



City of Richmond

Report to Council

To: Richmond City Council

Date: April 24, 2006

From: Jerry Chong
Acting Director, Finance

File:

Re: 5 YEAR FINANCIAL PLAN (2006-2010) BYLAW 8068

Staff Recommendation

That the 5 Year Financial Plan (2006-2010) Bylaw 8068 be introduced to Council for first, second and third readings.

Jerry Chong
Acting 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 <input checked="" type="checkbox"/> NO <input type="checkbox"/> <i>DW</i>	REVIEWED BY CAO	YES <input checked="" type="checkbox"/> NO <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 (2006-2010) (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 2006. However, this is mitigated by the fact that the 5YFP is also revised each year as new information becomes available.

For 2006 the increase in the property tax draw will represent a 3.98% average property tax rate increase over 2005. Included in 2006 and subsequent years is an additional 1% increase for contributions to reserves.

The 2006 tax increase of 3.98 % is broken down as follows: City is 2.91%, Community Safety is 2.07% (RCMP 1.60%, Fire Rescue 0.47%), Transfer to Reserves 1.00% and is offset by net growth for the City at 2.00%

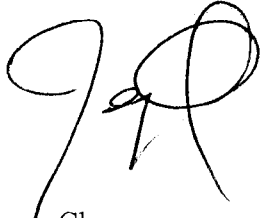
Financial Impact

Based on the 5 Year Financial Plan (2006-2010), the City's overall tax base increase and corresponding average tax rate increases are as follows:

Year	in 000's	%
2006	\$4,566	3.98
2007	\$3,777	3.11
2008	\$3,837	3.02
2009	\$4,033	3.07
2010	\$4,466	3.28

Conclusion

That Council introduce and give first, second and third readings to the 5 Year Financial Plan (2006-2010) Bylaw 8068.

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

Jerry Chong
Acting Director, Finance
(4064)



CITY OF RICHMOND

5 YEAR FINANCIAL PLAN (2006 TO 2010)

BYLAW NO. 8068

EFFECTIVE DATE –

CITY OF RICHMOND

5 YEAR FINANCIAL PLAN (2006 - 2010) BYLAW 8068

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 (2006 – 2010).
2. 2005 to 2009 – 5 Year Financial Plan Bylaw No. 7939 is repealed.
3. This Bylaw is cited as "5 Year Financial Plan (2006 – 2010) Bylaw 8068".

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 8068

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2006-2010)
(\$ in 000's)

	2006	2007	2008	2009	2010
	\$	\$	\$	\$	\$
EXPENDITURES					
Municipal Debt:					
Debt Interest	4,006	4,006	4,006	4,006	4,006
Debt Principal	3,186	3,345	3,512	3,688	3,872
Divisional Expenditures:					
Community Safety	56,934	59,224	61,681	64,252	66,943
Parks, Recreation & Cultural Services	37,591	38,495	39,476	40,478	41,411
Engineering & Public Works	31,159	32,475	34,075	35,628	37,084
Utilities (Water, Sewer & Sanitation)	56,390	60,442	63,280	67,405	71,647
Finance & Corporate Services	14,060	14,410	14,785	15,165	15,556
Planning & Development	10,071	10,292	10,524	10,761	11,003
Corporate Administration	3,870	3,964	4,060	4,157	4,256
Human Resources	2,221	2,251	2,283	2,315	2,348
Fiscal	17,289	17,747	18,306	18,681	18,885
Transfer to Statutory Reserves	20,153	21,370	22,632	23,940	25,295
Capital Plan	113,021	95,620	72,535	39,988	37,217
TOTAL EXPENDITURES	369,951	363,641	351,155	330,464	339,523
REVENUES					
Property Taxes	121,692	127,470	133,282	139,294	145,734
Grants in Lieu of Taxes	10,094	10,209	10,409	10,489	10,589
Utilities (Water, Sewer & Sanitation)	56,390	60,442	63,280	67,405	71,647
Fees & Charges	37,111	37,972	39,585	41,165	42,763
Other Revenues:					
Provincial Revenue Sharing	4,089	4,089	4,089	4,089	4,089
Gaming Revenue	10,500	10,500	10,500	10,500	10,500
Fiscal Revenues	7,810	7,972	8,024	8,084	7,534
Investment Income	8,285	8,408	8,490	8,490	8,490
Penalties and Interest on Taxes	960	960	960	960	960
Capital Plan:					
Transfer from DCC Reserve	21,981	14,531	14,576	11,297	11,400
Transfer from Reserves	31,574	30,939	26,491	27,632	22,208
Transfer From Other Sources	59,465	50,149	31,469	1,059	3,609
TOTAL REVENUES	369,951	363,641	351,155	330,464	339,523
Proposed Property Tax Increase %	3.98%	3.11%	3.02%	3.07%	3.28%

SCHEDULE B to BYLAW 8068

**CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2006-2010)
CAPITAL FUNDING SOURCES**

	2006	2007	2008	2009	2010
	\$	\$	\$	\$	\$
<u>DCC Reserve</u>					
Drainage	902	149	277	1,674	913
Parks Acquisition	7,497	7,840	7,644	2,450	2,450
Parks Development	3,327	2,774	2,891	3,406	4,273
Roads	8,367	3,768	3,764	3,768	3,764
Sanitary Sewer	618	-	-	-	-
Water	1,270	-	-	-	-
TOTAL	21,981	14,531	14,576	11,297	11,400
<u>Reserves and Other Sources</u>					
<u>Statutory Reserves</u>					
Affordable Housing Reserve Fund	1,000	1,000	-	-	-
Capital Building and Infrastructure Reserve Fund	5,842	-	1,100	4,463	-
Capital Reserve Fund	11,706	11,726	10,271	5,679	4,986
Child Care Development Reserve Fund	50	45	-	-	-
Drainage Improvement Reserve Fund	1,690	3,733	3,244	3,296	3,106
Equipment Replacement Reserve Fund	1,466	3,093	1,545	2,112	2,255
Local Improvements Reserve Fund	788	750	750	750	750
Neighbourhood Improvement Reserve Fund	410	-	-	-	-
Public Art Program Reserve Fund	100	100	100	-	-
Sanitary Sewer Reserve Fund	2,086	1,750	1,700	1,850	1,000
Steveston Road Ends Reserve Fund	650	-	-	-	-
Waterfront Improvement Reserve Fund	800	-	-	-	-
Watermain Replacement Reserve Fund	4,987	8,743	7,781	9,481	10,111
Subtotal Statutory Reserves	31,574	30,939	26,491	27,632	22,208
<u>Other Sources</u>					
Appropriated Surplus/Surplus	46,519	46,138	29,510	500	3,500
Grant, Developer and Community Contributions	11,456	4,011	1,959	559	109
Water Metering Provision	1,491	-	-	-	-
Subtotal Other Sources	59,465	50,149	31,469	1,059	3,609
TOTAL OTHER FUNDS & RESERVES	91,040	81,089	57,959	28,691	25,817
TOTAL CAPITAL PLAN CONTRIBUTIONS	113,021	95,620	72,535	39,988	37,217



City of Richmond

Memorandum

To: Mayor and Councillors
From: Andrew Nazareth
General Manager, Finance
Date: April 21, 2006
File: 03-0970-01/2006-Vol 01
Re: **5 year Financial Plan (2006-2010) Public Consultation**

On March 12th at 5:30 pm we held a Public Consultation meeting regarding the 5 Year Financial Plan (2006-2010) as mandated by Section 166 of the Community Charter. The meeting was advertised in both local papers and an information package was made available at the front counter, on the City's web site and by request.

Two information packages were picked up and two people showed up for the meeting itself. The meeting started with a Powerpoint presentation and was followed by an open session with Mr. Jerry Chong, Acting Director of Finance and myself available to take questions or comments.

The only pertinent questions we received were about the capital funding for the Olympic Oval. A specific concern expressed was that this capital project was impacting taxes.

This misconception was clarified for the attendees as we explained that the majority of the funding sources were actually a direct result of the Oval itself, specifically, \$60 million from VANOC, the value from the sale of the adjacent Oval lands which has been increased by the Master Plan for the site and the Parking Precinct fee. Other sources being used are development cost charges for the park portion and casino revenues.

Other than the above there was no objection to the 5YFP (2006-2010).

The meeting adjourned at 6:35 pm.

Andrew Nazareth
General Manager, Finance

:naw