID self check-in kiosks will modernize this aspect of library service, expedite returns and support the reallocation of staff to public service. A redesigned book return wall and viewing window will support public engagement with the technology.</p> | \$108,000 |
| 2 | Community Safety | <p>Emergency Program Additional Vehicle</p> <p>Emergency Programs requires a dedicated vehicle to provide Community Emergency Preparedness Programs & Community Resilience initiatives, a best practice identified by the BC Auditor General (2018). Staff & volunteers provide education at public events and presentations throughout the City.</p> | \$62,000 |
| 2020 One-Time Expenditures Total - NOT RECOMMENDED | | | \$170,000 |