



Special Finance Committee

**Anderson Room, City Hall
6911 No. 3 Road**

**Monday, February 11, 2019
3:30 p.m.**

Pg. # ITEM

MINUTES

FIN-3 *Motion to adopt the minutes of the meeting of the Finance Committee held on February 4, 2019.*



FINANCE AND CORPORATE SERVICES DIVISION

1. ALTERNATIVE FUNDING SOURCES FOR THE 2019 ONE-TIME EXPENDITURES

(File Ref. No. 03-0970-01) (REDMS No. 6121598 v. 3)

FIN-18

See Page FIN-18 for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

- (1) That the recommended one-time expenditures totaling \$1,315,909 and an additional \$110,000 for Minoru Aquatic Centre operational maintenance for a total of \$1,425,909 as outlined in Table 1, be approved with funding from the Rate Stabilization Account (RSA); and*
- (2) That, should Council approve different amounts or choose alternative sources of funding, the Consolidated 5 Year Financial Plan (2019-2023) be amended accordingly at a future date.*



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ITEM

2. **2019 PROPOSED OPERATING BUDGET – SAME LEVEL OF SERVICE REFERRAL RESPONSE**

(File Ref. No. 03-0970-01) (REDMS No. 6122324)

FIN-53

[See Page FIN-53 for full report](#)

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

That:

- (1) *a same level of service budget increase, after tax growth, of \$2,167,033 with a tax increase of 1.00% before additional levels of service be approved;*
- (2) *the 2019 Operating Budget overall tax increase of 4.82% as presented in Table 2 of the staff report titled “2019 Proposed Operating Budget – Same Level of Service Referral Response” be approved; and*
- (3) *the 2019 Operating Budget of 4.82% be included in the Consolidated 5 Year Financial Plan (2019-2023).*

☐

3. **CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023) BYLAW NO. 9979**

(File Ref. No. 12-8060-20-009979) (REDMS No. 6121102)

FIN-59

[See Page FIN-59 for full report](#)

Designated Speaker: Andrew Nazareth

STAFF RECOMMENDATION

- (1) *That the Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979 be introduced and given first, second, and third readings; and*
- (2) *That staff undertake a process of public consultation as required in Section 166 of the Community Charter.*

☐

ADJOURNMENT

☐



Finance Committee

Date: Monday, February 4, 2019

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day
Councillor Kelly Greene
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Linda McPhail
Councillor Harold Steves
Councillor Michael Wolfe

Call to Order: The Chair called the meeting to order at 5:40 p.m.

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Finance Committee held on January 14, 2019, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

2. **ADDITIONAL INFORMATION ON THE 2019 CAPITAL BUDGET**
(File Ref. No. 03-0970-01) (REDMS No. 6094831 v. 2)

Andrew Nazareth, General Manager, Finance and Corporate Services, accompanied by Jerry Chong, Director, Finance, advised that with the removal of the Minoru Aquatic Centre Demolition – Submission ID 6245, the proposed 2019 Capital budget is \$113,132,202.

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It was moved and seconded

- (1) *That the staff report titled "Additional Information on the 2019 Capital Budget" from the Director, Finance dated January 28, 2019 be received for information;*
- (2) *That the 2019 Capital Budget as presented in Appendix 3 of the staff report titled "2019 Capital Budget" from the Director, Finance dated January 11, 2019 totaling \$113,132,202 be approved and staff authorized to commence the 2019 Capital Projects; and*
- (3) *That the 2019 Capital Budget totaling \$113,132,202 and the 2020-2023 Capital Projects be included in the Consolidated 5 Year Financial Plan (2019-2023).*

Councillor Greene distributed material regarding the proposed 2019 Capital budget (attached to and forming part of these Minutes as Schedule 1).

The question on the motion was not called as discussion took place on the necessity of various Capital budget submissions and as a result, the following **amendment motions** were introduced:

It was moved and seconded

That the Terra Nova Rural Park Viewpoint Seating Area (Submission ID 6371) be removed.

The question on the amendment motion was not called as discussion took place and the following Committee comments were noted:

- the proposed seating does not complement the rustic character of the Park;
- the proposed seating would be funded through Parks Development Cost Charges;
- there have been requests from the public for seating at the Park;
- the mound at the Park is a result of excavation to create a slough for spawning salmon; should this no longer be feasible, the dirt from the mound should be returned;
- any proposal in relation to the mound should be delayed until after staff report back in late spring / early summer on the status of the slough; and
- appropriate seating for all park users, including those with limited mobility, is important.

The question on the amendment motion was then called and it was **CARRIED** with Mayor Brodie, Cllrs. Loo and McPhail opposed.

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It was moved and seconded

That the concession area renovation, in the amount of \$102,000, from the Gateway Theatre Infrastructure Replacements Phase 2 (Submission ID 6366) be removed.

The question on the amendment motion was not called as in reply to queries from Committee, Serena Lusk, General Manager, Community Services, advised that in consultation with the Gateway Theatre's Board of Directors, the proposed renovation is intended to increase accessibility and provide a service level to patrons that is equivalent to that of other theatres.

John Watson, Chair, Gateway Theatre Board of Directors, stated that the proposed renovation would allow for the Level 2 concession to be as functional as the Level 1 concession; therefore, patrons seated on Level 2 would no longer have to travel down to Level 1 for their concession needs.

The question on the amendment motion was then called and it was **DEFEATED** with Mayor Brodie and Cllrs. Au, Loo, McPhail, and McNulty opposed.

It was moved and seconded

That the Minoru Arena Systems Renewals (Submission ID 5518) be capped at \$2.5 million.

The question on the amendment motion was not called as discussion took place on various items that would be removed from the submission in order to scale down the scope of work; it was noted that interior upgrades could be examined as renovations as would likely be more cost effective than replacements.

In reply to queries from Committee, Robert Gonzalez, General Manager, Engineering and Public Works, and Jim Young, Senior Manager, Capital Buildings Project Development, advised that safety matters are of utmost priority however staff also examine other works that may be due soon or are past due in an effort to maximize cost efficiencies and to reduce any potential program disruptions. Also, it was noted that the proposed works would significantly improve the life of the Minoru Arenas.

The question on the amendment motion was then called and it was **DEFEATED** with Mayor Brodie, Cllrs. Au, Loo, McPhail, McNulty and Steves opposed.

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It was moved and seconded

That the Minoru Place Activity Centre Program – Implementation (Submission ID 6394) be capped at \$1.7 million.

DEFEATED

Opposed: Mayor Brodie
Cllrs. Au
Loo
McPhail
McNulty
Steves
Wolfe

It was moved and seconded

That \$75,000 for the fitness centre flooring be removed from the Watermania Aging Mechanical and Building Envelope Infrastructure Replacement Phase 2 (Submission ID 6368).

DEFEATED

Opposed: Mayor Brodie
Cllrs. Au
Loo
McPhail
McNulty
Steves
Wolfe

Discussion took place on the potential to evaluate and expand on vehicle tracking and it was suggested that this matter be considered at a Public Works and Transportation Committee meeting.

It was moved and seconded

That the Arterial Roadway Improvement Program (Submission ID 5459) be removed.

The question on the amendment motion was not called as discussion took place on the proposed improvements and Committee commented that (i) the proposed improvements fail to physically reduce a cyclist's speed, (ii) similar improvements have proven effective in other areas of the city such as on Garden City Road at Saunders Road, and (iii) those on mobility scooters often cannot navigate around traditional physical obstacles.

The question on the amendment motion was then called and it was **DEFEATED** with Mayor Brodie, Cllrs. Au, Loo, McPhail, McNulty and Steves opposed.

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It was moved and seconded

That the Neighbourhood Walkway Program (Submission ID 5454) be removed.

The question on the amendment motion was not called as discussion took place on the need for a walkway along the west side of No. 6 Road, between Bridgeport Road and Cambie Road.

The question on the amendment motion was then called and it was **DEFEATED** with Mayor Brodie, Cllrs. Au, Loo, McPhail, McNulty and Wolfe opposed.

It was moved and seconded

That the Budget Planning and Monitoring Solution (Submission ID 6359) be removed.

The question on the amendment motion was not called as in reply to queries from Committee, Grant Fengstad, Director, Information Technology, spoke to the City's current budget planning practices, noting that the software utilized is no longer supported and the process is very time consuming and labour intensive.

The question on the amendment motion was then called and it was **DEFEATED** with Mayor Brodie, Cllrs. Loo, McPhail, McNulty, Steves and Wolfe opposed.

It was moved and seconded

That the Contract Life Cycle Management (Submission ID 6355) be removed.

The question on the amendment motion was not called as in reply to queries from Committee, Mr. Fengstad remarked that the current process is manual and that there is no mechanism to file contracts appropriately or to evaluate vendors. The proposed solution would manage the overall effectiveness of the City's procurement process.

The question on the amendment motion was then called and it was **DEFEATED** with Mayor Brodie, Cllrs. Au, Loo, McPhail, McNulty, and Wolfe opposed.

It was moved and seconded

That the Steveston Highway Multi-Use Pathway, Shell Road to Mortfield Gate (Submission ID 6451) be removed.

The question on the amendment motion was not called as in reply to queries from Committee, Lloyd Bie, Director, Transportation, advised that any potential physical limitations on the proposed pathway would be addressed through detailed engineering design. Also, Mr. Bie remarked that as per the City's Official Community Plan, the proposed multi-use pathway is envisioned to extend to Steveston Village.

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The Chair directed staff to provide a memorandum prior to the next Council meeting with regard to road allowance along Steveston Highway to accommodate the proposed multi-use pathway.

The question on the amendment motion was then called and it was **DEFEATED** with Mayor Brodie, Cllrs. Au, Loo, McPhail, McNulty, Steves and Wolfe opposed.

It was moved and seconded

That the Minoru Bowling Green Artificial Turf Replacement (Submission ID 6337) be removed.

DEFEATED

Opposed: Mayor Brodie
Cllrs. Au
Loo
McPhail
McNulty
Steves

It was moved and seconded

That the Minoru Lakes Renewal (Submission ID 5948) be removed.

The question on the amendment motion was not called as in reply to Committee's comments, Ms. Lusk advised that failing infrastructure necessitates immediate action on this project.

As a result, there was agreement that the amendment motion be **WITHDRAWN**.

It was moved and seconded

That \$975,000 for the RCMP Exhibit Compound (part of Submission ID 6367) be funded from the Capital Building and Infrastructure Reserve instead of the Rate Stabilization Account.

The question on the amendment motion was not called as in reply to queries from Committee, Mr. Nazareth advised that the Capital Building and Infrastructure Reserve was not selected as a funding source for this project in anticipation of its use for upcoming significant Capital projects such as the Steveston Community Centre and Branch Library.

The question on the amendment motion was then called and it was **CARRIED** with Mayor Brodie, Cllrs. Loo, McPhail and McNulty opposed.

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In reply to queries from Committee, Fire Chief Tim Wilkinson, Richmond Fire-Rescue (RFR), spoke to the Fire Vehicle Replacement Reserve Purchases (Submission ID 5411). He noted that it is proposed that the Hazmat Response Vehicle be replaced as the current vehicle, which was purchased used, is 20 years old and is at the end of its life. Fire Chief Wilkinson then commented on the various substances that move through the city, noting that the vehicle allows for RFR to safely mitigate risks of hazardous materials.

The Chair summarized the various amendments passed by Committee: (i) the removal of the Terra Nova Rural Park Viewpoint Seating Area (Submission ID 6371) and (ii) the use of the Capital Building and Infrastructure Reserve to fund \$975,000 for the RCMP Exhibit Compound (part of Submission ID 6367).

There was agreement to consider Parts (1) to (3) of the main motion separately.

The main motion, which now reads as follows:

- “(1) That the staff report titled “Additional Information on the 2019 Capital Budget” from the Director, Finance dated January 28, 2019 be received for information;*
- (2) That the 2019 Capital Budget as presented in Appendix 3 of the staff report titled “2019 Capital Budget” from the Director, Finance dated January 11, 2019 totaling \$112,932,202 (including the removal of \$200,000 for the Terra Nova Rural Park Viewpoint Seating Area and the use of the Capital Building and Infrastructure Reserve to fund \$975,000 for the RCMP Exhibit Compound) be approved and staff authorized to commence the 2019 Capital Projects; and*
- (3) That the 2019 Capital Budget totaling \$112,932,202 and the 2020-2023 Capital Projects be included in the Consolidated 5 Year Financial Plan (2019-2023).”*

The question on Part (1) of the main motion was then called and it was **CARRIED**.

The question on Part (2) of the main motion was then called and it was **CARRIED** with Cllrs. Day and Greene opposed.

The question on Part (3) of the main motion was then called and it was **CARRIED** with Cllrs. Day and Greene opposed.

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3. **ADDITIONAL INFORMATION ON THE 2019 ONE-TIME EXPENDITURES**

(File Ref. No. 03-0970-01) (REDMS No. 6095085 v. 3)

It was moved and seconded

- (1) *That the staff report titled “Additional Information on the 2019 One-Time Expenditures” from the Director, Finance dated January 28, 2019 be received for information; and*
- (2) *That the recommended one-time expenditures totaling \$1,315,909 as outlined in Table 1, be approved with funding from the Rate Stabilization Account and included in the Consolidated 5 Year Financial Plan (2019-2023).*

The question on the motion was not called as discussion took place to not consider any of the proposed 2019 one-time expenditures in an effort to reduce the proposed tax impact. Discussion further took place and it was noted that many of the recommended and not recommended 2019 one-time expenditures are important such as the Automatic External Defibrillator renewal, the Post Office software update, the library book vending technology at the Minoru Centre for Active Living, the Steveston Tram building signage and so forth to name a few.

In reply to a query from Committee, Mr. Chong advised that the use of the Council Community Initiatives account is at Council’s discretion and there is approximately \$852,000 in the account.

As a result of the discussion, the following **referral motion** was introduced:

It was moved and seconded

That staff report back on alternative funding sources for the 2019 One-Time Expenditures at a Special Finance Committee meeting scheduled for February 11, 2019.

The question on the referral motion was not called as discussion took place on the lack of coordination in regards to various projects taking place in Steveston Village and it was suggested that the matter be brought before the Parks, Recreation and Cultural Services Committee for consideration.

Discussion then took place on the use of the Rate Stabilization Account and the need to move away from the current practice of utilizing the account to fund items that may be more appropriately funded through other sources.

The question on the referral motion was then called and it was **CARRIED**.

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4. 2019 PROPOSED OPERATING BUDGET – REFERRAL RESPONSE

(File Ref. No. 03-0970-01) (REDMS No. 6101097 v. 3)

It was moved and seconded

(1) That the 2019 Operating Budget as presented in Table 8 of the staff report titled 2019 Proposed Operating Budget – Referral Response be approved as follows:

- (a) A same level of service budget increase, after tax growth, of \$3,249,703 with a tax increase of 1.50% before additional levels of service be approved; and**
- (b) Non-discretionary external senior government related increases of \$2,987,000 with a tax increase of 1.38% be approved; and**
- (c) Ongoing funding for expenditures previously approved by Council totaling \$1,112,825 for the following items: an Emergency Program Neighbourhood Preparedness Program Assistant, Richmond Public Library Expanded Senior Services, Minoru Centre for Active Living operating budget impact phase-in, and operating budget impact of developer contributed assets with a tax increase of 0.51% be approved; and**
- (d) Pursuant to Council's Safe Community Priority program, provide funding for 36 additional firefighters in the amount of \$6,023,898 with a three-year phase in plan, resulting in a tax increase of 0.93% in 2019, 0.93% in 2020 and 0.93% in 2021 be approved; and**
- (e) Pursuant to Council's Safe Community Priority program, the capital and one-time costs for the additional 36 firefighters in the amount of \$2,541,276 be approved with funding from the Rate Stabilization Account; and**
- (f) Pursuant to Council's Safe Community Priority program, provide funding for 51 RCMP officers and 20 municipal employees to support the RCMP Detachment in the amount of \$8,844,350 with a three-year phase-in plan, resulting in a tax increase of 2.62% in 2019, 0.73% in 2020 and 0.73% in 2021 be approved; and**
- (g) Pursuant to Council's Safe Community Priority program, the capital and one-time costs for the additional 35 RCMP officers and 17 municipal employees to support the RCMP Detachment in the amount of \$839,519 be approved with funding from the Rate Stabilization Account; and**

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- (h) Operating budget impact of the 2019 Capital Budget totaling \$1,208,320 with a three-year phase-in plan, resulting in a tax increase of 0.18% in 2019, 0.18% in 2020 and 0.18% in 2021 be approved; and*
- (i) Transfer to reserves for community facilities infrastructure needs as per Council's Long Term Financial Management Strategy in the amount of \$2,167,033 with a tax increase of 1.00% be approved; and*
- (j) City-wide additional levels in the amount of \$149,828 as presented in Attachment 1, with a tax increase of 0.07% be approved; and*
- (k) The Rate Stabilization Account be used to reduce the overall impact of additional operating costs for a total of \$2,968,835 resulting in a tax decrease of 1.37% be approved; and*
- (2) That the 2019 Operating Budget overall tax increase of 6.82% as listed in staff recommendation 1 above be approved; and*
- (3) That the 2019 Operating Budget of 6.82% be included in the Consolidated 5 Year Financial Plan (2019-2023).*

The question on the motion was not called as in reply to queries from Committee, Mr. Nazareth and Mr. Chong advised that the proposed Operating budget includes the addition of RCMP and Richmond Fire-Rescue personnel as approved by Finance Committee on January 14, 2019.

Discussion further ensued on the financial implications of phasing-in the additional RCMP and Richmond Fire-Rescue personnel and it was noted that ultimately the budget will be notably impacted, whether it is at the beginning or end of the phase-in process.

Discussion then took place on reducing the tax increase to 0.75% for the same level of service budget increase and the Chair remarked that a same level of service cannot be achieved with a decrease to the proposed tax increase.

In reply to a query from the Chair, George Duncan, Chief Administrative Officer, stated that service level reviews are carried out continuously and resources from efficiencies are utilized to fund services in an effort to not impact budgets. Mr. Duncan further commented that due to the nature of business of a municipality, which is labour-based, cuts to positions are where significant financial impacts are realized; however, such cuts result in a reduction in service levels and / or programs.

The question on Part (1) (i) of the motion was then called and it was **DEFEATED** with Mayor Brodie, Cllrs. Au, Day, Green, McNulty, McPhail and Steves opposed.

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The following **amendment motions** were introduced:

It was moved and seconded

That a transfer to reserves for community facilities infrastructure needs as per Council's Long Term Financial Management Strategy in the amount of \$1,083,517 with a tax increase of 0.5% be approved.

CARRIED

Opposed: Cllrs. Au
Day
Greene
McNulty

It was moved and seconded

That the Rate Stabilization Account be used to reduce the overall impact of additional operating costs for a total of \$7,302,901 resulting in a tax decrease of 3.37 %.

DEFEATED

Opposed: Mayor Brodie
Cllrs. Day
Greene
Loo
Steves
Wolfe

It was moved and seconded

That the Rate Stabilization Account be used to reduce the overall impact of additional operating costs for a total of \$5,135,868 resulting in a tax decrease of 2.37 %.

CARRIED

Opposed: Cllrs. Au
Greene
Steves
Wolfe

The question on Part (1) (b) of the motion was then called and it was **CARRIED**.

The question on Part (1) (c) of the motion was then called and it was **CARRIED**. Also, the Chair directed staff to reassess the items listed in Part (1) (c) in one year.

The question on Part (1) (d) of the motion was then called and it was **CARRIED** with Cllrs. Day and Wolfe opposed.

The question on Part (1) (e) of the motion was then called and it was **CARRIED**.

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The question on Part (1) (f) of the motion was then called and it was **CARRIED**.

The question on Part (1) (g) of the motion was then called and it was **CARRIED**.

The question on Part (1) (h) of the motion was then called and it was **CARRIED**.

The question on Part (1) (j) of the motion was then called and it was **CARRIED**.

The question on Part (1) (k) of the motion was then called and it was **CARRIED**.

It was moved and seconded

(1) *That Part (1) (a) – “A same level of service budget increase, after tax growth, of \$3,249,703 with a tax increase of 1.50% before additional levels of service” be referred back to staff to reduce the overall tax increase by 0.5% and examine special events, and report back at a Special Finance Committee meeting scheduled for February 11, 2019; and*

(2) *That Parts (2) and (3) of the main motion be referred back to staff.*

CARRIED

5. **CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023) BYLAW NO. 9979**

(File Ref. No. 03-0970-25-2019, 12-8060-20-009979) (REDMS No. 6106877)

It was moved and seconded

That the staff report titled “Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979” dated January 28, 2019 be referred to the Special Finance Committee meeting scheduled for February 11, 2019.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (8:15 p.m.).

CARRIED

Finance Committee
Monday, February 4, 2019

Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, February 4, 2019.

Mayor Malcolm D. Brodie
Chair

Hanieh Berg
Legislative Services Coordinator

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Page	Item	Cancel/Amend/Defer	Comment/Question	Capital	Savings	OBI savings
18/124	Minor Aquatic Demolition	Defer	Does \$ return to rate stabilization	\$ 3,392,000		\$ 110,000
20/142	Minor Aquatic Demolition	Cancel	Does \$ return to Parks DCC	\$ 200,000	\$ 200,000	
22/120	Gateway Infrastructure	Amend	No to \$120k concession	\$ 102,000	\$ 102,000	
23-24/125	Minoru Arena Systems Renewals	Amend	Scale down, cap \$2.5M	\$ 800,000	\$ 800,000	
25-26/126	Minoru Place Activity Centre	Amend	Scale down, cap \$1.7M	\$ 811,000	\$ 811,000	\$ 50,000
26-28/128	Watermania Mechanical/Infrastructure	Amend	Scale down, cap \$1.191M	\$ 150,000	\$ 150,000	
28-30/156/272	Vehicle & Equipment Purchases		5 year \$15,235M; 10 year replacement cycle; does not apply to everything; scale down capital purchases, increase maintenance			
28-30/156/272	Vehicle & Equipment Purchases	Comment Amend	No speaker system	?	?	
31/72	Arterial Roadway Improvement	Referral	Staff to evaluate costs and benefits of expansion of Vehicle Tracking to Entire Fleet			
31-32/77	Neighbourhood Walkway Program	Cancel	Without physical methods of slowing bikes at intersections, it's a waste of \$.	\$ 225,000	\$ 225,000	
33/118	City Hall Upgrades	Cancel	Low pedestrian volume, no transit, shuttered warehouses.	\$ 500,000	\$ 500,000	\$ 22,992
36/161	Budget Planning & Monitoring	Comment Cancel	Very concerned 'disaster rated' building needs structural repairs under no stress. 2020 upgrades of \$11.1M, two year total \$12.08M.	\$ 1,000,000	\$ 1,000,000	\$ 50,000
37-39/162	Contract Life Cycle Management Capital Budget by Program	Cancel	No	\$ 622,994	\$ 622,994	\$ 80,384
51		Comment	Very concerned there are no capital affordable housing plans in the next 5 years. Current year \$0.75M spent and no housing.			
		Referral	To direct staff to include affordable and/or seniors housing in all CoR buildings that are not industrial/infrastructure/heritage.			
43/149	Land Acquisition	Cancel	Physical barrier (mansion) on part 2 of the Steveston Hwy program. Do not proceed with part 1 until verified solution to part 2.	\$ 1,000,000	\$ 1,000,000	\$ 24,666
46	Animal Shelter	Comment Defer	Does unspent \$ remain in capital acct or go to rate stabilization?	\$10M		
47	Lawn Bowling	Defer	On referral, remove	\$8M		
47	Phoenix Net Loft	Comment Defer	On referral, remove	\$4M		
47	Steveston Community Centre	Defer	Find revenue streams			
48/185	Police Office	Comment	On referral, remove	\$90M		
62/188	Roof Replacements (3)	Recommend	Confirm this is 100% developer \$.	\$ 277,000	\$ 277,000	
110	Public Works Minor Capital Roads	Comment	Ensure cost avoidance			
113	Public Works Minor Capital Traffic	Comment	Source funds from Roads Capital, not Rate Stabilization			
135	Lawn Bowling Turf	Cancel	Source funds from Roads Capital, not Rate Stabilization			
136	Minoru Lakes Renewal	Defer	Only 9 years old, with light use compared to 15 year old Boyd turf.	\$ 1,750,000	\$ 350,000	
155	Fleet Electrical Charging Stations	Comment	Hold until Master Plan adopted	\$ 521,700		
			Are these for CoR fleet only?			

Schedule 1 to the Minutes of the Finance Committee meeting of Richmond City Council held on Monday, February 4, 2019.

158	Fire Vehicles	Defer	Hold hasmat truck if CoR has one	\$	650,000
163	Digital Strategy	Comment	Confirm this is LAST payment (4/4)?	\$	900,000
160-166	IT Total Budget	Comment	Scale down; wants versus needs; cost recovery on surplus?	\$4,474M	
226	Community Needs Assessment	Defer	How can delaying mean insufficient time to get a consultant? Cycle every 7/8 years instead of 5; significant cost savings.	\$	125,000
252	Sister City Program Additional Levels	Comment	Can the program be added at no cost to the scope of the Protocols & Intergovernmental Office, like they do in Vancouver?	\$	60,000
259	Tempest Mobile App	Recommend	Get more enforcement from same number of bylaw officers. Would this pay for itself in additional fines?	-\$	12,000
Total Savings				\$	5,483,994
				\$	166,042



City of Richmond

Report to Committee

To: Finance Committee

Date: February 8, 2019

From: Jerry Chong, CPA, CA
Director, Finance



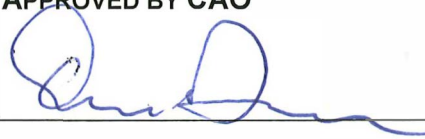
File: 03-0970-01/2019-Vol
01

Re: **Alternative Funding Sources for the 2019 One-Time Expenditures**

Staff Recommendation

1. That the recommended one-time expenditures totaling \$1,315,909 and an additional \$110,000 for Minoru Aquatic Centre operational maintenance for a total of \$1,425,909 as outlined in Table 1, be approved with funding from the Rate Stabilization Account (RSA); and
2. Should Council approve different amounts or choose alternative sources of funding, the Consolidated 5 Year Financial Plan (2019-2023) be amended accordingly at a future date.


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

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

Staff Report

Origin

At the Finance Committee Meeting on February 4, 2019 the Additional Information on the 2019 One-Time Expenditures from the Director, Finance dated January 28, 2019 was presented. It was discussed that the Council Contingency Initiatives Account and other alternative sources of funding should be considered rather than using the Rate Stabilization Account (RSA). The following referral motion was carried:

That staff report back on alternative funding sources for the 2019 One-Time Expenditures at a Special Finance Committee meeting scheduled for February 11, 2019.

The following report responds to this referral.

In addition, at the General Purposes Committee meeting on February 4, 2019, the staff report titled “Viability of Repurposing Minoru Aquatic Centre – Low Cost Options” from the Senior Manager, Capital Buildings Project Development dated February 1, 2019 was presented and the following motions were carried:

- (1) That the Minoru Aquatics Centre Demolition (\$3,392,000) be removed from the proposed 2019 Capital Budget;*
- (2) That the Minoru Aquatics Centre not be demolished.*
- (3) That Option 1 – Infill Only (allows for only very limited programming use) as per the staff report titled “Viability of Repurposing Minoru Aquatic Centre – Low Cost Options” dated February 1, 2019 from the Senior Manager, Capital Buildings Project Development be referred to staff for consideration and various groups be invited to make submissions on how to possibly use the Minoru Aquatics Centre.*

In the staff report titled 2019 Capital Budget dated January 11, 2019 from the Director, Finance the Minoru Aquatics Centre submission states that, “If Council were to decide to consider repurposing the current Minoru pool facility, the building would require additional annual operating budget impact funding of \$110,000 to maintain electrical, heating and ventilation systems operational in order for the building to not further deteriorate.”

This report increases the recommended one-time expenditures by \$110,000 to keep the Minoru Aquatics Centre operational for one year. When staff responds to part 3 of the referral, the report will include the estimated operating budget impact of keeping this facility open.

Analysis

Staff have identified the following alternative funding sources to the Rate Stabilization Account:

Council Community Initiatives Account (CCIA)

Under the current gaming allocation model, 2% of budgeted gaming revenue is transferred to the Council Community Initiatives Account (CCIA). As of November 30, 2018 the CCIA balance is \$852,196. Any unallocated amount will remain in the CCIA for distribution in future years.

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.

Gaming Revenue Provision

On March 23, 2015 Council approved the revised gaming revenue allocation whereby amounts received in accordance with the Province's Host Financial Assistance Agreement would be allocated amongst funding financing costs, the grants programs, reserves and the Council Community Initiatives Account. During the transition from the previous allocation, the City had an additional \$1,808,215 that was not allocated from the Gaming Revenue Provision. This amount was intended to be available as contingency for the grants program.

Enterprise Provision

The City developed the "Enterprise Fund" (fund) in order to encourage and develop an entrepreneurial spirit within the organization. The current balance in the fund as at November 30, 2018 is \$3,260,047. The fund provides investment capital for new revenue generating/efficient programs, which encourages the process of reengineering existing programs. The loans are considered seed money and any monies borrowed from the fund will have to be repaid. The fund charges a nominal rate of interest, equivalent to the average annual rate of return earned by the City on its investments. This is to ensure the survival and growth of the fund. Repayment over 5 years is encouraged; however, this is dependent on the individual project/business case.

Alternative Funding Sources

Table 1 lists the recommended 2019 One-Time Expenditures and the potential alternative funding source to the recommended Rate Stabilization Account.

Table 1: One-Time Expenditures Identifying Alternative Funding Sources

Ref	2019 One-Time Expenditure Requests – Recommended	Amount	Alternative Funding Source		
			CCIA	Gaming	Enterprise
	(Appendix 1)				
1(i)	Post Office Software Update – Steveston Museum	\$25,000	\$ 25,000	\$-	\$-
1(ii)	Sanding, Salting and Snow Removal	250,000	-	250,000	-
1(iii)	Automatic External Defibrillator (AED) Renewal	93,850	93,850	-	-
1(iv)	Parking Meter Additions and Radio Frequency Identification (RFID) Tap Reader Installation	87,809	-	-	87,809
1(v)	Recreation Fee Subsidy Program – Administrative Support	76,133	76,133	-	-
1(vi)	Shipyards Operations Supervisor Position – Britannia Shipyards	119,328	119,328	-	-
1(vii)	Enhanced Hours and Programming for Steveston Heritage Sites	119,676	119,676	-	-
1(viii)	Cultural Precinct Study	100,000	100,000	-	-
1(ix)	Resources to Conduct a Community Needs Assessment	125,000	125,000	-	-
1(x)	Richmond Fire Rescue Personal Protective Equipment (PPE) Inventory Alignment	93,500	-	93,500	-
1(xi)	PeopleSoft Review and Knowledge Development	100,000	-	100,000	-
1(xii)	Support for the City's Child Care Program – Planner 1	25,000	25,000	-	-
1(xiii)	Art Gallery School Art Program	30,613	30,613		-
1(xiv)	Emergency Hazard and Risk Vulnerability Analysis and Emergency Plan Update	70,000	-	70,000	-
	Total per Additional Information on the 2019 One-Time Expenditures RTC	\$1,315,909	\$714,600	\$513,500	\$87,809
<i>New</i>	<i>Existing Minoru Aquatic Centre Basic heat and light until Dec. 31, 2019</i>	<i>110,000</i>	<i>-</i>	<i>110,000</i>	<i>-</i>
	TOTAL	\$1,425,909	\$714,600	\$623,500	\$ 87,809

Table 2 lists the 2019 One-Time Expenditures that are not recommended. Council may choose to fund these items from CCIA or RSA.

Table 2: One-Time Expenditures – Not Recommended

	2019 One-Time Expenditure Requests – Not Recommended (Appendix 2)	Amount
2(i)	Steveston Museum Exhibit Update	\$382,000
2(ii)	Art Gallery Collections Management	25,083
2(iii)	Richmond Fire Rescue Interactive Website	32,000
2(iv)	Library Book Vending Technology at Minoru Centre for Active Living (MCAL)	41,500
2(v)	Collections Assessment and Artefact Storage Planning	619,958
2(vi)	Steveston Tram Building Signage	30,000
	TOTAL NOT RECOMMENDED	\$1,130,541

Rate Stabilization Account

Table 3 summarizes the amounts approved by the Finance Committee to be funded by the Rate Stabilization Account for the 2019 Budget including use of rate stabilization to fund the one-time expenditures.

Table 3: Utilization of Rate Stabilization

RSA Balance as of November 30, 2018		\$14,633,790
2019 Capital Projects funded by RSA	(1,376,000)	
Fire Rescue Capital and One-Time Costs for 36 Firefighters	(2,541,276)	
RCMP Capital and One-Time Costs for 51 RCMP Officers and 20 Municipal Employees to support the RCMP Detachment	(839,519)	
Rate Stabilization of the 2019 Operating Budget	(5,135,868)	
Total 2019 RSA Utilization		(9,892,663)
Balance After 2019 Utilization		\$4,741,127
2019 One-Time Expenditures proposed to be funded by RSA		(1,425,909)
Balance After 2019 One-Time Expenditures		\$3,315,218

Financial Impact

The recommended \$1,425,909 one-time expenditures requests as outlined in Table 1 are proposed to be funded from the Rate Stabilization Account (RSA).

Should Council approve different amounts, the Consolidated 5 Year Financial Plan (2019-2023) will be amended accordingly at a future date.

Conclusion

One-time expenditure requests were prioritized and reviewed by SMT and the CAO. The high priority requests in the amount of \$1,425,909 as summarized in Table 1 are recommended to be approved and funded by the RSA.



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MS:jgt

App. 1(i-xiv): Additional Information for 2019 One-Time Expenditures – Recommended
2(i-vi) : Additional Information for 2019 One-Time Expenditures – Not Recommended

**Additional Information for 2019 One-Time Expenditures - Recommended
#1: Post Office Software Update – Steveston Museum****Description of Need****Community
Services****Post Office Software Update - Steveston Museum**

In 2018, the Steveston Historical Society resumed direct management of the post office under the condition that the City cover costs related to a mandatory update to the Canada Post software in 2019. Council endorsed a staff report which recommended an additional level request for this update.

\$25,000

At the Closed Council Meeting held on February 5, 2018, Council made a decision to maintain the Post Office at the Steveston Museum. This is a non-discretionary cost increase as a result of the decision to maintain the Post Office as this is a software upgrade mandated by Canada Post.

Cost Breakdown

Software Upgrade - \$25,000

Alternatives

Amend the agreement with the Steveston Historical Society and close the Post Office.

Additional Information for 2019 One-Time Expenditures - Recommended #2: Sanding, Salting, and Snow Removal

Description of Need

Engineering
and Public
Works

Sanding, Salting and Snow Removal

The prior year's severe, extended winter conditions resulted in the need for operational response to deliver maximum service levels and provide driver and public safety on City roads. Funds are requested from the Rate Stabilization to replenish the provision.

\$250,000

Over the last few years we have experienced extended winter conditions which resulted in the need for operational response to deliver Council endorsed service levels and respective public safety programs.

Snow and ice spending over last three years (January 1 – December 31):

Year	Budget	Actual
2016	\$492,800	\$1,013,051
2017	\$466,200	\$1,534,370
2018	\$482,900	\$848,022

In years where snow and ice response has been lower than budget, any unspent funds are deposited into the Sanding& Salting provision for use in years with higher than budgeted costs. However due to the extreme conditions in the last few years, the provision has been drawn down.

The 2019 net budget for Snow and Ice Removal is \$516,400. Funds are requested to replenish the provision to ensure that funds are available to address extreme winter conditions in a timely manner.

Cost Breakdown

This request is for one-time funding to the Sanding & Salting provision as the provision was drawn down due to the severe 2016-2017 winter weather. During these severe and extended weather events provision funds were requested and utilized to ensure the City was able to respond to snow and ice events.

Alternatives

If the provision is not replenished, alternative funding sources from the operating budget would have to be utilized resulting in a reduction of service levels in other programs.

Additional Information for 2019 One-Time Expenditures - Recommended
#3: Automatic External Defibrillator (AED) Renewal

Description of Need

Community Services	<p>Automatic External Defibrillator (AED) Renewal</p> <p>The lifespan for 42 of the city's 60 public access automated external defibrillators (AEDs) ends in 2019. In order to continue with the current level of access and safety, replacing these AEDs will be required in 2019.</p> <p style="text-align: right;">\$93,850</p>
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Automated External Defibrillator (AED) placement is based on safety risks of patrons who may need resuscitation via an AED before an ambulance or first responder is able to reach the scene. If an AED is not present, the survival rate of an individual decreases.

Replacement of these expiring AEDs will support the public's sense of safety and wellness in City facilities and parks.

Cost breakdown

\$2,234.50 per unit x 42 units = \$93,849 (\$93,850 rounded)

Bulk pricing will be explored, as per the City's purchasing policy and processes, if this project is approved. In the future, an ongoing additional level request will be proposed as a method to accommodating these renewals.

Discovery sessions were conducted with other municipalities, representatives from the Richmond Fire Rescue and various vendors to reach a quote estimate. Initial research suggests that the AEDs that would meet our requirements would fit in the existing encasements. Additional costs that are accommodated through existing operating budgets include pad replacements every 2 years, battery replacements for the newer AEDs is every four years.

Alternatives

AEDs that have expired must be retired and removed from their assigned locations for safety reasons. They could slowly be replaced, as current operating budgets allow.

Additional Information for 2019 One-Time Expenditures - Recommended
#4: Parking Meter Additions and Radio Frequency Identification (RFID) Tap Reader Installation

Description of Need

Community Safety	<p>Parking Meter Additions and Radio Frequency Identification (RFID) Tap Reader Installation</p> <p>The Parking Enforcement Section has done a review and determined that the Pearson Way area of the city would benefit from parking meters. In addition all existing meters would be equipped with the tap pay function for increased ease of use and efficiency.</p> <p style="text-align: right;">\$87,809</p>
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Alternatives

Erecting 2 hour signage in our meter areas would give an option to paying for parking, but in doing so it allows for “free” parking in a pay parking controlled environment resulting in loss of revenue.

Risks

Current payment method of insertion of either coin or credit card would continue on our existing and future meters. The risks involved in continuing with our current mode of payments are that it leaves the opening for possible “skimming” of credit card information. Having a “tap” feature embedded into the City’s meters, protects our residents and users from the possibility of identity theft.

Financial Benefits

The revenue collected through the pay parking program, is redistributed towards further enhancing public safety through the hiring of bylaw officers who contribute to continuing and reflecting, Council Term Goal 1: A Safe Community.

Non-Financial Benefits

The installation of the meters reduces vehicular carbon emissions as drivers would not be “cruising” for vacant parking spots in highly congested areas with the City. Having meters available with a 2 hour limit only, allows for not only reduction in emissions but business turnover within the area.

5 Brand new meters with RFID/Tap readers and LED Keypad Light pre-installed		
Quantity	Labour and Materials	Cost
5	Luke-II Meters + Installation	\$45,715
5	Ticket Roll	225
5	Shop Supplies	74
Total		\$ 46,014

Installation of RFID/Tap reader units		
Quantity	Labour and Materials	Cost
1	Meter Dept Labour including travel time	\$ 4,869
50	RFID/Tap Reader Kits	32,400
50	Decal-Coin/CC w/38 Key	4,234
50	Shop Supplies	293
Total		\$ 41,796

**Additional Information for 2019 One-Time Expenditures - Recommended
#5: Recreation Fee Subsidy Program – Administrative Support**

Description of Need

Community Services	Recreation Fee Subsidy Program - Administrative Support The updated Recreation Fee Subsidy Program will require funding for one full time auxiliary staff position to support the increased number of applications anticipated with an expanded program serving residents of all ages. Ongoing funding will be requested after operational need has been assessed.	\$76,133
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The Recreation Fee Subsidy Program (RFSP) has been provided by the City in partnership with Richmond's Community Associations and Societies for the last 18 years. The RFSP provides subsidized access to a wide range of basic recreational activities for Richmond residents living on low income.

On September 25, 2017, Council adopted recommendations to update the RFSP to expand eligibility and program choice for residents of all ages who are experiencing financial hardship that might prevent participation in Richmond's community centres, cultural facilities, aquatic centres, and arenas.

The updated RFSP came into effect for the fall 2018 season and provides residents who qualify based on their financial situation:

- Free admission for all ages to drop-in programs and services; and
- A 90% discount for registered programs:
 - Up to a maximum of \$300/year in subsidy for preschool, children and youth; and
 - Up to a maximum of \$100/year in subsidy for adults and seniors.

RFSP applications are processed centrally by Community Services Accessibility and Inclusion administrative staff. The application and screening process includes focus on financial hardship; documentation from other government financial assistance programs; type of tax documents required; and assessment of tax documents.

With the expansion of the RFSP age eligibility, participation has increased, there is an improved fairness and equity in the program, and potential improved health outcomes in the community. Since the launch of the revised RFSP in September 2018, an additional 488 applications have been received from adults and seniors; age-groups who did not have access to subsidy previously.

Cost Breakdown

Account	Cost
Salary Auxiliary	\$57,585
Salary Fringe	15,548
Printing	1,000
Office Supplies	1,500
Photocopying	500
Total	\$76,133

Alternatives

If funding is not approved for additional program support, existing administrative capacity (20 hours/week) would be unable to process the increase in applications due to expansion of the program eligibility to adults and seniors. This would slow the screening process significantly and limit the number of approved applicants who could participate in recreational programs. Customer service would be negatively impacted as applicants would likely experience long wait periods as applications are screened.

Additional Information for 2019 One-Time Expenditures - Recommended
#6: Shipyard Operations Supervisor Position – Britannia Shipyards

Description of Need

Community Services	Shipyard Operations Supervisor Position - Britannia Shipyards The creation of this position is necessary to safely oversee active boat building and repair projects at Britannia Shipyards. The 2018 Council-endorsed Britannia Shipyards Strategic Development Plan calls for a Shipyard Operations Supervisor.	\$119,328
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The 2018 Council-endorsed Britannia Shipyards Strategic Development Plan calls for “a Shipyard Operations Supervisor....to provide oversight of boat building and repair activities” in addition to the existing staff on-site.

Active boat building and repair projects contribute to making Britannia Shipyards a dynamic attraction for both local residents and destination tourists. It also provides active, engaging volunteer opportunities for the community. Continuing with this type of work in the absence of a properly trained staff member to oversee it is not recommended as health, safety and environmental concerns have been an issue and lack of proper project management has led to incomplete projects.

Cost Breakdown

Account	Cost
Salary (1 Full Time)	\$85,140
Fringe	22,988
Phone	1,200
Supplies	10,000
Expense	\$119,328

Alternatives

Suspend boat building and repair projects at Britannia Shipyards, redirect volunteers to other opportunities at Britannia Shipyards and utilize Richmond Boat Builders for another purpose.

**Additional Information for 2019 One-Time Expenditures - Recommended
#7: Enhanced Hours and Programming for Steveston Heritage Sites**

Description of Need

Community
Services

**Enhanced Hours and Programming for Steveston
Heritage Sites**

Council approved temporary funding to increase levels of service in 2017 and 2018 at the Steveston Historic Sites. This has resulted in a significant increase in visitation across all three sites. This request is to fund for 2019.

\$119,676

This funding is required to maintain the levels of service established in 2017 and 2018, including additional programming for destination tourists and local residents at heritage sites in Steveston and daily year-round open hours at Britannia Shipyards and the Steveston Tram. Both destination tourists and the public have come to expect the regular, extended open hours and enhanced programming.

As a result of increased hours and programming, visitation to Britannia Shipyards increased 22% over two years from 128,342 visitors in 2016 to 156,490 visitors in 2018. Visitation to the Steveston Tram increased 39% over two years from 39,599 visitors to 55,007 visitors in 2018. Program highlights from 2018 included the launch of the *Steveston Heritage Experience Tour*, *Winter in the Village* program and planning work for a *Living History* program (live demonstrations and hands-on activities delivered by costumed interpreters). Plans for 2019 include a Passport program to connect the heritage site, the launch of the *Living History* program, packages and increased promotions to tour bus operators, joint marketing and way-finding initiatives including brochures, digital marketing campaigns, and site maps.

It is proposed that \$400,000 of funding through the Municipal Regional District Tax (MRDT) be allocated to this initiative to enhance tourism product. This funding is expected to continue at the level of \$400,000 per year until June 2022.

Cost Breakdown

Account	Cost
Community Facility Programmer (2 Full Time Equivalents)	\$208,730
Auxiliary Attendants (To maintain extended open hours)	156,716
Auxiliary Building Services Workers (Additional cleaning due to extended open hours)	40,309
Salary Fringe	64,921
Supplies (Program supplies, costumes, uniforms, etc.)	30,000
Marketing	20,500

Contracts	2,500
Total Expense	\$523,676
Revenue	
Municipal Regional District Tax (MRDT)	\$400,000
Program revenue	\$4,000
Total Funding Request	\$119,676

Alternatives

1. Revert back to base service levels thereby reducing open hours, level of programming and visitation from both destination tourists and local residents.
 - Britannia
 - **Base:** October to April, weekends from 12 to 5 pm, May to Sept., daily from 10 a.m. to 5 p.m.
 - **Enhanced:** October to April, daily from 12 to 5 pm, May to Sept., daily from 10 a.m. to 5 p.m.
 - Tram
 - **Base:** September to June, weekends 10 a.m. to 4 p.m., July to August, Tuesday to Sunday from 11 a.m. to 5 p.m.
 - **Enhanced:** October to April, daily 12 to 5 p.m., May to Sept, daily from 10 a.m. to 5 p.m.
2. Reduce level of service by another amount with consideration to the negative impact of changing the hours of operation on the development of Britannia Shipyards and the Steveston Tram as tourism products. Options for consideration could include winter closures of Britannia Shipyards and the Steveston Tram, reduction of hours or days of operation (eg. Monday closures, morning closures) and/or scaled back program development and delivery.

Additional Information for 2019 One-Time Expenditures - Recommended #8: Cultural Precinct Study

Description of Need

Community Services	Cultural Precinct Study A Cultural Precinct Study will make recommendations for the repurposing or replacement of the Cultural Centre, Brighthouse Library and Minoru Place and will consider developer funded opportunities in City Centre and make recommendations regarding their use to best address Arts and Library needs.	\$100,000
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The City Centre area plan identifies the addition of a Museum, Main Library, Visual Arts Centre, Performing Arts Centre and Arts Program space in the long term. There is opportunity to acquire some or all of these amenities through developer contributions. As these facilities are added, there is opportunity to repurpose existing spaces within the Cultural Centre to ensure best use of the facility in the long-term.

The Cultural Precinct Study will evaluate the long term replacement of arts and cultural program space being created at the Minoru Place Activity Centre and make recommendations for the repurposing or replacement of the Cultural Centre and Brighthouse Library. The study will provide recommendations on which cultural facilities should stay in Minoru Park and which could take advantage of developer amenity contributions in the City Centre. For example, should a museum be built in the City Centre, how is this space within the Cultural Centre best repurposed.

This comprehensive study and plan will ensure that the City is prepared to make best use of Developer Amenity Contributions as well as to realize the Minoru Park Vision Plan.

Cost Breakdown

Consultant fee - \$100,000

Alternatives

An alternative is to not proceed with the study. By not conducting a study of the Cultural Precinct and planning for the future development of Library, Arts & Cultural facilities, the City is at risk of not being prepared for opportunities as they arise. In addition, long-term capital funding plans will not include specific Library and Arts and Culture Facility needs.

Another alternative is for staff to do this work. Operational service levels would be impacted by this approach and priorities for planning in arts and culture would be adjusted so that some work would not be completed

Additional Information for 2019 One-Time Expenditures - Recommended
#9: Resources to Conduct a Community Needs Assessment

Description of Need

Community Services	<p>Resources to Conduct a Community Needs Assessment</p> <p>The Parks, Recreation and Cultural Services Master Plan identifies that a Community Needs Assessment be conducted every five years (last completed in 2015). Providing funding in 2019 will allow staff to initiate the project and hire a consultant to conduct research, then report findings in 2020.</p> <p style="text-align: right;">\$125,000</p>
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This request is seeking funding for a Community Needs Assessment which will involve community engagement with Richmond citizens, stakeholders and partners to identify needs and priorities for Community Services.

The Parks, Recreation and Cultural Master Plan identified that a Community Needs Assessment (CNA) be conducted every 5 years. The CNA includes a randomized survey of Richmond residents as well as focus groups and other engagement activities to ensure a broad cross section of residents are consulted. Findings from the CNA provide staff with a clear understanding of the community's needs on a neighbourhood level. This detailed information will help staff to address social inequities, develop and implement relevant and needed programs and services, and ensure that resources are allocated effectively.

The findings from the Community Needs Assessment will also provide insight into the actions that need to be taken by the Community Services Division to continue to meet the needs of a changing community and to know whether there are gaps in current program and service delivery. The updated Community Needs Assessment will aid with understanding what is working well and any potential improvements that are needed in order to meet the needs of residents as they relate to recreation, parks, arts, culture, heritage and social development.

The results of the CNA are also integral to the measurement and evaluation of the outcomes identified in the evaluation matrix for the Community Wellness Strategy 2018-2023. By conducting the CNA at regular five year intervals staff are able to measure and understand changes in the needs and opportunities within the Community as well as to measure the impact of our programs and services.

Cost Breakdown

Consulting Expenses - \$125,000

Alternatives

If the CNA was not conducted, or delayed, there would be a lack of information to support effective and appropriate decision-making for parks, recreation, arts, heritage, culture, and community social development programs and initiatives.

If the CNA is delayed a year, there would be insufficient time to hire a qualified consultant, preventing the assessment from occurring every five years. As the data needs to be collected every five years for research purposes, this would also jeopardize the data's validity. If the CNA is not conducted, the efficient and effective allocation of resources to identified community needs would be restricted. Staff's ability to evaluate and measure progress on actions identified within the newly Council-adopted Community Wellness Strategy 2018-2023 would also be limited.

Additional Information for 2019 One-Time Expenditures - Recommended
#10: Richmond Fire-Rescue Personal Protective Equipment (PPE) Inventory Alignment

Description of Need

Community Safety	<p>Richmond Fire Rescue Personal Protective Equipment (PPE) Inventory Alignment</p> <p>RFR attempts to maintain a supply of PPE accessible when primary PPE is not available for staff during times of post-emergency repairs, washing and inspection. This one-time request allows RFR to keep the inventory at an acceptable level to keep personnel safe.</p> <p style="text-align: right;">\$93,500</p>
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To conduct firefighting duties WorkSafe BC regulations requires that Personal Protective Equipment (PPE) is appropriate to work being conducted, compliant with all manufacturers' recommendations, less than 10 years old and free of contaminants. Front line fire fighters must wear their PPE in many situations and often times that equipment becomes contaminated, damaged (in need of repair) or damaged to the point that it is condemned and not able to be worn. In the case where a firefighter does not have equipment they are able to wear they are not able to be assigned to active duty thus reducing staff available to provide service. Currently Richmond Fire Rescue (RFR) does not have any reserve PPE that complies with WorkSafe BC legislation.

Solution Sought: RFR recommends maintaining an inventory of generic sized PPE that can be easily accessed in the case where a firefighter's PPE is not available. RFR is recommending the purchase of 40 sets of variously sized PPE to accommodate this situation. The PPE would have a service life of 10 years thus the cost to the City is \$9300/year.

Cost Breakdown

- Total Request \$93,500
- A set of PPE is valued at approximately \$2,300
- Recommendation of purchasing 40 sets

Alternatives

At this time there is no viable alternative as RFR has been delaying this purchase for 9 years.

Additional Information for 2019 One-Time Expenditures - Recommended
#11: PeopleSoft Review and Knowledge Development

Description of Need

Finance and Corporate Services	PeopleSoft Review and Knowledge Development Resources are required to enhance and improve current practices which will be combined with systems capabilities to provide best-in-class solutions. <div style="text-align: right;">\$100,000</div>
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Findings from the Service Level Review Program indicate that gaps exist between the demands of maintaining an organizational-wide financial system and the resources that currently support it. Capacity needs to be increased for maintaining a Tier-1 system where eight modules and multiple reporting platforms are serving informational needs for the City's divisions and entities. Since PeopleSoft was implemented in year 2000, the focus has been to run it on a day-to-day basis without significant changes to the application. Since implementation, the City has transformed from a \$1 billion single entity into a \$3 billion consolidated entity. The availability of modern technology such as dashboards and self-service portals have also resulted in increased demands to provide more tailored financial reports to suit business needs. To address the changing needs, an additional resource was recommended from the review. An external service provider that has a broad expertise will be able to apply best practices from the industry. The City will be more current with the rapidly developing landscape of new technology and adopt functionalities that best meet the City's informational requirements.

Cost Breakdown

\$100,000 for external resources to improve existing knowledge base.

Alternatives

Maintain the status quo of running day-to-day operations without significant improvements and do not improve existing knowledge base.

Additional Information for 2019 One-Time Expenditures - Recommended
#12: Support for the City's Child Care Program – Planner 1

Description of Need

Community Services	<p>Support for the City's Child Care Program Funding is required to implement the 2017-2022 Richmond Child Care Needs Assessment and Strategy actions such as: Child Care Design Guidelines and developer resource updates; research; stakeholder consults; and to plan for, respond to and support the development of new child care amenities.</p> <p style="text-align: right;">\$25,000</p>
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In 2006, the City adopted the Child Care Development Policy 4017, which acknowledges that child care is an essential service in the community for residents, employers and employees. Policy 4017 directs staff to plan, partner and, as resources and budgets become available, support a range of quality, accessible and affordable child care.

The 2017–2022 Child Care Needs Assessment and Strategy was adopted by City Council on July 24, 2017 and there are a number of short and long term actions to be implemented. These require resources, expertise and research that staff do not currently have in order to fulfill these actions.

Additional expertise and research are needed specifically to:

- Incorporate barrier-free design and innovation into new City-owned early childhood development hubs and child care facilities that would enhance the inclusion of children who require extra supports.
- Undertake research and update City publications and working documents to support the development of additional child care amenities (e.g. Terms of Reference for rezoning reports, developer resources including technical specifications and best practices for City-owned buildings, and documents related to development processes).

Cost Breakdown

Consultant fees - \$25,000

Alternatives

An alternative is to delay or modify the timelines outlined to achieve specific actions identified in the 2015–2022 Child Care Needs Assessment and Strategy thus delaying further progress towards the City's goal to promote the establishment and ongoing maintenance of a comprehensive child care system.

There is a risk, in not doing this work, that new City-owned child care amenities do not reflect current best practices and, as a result do not create opportunities for delivery of high quality child care services to families in Richmond.

In addition, should funds not be available, this could jeopardize the City's capacity to respond to new opportunities to develop additional child care in Richmond and result in failure to secure additional community amenity contributions.

Additional Information for 2019 One-Time Expenditures - Recommended #13: Art Gallery School Art Program

Description of Need

Community Services	Art Gallery School Art Program Responding to loss of sponsorship and decrease in Provincial Gaming funds for the Richmond Art Gallery Association to operate the School Art Program, provide one-time funds for the Gallery to continue to provide interactive gallery tours and hands-on art activities for students from preschool to Grade 12. <div style="text-align: right;">\$30,613</div>
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Since its inception, school programs at the Art Gallery have been independently run by the Association. For over a decade, school programs have become one of the cornerstones of the Art Gallery yet it has become more difficult to maintain core funding for this programming as most corporate and public funders are shifting to more events-based support.

Over the past two years, the Richmond Art Gallery Association has lost core funders of the school programs. Since 2006, TD Bank Group had sponsored this program; however, in 2017, they ended their funding in order to support other community programs. This amounted to a loss of \$15,000 for the school programs budget. Then, in late July 2018, the Association was informed of a 30% cut in funding from BC Gaming amounting to a program funding decrease of \$15,000. This cut was successfully appealed by the Association, but the funding outlook remains precarious for this program which currently has an annual budget of \$68,088. The majority of the budget is for the School Programs Coordinator who develops and leads the programs (\$58,880/year), materials/supplies for workshops (\$6,000), as well as design/promotion (\$4,000).

This request seeks one-time support for the school programs to continue in 2019, as the Gallery continues to pursue other funding opportunities. Keeping the School Art Program at the current level will preserve the Gallery's reputation with funding agencies and maintain its vibrancy and attractiveness to potential future sponsors and funders.

The program also provides professional development opportunities for teachers with workshops and online resources to help incorporate contemporary art practices and content on local, regional and national Canadian art and artists into their lessons.

The School Art Program is one of the most respected in the region for offering high quality educational programming, as well as introducing students to concepts and unique art-making experiences that they would not otherwise experience. The School Art Program is consistently in demand as one of the only visual arts focused school programs in Richmond, with over 3,000 students participating each year.

Cost Breakdown

Account	Cost
Salary Regular Part-time	\$19,380
Salary Fringe	5,233
Art Supplies	6,000
TOTAL	\$30,613

Alternatives

For 2019, the Gallery and Association do not have adequate funds for the school programs. The Gallery could continue the program on a significantly diminished scale (approximately 50%) until funding is secured from other sources. The Gallery would be unable to meet community demand from Richmond schools that rely on the Gallery for arts education programming.

Diminishment of the school programs would be a significant loss to the Gallery's community outreach and experiential learning programs servicing the schools in Richmond and the Lower Mainland. The loss of this program would also diminish the Gallery's ability to receive grants from funding agencies who value the educational programs for children and youth, thereby potentially affecting other programs covered by grant funding.

There is risk of losing key staff person, School Programs Coordinator, who is an important connector between the Art Gallery and School District No. 38, and has developed the program to its current successful state over the past seven years.

**Additional Information for 2019 One-Time Expenditures - Recommended
#14 Emergency Hazard and Risk Vulnerability Analysis and Emergency Plan Update**

Description of Need

Community Safety	<p>Emergency Hazard and Risk Vulnerability Analysis and Emergency Plan Update</p> <p>Emergency programs plans require updating. In order to do a complete plan, a Hazard Risk Vulnerability Analysis is needed to provide the foundation on which to base all Emergency Response and Recovery plans.</p> <p style="text-align: right;">\$70,000</p>
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Emergency Hazard and Risk Vulnerability Analysis and Emergency Plan Update Emergency programs plans require updating. In order to do a complete plan, a Hazard Risk Vulnerability Analysis is needed to provide the foundation on which to base all Emergency Response and Recovery plans.

Additional Information:

A Hazard Risk and Vulnerability Analysis (HRVA) is a systematic risk assessment tool that can be used to assess the risks of various hazards within a municipality.

Due to the growth in population and construction projects within Richmond, and to continue to effectively prevent, prepare, mitigate, respond and recover from a myriad of hazards, the 2010 HRVA is outdated. New information has to be gathered about the existing hazards in the City, with an update on frequency of occurrence, potential impact on the community, infrastructure, property, and the environment.

This information would assist emergency management professionals to prepare for the worst and/or most likely risks, and allows for the creation of exercises, training programs, and plans based on the most likely scenarios by saving time and resources by isolating hazards that cannot occur in the designated area. The HRVA supports all operation departments within the City of business continuity and service planning.

Cost Breakdown

The full amount requested would be to hire a consultant to do the analysis and complete the plan in order to use as a basis for other Emergency Plans in the City.

Alternatives

This plan will form the foundation for many of the future Emergency plans for the City, if it is not funded it may delay the timing of other Emergency Plans that will require the information from this plan to move forward.

Additional Information for 2019 One-Time Expenditures – Not Recommended**#1: Steveston Museum Exhibit Update****Description of Need**Community
Services**Steveston Museum Exhibit Update**

The Steveston Museum exhibits are more than 35 years old. With the addition of the Visitors Centre, a post office and the Japanese building the space is disjointed, inefficient and provides a poor visitor experience.

\$382,000

The purpose of this project is to update the exhibits in the Steveston Museum to improve the visitor experience and support the multiple uses in this location (museum, post office and visitors centre).

Cost Breakdown

Expense	Cost
Exhibit Fabrication and Installation (based on industry standard per square foot cost)	\$270,000
Graphics to Connect Buildings (Interior way-finding)	10,000
Exhibit Planning and Design Fees	40,000
Non-Exhibit Costs and Contingency (Currently unknown costs inherent in exhibit installation in a heritage building. May include electrical work/upgrades, carpentry, etc.)	62,000
Total	\$382,000

Alternatives

- Status Quo;
- Reduce the cost of the project by \$40,000 by re-aligning internal resources and conducting exhibit design work internally. (Temporary exhibits and some programming would be affected); or
- Upgrade exhibits and interior way-finding on an ad-hoc basis, as existing resources allow

**Additional Information for 2019 One-Time Expenditures – Not Recommended
#2: Art Gallery Collections Management**

Description of Need

Community
Services

Art Gallery Collections Management

Following Council approval of the Richmond Art Gallery Collections Policy in 2017 and professional appraisal in 2018 of ~350 works valued at over \$707,000, staff resources are required to begin necessary work of collection management and maintenance.

\$25,083

On July 24, 2017, Council approved the Richmond Art Gallery Collections Policy. The accompanying report indicated that a one-time additional level request would be submitted as part of the 2018 budget process to: (1) have the collection of approximately 350 works professionally appraised (completed); and (2) complete photo-documentation and make the collection publicly accessible online via the launch of a dedicated portal (imminent; awaiting final launch process with IT).

Additional work must be completed in order to bring the collection to an adequate state within which the Art Gallery can begin receiving and processing donations. These tasks are as follows:

1. Form a collection committee as stated in the Richmond Art Gallery Collections Policy.
2. De-accession damaged or valueless works to create room within the gallery's severely limited storage space.
3. Complete remaining artist files. (The appraisal highlighted several artists for which the gallery has no contact info and no understanding of the value of the work.)
4. Begin conservation work on damaged works to be retained.

Through the approval of the Richmond Art Gallery's Collection Policy, Council remarked on the potential benefits of making the collection accessible, including the opportunity to lend and/or rent the works out. The Gallery would proceed with this should administrative support permit. With an adequate knowledge and organization of the collection, the Gallery would have opportunities to share the Collection with residents, as well as art enthusiasts and professionals around the world.

Cost Breakdown

Account	Cost
Salary (auxiliary)	\$21,623
Fringe	3,460
Total	\$25,083

Alternatives

The Gallery does not currently have the resources to complete this work on the art collection. Local artists and collectors approach the Gallery for potential donations and City Gallery staff cannot process these requests.

The Richmond Art Gallery Art Collection, which is owned by the City, has a replacement value for insurance purposes of \$707,197.50 CAD. Improper management may lead to damage of irreplaceable works of art and decline in value as a financial (and cultural) asset.

This would be a missed opportunity to provide cultural enrichment to residents, raise profile and reputation of the gallery and the City of Richmond.

Not Recommended

Additional Information for 2019 One-Time Expenditures – Not Recommended
#3: Richmond Fire Rescue Interactive Website

Description of Need

Community
Safety

Richmond Fire Rescue Interactive Website

The Fire Rescue Community Outreach and Public Education Plan highlights an initiative to develop an accessible and interactive web platform that can engage the public, and allow for access to public safety information. This new site would be a micro site under the city's website.

\$32,000

In January of 2018, Council endorsed the Fire-Rescue Community Outreach and Public Education Plan. Action Item 1-4-1 of this plan directs RFR to establish an online presence by 2023; specifically to “Provide the community with an accessible and interactive web platform to access current and accurate public safety information aligned with the City of Richmond’s Digital Strategy.” RFR is interested in accelerating this process to provide our community with this service in 2019.

Cost Breakdown

RFR has conducted a survey of the marketplace to discover that the creation of the web platform would cost \$32,000. The cost covers creation of the platform and creation of initial layout and content for the site.

Alternatives

1. RFR could delay implementation and make funding requests in future years.
2. RFR could amend purchasing priorities within existing budgets and allocate the funding to the web platform in 2019. Currently, this is the alternative that RFR will implement given that the funding is not recommended at this time.

Additional Information for 2019 One-Time Expenditures – Not Recommended
#4: Library Book Vending Technology at Minoru Centre for Active Living (MCAL)

Description of Need

Library

Library Book Vending Technology at Minoru Centre for Active Living (MCAL)

With the City's seniors' centre moving across the Minoru complex to the new MCAL facility, Brighthouse may become less accessible for some of our older residents. Innovative library book vending technology would provide convenient access to library collections.

\$41,500

Cost Breakdown

The cost of \$41,500 includes the book vending machine, shipping, network drop and seismic securing.

Alternatives

The alternative is to not purchase the library book vending technology and to continue with less convenient access between MCAL and the library for our older residents.

Risks

The risk is reduced accessibility to library service. With the current service model, only older residents who can easily travel across the Minoru Complex will be able to access the library.

Financial Benefits

No additional funding for collections would be required as the library would reallocate existing collection resources and seek donor support for this dispenser collection.

Non-Financial Benefits

Installing this technology at MCAL would provide seniors and their caregivers with convenient access to large print, audiobook and other special collections via a new delivery model. The library would benefit from another venue to connect with seniors where they gather in the community. Collaborative programming with MCAL would increase capacity and reach.

Additional Information for 2019 One-Time Expenditures – Not Recommended

#5: Collections Assessment and Artefact Storage Planning

Description of Need

Community
Services

Collections Assessment and Artefact Storage Planning

Storage is at full capacity and two primary locations are expected to be demolished in 2024. Assessment of the collection and space planning is required to prepare for a move.

\$619,958

The purpose of this project is to assess, make recommendations, and develop a storage plan for the City's collection of 20,000 + artefacts, including completing the processing of the Lubzinski collection acquired by the City in 2005.

In addition to artefacts on display, the City's artefact collection is currently stored in four warehouses (three city-owned and one leased). Storage is at capacity and two warehouses comprising over 8,000 square feet of space (over half of the total storage space) are scheduled to be demolished in 2024 for the Middle Arm Park.

Proactively planning for the pending required artefact move will save the City short and long term costs by planning a well-organized move and more efficient use of resources in the future. By examining the feasibility of all warehouse options in the storage planning phase (including lease and retrofit, purchase and retrofit and build), staff will ensure that Council is able to make an informed decision on their preferred option.

By conducting a collections evaluation and planning for future storage needs, the City will be able to meet best practice standards for artefact collection storage thereby mitigating threats to the collection. Proper planning will allow the City to thoughtfully add to its collection. A centralized space will create operational efficiencies.

Cost Breakdown

Labour and Materials	Cost
Staffing costs (auxiliary/contractor) to review objects, recommend items for disposal, conduct minor conservation work and catalogue objects brought into the collection (Estimate is 2 Full Time Equivalents for 2 years)	\$407,680
Hazardous Material Remediation and Disposal	30,000
Artefact Stabilization / Conservation Work	45,000
Object/Artefact Transportation (for disposal or more suitable storage location)	30,000
Temporary Office / Work Space Set Up	35,000

Storage Space Options Study	25,000
Contingency	47,278
Total	\$619,958

Alternatives

Status Quo - maintain multiple storage sites

The City could maintain the current practice of multiple collections storage spaces. The ability to accept sensitive and/or valuable collections will be limited because storage is at capacity. Existing staff resources could be realigned to begin the planning process for the pending move from the River Road locations. However, projects including accepting and accessioning new artefacts, temporary exhibits and some public programming will be affected. As additional leased space will be required in advance of 2024 to replace the 8,000 square feet of storage space at the warehouses on River Road, a one-time additional level request would be submitted for any required tenant improvements and the artefact move.

Additional Information for 2019 One-Time Expenditures – Not Recommended
#6: Steveston Tram Building Signage

Description of Need

Community Services	Steveston Tram Building Signage The Steveston Tram building requires exterior signage to be installed. With the completion of tram restoration in 2018, this is an appropriate time for implementing this project.	\$30,000
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The Steveston Tram building does not have an exterior sign identifying the building. This is unusual for a significant community amenity and tourist attraction.

The Steveston Tram is a treasured artefact and a significant amount of resources have gone into its restoration, interpretation and preservation. Without any external signage on the building identifying this important attraction, many potential visitors may miss the opportunity to visit this site.

Cost Breakdown

Building sign design, fabrication and installation - \$30,000

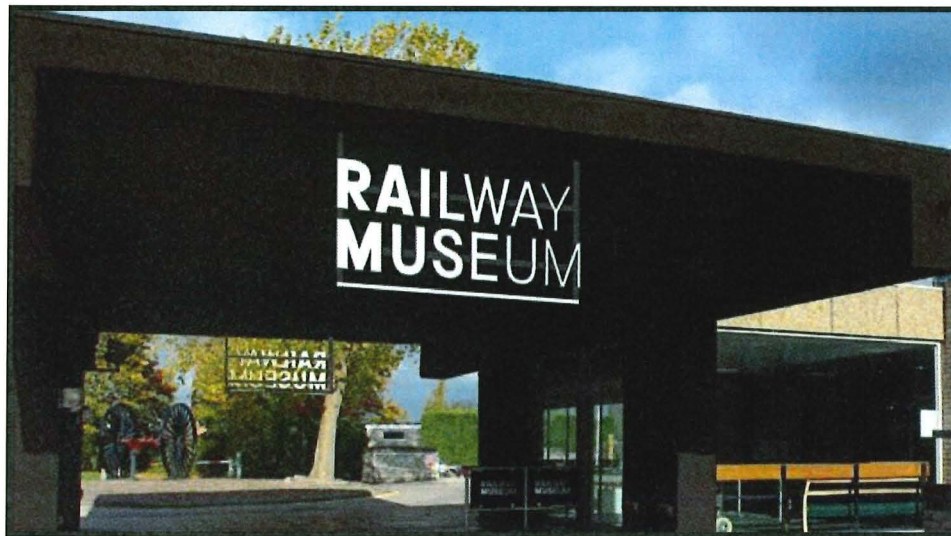
Alternatives

Maintain status quo with street level sandwich board and generic “Open” sign in the window

Current Tram Building



Examples of Improved Attraction Signage





City of Richmond

Report to Committee



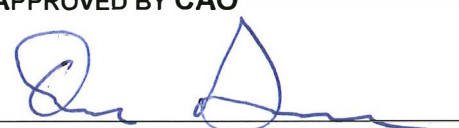
To: Finance Committee
From: Jerry Chong, CPA, CA
Director, Finance
Date: February 7, 2019
File: 03-0970-01/2019-Vol
01
Re: 2019 Proposed Operating Budget – Same Level of Service Referral Response

Staff Recommendation

That:

1. A same level of service budget increase, after tax growth, of \$2,167,033 with a tax increase of 1.00% before additional levels of service be approved; and
2. The 2019 Operating Budget overall tax increase of 4.82% as presented in Table 2 of the staff report titled 2019 Proposed Operating Budget – Same Level of Service Referral Response be approved; and
3. The 2019 Operating Budget of 4.82% be included in the Consolidated 5 Year Financial Plan (2019-2023).


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

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

Staff Report

Origin

At the Finance Committee meeting on February 4, 2019, the 2019 Proposed Operating Budget – Referral Response from the Director, Finance dated January 28, 2019 was presented with a tax increase of 6.82%. The following items were approved from Part 1:

- (b) Non-discretionary external senior government related increases of \$2,987,000 with a tax increase of 1.38% be approved; and*
- (c) Ongoing funding for expenditures previously approved by Council totaling \$1,112,825 for the following items: an Emergency Program Neighbourhood Preparedness Program Assistant, Richmond Public Library Expanded Senior Services, Minoru Centre for Active Living operating budget impact phase-in, and operating budget impact of developer contributed assets with a tax increase of 0.51% be approved; and*
- (d) Pursuant to Council's Safe Community Priority program, provide funding for 36 additional firefighters in the amount of \$6,023,898 with a three-year phase in plan, resulting in a tax increase of 0.93% in 2019, 0.93% in 2020 and 0.93% in 2021 be approved; and*
- (e) Pursuant to Council's Safe Community Priority program, the capital and one-time costs for the additional 36 firefighters in the amount of \$2,541,276 be approved with funding from the Rate Stabilization Account; and*
- (f) Pursuant to Council's Safe Community Priority program, provide funding for 51 RCMP officers and 20 municipal employees to support the RCMP Detachment in the amount of \$8,844,350 with a three-year phase-in plan, resulting in a tax increase of 2.62% in 2019, 0.73% in 2020 and 0.73% in 2021 be approved; and*
- (g) Pursuant to Council's Safe Community Priority program, the capital and one-time costs for the additional 35 RCMP officers and 17 municipal employees to support the RCMP Detachment in the amount of \$839,519 be approved with funding from the Rate Stabilization Account; and*
- (h) Operating budget impact of the 2019 Capital Budget totaling \$1,208,320 with a three-year phase-in plan, resulting in a tax increase of 0.18% in 2019, 0.18% in 2020 and 0.18% in 2021 be approved; and*
- (j) City-wide additional levels in the amount of \$149,828 as presented in Attachment 1, with a tax increase of 0.07% be approved;*

Following discussions, the Committee made the following motions to amend the proposed budget:

(j) That a transfer to reserves for community facilities infrastructure needs as per Council's Long Term Financial Management Strategy in the amount of \$1,083,517 with a tax increase of 0.5% be approved.

(k) That the Rate Stabilization Account be used to reduce the overall impact of additional operating costs for a total of \$5,135,868 resulting in a tax decrease of 2.37 %.

The Finance Committee also referred the following to staff:

(1) That Part (1) (a) – “A same level of service budget increase, after tax growth, of \$3,249,703 with a tax increase of 1.50% before additional levels of service” be referred back to staff to reduce the overall tax increase by 0.5% and examine special events, and report back at a Special Finance Committee meeting scheduled for February 11, 2019;

(2) That Parts (2) and (3) of the main motion be referred back to staff.

This report responds to the referral by providing details of the overall tax reduction of 0.5% and additional information for the special events.

Analysis

2019 Same Level of Service Operating Budget

The following table summarizes changes to the 2019 Proposed Operating Budget so as to achieve a same level of service budget increase, after tax growth, of \$2,167,033 with a tax increase of 1.00% before additional levels of service. This is achieved through reducing the budget for policing through efficiencies gained as a result of the additional RCMP officers being approved and increasing the budget for revenues from various departments within Community Safety.

- \$700,000 reduction in the overall policing budget due to operational efficiencies, mainly resulting from an anticipated decrease in overtime costs as a result of the additional officers and municipal employees to support the RCMP Detachment
- \$233,000 increase in business licenses revenue
- \$150,000 increase in criminal record check, false alarm and other bylaw fines revenue

If any of the increased revenues or the overall decrease in the policing budget are not realized, the Community Safety Division may need to reallocate resources within the Division to avoid incurring a deficit.

The revised same level of service budget for 2019 is summarized in Table 1.

Table 1 – Revised 2019 Same Level of Service Budget Increases

Budget Component	Amount (in \$'000s)	2019 Tax Impact
Original Proposed 2019 Operating Budget Same Level of Service Budget Increases	3,250	1.50%
Operational Efficiencies within the Policing budget	(700)	(0.32%)
Increased budgeted revenue from Business Licenses	(233)	(0.11%)
Increased budgeted revenue from criminal record check and false alarm and other bylaw fines	(150)	(0.07%)
Proposed 2019 Operating Budget Same Level of Service Increases	\$2,167	1.00%

The proposed 2019 Operating Budget with an overall tax increase of 4.82% is detailed in Table 2 under the Financial Impact section.

Status Update on Special Events

At the Council Meeting held March 12, 2018, Council approved the proposed plan for major events and programs in 2018 and 2019:

- (1) That \$28,000 be approved for the 2018 Garden City Lands Farmer's Market to be funded from the Rate Stabilization Account;*
- (2) That \$1,158,000 be approved to support the following events and programs for 2019: Children's Arts Festival, Cherry Blossom Festival, Doors Open, Richmond Canada Day in Steveston, Richmond Maritime Festival, Garden City Lands Farmer's Market, Richmond World Festival, City-wide event marketing program and City branded assets, funded by the Rate Stabilization Account;*
- (3) That \$100,000 be approved to support the expansion of the Richmond Maritime Festival to include Imperial Landing, contingent on staff securing large Navy vessels for the event, funded by the Rate Stabilization Account;*
- (4) That \$75,000 be approved for a 2019 Neighbourhood Celebration Grant Program funded by the Rate Stabilization Account;*
- (5) That \$200,000 be approved for the 2019 Video Series: History of Richmond project, funded by the Rate Stabilization Account and shown in the Museum budget in the future; and*
- (6) That the 5 Year Financial Plan (2018-2022) be amended accordingly.*

The following presents an update on the progress of the approved major events and programs in 2019. Program planning is well underway with commitments made for boat appearances at the Maritime Festival (i.e., Lady Washington and Hawaiian Chieftain) and service contracts issued for event producers. Offers have been issued to headline talent for the World Festival, the Neighbourhood Celebration Grant program is currently being administered, partnerships with Salmon Festival have been approved, and the Children's Arts Festival is fully planned.

Sponsorship commitments amounting to \$250,000 have been secured based on the full program scope with more deals pending.

With respect to the 2020 major events and programs, the Major Events Advisory Group met on January 22, 2019 and recommended that the 2020 program includes the same schedule of events, funding levels and funding source as the 2019 program. A report requesting Council endorsement for the 2020 plan and funding is planned for the spring of 2019.

Financial Impact

Based on direction from the Finance Committee, staff have prepared the 2019 Proposed Operating Budget as summarized in Table 2.

Table 2 – 2019 Proposed Operating Budget (in \$000s)

Budget Component	Amount (in \$'000s)	Tax Impact
Same Level of Service Increase	\$2,167	1.00%
External Senior Government Related Increases	2,987	1.38%
Previously Approved Expenditures	1,113	0.51%
Safe Community Program – 36 fire rescue positions phased-in over three years	2,008	0.93%
Safe Community Program – 51 RCMP officers and 20 municipal employees to support the RCMP Detachment phased-in over three years	5,661	2.62%
Operating Budget Impact from 2019 Capital Budget	402	0.18%
Investment in Community Facilities Infrastructure (Transfer to Reserves)	1,084	0.50%
City-Wide Additional Levels	150	0.07%
Less: Rate stabilization	(5,136)	(2.37%)
2019 Proposed Operating Budget Increase	\$10,436	4.82%

Conclusion

The 5 Year Financial Plan (2019-2023) is proposed to be built based on the summary in Table 3.

Table 3 – Proposed 2019 Budget and 5 Year Financial Plan

Budget Component	2019	2020	2021	2022	2023
Same Level of Service Increase	1.00%	1.50%	0.96%	1.49%	1.91%
External Senior Government Related Increases	1.38%	0.16%	0.16%	0.18%	0.18%
Previously Approved Expenditures	0.51%	2.26%	0.75%	0.38%	0.09%
Safe Community Program – 36 fire rescue positions	0.93%	0.93%	0.93%	-%	-%
Safe Community Program – 51 RCMP officers and 20 municipal employees to support the RCMP Detachment	2.62%	0.73%	0.73%	-%	-%
Operating Budget Impact from Capital Budget	0.18%	0.58%	0.74%	0.63%	0.56%
Investment in Community Infrastructure	0.50%	1.00%	1.00%	1.00%	1.00%
City-Wide Additional Levels	0.07%	0.23%	0.23%	0.23%	1.62%
Less: Rate stabilization	(2.37%)	(0.70)%	(0.30)%	-%	-%
Proposed Tax Increase – including 107 positions – Safe Community Program 51 RCMP officers, 20 municipal employees to support the RCMP Detachment, and 36 fire rescue positions	4.82%	6.69%	5.20%	3.91%	5.36%



Melissa Shiau, CPA, CA
 Manager, Financial Planning and Analysis
 (604-276-4231)

MS:jh



City of Richmond

Report to Committee

To: Finance Committee
From: Andrew Nazareth
General Manager, Finance and Corporate
Services

Date: February 8, 2019
File: 03-0970-25-2019-
01/2019-Vol 01

Re: Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979

Staff Recommendation

1. That the Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979 be introduced and given first, second, and third readings.
2. That staff undertake a process of public consultation as required in Section 166 of the Community Charter.

Andrew Nazareth
General Manager, Finance and Corporate Services
(604-276-4095)

Att. 5

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Law	<input checked="" type="checkbox"/>	
CONCURRENCE BY SMT	INITIALS:	APPROVED BY CAO

Staff Report

Origin

Subsection 165(l) of the *Community Charter* requires the City to adopt a 5 Year Financial Plan (5YFP) Bylaw. The 5YFP Bylaw provides the City with the authority to proceed with spending to the limits as outlined in the bylaw. The City is required under section 166 of the *Community Charter* to undertake a process of public consultation prior to adoption of the 5YFP.

The 5YFP Bylaw No. 9979 consolidates the budgets for Utility, Operating, and Capital budgets. The key components of 5YFP Bylaw No. 9979 are as follows:

- 2019 Utility Budget
- 2019 One-Time Expenditures
- 2019 Capital Budget
- 2019 Operating Budget

The 2019 Utility rates were approved by Council on October 9, 2018 and the following bylaws were adopted as follows:

- Drainage, Dike and Sanitary Sewer System Bylaw No. 7551, Amendment Bylaw No. 9943 adopted on October 22, 2018.
- Solid Waste and Recycling Regulation Bylaw No. 6803, Amendment Bylaw No. 9941 adopted on October 22, 2018.
- Waterworks and Water Rates Bylaw No. 5637, Amendment Bylaw No. 9942 adopted on October 22, 2018.

The Alternative Funding Sources for the 2019 One-Time Expenditures report dated February 8, 2019 will be presented to the Special Finance Committee meeting on February 11, 2019 and is included in the Consolidated 5YFP.

The 2019 Capital Budget was approved by the Finance Committee on February 4, 2019 and is included in the Consolidated 5YFP.

The 2019 Operating Budget as presented to the Finance Committee on February 11, 2019 and is included in the Consolidated 5YFP.

The 2019 budget for Richmond Public Library was approved by the Finance Committee at the Special Finance Committee meeting on January 14, 2019 and is included in the Consolidated 5YFP.

The Consolidated 5YFP includes the budget for the City's wholly owned subsidiary Richmond Olympic Oval Corporation. The 2019 budget was approved by the Oval's Board of Directors on January 17, 2019.

Effective January 1, 2018, the Consolidated 5YFP does not include the budget for Lulu Island Energy Company (LIEC) since LIEC has been classified as a Government Business Enterprise

and is required to apply International Financial Reporting Standards while the City is required to report under Public Sector Accounting Standards. Instead, LIEC is reflected as a financial asset on the City's Statement of Financial Position.

The Consolidated 5YFP Bylaw includes estimates for 2020-2023 based on information currently available and will be revised with the financial plan for each respective year. Inclusion in the financial plan for 2020 and beyond does not represent final approval for spending.

Analysis

This report combines the 2019 budgets into a consolidated financial plan to provide expenditure authorization, allowing the City to formally proceed with delivering services to the community. In addition, the 5YFP includes operating and capital carryforward amounts that have been approved in prior years, however, projects and programs are expected to be completed in 2019 and future years.

Adjustments with No Impact on Rates

Prior Year Capital Carryforwards

The Capital Budget as presented in the 5YFP includes carryforward amounts for previously approved and funded projects that are still in progress as capital projects usually take several years to complete after Council approval. There is no tax impact as a result of including these amounts.

Prior Year Operating Carryforwards

The 2019 Carryforwards are comprised of unspent amounts from 2018 and previously approved one-time expenditures that are required for programs and projects that were not completed in 2018 and hence carried into 2019. There is no tax impact as a result of including these amounts.

Developer Contributed Assets

The 5YFP also includes an estimate for the value of negotiated developer contributed assets that the City will take ownership of as a result of rezoning approvals. This includes dedicated land under new road and infrastructure contributed by developers. There is no cost to the City for building the initial infrastructure; however, it becomes part of the City's inventory of assets to maintain and eventually replace.

Operating Budget Impacts (OBI) for Utility Projects

The approved Capital Budget includes Utility projects with OBI for water and sanitary sewer infrastructure. Since the approval of these Capital projects occurred subsequent to the setting of the utility rates, these additional operating costs are not factored into the 2019 utility rates. These additional costs will be incorporated into the 2020 rates, and for 2019 the OBI will be funded by utility rate stabilization accounts.

One-time Expenditures

One-Time expenditures totaling \$1,425,909 funded by Rate Stabilization Account have been incorporated in the Consolidated 5YFP as presented in the Alternative Funding Sources for the 2019 One-Time Expenditures report dated February 8, 2019.

Capital Budget

The 2019 Capital Budget as presented in the staff report dated January 11, 2019 totalled \$116,524,202.

At the General Purposes Committee meeting on February 4, 2019, the staff report titled “Viability of Repurposing Minoru Aquatic Centre – Low Cost Options” from the Senior Manager, Capital Buildings Project Development dated February 1, 2019 was presented and the following motions were carried:

- (1) That the Minoru Aquatics Centre Demolition (\$3,392,000) be removed from the proposed 2019 Capital Budget;*
- (2) That the Minoru Aquatics Centre not be demolished.*

As a result of the above resolution, the Minoru Aquatics Centre Demolition (Capital submission ID: 6245) was removed from the list of recommended projects in the amount of \$3,392,000.

At the Finance Committee meeting on February 4, 2019 it was verbally reported that the revised 2019 Capital Budget as a result of the decision made at the General Purposes Committee totals \$113,132,202.

At the Finance Committee meeting on February 4, 2019, the 2019 Capital Budget was approved with the following changes:

That the Terra Nova Rural Park Viewpoint Seating Area (Submission ID 6371) be removed.

That \$975,000 for the RCMP Exhibit Compound (part of Submission ID 6479) be funded from the Capital Building and Infrastructure Reserve instead of the Rate Stabilization Account.

The 2019 Capital Budget was approved by the Finance Committee on February 4, 2019 with a revised amount of \$112,932,202.

Subsequently, at the Finance Committee meeting on February 4, 2019, the staff report titled “2019 Proposed Operating Budget – Referral Response” from the Director, Finance dated January 28, 2019 was presented and the following was approved:

1e) Pursuant to Council’s Safe Community Priority program, the capital and one-time costs for the additional 36 firefighters in the amount of \$2,541,276 be approved with funding from the Rate Stabilization Account

The capital costs for the additional 36 firefighters include \$2,050,000 for the purchase of fire rescue vehicles and \$110,000 relating to building renovations to Fire Hall No. 2 (Steveston). The remaining non-capital one-time costs total \$381,276.

Table 1 summarizes the changes to the Capital Plan to be included in the Consolidated 5YFP.

Table 1 – 2019 Capital Budget With Approved Fire Rescue Capital Costs

Budget Component	Amount
2019 Capital Budget – as presented in the staff report dated January 11, 2019	\$116,524,202
General Purposes Committee resolution to remove Minoru Aquatics Centre Demolition	(3,392,000)
Proposed 2019 Capital Budget presented to the Finance Committee on February 4, 2019	113,132,202
Finance Committee resolution to remove the Terra Nova Rural Park Viewpoint Seating Area (Submission ID 6371)	(200,000)
Finance Committee resolution to change the funding source of the RCMP Exhibit Compound to be funded from the Capital Building and Infrastructure Reserve instead of the Rate Stabilization Account	-
2019 Capital Budget approved by Finance Committee	112,932,202
Fire Rescue Vehicles and Operational Equipment - Fire Engine truck	1,500,000
Purchase of Vehicles and Operational Equipment - Fire Rescue truck	550,000
Building renovations to Fire Hall No. 2 (Steveston)	110,000
2019 Capital Budget to be included in the Consolidated 5YFP	\$115,092,202

Attachment 1 includes a list of projects proposed for 2019-2023. Attachment 2 presents a summary of the proposed capital plan by program and Attachment 3 presents the proposed funding sources for the capital plan.

Smart Cities Challenge

The Smart Cities Challenge is a national competition that encourages communities to adopt a smart cities approach to improve the lives of their residents through innovation, data and connected technology. The City is one of 20 finalists in the Government of Canada's nation wide Smart Cities Challenge. Each finalist receives a grant of \$250,000 to further develop their innovative ideas into final proposals that outline all design, planning, and project management components of their plans. The final proposals are due in March 2019 and winners will be announced in spring 2019. Four winners will be awarded with prizes of up to \$50 million, two at \$10 million, and \$5 million. Richmond is a finalist for a \$10 million prize in the competition.

The list of proposed capital projects for 2019-2023 in Attachment 1 identifies the projects that are part of the proposed 5 Year Financial Plan that are aligned with the goals and objectives of the Smart Cities Challenge.

Operating Budget

At the Finance Committee Meeting held on February 4, 2019, the Finance Committee approved components of the 2019 Operating Budget and referred staff to further reduce the overall tax increase by 0.50%. In response to this referral, the “Proposed 2019 Operating Budget – Same Level of Services Referral Response” dated February 8, 2019 that will be presented at the Special Finance Committee meeting on February 11, 2019 with a tax increase of 4.82%. The proposed 2019 Municipal Tax Dollar Breakdown is presented in Attachment 4.

Public Consultation

Section 166 of the *Community Charter* requires a process of public consultation prior to adoption of the 5YFP. The public consultation process will commence after the proposed 5YFP bylaw is given first through third readings. The budget is anticipated to be considered by Council at the Regular Council meeting on February 11, 2019. In order to comply with this requirement and ensure that the tax bylaw is also prepared on a timely basis, staff are working on a number of communication initiatives, which include:

- preparing a news release on the City website scheduled for Tuesday, February 12, 2019 with a link to the 5YFP.
- engaging a public forum on Let’s Talk Richmond scheduled to launch on Tuesday, February 12, 2019.
- utilizing social media to raise awareness of the public consultation period through Facebook and Twitter accounts.
- having copies of the 2019-2023 Consolidated Financial Plan and the budget reports approved by Council available for pick-up by the public or available electronically.
- advertising in the Richmond News as reminder of the ongoing public consultation.

Upon review of the legislation and confirmation with the Province, the format of the public consultation process is at the discretion of the municipality to determine the communication channel that best suits its local community. Last year, staff effectively conducted consultation via Let’s Talk Richmond that was advertised online, through newspaper ads and social media for last year’s budget.

In 2018, over 430 engagements and 30 comments were received from the public via Let’s Talk Richmond. In order to ensure that the 5YFP consultation is beneficial, effective and efficient, staff will conduct the process through Let’s Talk Richmond and social media once again.

The public consultation period will run until Sunday, March 3, 2019 and staff will report the results to Council in advance of the meeting scheduled to give final reading to the 5YFP bylaw.

Financial Impact

Table 2 summarizes the proposed 2019 tax increase of 4.82%, and estimates for 2020 through 2023. The estimated tax increase for the 5YFP includes a 0.5% increase for investment in community infrastructure in 2019 as approved by Council and 1.0% increase for investment in community infrastructure in 2020 to 2023.

Table 2 – Proposed 5YFP 2019-2023 Summary

Proposed 5YFP	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Same Level of Service Increase	1.00%	1.50%	0.96%	1.49%	1.91%
External Senior Government Related Increases	1.38%	0.16%	0.16%	0.18%	0.18%
Previously Approved Expenditures	0.51%	2.26%	0.75%	0.38%	0.09%
Safe Community Program – 36 fire rescue positions	0.93%	0.93%	0.93%	-%	-%
Safe Community Program – 51 RCMP officers and 20 municipal employees to support the RCMP Detachment phased-in over three years	2.62%	0.73%	0.73%	-%	-%
Operating Budget Impact from Capital Budget	0.18%	0.58%	0.74%	0.63%	0.56%
Investment in Community Infrastructure	0.50%	1.00%	1.00%	1.00%	1.00%
City Wide Additional Levels	0.07%	0.23%	0.23%	0.23%	1.62%
Less: Rate stabilization	(2.37%)	(0.70)%	(0.30)%	-%	-%
Proposed Operating Budget Increase	4.82%	6.69%	5.20%	3.91%	5.36%

Conclusion

The 5YFP 2019-2023 has been prepared utilizing the 2019 Utility budget approved by Council, 2019 Capital budget approved by Finance Committee on February 4, 2019 and the proposed 2019 Operating budget with an endorsed 4.82% overall tax increase to form the base of the financial plan. Estimates for 2020 to 2023 are based on information currently available and will be revised in the next 5YFP (2020-2024). Staff recommend that the bylaw be given first through third readings and undertake the public consultation process.



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MS:jh

- Att. 1: 5 Year Capital Plan by Program (2019-2023)
2: 5 Year Capital Plan Summary (2019-2023)
3: 5 Year Capital Plan Funding Sources (2019-2023)
4: 2019 Proposed Municipal Tax Dollar
5: Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979

CITY OF RICHMOND
5 YEAR CAPITAL PLAN BY PROGRAM (2019-2023)
(in \$000s)

	2019	2020	2021	2022	2023
Infrastructure Program					
Roads					
Accessible Pedestrian Signal Program	250	250	-	-	-
Active Transportation Improvement Program * Smart Cities	1,000	600	600	600	600
Annual Asphalt Re-Paving Program - MRN	1,151	1,151	1,151	1,151	1,151
Annual Asphalt Re-Paving Program - Non-MRN	3,131	2,982	2,982	2,982	2,982
Arterial Roadway Improvement Program	450	350	350	350	350
Bridge Rehabilitation Program	300	300	300	643	300
City-wide Cycling Network Plan	150	-	-	-	-
Citywide Street Light Replacement and Sidewalk Repair Program * Smart Cities	-	500	500	500	500
Francis Road Enhancements, from St. Albans Road to Garden City Road	-	-	2,000	-	-
Garden City Road Pedestrian and Cyclist Enhancements, Westminster Highway to Lansdowne Road	1,000	-	-	-	-
LED Street Name Sign Program	200	200	200	200	200
Neighbourhood Walkway Program	500	500	500	500	500
Road Weather Information System	260	-	-	-	-
Special Crosswalk Program	350	350	350	350	350
Steveston Highway Multi-Use Pathway, Shell Road to Mortfield Gate	2,000	-	-	-	-
Streetlight LED Upgrade Program * Smart Cities	430	460	-	-	-
Traffic Calming Program	150	150	150	150	150
Traffic Signal Power Backup System (UPS) * Smart Cities	100	100	100	100	100
Traffic Signal Pre-emption Program * Smart Cities	-	100	100	100	100
Traffic Signal Program	1,350	1,200	1,200	1,200	1,200
Traffic Video and Communication Program * Smart Cities	400	400	400	400	400
Transit-Related Amenity Improvement Program * Smart Cities	50	50	50	50	50
Transit-Related Roadway Improvement Program	400	400	400	400	400
Transportation Planning, Functional and Preliminary Design	253	256	258	260	262
Westminster Highway Pedestrian and Cyclist Enhancements, Smith Crescent to Fraserside Gate	1,100	-	-	-	-
Total Roads	\$14,975	\$10,299	\$11,591	\$9,936	\$9,595
Drainage					
Aztec Street Drainage Upgrade	-	-	1,260	-	-
Box Culvert Repair	-	1,000	-	1,000	-
Burkeville Utility Upgrades	-	2,486	2,495	1,741	2,271
Canal Stabilization	-	2,375	-	-	-
Development Coordinated Works - Drainage	250	250	250	250	250
Drainage Pump Station Generator Upgrade * Smart Cities	-	-	130	130	130
Drainage Pump Station Rehabilitation	-	250	250	250	250

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
East Richmond Drainage and Irrigation Upgrades	-	300	300	300	-
Ewen Road Pump Station Upgrade * Smart Cities	-	-	-	-	8,520
Flood Protection and Dike Improvements	5,100	3,300	3,300	3,300	2,000
Headwall Replacement and Ditch Infills	-	300	-	-	-
Heather Street Improvement	1,757	-	-	-	-
Invasive Species Management	220	175	175	175	175
Laneway Drainage Upgrade - 10,000 Block No. 4 Road	-	-	-	-	374
Laneway Drainage Upgrade - Afton Drive (North)	1,373	-	-	-	-
Laneway Drainage Upgrade - Aintree Crescent (East)	-	-	-	-	578
Laneway Drainage Upgrade - Ashwood Drive/Francis Road	-	-	803	-	-
Laneway Drainage Upgrade - Bates Road - East Lane	-	-	740	-	-
Laneway Drainage Upgrade - Bates Road - South Lane	-	-	-	597	-
Laneway Drainage Upgrade - Greenlees East Lane	-	313	-	-	-
Laneway Drainage Upgrade - Herbert East Lane	542	-	-	-	-
Laneway Drainage Upgrade - Reeder Road	-	-	-	432	-
McCallan Road North Pump Station Upgrade * Smart Cities	-	-	-	-	8,860
Montego Street Drainage Upgrades	-	1,575	-	-	-
No. 6 Road South Pump Station Upgrade * Smart Cities	-	-	-	8,580	-
Steveston Highway and Gilbert Road Pump Station Upgrade * Smart Cities	-	2,000	-	-	-
Steveston Highway and No. 3 Road Pump Station Upgrade	2,000	-	-	-	-
Williams Road 6000 Block Drainage Pipe Upgrade	-	-	500	-	-
Woodhead Road Drainage Upgrade	-	-	1,855	-	-
Drainage Pump Station Upgrade (Generator) * Smart Cities	-	130	-	-	-
No. 9 Road and Westminster Highway Drainage (Dog Kennels) Pump Station	-	-	2,520	-	-
Total Drainage	\$11,242	\$14,454	\$14,578	\$16,755	\$23,408
Water					
Development Coordinated Works - Water	250	250	250	250	250
Emergency Water Supply	150	-	-	-	-
Pressure Reducing Valve Upgrades	-	-	-	1,000	-
Water Metering Program	-	1,890	1,890	1,890	1,890
Watermain Replacement Program	5,394	4,778	6,560	5,225	6,005
Watermain Tie-in and Restoration	400	400	300	300	300
Total Water	\$6,194	\$7,318	\$9,000	\$8,665	\$8,445
Sanitary Sewer					
Aquila Road Sanitary Sewer Replacement	-	-	-	160	-
Bennett West Pump Station Replacement * Smart Cities	-	2,190	-	-	-
Burkeville Utility Upgrades	1,133	-	-	-	-
Development Coordinated Works - Sanitary	150	250	250	250	250
Fibre Reinforced Plastic Gravity Sewer Replacement	-	-	-	1,800	1,800
Gravity Sanitary Sewer Upgrade on River Road / Beckwith Road / Charles Street	-	-	2,500	-	-
Gravity Sewer Assessment and Upgrade Program	-	250	250	250	250

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
Hammersmith Forcemain Replacement	-	1,200	-	-	-
Leslie Pump Station Replacement * Smart Cities	-	2,913	-	-	-
Leslie Road Forcemain Replacement	-	-	-	560	-
Manhole and Inspection Chamber Replacement Program	-	250	250	250	250
Sanitary Pump Station and Forcemain Assessment, Upgrade and Grease Management	-	600	600	600	600
Sanitary Pump Station Rehabilitation	-	300	300	300	300
Sanitary Sewer Tie-in and Restoration	-	150	150	150	150
SCADA System Improvements * Smart Cities	150	150	150	150	150
Steveston and Broadmoor Forcemain Replacements	-	1,100	-	-	-
Steveston Gravity Sewer Replacement and Rehabilitation	-	1,000	-	-	-
Steveston Pump Station Replacement * Smart Cities	-	-	-	-	2,500
Van Horne Pump Station Replacement * Smart Cities	-	-	2,800	-	-
Williams Road Sanitary Forcemain Replacement	-	-	-	1,920	-
Total Sanitary Sewer	\$1,433	\$10,353	\$7,250	\$6,390	\$6,250
Infrastructure Advanced Design and Minor Public Works					
Public Works Infrastructure Advanced Design	1,780	1,780	1,780	1,780	1,780
Public Works Minor Capital - Drainage	475	400	300	300	300
Public Works Minor Capital - Roads	250	250	250	250	250
Public Works Minor Capital - Sanitary	400	400	400	400	400
Public Works Minor Capital - Sanitation and Recycling	300	300	300	300	300
Public Works Minor Capital - Traffic	250	250	250	250	250
Public Works Minor Capital - Water	500	500	500	500	500
Total Infrastructure Advanced Design and Minor Public Works	\$3,955	\$3,880	\$3,780	\$3,780	\$3,780
Total Infrastructure Program	\$37,799	\$46,304	\$46,199	\$45,526	\$51,478
Building Program					
Building					
2019 Capital Buildings Project Development Advanced Design	500	-	-	-	-
Britannia Shipyards Complex Rehabilitation	-	2,200	-	-	-
City Hall - Electrical and Interior Renovations * Smart Cities	-	11,100	-	-	-
City Hall Annex Transformer Replacement	500	-	-	-	-
City Hall Upgrades and Repairs	980	-	-	-	-
City Hall Window and Flooring System Renewals	-	-	-	-	5,500
Citywide Caretaker Suite Renewals	-	-	-	-	2,500
East Richmond Community Hall Envelope and Mechanical System Renewals	402	-	-	-	-
Gateway Theatre Infrastructure Replacements Phase 2	3,700	-	-	-	-
Japanese Canadian Cultural Centre - Front Entry Accessibility Upgrade	258	-	-	-	-
Japanese Duplex and First Nations Bunkhouse Reconstruction and Exhibit Development	-	4,150	-	-	-
Library Cultural Centre Conveyance Replacements	709	-	-	-	-
London Farm House Envelope Renewals	376	-	-	-	-

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
Minoru Arena System Renewals	3,300	-	-	-	-
Minoru Place Activity Centre Program - Implementation	2,511	-	-	-	-
RCMP Exhibit Compound Interim Upgrades	975	-	-	-	-
Watermania Aging Mechanical and Building Envelope Infrastructure Replacement Phase 2	1,341	-	-	-	-
Works Yard Mechanical Replacements	1,707	-	-	-	-
Works Yard Salt Shed Repairs	266	-	-	-	-
Community Safety Building Heat Pump Replacement	-	470	-	-	-
Sea Island Hall Exterior Envelope	-	350	-	-	-
Works Yard Building System Renewals	-	-	1,100	-	-
Gateway Theatre Mechanical and HVAC Renewals	-	-	5,500	-	-
West Richmond Community Centre - Envelope and Life Safety Renewals * Smart Cities	-	-	1,400	-	-
Mechanical and HVAC Renewals	-	-	-	120	-
Fire Hall 7 Envelope Renewals	-	-	-	125	-
Kwantlen Courthouse - HVAC and Interior Finish Renewals	-	-	-	2,500	-
Library Cultural Centre - Envelope and Plumbing Renewals	-	-	-	1,600	-
East Richmond Library Interior Finish Renewals	-	-	-	186	-
Richmond Ice Centre - Refrigeration and Envelope Renewals	-	-	-	13,700	-
Thompson Community Centre - Interior Finish Renewals	-	-	-	1,100	-
South Arm Community Centre - Envelope and Interior Finish Renewals	-	-	-	800	-
Watermania Mechanical and Pool Equipment Renewals	-	-	-	1,100	-
Watermania Major Maintenance	-	1,100	1,100	-	3,000
Thompson Community Centre Major Maintenance * Smart Cities	-	-	2,000	-	-
Richmond Ice Centre Major Maintenance	-	-	2,000	-	-
City Hall Major Maintenance	-	-	-	-	4,000
Steveston Community Centre and Branch Library * Smart Cities	-	90,000	-	-	-
Total Building Program	\$17,525	\$109,370	\$13,100	\$21,231	\$15,000
Parks Program					
Parkland					
Parkland Acquisition	4,000	4,000	4,000	2,000	2,000
Total Parkland	\$4,000	\$4,000	\$4,000	\$2,000	\$2,000
Parks					
Aberdeen Park – Phase 3	800	-	-	-	-
Garden City Lands Phase 4	-	1,000	-	-	-
Garden City Lands Phase 5	-	-	500	-	-
Garden City Lands Phase 6	-	-	-	500	-
Garden City Lands Phase 7	-	-	-	-	750
Hollybridge Pier Phase 2	-	-	2,000	-	-
Hugh Boyd Artificial Turf Sports Field - Turf Replacement	1,800	-	-	-	-

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
King George Artificial Turf Sports Fields - Turf Replacement	-	-	750	-	-
Lang Park Completion	-	200	-	-	-
London/Steveston Park Dog Park Phase 3	-	150	-	-	-
London Steveston Park Phase 2	300	-	-	-	-
Lulu Island Park	-	-	500	1,000	1,000
Minoru Bowling Green Artificial Turf Replacement	350	-	-	-	-
Minoru Oval - Artificial Turf Replacement	-	750	-	-	-
Minoru Park Central Amenity Space Development and Advancement of Richmond Cultural Plaza Renewal	-	-	-	750	-
Minoru Park La ^k es Renewal	1,750	-	-	-	-
Minoru Park Major Trail Upgrades	-	500	-	-	-
Park Characterization	-	-	-	-	200
Parks Advance Planning and Design	400	500	450	450	450
Parks Aging Infrastructure Replacement Program	550	350	350	350	350
Parks General Development	400	400	400	300	400
Parks Identity Signage Program	200	-	-	-	-
Paulik Park Development of New Lots	300	-	-	-	-
Playground Improvement Program	-	600	400	500	400
Steveston Community Park Playground Expansion	-	300	-	-	-
Trails Network Enhancements	-	-	-	-	350
West Cambie Park – Phase 2	770	-	1,030	-	-
Total Parks	\$7,620	\$4,750	\$6,380	\$3,850	\$3,900
Total Parks Program	\$11,620	\$8,750	\$10,380	\$5,850	\$5,900
Public Art Program					
Public Art					
Public Art Program	563	150	150	150	150
Total Public Art Program	\$563	\$150	\$150	\$150	\$150
Land Program					
Land					
Strategic Land Acquisition	10,000	10,000	10,000	5,000	5,000
Total Land Program	\$10,000	\$10,000	\$10,000	\$5,000	\$5,000
Affordable Housing					
Affordable Housing 2019 Operating Initiatives	350	-	-	-	-
Affordable Housing Projects - City-wide	200	400	400	400	400
Affordable Housing Projects - West Cambie	225	225	225	225	225
Total Affordable Housing	\$775	\$625	\$625	\$625	\$625
Equipment Program					
Vehicle Replacement					
Fleet Electrical Charging Infrastructure Installations	521	-	-	-	-
Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet)	3,741	2,637	2,528	2,334	3,995
Total Vehicle Replacement	\$4,262	\$2,637	\$2,528	\$2,334	\$3,995

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
Fire Vehicle					
Fire Vehicle Addition to Fleet	-	550	-	-	-
Fire Vehicle Replacement Reserve Purchases	2,521	166	1,185	1,221	1,257
Total Fire Vehicle	\$2,521	\$716	\$1,185	\$1,221	\$1,257
Information Technology					
Annual Hardware Refresh	468	365	455	460	516
Budget Planning and Monitoring Solution	1,000	-	-	-	-
Contract Life Cycle Management	623	-	-	-	-
Digital Strategy Initiatives	900	-	-	-	-
IPS Mobility - Enterprise Deployment	507	-	-	-	-
Network Infrastructure Core Refresh	481	-	-	-	-
Office 2016 Licensing	495	495	-	-	-
Total Information Technology	\$4,474	\$860	\$455	\$460	\$516
Equipment					
City Centre Community Centre North - Furniture, Fixtures and Equipment (FF&E) and OBI	-	-	1,320	-	-
Digital Radio Hardware and Licensing	147	-	-	-	-
Energy Management Projects ^{* Smart Cities}	-	550	550	550	550
Energy Management Projects - Gas Equipment Replacement and Upgrade Phase 1	675	-	-	-	-
Fire Equipment Replacement - Auto Extrication Equipment	170	-	-	-	-
Fire Equipment Replacement - Fire Hose	27	28	29	30	31
Fire Equipment Replacement from Reserve - Self Contained Breathing Apparatus Equipment	-	-	200	-	-
Total Equipment	\$1,019	\$578	\$2,099	\$580	\$581
Total Equipment Program	\$12,276	\$4,791	\$6,267	\$4,595	\$6,349
Child Care Program					
Child Care					
Child Care - Administration	100	-	-	-	-
Child Care Projects - City-wide (Capital Grants)	50	50	50	50	50
Child Care Projects - City-wide Non-Capital Grants	10	10	10	10	10
Total Child Care Program	\$160	\$60	\$60	\$60	\$60
Internal Transfers/Debt Payment					
Internal Transfers/Debt Payment					
12040 Horseshoe Way Repayment	525	525	525	525	525
7080 River Road Repayment	2,341	2,341	2,341	2,341	2,341
9540 Alexandra Road and 9560 Odlin Road	2,100	-	-	-	-
Nelson Road Interchange Repayment	385	385	386	-	-
River Road/North Loop (2005) Repayment	1,685	1,335	1,335	1,335	1,335
Shovel - Ready Grant (2009) Repayment Lansdowne Road Extension	78	-	-	-	-
City Centre Community Police Office	5,100	-	-	-	-
Total Internal Transfers/Debt Payment	\$12,214	\$4,586	\$4,587	\$4,201	\$4,201

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
Contingent External Contribution					
Contingent External Contribution					
Contingent External Contribution	10,000	10,000	10,000	10,000	10,000
Total Contingent External Contribution	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Grand Total	\$112,932	\$194,636	\$101,368	\$97,238	\$98,763
One-Time Fire Rescue Capital					
One-Time Fire Rescue Capital					
Fire Vehicles	2,050	-	-	-	-
Building Renovations – Fire Hall 2	110	-	-	-	-
Total One-Time Fire Rescue Capital	\$2,160	-	-	-	-
Total 2019 Capital + One-Time Fire Rescue Capital	\$115,092	\$194,636	\$101,368	\$97,238	\$98,763

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

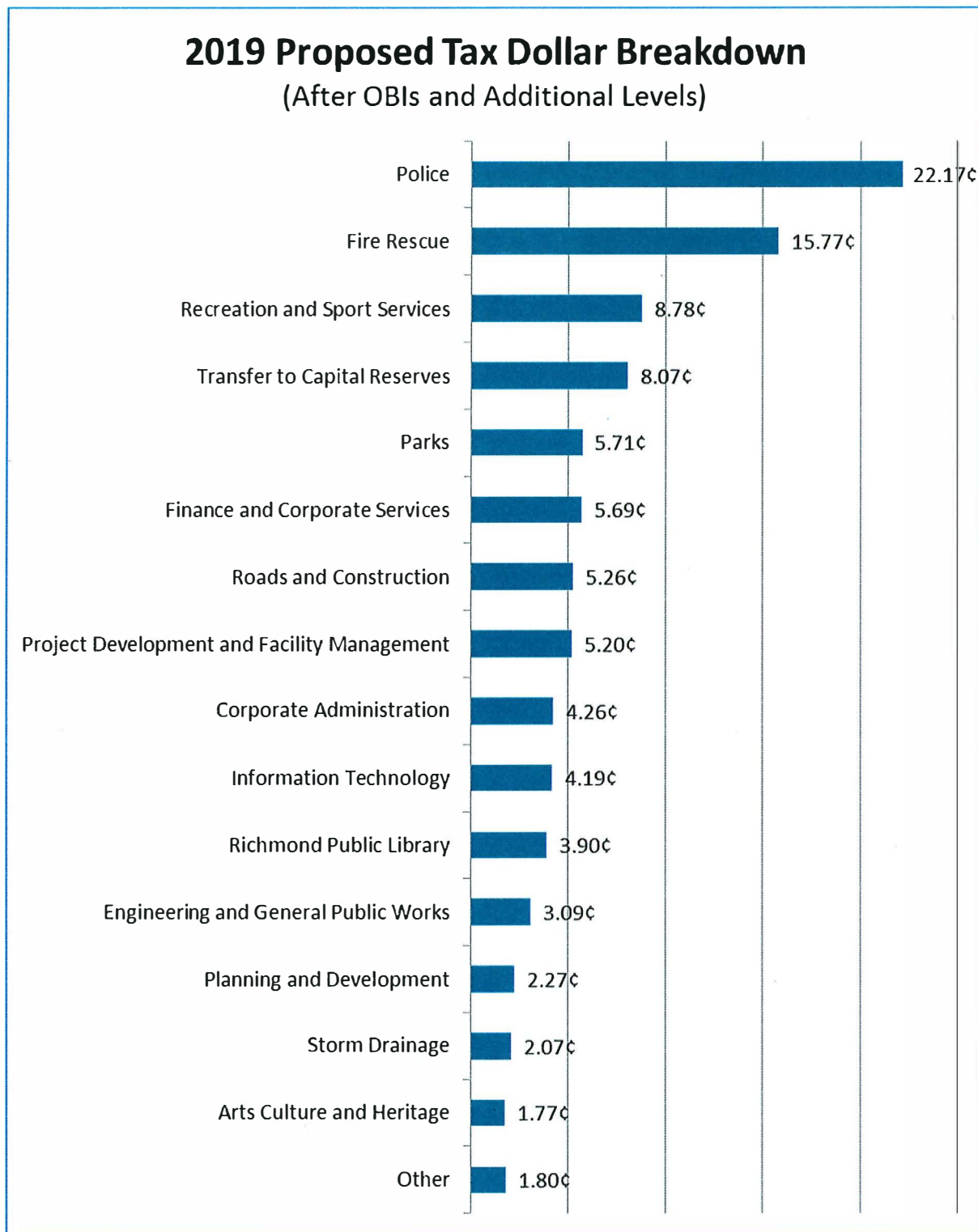
CITY OF RICHMOND
5 YEAR CAPITAL PLAN SUMMARY (2019 - 2023)
(in \$000s)

	2019	2020	2021	2022	2023
Infrastructure Program					
Roads	14,975	10,299	11,591	9,936	9,595
Drainage	11,242	14,454	14,578	16,755	23,408
Water	6,194	7,318	9,000	8,665	8,445
Sanitary Sewer	1,433	10,353	7,250	6,390	6,250
Infrastructure Advanced Design and Minor Public Works	3,955	3,880	3,780	3,780	3,780
Total Infrastructure Program	\$ 37,799	\$ 46,304	\$ 46,199	\$ 45,526	\$ 51,478
Building Program					
Building	17,635	109,370	13,100	21,231	15,000
Total Building Program	\$ 17,635	\$109,370	\$ 13,100	\$ 21,231	\$ 15,000
Parks Program					
Parks	7,620	4,750	6,380	3,850	3,900
Parkland	4,000	4,000	4,000	2,000	2,000
Total Parks Program	\$ 11,620	\$ 8,750	\$ 10,380	\$ 5,850	\$ 5,900
Public Art Program	\$ 563	\$ 150	\$ 150	\$ 150	\$ 150
Land Program	\$ 10,000	\$ 10,000	\$ 10,000	\$ 5,000	\$ 5,000
Affordable Housing	\$ 775	\$ 625	\$ 625	\$ 625	\$ 625
Equipment Program					
Vehicle	4,262	2,637	2,528	2,334	3,995
Fire Vehicle	4,571	716	1,185	1,221	1,257
Information Technology	4,474	860	455	460	516
Equipment	1,019	578	2,099	580	581
Total Equipment Program	\$ 14,326	\$ 4,791	\$ 6,267	\$ 4,595	\$ 6,349
Child Care Program	\$ 160	\$ 60	\$ 60	\$ 60	\$ 60
Internal Transfers/Debt Payment	\$ 12,214	\$ 4,586	\$ 4,587	\$ 4,201	\$ 4,201
Contingent External Contributions	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Capital Program	\$ 115,092	\$194,636	\$101,368	\$97,238	\$98,763

**CITY OF RICHMOND
CAPITAL FUNDING SOURCES (2019-2023)
(In \$000's)**

	2019	2020	2021	2022	2023
DCC Reserves					
Drainage DCC	466	464	-	-	1,057
Park Development DCC	3,903	2,869	1,740	2,822	2,774
Park Development DCC – West Cambie	724	-	969	-	188
Park Land Acquisition DCC	8,064	5,964	5,964	4,083	4,083
Roads DCC	8,898	6,405	8,052	5,788	5,791
Sanitary DCC	-	1,175	1,428	149	-
Water DCC	708	138	1,798	812	-
Total DCC	\$22,763	\$17,015	\$19,951	\$13,654	\$13,893
Statutory Reserves					
Affordable Housing	1,300	1,150	1,150	1,150	1,150
Capital Building and Infrastructure	14,821	60,369	10,450	20,131	11,600
Capital Reserve	15,383	57,951	16,399	9,312	7,778
Child Care	160	60	60	60	60
Drainage Improvement	11,428	13,904	14,383	17,314	22,380
Equipment Replacement	6,404	2,832	3,392	3,310	4,833
Leisure Facilities	7,611	5,400	2,000	-	3,400
Neighbourhood Improvement	184	-	-	-	-
Public Art Program	563	150	150	150	150
Sanitary Sewer	1,650	10,477	7,022	6,791	7,500
Watermain Replacement	7,388	7,556	7,689	8,234	8,655
Total Statutory Reserves	\$66,892	\$159,849	\$62,695	\$66,452	\$67,506
Other Sources					
Enterprise Fund	180	550	550	550	550
Grant and Developer Contribution	12,847	10,125	10,125	10,125	10,125
Other Sources	7,624	4,957	4,587	4,592	4,649
Rate Stabilization	3,536	-	1,320	-	-
Sewer Levy	300	50	100	-	50
Solid Waste and Recycling	300	300	300	300	300
Water Levy	650	1,790	1,740	1,565	1,690
Total Other Sources	\$25,437	\$17,772	\$18,722	\$17,132	\$17,364
Total Capital Program	\$115,092	\$194,636	\$101,368	\$97,238	\$98,763

2019 PROPOSED MUNICIPAL TAX DOLLAR





Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" which are attached and form part of this bylaw, are adopted as the Consolidated 5 Year Financial Plan (2019-2023).
2. 5 Year Consolidated Financial Plan (2018-2022) Bylaw 9663 and all associated amendments are repealed.
3. This Bylaw is cited as **"Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979"**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

MAYOR

CORPORATE OFFICER



SCHEDULE A:

CITY OF RICHMOND

CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)

REVENUE AND EXPENSES

(In \$000's)

	2019 Budget *	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Revenue:					
Taxation and Levies	229,903	248,731	265,395	278,436	296,153
User Fees	105,805	109,809	115,048	120,448	126,549
Sales of Services	41,977	42,253	42,946	43,504	44,069
Gaming Revenue	16,500	16,500	16,500	16,500	16,500
Investment Income	16,062	16,634	17,148	17,923	18,622
Payments In Lieu Of Taxes	14,200	14,626	15,065	15,532	16,013
Other Revenue	11,244	11,577	11,970	12,380	12,804
Licenses And Permits	11,107	11,324	11,544	11,779	12,020
Provincial and Federal Grant	8,362	8,387	8,449	8,513	8,579
Developer Contributed Assets	50,350	50,350	50,350	50,350	50,350
Development Cost Charges	22,764	17,015	19,951	13,654	13,893
Other Capital Funding Sources	12,847	10,125	10,125	10,125	10,125
	541,121	557,331	584,491	599,144	625,677
Expenses:					
Community Safety	112,526	117,553	124,192	127,398	130,683
Engineering and Public Works	74,568	71,393	72,738	74,212	75,582
Community Services	71,549	67,127	69,395	71,847	73,815
Finance and Corporate Services	29,010	26,192	26,842	27,466	28,104
Fiscal	22,708	21,446	22,436	23,511	27,553
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	11,208	10,866	11,114	11,380	11,651
Planning and Development Services	17,336	17,523	17,994	18,510	19,058
Utility Budget					
Water Utility	44,049	46,047	48,476	51,125	53,964
Sanitary Sewer Utility	33,258	34,730	37,254	39,705	42,659
Sanitation and Recycling	17,760	17,971	18,330	18,715	19,109
Richmond Public Library	11,037	11,244	11,455	11,681	11,911
Richmond Olympic Oval Corporation	16,595	16,905	17,223	17,562	17,909
	463,281	460,674	479,126	494,789	513,675
Annual Surplus	77,840	96,657	105,365	104,355	112,002

SCHEDULE A (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)
TRANSFERS
(In \$000's)**

	2019 Budget *	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Transfers:					
Debt Principal	4,951	5,150	5,355	5,570	5,793
Transfer To (From) Reserves	69,403	71,725	74,246	76,915	79,699
Transfer To (From) Surplus	(28,874)	(2,428)	1,680	4,901	9,001
Capital Expenditures - Current Year	115,092	194,636	101,368	97,238	98,763
Capital Expenditures - Prior Years	280,620	189,309	195,870	140,008	83,601
Capital Expenditures - Developer Contributed Assets	50,350	50,350	50,350	50,350	50,350
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	2,567	2,294	1,602	1,055	1,124
Capital Funding	(417,161)	(415,271)	(325,998)	(272,574)	(217,221)
Transfers/Amortization offset:	77,840	96,657	105,365	104,355	112,002
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	4.82%	6.69%	5.20%	3.91%	5.36%

* 2019 Budget includes recommended one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2020 through 2023 are base budgets to deliver the same level of service and do not include estimates of carryforwards or one-time expenditures that may be approved in future years.

SCHEDULE B:

CITY OF RICHMOND

5 YEAR FINANCIAL PLAN

CAPITAL FUNDING SOURCES (2019-2023)

(In \$000's)

	2019	2020	2021	2022	2023
DCC Reserves					
Drainage DCC	466	464	-	-	1,057
Park Development DCC	3,903	2,869	1,740	2,822	2,774
Park Development DCC – West Cambie	724	-	969	-	188
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Sanitary DCC	-	1,175	1,428	149	-
Water DCC	708	138	1,798	812	-
Total DCC	\$22,763	\$17,015	\$19,951	\$13,654	\$13,893
Statutory Reserves					
Affordable Housing	1,300	1,150	1,150	1,150	1,150
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Capital Reserve	15,383	57,951	16,399	9,312	7,778
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Total Other Sources	\$25,437	\$17,772	\$18,722	\$17,132	\$17,364
Total Capital Program	\$115,092	\$194,636	\$101,368	\$97,238	\$98,763

SCHEDULE C:

CITY OF RICHMOND

CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)

STATEMENT OF POLICIES AND OBJECTIVES

Revenue Proportions By Funding Source

Property taxes are the largest portion of revenue for any municipality. Taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as community safety, general government, libraries and park maintenance.

Objective:

- Maintain revenue proportion from property taxes at current level or lower

Policies:

- Tax increases will be at CPI + 1% for transfers to reserves
- Annually, review and increase user fee levels by consumer price index (CPI).
- Any increase in alternative revenues and economic development beyond all financial strategy targets can be utilized for increased levels of service or to reduce the tax rate.

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2019.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	50.5%
User Fees	23.3%
Sales of Services	9.2%
Gaming Revenue	3.6%
Investment Income	3.5%
Payments in Lieu of Taxes	3.1%
Licenses and Permits	2.4%
Provincial and Federal Grants	1.8%
Other	2.6%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)
STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the 2018 distribution of property tax revenue among the property classes. 2019 estimated roll figures will be received in March 2019.

Objective:

- Maintain the City's business to residential tax ratio in the middle in comparison to other municipalities. This will ensure that the City will remain competitive with other municipalities in attracting and retaining businesses.

Policies:

- Regularly review and compare the City's tax ratio between residential property owners and business property owners relative to other municipalities in Metro Vancouver.

Table 2: (Based on the 2018 Revised Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.19%
Business (6)	35.14%
Light Industry (5)	6.82%
Others (2,4,8 & 9)	1.85%
Total	100.00%

Permissive Tax Exemptions

Objective:

- Council passes the annual permissive exemption bylaw to exempt certain properties from property tax in accordance with guidelines set out by Council Policy and the Community Charter. There is no legal obligation to grant exemptions.
- Permissive exemptions are evaluated with consideration to minimizing the tax burden to be shifted to the general taxpayer.

Policy:

- Exemptions are reviewed on an annual basis and are granted to those organizations meeting the requirements as set out under Council Policy 3561 and Sections 220 and 224 of the *Community Charter*.