



To: Richmond City Council

Date: April 5, 2007

From: Jerry Chong
Director Finance

File:

Re: 5 YEAR FINANCIAL PLAN (2007-2011) BYLAW 8216

Staff Recommendation

That the 5 Year Financial Plan (2007-2011) Bylaw 8216 be introduced and given first, second and third readings.

Jerry Chong
Director, Finance
(4064)

FOR ORIGINATING DIVISION USE ONLY					
ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER	
Law.....		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
REVIEWED BY TAG		YES	NO	REVIEWED BY CAO	
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	YES	NO
				<input checked="" type="checkbox"/>	<input type="checkbox"/>

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 rates bylaw which has a deadline of May 15th.

Analysis

The 5 Year Financial Plan (2007-2011) (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, while remaining 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 2007. However, this is mitigated by the fact that the 5YFP is also revised each year as new information becomes available.

For 2007 the increase in the property tax draw will represent a 3.65% average property tax rate increase over 2006. Included in 2007 is an additional \$1.0M for contributions to reserves and for years 2008-2011 a 1% increase.

The 2007 tax increase of 3.65 % is broken down as follows: City is 3.46%, Community Safety is 2.13% (RCMP 1.08%, Fire Rescue 1.05%), Transfer to Reserves .82% and is offset by net growth for the City at 2.75%.

Financial Impact

Based on the 5 Year Financial Plan (2007-2011), the City's overall tax base increase and corresponding average tax rate increases are as follows:

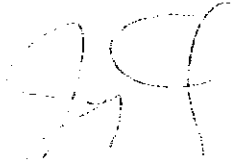
Year	in 000's	%
2007	\$4,445	3.65
2008	\$3,880	3.00
2009	\$4,136	3.03
2010	\$4,334	3.01
2011	\$4,568	3.00

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Conclusion

That Council introduce and give first, second and third readings to the 5 Year Financial Plan (2007-2011) Bylaw 8216.

A handwritten signature in black ink, appearing to read 'Jerry Chong', written in a cursive style.

Jerry Chong
Director, Finance

(4064)



CITY OF RICHMOND

5 YEAR FINANCIAL PLAN (2007 TO 2011)

BYLAW NO. 8216

EFFECTIVE DATE -



5 YEAR FINANCIAL PLAN (2007 - 2011) BYLAW 8216

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 (2007 - 2011).
2. 2006 to 2010 – 5 Year Financial Plan Bylaw No. 8068 is repealed.
3. This Bylaw is cited as "5 Year Financial Plan (2007 - 2011) Bylaw 8216".

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 8216
CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2007-2011)
(in 000's)

	2007	2008	2009	2010	2011
	\$	\$	\$	\$	\$
EXPENDITURES					
Municipal Debt:					
Debt Interest	3,085	3,085	3,085	3,085	3,085
Debt Principal	2,672	2,806	2,946	3,093	3,248
Divisional Expenditures:					
Community Safety	68,550	70,961	74,192	76,312	79,019
Parks, Recreation & Cultural Services	41,897	43,178	44,492	45,780	46,903
Engineering & Public Works	33,995	34,644	36,233	37,384	38,559
Utilities (Water, Sewer & Sanitation)	67,297	71,232	75,274	79,355	83,553
Business & Financial Services	6,518	6,672	6,821	6,981	7,135
Planning & Development	9,972	10,229	10,493	10,765	11,044
Corporate Administration	4,500	4,748	5,106	4,775	3,443
Corporate Services	12,552	12,932	13,228	13,532	13,845
Fiscal	16,825	19,722	20,466	22,872	25,859
Transfer to Statutory Reserves	22,409	23,704	25,070	26,512	28,033
Capital Plan	172,203	64,468	65,272	59,285	59,708
TOTAL EXPENDITURES	462,475	368,381	383,678	389,731	403,434
REVENUES					
Property Taxes	129,484	136,601	144,152	152,090	160,460
Grants in Lieu of Taxes	10,313	10,383	10,393	10,493	10,543
Utilities (Water, Sewer & Sanitation)	67,297	71,232	75,274	79,355	83,553
Fees & Charges	35,894	36,454	37,979	39,259	40,623
Other Revenues:					
Provincial Revenue Sharing	4,212	4,212	4,257	4,289	4,328
Gaming Revenue	11,000	11,002	11,022	11,043	11,065
Fiscal Revenues	22,688	24,633	24,921	24,498	23,718
Investment Income	8,374	8,386	8,393	8,399	8,406
Penalties and Interest on Taxes	1,010	1,010	1,015	1,020	1,030
Capital Plan:					
Transfer from DCC Reserve	19,057	15,548	18,647	15,854	15,731
Transfer From Other Funds and Reserves	153,146	48,920	46,625	43,431	43,977
TOTAL REVENUES	462,475	368,381	382,678	389,731	403,434
Proposed Property Tax Increase %	3.65%	3.00%	3.03%	3.01%	3.00%

SCHEDULE B to BYLAW 8216

CITY OF RICHMOND
PROPOSED 5 YEAR CAPITAL PLAN FUNDING SOURCES
2007 – 2011
(in \$000's)

	2007	2008	2009	2010	2011
	\$	\$	\$	\$	\$
<u>DCC Reserve</u>					
Drainage	164	458	1,737	464	1,478
Parks Acquisition	10,780	6,076	4,900	4,508	4,312
Parks Development	3,430	3,577	3,994	2,793	2,597
Roads	3,824	4,675	7,149	7,007	6,280
Sanitary Sewer	197	190	197	190	187
Water	662	572	670	892	877
TOTAL	19,057	15,548	18,647	15,854	15,731
<u>Reserves and Other Sources</u>					
<u>Statutory Reserves</u>					
Affordable Housing Reserve Fund	1,300	400	400	400	400
Capital Building and Infrastructure Reserve Fund	7,835	1,876	-	-	1,900
Capital Reserve fund	61,148	10,990	9,712	10,729	9,795
Child Care Development Reserve Fund	45	16	16	16	16
Drainage Improvement Reserve Fund	3,524	3,176	4,003	1,396	5,094
Equipment Replacement Reserve Fund	2,593	1,989	1,843	1,600	2,920
Local Improvements Reserve Fund	500	500	500	500	500
Public Art Program Reserve Fund	100	100	-	-	-
Sanitary Sewer Reserve Fund	2,735	2,216	2,359	2,334	2,157
Watermain Replacement Reserve Fund	6,516	5,808	5,929	5,851	5,670
Subtotal Statutory Reserves	86,296	27,071	24,762	22,826	28,452
<u>Other Sources</u>					
Appropriated Surplus/Surplus	44,987	17,687	18,050	17,800	15,000
Grant, Developer and Community Contributions	19,863	2,162	1,813	2,805	525
Water Metering Provision	2,000	2,000	2,000	-	-
Subtotal Other Sources	66,850	21,849	21,863	20,605	15,525
TOTAL RESERVES & OTHER SOURCES	153,146	48,920	46,625	43,431	43,977
TOTAL CAPITAL PLAN CONTRIBUTIONS	172,203	64,468	65,272	59,285	59,708



City of Richmond

Memorandum

To: Richmond City Council
Date: April 5, 2007

From: Andrew Nazareth
General Manager, Business & Financial Services
File:

Re: 5 year Financial Plan (2007-2011) Public Consultation

On April 4th at 5:30 pm a Public Consultation meeting was held with regard to the 5 Year Financial Plan (2007-2011) as mandated by Section 166 of the Community Charter. The meeting was advertised in both local newspapers and an information package was available at the Front Counter of City Hall, on the City's web site and by request.

A Powerpoint presentation was prepared which would have been followed by an open session with Mr. Jerry Chong, Director of Finance and myself available to take questions or any feedback. Although numerous information packages were requested, only two people attended the meeting - Councillor Rob Howard and a staff member.

After a brief discussion the meeting was adjourned at 6:05 pm.

Andrew Nazareth
General Manager, Business & Financial Services

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