



City of Richmond

Report to Committee

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

Staff Recommendation

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

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

Att. 4

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

Staff Report

Origin

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

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

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

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

Analysis

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

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

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

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

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

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

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

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

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

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

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

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

Financial Plan Bylaw be adjusted accordingly.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Programs	Amounts
Roads	\$723
Building	382
Equipment	300
Parks	28
Drainage	1
Total	\$1,434

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

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

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

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

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

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

4. Budget Amendment Policy 3001 states that changes to salaries be reported to the Committee. The following amendments will result in no net increase to the 2019 Operating Budget:
 - a) Reallocate \$400,000 within the Project Development Operating Budget from public works labour to auxiliary salaries for multiple auxiliary positions.
 - b) Fund a regular full time Amenity Project Manager position for providing oversight on the amenity delivery process under the 2019 Project Development Operating Budget for \$41,091 funded by the 5% Project Management Fee collected on rezoning projects.
 - c) Reallocate \$12,080 within the Energy Management Operating Budget from consulting to public works labour for electrical work to be performed by City staff.

5. Budget Amendment Policy 3001 states that increases in City's expenditures are only permitted where funding is from sources other than taxation and utility fees. The following amendments to the Operating and Utility Budget are funded by external grants, contributions, transfer of existing budget resources, or funding from provisions and has no tax impact:
 - a) Increase the Facility Management Operating Budget by \$1,034,162 for the following:
 - i) \$534,162 funded by the Corporate Provision for maintenance contract services;
 - ii) \$500,000 funded by the Additional Level Provision for maintenance contract services.
 - b) Increase the Roads Operating Budget by \$527,158 funded by the grant received from the Translink for the operation, maintenance, and general rehabilitation of the Major Road Network (MRN) due to an increase of Translink's 2019 funding rate, which includes the

following:

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

Financial Impact

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

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

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

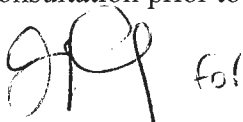
Expenses

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

Conclusion

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

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



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

MS:sx

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

CITY OF RICHMOND					
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)					
AMENDED REVENUE AND EXPENSES					
(In \$000's)					
	2019 Amended Budget*	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Revenue:					
Taxation and Levies	229,903	248,731	265,395	278,436	296,153
User Fees	106,174	109,809	115,048	120,448	126,549
Sales of Services	42,994	42,253	42,946	43,504	44,069
Gaming Revenue	16,500	16,500	16,500	16,500	16,500
Investment Income	16,062	16,634	17,148	17,923	18,622
Payments In Lieu Of Taxes	14,200	14,626	15,065	15,532	16,013
Other Revenue	11,244	11,577	11,970	12,380	12,804
Licenses and Permits	11,107	11,324	11,544	11,779	12,020
Provincial and Federal Grant	8,939	8,387	8,449	8,513	8,579
Developer Contributed Assets	50,350	50,350	50,350	50,350	50,350
Development Cost Charges	22,764	17,015	19,951	13,654	13,893
Other Capital Funding Sources	12,937	10,125	10,125	10,125	10,125
	543,174	557,331	584,491	599,144	625,677
Expenses:					
Community Safety	113,094	117,553	124,192	127,398	130,683
Engineering and Public Works	76,640	71,393	72,738	74,212	75,582
Community Services	71,589	67,127	69,395	71,847	73,815
Finance and Corporate Services	29,010	26,192	26,842	27,466	28,104
Fiscal	22,811	21,446	22,436	23,511	27,553
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	11,308	10,866	11,114	11,380	11,651
Planning and Development Services	17,336	17,523	17,994	18,510	19,058
Utility Budget					
Water Utility	44,049	46,047	48,476	51,125	53,964
Sanitary Sewer Utility	33,627	34,730	37,254	39,705	42,659
Sanitation and Recycling	18,320	17,971	18,330	18,715	19,109
Richmond Public Library	11,079	11,244	11,455	11,681	11,911
Richmond Olympic Oval Corporation	16,595	16,905	17,223	17,562	17,909
	467,135	460,674	479,126	494,789	513,675
Annual Surplus	76,039	96,657	105,365	104,355	112,002
Transfers:					
Debt Principal	4,951	5,150	5,355	5,570	5,793
Transfer To (From) Reserves	69,403	71,725	74,246	76,915	79,699
Transfer To (From) Surplus	(30,765)	(2,428)	1,680	4,901	9,001
Capital Expenditures - Current Year	119,863	194,636	101,368	97,238	98,763
Capital Expenditures - Prior Years	280,620	189,309	195,870	140,008	83,601
Capital Expenditures - Developer Contributed Assets	50,350	50,350	50,350	50,350	50,350
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	2,567	2,294	1,602	1,055	1,124
Capital Funding	(421,842)	(415,271)	(325,998)	(272,574)	(217,221)
Transfers/Amortization offset:	76,039	96,657	105,365	104,355	112,002
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	4.82%	6.69%	5.20%	3.91%	5.36%

* 2019 Budget includes recommended one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2020 through 2023 are base budgets to deliver the same level of service and do not include estimates of carryforwards or one-time expenditures that may be approved in future years.

CITY OF RICHMOND CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023) AMENDED CAPITAL FUNDING SOURCES (In \$000's)					
	2019 Amended Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
DCC Reserves					
Drainage DCC	466	464	-	-	1,057
Park Development DCC	3,903	2,869	1,740	2,822	2,774
Park Development DCC - West Cambie	724	-	969	-	188
Park Land Acquisition DCC	8,064	5,964	5,964	4,083	4,083
Roads DCC	8,898	6,405	8,052	5,788	5,791
Sanitary DCC	-	1,175	1,428	149	-
Water DCC	708	138	1,798	812	-
Total DCC	22,763	17,015	19,951	13,654	13,893
Statutory Reserves					
Affordable Housing	1,300	1,150	1,150	1,150	1,150
Capital Building and Infrastructure	14,821	60,369	10,450	20,131	11,600
Capital Reserve	15,383	57,951	16,399	9,312	7,778
Child Care	160	60	60	60	60
Drainage Improvement	11,428	13,904	14,383	17,314	22,380
Equipment Replacement	6,404	2,832	3,392	3,310	4,833
Leisure Facilities	7,611	5,400	2,000	-	3,400
Neighbourhood Improvement	184	-	-	-	-
Public Art Program	563	150	150	150	150
Sanitary Sewer	1,650	10,477	7,022	6,791	7,500
Watermain Replacement	7,388	7,556	7,689	8,234	8,655
Total Statutory Reserves	66,892	159,849	62,695	66,452	67,506
Other Sources					
Enterprise Fund	180	550	550	550	550
Grant and Developer Contribution	12,937	10,125	10,125	10,125	10,125
Other Sources	9,869	4,957	4,587	4,592	4,649
Rate Stabilization	4,746	-	1,320	-	-
Sewer Levy	300	50	100	-	50
Solid Waste and Recycling	1,526	300	300	300	300
Water Levy	650	1,790	1,740	1,565	1,690
Total Other Sources	30,208	17,772	18,722	17,132	17,364
Total Capital Program	\$119,863	\$194,636	\$101,368	\$97,238	\$98,763

CITY OF RICHMOND					
AMENDED 5 YEAR CAPITAL PLAN SUMMARY (2019-2023)					
(in \$000s)					
	2019 Amended Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Infrastructure Program					
Roads	16,289	10,299	11,591	9,936	9,595
Drainage	11,243	14,454	14,578	16,755	23,408
Water	6,194	7,318	9,000	8,665	8,445
Sanitary Sewer	1,433	10,353	7,250	6,390	6,250
Infrastructure Advanced Design and Minor Public Works	3,864	3,880	3,780	3,780	3,780
Total Infrastructure Program	39,023	46,304	46,199	45,526	51,478
Building Program					
Building	21,588	109,370	13,100	21,231	15,000
Total Building Program	21,588	109,370	13,100	21,231	15,000
Parks Program					
Parks	7,648	4,750	6,380	3,850	3,900
Parkland	4,000	4,000	4,000	2,000	2,000
Total Parks Program	11,648	8,750	10,380	5,850	5,900
Public Art Program	563	150	150	150	150
Land Program	10,000	10,000	10,000	5,000	5,000
Affordable Housing	775	625	625	625	625
Equipment Program					
Vehicle	4,262	2,637	2,528	2,334	3,995
Fire Vehicle	4,571	716	1,185	1,221	1,257
Information Technology	4,474	860	455	460	516
Equipment	2,019	578	2,099	580	581
Total Equipment Program	15,326	4,791	6,267	4,595	6,349
Child Care Program	160	60	60	60	60
Internal Transfers/Debt Payment	12,214	4,586	4,587	4,201	4,201
Contingent External Contributions	8,566	10,000	10,000	10,000	10,000
Total Capital Program	\$119,863	\$194,636	\$101,368	\$97,238	\$98,763



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

The Council of the City of Richmond enacts as follows:

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

FIRST READING

SECOND READING

THIRD READING

ADOPTED

Four horizontal lines for signatures or dates.

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

MAYOR

CORPORATE OFFICER

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

	2019 Amended Budget*	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Revenue:					
Taxation and Levies	229,903	248,731	265,395	278,436	296,153
User Fees	106,174	109,809	115,048	120,448	126,549
Sales of Services	42,994	42,253	42,946	43,504	44,069
Gaming Revenue	16,500	16,500	16,500	16,500	16,500
Investment Income	16,062	16,634	17,148	17,923	18,622
Payments In Lieu Of Taxes	14,200	14,626	15,065	15,532	16,013
Other Revenue	11,244	11,577	11,970	12,380	12,804
Licenses and Permits	11,107	11,324	11,544	11,779	12,020
Provincial and Federal Grant	8,939	8,387	8,449	8,513	8,579
Developer Contributed Assets	50,350	50,350	50,350	50,350	50,350
Development Cost Charges	22,764	17,015	19,951	13,654	13,893
Other Capital Funding Sources	12,937	10,125	10,125	10,125	10,125
	543,174	557,331	584,491	599,144	625,677
Expenses:					
Community Safety	113,094	117,553	124,192	127,398	130,683
Engineering and Public Works	76,640	71,393	72,738	74,212	75,582
Community Services	71,589	67,127	69,395	71,847	73,815
Finance and Corporate Services	29,010	26,192	26,842	27,466	28,104
Fiscal	22,811	21,446	22,436	23,511	27,553
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	11,308	10,866	11,114	11,380	11,651
Planning and Development Services	17,336	17,523	17,994	18,510	19,058
Utility Budget					
Water Utility	44,049	46,047	48,476	51,125	53,964
Sanitary Sewer Utility	33,627	34,730	37,254	39,705	42,659
Sanitation and Recycling	18,320	17,971	18,330	18,715	19,109
Richmond Public Library	11,079	11,244	11,455	11,681	11,911
Richmond Olympic Oval Corporation	16,595	16,905	17,223	17,562	17,909
	467,135	460,674	479,126	494,789	513,675
Annual Surplus	76,039	96,657	105,365	104,355	112,002
Transfers:					
Debt Principal	4,951	5,150	5,355	5,570	5,793
Transfer To (From) Reserves	69,403	71,725	74,246	76,915	79,699
Transfer To (From) Surplus	(30,765)	(2,428)	1,680	4,901	9,001
Capital Expenditures - Current Year	119,863	194,636	101,368	97,238	98,763
Capital Expenditures - Prior Years	280,620	189,309	195,870	140,008	83,601
Capital Expenditures - Developer Contributed Assets	50,350	50,350	50,350	50,350	50,350
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	2,567	2,294	1,602	1,055	1,124
Capital Funding	(421,842)	(415,271)	(325,998)	(272,574)	(217,221)
Transfers/Amortization offset:	76,039	96,657	105,365	104,355	112,002
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	4.82%	6.69%	5.20%	3.91%	5.36%

* 2019 Budget includes recommended one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2020 through 2023 are base budgets to deliver the same level of service and do not include estimates of carryforwards or one-time expenditures that may be approved in future years.

SCHEDULE B:
CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)
AMENDED CAPITAL FUNDING SOURCES
(In \$000's)

	2019 Amended Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
DCC Reserves					
Drainage DCC	466	464	-	-	1,057
Park Development DCC	3,903	2,869	1,740	2,822	2,774
Park Development DCC - West Cambie	724	-	969	-	188
Park Land Acquisition DCC	8,064	5,964	5,964	4,083	4,083
Roads DCC	8,898	6,405	8,052	5,788	5,791
Sanitary DCC	-	1,175	1,428	149	-
Water DCC	708	138	1,798	812	-
Total DCC	22,763	17,015	19,951	13,654	13,893
Statutory Reserves					
Affordable Housing	1,300	1,150	1,150	1,150	1,150
Capital Building and Infrastructure	14,821	60,369	10,450	20,131	11,600
Capital Reserve	15,383	57,951	16,399	9,312	7,778
Child Care	160	60	60	60	60
Drainage Improvement	11,428	13,904	14,383	17,314	22,380
Equipment Replacement	6,404	2,832	3,392	3,310	4,833
Leisure Facilities	7,611	5,400	2,000	-	3,400
Neighbourhood Improvement	184	-	-	-	-
Public Art Program	563	150	150	150	150
Sanitary Sewer	1,650	10,477	7,022	6,791	7,500
Watermain Replacement	7,388	7,556	7,689	8,234	8,655
Total Statutory Reserves	66,892	159,849	62,695	66,452	67,506
Other Sources					
Enterprise Fund	180	550	550	550	550
Grant and Developer Contribution	12,937	10,125	10,125	10,125	10,125
Other Sources	9,869	4,957	4,587	4,592	4,649
Rate Stabilization	4,746	-	1,320	-	-
Sewer Levy	300	50	100	-	50
Solid Waste and Recycling	1,526	300	300	300	300
Water Levy	650	1,790	1,740	1,565	1,690
Total Other Sources	30,208	17,772	18,722	17,132	17,364
Total Capital Program	\$119,863	\$194,636	\$101,368	\$97,238	\$98,763

SCHEDULE C:

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

Revenue Proportions By Funding Source

Property taxes are the largest portion of revenue for any municipality. Taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as community safety, general government, libraries and park maintenance.

Objective:

- Maintain revenue proportion from property taxes at current level or lower

Policies:

- Tax increases will be at CPI + 1% for transfers to reserves
- Annually, review and increase user fee levels by consumer price index (CPI).
- Any increase in alternative revenues and economic development beyond all financial strategy targets can be utilized for increased levels of service or to reduce the tax rate.

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2019.

Table 1:

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

SCHEDULE C (CONT'D):

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

Distribution of Property Taxes

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

Objective:

- Maintain the City's business to residential tax ratio in the middle in comparison to other municipalities. This will ensure that the City will remain competitive with other municipalities in attracting and retaining businesses.

Policies:

- Regularly review and compare the City's tax ratio between residential property owners and business property owners relative to other municipalities in Metro Vancouver.

Table 2: (Based on the 2019 Revised Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.58%
Business (6)	35.04%
Light Industry (5)	6.52%
Others (2,3,4,8 & 9)	1.86%
Total	100.00%

Permissive Tax Exemptions**Objective:**

- Council passes the annual permissive exemption bylaw to exempt certain properties from property tax in accordance with guidelines set out by Council Policy and the Community Charter. There is no legal obligation to grant exemptions.
- Permissive exemptions are evaluated with consideration to minimizing the tax burden to be shifted to the general taxpayer.

Policy:

- Exemptions are reviewed on an annual basis and are granted to those organizations meeting the requirements as set out under Council Policy 3561 and Sections 220 and 224 of the *Community Charter*.