



To: Finance Committee **Date:** January 4, 2021
From: Ivy Wong, CPA, CMA **File:** 03-0970-25-2021-
Acting Director, Finance 01/2020-Vol 01
Re: **2021 Proposed Operating Budget**

Staff Recommendation

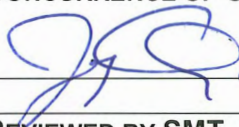
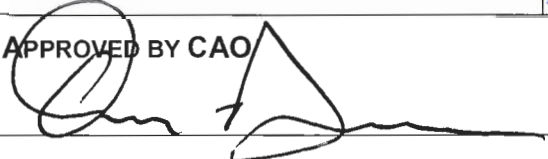
That:

1. The 2021 Proposed Operating Budget (City-Wide excluding Fire-Rescue) as presented in Budget Option 1 (City-Wide excluding Fire-Rescue) be approved as outlined below:
 - a. A same level of service budget increase of \$2,380,910 after tax growth with a tax increase of 0.99% be approved; and
 - b. Transfer to reserves for Investment in Community Facilities as per Council's Long Term Financial Management Strategy for 2021 in the amount of \$2,393,567 with a tax increase of 1.00% be approved; and
 - c. Senior government increase of \$255,000 with a tax increase of 0.11% be approved; and
 - d. Amounts deferred for Community Safety increases from the 2020 Operating Budget totalling \$1,609,318 with a tax increase of 0.67% be approved; and
 - e. A partial funding of the operating budget impact from the 2019 Capital Budget Year 3 of 3 of \$311,220 with a tax increase of 0.13% be approved; and
2. That Council provide direction regarding the potential inclusion of the following individual additional City-Wide (excluding Fire-Rescue) Council priorities and commitments not included in Budget Option 1:
 - a. Remainder of the operating budget impacts totalling \$1,409,684 with a tax increase of 0.59%; and
 - b. Council's Safe Community Priority Program of 16 RCMP officers and 11 municipal employees in the amount of \$2,990,022 with a tax increase of 1.24% or a portion thereof; and
3. The 2021 Proposed Operating Budget (Fire-Rescue) as presented in Budget Option 1 (Fire-Rescue) be approved as outlined below:

- a. A same level of service budget increase of \$421,700 with a tax increase of 0.18% be approved; and
 - b. Senior government increase of \$45,000 with a tax increase of 0.02% be approved; and
4. That Council provide direction regarding the potential inclusion of the remaining 12 firefighter positons from Council’s Safe Community Program in the amount of \$1,801,859 with a tax increase of 0.75%; and
5. The 2021 Operating Budget as approved be included in the Consolidated 5 Year Financial Plan (2021-2025).



Ivy Wong, CPA, CMA
Acting Director, Finance
(604-276-4046)

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER	
 ACTING FOR A. NAZARETH	
REVIEWED BY SMT	INITIALS:
	AC
APPROVED BY CAO	
	

Executive Summary

Due to a concern raised regarding a councillor having a potential conflict of interest, the operating budget for Richmond Fire-Rescue is presented separately on page 17 and attachment 8 of this report.

On April 14, 2020, in response to the COVID-19 pandemic and the uncertainty with the collection of property taxes, Council approved a 2.01% reduction to the 2020 property tax increase that had been approved by Council on December 9, 2019 by eliminating the additional 1% transfer to reserve, deferring the hiring of 12 RCMP officers and 5 municipal employees to support the RCMP Detachment, City Centre North Community Centre operating budget phase-in and the operating budget impact from the 2020 Capital Budget.

At the onset of the COVID-19 pandemic, the City established a Financial Resiliency Plan to reduce, eliminate, and defer expenses, as well as reduce the tax burden on residents and businesses.

On October 13, 2020, Council approved to not apply the CPI increase to the City's 2021 fees as defined in the Consolidated Fees Bylaw, in order to alleviate the burden to businesses and community users.

Council's Long Term Financial Management Strategy (LTFMS) policy is that the tax increase for maintaining current programs and maintaining existing infrastructure at the same level of service will be at Vancouver's CPI rate. The latest Vancouver CPI forecast from the Conference Board of Canada is estimated at 2.10% for 2021.

The CAO and SMT have done considerable work including conducting a significant number of reviews to achieve a combined City-Wide same level of service budget of 0.99% (excluding Fire-Rescue) which is significantly below the CPI target of 2.10%.

The 2021 Proposed Operating Budget acknowledges the economic challenges that the businesses and residents face. Therefore, the CAO and SMT are not recommending any additional level increase.

2021 Proposed Operating Budget (excluding Fire-Rescue)

The outcome of the 2021 Proposed Operating Budget results in a tax increase of 2.90% for City-wide (excluding Fire-Rescue). This is equivalent to approximately \$51 in municipal taxes for an average residential property with an assessment value of \$996K (based on 2020 assessment values & tax rates). The 2021 Proposed Operating Budget increase includes the following:

Staff have not included the operating budget impacts and Council's Safe Community Program as this is outside of the Council's LTFMS policy. Due to the pandemic, Council reduced the 2020 Operating Budget by 2.01%. Since we are still in the midst of the pandemic, staff believes that it is prudent to not recommend any increases beyond the Council policy this year.

The components of the Proposed Operating Budget are summarized in Table 1. For discussion on the budget components, refer to the corresponding reference number in the 2021 Proposed Operating Budget section on pages 12-16.

Table 1 – 2021 Proposed Operating Budget (excluding Fire-Rescue)

Item	Budget Component	Amount (in '000s)	Tax Impact City- Wide (excluding Fire-Rescue)
1	Same Level of Service Increase (Below LTFMS target of 2.10%)	\$2,381	0.99%
2	Investment in Community Facilities (Transfer to Reserves)	2,394	1.00%
Same Level of Service and Investment in Community Facilities Total (per LTFMS policy)		4,775	1.99%
3	Senior Government Increase: CPP Enhancements	255	0.11%
4	2020 Community Safety Increases Deferred to 2021	1,609	0.67%
5	Partial Funding of OBI from 2019 Capital Budget	311	0.13%
2021 Proposed Operating Budget Increase (meets Council's LTFMS policy)		\$6,950	2.90%

Should Council wish to fund the operating budget impacts and Council's Safe Community Program, staff have provided the following options for your consideration.

Table 2 – Budget Options for City-Wide (excluding Fire-Rescue)

Budget Options for City-Wide (excluding Fire-Rescue)		2021 Proposed Tax Increase
Option 1 (recommended)	Same Level of Service Increase, Senior Government Increase, 2020 Community Safety Increases Deferred to 2021, Partial Funding of OBI from 2019 Capital Budget and Investment in Community Facilities	2.90%
Option 2	Option 1 with remaining Operating Budget Impacts (OBI) from previously approved and proposed Capital Budgets and Developer Contributed Assets	3.49%
Option 3	Option 2 with Council's SCP of 16 RCMP officers, 11 municipal employees	4.73%
Option 4	Option 1 with remaining Operating Budget Impacts and Council's SCP of 12 RCMP officers and 4 municipal employees	4.29%

For discussion of other budget options, refer to pages 18 to 23.

Staff Report

Origin

Subsection 165(1) of the *Community Charter* requires the City to adopt a 5 Year Financial Plan (5YFP) Bylaw. The 2021 Operating Budget forms the basis of the City's 5YFP. Under the *Community Charter*, the City is prohibited from incurring any expenditure unless the expenditures have been included for that year in its financial plan, and the City is required to provide a balanced budget, with no projection of a deficit.

The 2021 Proposed Operating Budget ("Budget") applies the principles of Council's Long Term Financial Management Strategy (LTFMS) (Policy 3707), which was originally adopted in 2003, "*Tax increases will be at Vancouver CPI rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1% towards infrastructure replacement needs.*"

On April 14, 2020, in response to the COVID-19 pandemic and the uncertainty with the collection of property taxes, Council approved a 2.01% reduction to the 2020 property tax increase that had originally been approved by Council on December 9, 2019 by eliminating the additional 1% transfer to reserve and deferring the hiring of 12 RCMP officers and 5 municipal employees to support the RCMP Detachment, City Centre North Community Centre operating budget phase-in and the Operating Budget Impact from the 2020 Capital Budget.

Currently, the Province remains in a public health emergency state. Revenue has been impacted by the pandemic including reductions in gaming revenue, facility revenue, investment income and parking revenue. With the roll out of COVID-19 vaccines, this situation is expected to be corrected by September 2021 if senior levels of government fulfill their promise to vaccinate majority of the population.

Under section 165 of the *Community Charter*, the financial plan cannot plan for a deficit. In addition, any deficit that results from a year would need to be included in the financial plan the following year.

It is acknowledged that certain services included in the same level of service may not be delivered in full in 2021 due to various restrictions imposed by the provincial order; however, the budget is the framework for typical City operations, which will resume once the pandemic subsides, hopefully within 2021. As discussed above, staff will work within the approved City budget to respond to the challenges that 2021 brings and may need to redeploy and reallocate resources accordingly.

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

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

- 5.1. *Maintain a strong and robust financial position.*
- 5.2. *Clear accountability through transparent budgeting practices and effective public communication.*
- 5.3. *Decision-making focuses on sustainability and considers circular economic principles.*
- 5.4. *Work cooperatively and respectfully with all levels of government and stakeholders while advocating for the best interests of Richmond.*

This report also supports Council's 2018-2022 Strategic Plan #1 A Safe and Resilient City:

Enhance and protect the safety and well-being of Richmond.

- 1.1. *Enhance safety services and strategies to meet community needs.*
- 1.2. *Future-proof and maintain city infrastructure to keep the community safe.*
- 1.3. *Ensure Richmond is prepared for emergencies, both human-made and natural disasters*
- 1.4. *Foster a safe, caring and resilient environment.*

Council's 2018-2022 Strategic Plan is summarized in Attachment 1.

Analysis

Environmental Scan

Economic Outlook

Economies at all levels continue to be significantly impacted by the ongoing COVID-19 pandemic. While the third quarter of 2020 showed signs of rebound, significant risk and uncertainty persist around medium and longer term economic recovery. These outcomes will be closely tied to the extent and duration of government fiscal supports, and the success of containing the virus through the widespread administration of a vaccine.

Canadian economic growth slowed in 2019, to a rate of 1.7% - tempered partly by a slowdown in global trade and weak oil prices - and has subsequently been severely impacted by the COVID-19 pandemic. GDP is forecasted to decline by 5.7% in 2020, followed by a rebound of 4% in 2021.

While B.C.'s GDP is expected to contract by 6.1% in 2020, economic recovery is underway throughout the province with strong rebounds in key indicators such as employment, housing and retail spending. Some major construction projects which were initiated prior to the pandemic are helping to spur some of this activity. The provincial economy is forecasted to grow by 4% in 2021 and then continue with a more gradual recovery in 2022 and beyond.

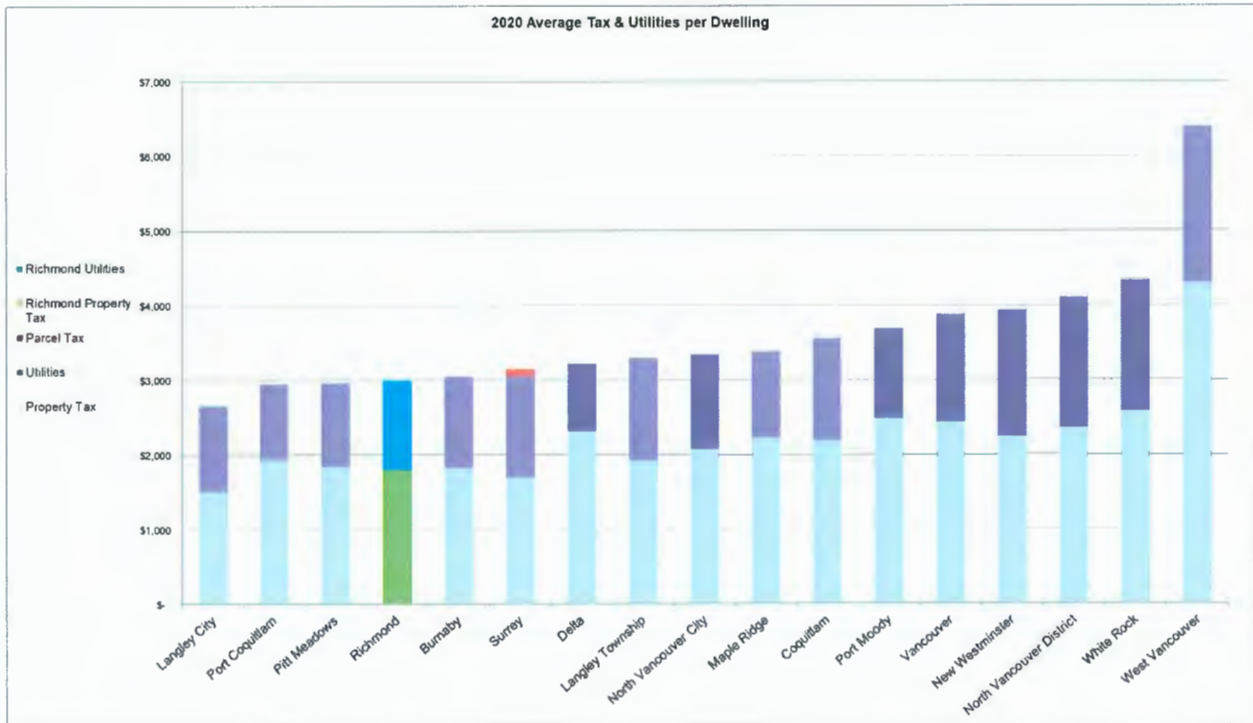
Building permit activity remains very high as building revenue in Q3 2020 was higher compared to previous years Q3. Overall, we are seeing a trend for fewer, but larger and more complex multi-family project applications that take significantly longer to process and issue. These applications may result in lower permit issuances in certain periods, but will ultimately result in more housing units and higher construction value. The estimated value of approved construction for 2020 will be higher than the average within the last six years.

Please refer to Attachment 2 for further information on the Economic Outlook.

Taxation

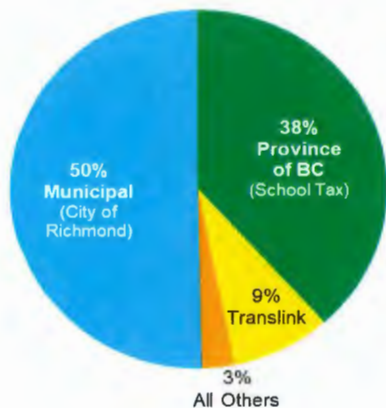
When compared to the 17 municipalities in Metro Vancouver, the 2020 average tax and utilities per dwelling in Richmond ranks as the 4th lowest with a combined amount of \$3,001 annually. Within the comparator group of Vancouver, Coquitlam, Burnaby and Surrey, Richmond has the lowest average tax and utilities per dwelling. Figure 1 shows the comparison of all Metro Vancouver municipalities.

Figure 1: 2020 Average Tax & Utilities per Dwelling



Approximately 50% of the residential tax bill is comprised of levies collected for other taxing jurisdictions including TransLink, School Board, Metro Vancouver, BC Assessment and Municipal Finance Authority which Council has no control over the rate of increase of levies.

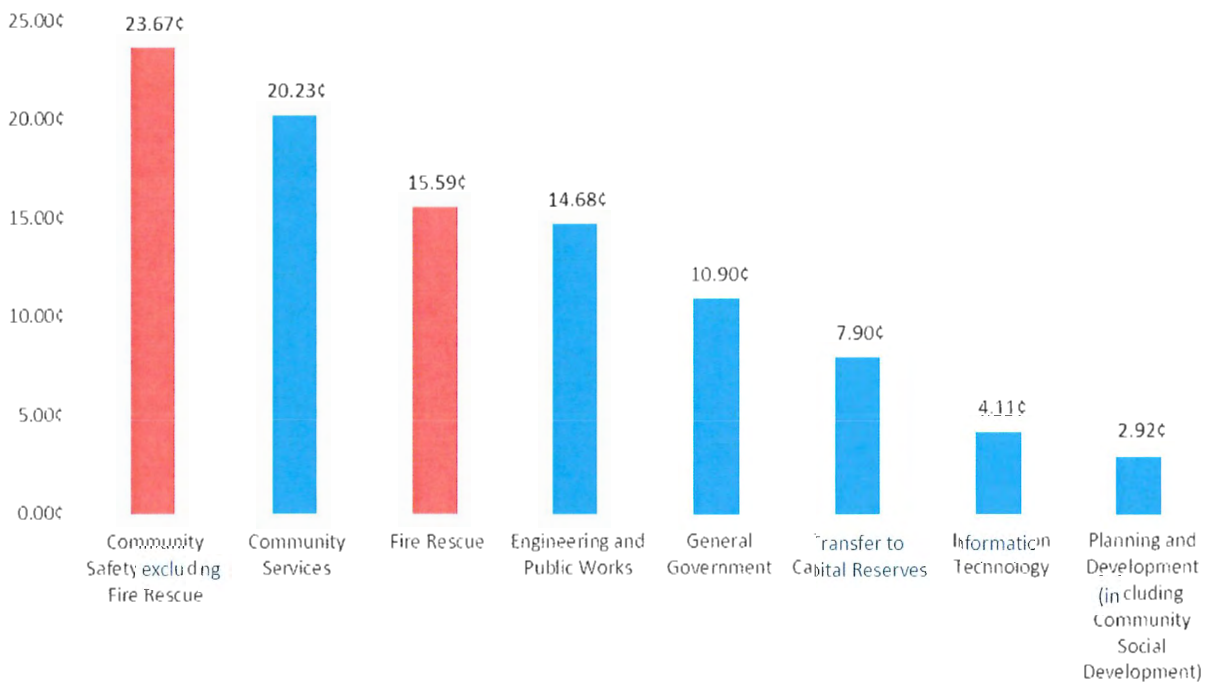
Figure 2: Distribution of Property Taxes



City Property Tax

The majority of the City property taxes collected are used to provide policing, Fire-Rescue services and emergency service support to keep the community safe. For every municipal tax dollar, 39 cents is used to fund police and Fire-Rescue services to provide a safe community. Community Services includes parks, library services, arts, cultural, and heritage, recreational services and it accounts for 20 cents of every municipal tax dollar. Engineering and Public Works includes roads, street lighting, storm drainage, facility repair and maintenance, snow and ice removal and it accounts for 15 cents of every municipal tax dollar. All of these services are fundamental to the residents' quality of life and provides necessary infrastructure to support the local economy and vibrancy within the community. Figure 3 provides a breakdown of 2021 municipal tax dollar (before OBIs and additional levels).

Figure 3: 2021 municipal tax dollar (without OBIs and additional levels)



Budget Challenges

The Operating Budget provides funding for a vast array of municipal operations, which include: funding police services; operation of fire halls; community centres; arenas; pools; parks; libraries; financial management and other corporate services; facility maintenance and development; maintenance of roads; technology services; corporate administration; traffic lights; planning for the transportation network; land use; building and development approvals; storm drainage flood protection; arts, culture, and heritage, etc.

Richmond has additional complexities with the diking system that is unique to our island city. Dikes along with watermains, pump stations, and sanitary sewers, as well as garbage and recycling services are funded through the City's Utility Budget which was approved by Council on November 23, 2020.

The Operating Budget also includes funding for capital reserves which is required to maintain aging facilities, replacement of major facilities, and to fund various other capital projects. In addition, for expanded or repurposed facilities and upgraded infrastructure, there is a tax impact from the associated Operating Budget Impact (OBI) which may include additional heat and electricity to operate the building as well as additional staff to expand the current programs offered within the new facility. Council has expressed their desire to provide additional community facilities and improvements to existing ones. In order to fulfill this plan, the City will need to ensure that facility reserves (Capital Building Infrastructure and Revolving Fund) are funded adequately.

On March 16, 2020, the Attorney General ordered the temporary closure of all gambling facilities in British Columbia in consultation with and on the advice of the Provincial Health Officer. This closure included the River Rock Casino in Richmond.

The River Rock Casino remains closed and is unknown at this time as to when the facility will re-open. With the uncertainty, it is proposed that the 2021 gaming revenue budget be extremely conservative with no expectation of revenue in 2021. Accordingly, alternative funding sources are identified for all priority 1 and 2 expenses that are funded by gaming revenue and no alternative funding sources are proposed for priority 3 expenses as presented in Table 3. Should any gaming revenue be received in 2021, staff will propose an allocation model at that time.

Priority 1 - External commitments and external contributions

Items include funding the external debt and grants program. One-time alternate funding sources have been identified for 2021.

Priority 2 – Operating (RCMP)

Starting with the 2007 Operating Budget, the Finance Committee recommended the addition of four officers funded by casino revenue rather than funding these officers from property taxes.

Priority 3 – Transfers to internal reserves and provision

Approximately 43% of the gaming revenue budget was allocated toward bolstering capital reserves balances. While this is a high priority for the City, as there is no external commitment,

these transfers will be temporarily halted. This will have an impact on the funding available for future capital projects and will be considered in the budget process.

The Council Community Initiatives Account was allocated 2% of gaming revenue to enable Council to fund one-time initiatives that address social, environmental, recreation and sports, heritage, arts and culture, safety and security, or infrastructure needs. There is \$836,301 available in the Council Community Initiatives Account (CCIA) Provision.

Table 3 – Casino Funding Allocation (in \$000s)

Casino Funding	Priority	2020 Approved Gaming Allocation	2020 Approved Gaming Budget	2021 Proposed Operating Budget	2021 One-Time Alternate Funding Source
Debt Servicing	1	Fixed	\$5,000	\$5,000	Appropriated Surplus
Grants	1	15%	2,175	2,175	Appropriated Surplus
Operating (RCMP)	2	4 Officers	730	743	Appropriated Surplus
Capital Reserve	3	30%	4,350	-	None
Capital Building & Infrastructure Reserve	3	Remainder	1,955	-	None
Council Community Initiatives Account	3	2%	290	-	CCIA Provision
Total		100%	\$14,500	\$7,918	

Budget Process

The 2021 Proposed Operating Budget presents a same level of service budget, with only non-discretionary increases that can be clearly identified and supported. Enhanced or new levels of service are identified separately as ongoing additional expenditure requests by the respective divisions for Council's consideration in accordance with Council's Budget & 5-Year Financial Plan Preparation Policy. Please refer to Attachment 3 for the 2021 Budget Cycle.

The City will undergo a continuous review of its programs and services in order to identify further service improvements and cost reductions. Staff will continually look for efficiencies and innovative ways to deliver services that would streamline business processes, contain costs and leverage the increased use of technology.

2021 Proposed Operating Budget (City-Wide excluding Fire Rescue)

This section of the report discusses each component of the 2021 Proposed Operating Budget as presented in the Executive Summary table on page 4.

1. Same Level of Service Increase

Council's Long Term Financial Management Strategy (LTFMS) policy is that the tax increase for maintaining current programs and maintaining existing infrastructure at the same level of service will be at Vancouver's CPI rate. The latest Vancouver CPI forecast from the Conference Board of Canada is estimated at 2.1% for 2021. In comparison, the Municipal Price Index is estimated at 4.0%.

The same level of service increase (excluding Fire-Rescue) as shown in Attachment 4 is 0.99% which is below the Vancouver CPI target. Attachment 4 presents the net base budget by department/division for 2020 and the proposed net base budget to deliver the same levels of service in 2021, before external senior government related increases. This includes non-discretionary increases only as supported by contracts and agreements and does not include any additional levels of service.

Organization Profile

The City's seven corporate divisions include:

- Community Safety
- Community Services
- Engineering and Public Works
- Finance and Corporate Services
- Corporate Administration
- Planning and Development
- Law and Legislative Services

The All Divisions summary (excluding Fire-Rescue) included in Attachment 5 shows the City's base operating budget to deliver the same level of services as last year, which totals \$286.82M. Since the City delivers many services and programs, labour is largest component of the budget. Contracts also represent a significant part of the base operating budget, which is largely due to the RCMP contract for policing services.

The base operating budget is primarily funded by property tax. On October 13, 2020, Council approved to not apply the CPI increase to the City's 2021 fees as defined in the Consolidated Fees Bylaw, in order to alleviate the burden to businesses and community users. The opportunity cost of cancelling the 2021 CPI increase in Consolidated Fee Bylaw is estimated to be \$225,000.

Attachment 5 also includes further details on each Division's same level of service budget.

Key Financial Drivers

The largest cost driver of the 2021 budget which impacts all City divisions is the estimated union salary, which includes salary increases and benefit enhancements in accordance with collective agreements approved by Council on March 2, 2020. Estimated salary increase for all divisions other than Fire-Rescue department is \$3.72M.

The next largest cost driver of the same level of service budget is the RCMP and E-Comm contract increase of \$1.19M to maintain the existing complement of RCMP officers.

Tax Growth

New tax growth projections are based on “non-market change” figures provided by BC Assessment Authority. Non-market change is the term BC Assessment Authority uses for changes to the municipal roll value that is not a result of market conditions. Non-market change could include: changes in assessment class, exempt properties that become taxable in the following year or taxable properties that become exempt in the following year and developments under construction. With respect to developments under construction, assessors at BC Assessment Authority determine the value of all new developments under construction by the percentage of completion as of November 30th each calendar year. Increases in a property’s market value are not included in the non-market change figure. Therefore the development applications received during the year should have no impact on new growth for the coming year as actual construction on the property would not have taken place. The reported project value of the development may take up to three years to be fully reflected in the municipality’s assessment roll.

New tax growth for 2021 is estimated at \$2.39M.

2. External Senior Government Related Increases

Council Policy 3707 item 2 states:

“Any additional costs imposed on the City as a result of mandatory senior government policy changes should be identified and added to that particular year’s taxes above and beyond the CPI and infrastructure percentage contribution.”

In accordance with Council policy, these items are identified and included in the tax increase above and beyond the CPI target.

Canada Pension Plan Enhancement

Since 2019, the Canada Pension Plan (CPP) is being gradually enhanced. This means the employee will receive higher benefits in exchange for making higher contributions.

Employers will pay the same increase in CPP contributions as their employees. The estimated budget impact in 2021 is \$0.25M or a 0.11% tax impact. Future year impacts of this enhancement will continue through 2025 estimated at \$0.25M to \$0.35M per year.

3. 2020 Community Safety Increases Deferred to 2021

On December 9, 2019, Council approved the 2020 Operating Budget using the Rate Stabilization Account to reduce the overall tax impact of Community Safety costs. Approximately \$1.6M was utilized from RSA in the 2020 Operating Budget. This amount was deferred to 2021 resulting in a tax increase of 0.67% to the 2021 Proposed Operating Budget.

4. Investment in Community Facilities (Transfer to Reserves)

Civic buildings, including recreation facilities, fire halls, community centres and other public amenities are important to ensure the safety, upkeep and well-being of the community.

Council's Long Term Financial Management Strategy (LTFMS) has a policy to increase 1% transfer to reserves to fund community infrastructure replacement needs. The Capital Building and Infrastructure (CBI) reserve funds the replacement of buildings, such as Fire Hall 1 which opened in 2018. The Minoru Centre for Active Living is fully operational in 2020 with limited programming due to public health restrictions. In 2018, Council approved Major Facilities Phase 2 which includes the Animal Shelter, Lawn Bowling Clubhouse, Phoenix Net Loft, Hugh Boyd Soccer Field House and Steveston Community Centre and Branch Library.

This reserve fund is also largely utilized to fund major repairs for all City owned buildings to ensure community buildings remain safe and operational.

It is recommended to continue with Council's LTFMS and transfer an additional 1% into the CBI reserve to replenish the funds spent on completed projects, approved capital projects which are in progress and to ensure sufficient funding for Council approved Major Facilities Phase 2 future projects, such as Steveston Community Centre and Branch Library and Hugh Boyd Soccer Field House. It is important to recognize that a significant portion of reserve balances is committed to active projects. The reserve balances are drawn down when funds are used, not when projects are approved.

Cancelling the 1% transfer to reserve for the Investment in Community Facilities will have an impact on the City's ability to replace or build new facilities that will enhance the safety and well-being of the community.

Other Priorities and Commitments

5 Operating Budget Impacts

Operating budget Impact (OBI) are ongoing additional operating and maintenance costs associated with new assets which are approved by Council through the capital budget process and assets that have been contributed by developers through rezoning or development permit applications. It is important that OBI funding is included in the operating budget when these capital projects or contributed assets become operational as the level of service is dependent on this funding.

OBIs resulting from approved capital projects are proposed to be phased-in over 3 years starting from the year the capital projects are approved by Council since the project completion time may vary depending on the scope of work. However, OBI resulting from developer contributed asset is proposed to be included in the year the asset will be in service.

On July 27, 2020, Council approved the 2020 Capital Budget Amendment related to Library Cultural Centre Mechanical Upgrade project with 2021 OBI of \$53,500. Council also approved the staff report titled “TransLink 2020 Capital Cost-Share Program – Supplemental Application” for traffic related improvement. The OBI impact anticipated after the completion of the improvement work in 2021 is estimated to be \$6,522.

The 2021 Capital Plan includes new and expanded infrastructure and equipment which has an operating budget impact to maintain. The 2021 Capital Budget is estimated at \$100.5M with an estimated OBI of \$587K. This equates to \$196K or a 0.08% tax increase per year. The final OBI amount may change depending on Council’s decision on 2021 Proposed Capital Budget and will be incorporated in the Consolidated 5 Year Financial Plan. Table 4 summarizes the operating budget impacts to be considered in the 2021 operating budget.

Table 4 – Operating Budget Impact

OBI	OBI Amount (in '000s)	Tax Impact
2019 Capital Budget – Year 3 of 3	\$403	0.17%
2020 Capital Budget - Years 1 of 3	215	0.09%
2020 Capital Budget - Years 2 of 3	215	0.09%
2020 Capital Budget Amendment (attachment 6)	60	0.03%
2021 Capital Budget – Year 1 of 3	196	0.08%
2021 Developer Contributed Assets (attachment 7)	633	0.26%
Total Operating Budget Impacts	\$1,722	0.72%

6 Council's Safe Community Program (SCP) 2019-2021

RCMP Officers and Municipal Employees

From 2014 to 2018, Council approved a total of 24 RCMP officers and 3 municipal employees. In 2019, 51 RCMP Officers were approved with 35 officers in 2019; 12 officers in 2020 and 4 officers in 2021. The 16 approved for 2020 and 2021 are to be phased-in equally over two years, with a tax impact of 0.51% per year.

In 2019, 20 municipal employees to support the RCMP detachment were approved with 13 in 2019, 5 in 2020 and 2 in 2021 to support the RCMP detachment. 9 municipal employees were funded in 2019 and the 11 remaining municipal employee positions are to be funded equally over two years (2020 and 2021) with a tax impact of 0.18% per year.

On April 14, 2020, in response to the COVID-19 pandemic and resulting economic pressures, the hiring of 12 RCMP officers and 5 municipal employees to support the RCMP Detachment was deferred.

The 2021 Operating Budget was originally expected to be the final year to fund and budget Council's Safe Community Program. The remaining positions and funding is as follows:

Table 5 – SCP Remaining Positions and Estimated Costs

	RCMP Officers	Municipal Employees	Total
Positions	16	11	27
Budgeted cost (M)	\$2.16	\$0.83	\$2.99

2021 Proposed Operating Budget (Fire-Rescue)

The 2021 proposed operating budget for Fire-Rescue department has been separated and will be discussed in this section of the report.

1. Same Level of Service Increase

The largest component of Fire-Rescue's budget is attributed to salary expense. For 2021, the estimated salary increase is approximately \$391K, an increase of 1.06% compared to last year's labour costs. The budgeted salary increase is significantly lower than historic wage increases due to staff adjusting the annual increase by \$420K based on demographics associated with the 12 Fire-Rescue positions from 2020. Fire-Rescue's overall same level of service increase is estimated at \$422K or 0.18% tax impact.

2. External Senior Government Related Increases

The Canada Pension Plan (CPP) is being gradually enhanced since 2019. The estimated budget impact in 2021 is \$45K or a 0.02% tax impact. Future year impacts of the CPP enhancement will continue through 2025 estimated at \$45K to \$55K per year.

3. Council's Safe Community Program (SCP)

On December 12, 2016, Council approved one-time funding for the Richmond Fire-Rescue Plan Update. On May 23, 2017, it was announced that ORH Ltd was retained to conduct an Optimal Deployment Review for Richmond Fire-Rescue. Based on the consultant's report, in order to maintain the current levels of service, a Rescue Company consisting of 12 firefighters will be required in the Steveston/Seafair area by 2023 and an Engine Company consisting of 24 firefighters in the City Centre/Brighthouse area will not be required until 2027. In 2019, 36 firefighters were approved with 12 in 2019, 12 in 2020 and 12 in 2021. 24 firefighters have already been funded in 2019 and 2020.

2021 Budget Options for Fire-Rescue Department

Staff have not included Council's SCP as this is outside of the Council's LTFMS policy. Due to the pandemic, Council reduced the 2020 Operating Budget by 2.01%. Since we are still in the midst of the pandemic, staff believes it is prudent to not recommend any increases beyond Council's policy.

Table 6 – Budget Options for Fire-Rescue

Budget Component	Amount (in '000s)	Tax Impact Option 1 (Recommended)	Tax Impact Option 2
Same Level of Service – Fire-Rescue	\$422	0.18%	0.18%
Senior Government Increase: CPP Enhancements	45	0.02%	0.02%
12 Fire-Rescue Positions	1,802	-	0.75%
Proposed Tax Increase – Fire-Rescue	\$2,269	0.20%	0.95%

2021 Budget Options for City-Wide (excluding Fire-Rescue)

Staff must make numerous assumptions in developing the annual Operating Budget based on best information available during the budget preparation cycle. Under the *Community Charter*, municipalities cannot budget a deficit but rather, must present a balanced budget. In order to ensure a deficit is not incurred, staff used conservative estimates – lower revenue projections and conventional expenditures.

The City has been impacted by the COVID-19 pandemic similar to many businesses in 2020. Based on the successful mitigation measures that the CAO and SMT have implemented since March 2020, the City is projected to end 2020 with a balanced surplus, albeit smaller in comparison to prior years. It is expected that the COVID-19 pandemic will continue to impact the City in 2021.

Various scenarios were evaluated to determine the 2021 Proposed Operating Budget as summarized in Table 7 below. In accordance with Council’s Long Term Finance Management Strategy, all budget options include the following:

1. Same Level of Service Increase
2. Senior Government Increase
3. 2020 Increases Deferred to 2021 through Utilization of Rate Stabilization
4. Investment in Community Facilities (Transfer to Reserves)

Table 7 – Summary of Options for City-Wide (excluding Fire-Rescue)

Option	2021 Tax Impact
Option 1 (recommended)	<p>Same Level of Service Increase, Senior Government Increase, 2020 Community Safety Increases Deferred to 2021 Partial Funding of OBI from 2019 Capital Budget Investment in Community Facilities</p> <p style="text-align: right;">2.90%</p>
Option 2	<p>Option 1 with remaining Operating Budget Impacts from previously approved and proposed Capital Budgets and Developer Contributed Assets</p> <p style="text-align: right;">3.49%</p>
Option 3	<p>Option 2 with Council’s SCP of 16 RCMP officers, 11 municipal employees</p> <p style="text-align: right;">4.73%</p>
Option 4	<p>Option 1 with Operating Budget Impacts and Council’s SCP of 12 RCMP officers, 4 municipal employees</p> <p style="text-align: right;">4.29%</p>

Budget Option 1 (Recommended) – Base Budget Increase, Investment in Community Facilities and Partial Funding of OBI from 2019 Capital Budget

This proposed option aligns with Council's Long Term Financial Management Strategy to achieve a same level of service increase below the 2021 preliminary Vancouver CPI forecast of 2.10% from the Conference Board of Canada. This option includes the following budget items:

- ✓ Same Level of Service Increase – Fire-Rescue
- ✓ Same Level of Service Increase – All Divisions excluding Fire-Rescue
- ✓ Senior Government Increase
- ✓ 2020 Increases Deferred to 2021 through Utilization of Rate Stabilization
- ✓ Partial funding of OBI from 2019 Capital Budget – Year 1 of 3
- ✓ Investment in Community Facilities (Transfer to Reserves)

In recognition that the COVID pandemic is still ongoing and the impact will continue well into 2021, staff are recommending a 2021 budget that provides the same service level and adheres to Council's policy without including any extraordinary spending of additional service levels and programming.

Staff have not included the operating budget impacts and Council's Safe Community Program as this is outside of the Council's LTFMS policy. Due to the pandemic, Council reduced the 2020 Operating Budget the tax increase by 2.01%. Since we are still in the midst of the pandemic, staff believes that it is prudent to not recommend any increases this year beyond the Council policy.

Table 8 – Budget Option 1 (Recommended)

Budget Component	Amount (in '000s)	2021 Tax Impact
Same Level of Service Increase – All Divisions excluding Fire-Rescue	\$2,381	0.99%
Investment in Community Facilities (Transfer to Reserves)	2,394	1.00%
Same Level of Service and Investment in Community Facilities Total (per LTFMS policy)	4,775	1.99%
Senior Government Increase: Canada Pension Plan Enhancements	255	0.11%
2020 Community Safety Increases Deferred to 2021 through Utilization of Rate Stabilization	1,609	0.67%
Partial funding of OBI from 2019 Capital Budget – Year 3 of 3	311	0.13%
2021 Proposed Operating Budget Increase¹ (meets Council's LTFMS policy)	\$6,950	2.90%

¹The proposed tax increase of 2.90% is equivalent to approximately \$51 in municipal taxes for an average residential property with an assessment value of \$996K (based on 2020 assessment values & tax rates).

Budget Option 2 – Base Budget Increase, Investment in Community Facilities and Operating Budget Impacts

This option builds upon option 1 and it includes operating budget impacts (OBI) from previously approved capital projects, estimated OBI from the 2021 Capital Budget and developer contributed assets. This option incorporates future funding for repair and maintenance of City infrastructures and current funding to avoid disruptions to City programs and services. This option includes the following OBI:

- ✓ OBI from 2019 Capital Budget – Year 3 of 3
- ✓ OBI from 2020 Capital Budget (including amendment)
- ✓ Estimated OBI from 2021 Capital Budget
- ✓ Estimated OBI from Developer Contributed Assets

Table 9 –Budget Option 2

Budget Component	Amount (in '000s)	2021 Tax Impact
Same Level of Service – All Divisions excluding Fire-Rescue	\$2,381	0.99%
Investment in Community Facilities (Transfer to Reserves)	2,394	1.00%
Same Level of Service and Investment in Community Facilities Total (per LTFMS policy)	\$4,775	1.99%
Senior Government Increase: Canada Pension Plan Enhancements	255	0.11%
2020 Community Safety Increases Deferred to 2021 through Utilization of Rate Stabilization	1,609	0.67%
Partial funding of OBI from 2019 Capital Budget – Year 3 of 3	311	0.13%
Base Budget Increase (meets Council's LTFMS policy)	6,950	2.90%
Remainder of OBI from 2019 Capital Budget - Year 3 of 3	92	0.04%
OBI from 2020 Capital Budget (including Amendment)	490	0.21%
Estimated OBI from 2021 Capital Budget - Phase in	196	0.08%
Estimated OBI from Developer Contributed Assets	633	0.26%
Operating Budget Impacts Total	1,411	0.59%
2021 Proposed Operating Budget Increase¹	\$8,361	3.49%

¹The proposed tax increase of 3.49% is equivalent to approximately \$61 in municipal taxes for an average residential property with an assessment value of \$996K (based on 2020 assessment values & tax rates).

Budget Option 3 – Base Budget Increase, Investment in Community Facilities, Operating Budget Impact and Safe Community Plan

This option also builds upon option 1 and it includes operating budget impacts (OBI) from previously approved capital projects, estimated OBI from the 2021 Capital Budget and developer contributed assets. This option also proposes to complete the SCP by 2021 as approved by Council by funding 16 RCMP officers, 11 municipal employees to support the RCMP detachment.

Table 10 – Budget Option 3

Budget Component	Amount (in '000s)	2021 Tax Impact
Same Level of Service – All Divisions excluding Fire-Rescue	\$2,381	0.99%
Investment in Community Facilities (Transfer to Reserves)	2,394	1.00%
Same Level of Service and Investment in Community Facilities Total (per LTFMS policy)	4,775	1.99%
Senior Government Increase: Canada Pension Plan Enhancements	255	0.11%
2020 Community Safety Increases Deferred to 2021 through Utilization of Rate Stabilization	1,609	0.67%
Partial funding of OBI from 2019 Capital Budget – Year 3 of 3	311	0.13%
Base Budget Increase (meets Council's LTFMS policy)	6,950	2.90%
Remainder OBI from 2019 Capital Budget - Year 3 of 3	92	0.04%
OBI from 2020 Capital Budget (including Amendment)	490	0.21%
Estimated OBI from 2021 Capital Budget - Phase in	196	0.08%
Estimated OBI from Developer Contributed Assets	633	0.26%
Operating Budget Impacts Total	1,411	0.59%
16 RCMP Officers	2,160	0.90%
11 Municipal Employee to support the RCMP detachment	830	0.34%
Safe Community Program Total	2,990	1.24%
2021 Proposed Operating Budget Increase¹	\$11,351	4.73%

¹The proposed tax increase of 4.73% is equivalent to approximately \$82 in municipal taxes for an average residential property with an assessment value of \$996K (based on 2020 assessment values & tax rates).

Budget Option 4 – Base Budget Increase, Investment in Community Facilities, Operating Budget Impacts and partial funding of Council’s Safe Community Program.

This option incorporates operating budget impacts from previously approved capital projects, estimated OBI from the 2021 Capital Budget and developer contributed assets and partially funding Council’s Safe Community Program.

In consultation with the Richmond RCMP Officer in Charge, it was communicated that hiring 12 RCMP officers and 4 municipal employees in 2021 would be desirable and sufficient to address the detachment’s 2021 operational requirements. This is the number of RCMP officer positions that was originally budgeted and approved in the 2020 operating budget that was subsequently cancelled. The remaining 4 RCMP officers and 7 municipal employees may be deferred to 2022.

The total amount to be deferred for this option is approximately \$1.08M or 0.44% tax increase for the remaining 4 RCMP officers and 7 municipal employees to support the RCMP detachment.

Table 11 –Budget Option 4

Budget Component	Amount (in '000s)	2021 Tax Impact
Same Level of Service – All Divisions excluding Fire-Rescue	\$2,381	0.99%
Investment in Community Facilities (Transfer to Reserves)	2,394	1.00%
Same Level of Service and Investment in Community Facilities Total (per LTFMS policy)	4,775	1.99%
Senior Government Increase: Canada Pension Plan Enhancements	255	0.11%
2020 Community Safety Increases Deferred to 2021 through Utilization of Rate Stabilization	1,609	0.67%
Partial funding of OBI from 2019 Capital Budget – Year 3 of 3	311	0.13%
Base Budget Increase (meets Council's LTFMS policy)	6,950	2.90%
Remainder OBI from 2019 Capital Budget - Year 3 of 3	92	0.04%
OBI from 2020 Capital Budget (including Amendment)	490	0.21%
Estimated OBI from 2021 Capital Budget - Phase in	196	0.08%
Estimated OBI from Developer Contributed Assets	633	0.26%
Operating Budget Impacts Total	1,411	0.59%
12 RCMP Officers	1,620	0.68%
4 Municipal Employee to support the RCMP detachment	302	0.12%
Safe Community Program Total	1,904	0.80%
2021 Proposed Operating Budget Increase¹	\$10,265	4.29%

¹The proposed tax increase of 4.29% is equivalent to approximately \$75 in municipal taxes for an average residential property with an assessment value of \$996K (based on 2020 assessment values & tax rates).

Financial Impact


The CAO and SMT have done considerable work including conducting a significant number of reviews to achieve a combined same level of service budget of 1.17% which is below the CPI target of 2.10%. Staff were cognisant that the upcoming year may be challenging therefore no additional level increases were submitted. The Proposed Operating Budget of 3.10% is recommended as presented in Budget Option 1 (City-Wide excluding Fire-Rescue) and Budget Option 1 of Fire-Rescue.


Table 12 – 2021 Proposed Operating Budget Increase (in \$000s)

Budget Component	Amount (in \$'000s)	Tax Impact
Same Level of Service Increase – All Divisions other than Fire-Rescue	\$2,381	0.99%
Same Level of Service Increase – Fire-Rescue	\$422	0.18%
Same Level of Service Increase (below LTFMS target of 2.10%)	2,803	1.17%
Investment in Community Facilities (Transfer to Reserves)	2,394	1.00%
Same Level of Service and Investment in Community Facilities Total (per LTFMS policy)	5,197	2.17%
Senior Government Increase: Canada Pension Plan Enhancements	300	0.13%
2020 Community Safety Increases Deferred to 2021 through Utilization of Rate Stabilization	1,609	0.67%
Partial Funding of OBI from the 2019 Capital Budget – Year 3 of 3	311	0.13%
Proposed 2021 Operating Budget Increase (meets Council's LTFMS policy)	\$7,417	3.10%

Conclusion

In keeping with staff's mandate as stipulated in the Long Term Financial Management Strategy policy, the 2021 recommended operating budget increase has been limited to 3.10% which includes CPI plus 1% transfer to reserves in support of funding for community facilities replacement needs. Other Council priorities and commitments are also provided for Council's consideration in addition to this recommended operating budget increase.


 Mike Ching, CPA, CMA
 Acting Manager, Financial Planning
 (604-276-4137)


 Jenny Ho, CPA, CGA
 Acting Manager, Budgets
 (604-276-4223)

JH:jg

2021 Proposed Operating Budgets

Index of Appendices

Contents

1. Council Strategic Plan (2018-2022)	26
2. Economic Outlook	27
3. 2021 Budget Cycle	35
4. 2021 Same Level of Service Base Net Budget (in '000s)	36
5. 2021 Same Level of Service Base Budget Details	37
6.OBI of the 2020 Capital Budget Amendment	46
7.Operating Budget Impact from Developer Contributed Assets	47
8. 2021 Same Level of Service Base Budget Details (Fire-Rescue)	49

1. Council Strategic Plan (2018-2022)



2. Economic Outlook

Richmond is a major employment center for the region, with a strong and diverse economic base. Local businesses contribute over 40 per cent of the City's property tax revenues, resulting in the ability to provide residents exceptional levels of municipal services while ensuring a reasonable allocation of taxation among property classes. Richmond's economy is subject to constantly changing global, regional and local trends. As part of its budget planning process, the City examines the current economic context and available forecasts to manage short-term risks and advance long-term financial sustainability.

Global, National and Provincial Forecasts

Economies at all levels continue to be significantly impacted by the ongoing COVID-19 pandemic. While the third quarter of 2020 showed signs of rebound, significant risk and uncertainty persist around medium and longer term economic recovery. These outcomes will be closely tied to the extent and duration of government fiscal supports, and the success of containing the virus through the widespread administration of a vaccine.

1. Global Forecast¹

Prior to the pandemic, global growth had been slowing as a result of elevated uncertainty surrounding trade policy, higher import tariffs and geopolitical tensions. In 2019 the gross domestic product (GDP) in most advanced economies grew at its slowest pace since the global financial crisis in 2008.

In 2020, global growth is projected to decline by 4.4% due to the pandemic and the associated public health restrictions that severely impacted both households and firms. With COVID-19 continuing to spread, many countries have slowed reopening and economic recovery is expected to be gradual as physical distancing persists while vaccination programs are administered. In 2021 worldwide GDP is projected to grow by 5.2%, resulting in economic output that is a modest 0.6% above 2019 levels.

2. Canadian Forecast²

Canadian economic growth slowed in 2019, to a rate of 1.7% - tempered partly by a slowdown in global trade and weak oil prices - and has subsequently been severely impacted by the COVID-19 pandemic. GDP is forecasted to decline by 5.7% in 2020, followed by a rebound of 4% in 2021.

The improvement in some economic indicators during Q3 reflected a one-time boost in activity as economies in some regions re-opened from depressed levels of activity. According to Scotiabank's December Global Economic Outlook, the near term outlook has worsened due to the resurgence of the virus. Although measures announced in the federal government's Fall Economic Statement, along with positive developments related to a vaccine, are expected to lead to a strong recovery in 2021.

While the majority of jobs impacted across the country since March have been recovered, the forecast cautions that the most impacted sectors will experience a much more gradual recovery with overall employment remaining below pre-pandemic levels until the end of 2022 or later. Fiscal supports such as

¹ Source: International Monetary Fund, World Economic Outlook (October 7, 2020)

² Source: Scotiabank Global Outlook (December 4, 2020)

expanded employment insurance, the Canada Emergency Wage Subsidy and the Canada Emergency Rent subsidy are helping to ease the burden on businesses and individuals.

Canadian Economic Indicators	2019	2020f	2021f	2022f
Real GDP (% Change)	1.7	-5.7	4.0	3.3
Consumer Price Index (% Change)	1.9	0.7	1.7	1.9
Residential Investment	-0.2	3.9	13.9	4.7
Business Investment	0.5	-11.5	1.8	4.4
Unemployment Rate (%)	5.7	9.5	7.6	6.3
Housing Starts (000s)	209	207	182	190

3. British Columbia Forecast³

While B.C.'s GDP is expected to contract by 6.1% in 2020, economic recovery is underway throughout the province with strong rebounds in key indicators such as employment, housing and retail spending. Some major construction projects which were initiated prior to the pandemic are helping to spur some of this activity.

As of November the unemployment rate in the province had dropped back down to 7.1% and B.C. was exceeding forecasted rebounds in employment. However this rate reflected Statistics Canada data from the week of November 8-14, before the Provincial Health Officer announced additional restrictions and advisories in an attempt to quell increasing rates of COVID-19 transmission. Employment for youth aged 15-24 has been disproportionately impacted, as well as for workers in hard hit sectors like accommodation and food services; and arts, entertainment and recreation.

Business closures surged during the Phase 1 period, and active businesses fell by 10%. Many have reopened since B.C.'s Phase 2 restart in May, but it is unclear yet how many have permanently closed or will do so as economic weaknesses persist and fiscal supports gradually expire.

The housing market has experienced a stronger than expected rebound, with home sales spurred by a combination of record low borrowing costs, pent up demand and a shift in consumer preferences driven partially by increasing work from home arrangements.

The provincial economy is forecasted to grow by 4% in 2021 and then continue with a more gradual recovery in 2022 and beyond. Those businesses and jobs in sectors that have been the hardest hit, for example tourism, will face the most gradual recoveries.

British Columbia Indicators	2019	2020f	2021f	2022f
Real GDP (% Change)	2.8	-6.1	4.0	3.4
Consumer Price Index (% Change)	2.3	0.8	2.1	2.3
Residential Investment (% Change)	-0.2	-7.7	2.5	4.0
Business Investment ⁴ (% Change)	7.9	-5.0	9.0	6.4
Unemployment Rate (%)	4.7	9.9	7.5	6.3
Housing Starts (000s)	44.9	34.7	36.3	37.1

³ Source: Central 1 Credit Union, Economic Analysis of British Columbia (September 2020)

⁴ Includes both non-residential construction and machinery and equipment

Local Trends

1. Metro Vancouver⁵

After expanding at an average annual pace of 3.2% over the past five years, the Metro Vancouver economy was severely impacted in 2020 as a result of public health and safety measures introduced to contain the spread of the virus. GDP activity is expected to contract by 6% in 2020 before experiencing a rebound of 6.8% in 2021 and 4.9% in 2022.

Travel restrictions brought on by the pandemic, which saw Canada close its borders to most foreigners and ban non-essential travel, abruptly halted visitor traffic to the region. As a result businesses and jobs in industries that are closely tied to tourism have been hit particularly hard. Although these industries are expected to see an improvement in 2021, returning to pre-pandemic levels will take some time.

Restrictions at the Canadian border will have additional impacts including lower international immigration and in-migration to the Metro Vancouver region in the near and medium term.

Retail sales are expected to contract by -6.3% in 2020 and as labour market conditions and consumer demand improve next year, they are forecasted to increase by 7.1%.

Canadian Economic Indicators	2019	2020f	2021f	2022f
Real GDP	2.8	-6.0	6.8	4.9
Consumer Price Index	2.3	0.8	2.1	2.3
Population (%)	1.5	1.0	1.0	1.2
Retail Sales	-0.8	-6.3	7.1	3.8
Unemployment Rate (%)	4.6	9.6	6.9	5.7
Housing Starts (000s)	28	23	25	21

2. Richmond⁶

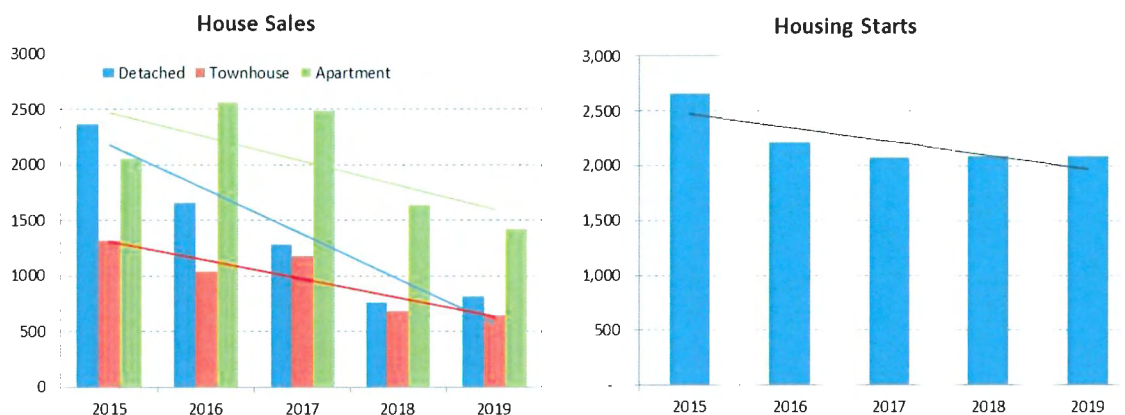
As in all of Metro Vancouver, a large share of Richmond's jobs (40%) are community-oriented, serving local residents and other businesses. The remaining jobs are in sectors that serve national and international markets and generate new economic activity. Nearly 70% of these economic base jobs are in sectors linked to the city's role as a people and goods movement gateway, including transportation, warehousing and logistics, manufacturing, wholesale, and tourism. Richmond has a regional advantage in the above industries, due to the presence of the port and airport.

According to the 2016 Census there were 130,000 jobs in Richmond, representing a favourable 1.35 jobs to worker ratio. Some of these jobs have been impacted by COVID-19, particularly those in hard hit sectors related to aviation, tourism, entertainment and recreation. The following are additional key local economic performance indicators and analysis related to Housing & Development, Commercial Space, Business Growth and Tourism & Trade.

⁵ Conference Board of Canada Major City Insights, Vancouver, October 20, 2020

⁶ Source: City of Richmond Interactive Data, <http://www.businessinrichmond.ca/data-centre/> (unless stated otherwise)

1. Housing Market



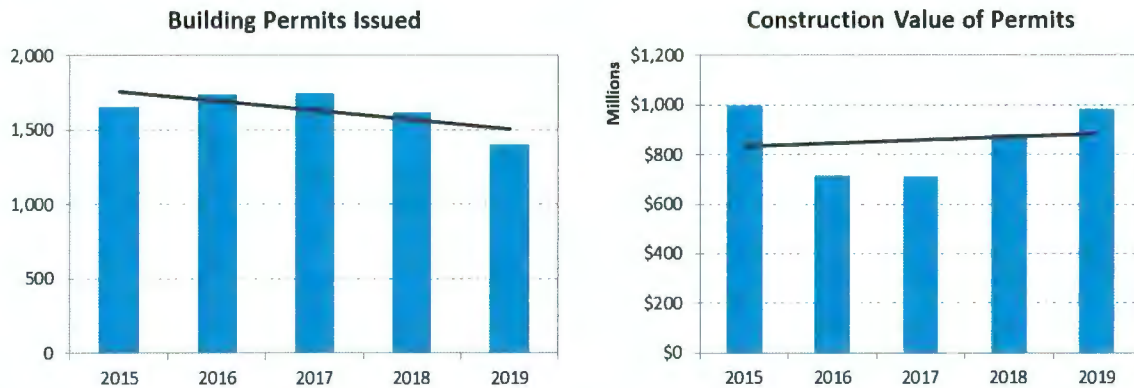
The decline in Richmond home sales and housing starts in recent years is a result of multiple policy interventions introduced since mid-2016. Tougher mortgage qualifications, rising interest rates and government tax measures have been implemented to cool the housing market in overheated regions including Metro Vancouver. Due to ongoing development in the City Centre, apartment sales have outperformed all other categories, but also began slowing down in 2017.

During the first three quarters of 2020 demand for housing was surprisingly strong, attributed to limited job losses among high-income Canadians, generous government support programs, and record low mortgage rates. Townhouses were the most popular category and the number of sales increased by 43% over the same period in 2019 followed by detached homes (+18%) and apartments (+17%).

As of Q3 2020 the total number of housing starts in Richmond as recorded by Canada Mortgage and Housing Corporation (CMHC) had declined by 44% over the same period last year. However, this figure does not reflect the overall residential activity defined by applications and issued building permits due to the varying timing between issuance of permits and CMHC determining a housing start.

Housing Indicators	2020 to Q3	2019 to Q3	% Change
Total Sales - Detached	658	557	18%
Total Sales - Townhouse	632	443	43%
Total Sales - Apartment	1,168	997	17%
Housing Starts	1,125	2,012	-44%

2. Construction Activity

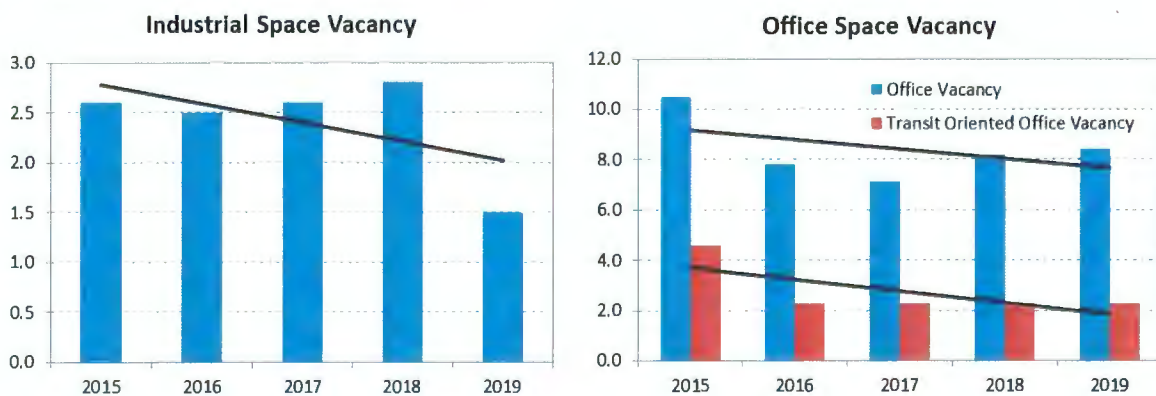


Record levels of building activity occurred in Richmond in 2019, representing \$981 million in construction value – second only to 2015 when the value of buildings permits totalled nearly \$1 billion. This has been led by multi-family residential construction in the City Centre.

Building permit activity remains very high as building revenue in Q3 2020 was higher compared to previous years Q3. Overall, we are seeing a trend for fewer, but larger and more complex multi-family project applications that take significantly longer to process and issue. These applications may result in lower permit issuances in certain periods, but will ultimately result in more housing units and higher construction value. The estimated value of approved construction for 2020 will be higher than the average within the last six years.

Construction Indicators	2020 to Q3	2019 to Q3	% Change
Building Permits Issued	710	1,080	-34%
Construction Value (\$ millions)	\$588	\$878	-33%

3. Commercial Space



Both the industrial and office space vacancy rates Richmond have registered declines in the last five years due to economic growth and business expansion.

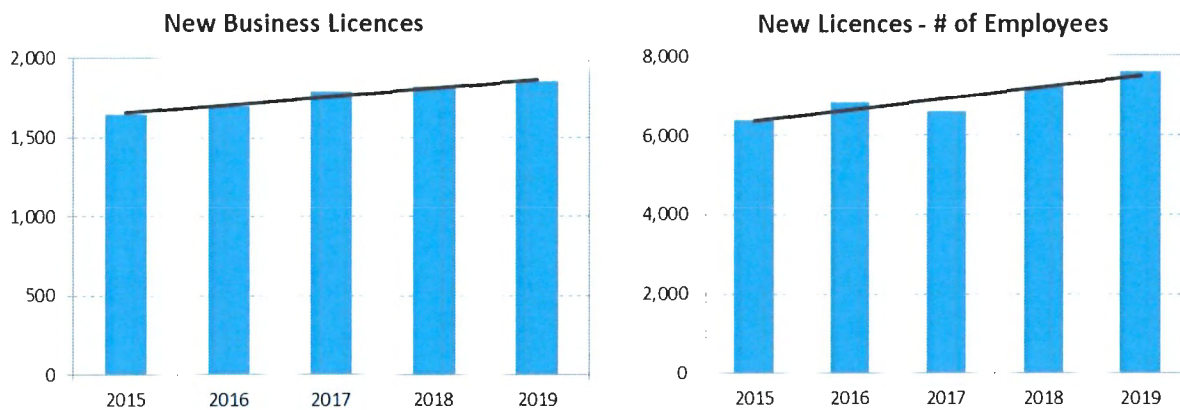
Richmond has over 39 million square feet of industrial space, which, at 18%, represents the largest share of Metro Vancouver’s regional industrial inventory. The industrial vacancy rate in Richmond declined to

an unhealthy 2.3% by the end of 2019 despite a 3% inventory growth over the five year period. Demand has continued to be strong during the COVID-19 pandemic, particularly from logistics and e-commerce users, and the vacancy rate was 1.6% at the end of Q3 2020. Overall the region continues to experience a severe shortage of industrial land that is necessary for population, business and economic growth.

By the end of Q3 2020 the office vacancy rate had increased to 8.8% in Richmond after steadily declining between 2015 and 2019. This has been a common trend in the region due to an increase in sublease activity. As well, many office based businesses have been reconsidering their real estate footprints due to COVID-19 requiring employees to work remotely where possible, and the overall acceleration of the work from home trend. Longer term outlooks for office space demand vary. While financial impacts and operational needs have caused some tenants to downsize, others have leased additional space to ensure proper physical distancing.

Commercial Space Indicators	2020 to Q3	2019 to Q3	% Change
Industrial Inventory (million sf)	39.4	38.9	1%
Industrial Vacancy Rate	1.6	1.8	-11%
Office Inventory (million sf)	4.5	4.4	2%
Office Vacancy Rate	9	8.3	8%

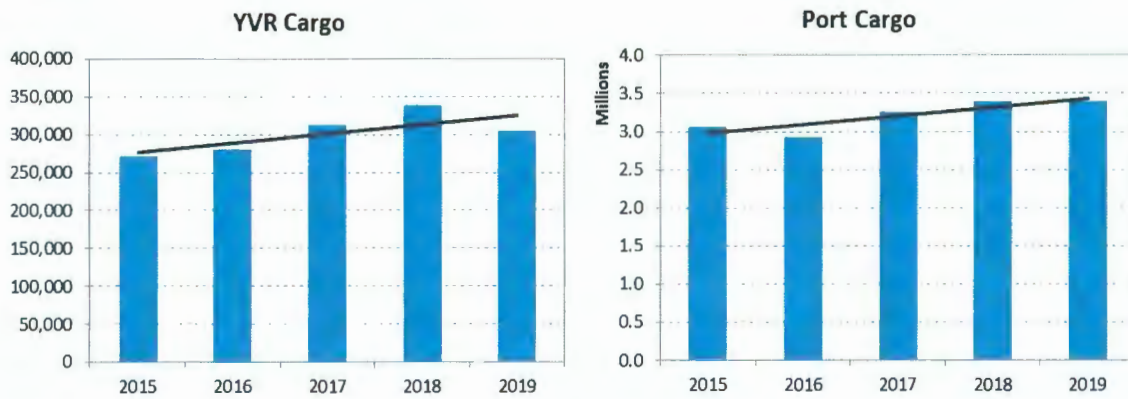
4. Business Growth



The number of new business licences and associated employment have grown steadily over the last five years, though the number of valid business licences has remained steady at between 13,000 and 14,000. This indicates that a portion of Richmond’s business growth is occurring as new businesses displace those that have closed or moved. As of Q3 2020 the number of licensed businesses had declined by 8% over Q2 2019 as some businesses were forced to temporarily close or did not renew their business licence for various reasons. The number of permanent business closures due to COVID-19 is not known at this time, but many remain in a precarious position and aided by government support measures.

Local Business Activity	2020 to Q3	2019 to Q3	% Change
Total Valid Business Licenses	13,586	14,802	-8%
New Business Licenses	969	1,513	-36%
New Licenses - # of Employees	4,257	5,906	-28%

5. Trade



The amount of cargo handled by both the Port of Vancouver and YVR had grown steadily in recent years, with the exception of 2019 when global trade was experiencing some difficulties amid geopolitical tensions. This year brought a significant shock to the global movement of goods as COVID-19 resulted in widespread supply chain disruptions. Air cargo was further disrupted by the reduction of plane movements, and year-to-date cargo volumes handled out of YVR dropped by 25% over the same period in 2019.

Local Trade Indicators	2020 to Q3	2019 to Q3	% Change
YVR Cargo (tonnes)	170,913	227,616	-25%
PMV Cargo (TEUs)	2,471,116	2,596,151	-4.8%

6. Tourism



In 2018 BC's tourism sector was outpacing growth in the provincial economy with increasing revenues, employment, wages and number of visitors⁷. In the five year period prior to the pandemic Richmond taxable hotel room revenue grew at an average annual rate of 11%.

Impacts to the tourism and hospitality sector caused by physical distancing measures and restrictions on travel and large gatherings have been severe. In May 2020 Destination BC estimated that the province's \$20.5 billion annual tourism industry could see a reduction down to \$6.7 billion in 2020. Urban centres

⁷ Source: Destination British Columbia

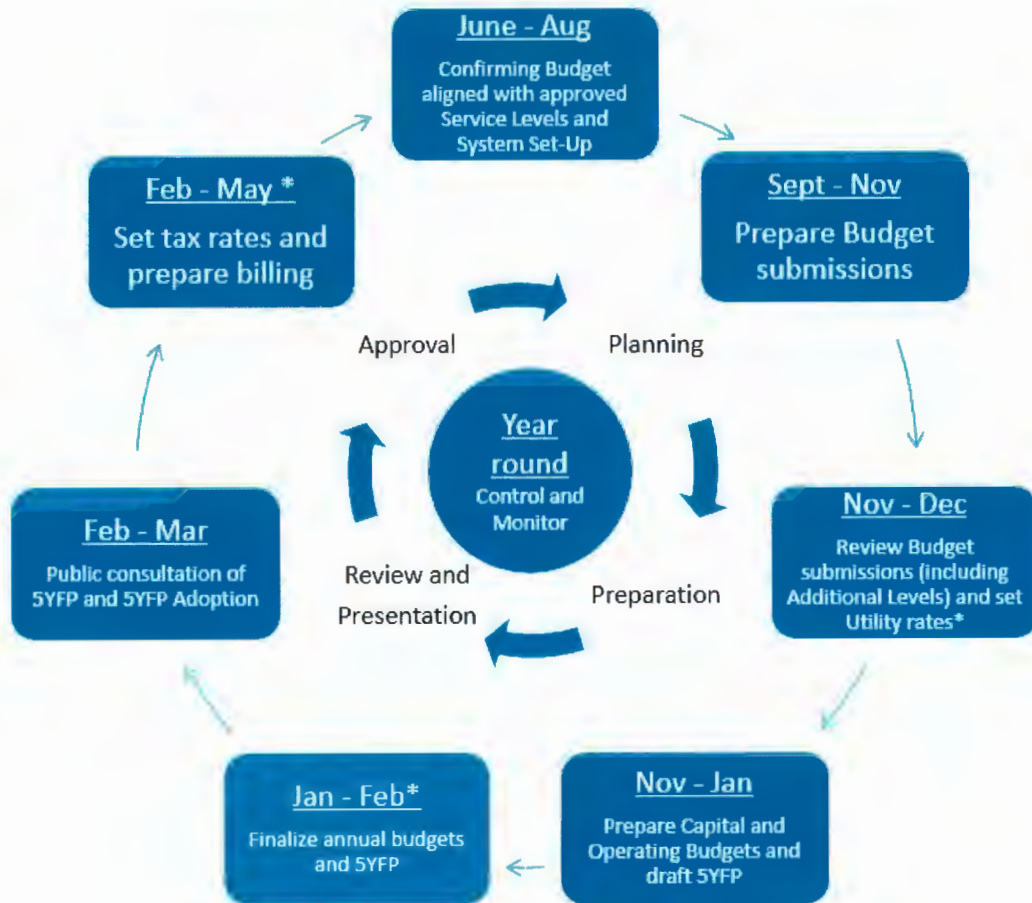
including Metro Vancouver and Richmond have seen even greater declines as tourism in these areas is largely driven by corporate travel, major events and the cruise industry. These are reflected in year-to-date local tourism indicators – at the end of Q3 2020 the number of YVR passengers had declined by 68%, and taxable hotel room revenue by 64%.

Local Tourism Indicators	2020 to Q3	2019 to Q3	% Change
YVR Passengers (millions)	6.4	20.3	-68%
Hotel Room Revenue (\$ millions)*	68.8	188.9	-64%

*this includes only taxable hotel room revenue that is subject to MRDT collection

3. 2021 Budget Cycle

2021 Budget Cycle



* Council Involvement

4. 2021 Same Level of Service Base Net Budget excluding Fire-Rescue

Department/Division (excluding Fire-Rescue)	2020 Adjusted Base Budget (Restated for Comparison) (in '000s)	2021 Proposed Net Base Budget (in '000s)	Amount Change (in '000s)	Per Cent Change	Tax Impact
Policing	57,391	58,727	1,336	2.33%	0.56%
Community Safety - Other	45	256	211	468.89%	0.09%
Community Safety Total	\$57,436	\$58,983	\$1,547	2.69%	0.65%
Community Services	42,965	43,827	862	2.01%	0.36%
Library	10,030	10,182	152	1.52%	0.06%
Community Services including Library	\$52,995	\$54,009	\$1,014	1.91%	0.42%
Engineering and Public Works	38,238	39,201	963	2.52%	0.40%
Finance and Corporate Services	21,702	22,208	506	2.33%	0.21%
Corporate Administration	10,277	10,504	227	2.21%	0.09%
Planning and Development	7,451	7,816	365	4.90%	0.15%
Law and Legislative Services	3,585	3,646	61	1.72%	0.03%
Fiscal	(191,684)	(191,593)	91	(0.04%)	0.04%
Same Level of Service Increase	\$-	\$4,775	\$4,775		1.99%
Less: Estimated 2021 New Tax Growth		(2,394)	(2,394)		(1.00%)
Same Level of Service Increase After Growth		\$2,381	\$2,381		0.99%

5. 2021 Same Level of Service Base Budget Details

All Divisions (excluding Fire-Rescue)

Community Safety (excluding Fire-Rescue), Community Services (including Library), Engineering and Public Works (excluding Utilities), Finance and Corporate Services, Corporate Administration, Planning and Development, Law and Legislative Services, and Fiscal.

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2020 \$	Change 2021 %
Revenues	(299,885,000)	(282,042,900)	17,842,100	(5.95%)
Expenditures				
Labour	125,892,000	129,614,200	3,722,200	2.96%
Contract Services	76,940,100	78,090,500	1,150,400	1.50%
Operating Expenses	37,206,000	38,874,100	1,668,100	4.48%
Total Operating Expenses	240,038,100	246,578,800	6,540,700	2.72%
Fiscal Expenses	70,274,300	72,762,000	2,487,700	3.54%
Transfers	(10,427,400)	(32,523,400)	(\$22,096,000)	(211.90%)
Grand Total¹	\$-	4,774,500	\$4,774,500	

¹ 2021 Proposed Base Budget increase represents the same level of service before tax growth.

FTE Change

	2020 FTE ²	2021 FTE ³	Change 2021	Change 2021 %
Total	1,175.4	1,177.2	1.8	0.15%

² 2020 Full-Time Equivalent (FTE) includes same level of service base budget, additional levels approved in 2020, 2020 budget amendments, and positions funded by Capital or one-time expenditures. There are certain positions transferred between Divisions and 2020 FTE has also been restated to align with the current organizational structure approved in 2021.

³ 2021 FTE includes same level of service base budget, additional levels previously approved in 2020, the operating budget impact (OBI) relating to previously approved capital submissions, 2020 Budget Amendment, positions funded by Capital or One-Time expenditures.

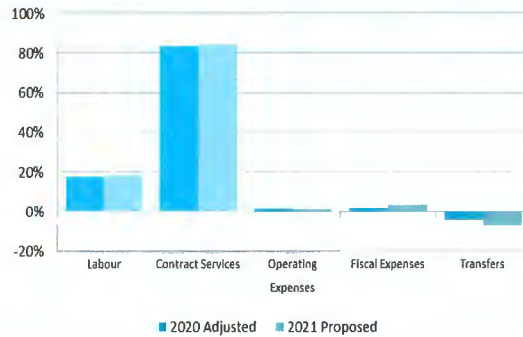
FTE Change – Library

	2020 FTE	2021 FTE	Change 2021	Change 2021 %
Total	95.8	95.8	-	-%

Community Safety (excluding Fire-Rescue)

The City’s primary community safety providers are Police (RCMP), Emergency Programs, Business Licences, and Community Bylaws. The role of the Community Bylaws Department is to lead, assist or partner with others to ensure that the City’s various bylaws are complied with for the overall benefit of the community.

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2021 \$	Change 2021 %
Revenues	(14,417,600)	(13,731,600)	686,000	(4.76%)
Expenditures				
Labour	12,583,000	12,887,000	304,000	2.42%
Contract Services	59,987,800	61,287,600	1,299,800	2.17%
Operating Expenses	1,102,500	1,102,500	-	-
Total Expenditures	73,673,300	75,277,100	1,603,800	2.18%
Fiscal Expenses	1,300,000	2,545,500	1,245,500	95.81%
Transfers	(3,119,700)	(5,108,100)	(1,988,400)	63.74%
Grand Total	\$57,436,000	\$58,982,900	\$1,546,900	2.69%



FTE Change

	2020 FTE	2021 FTE	Change 2021
Total	143.3	143.3	-

RCMP Contract Complement (Funded)

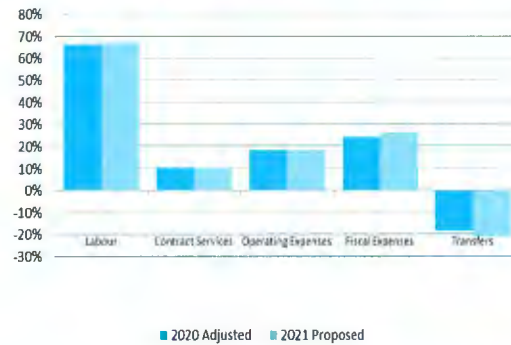
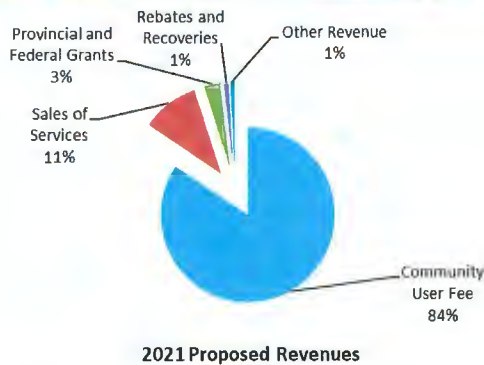
	2020 FTE	2021 FTE	Change 2021
Officers	258.0	258.0	-
Civilian Members	2.0	2.0	-
Less: Non-Budgeted	(11.0)	(11.0)	-
Municipal Policing	249.0	249.0	-

Presentation excludes FTE Count for Integrated Teams including RTIC as there was a recent change of IHIT responsibilities from the RCMP to the Province of BC.

Community Services

Coordinates, supports and develops Richmond's community services including recreation, library, arts, heritage and sports. Oversees City owned public facilities and the design, construction and maintenance of City parks, trails and green spaces. Works with community partners and coordinates events and filming in the City.

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2021 \$	Change 2021 %
Revenues	(12,254,400)	(12,226,100)	28,300	(0.23%)
Expenditures				
Labour	43,162,700	44,368,500	1,205,800	2.79%
Contract Services	6,529,300	6,460,300	(69,000)	(1.06%)
Operating Expenses	11,932,300	12,036,000	\$103,700	0.87%
Total Expenditures	61,624,300	62,864,800	1,240,500	2.01%
Fiscal Expenses	15,785,300	17,383,300	1,598,000	10.12%
Transfers	(12,160,700)	(14,013,200)	(1,852,500)	15.23%
Grand Total	\$52,994,500	\$54,008,800	\$1,014,300	1.91%



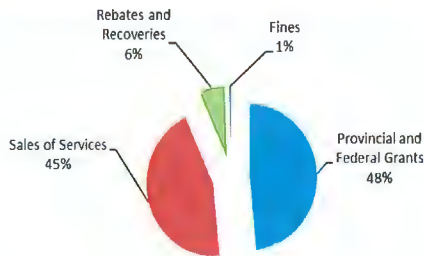
FTE Change

	2020 FTE	2021 FTE	Change 2021
Community Services	414.1	414.1	-
Library	95.8	95.8	-
Total	509.9	509.9	-

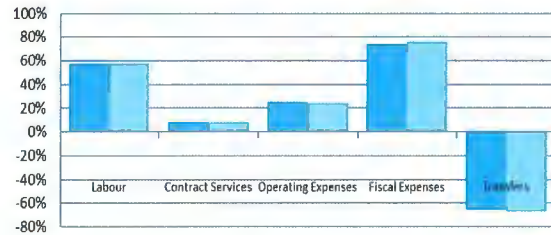
Engineering and Public Works (excluding Utilities)

Comprises engineering planning, design, construction and maintenance services for all utilities and City building infrastructure. Responsible for dikes and irrigation system, roads and construction services, street lighting, corporate sustainability, corporate and community energy programs.

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2021 \$	Change 2021 %
Revenues	(7,742,600)	(7,898,600)	(156,000)	2.01%
Expenditures				
Labour	26,438,100	27,419,900	981,800	3.71%
Contract Services	3,974,400	4,047,100	72,700	1.83%
Operating Expenses	11,414,200	11,386,400	(27,800)	(0.24%)
Total Expenditures	41,826,700	42,853,400	1,026,700	2.45%
Fiscal Expenses	34,151,700	35,962,200	1,810,500	5.30%
Transfers	(29,997,400)	(31,715,700)	(1,718,300)	5.73%
Grand Total	\$38,238,400	\$39,201,300	\$962,900	2.52%



2021 Proposed Revenues



■ 2020 Adjusted ■ 2021 Proposed

FTE Change

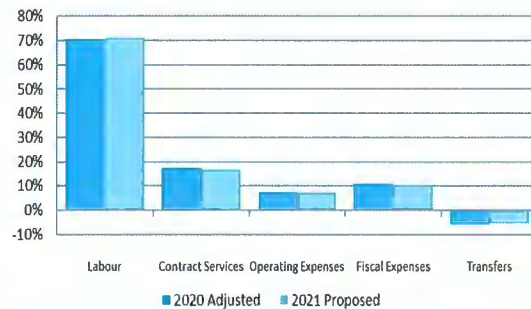
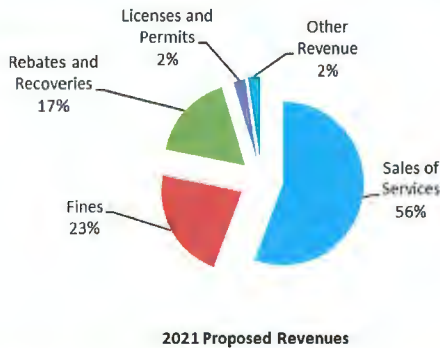
	2020 FTE	2021 FTE	Change 2021 ⁴
Total	265.3	266.3	1.0

⁴ FTE change due to new Senior Project Manager funded by Capital as approved by Council on Dec 14, 2020.

Finance and Corporate Services

Responsible for the financial well-being of the City, through the provision of financial advice, services and information to Council, staff and the public, as well as through the support and fostering of a viable business community. This division includes customer service, information technology, finance, economic development, real estate services, and corporate business service solutions.

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2021 \$	Change 2021 %
Revenues	(660,300)	(635,300)	25,000	(3.79%)
Expenditures				
Labour	15,708,500	16,220,900	512,400	3.26%
Contract Services	3,883,900	3,852,700	(31,200)	(0.80%)
Operating Expenses	1,664,800	1,664,600	(200)	(0.01%)
Total Expenditures	21,257,200	21,738,200	481,000	2.26%
Fiscal Expenses	2,447,500	2,378,400	(69,100)	(2.82%)
Transfers	(1,342,600)	(1,273,500)	69,100	(5.15%)
Grand Total	\$21,701,800	\$22,207,800	\$506,000	2.33%



FTE Change

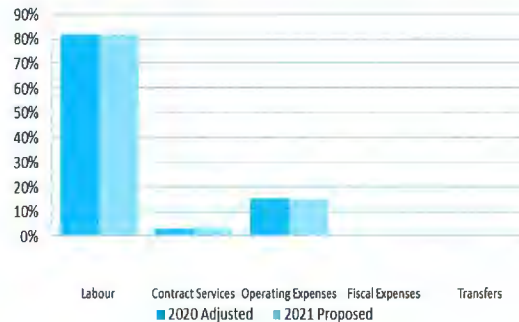
	2020 FTE	2021 FTE	Change 2021
Total	143.3	143.3	-

Corporate Administration

The CAO’s Office oversees the overall administration of the corporate body (business units/operations) of the City and employees. Other departments and functions include, human resources, corporate communications, protocol, business advisory services, special projects and coordination of interdivisional projects and initiatives and the Corporate Planning and Programs Management Group (CPMG). This is also where the budget for Mayor and Councillors resides.

During the 2020 year, Law and City Clerks departments were consolidated to a newly established Law and Legislative Services Division. The 2020 budget has been restated for comparative purpose.

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2021 \$	Change 2021 %
Revenues	(5,000)	(5,000)	-	-
Expenditures				
Labour	8,403,700	8,603,100	199,400	2.37%
Contract Services	326,400	354,400	28,000	8.58%
Operating Expenses	1,551,600	1,551,600	-	-
Total Expenditures	10,281,700	10,509,100	227,400	2.21%
Grand Total	\$10,276,700	\$10,504,100	\$227,400	2.21%



FTE Change

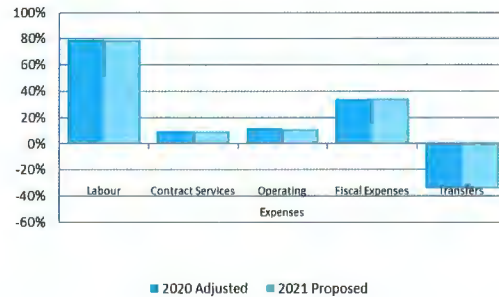
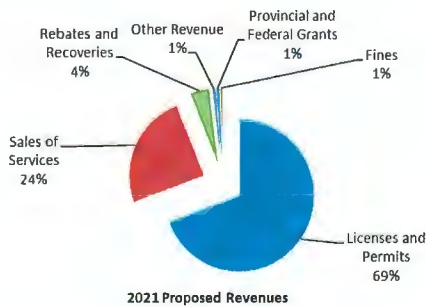
	2020 FTE	2021 FTE	Change 2021 ⁵
Total	65.8	66.6	0.8

⁵FTE change due to temporary full-time Communications Associate position appointment.

Planning and Development

Incorporates policy planning, transportation planning, development applications, building approvals, and community social development, which includes social planning, affordable housing, diversity, youth, childcare and older adult services. This division provides policy directions that guide growth and change in Richmond with emphasis on land use planning, development regulations, environmental protection, heritage and livability. These planning functions play a vital part in the City's life cycle and involve the development of community plans and policies, zoning bylaws, as well as development related approvals and permits.

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2021 \$	Change 2021 %
Revenues	(9,844,000)	(9,858,800)	(14,800)	0.15%
Expenditures				
Labour	13,637,300	14,019,900	382,600	2.81%
Contract Services	1,656,300	1,656,300	-	-
Operating Expenses	2,001,500	1,998,800	(2,700)	(0.13%)
Total Expenditures	17,295,100	17,675,000	379,900	2.20%
Fiscal Expenses	5,904,800	6,113,700	208,900	3.54%
Transfers	(5,904,800)	(6,113,700)	(208,900)	3.54%
Grand Total	\$7,451,100	\$7,816,200	\$365,100	4.90%



FTE Change

	2020 FTE	2021 FTE	Change 2021
Total	120.9	120.9	-

Law and Legislative Services

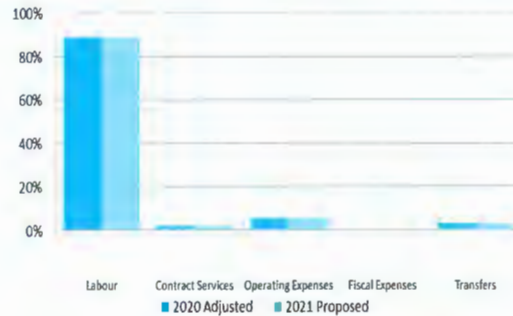
Law and Legislative Services division is responsible for providing advice to City Council and staff regarding the City's legal rights and obligations and records keeping.

During the 2020 year, this Division was established from the Legal and Legislative Services department, which was previously under Corporate Administration. The 2020 budget has been restated for comparison purposes.

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2021 \$	Change 2021 %
Revenues	(2,100)	(2,100)	-	-
Expenditures				
Labour	3,194,000	3,247,600	53,600	1.68%
Contract Services	75,700	75,700	-	-
Operating Expenses	199,400	207,400	8,000	4.01%
Total Expenditures	3,469,100	3,530,700	61,600	1.78%
Fiscal Expenses	-	9,900	9,900	-
Transfers	117,800	107,900	(9,900)	(8.40%)
Grand Total	\$3,584,800	\$3,646,400	\$61,600	1.72%



2021 Proposed Revenues



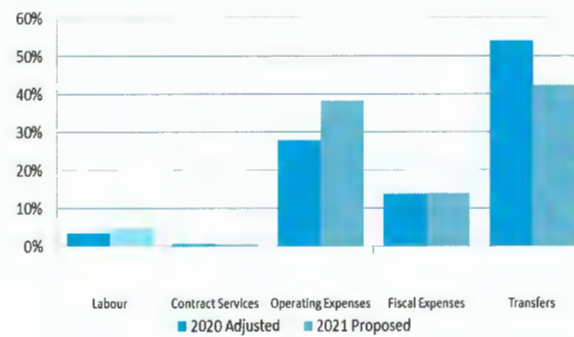
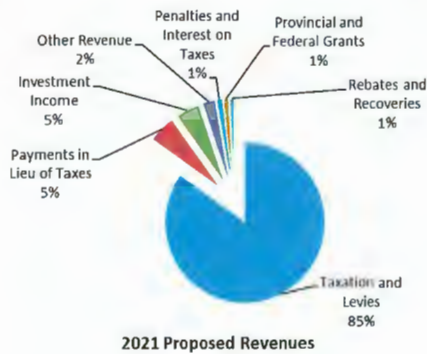
FTE Change

	2020 FTE	2021 FTE	Change 2021
Total	22.7	22.7	-

Fiscal

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2021 \$	Change 2021 %
Revenues¹	(254,959,000)	(237,685,400)	17,273,600	(6.77%)
Expenditures				
Labour	2,764,700	2,847,300	82,600	2.99%
Contract Services	506,300	356,400	(149,900)	(29.61%)
Operating Expenses	7,339,700	8,926,800	1,587,100	21.62%
Total Expenditures	10,610,700	12,130,500	1,519,800	14.32%
Fiscal Expenses	10,685,000	8,369,000	(2,316,000)	(21.68%)
Transfers	41,980,000	25,592,900	(16,387,100)	(39.04%)
Grand Total	\$(191,683,300)	\$(191,593,000)	\$90,300	(0.05%)

¹Allocated \$41,224,400 of revenues to Fire-Rescue



6.OBI of the 2020 Capital Budget Amendment

OBI of the 2020 Capital Budget Amendment			
Ref	Description	Address	OBI
1	<p>Library Cultural Centre Mechanical upgrade Project (OBI) At the Council meeting on July 27, 2020, Council approved the following: That the Equipment Renewal and GHG Reduction Project, described as Option 2 on page 4 in the staff report titled "Library Cultural Centre Mechanical Upgrade Project", dated July 20, 2020, from the Director, Sustainability and District Energy, be approved. Option 2 offers a greater greenhouse gas (GHG) emission reduction at City facilities by implementing a deep greenhouse gas emission and energy-efficient retrofit of heating and cooling systems.</p>	100-7700 Minoru Gate	\$53,500
2	<p>OBI for Improvements as part of the TransLink 2020 Bus Speed and Reliability Program Traffic related improvements (i.e. continuous flexible delineators, bus only-lane, new signage and pavement markings, etc.) along Steveston Highway from Shell Road to Highway 99 as described in the staff report titled "TransLink 2020 Capital Cost-Share Program – Supplemental Applications" dated June 19, 2020 approved by Council on July 27, 2020. The improvements are anticipated to be completed in early 2021. Triggering in 2021, the associated OBI is based on current estimates necessary for ongoing maintenance.</p>	City Wide	\$6,522
OBI of the 2020 Capital Budget Amendment Total			\$60,022

7. Operating Budget Impact from Developer Contributed Assets

2021 OBI Developer Contributed Assets				
Ref	Description	RZ/DP Number	Address	OBI
1	Seedlings Early Childhood Development Hub An Early Childhood Development Hub (ECD Hub) was negotiated as a community amenity as part of a mixed use development located in the City Centre Brighthouse Village area at 6340 No. 3 Road. Keltic (Brighthouse) Development Ltd. is providing a turnkey facility, as outlined through rezoning (RZ 17-773703) that was adopted on June 11, 2018. Up to 87 licensed child care spaces will be provided in the facility.	RZ 17-773703	6340 No 3 Rd	\$227,923
2	Sprouts Early Childhood Development Hub An Early Childhood Development Hub (ECD Hub) was negotiated as a community amenity as part of a mixed use development located in the City Centre Capstan Village area at 3299 Sexsmith Road, 3233 Sexsmith Road, and 3328 Carscallen Road. Pinnacle Living (Capstan Village) Lands Inc. is providing a turnkey facility, as outlined through rezoning (RZ 12-610011) that was adopted on December 17, 2014 and a covenant registered on title (CA4136053 to CA4136057). A total of 57 to 77 licensed child care spaces will be provided in this facility.	RZ 12-610011	3299 Sexsmith Road, 3233 Sexsmith Road, and 3328 Carscallen Rd	\$208,516
3	Oval 8 Holdings Ltd. Inc. On July 8, 2019, Council approved an application from Oval 8 Holdings Ltd. Inc. to permit construction of 3 residential towers consisting of approximately 459 units at 6811 Pearson Way on a site zoned "High Rise Apartment and Olympic Oval (ZMU4) – Oval Village (City Centre).	DP 18-816029	6811 PearsonWay	\$71,800
4	New Tree Asset Infrastructure Through the City's urban forest development process and park tree planting programs, 625 new trees have been planted in 2020 throughout the community and now require funding to support ongoing asset maintenance (pruning, watering, mulching, pest management, vandalism, infrastructure management, inspections and leaf control).	Various	Various	\$50,265
5	Onni 7811 Alderbridge Holding Corp Inc. On June 25, 2018, Council approved an application to rezone 7811 Alderbridge Way from the "Industrial Retail (IR1)" zone to the "Residential/Limited Commercial (RCL2)" zone in order to permit the development of a mixed-use mid-rise residential and limited commercial development on a property in the City Centre's Lansdowne Village.	RZ 17-765420	7811 Alderbridge Way	\$27,514
6	GBL Architects Inc. On September 24, 2018, Council approved an application to amend the Official Community Plan (OCP), Schedule 2.10 (City Centre Area Plan) at 6551 No. 3 Road to permit a high-rise, mixed use project on roughly 50% of 6551 No.3 Road at the south end of the CF Richmond Centre shopping centre.	CP 16-752923	6551 No 3 Rd	\$16,197

2021 OBI Developer Contributed Assets				
Ref	Description	RZ/DP Number	Address	OBI
7	Kaimanson Investment Ltd. On February 27, 2017 Council approved an application to rezone a 1.781 ha. (4.40 acre) site located at 4300, 4320, 4340 Thompson Road and 4291, 4331, 4431 and 4451 Boundary Road from "Single Detached (RS1/F)" and "Two-Unit Dwellings (RD1)" to "High Density Townhouses (RTH1)". There is an additional amendment to include the Hamilton Area Plan's density bonus and community amenity contribution provisions within the "High Density Townhouses (RTH1)" zone. The proposed townhouse development includes 120 units within 24 three-storey buildings	RZ 15-713048	4300, 4320, 4340 Thompson Road, and 4291, 4331, 4431 and 4451 Boundary Rd	\$13,227
8	OBI for Traffic-Signal Related Improvements (by developers) Traffic-signal related improvements completed or anticipated to be completed in 2020 through development. Triggering in 2021, the associated OBI is based on current estimates necessary for ongoing maintenance. The type of improvements includes providing new/enhanced existing traffic-signal related infrastructure, including the following locations: 1. McLennan Ave and Bridgeport Rd (Upgrade from pedestrian signal to full traffic signal) 2. No. 3 Rd and McMyn (New traffic signal)	DP 16-721500 and RZ 12-603040		\$8,492
9	Polygon Development 218 Ltd. On April 9, 2018, Council approved an application to rezone lands in the City Centre's Capstan Village area at 3551, 3571, 3591, 3611, and 3631 Sexsmith Road (Attachments 1, 2 & 3), from "Single Detached (RS1/F)" to "Residential/Limited Commercial (RCL4)", to permit a 16,329 m2, (175,759 ft2), high-rise development containing 157 market dwellings, 11 affordable (low-end of market rental) units (secured in perpetuity with a Housing Agreement and covenant registered on title), and 72 m2 (779 ft2) of community amenity space in the form of two rentable-affordable-work studios for professional artists (secured with a legal agreement registered on title).	RZ 17-778835	3551, 3571, 3591, 3611, and 3631 Sexsmith Rd	\$7,802
10	Alabaster Aequin Limited Partnership and PLLR 228 Holdings Ltd. On September 10, 2018, Council approved an application to rezone 8820, 8840, 8860, 8880, 8900, 8911 and 8931 Spires Road and the surplus portion of the Spires Road road allowance from the "Single Detached (RS1/E)" zone to the "Parking Structure Townhouses (RTP4)" zone in order to permit the development of 63 townhouse units and two secondary suites with two common parking structures.	RZ 17-766525	8820, 8840, 8860, 8880, 8900, 8911 and 8931 Spires Rd	\$5,983
11	Brighthouse Bus Mall On July 22, 2019, Council approved the Development Permit Panel meeting held on July 10, 2019 to permit the construction of a Bus Mall at 6302 No.3 Road and 6411 Buswell Street. OBI is for drainage improvements.	DP 11-593871	6302 No 3 Rd. and 6411 Buswell St	\$87
2021 OBI Developer Contributed Assets Total				\$637,806
Less: Utility OBI				5,298
2021 OBI Developer Contributed Assets, net of Utility				\$632,508

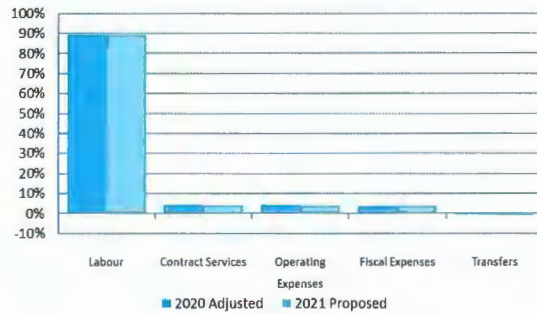
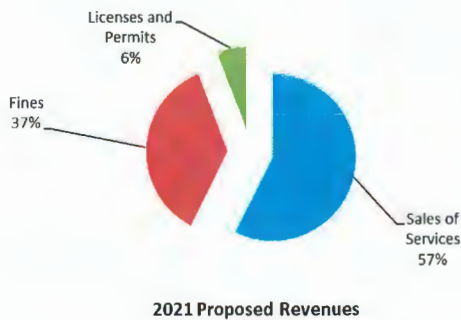
8. 2021 Same Level of Service Base Budget Details (Fire-Rescue)

Community Safety (Fire-Rescue)

The City's -Fire-Rescue Department responds to multiple emergency and non-emergency calls every day, from fires to medical emergencies, motor vehicle incidents and more. The team also offers a wide range of public education and prevention services to further the mission to protect and enhance the City's livability through service excellence.

	2020 Adjusted Base Budget (Restated for Comparison)	2021 Proposed Base Budget	Change 2021 \$	Change 2021 %
Revenues¹	(41,337,700)	(41,337,700)	-	-
Expenditures				
Labour	36,857,100	37,248,000	390,900	1.06%
Contract Services	1,682,300	1,713,100	30,800	1.83%
Operating Expenses	1,643,700	1,643,700	-	-
Total Expenditures	40,183,100	40,604,800	421,700	1.05%
Fiscal Expenses	1,360,700	1,578,100	217,400	15.98%
Transfers	(206,100)	(423,500)	(217,400)	105.48%
Grand Total	\$-	\$421,700	\$421,700	1.02%

¹Allocation of \$41,224,400 of revenues from Fiscal



FTE Change

	2020 FTE	2021 FTE	Change 2021
Total	255.7	255.7	-