



To: Finance Committee **Date:** September 5, 2017
From: Andrew Nazareth **File:** 03-0970-01/2017-Vol
 General Manager, Finance and Corporate 01
 Services
Re: **Amendments to the 5 Year Consolidated Financial Plan (2017-2021) Bylaw 9663**

Staff Recommendation

That the 5 Year Consolidated Financial Plan (2017-2021) Bylaw 9663, Amendment Bylaw 9757, which incorporates and puts into effect the changes as outlined in the staff report titled "Amendments to the 5 Year Consolidated Financial Plan (2017-2021) Bylaw 9663" dated September 5, 2017 from the GM, Finance 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
Human Resources	<input checked="" type="checkbox"/>	Public Works	<input checked="" type="checkbox"/>
Administration & Compliance	<input checked="" type="checkbox"/>	Building Approvals	<input checked="" type="checkbox"/>
Information Technology	<input checked="" type="checkbox"/>	Law	<input checked="" type="checkbox"/>
Real Estate Services	<input checked="" type="checkbox"/>	Fire Rescue	<input checked="" type="checkbox"/>
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	RCMP	<input checked="" type="checkbox"/>
Community Social Development	<input checked="" type="checkbox"/>	Policy Planning	<input checked="" type="checkbox"/>
Parks Services	<input checked="" type="checkbox"/>	Transportation	<input checked="" type="checkbox"/>
Recreation Services	<input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER	
Engineering	<input checked="" type="checkbox"/>		
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 	

Staff Report

Origin

The 5 Year Consolidated Financial Plan (2017-2021) Bylaw 9663 was adopted on February 14, 2017. Included in the 5 Year Consolidated Financial Plan (5YFP) are the 2017 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 costs 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 2017-2021 5YFP presented in order of Council meeting dates, are:

1. a) At the Council meeting on February 27, 2017, Council approved the following:

That funding of \$3,700,000 from the Drainage Improvement Reserve be included as an amendment to the 5 Year Financial Plan (2017-2021) to complete rehabilitation of the drainage box culvert on No. 2 Road from Steveston Highway to London Road.

The 2017 Capital Budget will be increased by \$3,700,000 from the Drainage Improvement Reserve to complete the Drainage Box Culvert Project on No. 2 Rd from Steveston Highway to London Road.

- b) At the Closed Council meeting on March 27, 2017, Council approved a total transfer of \$1,300,000 consisting of \$900,000 from the Affordable Housing Capital Reserve Fund and \$400,000 from the Affordable Housing Operating Reserve Fund towards an Affordable Housing Project.
- c) At the Council meeting on March 27, 2017, Council approved the following:

That the Chief Administrative Officer and the General Manager, Engineering and Public

Works be authorized to execute funding and partnership agreements with the Real Estate Foundation of BC and BC Hydro to develop benchmarking policy analysis and automated utility data exchange capabilities, and that amendments to the 5 Year Financial Plan (2017-2021) Bylaw be brought forward for up to \$155,000 in expenditures, subject to successful grant applications up to \$140,000 to be covered by grant funding and a \$15,000 City contribution from the Carbon Tax Provision.

The 2017 Operating Budget will be increased up to \$155,000 subject to the successful grant funding of \$105,000 from the Real Estate Foundation of BC and \$35,000 from the BC Hydro Community Energy and Emissions Plan Implementation Offer; and \$15,000 funding from the Carbon Tax Provision.

d) At the Council meeting on April 24, 2017, Council approved the following:

(1) That \$202,300 be allocated from the MRN Provision for MRN road rehabilitation and included as an amendment to the 5 Year Consolidated Financial Plan (2017-2021).

(2) That \$832,500 be allocated from the Gas Tax Provision for Non MRN road rehabilitation and included as an amendment to the 5 Year Consolidated Financial Plan (2017-2021).

The 2017 Capital Budget will be increased by \$1,034,800 for required roadway rehabilitation with \$202,300 funding from the MRN Provision and \$832,500 funding from the Gas Tax Provision.

e) At the Closed Council meeting on April 24, 2017, Council approved a transfer of \$575,000 from the Capital Building and Infrastructure Reserve for mechanical upgrades to the Community Safety Building.

f) At the Closed Council meeting on April 24, 2017, Council approved a transfer of \$50,000 from the Property Cost Provision and \$15,000 from lease revenue for a property lease transaction and legal costs totalling \$65,000.

g) At the Closed Council meeting on May 1, 2017, Council approved a transfer of \$350,000 funding from the General Solid Waste and Recycling Provision for single-family organic materials collection and processing.

h) At the Council meeting on May 8, 2017, Council approved the following:

That the cost of a temporary full time staff to implement the proposed program estimated to be up to \$110,000.00 funded by the 2017 Building Permits Revenue be included as amendment to the 5 Year Financial Plan (2017-2021).

The 2017 Planning and Development operating budget will be increased by \$110,000 for the cost of a temporary full time staff to implement the new Salvage of Building Materials and Structural Relocation of Houses Program funded from the Building Approvals Department's higher than anticipated 2017 revenue.

- i) At the Council meeting on May 23, 2017, Council approved the following:

(1) That the report titled "Solar Energy Systems Project for Fire Hall No. 1" dated April 9, 2017 from the Director, Engineering, be approved in the amount of \$450,000; and,

(2) That the 5 Year Financial Plan (2017-2021) be amended accordingly.

The 2017 Capital Budget will be increased by \$450,000 to complete the proposed solar PV project and energy storage system with \$400,000 funding from the Gas Tax Provision and \$50,000 funding from the Carbon Tax Provision.

- j) At the Council meeting on May 23, 2017, Council approved the following:

(1) That the air barrier installation training program identified in the report titled "BC Energy Step Code for New Private Buildings" dated April 11, 2017, from the Director, Engineering, be approved with \$60,350 funding from the Carbon Tax Provision; and

(2) That the funding for the air barrier installation training program be included as an amendment to the 5 Year Financial Plan (2017-2021).

The 2017 Operating Budget will be increased by \$60,350 with funding from the Carbon Tax Provision for the air barrier installation training program

- k) At the Council meeting on June 26, 2017, Council approved the following:

(1) That Contract 5856Q Supply and Delivery of Bulk Road Salt 2016/2017 be awarded to Mainroad Maintenance Products LP at the unit rates quoted up to a total estimated contract value of \$650,000 for the term December 8, 2016 through December 7, 2017, with the ability to extend for an additional two one-year periods to a maximum of three years, and that the Chief Administrative Officer and General Manager, Engineering and Public Works, be authorized to approve each annual renewal; and,

(2) That the 5 Year (2017-2021) Financial Plan be amended accordingly.

The 2017 Operating Budget will be increased by \$265,000 with funding from the Sanding and Salting Provision for the supply and delivery of bulk road salt.

- l) At the Closed Council meeting on July 24, 2017, Council approved a transfer of \$175,350 from the General Solid Waste and Recycling Provision for processing organics material

- m) At the Closed Council meeting on July 24, 2017, Council approved a transfer of \$175,000 from the Council Provision for Animal Shelter Operations and Services.

- n) At the Council meeting on July 24, 2017, Council approved the following:

(1) That \$300,000 be allocated to commission a Nikkei Memorial public artwork from

the Council Provision; and

(2) That the City’s Five-Year Financial Plan (2017-2021) be amended to include the \$320,000 additional expenditure funded by the Council Provision for \$300,000 and contributions from the Nikkei Memorial Committee for \$20,000.

The 2017 Capital Budget will be increased by net \$300,000 for the Nikkei Memorial Public Art Project with \$300,000 from the Council Provision and \$20,000 from the Steveston Japanese Canadian Cultural Centre Nikkei Memorial Committee which has not been received at the time of writing.

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

- 2. a) Savings of \$1.3M from the City Centre Community Centre project and the Hamilton Community Centre capital project as well as a transfer of \$2.1M from the Capital Building and Infrastructure Reserve totaling \$3.4M be added to the Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency for the Minoru Centre for Active Living and Fire Hall No. 1 projects.
- b) i. Increase the scope of existing programs and projects by a total of \$285,354 from external funding received and anticipated to be received from various sources including ICBC, developers, Translink, etc. The Capital Budget is amended as follows:

Capital Programs	Amounts
Roads	\$136
Minor Public Works	60
Watermain Replacement	46
Building Program	36
Drainage	7
Total	\$285

- ii. The Consolidated 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. The \$285,354 represents funds that have been received and transferred to date.
- c) Increase the 2017 Capital Budget by \$246,000 for the payment to developer for performing Ackroyd/Elmbridge connector road service agreement work which was partially funded by developer contribution.
- d) Consolidate Affordable Housing - West Cambie Capital projects 2012 - 2016 into one project so that combined funding is available in the event of a land acquisition or senior

- government funding opportunities.
- e) Increase City Hall Domestic Water Piping Upgrade project by \$135,000 funded by Appropriated Surplus to complete other related maintenance.
 - f) Transfer \$81,467 and \$20,000 from Buildings Advanced Design capital projects 2010 and 2015 respectively to Buildings Advanced Design capital project 2016.
 - g) Transfer \$100,000 from the PeopleSoft HCM 9.2 Upgrade project to the Digital Strategy Project.
 - h) Increase Parks Advanced Design Capital project by \$20,000 for Minoru Park Facilities Planning consulting with funding from Appropriated Surplus.
 - i) Modify scope of capital project to allow all authorized personnel at the RCMP Detachment to operate the vehicles while on approved City business. The original project scope was only for the RCMP Leadership Team to use the vehicles.
3. 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 2017 Operating Budget:
- a) Increase the Roads and Construction salary by \$364,970 for 2016/2017 winter snow removal funded by the Sanding and Salting Provision.
 - b) Increase the Community Bylaws salary budget by \$222,768 for three temporary full-time Bylaw Officer 1 positions funded by Bylaw's higher than anticipated 2017 revenue.
 - c) Increase Parks Program's expenditure budget including salaries by \$96,950 for memorial picnic tables and benches funded by the donation revenue.
 - d) Increase the Richmond Fire Rescue budget by \$57,743 for recruitment costs recovered from candidates.
 - e) Increase the Administration and Compliance salary budget by \$168,900 funded by the Salary Provision for various initiatives that are anticipated to be completed in 2017.
 - f) Reallocate \$212,900 from Fiscal operating budget to Corporate Administration to fund two new regular full-time Human Resources positions to meet administrative needs.
 - g) Reallocate \$114,250 within Corporate Administration salary budget for a temporary full-time Project Leader.
 - h) Reallocate \$110,000 within Corporate Administration salary budget for a one year extension of the Systems Analyst position.
 - i) Reallocate \$59,600 within Water operating budget from public works materials to salaries to accommodate after hours service requests.
 - j) Reallocate \$170,000 within Corporate Administration salary budget for a two year temporary full-time Communications Coordinator.
 - k) Reallocate \$50,000 within Roads operating budget from public works materials to salaries to accommodate after hours service requests.
 - l) Reallocate \$30,000 within Facility Management operating budget from public works materials to salaries to accommodate after hours service requests.
 - m) Reallocate \$30,000 within Sanitary Sewer operating budget from public works materials to salaries to accommodate after hours service requests.
 - n) Reallocate \$22,500 within Facility Management salary budget from Facility Maintenance to Paint Program.
4. The Operating and Utility Budgets include estimates for work expected to be funded by User Fee Revenue. The following adjustment aligns the budget to projected levels of activity within

each section and has no tax impact:

- a) Increase the Traffic expenditure budget by \$600,000 to offset receivable income which is projected to exceed original budget estimates.
5. The following amendment represents an administrative change:
- a) On May 1, 2017, the CAO announced a reorganization of the Law & Community Safety (LCS) Division and the Finance & Corporate Services (FCS) Division. The Law section was moved from the LCS Division to the FCS Division and the Business Licences section was moved from the FCS Division to the LCS Division. The LCS Division was subsequently renamed as the Community Safety Division.
 - b) Increase the Storm Drainage budget by \$240,000 for the Box Culvert Preventative Maintenance program funded from the Drainage Improvement Reserve per the approved 2017 Utility Report.
 - c) Increase the Sanitary Sewer Administration budget by \$37,700 for the full-time Grease Inspector funded from the Sewer Levy Stabilization Provision per the approved 2017 Utility Report.
6. Budget Amendment Policy 3001 states that increase 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, transfer of existing budget resources, or funding from provisions or reserve and has no tax impact:
- a) Increase the Human Resource expenditure budget by \$400,000 for arbitration and legal expenditures funded by the Arbitration Provision.
 - b) Increase the Water Utility expenditure budget by \$200,000 for the Water Dispersal Building Envelope Upgrade funded by the Water Levy Stabilization Provision.
 - c) Increase Major Events' expenditure budget by \$178,000 for Canada 150 events funded by the 2016 Major Events carry forward that resides in the Major Events Provision.
 - d) Increase Community Services expenditure budget by \$122,630 for various renovations at Richmond Ice Centre and Minoru Arena by contributions received in 2016 from Richmond Arenas Community Association (RACA) and from Appropriated Surplus.
 - e) Increase Community Social Development expenditure budget by \$70,600 for program planning for the new Minoru Complex for Active Living funded by the Salary Provision.
 - f) Increase Park's expenditure budget by \$60,000 for Minoru Park Vision Plan Phase One: Facilities Planning funded by Appropriated Surplus.
 - g) Increase the Risk Management expenditure budget by \$31,565 for new initiatives to reduce liability claims funded by the Municipal Insurance Association of British Columbia (MIABC) grant.
 - h) Increase the Sustainability expenditure budget by \$30,000 for additional planned energy assessments funded by the Energy Operating Provision.
 - i) Increase the Building Improvements expenditure budget by \$25,000 for a grant awarded by Federation of Canadian Municipalities.
 - j) Increase the Energy Management expenditure budget by \$22,905 for additional cost related to Solar PV Feasibility Study at Fire Hall No. 1 funded by the Energy Provision.

Financial Impact

The proposed 2017 budget amendments have **no tax impact**. Each of these annual budgets combines to form part of the 2017-2021 5YFP. The 2017-2021 5YFP Amended Bylaw and Amended Capital Program can be found in Attachments 1 - 3.

Table 2 Capital Budget – Summary of Changes (in \$000's)

Capital Budget as at February 14, 2017			\$112,775
1	Drainage Box Culvert Rehab No 2 Rd from Steveston Highway to London Rd	1a	3,700
2	Minoru Complex for Active Living Project Funding	2a	2,123
3	Affordable Housing Project	1b	1,300
4	Post Winter Roads and Paving Remediation Program	1d	1,035
5	Mechanical Upgrade to Community Safety Building	1e	575
6	Solar Energy Systems Project for Fire Hall No. 1	1i	450
7	Nikkei Memorial Public Art Project	1n	300
8	Ackroyd/Elmbridge Connector Road Disbursement	2c	246
9	City Hall Domestic Water Piping Upgrade	2e	135
10	Minoru Park Vision Plan Phase One Facilities Planning	2h	20
11	Project Development Advanced Design Capital Projects Net Transfer	2g	-
12	Information Technology Capital Project Funding Net Transfer	2h	-
13	Affordable Housing Capital Projects Net Transfer	2e	-
14	Vehicles for RCMP Detachment Leadership Team Scope Revision	2j	-
15	Various Grants & External Sources	2b.i	285
16	Contingent External Contributions	2b.ii	(285)
17	Nikkei Memorial Public Art Project External Contribution	1n	20
18	Contingent External Contribution	1n	(20)
Total Amendments			9,884
Total Amended 2017 Capital Budget			\$122,659

Table 3 Operating and Utility Budget – Summary of Changes (in \$000's)

Operating and Utility Budget as at February 14, 2017			\$64,257
Revenue			
1	Traffic Receivable Increases	4a	600
2	3 TFT Bylaw Liaison Officer 1 positions	3b	223
3	Climate Action - Building Energy Program	1c	140
4	House Salvage and Relocation Temporary Staff	1h	110
5	Memorial Benches & Picnic Tables Refurbishment	3c	97
6	New Fire Recruiting Testing Costs	3d	58

7	MIABC Grants	6g	31
8	Solar Energy Minoru Complex	6i	25
9	Lease Legal and Transaction Fees	1f	15
12	Law Reorganization to Finance & Corporate Services from Law & Community Safety	5a	-
13	Business Licences Reorganization to Community Safety from Finance & Corporate Services	5a	-
Total Revenues Amendments			1,299
Expenses			
1	Traffic Receivable Increases	4a	600
2	Human Resources Arbitration and Legal Expenses	6a	400
3	Winter Snow Removal Program	3a	365
4	Single-Family Organics Materials Collection and Processing	1g	350
5	Snow and Ice Salt Supply and Delivery	1k	265
6	Transfer from Drainage Improvement Reserve	5b	240
7	3 TFT Bylaw Liaison Officer 1 positions	3b	223
8	Water Dispersal Upgrades	6b	200
9	Major Events for Canada 150	6c	178
10	Organics Material Processing Options and Proposed Next Steps	1l	175
11	Animal Shelter and Operations	1m	175
12	Administration and Compliance Initiatives	3e	169
13	Climate Action - Building Energy Program	1c	155
14	Richmond Arenas renovations	6d	122
15	House Salvage and Relocation Temporary Staff	1h	110
16	Memorial Benches & Picnic Tables Refurbishment	3c	97
17	New Minoru Complex for Active Living Program Planning	6e	71
18	Lease Legal and Transaction Fees	1f	65
19	BC Energy Step Code For New Private Buildings	1j	60
20	Minoru Park Vision Plan Phase One Facilities Planning	6f	60
21	New Fire Recruiting Testing Costs	3d	58
22	Full-Time Grease Inspector	5c	38
23	MIABC Grants	6g	31
24	Energy Assessment program	6h	30
25	Solar Energy Minoru Complex	6i	25
26	Fire Hall No. 1 Solar PV Feasibility Study	6j	23
27	Various Operating Budget Reallocations	3f-3n	-
28	Law Reorganization to Finance & Corporate Services from Law & Community Safety	5a	-
29	Business Licences Reorganization to Community Safety from Finance & Corporate Services	5a	-
Total Expenditures Amendments			4,285

NET AMENDMENT	(2,986)
Total Amended 2017 Operating and Utility Budget	\$61,271

Conclusion

Staff recommend that Council approve the 2017 Capital, Operating and Utility Budget amendments to accommodate the expenditures within the 5 Year Consolidated Financial Plan Bylaw. The proposed 2017 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 14, 2017.



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

MC:jf

- Att. 1: 5 Year Consolidated Amended Financial Plan (2017-2021)
2: Capital Funding Sources (2017-2021)
3: Capital Program (2017-2021)
4: 5 Year Consolidated Financial Plan (2017-2021) Bylaw 9663, Amendment Bylaw 9757

City of Richmond Consolidated Financial Plan 2017-2021 Revenue and Expenses (in \$000s)					
	2017	2018	2019	2020	2021
	Amended	Amended	Amended	Amended	Amended
Revenue:					
Property Taxes	206,490	215,335	223,934	232,430	241,226
User Fees	100,718	104,627	108,251	111,910	115,792
Sales of Services	37,106	36,914	37,437	37,915	38,402
Gaming Revenue	18,088	18,088	18,088	18,088	18,088
Investment Income	14,694	14,694	14,694	14,694	14,694
Payments In Lieu Of Taxes	13,860	14,276	14,704	15,146	15,600
Other Revenue	10,363	10,254	10,545	10,847	11,159
Licenses And Permits	9,688	9,773	10,012	10,216	10,426
Grant Revenue	7,788	7,704	7,824	7,911	8,000
Developer Contributed Assets	31,219	30,610	30,610	30,610	30,610
Development Cost Charges	18,933	22,946	21,167	11,683	10,958
Other Capital Funding Sources	14,819	10,525	10,490	10,463	10,463
	483,766	495,746	507,756	511,913	525,418
Expenses:					
Community Safety	96,176	98,176	100,660	102,977	105,304
Engineering and Public Works	69,571	63,645	64,612	65,508	66,455
Community Services	64,064	58,777	61,063	63,224	64,685
Finance and Corporate Services	26,593	24,408	24,983	25,481	25,963
Fiscal	21,323	17,891	17,838	17,766	17,689
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	10,375	9,702	9,916	10,100	10,288
Planning and Development Services	14,985	13,891	14,249	14,592	14,966
Utility Budget					
Water Utility	41,258	42,458	43,977	45,543	47,179
Sanitary Sewer Utility	30,774	32,117	33,879	35,675	37,611
Sanitation and Recycling	15,591	15,223	15,597	15,917	16,252
Library	9,983	10,177	10,413	10,611	10,812
Richmond Olympic Oval Corporation	15,652	15,949	16,253	16,562	16,877
Lulu Island Energy Company	4,473	3,576	3,637	3,691	3,746
	422,495	407,667	418,754	429,324	439,504
Annual Surplus	61,271	88,079	89,002	82,589	85,914
Transfers:					
Debt Principal	4,578	4,761	4,951	5,149	5,355
Transfer To (From) Reserves	66,584	68,906	71,059	73,298	75,622
Transfer To (From) Surplus	(32,811)	(9,469)	(2,498)	(158)	1,382
Capital Expenditures - Current Year	126,159	126,193	112,740	68,807	74,012
Capital Expenditures - Prior Years	258,261	207,063	178,693	170,137	135,109
Capital Expenditures - Developer Contributed Assets	30,610	30,610	30,610	30,610	30,610
Capital Expenditures - Richmond Public Library	1,274	1,274	1,274	1,274	1,274
Capital Expenditures - Lulu Island Energy Company	609	-	-	-	-
Capital Expenditures - Richmond Olympic Oval Corporation	2,670	-	-	-	-
Capital Funding	(396,663)	(341,259)	(307,827)	(266,528)	(237,450)
	61,271	88,079	89,002	82,589	85,914
Balanced Budget	\$0	\$0	\$0	\$0	\$0
Tax Increase	2.95%	2.98%	2.99%	2.99%	2.98%

CITY OF RICHMOND					
5 YEAR CONSOLIDATED AMENDED FINANCIAL PLAN					
CAPITAL FUNDING SOURCES (2017-2021)					
(In \$000's)					
	2017				
	Amended	2018	2019	2020	2021
DCC Reserves					
Drainage DCC	-	1,344	-	97	97
Parks DCC	10,097	10,362	10,801	7,757	8,091
Roads DCC	7,008	9,744	8,747	3,005	2,770
Sanitary DCC	1,425	12	1,337	23	-
Water DCC	403	1,484	282	802	-
Total DCC	18,933	22,946	21,167	11,684	10,958
Statutory Reserves					
Affordable Housing	5,035	625	625	625	625
Arts Culture Heritage	893	-	-	-	-
Capital Building and Infrastructure	4,698	-	2,311	-	-
Capital Reserve	28,438	50,400	38,985	13,517	20,416
Capstan Station	-	-	-	-	-
Child Care	120	50	50	50	50
Drainage Improvement	16,021	11,050	11,354	11,393	11,263
Equipment Replacement	4,350	2,596	3,486	2,662	2,110
Neighbourhood Improvement	8	-	-	-	-
Public Art Program	611	100	100	100	100
Sanitary Sewer	6,540	5,383	6,614	5,807	5,070
Waterfront Improvement	-	1,000	-	-	-
Watermain Replacement	6,992	7,483	10,099	6,848	7,317
Total Statutory Reserves	73,706	78,687	73,624	41,002	46,951
Other Sources					
Enterprise Fund	545	550	550	550	550
Grant and Developer Contribution	13,419	10,525	10,490	10,463	10,463
Other Sources	13,531	11,395	6,329	4,582	4,540
Sewer Levy	205	-	-	50	-
Solid Waste and Recycling	300	300	300	300	300
Water Levy	2,020	1,790	280	176	250
Total Other Sources	30,020	24,560	17,949	16,121	16,103
Total Capital Program	122,659	126,193	112,740	68,807	74,012

CITY OF RICHMOND 5 YEAR CONSOLIDATED AMENDED FINANCIAL PLAN CAPITAL PROGRAM (In \$000's)					
	2017 Amended	2018	2019	2020	2021
Infrastructure Program					
Roads	12,655	14,666	13,589	7,419	7,169
Drainage	16,281	11,095	10,055	10,190	10,060
Watermain Replacement	7,331	9,557	9,651	6,920	6,587
Sanitary Sewer	6,200	4,675	7,230	5,110	4,350
Minor Public Works	3,822	3,612	4,904	3,581	3,581
Total Infrastructure Program	46,289	43,605	45,429	33,220	31,747
Building Program	12,049	11,777	8,875	0	7,099
Parks Program					
Parks	5,163	10,225	12,650	2,750	2,900
Parkland Acquisition	4,000	4,000	4,000	4,000	4,000
Total Parks Program	9,163	14,225	16,650	6,750	6,900
Public Art Program	931	600	378	100	100
Land Program					
Land Acquisition	16,000	30,000	20,000	10,000	10,000
Total Land Program	16,000	30,000	20,000	10,000	10,000
Affordable Housing Project	12,035	625	625	625	625
Equipment Program					
Annual Fleet Replacement	3,152	1,944	1,825	1,650	1,981
Equipment	1,275	550	550	550	929
Fire Dept Vehicles	1,903	1,122	1,940	1,238	0
Technology	5,158	3,606	529	562	520
Total Equipment Program	11,488	7,222	4,844	4,000	3,430
Child Care Program	120	50	50	50	50
Internal Transfers/Debt Payment	4,889	8,089	5,889	4,062	4,061
Contingent External Contributions	9,695	10,000	10,000	10,000	10,000
Total Capital Program	122,659	126,193	112,740	68,807	74,012



5 Year Consolidated Financial Plan (2017-2021) Bylaw 9663
Amendment Bylaw 9757

The Council of the City of Richmond enacts as follows:

- 1. Schedule "A", Schedule "B", and Schedule "C" of the 5 Year Consolidated Financial Plan (2017-2021) Bylaw 9663, 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 "5 Year Consolidated Financial Plan (2017-2027) Bylaw 9663, Amendment Bylaw 9757".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

Four horizontal lines for signatures corresponding to the reading stages.

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

MAYOR

CORPORATE OFFICER

SCHEDULE A:

City of Richmond Consolidated Financial Plan 2017-2021 Revenue and Expenses (in \$000s)					
	2017 Amended	2018 Amended	2019 Amended	2020 Amended	2021 Amended
Revenue:					
Property Taxes	206,490	215,335	223,934	232,430	241,226
User Fees	100,718	104,627	108,251	111,910	115,792
Sales of Services	37,106	36,914	37,437	37,915	38,402
Gaming Revenue	18,088	18,088	18,088	18,088	18,088
Investment Income	14,694	14,694	14,694	14,694	14,694
Payments In Lieu Of Taxes	13,860	14,276	14,704	15,146	15,600
Other Revenue	10,363	10,254	10,545	10,847	11,159
Licenses And Permits	9,688	9,773	10,012	10,216	10,426
Grant Revenue	7,788	7,704	7,824	7,911	8,000
Developer Contributed Assets	31,219	30,610	30,610	30,610	30,610
Development Cost Charges	18,933	22,946	21,167	11,683	10,958
Other Capital Funding Sources	14,819	10,525	10,490	10,463	10,463
	483,766	495,746	507,756	511,913	525,418
Expenses:					
Community Safety	96,176	98,176	100,660	102,977	105,304
Engineering and Public Works	69,571	63,645	64,612	65,508	66,455
Community Services	64,064	58,777	61,063	63,224	64,685
Finance and Corporate Services	26,593	24,408	24,983	25,481	25,963
Fiscal	21,323	17,891	17,838	17,766	17,689
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	10,375	9,702	9,916	10,100	10,288
Planning and Development Services	14,985	13,891	14,249	14,592	14,966
Utility Budget					
Water Utility	41,258	42,458	43,977	45,543	47,179
Sanitary Sewer Utility	30,774	32,117	33,879	35,675	37,611
Sanitation and Recycling	15,591	15,223	15,597	15,917	16,252
Library	9,983	10,177	10,413	10,611	10,812
Richmond Olympic Oval Corporation	15,652	15,949	16,253	16,562	16,877
Lulu Island Energy Company	4,473	3,576	3,637	3,691	3,746
	422,495	407,667	418,754	429,324	439,504
Annual Surplus	61,271	88,079	89,002	82,589	85,914
Transfers:					
Debt Principal	4,578	4,761	4,951	5,149	5,355
Transfer To (From) Reserves	66,584	68,906	71,059	73,298	75,622
Transfer To (From) Surplus	(32,811)	(9,469)	(2,498)	(158)	1,382
Capital Expenditures - Current Year	126,159	126,193	112,740	68,807	74,012
Capital Expenditures - Prior Years	258,261	207,063	178,693	170,137	135,109
Capital Expenditures - Developer Contributed Assets	30,610	30,610	30,610	30,610	30,610
Capital Expenditures - Richmond Public Library	1,274	1,274	1,274	1,274	1,274
Capital Expenditures - Lulu Island Energy Company	609	-	-	-	-
Capital Expenditures - Richmond Olympic Oval Corporation	2,670	-	-	-	-
Capital Funding	(396,663)	(341,259)	(307,827)	(266,528)	(237,450)
	61,271	88,079	89,002	82,589	85,914
Balanced Budget	\$0	\$0	\$0	\$0	\$0
Tax Increase	2.95%	2.98%	2.99%	2.99%	2.98%

SCHEDULE B:

CITY OF RICHMOND					
5 YEAR CONSOLIDATED AMENDED FINANCIAL PLAN					
CAPITAL FUNDING SOURCES (2017-2021)					
(In \$000's)					
	2017				
	Amended	2018	2019	2020	2021
DCC Reserves					
Drainage DCC	-	1,344	-	97	97
Parks DCC	10,097	10,362	10,801	7,757	8,091
Roads DCC	7,008	9,744	8,747	3,005	2,770
Sanitary DCC	1,425	12	1,337	23	-
Water DCC	403	1,484	282	802	-
Total DCC	18,933	22,946	21,167	11,684	10,958
Statutory Reserves					
Affordable Housing	5,035	625	625	625	625
Arts Culture Heritage	893	-	-	-	-
Capital Building and Infrastructure	4,698	-	2,311	-	-
Capital Reserve	28,438	50,400	38,985	13,517	20,416
Capstan Station	-	-	-	-	-
Child Care	120	50	50	50	50
Drainage Improvement	16,021	11,050	11,354	11,393	11,263
Equipment Replacement	4,350	2,596	3,486	2,662	2,110
Neighbourhood Improvement	8	-	-	-	-
Public Art Program	611	100	100	100	100
Sanitary Sewer	6,540	5,383	6,614	5,807	5,070
Waterfront Improvement	-	1,000	-	-	-
Watermain Replacement	6,992	7,483	10,099	6,848	7,317
Total Statutory Reserves	73,706	78,687	73,624	41,002	46,951
Other Sources					
Enterprise Fund	545	550	550	550	550
Grant and Developer Contribution	13,419	10,525	10,490	10,463	10,463
Other Sources	13,531	11,395	6,329	4,582	4,540
Sewer Levy	205	-	-	50	-
Solid Waste and Recycling	300	300	300	300	300
Water Levy	2,020	1,790	280	176	250
Total Other Sources	30,020	24,560	17,949	16,121	16,103
Total Capital Program	122,659	126,193	112,740	68,807	74,012

SCHEDULE C:

**CITY OF RICHMOND
5 YEAR CONSOLIDATED AMENDED FINANCIAL PLAN (2017-2021)
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 2017.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	49.3%
User Fees	24.0%
Sales of Services	8.9%
Gaming Revenue	4.3%
Investment Income	3.5%
Payments in Lieu Of Taxes	3.3%
Licenses and Permits	2.3%
Grants	1.9%
Other	2.5%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

CITY OF RICHMOND
5 Year Consolidated AMENDED FINANCIAL PLAN (2017-2021)
STATEMENT OF POLICIES AND OBJECTIVES

Distribution of Property Taxes

Table 2 provides the estimated 2017 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: (Estimated based on the 2017 Completed Roll figures)

Property Class	% of Tax Burden
Residential (1)	55.5%
Business (6)	35.3%
Light Industry (5)	7.1%
Others (2,4,8 & 9)	2.1%
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*.