



City of Richmond

Report to Committee



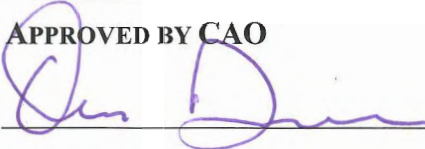
To: Finance Committee
From: Andrew Nazareth
General Manager, Finance and Corporate
Services
Date: September 21, 2015
File: 99-BUDGETS/2015-
Vol 01
Re: Amendments to the 5 Year Financial Plan (2015-2019) Bylaw 9296

Staff Recommendation

That the 5 Year Financial Plan (2015-2019) Bylaw 9220, Amendment Bylaw 9296, which would incorporate and put into effect changes previously approved by Council and changes to the 2015 Capital, Utility and Operating Budgets, be introduced and given first, second and third readings.

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

Att. 3

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Administration and Compliance	<input checked="" type="checkbox"/>	
Affordable Housing	<input checked="" type="checkbox"/>	
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	
City Clerk	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
District Utility	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Fire and Rescue Services	<input checked="" type="checkbox"/>	
Human Resources	<input checked="" type="checkbox"/>	
Infrastructure Replacement	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Law and Community Safety	<input checked="" type="checkbox"/>	
Parks	<input checked="" type="checkbox"/>	
Project Development	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	
Recreation and Sport Services	<input checked="" type="checkbox"/>	
Risk Management	<input checked="" type="checkbox"/>	
Sanitation and Recycling	<input checked="" type="checkbox"/>	
Sustainability	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS:	APPROVED BY CAO
		

Staff Report

Origin

The 5 Year Financial Plan (2015-2019) Bylaw 9220 was adopted on April 13, 2015. Included in the 5 Year Financial Plan (5YFP) are the 2015 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, additional opportunities and projects have emerged. 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.

Highlights of the amendments include:

- The Land Acquisition Strategy, including use of the Legacy Reserve as a funding source, which was approved by Council subsequent to the adoption of the financial plan bylaw.
- Affordable Housing contributions for Storeys and Kiwanis were previously approved by Council; however, the funding to make these contributions was not yet received into the Affordable Housing Reserve and the timing of payment was not known as it is based on construction milestones.
- Phase 4 of the Alexandra District Energy Utility was originally budgeted in 2016; however, due to changes in the project schedule and project requirements, Phase 4 has been advanced to commence in 2015.

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 2015 5YFP presented in order of Council meeting dates, are:

1. a. At the Council meeting on March 9, 2015, Council approved the following:

That an amendment to the City's Five Year Financial Plan (2015-2019) to include capital costs of \$17,000 in 2015 with funding from the Enterprise Fund provision be approved for this pilot project.

The 2015 Capital Budget will be increased by \$17,000 with funding from the Enterprise

Fund Provision for capital costs to upgrade electrical infrastructure as required to implement the 2015 joint BC Hydro – City of Richmond LED Street Light and Adaptive Controls Trial Program.

- b. At the Closed Council meeting on April 27, 2015, Council approved that one-time expenditures of up to \$558,280 and funding from the Rate Stabilization Account be included as an amendment to the 5-Year Financial Plan (2015-2019) for the optional early termination of Land Use Contracts.

The following three amendments are required to the Operating Budget pertaining to the optional early termination of Land Use Contracts:

- i. The City Clerks budget will be increased by \$380,280 for administration costs for staffing and administrative costs for the Board of Variance, statutory notification costs for the Public Hearing, hard costs for facility rentals and other expenses for the Public Hearing.
 - ii. The Development Applications budget will be increased by \$150,000 for a Temporary Full-Time Planner.
 - iii. The Law budget will be increased by \$28,000 for legal fees and other expenses.
- c. At the Council meeting on May 25, 2015, Council approved the following:

That an amendment to the City's Five Year Financial Plan (2015 – 2019) to include capital costs of \$2.6 million with \$2.3 million funding from the City's General Solid Waste and Recycling Provision and \$300,000 from the City's General Utility Surplus, be approved.

The 2015 Capital Budget will be increased by \$2,600,000 for the capital costs associated with acquiring and delivering carts to residents. Part of the funding, \$2,300,000, will come from the General Solid Waste and Recycling Provision and the remaining \$300,000 will initially be funded by the General Utility Surplus and be repaid by the General Solid Waste and Recycling Provision which is expected to generate a surplus in 2015 due to the implementation of the Multi-Material BC program.

- d. At the Council meeting on May 25, 2015, Council approved the following:

That funding of up to \$7.6 million through borrowing from the Utility General Surplus be approved for capital expenditure for design, construction and commissioning of the Phase 4 expansion of the Alexandra District Energy Utility and that the Five Year Financial Plan (2015-2019) be amended accordingly.

The 2015 Capital Budget will be increased by \$7,600,000 through internal borrowing from the General Utility Surplus for the Phase 4 expansion of the Alexandra District Energy Utility.

- e. At the Council meeting on June 8, 2015, Council approved the following:

That the City's 5 Year Financial Plan (2015-2019), as outlined in the staff report titled "King George Park Rugby Field Upgrades," dated May 7, 2015, from the Senior Manager, Parks, be amended to include \$115,000 for rugby field improvements at King George Park to be funded from the Sports Fund within Capital Building Infrastructure Reserve.

The 2015 Capital Budget will be increased by \$115,000 for rugby field improvements at King George Park funded by the Capital Building Infrastructure Reserve.

- f. At the Closed Council meeting on June 8, 2015, Council approved the following:

- i. Utilize \$16,600,000 from the Legacy Reserve for Strategic Land Acquisitions.
- ii. Transfer \$15,500,000 from General Surplus to the Industrial Use Reserve.

The 2015 Capital Budget will be amended by \$35,550,000 for strategic land acquisitions with \$16,600,000 funding from the Legacy Reserve, \$15,500,000 from the Industrial Use Reserve, and \$3,450,000 from Developer Contributions. Acquisitions will be subject to Council's approval.

- g. At the Closed Council meeting on July 13, 2015, Council approved the following:

That the Five-Year Financial Plan (2015-2019) be amended to include an additional \$17,848,868 (from the Affordable Housing Reserve Fund) for the City's contribution to the Development, which is up to a maximum of \$19,861,021.

Council approved a total contribution of \$19,861,021 toward the Storey's Development with approved funding sources from the Affordable Housing Reserve, which received Affordable Housing Value Transfers and \$3,000,000 from the gaming provision. The remaining balance of \$2,012,153 is available in previously approved Affordable Housing projects. The 2015 Capital Budget will be increased by \$17,848,868.

- h. At the Council meeting on July 13, 2015, Council approved the following:

That \$250,000 from the following completed projects, McLennan South (\$23,000), McLennan North (\$119,000), and Woodward's School (\$55,000), and Parks General Development (\$53,000) be transferred to fund the Steveston Town Square Park Concept Plan project and that this project be included in the 5 Year Financial Plan (2015-2019) amendment.

The 2015 Capital Budget will be amended to include this additional project of \$250,000 for the Steveston Town Square Park Concept Plan funded by the balances of various capital projects listed as above which consist of \$172,000 from Parks Development Reserves and \$78,000 from Developers' contributions.

- i. At the Council meeting on July 13, 2015, Council approved the following:

That an amendment to the City's Five Year Financial Plan (2015-2019) to include \$59,897 for the cost of the artwork with funding coming from the Oris Development's contribution as part of the rezoning application to the Public Art Reserve Fund be brought forward for Council's consideration.

The 2015 Capital Budget will be increased by \$59,897 for the Public Art Program funded by the Public Art Reserve Fund through a contribution from Oris Development.

- j. At the Closed Council meeting on July 27, 2015, Council approved that the 2015 Capital Budget be increased by \$1,180,000 for a capital project of tenant improvements at 7400 River Road for Recreation and Sport purposes to be funded by the Leisure Reserve Fund.
- k. At the Council meeting on September 14, 2015, Council approved the following:

That the Five-Year Financial Plan (2015-2019) Bylaw be amended to include an additional \$3,961,556 (from the Affordable Housing Reserve Fund) for the City's contribution.

The 2015 Capital Budget will be increased by \$3,961,556 for the 3rd disbursement payable to Kiwanis Senior Citizens Housing Society to be funded by the Affordable Housing Reserve.

During the year, the 5 Year Financial Plan Bylaw may require amendments due to external contributions being received, re-classification of expenditure budgets or unexpected expenditures funded by provisions or reserves. The amendments are as follows:

2. a. Increase the scope of existing programs and projects by a total of \$2,970,209 from additional external funding received from various sources including ICBC, the Province of BC, developers, TransLink, Corix Utilities, etc. The Capital Budget is amended as follows:

Table 1 Various Grants and External Sources	(in \$000's)
Capital Programs	Amounts
Roads	\$1,591
Major Parks/Streetscapes	895
District Energy Utility	280
Building Program	120
Minor Parks	84
Total	\$2,970

- b. The 2015 Capital Budget will be increased by \$1,860,778 for the 4th disbursement payable to Kiwanis Senior Citizens Housing Society as approved by Council on July 16, 2012. Contributions to the Affordable Housing Reserve are expected to be received, which will

- provide the funding for this disbursement.
- c. Increase the 2015 Capital Budget by \$215,000 for the replacement of 32 street light poles and luminaires on the No.2 Road Bridge funded by the MRN Rehabilitation Provision.
 - d. Increase the 2015 Capital budget by \$40,000 for Laneway Improvements funded by the Uninsured Provision.
 - e. Transfer \$40,000 from the Fire and Rescue Services operating budget to the 2015 Capital Budget for the costs of the flashover simulator required for the live fire burn building as part of the training site development.
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 2015 Operating Budget:
- a. Reallocate \$1,286,326 within the Law and Community Services Division due to Fire retro pay settlement and rate adjustments for 2012-2013.
 - b. Reallocate \$313,000 of salary budget resources within Richmond Fire Rescue to general operating expenses for emergency vehicle repairs and other operating expenditures.
 - c. Reallocate \$127,324 of salary budget resources within Engineering Design and Construction for the provision of pre-construction services for Roads DCC Cost Estimates and consulting services.
 - d. Transfer \$115,000 of salary budget resources from the Fire Suppression operating budget to the 2015 Capital Budget for the replacement of Fire Pumper equipment.
 - e. Transfer \$55,000 from the Finance department to Engineering Design and Construction for a Temporary Full-Time Project Manager for the Roads DCC Program Update. This funding was previously approved by Council as part of a 2015 one-time expenditure.
 - f. Transfer \$45,000 from the Finance department to Transportation Planning for an auxiliary staff (\$27,710) and consultant (\$17,290) for the Roads DCC Program Update. This funding was previously approved by Council as part of a 2015 one-time expenditure.
 - g. Transfer \$32,260 from the Finance department to Clerk's Office to provide funding for the Temporary Full-Time Freedom of Information Specialist position.
4. The Operating and Utility Budgets include estimates for work expected to be funded by User Fee Revenue. The following adjustments align the budget to projected levels of activity within each section. The following adjustments have no tax impact:
- a. Increase the Engineering and Public Works expenditure budget by \$855,857 including a \$677,385 adjustment to the Roads and Construction section and \$178,472 to Storm Drainage section to offset the receivable income which is projected to exceed original

- budget estimates.
- b. Increase the Water Utility expenditure budget by \$669,551 to offset receivable income which is projected to exceed original budget estimates.
 - c. Increase the Traffic expenditure budget by \$100,000 to offset receivable income which is projected to exceed original budget estimates.
5. The following amendments to the Operating and Utility Budget are funded by external grants, transfer of existing budget resources, or funding from Provisions or Reserves.
- a. Increase the Administration and Compliance expenditure budget by \$275,000 for the Corporate Performance Measurement Program funded by the Corporate Provision. Funding for this program was appropriated from the 2014 Operating Surplus; however, the expenditure was not included in the Financial Plan.
 - b. Increase the Human Resource expenditure budget by \$150,000 for arbitration and legal expenditures funded by the Arbitration Provision.
 - c. Increase the Major Events expenditure budget by \$123,339 funded by the Major Events Provision:
 - i. The Richmond Maritime Festival received sponsorship funding in 2014 that was appropriated for the 2015 event (\$63,339).
 - ii. Council approved funding for the 2015 and 2016 Richmond Children's Arts Festival but only one year was included in the 2015-2019 financial plan. Since this event takes place in February 2016, planning begins in the Fall; therefore, starting with the 2015 budget amendment, the funding is budgeted one year in advance with any unspent funding carried forward into the 2016 budget (\$60,000).
 - d. Transfer \$100,000 from the Finance department to Administration and Compliance to address the language on signs Council referral.
 - e. Increase the Community Social Development expenditure budget by \$100,000 for professional fees funded by the Legal Provision.
 - f. Increase the Energy Management expenditure budget by \$64,000 for energy assessment work for the Minoru Complex funded by the Energy Operating Provision.
 - g. Increase the Parks expenditure budget by \$225,000 for tree planting activities funded by developer contributions.
 - h. Increase the Major Road Network (MRN) expenditure budget by \$136,000 which will be funded by TransLink for the MRN program.

- i. Increase the Major Events and Film expenditure budget by \$80,000 for the 2015 Torch Relay (Toronto-Richmond, BC) which will be funded by contributions received from the Government of Canada.
- j. Increase the Infrastructure Replacement expenditure budget by \$70,000 to complete the front entrance upgrades of Steveston Net Shed, which will be funded by the LEED Green Association.
- k. Increase the General Waste-Environmental expenditure budget by \$11,300 with \$6,400 from the TD Friends of Environment Grant and \$4,900 from the Richmond Invasive Plant Management grant.
- l. Increase the Risk Management expenditure budget by \$7,000 for new initiatives to reduce liability claims, which will be funded by the Municipal Insurance Association of BC grant.
- m. Increase the Major Events and Film expenditure budget by \$5,000 for the Provincial Launch of Culture Days funded by the Province.
- n. Increase the Records and Information expenditure budget by \$3,900 for the Photograph Description and Indexing Project funded by the Friends of the Richmond Archives Trust.
- o. Increase the Fitness Wellness Services expenditure budget by \$2,818 for funding received from the Province related to the Shapedown program.

Financial Impact

The proposed 2015 budget amendments have **no tax impact**. Overall, there is an increase of \$74,173,308 to the 2015 Capital Budget and \$3,282,045 to the 2015 Operating and Utility Budget. Each of these annual budgets combines to form part of the 2015-2019 5YFP. The 2015-2019 5YFP schedule and funding sources can be found in Attachments 1 - 3.

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

Item	Description	Ref	Amount
Capital Budget as at April 13, 2015			\$93,041
1	LED Street Light Trial Program	1.a	17
2	Bi-weekly Garbage Collection	1.c	2,600
3	Alexandra District Energy Utility Expansion Phase 4	1.d	7,600
4	King George Park Rugby Field Upgrades	1.e	115
5	Land Strategy Funding	1.f	35,550
6	Advancement of the Storeys Development	1.g	17,849
7	Steveston Town Square Park Concept Plan	1.h	-
8	Donation of Public Artwork	1.i	60
9	Recreation and Sport Tenant Improvements	1.j	1,180
10	Kiwanis Disbursement #3	1.k	3,961

Item	Description	Ref	Amount
11	Various Grants & External Sources	2.a	2,970
12	Kiwanis Disbursement #4	2.b	1,861
13	No. 2 Rd Bridge Street Light Pole Replacement	2.c	215
14	Laneway Improvements	2.d	40
15	Flashover Simulator Project	2.e	40
16	Fire Pumper Replacement	3.d	115
Total Amendments			74,173
Total Amended 2015 Capital Budget			\$167,214

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

Item	Description	Ref	Amount
Operating and Utility Budget as at April 13, 2015			\$438,331
1	Early Termination of Land Use Contracts	1.b	558
2	Flashover Simulator Project	2.e	(40)
3	Fire Retro Pay Settlement	3.a	-
4	Fire Rescue Salary Reallocation	3.b	-
5	Engineering Consulting Services	3.c	-
6	Fire Pumper Replacement	3.d	(115)
7	Roads DCC Program Update	3.e & f	-
8	Freedom of Information Specialist Position	3.g	-
9	Storm Drainage Receivable Increases	4.a	856
10	Water Receivable Increases	4.b	670
11	Traffic Receivable Increases	4.c	100
12	Corporate Performance Measurement Program	5.a	275
13	HR Arbitration	5.b	150
14	Major Events Funding	5.c	123
15	Sign Bylaw Project	5.d	-
16	Community Social Development Legal Fees	5.e	100
17	Minoru Complex Energy Assessment	5.f	64
18	Tree Planting	5.g	225
19	Major Road Network (MRN)	5.h	136
20	2015 Torch Relay (Toronto-Richmond, BC)	5.i	80
21	Steveston Net Shed Project	5.j	70
22	General Waste-Environmental Grants	5.k	11
23	Risk Management Grants	5.l	7
24	Provincial Culture Days Grants	5.m	5
25	Friends of the Richmond Archives Trust	5.n	4
26	Shapedown Contract Contribution	5.o	3
Total Amendments			3,282
Total Amended 2015 Operating and Utility Expenditure Budget			\$441,613

Items included in the above Summary of Changes with no amount represent offsetting adjustments due to transfers within the Operating and Utility Budget, resulting in no overall increase to the Operating and Utility Budget.

Conclusion

Staff recommend that Council approve the 2015 Capital, Operating and Utility Budget amendments to accommodate the expenditures within the 5 Year Financial Plan Bylaw. The proposed 2015 budget amendments will have no tax impact. Overall, there is an increase of \$74,173,308 to the 2015 Capital Budget and \$3,282,045 to the 2015 Operating and Utility Budget.

As required in Section 166 of the *Community Charter*, staff will conduct a process of public consultation prior to the final reading on October 26, 2015.



Jerry Chong
Director, Finance
(604-276-4064)

- Att. 1: 5 Year Amended Financial Plan (2015 - 2019) – Funding Sources/Transfers
- Att. 2: 5 Year Amended Financial Plan (2015 - 2019) – Expenditures/Transfers
- Att. 3: 5 Year Amended Financial Plan (2015 - 2019) – Capital Funding Sources

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2015 - 2019)
FUNDING SOURCES/TRANSFERS
(In \$000's)

	2015 Amended	2016	2017	2018	2019
Operating and Utility Funding Sources					
Property Taxes	\$189,796	\$197,851	\$206,047	\$214,411	\$222,867
Utilities	100,642	103,814	107,852	111,491	115,308
Fees and Charges	34,432	32,982	33,160	33,643	34,122
Gaming Revenue	18,030	18,030	18,030	18,030	18,030
Investment Income	16,228	16,233	16,238	16,248	16,257
Payments in Lieu of Taxes	13,473	13,473	13,473	13,473	13,473
Grants	4,784	4,187	4,206	4,235	4,265
Penalties and Interest on Taxes	1,015	1,015	1,015	1,015	1,015
Total Operating and Utility Funding Sources	\$378,400	\$387,585	\$400,021	\$412,546	\$425,337
Capital Funding Sources					
Transfer from DCC Reserve	\$23,828	\$12,931	\$18,300	\$14,230	\$10,264
Transfer from Other Funds and Reserves	165,711	57,518	49,370	47,361	56,551
External Contributions	5,185	775	375	375	375
Carryforward Prior Years	259,175	222,637	181,352	131,575	116,122
Developer Contributed Assets	55,000	55,000	55,000	55,000	55,000
Total Capital Funding Sources	\$508,899	\$348,861	\$304,397	\$248,541	\$238,312
Total Operating, Utility and Capital Funding Sources	\$887,299	\$736,446	\$704,418	\$661,087	\$663,649
Transfers					
Transfer from Capital Equity	\$49,416	\$48,463	\$52,349	\$56,928	\$57,052
Transfer from Surplus	13,837	2,133	1,966	1,896	1,901
Total Transfers	\$63,253	\$50,596	\$54,315	\$58,824	\$58,953
TOTAL FUNDING SOURCES AND TRANSFERS	\$950,552	\$787,042	\$758,733	\$719,911	\$722,602

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2015 - 2019)
EXPENDITURES/TRANSFERS
(In \$000's)

	2015 Amended	2016	2017	2018	2019
Expenditures/Transfers					
Utility Budget					
Utilities	\$79,056	\$81,490	\$85,410	\$88,863	\$92,488
Transfer to Drainage Improvement Replacement Reserve	10,411	10,468	10,584	10,771	10,962
Transfer to Watermain Replacement Reserve	7,500	7,500	7,500	7,500	7,500
Transfer to Sanitary Sewer Reserve	4,256	4,256	4,256	4,256	4,256
Transfer to Equipment Replacement Reserve	100	100	100	100	100
Amortization	7,375	7,375	7,375	7,375	7,375
Total Utility Budget	\$108,698	\$111,189	\$115,225	\$118,865	\$122,681
Operating Budget					
Law and Community Safety	\$87,391	\$89,173	\$91,177	\$93,518	\$95,802
Transfer to Equipment Replacement Reserve	983	983	983	983	983
Amortization	2,620	2,620	2,620	2,620	2,620
Community Services	50,109	48,642	50,338	51,325	52,310
Richmond Public Library	8,768	8,632	8,727	8,876	9,027
Transfer to Capital Building & Infrastructure Reserve	252	252	252	252	252
Amortization	5,056	4,104	7,990	12,569	12,693
Engineering and Public Works	40,520	37,836	38,532	39,491	40,419
Transfer to Equipment Replacement Reserve	1,675	1,675	1,675	1,675	1,675
Amortization	22,932	22,932	22,932	22,932	22,932
Finance and Corporate Services	24,395	22,598	22,845	23,242	23,645
Amortization	1,295	1,295	1,295	1,295	1,295
Planning and Development	12,792	12,485	12,709	12,967	13,249
Amortization	923	923	923	923	923
Corporate Administration	8,531	8,235	8,296	8,427	8,560
Fiscal	11,604	11,478	12,717	14,266	15,961
Municipal Debt Interest	1,678	1,678	1,678	1,678	1,678
Municipal Debt Principal	4,232	4,232	4,232	4,232	4,232
Transfer to Capital Building & Infrastructure Reserve	13,704	13,764	15,735	17,779	19,898
Transfer to Capital Reserve	12,990	12,990	12,990	12,990	12,990
Transfer Investment Income to Statutory Reserves	11,250	11,250	11,250	11,250	11,250
Amortization	9,215	9,215	9,215	9,215	9,215
Total Operating Budget	\$332,915	\$326,992	\$339,111	\$352,505	\$361,609
Capital Plan					
Current Year Capital Expenditures	\$194,764	\$71,224	\$68,045	\$61,966	\$67,190
Carryforward Prior Years	259,175	222,637	181,352	131,575	116,122
Developer Contributed Assets	55,000	55,000	55,000	55,000	55,000
Total Capital Plan	\$508,939	\$348,861	\$304,397	\$248,541	\$238,312
TOTAL EXPENDITURES/TRANSFERS	\$950,552	\$787,042	\$758,733	\$719,911	\$722,602
Proposed Property Tax Increase	1.89%	2.98%	2.98%	2.99%	2.96%

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2015 - 2019)
CAPITAL FUNDING SOURCES
(In \$000's)

	2015 Amended	2016	2017	2018	2019
DCC Reserves					
Drainage	\$644	\$-	\$644	\$3,411	\$97
Parks Acquisition	9,527	3,762	3,762	3,762	3,762
Parks Development	5,250	2,680	2,649	1,364	1,787
Roads	4,855	4,969	10,045	3,634	3,633
Sanitary Sewer	2,648	724	613	1,354	-
Water	904	796	587	705	985
Total DCC Reserves	\$23,828	\$12,931	\$18,300	\$14,230	\$10,264
Statutory Reserves					
Affordable Housing Reserve Fund	\$24,830	\$750	\$750	\$605	\$-
Capital Building and Infrastructure Reserve Fund	115	600	-	-	1,800
Capital Reserve Fund	42,370	10,692	10,734	13,066	12,574
Child Care Development Reserve Fund	10	50	50	50	50
Drainage Improvement Reserve Fund	10,664	9,895	10,162	6,764	10,458
Equipment Replacement Reserve Fund	2,850	3,336	2,682	2,852	3,140
Legacy Reserve Fund	16,600	-	-	-	-
Leisure Facilities Reserve Fund	1,180	-	-	-	-
Neighbourhood Improvement Reserve Fund	240	-	-	-	-
Public Art Program Reserve Fund	408	100	100	100	100
Sanitary Sewer Reserve Fund	6,082	4,996	4,657	3,936	3,890
Waterfront Improvement Reserve Fund	500	250	-	250	-
Watermain Replacement Reserve Fund	7,829	11,427	9,048	8,363	9,025
Total Statutory Reserves	\$113,678	\$42,096	\$38,183	\$35,986	\$41,037
Other Sources					
Appropriated Surplus	\$49,861	\$13,652	\$9,417	\$9,505	\$14,964
Enterprise	892	450	450	550	550
Water Metering Provision	1,320	1,320	1,320	1,320	-
Grant, Developer and Community Contributions	5,185	775	375	375	375
Total Other Sources	\$57,258	\$16,197	\$11,562	\$11,750	\$15,889
TOTAL CAPITAL FUNDING	\$194,764	\$71,224	\$68,045	\$61,966	\$67,190



**5 Year Financial Plan (2015-2019) Bylaw 9220
Amendment Bylaw 9296**

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B", and Schedule "C" of the 5 Year Financial Plan (2015-2019) Bylaw 9220, 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 Financial Plan (2015-2019) Bylaw 9220, Amendment Bylaw 9296"**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

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

MAYOR

CORPORATE OFFICER

SCHEDULE A:

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2015-2019)
FUNDING SOURCES/TRANSFERS
(In \$000's)

	2015 Amended	2016	2017	2018	2019
Operating and Utility Funding Sources					
Property Taxes	\$189,796	\$197,851	\$206,047	\$214,411	\$222,867
Utilities	100,642	103,814	107,852	111,491	115,308
Fees and Charges	34,432	32,982	33,160	33,643	34,122
Gaming Revenue	18,030	18,030	18,030	18,030	18,030
Investment Income	16,228	16,233	16,238	16,248	16,257
Payments in Lieu of Taxes	13,473	13,473	13,473	13,473	13,473
Grants	4,784	4,187	4,206	4,235	4,265
Penalties and Interest on Taxes	1,015	1,015	1,015	1,015	1,015
Total Operating and Utility Funding Sources	\$378,400	\$387,585	\$400,021	\$412,546	\$425,337
Capital Funding Sources					
Transfer from DCC Reserve	\$23,828	\$12,931	\$18,300	\$14,230	\$10,264
Transfer from Other Funds and Reserves	134,751	57,518	49,370	47,361	56,551
External Contributions	8,635	775	375	375	375
Carryforward Prior Years	259,175	222,637	181,352	131,575	116,122
Developer Contributed Assets	55,000	55,000	55,000	55,000	55,000
Total Capital Funding Sources	\$481,389	\$348,861	\$304,397	\$248,541	\$238,312
Total Operating, Utility and Capital Funding Sources	\$859,789	\$736,446	\$704,418	\$661,087	\$663,649
Transfers					
Transfer from Capital Equity	\$49,416	\$48,463	\$52,349	\$56,928	\$57,052
Transfer from Surplus	13,797	2,133	1,966	1,896	1,901
Total Transfers	\$63,213	\$50,596	\$54,315	\$58,824	\$58,953
TOTAL FUNDING SOURCES AND TRANSFERS	\$923,002	\$787,042	\$758,733	\$719,911	\$722,602

SCHEDULE A (CONT'D):

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2015-2019)
EXPENDITURES/TRANSFERS
(In \$000's)

	2015 Amended	2016	2017	2018	2019
Expenditures/Transfers					
Utility Budget					
Utilities	\$79,056	\$81,490	\$85,410	\$88,863	\$92,488
Transfer to Drainage Improvement Replacement Reserve	10,411	10,468	10,584	10,771	10,962
Transfer to Watermain Replacement Reserve	7,500	7,500	7,500	7,500	7,500
Transfer to Sanitary Sewer Reserve	4,256	4,256	4,256	4,256	4,256
Transfer to Equipment Replacement Reserve	100	100	100	100	100
Amortization	7,375	7,375	7,375	7,375	7,375
Total Utility Budget	\$108,698	\$111,189	\$115,225	\$118,865	\$122,681
Operating Budget					
Law and Community Safety	\$87,391	\$89,173	\$91,177	\$93,518	\$95,802
Transfer to Equipment Replacement Reserve	983	983	983	983	983
Amortization	2,620	2,620	2,620	2,620	2,620
Community Services	50,109	48,642	50,338	51,325	52,310
Richmond Public Library	8,768	8,632	8,727	8,876	9,027
Transfer to Capital Building & Infrastructure Reserve	252	252	252	252	252
Amortization	5,056	4,104	7,990	12,569	12,693
Engineering and Public Works	40,520	37,836	38,532	39,491	40,419
Transfer to Equipment Replacement Reserve	1,675	1,675	1,675	1,675	1,675
Amortization	22,932	22,932	22,932	22,932	22,932
Finance and Corporate Services	24,395	22,598	22,845	23,242	23,645
Amortization	1,295	1,295	1,295	1,295	1,295
Planning and Development	12,792	12,485	12,709	12,967	13,249
Amortization	923	923	923	923	923
Corporate Administration	8,531	8,235	8,296	8,427	8,560
Fiscal	11,604	11,478	12,717	14,266	15,961
Municipal Debt Interest	1,678	1,678	1,678	1,678	1,678
Municipal Debt Principal	4,232	4,232	4,232	4,232	4,232
Transfer to Capital Building & Infrastructure Reserve	13,704	13,764	15,735	17,779	19,898
Transfer to Capital Reserve	12,990	12,990	12,990	12,990	12,990
Transfer Investment Income to Statutory Reserves	11,250	11,250	11,250	11,250	11,250
Amortization	9,215	9,215	9,215	9,215	9,215
Total Operating Budget	\$332,915	\$326,992	\$339,111	\$352,505	\$361,609
Capital Plan					
Current Year Capital Expenditures	\$167,214	\$71,224	\$68,045	\$61,966	\$67,190
Carryforward Prior Years	259,175	222,637	181,352	131,575	116,122
Developer Contributed Assets	55,000	55,000	55,000	55,000	55,000
Total Capital Plan	\$481,389	\$348,861	\$304,397	\$248,541	\$238,312
TOTAL EXPENDITURES/TRANSFERS	\$923,002	\$787,042	\$758,733	\$719,911	\$722,602
Proposed Property Tax Increase	1.89%	2.98%	2.98%	2.99%	2.96%

SCHEDULE B:

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2015-2019)

(In \$000's)

	2015 Amended	2016	2017	2018	2019
DCC Reserves					
Drainage	\$644	\$-	\$644	\$3,411	\$97
Parks Acquisition	9,527	3,762	3,762	3,762	3,762
Parks Development	5,250	2,680	2,649	1,364	1,787
Roads	4,855	4,969	10,045	3,634	3,633
Sanitary Sewer	2,648	724	613	1,354	-
Water	904	796	587	705	985
Total DCC Reserves	\$23,828	\$12,931	\$18,300	\$14,230	\$10,264
Statutory Reserves					
Affordable Housing Reserve Fund	\$24,830	\$750	\$750	\$605	\$-
Capital Building and Infrastructure Reserve Fund	115	600	-	-	1,800
Capital Reserve Fund	26,870	10,692	10,734	13,066	12,574
Child Care Development Reserve Fund	10	50	50	50	50
Drainage Improvement Reserve Fund	10,664	9,895	10,162	6,764	10,458
Equipment Replacement Reserve Fund	2,850	3,336	2,682	2,852	3,140
Legacy Reserve Fund	16,600	-	-	-	-
Leisure Facilities Reserve Fund	1,180	-	-	-	-
Neighbourhood Improvement Reserve Fund	240	-	-	-	-
Public Art Program Reserve Fund	408	100	100	100	100
Sanitary Sewer Reserve Fund	6,082	4,996	4,657	3,936	3,890
Waterfront Improvement Reserve Fund	500	250	-	250	-
Watermain Replacement Reserve Fund	7,829	11,427	9,048	8,363	9,025
Total Statutory Reserves	\$98,178	\$42,096	\$38,183	\$35,986	\$41,037
Other Sources					
Appropriated Surplus	\$34,361	\$13,652	\$9,417	\$9,505	\$14,964
Enterprise	892	450	450	550	550
Water Metering Provision	1,320	1,320	1,320	1,320	-
Grant, Developer and Community Contributions	8,635	775	375	375	375
Total Other Sources	\$45,208	\$16,197	\$11,562	\$11,750	\$15,889
TOTAL CAPITAL FUNDING	\$167,214	\$71,224	\$68,045	\$61,966	\$67,190

SCHEDULE C:

**CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2015-2019)
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 2015.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	50.2%
Utilities	26.6%
Fees and Charges	9.1%
Gaming Revenue	4.8%
Investment Income	4.3%
Payments in Lieu of Taxes	3.5%
Grants	1.2%
Penalties and Interest on Taxes	0.3%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2015-2019)
STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the estimated 2015 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.
- Continue economic development initiatives to attract businesses to the City of Richmond.

Table 2: (Estimated based on the 2015 Completed Roll figures)

Property Class	% of Tax Burden
Residential (1)	54.6%
Business (6)	35.5%
Light Industry (5)	8.2%
Others (2,4,8 & 9)	1.7%
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*.