



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong, CPA, CA
 Director, Finance
Re: 2017 One-Time Expenditures

Date: October 28, 2016
File: 03-0985-01/2016-Vol
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Staff Recommendation

That the recommended one-time expenditures in the amount of \$7,789,167 as outlined in Attachment 1 of the 2017 One-Time Expenditures staff report, be approved for funding from the Rate Stabilization Account.

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

Att. 2

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

Staff Report

Origin

One-time expenditure requests are typically non-recurring items for consideration over and above the base annual budget. Council established a Rate Stabilization Account (RSA) to provide funding for such requests without a tax impact. Each year, once the City's accounts from the prior year are finalized, any arising surplus is transferred into the RSA. The funds can be used to help balance the budget in order to minimize any tax increases or to offset any one-time expenditure requests.

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

For 2017, there are 24 one-time expenditure requests totalling \$9.2M. The list includes items that were considered in the Capital process, but were not recommended in the 2017 Capital Budget due to funding constraints and other priorities. Staff conducted a thorough review and prioritized each request using established ranking criteria.

Only high priority requests are recommended. If any one-time expenditure requests are approved by Council, the respective expenditure 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 they will be funded from the RSA which has a balance of approximately \$17.2M. A further \$3.9M will be transferred in from the fire provision for a total balance of \$21.1M. The recommended one-time expenditures total \$7.8M, which would leave a balance of \$13.3M.

The remaining balance in the RSA may be used to phase-in the impact of the Major Facilities Phase 2 Operating Budget Impact.

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)	Not Recommended Amount (In \$000s)	Total (In \$000s)
24	\$7,789	\$1,421	\$9,210

Table 2 presents a summary of the recommended amounts all of which are in support of Council’s 2014-2018 Term Goals.

Table 2 – Recommended One-Time Expenditures Summary

Council Term Goal	Recommended Amount (In \$000s)	Reference Numbers (Attachment 1)
Safe Community	\$2,684	1, 5-6, 15, 17
Vibrant Programs	2,641	2-4, 7-11, 16, 18-19
Quality Infrastructure	2,464	12-14
	\$7,789	

Attachments 1 and 2 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.

Financial Impact

The recommended one-time expenditure requests of \$7.8M are funded from the Rate Stabilization Account with no tax impact. These recommended amounts will be included in the 5-Year Financial Plan (2017-2021), should they be approved by Council.

October 28, 2016

- 4 -

Conclusion

One-time expenditure requests were reviewed and prioritized by SMT and the CAO. The high priority requests in the amount of \$7.8M as summarized in Attachment 1 are recommended to be funded from the Rate Stabilization Account.



Melissa Shiau, CPA, CA
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MS:jy

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

2017 One-Time Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Requested By	Description	\$ Requested Amount	SMT Recommended Amount
1	Law and Community Safety	<p>Respiratory Protection Service and Assets Management Solution Upgrade The current Respiratory Protection Service and Asset Management Solution at Richmond Fire and Rescue requires an upgrade. This system conducts, captures, and analyzes all activities and repairs on the more than 110 air-packs, 300 cylinders and 200 masks that Richmond Fire department own.</p>	\$50	\$50
2	Community Services	<p>Major Event Funding for 2018 Request to add \$1.51M to the Major Events Provision for 2018 events to allow continued financial support for festivals approved by Council. Events include Ships to Shore Festival (\$200K), Richmond Canada Day (\$280K), Maritime Festival (\$250K), Richmond World Festival (\$400K) and Harvest Festival (\$160K), 2018 Children's Arts Festival (\$75K) Days of Summer marketing campaign (\$85K), City Branded Event Assets (\$15K) and Sunset Series (\$45K).</p>	\$1,510	\$1,510
3	Finance and Corporate Services	<p>Auto Property Tax Deferral Renewal Currently, homeowners who have applied and are approved for the Property Tax Deferral process by the Province need to submit a new application each year. This system will reduce the workload associated with re-application by using software and automated processes to handle the re-application.</p>	\$40	\$40
4	Community Services	<p>Connected Richmond - Community Harmony Research Project Richmond's changing demographics have implications for the City and cultural harmony. The Social Development Strategy identified the need to: a) clarify the City's role in refugee and immigrant settlement, b) improve intercultural communication, and c) facilitate opportunities for immigrants in civic life.</p>	\$50	\$50

2017 One-Time Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Requested By	Description	\$ Requested Amount	SMT Recommended Amount
5	Law and Community Safety	<p>Qlik nPrinting Solution This solution would enable Richmond Fire to provide more analytical tools to assess and report staff performance ad-hoc or on a scheduled basis, such as daily or weekly. The solution will provide analytics to improve services, such as service delivery, truck deployment time, and employee performance.</p>	\$34	\$34
6	Law and Community Safety	<p>Richmond Fire Vehicle Reserve Richmond Fire Vehicle Reserve is not sustainable due to the effect of the US exchange rate on the purchase of Front Line Fire Vehicles. Richmond Fire requires a one-time funding of 2.5M which would ensure that the reserve is sustainable until at least 2028.</p>	\$2,500	\$2,500
7	Community Services	<p>Watermania Fitness Equipment Fitness equipment at Watermania is well used with around 200 visits daily. Industry best practices replace cardio equipment every 3 to 4 years.</p>	\$75	\$75
8	Community Services	<p>London Heritage Farm - Interpretive and Directional Signage Program To enhance visitors experience, an interpretive and directional signage program is required. This program would provide cohesive in-depth information about the history of farming and directions to amenities and outdoor displays.</p>	\$39	\$39

2017 One-Time Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Requested By	Description	\$ Requested Amount	SMT Recommended Amount
9	Community Services	<p>Gateway Theatre Main Stage Lighting Replacement The lighting system for the Gateway Theatre main stage is 30 years old and needs to be replaced with a more efficient LED system. An inventory of needed equipment has already taken place. Based on an early estimate, needed are 90 colour source spotlights, 55 varieties of lens tubes, 40 fresnel adapters, 15 cyc adapters, 30 Rogue R2 wash lights, 120 safety cables, 4 I-Cue intelligent mirrors, 4 DMX Irises, 4 PSU for I-Cue with DMX, and a new lighting board console as the current lighting board will not support the new LED lights.</p>	\$385	\$385
10	Community Services	<p>Partners for Beautification - Development and Implementation of New Visual Identity An opportunity exists to increase participation in this program through the creation of a new visual identity along with supporting promotional materials including a new name and logo, signage, and branded shirts and vests to identify volunteers in the community.</p>	\$42	\$42
11	Community Services	<p>Museum & City Hall Display Cases New exhibit cases are required for City Hall and Richmond Museum. Current cases are over 15 years old and are unsafe and unstable, not secure, worn and dated in appearance.</p>	\$180	\$180

2017 One-Time Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Requested By	Description	\$ Requested Amount	SMT Recommended Amount
12	Community Services	<p>London Heritage Farm Outbuildings & Grounds Repair the out buildings (barn, toolsheds, chicken coop and bee house) at London Farm and provide ongoing maintenance. London Heritage Farm (LHF) is owned by the City and operated by the London Heritage Farm Society (LHFS). LHF, designated a Heritage Site in 1979, encompasses 4.06 acres of land including gardens, a heritage building, a caretaker's residence, public washrooms and various outbuildings. Over 15,000 visitors come to LHF each year and rentals for weddings, picnics and other private functions have increased.</p>	\$389	\$389
13	Engineering and Public Works	<p>Minoru Arenas Infrastructure Replacements Multiple systems in this building constructed in 1965 have reached the end of their life expectancy and will be replaced with modern energy efficient systems (where possible). These system renewals will also include associated miscellaneous items that will service to prolong the life of the building and ensure the health and safety of its users / inhabitants.</p> <p>Building Envelope - Roof replacement of remaining roof area to the Stadium Arena as well as complete replacement of all roofing systems on the Silver Arena. Envelope re-sealing and replacement of exterior wood elements that have rotted.</p> <p>Interior Renovations - Interior doors to be replaced, east change room renovations, various building improvements as requested by the operators.</p> <p>Refrigeration System - Replacement of the chiller, brine pumps, compressors and motor controls.</p>	\$1,859	\$1,859

2017 One-Time Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Requested By	Description	\$ Requested Amount	SMT Recommended Amount
14	Engineering and Public Works	<p>South Arm Pool HVAC Multiple systems in this facility constructed in 1972 have reached the end of their life expectancy and will be replaced with modern energy efficient systems (where possible). These system renewals will also include associated miscellaneous items that will service to prolong the life of the building and ensure the health and safety of its users / inhabitants.</p> <p>Mechanical - The make-up air unit and associated systems will be replaced with energy efficient units.</p> <p>Finishes - The floors, ceilings and walls of the building are all in need of renewal and updating and will be replaced or refinished as part of this project.</p>	\$216	\$216
15	Law and Community Safety	<p>Emergency Programs Plan Update Emergency Programs would like to hire a qualified consultant to review the City's existing Emergency Management Plans and recommend changes to ensure the legislated requirement as set out under the Emergency Program Act and Local Authority Management Regulations are being met.</p>	\$40	\$40
16	Community Services	<p>Events Sustainability Implementation Initiative Increase the awareness and importance of sustainability in special event planning and implementation. Funding will be used primarily to support initiatives related to the City's Sustainability Events Toolkit which was launched in 2016.</p>	\$45	\$45
17	Law and Community Safety	<p>Richmond Fire Rescue Plan Update Consultant to develop a systematic evaluation of the City's Strategic Plans, Fire Departments present procedures, practices and historical response data along with a comprehensive review of current and emerging community risks.</p>	\$60	\$60

2017 One-Time Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Requested By	Description	\$ Requested Amount	SMT Recommended Amount
18	Community Services	<p>Funding for the Update of the Richmond Arts Strategy Arts Strategy 2012 to 2017 is due for an update to reflect the current environment, identify trends and opportunities and determine future arts programming, infrastructure and policy. A Cultural Space Needs Assessment was an identified need in the Strategy, City Centre Area Plan and Official Community Plan.</p>	\$75	\$75
19	Community Services	<p>Increased Parks Maintenance for City Centre Parks, Building Sites and Medians Since the adoption of Pesticide Use Control Bylaw (PUC) No. 8514 in 2009, Parks Operations requires additional funding to control and manage landscape pests and weeds. Staff has been challenged to meet pre-pesticide control maintenance levels.</p>	\$200	\$200
2017 One-Time Total - RECOMMENDED			\$7,789	\$7,789

2017 One-Time Expenditure Requests – NOT RECOMMENDED (in \$000s)

Ref	Requested By	Description	\$ Requested Amount	SMT Recommended Amount
20	Community Services	<p>Museum & Artefact Storage The City has over 20,000 artefacts in 8 locations that are full. Preparation for relocating artefacts to a centralized appropriate warehouse includes an update of the artefact collection inventory and a collection review to ensure artefacts are appropriate for current policy and eliminate duplication.</p>	\$240	-
21	Engineering and Public Works	<p>Street Light Pole Replacement - Seafair & Richmond Gardens - Phase 3 of 5 Remove and replace approximately 200 existing streetlight poles and retrofit concrete bases to allow for the proper installation of new street light poles in the Seafair and Richmond Gardens subdivisions. This is phase 3 of the 5 year project.</p>	\$120	-
22	Community Services	<p>Digitization of City Artefact Collection for Public Access The City has over 20,000 artefacts. As part of database development 2,100 artefacts in the migration collection were digitized. This project will digitize the rest of the collection, providing public access through an online database, and a photographic record for preservation and legal purposes.</p>	\$330	-
23	Engineering and Public Works	<p>Thompson Community Centre Heat Pump Replacements The rooftop heating pumps at Thompson Community Centre were installed in 1995 and are past their life expectancy. The heat pumps are necessary for heating and cooling of the building. Remove the existing four (4) rooftop heat pumps at Thompson Community Centre and install four (4) new rooftop heat pumps.</p>	\$520	-

2017 One-Time Expenditure Requests – NOT RECOMMENDED (in \$000s)

Ref	Requested By	Description	\$ Requested Amount	SMT Recommended Amount
		Thompson Community Hall Renewals Multiple systems in this building constructed in 1960 have reached the end of their life expectancy and will be replaced with modern energy efficient systems (where possible). These system renewals will also include associated miscellaneous items that will service to prolong the life of the building.		
24	Engineering and Public Works	Mechanical - Existing gas furnaces and associated ducting / venting will be replaced as necessary. Electrical and Fire - The lighting systems, electrical panels and fire panels will all be replaced. Finishes - Exterior window conversion from single pane to double pane and floor system renewal.	\$211	-
2017 One-Time Total – NOT RECOMMENDED			\$1,421	-