



To: General Purposes Committee

Date: April 8, 2005

From: Andrew Nazareth
Director of Finance

File:

Re: 5 YEAR FINANCIAL PLAN (2005-2009) BYLAW 7939

Staff Recommendation

That the 5 Year Financial Plan (2005-2009) Bylaw 7939 be introduced and given first, second and third readings

Andrew Nazareth
Director of Finance
(4365)

FOR ORIGINATING DIVISION USE ONLY

CONCURRENCE OF GENERAL MANAGER

REVIEWED BY TAG	YES <input type="checkbox"/>	N/A <input type="checkbox"/>
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REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
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Staff Report

Origin

A 5 Year Financial Plan provides City staff with the authority to pay for services for Richmond residents and to generate required revenues to cover the costs for the services through property taxation, users fees and other types of revenue. It also provides City staff with clear direction on spending levels and ensures that City staff are accountable to Council and the residents. The 5 Year Financial Plan is prepared in accordance with Section 165 of the Community Charter and must be adopted annually by bylaw before the annual property tax bylaw which has a deadline of May 15th.

Analysis

The 5 Year Financial Plan (2005-2009) (hereafter "5YFP") summarizes the City's projected financial plans for the next 5 year period. The 5YFP is critical in ensuring that the City is focused on the operations of the current year, but cognizant of the emerging and long-term requirements of the community. The 5YFP includes the City's operating, utilities and capital budgets and is based on a number of assumptions and the best available information to City staff at the time of preparation. Therefore, in some cases the figures that are used in calculating the budgets are estimates which means that less reliance can be placed upon the rate increases beyond 2005. However, this is mitigated by the fact that the 5YFP is also revised each year as new information becomes available.

Subsequent to Council's approval of the 2005 Capital plan, there were 3 reports brought forth to Council that increased the 2005 plan by a further \$3,126,500

- 6280 No 3 Road - \$363,000 (February 14, 2005 (REDMS No 1421616), \$200,000 April 8, 2005 (REDMS No 1464717)), funding from the Sanitary Sewer Utility reserve,
- Community Safety Building- \$563,500 (February 14, 2005 (REDMS No 1364463)), funding from the Capital Building Infrastructure reserve
- Terra Nova Park - \$2,000,000 will be included in the program, funding from the Provincial Government through the Infrastructure Grant program on March 8, 2005

For 2005 the increase in the property tax draw will represent a 1.98% average property tax rate increase over 2004. This has been driven primarily by community safety (net of traffic fine revenue sharing of \$1.4 M) related increases of \$2.6 million. Some of these increases have been mitigated by an increase in growth and user fees.

Financial Impact

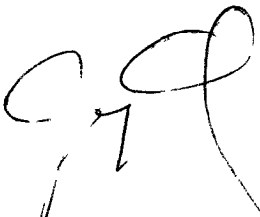
Based on the 5 Year Financial Plan (2005-2009), the City's overall tax base increase and corresponding average tax rate increases are as follows

Year	in 000's	%
2005	\$2,183	1.98
2006	\$3,411	2.97
2007	\$3,562	2.98
2008	\$3,681	2.97
2009	\$3,809	2.96

For the years 2006-2009 an additional 1% tax increase is to be utilized for transfers to reserves in order to fund future infrastructure needs

Conclusion

That Council introduce and give first, second and third readings to the 5 Year Financial Plan (2005-2009) Bylaw 7939



Jerry Chong
Manager of Budgets & Accounting
(4064)

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2005-2009)
(in 000's)

EXPENDITURES	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$
Municipal Debt					
Debt Interest	4,086	4,086	4,086	4,086	4,086
Debt Principal	3,034	3,186	3,345	3,512	3,688
Divisional Expenditures					
Community Safety	54,240	56,772	58,686	60,540	63,044
Parks Recreation & Cultural Services	37,063	38,176	39,330	40,608	41,780
Engineering & Public Works	26,490	27,226	27,965	28,687	29,417
Utilities (Water Sewer & Sanitation)	51,847	55,384	58,596	61,466	64,474
Finance & Corporate Services	13,873	14,230	14,517	14,812	15,107
Urban Development	9,266	9,424	9,652	9,884	10,117
Corporate Administration	2,557	2,625	2,689	2,753	2,818
Human Resources	2,184	2,219	2,249	2,280	2,311
Fiscal	15,340	17,154	18,168	19,429	20,487
Transfers To Funds					
Statutory Reserves	22,375	22,922	24,199	25,455	26,768
Capital Plan	115,558	108,159	137,196	46,638	49,776
TOTAL EXPENDITURES	357,913	361,563	400,678	320,150	333,873
REVENUES	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$
Property Taxes	114,829	120,145	125,614	131,135	136,841
Grants in Lieu of Taxes	9,889	10,166	10,382	10,599	10,815
Utilities (Water Sewer & Sanitation)	51,847	55,384	58,596	61,466	64,474
Fees & Charges	28,800	30,797	32,022	33,209	34,561
Other Revenues					
Provincial Revenue Sharing	3,772	3,693	3,440	3,456	3,530
Gaming Revenue	11,600	11,600	11,600	11,600	11,600
Fiscal Revenues	9,259	9,308	9,358	9,410	9,463
Investment Income	11,289	11,241	11,400	11,567	11,743
Penalties and Interest on Taxes	1,070	1,070	1,070	1,070	1,070
Capital Plan					
Transfer from DCC Reserve	16,886	10,119	11,126	13,074	10,510
Transfer From Other Funds and Reserves	98,672	98,040	126,070	33,564	39,266
TOTAL REVENUES	357,913	361,563	400,678	320,150	333,873
Proposed Property Tax Increase %	1.98%	2.97%	2.98%	2.97%	2.96%

**CITY OF RICHMOND
5 YEAR CAPITAL PLAN FUNDING SOURCES
2005-2009**

	2005	2006	2007	2008	2009
DCC Reserve					
Roads	\$4 200	\$3,648	\$4 525	\$4,952	\$4,853
Drainage	2 231	931	442	348	753
Sanitary Sewer	238	-	-	-	-
Water	40	-	200	199	102
Parks Acquisition	7,644	3,626	4 018	5,684	2,450
Parks Development	2,533	1,914	1 941	1,891	2 352
TOTAL	\$16,886	\$10,119	\$11,126	\$13,074	\$10,510
Other Funds and Reserves					
Statutory Reserves					
Affordable Housing Reserve Fund	\$1,500	\$1 000	\$500	\$-	\$-
Capital Building and Infrastructure Reserve Fund	4,651	8,424	31 446	1,988	463
Capital Reserve Fund	8 555	5 128	4,981	5 022	4,833
Child Care Development Reserve Fund	50	15	18	-	-
Drainage Improvement Reserve Fund	75	962	370	370	200
Equipment Replacement Reserve Fund	2 353	1 466	1,789	1 533	1 566
Local Improvements Reserve Fund	-	750	750	750	750
Neighbourhood Improvement Reserve Fund	790	-	-	-	-
Public Art Program Reserve Fund	-	100	100	-	-
Sanitary Sewer Reserve Fund	1 863	1 873	1 750	1 950	1 300
Waterfront Improvement Reserve Fund	700	800	900	1 000	1,000
Watermain Replacement Reserve Fund	5,281	6 044	6 206	5,810	6 921
Subtotal Statutory Reserves	\$25,818	\$26,562	\$48,810	\$18,423	\$17,033
Other Sources					
Appropriated Surplus	\$700	\$-	\$-	\$-	\$-
Gaming Revenues	6,931	7,000	7,075	2 075	2,075
Enterprise Fund Provision	-	125	-	-	-
Hamilton Community Association	-	25	-	-	-
Library Surplus	182	-	-	-	-
Other	59 700	60,026	66,672	9 350	17,950
Terra Nova Provision	500	500	1 000	1,000	1 000
Water Metering Provision	1 000	1 000	-	-	-
Grant & Developers	3 841	2 802	2 513	2,716	1 208
Subtotal Other Sources	\$72,854	\$71,478	\$77,260	\$15,141	\$22,233
TOTAL OTHER FUNDS & RESERVES	\$98,672	\$98,040	\$126,070	\$33,564	\$39,266
TOTAL CAPITAL PLAN CONTRIBUTIONS	\$115,558	\$108,159	\$137,196	\$46,638	\$49,776



CITY OF RICHMOND

5 YEAR FINANCIAL PLAN (2005 TO 2009)

BYLAW NO. 7939

EFFECTIVE DATE –

CITY OF RICHMOND

5 YEAR FINANCIAL PLAN (2005 - 2009) BYLAW 7939

The Council of the City of Richmond enacts as follows

- 1 Schedule "A" and Schedule "B" which are attached and form a part of this bylaw, are adopted as the 5 Year Financial Plan (2005 – 2009)
- 2 2004 to 2008 – 5 Year Financial Plan Bylaw No 7726 is repealed
- 3 This Bylaw is cited as "**5 Year Financial Plan (2005 – 2009) Bylaw 7939**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept
APPROVED for legality by Solicitor

MAYOR

CITY CLERK

SCHEDULE A to BYLAW 7939**CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2005-2009)**

(in 000's)

EXPENDITURES	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$
Municipal Debt					
Debt Interest	4 086	4 086	4 086	4 086	4 086
Debt Principal	3 034	3 186	3 345	3 512	3 688
Divisional Expenditures					
Community Safety	54 240	56 772	58 686	60 540	63 044
Parks Recreation & Cultural Services	37 063	38 176	39 330	40 608	41 780
Engineering & Public Works	26 490	27 226	27 965	28 687	29 417
Utilities (Water Sewer & Sanitation)	51 847	55 384	58 596	61 466	64 474
Finance & Corporate Services	13 873	14 230	14 517	14 812	15 107
Urban Development	9 266	9 424	9 652	9 884	10 117
Corporate Administration	2 557	2 625	2 689	2 753	2 818
Human Resources	2 184	2 219	2 249	2 280	2 311
Fiscal	15 340	17 154	18 168	19 429	20 487
Transfers To Funds					
Statutory Reserves	22 375	22 922	24 199	25 455	26 768
Capital Plan	115 558	108 159	137 196	46 638	49 776
TOTAL EXPENDITURES	357,913	361,563	400,678	320,150	333,873
REVENUES					
	\$	\$	\$	\$	\$
Property Taxes	114 829	120 145	125 614	131 135	136 841
Grants in Lieu of Taxes	9 889	10 166	10 382	10 599	10 815
Utilities (Water Sewer & Sanitation)	51 847	55 384	58 596	61 466	64 474
Fees & Charges	28 800	30 797	32 022	33 209	34 561
Other Revenues					
Provincial Revenue Sharing	3 772	3 693	3 440	3 456	3 530
Gaming Revenue	11 600	11 600	11 600	11 600	11 600
Fiscal Revenues	9 259	9 308	9 358	9 410	9 463
Investment Income	11 289	11 241	11 400	11 567	11 743
Penalties and Interest on Taxes	1 070	1 070	1 070	1 070	1 070
Capital Plan					
Transfer from DCC Reserve	16 886	10 119	11 126	13 074	10 510
Transfer From Other Funds and Reserves	98 672	98 040	126 070	33 564	39 266
TOTAL REVENUES	357,913	361,563	400,678	320,150	333,873
Proposed Property Tax Increase %	1 98%	2 97%	2 98%	2 97%	2 96%

SCHEDULE B to BYLAW 7939

CITY OF RICHMOND 5 YEAR CAPITAL PLAN FUNDING SOURCES 2005-2009

	2005	2006	2007	2008	2009
DCC Reserve					
Roads	\$4 200	\$3 648	\$4 525	\$4 952	\$4 853
Drainage	2 231	931	442	348	753
Sanitary Sewer	238	-			
Water	40		200	199	102
Parks Acquisition	7 644	3 626	4 018	5 684	2 450
Parks Development	2 533	1 914	1 941	1 891	2 352
TOTAL	\$16,886	\$10,119	\$11,126	\$13,074	\$10,510
Other Funds and Reserves					
Statutory Reserves					
Affordable Housing Reserve Fund	\$1 500	\$1 000	\$500	\$	\$
Capital Building and Infrastructure Reserve Fund	4 651	8 424	31 446	1 988	463
Capital Reserve Fund	8 555	5 128	4 981	5 022	4 833
Child Care Development Reserve Fund	50	15	18		
Drainage Improvement Reserve Fund	75	962	370	370	200
Equipment Replacement Reserve Fund	2 353	1 466	1 789	1 533	1 566
Local Improvements Reserve Fund		750	750	750	750
Neighbourhood Improvement Reserve Fund	790				
Public Art Program Reserve Fund		100	100		
Sanitary Sewer Reserve Fund	1 863	1 873	1 750	1 950	1 300
Waterfront Improvement Reserve Fund	700	800	900	1 000	1 000
Watermain Replacement Reserve Fund	5 281	6 044	6 206	5 810	6 921
Subtotal Statutory Reserves	\$25,818	\$26,562	\$48,810	\$18,423	\$17,033
Other Sources					
Appropriated Surplus	\$700	\$	\$	\$	\$
Gaming Revenues	6 931	7 000	7 075	2 075	2 075
Enterprise Fund Provision		125		-	
Hamilton Community Association		25			
Library Surplus	182				
Other	59 700	60 026	66 672	9 350	17 950
Terra Nova Provision	500	500	1 000	1 000	1 000
Water Metering Provision	1 000	1 000			
Grant & Developers	3 841	2 802	2 513	2 716	1 208
Subtotal Other Sources	\$72,854	\$71,478	\$77,260	\$15,141	\$22,233
TOTAL OTHER FUNDS & RESERVES	\$98,672	\$98,040	\$126,070	\$33,564	\$39,266
TOTAL CAPITAL PLAN CONTRIBUTIONS	\$115,558	\$108,159	\$137,196	\$46,638	\$49,776