



# City of Richmond

## Report to Committee

**To:** Finance Committee **Date:** August 22, 2019  
**From:** Andrew Nazareth **File:** 03-0975-01/2019-Vol  
 General Manager, Finance and Corporate 01  
 Services  
**Re:** **Amendments to the Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979**

### Staff Recommendation

That the Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979, Amendment Bylaw No. 10078, which incorporates and puts into effect the changes as outlined in the staff report titled "Amendments to the Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979" dated August 22, 2019, from the General Manager, Finance and Corporate Services, be introduced and given first, second and third readings.

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

Att. 4

| <b>REPORT CONCURRENCE</b>                                    |                                     |  |                                     |
|--|-------------------------------------|--|-------------------------------------|
| <b>ROUTED TO:</b>  | <b>CONCURRENCE</b>                  | <b>ROUTED TO:</b>                          | <b>CONCURRENCE</b>                  |
| Community Bylaws   | <input checked="" type="checkbox"/> | Parks Services                             | <input checked="" type="checkbox"/> |
| Community Recreation Services                                | <input checked="" type="checkbox"/> | Real Estate Services                       | <input checked="" type="checkbox"/> |
| Community Safety   | <input checked="" type="checkbox"/> | Roads & Construction                       | <input checked="" type="checkbox"/> |
| Community Social Services                                    | <input checked="" type="checkbox"/> | Sanitary Sewer Utility                     | <input checked="" type="checkbox"/> |
| Emergency Programs   | <input checked="" type="checkbox"/> | Sanitation and Recycling                   | <input checked="" type="checkbox"/> |
| Engineering  | <input checked="" type="checkbox"/> | Sustainability and Energy Management       | <input checked="" type="checkbox"/> |
| Facilities   | <input checked="" type="checkbox"/> | Transportation                             | <input checked="" type="checkbox"/> |
| Fire Services  | <input checked="" type="checkbox"/> | Water Utility                              | <input checked="" type="checkbox"/> |
| Human Resources  | <input checked="" type="checkbox"/> |  |                                     |
| Information Technology                                       | <input checked="" type="checkbox"/> |  |                                     |
| Law  | <input checked="" type="checkbox"/> |  |                                     |
|  |                                     | <b>CONCURRENCE OF GENERAL MANAGER:</b><br> |                                     |
| <b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b> |                                     | <b>INITIALS:</b> <b>APPROVED BY CAO</b>    |                                     |

## Staff Report

### Origin

The Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979 was adopted on March 11, 2019. Included in the Consolidated 5 Year Financial Plan (5YFP) are the City's 2019 Capital, Utility and Operating Budgets. In addition, the Consolidated 5YFP includes the budgets of Richmond Olympic Oval Corporation and Richmond Public Library. The following budget amendments are for the 2019 Capital, Utility and Operating Budgets of the City.

Subsection 165(2) of the *Community Charter* allows for amendments of the financial plan by bylaw and Section 137(1) (b) directs that the power to amend or repeal must be exercised by bylaw and is subject to the same approval and other requirements, if any, as the power to adopt a new bylaw under that authority. Section 166 states that a council must undertake a process of public consultation regarding the proposed financial plan before it is adopted.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

*5.2 Clear accountability through transparent budgeting practices and effective public communication.*

### Analysis

Subsequent to the adoption of the 5YFP, new projects and changes to previously established programs have occurred. Individual staff reports detailing these amendments have been presented to Council for approval.

Also, amendments resulting from additional grant funding and contributions, re-classification of expenditures or unexpected expenditures are presented in accordance with Policy 3001 - Budget Amendments.

The current expenditure bylaw does not include these amounts and in order to comply with Section 173 of the *Community Charter*, the 5YFP needs to be amended to have authority to incur these expenditures. There is no tax impact for any of these amendments.

The Council approved changes to the 2019-2023 5YFP presented in order of Council meeting dates, are:

1. a) At the Council meeting on November 26, 2018, Council approved the following:
  - (1) *That the application to the Union of British Columbia Municipalities (UBCM) 2019 Age-friendly Communities Grant Program for \$25,000 in the Age-friendly Assessments, Action Plans and Planning Category be endorsed; and*
  - (2) *That should the funding application be successful, the Chief Administrative Officer and a General Manager be authorized to enter into agreement with the*

*UBCM for the above mentioned project and the Consolidated 5-Year Financial Plan (2019-2023) be updated accordingly.*

On February 4, 2019, Council was notified that the City has received the \$25,000 from the Union of British Columbia Municipalities (UBCM) 2019 Age-friendly Communities Grant Program to advance the work towards making Richmond an age-friendly community. The receipt was subsequent to the adoption of the Consolidated 5-Year Financial Plan (2019-2023), therefore the budget has been amended. The 2019 Community Services Operating Budget will be increased by \$25,000.

b) At the Council meeting on January 28, 2019, Council approved the following:

- (1) That Option 2 of the staff reported titled, "Recycling Depot – Potential Eco Centre Upgrade Options" from the Director, Public Works Operations dated January 16, 2019, be endorsed; and*
- (2) That the City's Consolidated 5 Year Financial Plan (2019-2023) be amended to include \$1,226,000 for the Recycling Depot – potential eco centre upgrade as presented under Option 2 of the staff report entitled "Recycling Depot – Potential Eco Centre Upgrade Options", funded from the Sanitation and Recycling provision.*

Option 2 modernizes the Recycling Depot site, improves operational flows, and helps the City keep pace with growing demands for recycling drop off services and increasing user growth. The 2019 Capital Budget – Building Program will be increased by \$1,226,000 funded from the Sanitation and Recycling Provision for one-time costs of these improvements.

c) At the Council meeting on April 8, 2019, Council approved the following:

- (1) That the application to the Union of British Columbia Municipalities Community Emergency Preparedness Fund for up to \$25,000 in grant funding to support the Emergency Operations Centres & Training for Emergency Programs be endorsed;*
- (2) That the application to the Union of British Columbia Municipalities Community Emergency Preparedness Fund for up to \$150,000 in grant funding to support the Flood Risk Assessment, Flood Mapping & Flood Mitigation Planning be endorsed;*
- (3) That should the funding application be successful, the Chief Administrative Officer and the General Manger, Community Safety and the General Manager, Engineering and Public Works be authorized to execute the agreements on behalf of the City of Richmond with the UBCM; and*
- (4) That should the funding application be successful, the 2019-2023 Five Year*

*Financial Plan Bylaw be adjusted accordingly.*

The 2019 Community Safety Operating Budget will be increased by \$24,777 for funding approved by the Union of British Columbia Municipalities to support the Emergency Operations Centres and Training for Emergency Programs.

d) At the Closed Council meeting held on April 23, 2019, Council approved a transfer of \$1,400,000 from the Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency project to the RCMP Enhanced City Centre Community Police Office project. This transfer is included in Table 2 as item 3a.

e) At the Council meeting on May 27, 2019, Council approved the following:

*(1) That the work plan outlined in the staff report titled, "Integrating Circular Economy Criteria into City Procurements", dated March 20, 2019 from the Senior Manager, Sustainability and District Energy, be endorsed; and*

*(2) That expenditures in the amount of \$150,000 be approved, with funding from the Carbon Tax provision, and that the 5-Year Financial Plan (2019-2023) be amended accordingly.*

The 2019 Engineering and Public Works Operating Budget will be increased by \$150,000 funded from the Carbon Tax Provision for developing the approach to integrate circular economy criteria into the City procurements policy to support future population growth in a sustainable manner.

f) At the Council meeting on May 27, 2019, Council approved the following:

*(1) That Program Option 3 be approved, as outlined in the staff report titled "Richmond Lawn Bowling Clubhouse Program Options," dated April 26, 2019, from the Director, Recreation and Sport Services and the Acting Director, Facilities;*

*(2) That the additional amount of \$1.30 million, as described in the staff report titled "Richmond Lawn Bowling Clubhouse Program Options," dated April 26, 2019, from the Director, Recreation and Sport Services and the Acting Director, Facilities, be funded by the Rate Stabilization Fund (\$1.21 million) and the Richmond Lawn Bowling Club (\$90,000), and the Consolidated 5 Year Financial Plan (2019-2023) be amended accordingly.*

Program Option 3 includes the construction of 4,900 square foot replacement clubhouse. The 2019 Capital Budget – Building Program will be increased by \$1,300,000 with \$1,210,000 funded from the Rate Stabilization Provision and \$90,000 contributed by the Richmond Lawn Bowling Club.

- g) At the Closed Council meeting held on July 8, 2019, Council approved an increase to the Community Safety Operating budget of \$542,730 funded by Sales of Services.
- h) At the Closed Council meeting held on July 22, 2019, Council approved a rental income increase. The 2019 Capital Budget - Building Program will be increased by \$330,000 and the 2019 Operating Budget of Rental Properties will be increased by \$103,500 funded by a rental income increase of \$433,500.
- i) At the Council meeting on July 22, 2019, Council approved the following:
- (2) That the implementation plans for plastic straws and plastic bags, as outlined in Attachments 1 and 2 of the staff report dated July 5, 2019 titled, "Single-Use Plastic and Other Items Bylaw Bans and Implementation Plans" from the Director, Public Works Operations, with funding in the amount of \$260,000, from the Sanitation and Recycling provision, be approved;*
  - (6) That staff be authorized to access up to \$100,000 of the \$300,000 as previously approved at the May 21, 2019 Special Council Meeting, to undertake the Community Engagement Plan forthwith as outlined in the memorandum to Mayor and Councillors titled "Revised Single-Use Plastic and Other Items Community Engagement Plan and Bylaw" dated July 18, 2019 on the understanding staff will report on progress in due course and seek Council approval for any additional expenditures; and*
  - (7) That the Consolidated 5 Year Financial Plan (2019 – 2023) be amended to include \$300,000, with funding from the Sanitation and Recycling provision.*

The 2019 Solid Waste and Recycling Operating Budget will be increased by \$560,000 funded from the Sanitation and Recycling Provision for implementation of the following:

- ban on single-use plastic bags and straws (\$260,000); and
- ban on foam cups, plates and take-out containers (\$300,000).

- j) At the Council meeting on September 9, 2019, Council approved the following:
- (1) The expansion of 20 public electric vehicle charging ports at a cost of \$700,000 funded by the Gas Tax Provision be approved;*
  - (2) The application to Natural Resources Canada's 2019 Zero Emission Vehicle Infrastructure Program for up to \$100,000 in grant funding be approved;*
  - (5) That the Consolidated 5 Year Financial Plan (2019-2023) be amended accordingly.*

The 2019 Capital Budget – Equipment Program will be increased by \$700,000 funded from the Gas Tax Provision for the expansion of 20 public electric vehicle charging ports. If the \$100,000 grant funding application to Natural Resources Canada's 2019

Zero Emission Vehicle Infrastructure Program is successful, the funding received will offset the funding from the Gas Tax Provision.

During the year, the Consolidated 5 Year Financial Plan Bylaw may require Capital Budget amendments due to external contributions or unanticipated expenditures. The amendments are as follows:

2. a) i. Increase the scope of existing programs and projects by a total of \$1,433,653 from external funding received or anticipated to be received from various sources including developers, grants, etc. The Capital Budget is proposed to be amended as follows:

**Table 1: Various Grants and External Sources** (in \$000's)

| Capital Programs | Amounts        |
|------------------|----------------|
| Roads            | \$723          |
| Building         | 382            |
| Equipment        | 300            |
| Parks            | 28             |
| Drainage         | 1              |
| <b>Total</b>     | <b>\$1,434</b> |

- ii. The Consolidated 5 Year Financial Plan includes an estimate of \$10,000,000 in Contingent Capital Grants, which may be received throughout the year for various projects. Spending is only incurred if the funds are confirmed. Once the funds are confirmed, the amount is transferred into the applicable capital program as summarized above. A total of \$1,433,653 has been received and transferred to the above programs to date.
- b) Increase the 2019 Capital Budget – Building Program by \$715,000 funded by the Corporate Provision for minor building capital improvement projects.
- c) The 2019 Capital Budget – Roads Program, Annual Asphalt Re-Paving Program – MRN (2019) project will be increased by \$500,000 funded by the MRN Rehabilitation Provision for the road works to be completed at 10000 Block Alderbridge Way.

3. The following reallocations within previously approved capital projects are summarized in the following table:

**Table 2: Capital Budget Reallocations** (in \$000's)

|     | Program      | Transfer From   | Transfer To                                       | Amount |
|-----|--------------|---|---|--------|
| 3a* | Building     | Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency (2014) | Enhanced City Centre Police Office (2018)         | 1,400  |
| 3b  | Land         | Strategic Land Acquisition (2016)   | Strategic Land Acquisition (2015)                 | 177    |
| 3c  | Fire Vehicle | Fire Vehicle Replacement Reserve Purchases (2016 & 2017)  | Fire Vehicle Replacement Reserve Purchases (2018) | 164    |



|                                   | <b>Program</b>        | <b>Transfer From</b>                                      | <b>Transfer To</b>  | <b>Amount</b>  |
|-----------------------------------|-----------------------|---|---|----------------|
| 3d                                | Minor Capital & Roads | Public Works Minor Capital - Roads (2019)                 | Annual Asphalt Re-Paving Program - Non-MRN (2019)   | 91             |
| 3e                                | Parks                 | Garden City Lands Phase 1 (2015)                          | Garden City Lands - Phase 2 (2016)  | 70             |
| 3f                                | Building              | Community Safety Building Replacement - Bridgeport (2005) | Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency (2014) | 34             |
| 3g                                | Roads                 | Annual Asphalt Re-Paving Program - Non-MRN (2018)         | Annual Asphalt Re-Paving Program - Non-MRN (2016)   | 9              |
| 3h                                | Equipment             | Wifi Network Expansion (2017)                             | Server Refresh (2017)   | 6              |
| 3i                                | Roads                 | Annual Asphalt Re-Paving Program - MRN (2016)             | Annual Asphalt Re-Paving Program - MRN (2018)   | 5              |
| 3j                                | Building              | Direct Digital Control Upgrade and Consolidation (2016)   | Direct Digital Control Upgrade & Consolidation Phase 3 (2017)                                     | 3              |
| 3k                                | Building              | Project Development Advanced Design (2016)                | Contribution for Childcare Management (2015)  | 3              |
| 3l                                | Equipment             | Parking Meter Replacement (Pay-Station) (2013)            | Bylaws License Plate Recognition (LPR) System (2016)  | 1              |
| <b>Total Budget Reallocations</b> |                       |   |   | <b>\$1,963</b> |

\* 3a relates to item 1d on Page 4.

4. Budget Amendment Policy 3001 states that changes to salaries be reported to the Committee. The following amendments will result in no net increase to the 2019 Operating Budget:
  - a) Reallocate \$400,000 within the Project Development Operating Budget from public works labour to auxiliary salaries for multiple auxiliary positions.
  - b) Fund a regular full time Amenity Project Manager position for providing oversight on the amenity delivery process under the 2019 Project Development Operating Budget for \$41,091 funded by the 5% Project Management Fee collected on rezoning projects.
  - c) Reallocate \$12,080 within the Energy Management Operating Budget from consulting to public works labour for electrical work to be performed by City staff.
  
5. Budget Amendment Policy 3001 states that increases in City’s expenditures are only permitted where funding is from sources other than taxation and utility fees. The following amendments to the Operating and Utility Budget are funded by external grants, contributions, transfer of existing budget resources, or funding from provisions and has no tax impact:
  - a) Increase the Facility Management Operating Budget by \$1,034,162 for the following:
    - i) \$534,162 funded by the Corporate Provision for maintenance contract services;
    - ii) \$500,000 funded by the Additional Level Provision for maintenance contract services.
  - b) Increase the Roads Operating Budget by \$527,158 funded by the grant received from the Translink for the operation, maintenance, and general rehabilitation of the Major Road Network (MRN) due to an increase of Translink’s 2019 funding rate, which includes the

following:

- i) increase the public works materials by \$292,328; and
- ii) increase the public works labour by \$234,830.
- c) Increase the sewer debt levy required to be collected on behalf of Greater Vancouver Sewerage and Drainage District by \$369,221 based on the final levies.
- d) Increase the Snow and Ice Control Operating Budget by \$320,000 funded by the Sanding and Salting Provision for projected operational needs.
- e) Increase the Human Resources Operating Budget by \$100,000 by the Arbitration Provision for arbitration and legal expenditures.

### Financial Impact

The proposed 2019 budget amendments have **no tax impact**. Each of these annual budgets combines to form part of the 2019-2023 5YFP. The 2019-2023 5YFP Amended Bylaw and Amended Capital Program can be found in Attachments 1 - 3.

| <b>Table 3 Capital Budget – Summary of Changes (in \$000's)</b> |  | <b>Reference</b> |                  |
|---|--|------------------|------------------|
| <b>Capital Budget as at March 11, 2019</b>                      |  |                  | <b>\$115,092</b> |
| 1   | Various Grants & External Sources                                | 2a.i             | 1,434            |
| 2   | Contingent External Contributions                                | 2a.ii            | (1,434)          |
| 3   | Lawn Bowling Clubhouse Option 3                                  | 1f               | 1,300            |
| 4   | Recycling Depot - Eco Centre Upgrade                             | 1b               | 1,226            |
| 5   | Increase Capital for Minor Building Capital Improvement Projects | 2b               | 715              |
| 6   | Public Electric Vehicle Charging Expansion                       | 1j               | 700              |
| 7   | 10000 Block Alderbridge Way Road Works                           | 2c               | 500              |
| 8   | Increase in Building Program                                     | 1h               | 330              |
| 9   | Various Capital Budget Reallocations                             | 3a-1             | -                |
|   |  |                  | <b>4,771</b>     |
|   |  |                  | <b>\$119,863</b> |

| <b>Table 4 Net Budget – Summary of Changes (in \$000's)</b> |   | <b>Reference</b> |                 |
|---|---|------------------|-----------------|
| <b>Net Budget as at March 11, 2019</b>                      |   |                  | <b>\$77,783</b> |
| <b>Revenue</b>  |   |                  |                 |
| 1   | Increase in Community Safety Operating Budget Sales of Services               | 1g               | 543             |
| 2   | 2019 Translink's Funding Increase for Major Road Network                      | 5b               | 527             |
| 3   | Increase in Real Estate Rental Income   | 1h               | 433             |
| 4   | Sewer Debt Levy Increases of Greater Vancouver Sewerage and Drainage District | 5c               | 369             |
| 5   | Lawn Bowling Clubhouse Contribution   | 1f               | 90              |
| 6   | Development Revenue on Rezoning Projects                                      | 4b               | 41              |
| 7   | 2019 Age-Friendly Communities Grant   | 1a               | 25              |
| 8   | Community Emergency Preparedness Grant  | 1c               | 25              |
| <b>Total Revenue Amendments</b>                             |   |                  | <b>2,053</b>    |



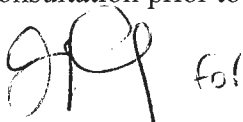
**Expenses**

|                                      |   |        |                 |
|--------------------------------------|---|--------|-----------------|
| 1                                    | Increase to Facility Management Operating Budget Expenses                     | 5a     | 1,034           |
| 2                                    | Implementation Plans on Banning Single-Use Plastic and Foam                   | 1i     | 560             |
| 3                                    | Increase in Community Safety Operating Budget Expenses                        | 1g     | 543             |
| 4                                    | 2019 Translink's Major Road Network Rehabilitation Expenses                   | 5b     | 527             |
| 5                                    | Sewer Debt Levy Increases of Greater Vancouver Sewerage and Drainage District | 5c     | 369             |
| 6                                    | Increase to Snow and Ice Control Operating Budget Expenses                    | 5d     | 320             |
| 7                                    | Integrating Circular Economy Criteria into City Procurements                  | 1e     | 150             |
| 8                                    | Real Estate Leased Property Maintenance                                       | 1h     | 103             |
| 9                                    | Arbitration Expenditures  | 5e     | 100             |
| 10                                   | Amenity Project Manager Position (Part Year)                                  | 4b     | 41              |
| 11                                   | 2019 Age-Friendly Communities Grant Spending                                  | 1a     | 25              |
| 12                                   | Community Emergency Preparedness Grant Expenses                               | 1c     | 25              |
| 13                                   | Various Operating Budget Reallocations  | 4a & c | -               |
| <b>Total Expenses Amendments</b>     |   |        | <b>3,797</b>    |
| <b>NET AMENDMENT</b>                 |   |        | <b>(1,744)</b>  |
| <b>Total Amended 2019 Net Budget</b> |   |        | <b>\$76,039</b> |

**Conclusion**

Staff recommend that Council approve the 2019 Capital, Operating and Utility Budget amendments to accommodate the expenditures within the Consolidated 5 Year Financial Plan Bylaw. The proposed 2019 budget amendments have no tax impact.

As required in Section 166 of the Community Charter, staff will conduct a process of public consultation prior to bylaw adoption, which is anticipated to be October 7, 2019.



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

MS:sx

- Att. 1: Consolidated 5 Year Financial Plan (2019-2023) Amended Revenue and Expenses
- 2: Consolidated 5 Year Financial Plan (2019-2023) Amended Capital Funding Sources
- 3: Amended 5 Year Capital Plan Summary (2019-2023)
- 4: Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979 Amendment Bylaw No. 10078

| <b>CITY OF RICHMOND</b>                                  |                                 |                      |                      |                      |                      |
|--|---------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)</b>    |                                 |                      |                      |                      |                      |
| <b>AMENDED REVENUE AND EXPENSES</b>                      |                                 |                      |                      |                      |                      |
| <b>(In \$000's)</b>                                      |                                 |                      |                      |                      |                      |
|  | <b>2019 Amended<br/>Budget*</b> | <b>2020<br/>Plan</b> | <b>2021<br/>Plan</b> | <b>2022<br/>Plan</b> | <b>2023<br/>Plan</b> |
| <b>Revenue:</b>  |                                 |                      |                      |                      |                      |
| Taxation and Levies                                      | 229,903                         | 248,731              | 265,395              | 278,436              | 296,153              |
| User Fees  | 106,174                         | 109,809              | 115,048              | 120,448              | 126,549              |
| Sales of Services  | 42,994                          | 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                             | 8,939                           | 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                            | 12,937                          | 10,125               | 10,125               | 10,125               | 10,125               |
|  | <b>543,174</b>                  | <b>557,331</b>       | <b>584,491</b>       | <b>599,144</b>       | <b>625,677</b>       |
| <b>Expenses:</b>   |                                 |                      |                      |                      |                      |
| Community Safety   | 113,094                         | 117,553              | 124,192              | 127,398              | 130,683              |
| Engineering and Public Works                             | 76,640                          | 71,393               | 72,738               | 74,212               | 75,582               |
| Community Services                                       | 71,589                          | 67,127               | 69,395               | 71,847               | 73,815               |
| Finance and Corporate Services                           | 29,010                          | 26,192               | 26,842               | 27,466               | 28,104               |
| Fiscal   | 22,811                          | 21,446               | 22,436               | 23,511               | 27,553               |
| Debt Interest  | 1,677                           | 1,677                | 1,677                | 1,677                | 1,677                |
| Corporate Administration                                 | 11,308                          | 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                                   | 33,627                          | 34,730               | 37,254               | 39,705               | 42,659               |
| Sanitation and Recycling                                 | 18,320                          | 17,971               | 18,330               | 18,715               | 19,109               |
| Richmond Public Library                                  | 11,079                          | 11,244               | 11,455               | 11,681               | 11,911               |
| Richmond Olympic Oval Corporation                        | 16,595                          | 16,905               | 17,223               | 17,562               | 17,909               |
|  | <b>467,135</b>                  | <b>460,674</b>       | <b>479,126</b>       | <b>494,789</b>       | <b>513,675</b>       |
| <b>Annual Surplus</b>                                    | <b>76,039</b>                   | <b>96,657</b>        | <b>105,365</b>       | <b>104,355</b>       | <b>112,002</b>       |
| <b>Transfers:</b>  |                                 |                      |                      |                      |                      |
| 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                               | (30,765)                        | (2,428)              | 1,680                | 4,901                | 9,001                |
| Capital Expenditures - Current Year                      | 119,863                         | 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  | (421,842)                       | (415,271)            | (325,998)            | (272,574)            | (217,221)            |
| <b>Transfers/Amortization offset:</b>                    | <b>76,039</b>                   | <b>96,657</b>        | <b>105,365</b>       | <b>104,355</b>       | <b>112,002</b>       |
| <b>Balanced Budget</b>                                   | <b>\$-</b>                      | <b>\$-</b>           | <b>\$-</b>           | <b>\$-</b>           | <b>\$-</b>           |
| <b>Tax Increase</b>                                      | <b>4.82%</b>                    | <b>6.69%</b>         | <b>5.20%</b>         | <b>3.91%</b>         | <b>5.36%</b>         |

\* 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.

| CITY OF RICHMOND<br>CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)<br>AMENDED CAPITAL FUNDING SOURCES<br>(In \$000's) |                        |                  |                  |                 |                 |
|---|------------------------|------------------|------------------|-----------------|-----------------|
|   | 2019 Amended<br>Budget | 2020<br>Plan     | 2021<br>Plan     | 2022<br>Plan    | 2023<br>Plan    |
| <b>DCC Reserves</b>   |                        |                  |                  |                 |                 |
| 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             | -               |
| <b>Total DCC</b>  | <b>22,763</b>          | <b>17,015</b>    | <b>19,951</b>    | <b>13,654</b>   | <b>13,893</b>   |
| <b>Statutory Reserves</b>   |                        |                  |                  |                 |                 |
| 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           |
| <b>Total Statutory Reserves</b>   | <b>66,892</b>          | <b>159,849</b>   | <b>62,695</b>    | <b>66,452</b>   | <b>67,506</b>   |
| <b>Other Sources</b>  |                        |                  |                  |                 |                 |
| Enterprise Fund   | 180                    | 550              | 550              | 550             | 550             |
| Grant and Developer Contribution  | 12,937                 | 10,125           | 10,125           | 10,125          | 10,125          |
| Other Sources   | 9,869                  | 4,957            | 4,587            | 4,592           | 4,649           |
| Rate Stabilization  | 4,746                  | -                | 1,320            | -               | -               |
| Sewer Levy  | 300                    | 50               | 100              | -               | 50              |
| Solid Waste and Recycling   | 1,526                  | 300              | 300              | 300             | 300             |
| Water Levy  | 650                    | 1,790            | 1,740            | 1,565           | 1,690           |
| <b>Total Other Sources</b>  | <b>30,208</b>          | <b>17,772</b>    | <b>18,722</b>    | <b>17,132</b>   | <b>17,364</b>   |
| <b>Total Capital Program</b>  | <b>\$119,863</b>       | <b>\$194,636</b> | <b>\$101,368</b> | <b>\$97,238</b> | <b>\$98,763</b> |



| <b>CITY OF RICHMOND</b>                                  |                        |                  |                  |                 |                 |
|--|------------------------|------------------|------------------|-----------------|-----------------|
| <b>AMENDED 5 YEAR CAPITAL PLAN SUMMARY (2019-2023)</b>   |                        |                  |                  |                 |                 |
| (in \$000s)  |                        |                  |                  |                 |                 |
|  | 2019 Amended<br>Budget | 2020<br>Plan     | 2021<br>Plan     | 2022<br>Plan    | 2023<br>Plan    |
| <b>Infrastructure Program</b>                            |                        |                  |                  |                 |                 |
| Roads  | 16,289                 | 10,299           | 11,591           | 9,936           | 9,595           |
| Drainage   | 11,243                 | 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<br>Minor Public Works | 3,864                  | 3,880            | 3,780            | 3,780           | 3,780           |
| <b>Total Infrastructure Program</b>                      | <b>39,023</b>          | <b>46,304</b>    | <b>46,199</b>    | <b>45,526</b>   | <b>51,478</b>   |
| <b>Building Program</b>                                  |                        |                  |                  |                 |                 |
| Building   | 21,588                 | 109,370          | 13,100           | 21,231          | 15,000          |
| <b>Total Building Program</b>                            | <b>21,588</b>          | <b>109,370</b>   | <b>13,100</b>    | <b>21,231</b>   | <b>15,000</b>   |
| <b>Parks Program</b>                                     |                        |                  |                  |                 |                 |
| Parks  | 7,648                  | 4,750            | 6,380            | 3,850           | 3,900           |
| Parkland   | 4,000                  | 4,000            | 4,000            | 2,000           | 2,000           |
| <b>Total Parks Program</b>                               | <b>11,648</b>          | <b>8,750</b>     | <b>10,380</b>    | <b>5,850</b>    | <b>5,900</b>    |
| <b>Public Art Program</b>                                | <b>563</b>             | <b>150</b>       | <b>150</b>       | <b>150</b>      | <b>150</b>      |
| <b>Land Program</b>                                      | <b>10,000</b>          | <b>10,000</b>    | <b>10,000</b>    | <b>5,000</b>    | <b>5,000</b>    |
| <b>Affordable Housing</b>                                | <b>775</b>             | <b>625</b>       | <b>625</b>       | <b>625</b>      | <b>625</b>      |
| <b>Equipment Program</b>                                 |                        |                  |                  |                 |                 |
| 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  | 2,019                  | 578              | 2,099            | 580             | 581             |
| <b>Total Equipment Program</b>                           | <b>15,326</b>          | <b>4,791</b>     | <b>6,267</b>     | <b>4,595</b>    | <b>6,349</b>    |
| <b>Child Care Program</b>                                | <b>160</b>             | <b>60</b>        | <b>60</b>        | <b>60</b>       | <b>60</b>       |
| <b>Internal Transfers/Debt Payment</b>                   | <b>12,214</b>          | <b>4,586</b>     | <b>4,587</b>     | <b>4,201</b>    | <b>4,201</b>    |
| <b>Contingent External Contributions</b>                 | <b>8,566</b>           | <b>10,000</b>    | <b>10,000</b>    | <b>10,000</b>   | <b>10,000</b>   |
| <b>Total Capital Program</b>                             | <b>\$119,863</b>       | <b>\$194,636</b> | <b>\$101,368</b> | <b>\$97,238</b> | <b>\$98,763</b> |



Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979
Amendment Bylaw No. 10078

The Council of the City of Richmond enacts as follows:

- 1. Schedule "A", Schedule "B", and Schedule "C" of the Consolidated 5 Year Financial Plan (2019-2023) Bylaw 9979, are deleted and replaced with Schedule "A", Schedule "B", and Schedule "C" attached to and forming part of this amendment bylaw.
2. This Bylaw is cited as "Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979 Amendment Bylaw No. 10078".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

Four horizontal lines for signatures or dates.

CITY OF RICHMOND
APPROVED for content by originating dept.
JC
APPROVED for legality by Solicitor
AC

MAYOR

CORPORATE OFFICER

**SCHEDULE A:**  
**CITY OF RICHMOND**  
**CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)**  
**AMENDED REVENUE AND EXPENSES**  
(In \$000's)

|  | 2019 Amended<br>Budget* | 2020<br>Plan   | 2021<br>Plan   | 2022<br>Plan   | 2023<br>Plan   |
|--|-------------------------|----------------|----------------|----------------|----------------|
| <b>Revenue:</b>  |                         |                |                |                |                |
| Taxation and Levies                                      | 229,903                 | 248,731        | 265,395        | 278,436        | 296,153        |
| User Fees  | 106,174                 | 109,809        | 115,048        | 120,448        | 126,549        |
| Sales of Services  | 42,994                  | 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                             | 8,939                   | 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                            | 12,937                  | 10,125         | 10,125         | 10,125         | 10,125         |
|  | <b>543,174</b>          | <b>557,331</b> | <b>584,491</b> | <b>599,144</b> | <b>625,677</b> |
| <b>Expenses:</b>   |                         |                |                |                |                |
| Community Safety   | 113,094                 | 117,553        | 124,192        | 127,398        | 130,683        |
| Engineering and Public Works                             | 76,640                  | 71,393         | 72,738         | 74,212         | 75,582         |
| Community Services                                       | 71,589                  | 67,127         | 69,395         | 71,847         | 73,815         |
| Finance and Corporate Services                           | 29,010                  | 26,192         | 26,842         | 27,466         | 28,104         |
| Fiscal   | 22,811                  | 21,446         | 22,436         | 23,511         | 27,553         |
| Debt Interest  | 1,677                   | 1,677          | 1,677          | 1,677          | 1,677          |
| Corporate Administration                                 | 11,308                  | 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                                   | 33,627                  | 34,730         | 37,254         | 39,705         | 42,659         |
| Sanitation and Recycling                                 | 18,320                  | 17,971         | 18,330         | 18,715         | 19,109         |
| Richmond Public Library                                  | 11,079                  | 11,244         | 11,455         | 11,681         | 11,911         |
| Richmond Olympic Oval Corporation                        | 16,595                  | 16,905         | 17,223         | 17,562         | 17,909         |
|  | <b>467,135</b>          | <b>460,674</b> | <b>479,126</b> | <b>494,789</b> | <b>513,675</b> |
| <b>Annual Surplus</b>                                    | <b>76,039</b>           | <b>96,657</b>  | <b>105,365</b> | <b>104,355</b> | <b>112,002</b> |
| <b>Transfers:</b>  |                         |                |                |                |                |
| 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                               | (30,765)                | (2,428)        | 1,680          | 4,901          | 9,001          |
| Capital Expenditures - Current Year                      | 119,863                 | 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  | (421,842)               | (415,271)      | (325,998)      | (272,574)      | (217,221)      |
| <b>Transfers/Amortization offset:</b>                    | <b>76,039</b>           | <b>96,657</b>  | <b>105,365</b> | <b>104,355</b> | <b>112,002</b> |
| <b>Balanced Budget</b>                                   | <b>\$-</b>              | <b>\$-</b>     | <b>\$-</b>     | <b>\$-</b>     | <b>\$-</b>     |
| <b>Tax Increase</b>                                      | <b>4.82%</b>            | <b>6.69%</b>   | <b>5.20%</b>   | <b>3.91%</b>   | <b>5.36%</b>   |

\* 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**  
**CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)**  
**AMENDED CAPITAL FUNDING SOURCES**  
(In \$000's)

|                                     | 2019 Amended<br>Budget | 2020<br>Plan     | 2021<br>Plan     | 2022<br>Plan    | 2023<br>Plan    |
|-------------------------------------|------------------------|------------------|------------------|-----------------|-----------------|
| <b>DCC Reserves</b>                 |                        |                  |                  |                 |                 |
| 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             | -               |
| <b>Total DCC</b>                    | <b>22,763</b>          | <b>17,015</b>    | <b>19,951</b>    | <b>13,654</b>   | <b>13,893</b>   |
| <b>Statutory Reserves</b>           |                        |                  |                  |                 |                 |
| 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           |
| <b>Total Statutory Reserves</b>     | <b>66,892</b>          | <b>159,849</b>   | <b>62,695</b>    | <b>66,452</b>   | <b>67,506</b>   |
| <b>Other Sources</b>                |                        |                  |                  |                 |                 |
| Enterprise Fund                     | 180                    | 550              | 550              | 550             | 550             |
| Grant and Developer Contribution    | 12,937                 | 10,125           | 10,125           | 10,125          | 10,125          |
| Other Sources                       | 9,869                  | 4,957            | 4,587            | 4,592           | 4,649           |
| Rate Stabilization                  | 4,746                  | -                | 1,320            | -               | -               |
| Sewer Levy                          | 300                    | 50               | 100              | -               | 50              |
| Solid Waste and Recycling           | 1,526                  | 300              | 300              | 300             | 300             |
| Water Levy                          | 650                    | 1,790            | 1,740            | 1,565           | 1,690           |
| <b>Total Other Sources</b>          | <b>30,208</b>          | <b>17,772</b>    | <b>18,722</b>    | <b>17,132</b>   | <b>17,364</b>   |
| <b>Total Capital Program</b>        | <b>\$119,863</b>       | <b>\$194,636</b> | <b>\$101,368</b> | <b>\$97,238</b> | <b>\$98,763</b> |

**SCHEDULE C:**

**CITY OF RICHMOND  
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)  
AMENDED 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:**

| <b>Funding Source</b>                       | <b>% of Total Revenue</b> |
|---|---------------------------|
| Property Taxes                              | 50.3%                     |
| User Fees                                   | 23.2%                     |
| Sales of Services                           | 9.4%                      |
| Gaming Revenue                              | 3.6%                      |
| Investment Income                           | 3.5%                      |
| Payments in Lieu of Taxes                   | 3.1%                      |
| Licenses and Permits                        | 2.4%                      |
| Provincial and Federal Grants               | 2.0%                      |
| Other                                       | 2.5%                      |
| Total Operating and Utility Funding Sources | 100.0%                    |

**SCHEDULE C (CONT'D):**

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

**Distribution of Property Taxes**

Table 2 provides the 2019 distribution of property tax revenue among the property classes.

**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 2019 Revised Roll figures)

| Property Class       | % of Tax Burden |
|----------------------|-----------------|
| Residential (1)      | 56.58%          |
| Business (6)         | 35.04%          |
| Light Industry (5)   | 6.52%           |
| Others (2,3,4,8 & 9) | 1.86%           |
| 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*.