



City of Richmond

Report to Committee

To: Finance Committee **Date:** September 25, 2018
From: Andrew Nazareth **File:** 03-0985-01/2018-Vol
 General Manager, Finance and Corporate 01
 Services
Re: **Amendments to the Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800**

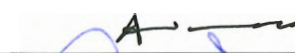

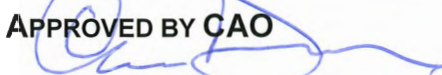
Staff Recommendation

That the Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800, Amendment Bylaw No. 9904, which incorporates and puts into effect the changes as outlined in the staff report titled "Amendments to the Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800" dated September 25, 2018 from the GM, 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

REPORT CONCURRENCE			
ROUTED TO:	CONCURRENCE	ROUTED TO:	CONCURRENCE
Community Social Development	<input checked="" type="checkbox"/>	Real Estate Services	<input checked="" type="checkbox"/>
Emergency Programs	<input checked="" type="checkbox"/>	Information Technology	<input checked="" type="checkbox"/>
Affordable Housing	<input checked="" type="checkbox"/>	Administration & Compliance	<input checked="" type="checkbox"/>
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>
Sport and Event Services	<input checked="" type="checkbox"/>	Transportation	<input checked="" type="checkbox"/>
Parks Services	<input checked="" type="checkbox"/>	Building Approvals	<input checked="" type="checkbox"/>
Project Development	<input checked="" type="checkbox"/>	Development Applications	<input checked="" type="checkbox"/>
Engineering	<input checked="" type="checkbox"/>	Planning & Development	<input checked="" type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>	Policy Planning	<input checked="" type="checkbox"/>
Energy Management	<input checked="" type="checkbox"/>	Fire Rescue	<input checked="" type="checkbox"/>
Law	<input checked="" type="checkbox"/>	RCMP	<input checked="" type="checkbox"/>
		CONCURRENCE OF GENERAL MANAGER:	
			
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 	

Staff Report

Origin

The Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800 was adopted on March 12, 2018. Included in the Consolidated 5 Year Financial Plan (5YFP) are the 2018 Capital, Utility and Operating Budgets.

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.

Analysis

Subsequent to the adoption of the 5YFP, new projects, changes to previously established programs and new 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 staff recommend that these amendments to the 5YFP be approved. There is **no tax impact** for any of these amendments.

The Council approved changes to the 2018-2022 5YFP presented in order of Council meeting dates, are:

1. a) At the Council meeting on November 27, 2017, Council approved the following:
 - (1) *That the application to the Union of British Columbia Municipalities (UBCM) 2018 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 5-Year Financial Plan (2018-2022) be updated accordingly.*

The 2018 Community Services Operating Budget will be increased by \$25,000 funded by the Union of British Columbia Municipalities (UBCM) 2018 Age-friendly Communities Grant Program to support the development and implementation of policies and plans that enable seniors to age in place and facilitate the creation and sustainability of age-friendly communities.

- b) At the Council meeting on December 11, 2017, Council approved the following:

- (1) That the application to the Federation of Canadian Municipalities Municipal Climate Innovation Program for up to \$1,000,000 in grant funding to support the deep energy and greenhouse gas emission reduction project planned for the Library Cultural Centre be endorsed;*
- (2) That, should the funding application be successful, the Chief Administrative Officer and the General Manager of Engineering and Public Works be authorized to execute the agreement with the FCM on behalf of the City of Richmond;*
- (3) That if the funding application is successful, the 2018-2022 Five Year Financial Plan Bylaw be adjusted accordingly.*

The Federation of Canadian Municipalities has approved \$750,000 in grant funding to support the deep energy and greenhouse gas emission reduction project planned for the Library Cultural Centre. The 2018 Capital Budget – Building Program will be increased by \$750,000.

c) At the Council meeting on December 11, 2017, Council approved the following:

- (1) That the report titled “UBCM Community Emergency Preparedness Fund”, dated November 17, 2017 from the General Manager, Community Safety be received for information;*
- (2) That the application to the Union of British Columbia Municipalities Community Emergency Preparedness Fund for up to \$25,000 in grant funding to support Emergency Social Services for Emergency Programs be approved;*
- (3) 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 approved;*
- (5) That if the funding application is successful, the 2018-2022 Five Year Financial Plan Bylaw be adjusted accordingly.*

The 2018 Community Safety Operating Budget will be increased by \$50,000 funded by the Union of British Columbia Municipalities (UBCM) Community Emergency Preparedness Fund grant to support Emergency Social Services and Emergency Operations Centres & Training for Emergency Programs.

- d) At the Closed Council meeting held on February 5, 2018, Council approved a transfer of \$231,600 from the Affordable Housing Capital Reserve and \$50,000 from the Affordable Housing Operating Reserve to support Affordable Housing initiatives.
- e) At the Council meeting on March 12, 2018, Council approved the following:

- (3) *That the West Cambie Neighbourhood Park Public Art Project for \$725,000 be approved and included in the 2018 Capital Budget; and*
- (4) *That the City's 5-Year Financial Plan (2018–2022) be amended to include the \$725,000 for the West Cambie Neighbourhood Park Public Art Project funded by the Public Art Reserve.*

The 2018 Capital Budget – Public Art Program will be increased by \$725,000 funded from the Public Art Reserve for the West Cambie Neighbourhood Park Public Art Project.

- f) At the Council meeting on March 12, 2018, Council approved the following:
- (1) *That \$28,000 be approved for the 2018 Garden City Lands Farmer's Market to be funded from the Rate Stabilization Account;*
 - (2) *That \$1,158,000 be approved to support the following events and programs for 2019: Children's Arts Festival, Cherry Blossom Festival, Doors Open, Richmond Canada Day in Steveston, Richmond Maritime Festival, Garden City Lands Farmer's Market, Richmond World Festival, City-wide event marketing program and City branded assets, funded by the Rate Stabilization Account;*
 - (3) *That \$100,000 be approved to support the expansion of the Richmond Maritime Festival to include Imperial Landing, contingent on staff securing large Navy vessels for the event, funded by the Rate Stabilization Account;*
 - (4) *That \$75,000 be approved for a 2019 Neighbourhood Celebration Grant Program funded by the Rate Stabilization Account;*
 - (5) *That \$200,000 be approved for the 2019 Video Series: History of Richmond project, funded by the Rate Stabilization Account and shown in the Museum budget in the future; and*
 - (6) *That the 5 Year Financial Plan (2018-2022) be amended accordingly.*

The 2018 Community Services Operating Budget will be increased by \$28,000 funded from the Rate Stabilization Account for the 2018 Garden City Lands Farmer's Market. The other items will be included in the 2019 Operating Budget and funded by the Rate Stabilization Account.

- g) At the Council meeting on April 9, 2018, Council approved the following:
- (2) *That \$25,000 be approved from the Council Community Initiatives Account for the creation and production of public educational materials to inform the public and organizations on the changes to Richmond's smoking prohibitions, as detailed in the staff report titled "Proposed Amendment to Public Health*

Protection Bylaw No. 6989 Regarding Smoking and Vapour Product Use,” dated March 16, 2018, from the General Manager, Community Services;

- (3) *That the 5 Year Financial Plan (2018-2022) be amended accordingly to reflect the foregoing recommendations, as detailed in the staff report titled “Proposed Amendment to Public Health Protection Bylaw No. 6989 Regarding Smoking and Vapour Product Use,” dated March 16, 2018, from the General Manager, Community Services.*

The 2018 Community Services Operating Budget will be increased by \$25,000 funded from the Council Community Initiatives Account for the creation and production of public educational materials to inform the public and organizations on the changes to Richmond’s smoking prohibitions.

- h) At the Closed Council meeting held on April 13, 2018, Council approved the Enhanced Community Centre Police Office capital project in the amount of \$5,100,000. At the Council meeting on September 24, 2018, Council approved the following:

- (1) *That Council approve the Enhanced City Centre Community Police Office project in the amount of \$5.1 million, to be funded from the Capital Building and Infrastructure Reserve as outlined in the staff report titled “Temporary Funding for the Enhanced City Centre Community Police Office” from the General Manager, Community Safety, dated August 16, 2018;*
- (2) *That the future repayment of the \$5.1 million and interest to the Capital Building and Infrastructure Reserve be funded from the voluntary developer amenity contributions and received from the developer of RZ 15-692485, at 7960 Alderbridge Way and 5333, 5411 No. 3 Road (South Street Development); and*
- (3) *That the Consolidated 5-Year Financial Plan (2018–2022) be amended accordingly.*

The Capital Budget – Building Program will be increased by \$5,100,000 to fund the Enhanced City Centre Community Police Office, temporarily funded by the Capital Building and Infrastructure Reserve.

- i) At the Council meeting on June 25, 2018, Council approved the following:

- (2) *That the 5 Year Financial Plan (2018-2022) be amended to fund the City’s share of fronting costs for the Boundary Road Pump Station upgrade of \$960,000 from the Drainage Improvement Reserve and the estimated annual operating cost of \$4,475 be incorporated into the 2019 Budget.*
- (3) *a cost recovery approach to impose user fees and time limits for publicly accessible electric vehicle charging stations be endorsed as outlined in the report, and that staff be directed to bring forward amendments to the*

Consolidated Fees Bylaw No. 8636, the Traffic Bylaw No. 5870, Parking (Off-Street) Regulation Bylaw No. 7403, and the Notice of Bylaw Violation Dispute Adjudication Bylaw No. 8122 to implement this cost recovery approach.

The 2018 Capital Budget – Drainage Program will be increased by \$960,000 funded from the Drainage Improvement Reserve for the share of fronting costs for the Boundary Road Drainage Pump Station upgrade project with the City of New Westminster, which will be recovered from development through the City's Works and Services Cost Recovery Bylaw. The 2019 Operating Budget Impact (OBI) will be included in the 2019 Operating Budget.

j) At the Council meeting on June 25, 2018, Council approved the following:

- (7) *That the creation of a two-year temporary full time Building Energy Specialist, partially funded by a \$100,000 contribution from BC Hydro, with remaining salary and benefits of \$130,000 fully recovered through building permit fees, be endorsed and that the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to enter into a funding agreement with BC Hydro to support the Building Energy Specialist position;*
- (8) *That the creation of new Plan Reviewer and Building Inspector 1 positions, with total salary and benefits of \$200,000 fully recovered through building permit fees, be endorsed;*
- (9) *That the Consolidated 5 Year Financial Plan (2018-2022) be amended to include the temporary full-time Building Energy Specialist, Plan Reviewer, and Building Inspector 1 positions funded by an increase in grant revenue and building permit fees;*
- (10) *That the Energy Step Code training programs identified in the staff report titled "BC Energy Step Code" dated May 5, 2018, from the Senior Manager, Sustainability and District Energy, and Acting Director, Building Approvals, be approved with \$110,000 from the Carbon Tax Provision, as funded in the 2018 Operating Budget.*

The 2018 Planning and Development Operating Budget will be increased by \$425,000 with \$265,000 funded by building permit fees, \$50,000 funded by BC Hydro, and \$110,000 funded by the Carbon Tax Provision as follows:

- \$50,000 funded by a contribution from BC Hydro and \$65,000 funded by building permit fees for the first year of the two-year temporary full time Building Energy Specialist;
- \$200,000 funded by building permit fees for the creation of a new Plan Reviewer and a new Building Inspector 1 positions;
- \$110,000 funded from the Carbon Tax Provision for the Energy Step Code training programs.

The 2019 Operating Budget will include the second year of the two-year temporary full time Building Energy Specialist with \$50,000 funded by a contribution from BC Hydro and \$65,000 funded by building permit fees.

- k) At the Closed Council meeting held on July 9, 2018, Council approved a transfer of \$190,000 funded from the Contaminated Sites Provision to the Fiscal Operating Budget.
- l) At the Council meeting on July 23, 2018, Council approved the following:

(7) That the 5 Year Financial Plan (2018-2022) be amended to include the costs for the new Environmental Coordinator position, which will be recovered through the collection of permit fees.

The 2018 Engineering and Public Works Operating Budget will be increased by \$100,000 for the new Environmental Coordinator position funded by permit fees.

- m) At the Council meeting on September 24, 2018, Council approved the following:

(2) That the funding of \$500,000 from the Carbon Tax Provision and \$170,000 from the Energy Operating Provision be approved for use to support the completion of the Cultural Centre equipment renewal project, and that the Consolidated 5 Year Financial Plan (2018-2022) Bylaw be amended accordingly.

(3) That if incentive funding applications to Fortis BC and/or BC Hydro are successful, the Consolidated 5 Year Financial Plan (2018-2022) Bylaw be amended accordingly and, if applicable, the corresponding internal City funding sources be returned to their source funds.

The 2018 Capital Budget – Building Program will be increased by \$500,000 funded from the Carbon Tax Provision and \$170,000 from the Energy Operating Provision to support the completion of the Cultural Centre equipment renewal project.

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

2. a) i. Increase the scope of existing programs and projects by a total of \$1,051,733 from external funding received and anticipated to be received from various sources including developers, etc. The Capital Budget is amended as follows:

Capital Programs	Amounts
Parks	\$512
Drainage	233
Building	192
Roads	115
Total	\$1,052

- 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 \$1,051,733 has been received and transferred to the above programs to date.
 - b) Transfer \$525,000 from the Affordable Housing reserve to the Capital Reserve Industrial Use reserve for the repayment of internally borrowed funds for purchase of the 12040 Horseshoe Way.
 - c) Increase the 2018 Capital Budget – Parks Program by \$60,200 for soil fill revenues received for West Cambie Greenways.
 - d) Transfer a total of \$3,635,743 from the Public Works and Engineering 2018 Operating Budget to the 2018 Capital Budget - Building Program for the following:
 - i. \$3,493,743 to Minor Building Capital Improvement Projects;
 - ii. \$142,000 to the City Hall Boiler Replacement Upgrade Project.
 - e) Increase the 2018 Capital Budget by \$22,000 funded by a refunded payment from a developer deposited in the Child Care Reserve for the wall protection of Gardens Children's Centre.
 - f) Increase the 2018 Capital Budget by \$3,350 funded by the Corporate Provision for the Aquatic Invasive Species Management capital project.
 - g) Modify the scope of the Energy Management Projects 2016 to allow a heat recovery system to be installed at the City Hall. The original project scope was for installing a solar photovoltaic system.
3. The following reallocations summarized by program are made to the 2018 Capital Budget with no tax impact:

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

	Program	Transfer From	Transfer To	Amount
3a.i	Roads	Nelson Road Improvements	Railway Crossings and Environmental Works	1,345
3a.ii	Roads	Westminster Hwy: Nelson Rd to McMillan Way	Railway Crossings and Environmental Works	2,038
3b	Building	Major Facilities Contingency 2014	Minoru Centre for Active Living	2,840
3c.i	Parks	Parks General Development 2017	Aberdeen Park	260
3c.ii	Parks	Parks General Development 2018	Aberdeen Park	50
3c.iii	Parks	Parks General Development 2018	Rideau Neighbourhood Park Playground	40
3d	Drainage	Knotweed Control & Removal	Aquatic Invasive Species Management	42

	Program	Transfer From	Transfer To	Amount
3e	Sanitary Sewer & Heritage	Steveston Sanitary Sewer Rehabilitation	Britannia Seine Net Loft Washroom Facilities	41
Total Budget Reallocations				\$6,656

4. The following amendments represent funding source changes that result in no net increase to the 2018 Capital Budget:
- Change the funding source for two IT projects from the Equipment Replacement Reserve – Computer to:
 - IT Hardware Provision in the amount of \$361,711, for the Network Infrastructure Core Refresh Project
 - IT Hardware Provision in the amount of \$109,006 and the Telephone Equipment Reserve in the amount of \$253,257 for the Telephone System Equipment Replacement project.
 - Increase the Parks Development Cost Charges funded amount by \$5,950 offset by a decrease of \$5,950 in the Capital Reserve for the Rideau Neighbourhood Park Playground to correct the City's assist factor portion.
 - Fund the Advancement of Partial Funding for the Canada Line Capstan Station project from the Capstan Station Reserve for \$3,500,000 instead of the Capital Reserve to correct an administrative error.
5. 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 2018 Operating Budget:
- Reallocate \$100,000 within the Engineering Planning Operating Budget from consulting fees to auxiliary salaries for 5 Engineering Students.
 - Reallocate \$85,000 within the Policy Planning Operating Budget from consulting to salaries for a temporary full time Planning Technician.
 - Reallocate \$68,400 within the Facility Management Operating Budget from contracts to salaries for an auxiliary Departmental Associate.
 - Reallocate \$63,000 within the Development Applications Operating Budget from salary budget to consulting for staff recruitment related expenditures.
 - Reallocate \$60,000 within the Corporate Administration Operating Budget from salaries to contracts for Human Resources recruitment related expenditures.
 - Reallocate \$50,000 within the Building Approvals Operating Budget from salaries to equipment purchases for requisition of a vehicle for building inspection services.
 - Reallocate \$44,000 within the Building Approvals Operating Budget from salaries to consulting for recruitment related expenditures.
 - Reallocate \$40,000 within the Law Department Operating Budget from salary budget to consulting for staff recruitment related expenditures.
 - Reallocate \$39,060 within the Sustainability Operating Budget from salaries to contracts for the Community Energy and Sustainability Management services.
 - Convert the job status of the Sustainability Project Manager position from Temporary Full Time to Regular Full Time funded by two BC Hydro programs for implementing the Council-adopted Community Energy and Emissions Plan.
6. 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 Human Resources Operating Budget by \$320,000 for arbitration and legal expenditures funded by the Arbitration Provision.
- b) Increase the Fire and Rescue Services Operating Budget by \$300,000 funded by the Emergency Response provision to cover an estimated additional labour cost of \$100,000 and an estimated additional cost of \$200,000 to cover fire supply costs and reimbursements to other municipal fire departments that assisted with the brush fire on the Department of National Defence Lands.
- c) Increase the 2018 Law Operating Budget by \$150,000 for legal expenditures funded by the Legal Fees provision.
- d) Reallocate \$98,500 from RCMP Operating Budget to Emergency Programs Operating Budget for the purchase of an Emergency Notification System.
- e) Increase the Economic Development salary by \$50,000 for one Temporary Full Time Tourism Development Liaison funded by the Municipal and Regional District Tax.
- f) Increase Community Services Events and Film Administration Operating Budget by \$36,000 funded by the Corporate Provision.

Financial Impact

The proposed 2018 budget amendments have **no tax impact**. Each of these annual budgets combines to form part of the 2018-2022 5YFP. The 2018-2022 5YFP Amended Bylaw and Amended Capital Program can be found in Attachments 1 - 3.

Table 3 Capital Budget – Summary of Changes (in \$000's)

Capital Budget as at March 12, 2018		\$160,064
1	Enhanced Community Centre Police Office	1h 5,100
2	Transfer for Minor Building Capital Improvement projects	2d.i 3,494
3	Boundary Rd. Drainage Pump Station Upgrade Fronting Cost Share	1i 960
4	Deep Retrofit of Library Cultural Centre	1b 750
5	West Cambie Neighbourhood Park Public Art Project	1e 725
6	Cultural Centre Equipment Renewal Project	1m 670
7	Repayment to Capital Reserve Industrial Use Fund	2b 525
8	Transfer to Affordable Housing Capital Projects	1d 282
9	Transfer for the City Hall Boiler Replacement Upgrade Project	2d.ii 142
10	West Cambie Greenways	2c 60
11	Wall Protection of Gardens Children's Centre	2e 22
12	Aquatic Invasive Species Management	2f 3
13	Various Capital Budget Reallocations	3a-e -
14	Various Grants & External Sources	2a.i 1,052
15	Contingent External Contribution	2a.ii (1,052)
		12,733
Total Amended 2018 Capital Budget		\$172,797

Table 4 Operating and Utility Budget – Summary of Changes (in \$000's)

Operating and Utility Budget as at March 12, 2018		\$82,127
Revenue		
1	BC Energy Step Code	1j 315
2	Riparian Response Strategy Phase One	1l 100
3	West Cambie Greenways	2c 60
4	Community Emergency Preparedness Fund	1c 50
5	Tourism Development Liaison	6e 50
6	2018 Age-Friendly Communities Grant	1a 25
Total Revenue Amendments		600
Expenses		
1	BC Energy Step Code	1j 425
2	Arbitration and Legal Expenditures	6a 320
3	Fire Emergency Response	6b 300
4	Transfer to Fiscal Budget	1k 190
5	Transfer to Law Operating Budget	6c 150
6	Riparian Response Strategy Phase One	1l 100
7	Tourism Development Liaison	6e 50
8	Community Emergency Preparedness Fund	1c 50
9	Transfer to Events & Film Administration Operating Budget	6f 36
10	Garden City Lands Farmer's Market	1f 28
11	2018 Age-Friendly Communities Grant	1a 25
12	Educational Materials for Changes on Smoking Prohibitions	1g 25
13	Requisition of Emergency Notification System	6d -
14	Various Operating Budget Reallocations	5a-i -
15	Transfer for the City Hall Boiler Replacement Upgrade Project	2d.ii (142)
16	Transfer for Minor Building Capital Improvement projects	2d.i (3,494)
Total Expenses Amendments		(1,937)
NET AMENDMENT		2,537
Total Amended 2018 Operating and Utility Budget		\$84,664

Conclusion

Staff recommend that Council approve the 2018 Capital, Operating and Utility Budget amendments to accommodate the expenditures within the Consolidated 5 Year Financial Plan Bylaw. The proposed 2018 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 November 13, 2018.



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

MS:sx

- Att. 1: Consolidated 5 Year Amended Financial Plan (2018-2022)
2: Capital Funding Sources (2018-2022)
3: Capital Program (2018-2022)
4: Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800, Amendment Bylaw No. 9904

CITY OF RICHMOND					
CONSOLIDATED 5 YEAR AMENDED FINANCIAL PLAN (2018-2022)					
REVENUE AND EXPENSES					
(In \$000's)					
	2018 Amended Budget*	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Revenue:					
Property Taxes	\$216,703	\$226,240	\$236,227	\$246,653	\$257,499
User Fees	100,786	104,224	107,693	111,350	115,168
Sales of Services	39,246	39,572	40,092	40,599	41,116
Gaming Revenue	16,500	16,500	16,500	16,500	16,500
Investment Income	14,694	15,103	15,420	16,326	17,574
Payments In Lieu Of Taxes	14,245	14,729	15,171	15,641	16,126
Other Revenue	11,031	11,208	11,506	11,814	12,132
Licenses And Permits	10,749	10,626	10,832	11,053	11,279
Grant Revenue	7,817	7,799	7,901	8,035	8,171
Developer Contributed Assets	47,410	33,360	33,360	33,360	33,360
Development Cost Charges	31,638	19,775	14,987	15,595	12,430
Other Capital Funding Sources	11,275	11,825	11,125	11,125	11,125
	522,094	510,961	\$520,814	\$538,051	\$552,480
Expenses:					
Community Safety	\$102,136	\$102,569	\$105,425	\$108,980	\$112,580
Engineering and Public Works	72,540	66,972	68,232	69,722	71,268
Community Services	66,273	63,298	65,966	68,627	70,641
Finance and Corporate Services	28,362	24,761	25,511	26,534	27,607
Fiscal	22,196	19,222	18,988	18,552	18,088
Debt Interest	1,679	1,677	1,677	1,677	1,677
Corporate Administration	10,270	10,149	10,433	10,791	11,162
Planning and Development Services	16,545	16,165	16,714	17,418	18,158
Utility Budget					
Water Utility	42,161	43,353	44,955	46,645	48,407
Sanitary Sewer Utility	31,930	33,105	34,700	36,415	38,227
Sanitation and Recycling	16,369	16,701	17,294	18,245	19,261
Library	10,758	10,900	11,175	11,523	11,885
Richmond Olympic Oval Corporation	16,211	16,535	16,866	17,203	17,547
	437,430	425,407	437,936	452,332	466,508
Annual Surplus	\$84,664	\$85,554	\$82,878	\$85,719	\$85,972
Transfers:					
Debt Principal	\$4,761	\$4,951	\$5,149	\$5,355	\$5,570
Transfer To Reserves	66,999	69,700	71,963	74,325	76,792
Transfer To (From) Surplus	(31,579)	(3,551)	(1,871)	(1,807)	(1,076)
Capital Expenditures - Current Year	172,797	133,716	104,938	86,131	97,484
Capital Expenditures - Prior Years	257,680	224,878	179,784	137,746	104,968
Capital Expenditures - Developer Contributed Assets	47,410	33,360	33,360	33,360	33,360
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	1,362	-	-	-	-
Capital Funding	(435,658)	(378,392)	(311,337)	(250,283)	(232,018)
Transfers/Amortization offset:	\$84,664	\$85,554	\$82,878	\$85,719	\$85,972
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	3.30%	2.99%	2.98%	2.95%	2.99%

* 2018 Amended Budget includes approved one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2019 through 2022 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 CONSOLIDATED 5 YEAR AMENDED FINANCIAL PLAN CAPITAL FUNDING SOURCES (2018-2022) (In \$000's)					
	2018 Amended Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
DCC Reserves					
Drainage DCC	\$-	\$1,154	\$97	\$97	\$-
Park Development DCC	4,173	4,421	2,586	2,257	2,210
Park Land Acquisition DCC	5,964	5,964	5,964	5,400	3,237
Roads DCC	19,274	6,305	5,739	5,505	5,123
Sanitary DCC	588	1,223	103	1,436	150
Water DCC	1,645	708	498	900	1,710
Total DCC	\$31,644	\$19,775	\$14,987	\$15,595	\$12,430
Statutory Reserves					
Affordable Housing	\$1,426	\$625	\$625	\$625	\$625
Arts Culture Heritage	3,645	-	-	-	-
Capital Building and Infrastructure	33,451	1,000	-	1,311	-
Capital Reserve	16,418	52,162	39,262	17,061	31,470
Capstan Station	3,500	-	-	-	-
Child Care	242	60	60	60	60
Drainage Improvement	17,713	16,213	14,538	14,213	15,234
Equipment Replacement	4,340	4,080	1,237	2,951	3,480
Neighbourhood Improvement	-	94	-	-	-
Public Art Program	1,073	464	100	100	100
Sanitary Sewer	10,530	6,697	6,367	6,634	5,140
Waterfront Improvement	-	1,000	-	-	-
Watermain Replacement	11,792	10,385	8,632	8,849	10,209
Total Statutory Reserves	\$104,130	\$92,780	\$70,821	\$51,804	\$66,318
Rate Stabilization					
Rate Stabilization	\$8,049	\$-	\$-	\$-	\$-
Total Rate Stabilization	\$8,049	\$-	\$-	\$-	\$-
Other Sources					
Enterprise Fund	\$100	\$550	\$550	\$550	\$550
Grant and Developer Contribution	12,025	11,825	11,125	11,125	11,125
Other Sources	13,718	6,835	5,556	5,186	5,191
Sewer Levy	643	-	-	-	-
Solid Waste and Recycling	300	300	300	300	300
Water Levy	2,188	1,650	1,600	1,570	1,570
Total Other Sources	\$28,974	\$21,160	\$19,131	\$18,731	\$18,736
Total Capital Program	\$172,797	\$133,715	\$104,939	\$86,130	\$97,484

CITY OF RICHMOND					
5 YEAR AMENDED CAPITAL PLAN SUMMARY (2018 – 2022)					
(in \$000s)					
	2018 Amended Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Infrastructure Program					
Roads	\$27,117	\$15,504	\$17,861	\$12,289	\$12,759
Drainage	15,192	16,351	12,835	12,510	13,434
Water	14,327	10,793	9,520	10,139	12,309
Sanitary Sewer	12,190	7,200	5,670	7,350	4,570
Minor Capital	4,130	4,480	4,480	5,791	4,480
Total Infrastructure Program	\$72,956	\$54,328	\$50,366	\$48,079	\$47,552
Building Program					
Building	\$39,594	\$15,547	\$19,065	\$2,199	\$21,231
Heritage	11,500	-	-	-	-
Total Building Program	\$51,094	\$15,547	\$19,065	\$2,199	\$21,231
Parks Program					
Parkland	\$4,000	\$4,000	\$4,000	\$3,400	\$1,100
Parks	8,027	27,320	3,650	3,400	3,400
Total Parks Program	\$12,027	\$31,320	\$7,650	\$6,800	\$4,500
Public Art Program	\$1,072	\$742	\$600	\$100	\$100
Land Program	\$10,000	\$10,000	\$10,000	\$10,000	\$5,000
Affordable Housing	\$1,427	\$625	\$625	\$625	\$625
Equipment Program					
Annual Fleet Replacement	\$3,423	\$1,498	\$1,415	\$1,735	\$2,547
Fire Dept. Vehicles and Equipment	1,239	2,431	182	1,466	1,183
Information Technology	2,730	2,125	365	455	460
Equipment	3,150	550	550	550	550
Total Equipment Program	\$10,542	\$6,604	\$2,512	\$4,206	\$4,740
Child Care Program	\$242	\$60	\$60	\$60	\$60
Internal Transfers/Debt Payment	\$4,489	\$4,489	\$4,061	\$4,061	\$3,676
Contingent External Contributions	\$8,948	\$10,000	\$10,000	\$10,000	\$10,000
Total Capital Program	\$172,797	\$133,715	\$104,939	\$86,130	\$97,484



**Consolidated 5 Year Financial Plan (2018-2022) Bylaw 9800
Amendment Bylaw 9904**

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 (2018-2022) Bylaw 9800, 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 (2018-2022) Bylaw 9800 Amendment Bylaw 9904"**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.
<i>MS</i>
APPROVED for legality by Solicitor
<i>BDS</i>

MAYOR

CORPORATE OFFICER

SCHEDULE A:

CITY OF RICHMOND					
CONSOLIDATED 5 YEAR AMENDED FINANCIAL PLAN (2018-2022)					
REVENUE AND EXPENSES					
(In \$000's)					
	2018 Amended Budget*	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Revenue:					
Property Taxes	\$216,703	\$226,240	\$236,227	\$246,653	\$257,499
User Fees	100,786	104,224	107,693	111,350	115,168
Sales of Services	39,246	39,572	40,092	40,599	41,116
Gaming Revenue	16,500	16,500	16,500	16,500	16,500
Investment Income	14,694	15,103	15,420	16,326	17,574
Payments In Lieu Of Taxes	14,245	14,729	15,171	15,641	16,126
Other Revenue	11,031	11,208	11,506	11,814	12,132
Licenses And Permits	10,749	10,626	10,832	11,053	11,279
Grant Revenue	7,817	7,799	7,901	8,035	8,171
Developer Contributed Assets	47,410	33,360	33,360	33,360	33,360
Development Cost Charges	31,638	19,775	14,987	15,595	12,430
Other Capital Funding Sources	11,275	11,825	11,125	11,125	11,125
	522,094	510,961	\$520,814	\$538,051	\$552,480
Expenses:					
Community Safety	\$102,136	\$102,569	\$105,425	\$108,980	\$112,580
Engineering and Public Works	72,540	66,972	68,232	69,722	71,268
Community Services	66,273	63,298	65,966	68,627	70,641
Finance and Corporate Services	28,362	24,761	25,511	26,534	27,607
Fiscal	22,196	19,222	18,988	18,552	18,088
Debt Interest	1,679	1,677	1,677	1,677	1,677
Corporate Administration	10,270	10,149	10,433	10,791	11,162
Planning and Development Services	16,545	16,165	16,714	17,418	18,158
Utility Budget					
Water Utility	42,161	43,353	44,955	46,645	48,407
Sanitary Sewer Utility	31,930	33,105	34,700	36,415	38,227
Sanitation and Recycling	16,369	16,701	17,294	18,245	19,261
Library	10,758	10,900	11,175	11,523	11,885
Richmond Olympic Oval Corporation	16,211	16,535	16,866	17,203	17,547
	437,430	425,407	437,936	452,332	466,508
Annual Surplus	\$84,664	\$85,554	\$82,878	\$85,719	\$85,972
Transfers:					
Debt Principal	\$4,761	\$4,951	\$5,149	\$5,355	\$5,570
Transfer To Reserves	66,999	69,700	71,963	74,325	76,792
Transfer To (From) Surplus	(31,579)	(3,551)	(1,871)	(1,807)	(1,076)
Capital Expenditures - Current Year	172,797	133,716	104,938	86,131	97,484
Capital Expenditures - Prior Years	257,680	224,878	179,784	137,746	104,968
Capital Expenditures - Developer Contributed Assets	47,410	33,360	33,360	33,360	33,360
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	1,362	-	-	-	-
Capital Funding	(435,658)	(378,392)	(311,337)	(250,283)	(232,018)
Transfers/Amortization offset:	\$84,664	\$85,554	\$82,878	\$85,719	\$85,972
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	3.30%	2.99%	2.98%	2.95%	2.99%

* 2018 Amended Budget includes approved one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2019 through 2022 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 AMENDED FINANCIAL PLAN CAPITAL FUNDING SOURCES (2018-2022) (In \$000's)					
	2018 Amended Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
DCC Reserves					
Drainage DCC	\$-	\$1,154	\$97	\$97	\$-
Park Development DCC	4,173	4,421	2,586	2,257	2,210
Park Land Acquisition DCC	5,964	5,964	5,964	5,400	3,237
Roads DCC	19,274	6,305	5,739	5,505	5,123
Sanitary DCC	588	1,223	103	1,436	150
Water DCC	1,645	708	498	900	1,710
Total DCC	\$31,644	\$19,775	\$14,987	\$15,595	\$12,430
Statutory Reserves					
Affordable Housing	\$1,426	\$625	\$625	\$625	\$625
Arts Culture Heritage	3,645	-	-	-	-
Capital Building and Infrastructure	33,451	1,000	-	1,311	-
Capital Reserve	16,418	52,162	39,262	17,061	31,470
Capstan Station	3,500	-	-	-	-
Child Care	242	60	60	60	60
Drainage Improvement	17,713	16,213	14,538	14,213	15,234
Equipment Replacement	4,340	4,080	1,237	2,951	3,480
Neighbourhood Improvement	-	94	-	-	-
Public Art Program	1,073	464	100	100	100
Sanitary Sewer	10,530	6,697	6,367	6,634	5,140
Waterfront Improvement	-	1,000	-	-	-
Watermain Replacement	11,792	10,385	8,632	8,849	10,209
Total Statutory Reserves	\$104,130	\$92,780	\$70,821	\$51,804	\$66,318
Rate Stabilization					
Rate Stabilization	\$8,049	\$-	\$-	\$-	\$-
Total Rate Stabilization	\$8,049	\$-	\$-	\$-	\$-
Other Sources					
Enterprise Fund	\$100	\$550	\$550	\$550	\$550
Grant and Developer Contribution	12,025	11,825	11,125	11,125	11,125
Other Sources	13,718	6,835	5,556	5,186	5,191
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Water Levy	2,188	1,650	1,600	1,570	1,570
Total Other Sources	\$28,974	\$21,160	\$19,131	\$18,731	\$18,736
Total Capital Program	\$172,797	\$133,715	\$104,939	\$86,130	\$97,484

SCHEDULE C:

**CITY OF RICHMOND
 CONSOLIDATED 5 YEAR AMENDED FINANCIAL PLAN (2018-2022)
 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 2018.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	50.2%
User Fees	23.3%
Sales of Services	9.1%
Gaming Revenue	3.8%
Investment Income	3.4%
Payments in Lieu Of Taxes	3.3%
Licenses and Permits	2.5%
Grants	1.8%
Other	2.6%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR AMENDED FINANCIAL PLAN (2018-2022)
STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the 2018 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 2018 Completed Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.2%
Business (6)	35.1%
Light Industry (5)	6.8%
Others (2,4,8 & 9)	1.9%
Total	100.0%

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*.