




City of Richmond

Report to Committee




To: Finance Committee **Date:** September 15, 2020
From: Andrew Nazareth **File:** 03-0975-01/2020-Vol
 General Manager, Finance and Corporate 01
 Services
Re: **Amendments to the Revised Consolidated 5 Year Financial Plan (2020-2024)**
Bylaw No. 10183

Staff Recommendation

That the Revised Consolidated 5 Year Financial Plan (2020-2024) Bylaw No. 10183, Amendment Bylaw No. 10203, which incorporates and puts into effect the changes as outlined in the staff report titled “Amendments to the Revised Consolidated 5 Year Financial Plan (2020-2024) Bylaw No. 10183” dated September 15, 2020, from the General Manager, Finance and Corporate Services, be introduced and given first, second and third readings.

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

Att. 3

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	
Law	<input checked="" type="checkbox"/>	Sustainability and Energy Management <input checked="" type="checkbox"/>
Real Estate Services	<input checked="" type="checkbox"/>	Community Safety Policy & Programs <input checked="" type="checkbox"/>
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	Emergency Programs <input checked="" type="checkbox"/>
Community Social Development	<input checked="" type="checkbox"/>	Transportation <input checked="" type="checkbox"/>
Recreation Services	<input checked="" type="checkbox"/>	Sanitation and Recycling <input checked="" type="checkbox"/>
Facilities & Project Development	<input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
Parks Services	<input checked="" type="checkbox"/>	 (for Andrew Nazareth)
Roads & Construction	<input checked="" type="checkbox"/>	
Sewerage & Drainage	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

The Revised Consolidated 5 Year Financial Plan (2020-2024) Bylaw No. 10183 was adopted on May 11, 2020. Included in the Revised Consolidated 5 Year Financial Plan (5YFP) are the City's 2020 Capital, Utility and Operating Budgets. In addition, the Revised Consolidated 5YFP includes the budgets of Richmond Olympic Oval Corporation and Richmond Public Library. The following budget amendments are for the 2020 Capital, Utility and Operating Budgets of the City.

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.

Increases to the operating and capital budget are required where expenses were not contemplated in the 5YFP. 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 amendments to the Revised Consolidated Five Year Financial Plan (2020-2024) presented in order of Council meeting dates, are:

- 1 a) At the Council meeting on March 9, 2020, Council approved the following:
 - (1) *That the application to the Union of British Columbia Municipalities (UBCM) 2020 Poverty Reduction Planning and Action Program for \$25,000 be endorsed;*
and
 - (2) *That should the funding application be successful, that the Chief Administrative Officer and the General Manager, Planning and Development be authorized on behalf of the City to enter into an agreement with UBCM for the above mentioned project and that the Consolidated 5 Year Financial Plan (2020–2024) be amended accordingly.*

In May 2020, the City was informed that this funding application was successful. The Planning and Development Operating Budget will be increased by \$25,000 funded by the Union of British Columbia Municipalities (UBCM) 2020 Poverty Reduction Planning and Action Program to further actions in the 2013-2022 Social Development Strategy.

b) At the Council meeting on March 23, 2020, Council approved the following:

- (1) That Consolidated Fees Bylaw No. 8636, Amendment Bylaw No. 10160, which adds a service fee for video footage requests, be introduced and given first, second and third reading; and*
- (2) That the Consolidated 5 Year Financial Plan (2020-2024) be amended to include the operating budget impact of implementing the Traffic Intersection Cameras system of \$100,000 funded by an estimate of \$50,000 from revenue and a reallocation of resources from the Community Safety Division.*

This operating budget impact of \$100,000 provides funding for a new Traffic Signal Systems Technologist position. The 2020 Community Safety Operating Budget will be increased by \$50,000 funded by the revenues from public requests for video footage. The remaining \$50,000 is funded by a reallocation of existing resources within Community Safety.

c) At the Council meeting on May 25, 2020, Council approved the following:

- (1) That the Revised City Event Program 2020 and budget as outlined in Table 1 of the staff report titled "Revised City Event Program 2020", dated April 20, 2020, from the Director, Arts, Culture and Heritage Services be approved; and*
- (2) That \$780,000 be returned to the Rate Stabilization Account after payment of \$17,000 for the Providence contract and an increase to \$20,000 for farm markets.*

The 2020 Community Services Operating Budget will be decreased by \$780,000, which will be returned to the Rate Stabilization Provision.

The 2020 Neighbourhood Celebration Grant Program totalling of \$75,000 is deferred to 2021.

d) At the Council meeting on May 25, 2020, 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 Emergency Support Services for the City of Richmond be endorsed;*
- (2) That the application to the Union of British Columbia Municipalities Community Emergency Preparedness Fund for up to \$25,000 in grant funding to support Emergency Operations Centres & Training for the City of Richmond be endorsed;*

- (3) *That the application to the Union of British Columbia Municipalities Community Emergency Preparedness Fund for up to \$25,000 in grant funding to support Evacuation Route Planning for the City of Richmond be endorsed;*
- (4) *That should the funding application be successful, the Chief Administrative Officer and the General Manager, Community Safety be authorized to execute the agreements on behalf of the City of Richmond with the UBCM; and*
- (5) *That should the funding application be successful, the 2020-2024 Five Year Financial Plan Bylaw be adjusted accordingly.*

The Union of BC Municipalities Community Emergency Preparedness Fund program approved both funding applications on May 28, 2020 as follows:

- i. \$23,432 in grant funding to support Emergency Support Services;
- ii. \$24,942 in grant funding to support Emergency Operations Centres and Training Program.

The 2020 Community Safety Operating Budget will be increased by \$48,374.

- e) At the Council meeting on July 27, 2020, Council approved the following:
That the Equipment Renewal and GHG Reduction Project, described as Option 2 on page 4 in the staff report titled “Library Cultural Centre Mechanical Upgrade Project”, dated July 20, 2020, from the Director, Sustainability and District Energy, be approved.

Option 2 offers a greater greenhouse gas (GHG) emission reduction at City facilities by implementing a deep greenhouse gas emission and energy-efficient retrofit of heating and cooling systems. The 2020 Capital Budget – Equipment Program will be increased by \$1,630,000, comprised of:

- \$1,075,000 funded from the Capital Building and Infrastructure Reserve,
- \$465,000 from the Gas Tax Provision;
- \$200,000 grant from BC Hydro;
- \$40,000 grant from Fortis BC;
- \$150,000 anticipated reduction of grant funding from the Federation of Canadian Municipalities’ (FCM) Municipal Climate Innovation Program (MCIP).

- f) At the Closed Council meeting held on July 27, 2020, Council approved an increase to the 2020 Capital Budget – Other Program of \$3,000,000 funded by the Capstan Station Capital Reserve.
- g) At the Council meeting on July 27, 2020, Council approved the following:

That as described in the report titled “TransLink 2020 Capital Cost-Share Program – Supplemental Applications” dated June 19, 2020 from the Director, Transportation:

- a) *The transit-related projects recommended for cost-sharing as part of the TransLink 2020 Bus Speed and Reliability Program be endorsed.*
- b) *Should the above project receive final approval from TransLink, the Chief Administrative Officer and General Manager, Planning and Development be authorized to execute the funding agreements and the Revised Consolidated 5 Year Financial Plan (2020-2024) be updated accordingly.*

The 2020 Capital Budget - Roads Program will be increased by \$950,150 funded by TransLink's Bus Speed and Reliability (BSR) Program to achieve a higher transit mode share and improve traffic operations for the public at two key locations: Steveston Highway-No. 5 Road and Garden City Road-Sea Island Way.

- h) At the Council meeting on September 14, 2020, Council approved the following:
 - (1) *That the Chief Administrative Officer and the General Manager, Planning and Development, be authorized to execute the Rail Safety Improvement Program funding agreement with Transport Canada for the Williams Road-Shell Road intersection; and*
 - (2) *That the Revised Consolidated 5 Year Financial Plan (2020-2024) be amended accordingly.*

The 2020 Capital Budget - Roads Program will be increased by \$547,200 funded by a grant from Transport Canada for the implementation of road and rail safety measures at Williams Road - Shell Road.

- i) At the Council meeting on September 14, 2020, Council approved the following:
 - (3) *That the Minoru Place Activity Centre Project capital budget be increased by \$749,000, which will be funded by Project Developments 2020 Operating Budget account "Infrastructure Replacement" and that the Revised Consolidated 5 Year Financial Plan (2020-2024) be amended accordingly; and*
 - (4) *That the Revised Consolidated 5 Year Financial Plan (2020-2024) be amended accordingly should the aforementioned project be approved for funding as outlined in the report titled, "Investing in Canada Infrastructure Program - Minoru Place Activity Centre Conversion to Arts Centre," dated August 5, 2020 from the Director, Facilities and Project Development.*

The 2020 Capital Budget – Building Program will be increased by \$749,000 reallocated from Project Development's 2020 Operating Budget (Infrastructure Replacement), to enable the completion of base building upgrades and sustainability features of the Minoru Place Activity Centre Conversion to Arts Centre project. If the application for funding is approved, a further amendment will be required.

During the year, the Revised 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 \$2,123,630 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	\$1,895
Equipment	90
Drainage	73
Building	66
Total	\$2,124

- ii. The Revised 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 \$2,123,630 has been transferred to the above programs to date.

- b) Increase the 2020 Capital Budget - Building Program by \$1,598,008 funded by the Corporate Provision for minor building capital improvement projects.

- 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	Enhanced Community Centre Police Office (2018)	Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency (2014)	\$330
3b	Building	Community Safety Building Mechanical Upgrades (2017)	Community Safety Building - Mechanical Component Replacements and Associated Works (2020)	70
3c.i	Equipment	WiFi Network Expansion Phase II (2016)	Network Refresh for City Facilities (Phase 1 of 3) (2020)	12
3c.ii	Equipment	Wifi Network Expansion (2017)	Network Refresh for City Facilities (Phase 1 of 3) (2020)	6

	Program	Transfer From	Transfer To	Amount
3d	Roads	Annual Asphalt Re-Paving Program - MRN (2020)	Annual Asphalt Re-Paving Program - Non-MRN (2019)	4
3e	Equipment	Log Management Implementation Payment Card Industry Compliance (2016)	Microsoft Exchange 2016 Upgrade (2017)	3
3f	Water	Development Coordinated Works - Water (2019)	Development Coordinated Works - Water (2018)	1
Total Budget Reallocations				\$426

- 4 The following amendment represents program changes that result in no net increase to the 2020 Capital Budget:
- a) The Capital Program of the Advancement of Partial Funding for the Canada Line Capstan Station and the Capstan Station Construction projects are changed from Building and Roads to Other.
- 5 Budget Amendment Policy 3001 states that changes to salaries be reported to the Finance Committee. The following amendments will result in no net increase to the 2020 Operating Budget:
- a) Reallocate \$43,574 within the Community Services Operating Budget from Contracts-Other and Supplies to salaries for converting an Arts Coordinator position from auxiliary to regular full-time as agreed within collective bargaining.
 - b) Reallocate staff resources between Divisions as follows:
 - Transfer \$280,000 from Community Services, \$249,000 from Engineering and Public Works, \$220,000 from Finance and Corporate Services, \$73,000 from Sanitation and Recycling, \$180,000 from Planning and Development, \$165,000 from Corporate Administration, \$13,000 from Sanitary Sewer Utility for a total of \$1,180,000 to the Community Safety Division for the activation of the Community Ambassador program.
 - Transfer \$302,000 from Community Services to the Engineering and Public Works Division mainly for additional janitorial services required in order meet recommended public health regulations to reduce the risk of spreading the coronavirus and for public works seasonal labour.
 - Transfer \$28,000 from Planning and Development and \$15,000 from Community Services to Water for a total of \$43,000.
 - Transfer \$28,000 from Community Services to Finance and Corporate Services for seasonal labour.
- 6 Budget Amendment Policy 3001 states that increases in City's expenditures are only permitted where funding is from sources other than taxation and utility fees. The following amendments to the Operating and Utility Budget are funded by external grants, contributions, transfer of existing budget resources, or funding from provisions and has no tax impact:

- a) Increase the Corporate Administration Operating Budget by \$700,000 funded from the Legal Provision for professional legal expenditures.
 - b) Increase the Sustainability and Energy Management Operating Budget by \$248,044 for the following:
 - i. \$150,000 funded by the Carbon Tax Provision for completing the Circular Economy project;
 - ii. \$98,044 funded by the Corporate Provision for completing the Community Energy and Emissions Plan (CEEP), Energy Step Code, and electric vehicle projects.
 - c) Increase the Storm Drainage Operating Budget by \$170,000 funded by the Corporate Provision for completing processing and removal of wet materials.
 - d) Increase the Sanitary Sewer Utility Operating Budget by \$150,000 funded by the Corporate Provision for completing planned maintenance and pump replacements.
 - e) Increase the Sanitation and Recycling Operating Budget by \$42,139 funded by the Corporate Provision for the works related to dewatering permits.
- 7 The following amendment represents organization changes that result in no net increase to the 2020 Operating Budget:
- a) Transfer the Corporate Partnerships Operating Budget from Finance and Corporate Services to Community Services resulting from an organization change in 2020.

Financial Impact

The proposed 2020 budget amendments have no tax impact. Each of these annual budgets combines to form part of the 2020-2024 5YFP. The 2020-2024 Revised Consolidated 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 May 11, 2020			\$166,492
1	Withdrawal from Capstan Station Reserve	1f	3,000
2	Library Cultural Centre Mechanical Upgrade Project	1e	1,630
3	Minor Building Capital Improvement Projects	2b	1,598
4	TransLink 2020 Capital Cost-Share Program	1g	950
5	Budget Transfer for Minoru Place Activity Centre	1i	749
6	Transport Canada Rail Safety Improvement Program	1h	547
7	Various Grants & External Sources	2a.i	537
8	Various Capital Budget Reallocations	3a-f	-
9	Contingent External Contributions	2a.ii	(2,124)
			6,887
			\$173,379

Table 4 Net Budget – Summary of Changes (in \$000's)		Reference	
Net Budget as at May 11, 2020			\$87,364
Revenue			
1	Traffic Intersection Cameras Sales of Services	1b	50
2	UBCM Emergency Preparedness Grants	1d.i-ii	48
3	UBCM 2020 Poverty Reduction Planning and Action Program Grants	1a	25
Total Revenue Amendments			123
Expenses			
1	Increased Legal services	6a	700
2	Increase to Sustainability and Energy Management	6b.i-ii	248
3	Increase to Storm Drainage	6c	170
4	Increase to Sanitary Sewer Utility	6d	150
5	Increase Community Safety Traffic Intersection Cameras Implementation Planning	1b	50
6	Emergency Support Services grant expenses	1d.i-ii	48
7	Increase to Sanitation and Recycling	6e	42
8	Poverty Reduction Planning and Action Program grant expenses	1a	25
9	Arts Coordinator Position Conversion	5a	-
10	Staff redeployment	5b	-
11	Corporate Partnerships Budget Transfer from Finance and Corporate Services to Community Services	7a	-
12	Reduce Arts Culture and Heritage for the Neighbourhood Celebration Grant deferred to 2021	1c	(75)
13	Budget Transfer to Minoru Place Activity Centre Capital project	1i	(749)
14	Decrease from the Revised City Event Program 2020	1c	(780)
Total Expenses Amendments			(171)
NET AMENDMENT			294
Total Amended 2020 Net Budget			\$87,658

Conclusion

Staff recommend that Council approve the 2020 Capital, Operating and Utility Budget amendments to accommodate the expenditures within the Revised Consolidated 5 Year Financial Plan Bylaw. The proposed 2020 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 9, 2020.



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

MS:sx

- Att. 1: Revised Consolidated 5 Year Financial Plan (2020-2024) Amended Revenue and Expenses
- 2: Revised Consolidated 5 Year Financial Plan (2020-2024) Amended Capital Funding Sources
- 3: Amended Revised 5 Year Capital Plan Summary (2020-2024)

CITY OF RICHMOND					
REVISED CONSOLIDATED 5 YEAR FINANCIAL PLAN (2020-2024)					
AMENDED REVENUE AND EXPENSES					
(In \$000's)					
	2020 Amended Budget	2021 Amended Plan	2022 Amended Plan	2023 Plan	2024 Plan
Revenue:					
Taxation and Levies	239,357	250,992	264,144	278,025	291,175
User Fees	115,210	121,447	128,203	135,460	143,422
Sales of Services	37,804	44,165	44,701	45,247	45,803
Investment Income	15,562	16,190	16,754	17,256	17,695
Payments In Lieu Of Taxes	14,841	14,989	15,139	15,290	15,443
Gaming Revenue	7,905	7,905	7,905	7,905	7,905
Other Revenue	13,708	14,122	16,263	18,409	18,902
Licenses and Permits	11,435	11,657	11,884	12,116	12,352
Provincial and Federal Grants	6,868	9,368	9,439	9,511	9,584
Developer Contributed Assets	50,000	50,000	50,000	50,000	50,000
Development Cost Charges	29,111	20,493	17,984	15,802	16,910
Other Capital Funding Sources	16,274	15,028	15,191	14,005	13,150
	558,075	576,356	597,607	619,026	642,341
Expenses:					
Community Safety	119,176	122,450	127,353	131,159	135,038
Engineering and Public Works	78,340	77,180	78,804	80,034	81,423
Community Services	64,568	68,317	69,639	73,184	74,820
Finance and Corporate Services	25,279	23,990	24,525	25,131	25,747
Planning and Development Services	24,159	23,904	24,386	24,934	25,538
Fiscal	22,507	21,016	21,959	24,810	27,847
Corporate Administration	14,512	13,817	14,135	14,521	14,917
Debt Interest	1,677	1,677	1,677	1,677	838
Utility Budget					
Water Utility	46,440	49,427	53,234	57,435	62,101
Sanitary Sewer Utility	37,677	40,135	42,614	45,310	48,240
Sanitation and Recycling	20,795	20,170	20,576	20,999	21,432
Richmond Public Library	11,095	11,052	11,269	11,533	11,805
Richmond Olympic Oval Corporation	17,120	17,409	17,736	18,104	18,481
	483,345	490,544	507,907	528,831	548,227
Annual Surplus	74,730	85,812	89,700	90,195	94,114
Transfers:					
Debt Principal	5,149	5,355	5,570	5,792	6,024
Transfer To (From) Reserves	64,919	67,620	70,229	72,908	75,715
Transfer To (From) Surplus	(23,539)	(8,093)	2,256	3,409	2,966
Capital Expenditures - Current Year	173,379	213,275	118,370	103,759	109,631
Capital Expenditures - Prior Years	308,609	114,470	75,154	41,819	41,819
Capital Expenditures - Developer Contributed Assets	50,000	50,000	50,000	50,000	50,000
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	1,721	1,970	2,215	2,236	2,548
Capital Funding	(506,400)	(359,677)	(234,986)	(190,620)	(195,481)
Transfers/Amortization offset:	74,730	85,812	89,700	90,195	94,114
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	2.97%	4.03%	4.44%	4.50%	4.01%

CITY OF RICHMOND					
REVISED CONSOLIDATED 5 YEAR FINANCIAL PLAN (2020-2024)					
AMENDED CAPITAL FUNDING SOURCES					
(In \$000's)					
	2020 Amended Budget	2021 Amended Plan	2022 Plan	2023 Plan	2024 Plan
DCC Reserves					
Drainage DCC	-	1,510	-	-	2,144
Park Development DCC	6,330	3,907	1,647	1,787	1,740
Park Land Acquisition DCC	5,964	5,964	5,964	5,964	5,964
Roads DCC	13,152	8,478	8,047	8,051	5,731
Sanitary DCC	3,527	-	1,428	-	658
Water DCC	138	634	898	-	673
Total DCC	\$29,111	\$20,493	\$17,984	\$15,802	\$16,910
Statutory Reserves					
Affordable Housing	925	725	725	725	725
Capital Building and Infrastructure	25,303	63,512	6,800	13,700	10,550
Capital Reserve	16,050	54,706	28,979	8,575	14,010
Capstan Station	31,000	-	-	-	-
Child Care	170	172	174	177	179
Drainage Improvement	12,415	13,552	14,577	15,603	23,286
Equipment Replacement	3,655	3,392	3,310	4,833	4,066
Leisure Facilities	-	4,934	-	-	-
Public Art Program	745	150	150	150	150
Sanitary Sewer	13,386	12,850	14,641	14,620	11,542
Watermain Replacement	10,590	8,820	8,466	8,407	8,480
Total Statutory Reserves	\$114,239	\$162,813	\$77,822	\$66,790	\$72,988
Other Sources					
Enterprise Fund	125	550	550	550	-
Grant and Developer Contribution	16,274	15,028	15,191	14,005	13,150
Other Sources	12,180	12,221	6,248	5,862	5,883
Rate Stabilization	-	1,320	-	-	-
Sewer Levy	350	100	-	50	50
Solid Waste and Recycling	450	300	300	300	300
Water Levy	650	450	275	400	350
Total Other Sources	\$30,029	\$29,969	\$22,564	\$21,167	\$19,733
Total Capital Program	\$173,379	\$213,275	\$118,370	\$103,759	\$109,631

CITY OF RICHMOND					
AMENDED REVISED 5 YEAR CAPITAL PLAN SUMMARY (2020-2024)					
(in \$000s)					
	2020 Amended Budget	2021 Amended Plan	2022 Plan	2023 Plan	2024 Plan
Infrastructure Program					
Roads	26,588	14,821	14,867	14,527	13,480
Drainage	14,280	18,934	17,859	18,228	27,201
Water	9,143	7,779	7,792	6,906	7,751
Sanitary Sewer	15,063	11,300	15,450	13,370	10,950
Infrastructure Advanced Design and Minor Public Works	5,130	5,700	4,049	4,080	3,980
Total Infrastructure Program	\$70,204	\$58,534	\$60,017	\$57,111	\$63,362
Building Program					
Building	16,533	113,610	26,800	13,700	11,160
Heritage	7,940	-	-	-	-
Total Building Program	\$24,473	\$113,610	\$26,800	\$13,700	\$11,160
Parks Program					
Parkland	4,000	4,000	4,000	4,000	4,000
Parks	8,180	6,144	2,780	2,860	2,700
Total Parks Program	\$12,180	\$10,144	\$6,780	\$6,860	\$6,700
Public Art Program	\$745	\$150	\$150	\$150	\$150
Land Program	\$10,000	\$10,000	\$5,000	\$5,000	\$10,000
Affordable Housing	\$400	\$200	\$200	\$200	\$200
Equipment Program					
Vehicle	3,441	2,528	2,334	3,995	4,434
Fire Vehicle	416	1,186	1,221	1,258	-
Information Technology	1,996	1,386	913	526	548
Equipment	2,168	779	580	581	32
Total Equipment Program	\$8,021	\$5,879	\$5,048	\$6,360	\$5,014
Child Care Program	\$170	\$172	\$174	\$177	\$179
Other Program	\$34,000	\$-	\$-	\$-	\$-
Internal Transfers/Debt Payment	\$5,310	\$4,586	\$4,201	\$4,201	\$2,866
Contingent External Contributions	\$7,876	\$10,000	\$10,000	\$10,000	\$10,000
Total Capital Program	\$173,379	\$213,275	\$118,370	\$103,759	\$109,631



City of Richmond

Bylaw 10203

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B", and Schedule "C" of the Revised Consolidated 5 Year Financial Plan (2020-2024) Bylaw No. 10183, 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 "**Revised Consolidated 5 Year Financial Plan (2020-2024) Bylaw No. 10183, Amendment Bylaw No. 10203**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

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

MAYOR

CORPORATE OFFICER

SCHEDULE A:

CITY OF RICHMOND

REVISED CONSOLIDATED 5 YEAR FINANCIAL PLAN (2020-2024)

AMENDED REVENUE AND EXPENSES

(In \$000's)

	2020 Amended Budget	2021 Amended Plan	2022 Amended Plan	2023 Plan	2024 Plan
Revenue:					
Taxation and Levies	239,357	250,992	264,144	278,025	291,175
User Fees	115,210	121,447	128,203	135,460	143,422
Sales of Services	43,926	44,165	44,701	45,247	45,803
Investment Income	18,562	19,190	19,754	20,256	20,695
Payments In Lieu Of Taxes	14,841	14,989	15,139	15,290	15,443
Gaming Revenue	14,500	14,500	14,500	14,500	14,500
Other Revenue	14,075	14,122	16,263	18,409	18,902
Licenses And Permits	11,435	11,657	11,884	12,116	12,352
Provincial and Federal Grants	10,061	9,368	9,439	9,511	9,584
Developer Contributed Assets	50,000	50,000	50,000	50,000	50,000
Development Cost Charges	29,111	20,493	17,984	15,802	16,910
Other Capital Funding Sources	16,274	15,028	15,191	14,005	13,150
	577,352	585,951	607,202	628,621	651,936
Expenses:					
Community Safety	119,483	122,450	127,353	131,159	135,038
Engineering and Public Works	78,340	77,180	78,804	80,034	81,423
Community Services	70,610	68,317	69,639	73,184	74,820
Finance and Corporate Services	25,279	23,990	24,525	25,131	25,747
Planning and Development Services	24,159	23,904	24,386	24,934	25,538
Fiscal	22,507	21,016	21,959	24,810	27,847
Corporate Administration	14,512	13,817	14,135	14,521	14,917
Debt Interest	1,677	1,677	1,677	1,677	838
Utility Budget					
Water Utility	46,440	49,427	53,234	57,435	62,101
Sanitary Sewer Utility	37,677	40,135	42,614	45,310	48,240
Sanitation and Recycling	20,795	20,170	20,576	20,999	21,432
Richmond Public Library	11,095	11,052	11,269	11,533	11,805
Richmond Olympic Oval Corporation	17,120	17,409	17,736	18,104	18,481
	489,694	490,544	507,907	528,831	548,227
Annual Surplus	87,658	95,407	99,295	99,790	103,709

CITY OF RICHMOND
REVISED CONSOLIDATED 5 YEAR FINANCIAL PLAN (2020-2024)
TRANSFERS
(In \$000's)

	2020 Amended Budget	2021 Amended Plan	2022 Amended Plan	2023 Plan	2024 Plan
Transfers:					
Debt Principal	5,149	5,355	5,570	5,792	6,024
Transfer To (From) Reserves	74,424	76,925	79,534	82,213	85,020
Transfer To (From) Surplus	(20,116)	(7,803)	2,546	3,699	3,256
Capital Expenditures - Current Year	173,379	213,275	118,370	103,759	109,631
Capital Expenditures - Prior Years	308,609	114,470	75,154	41,819	41,819
Capital Expenditures - Developer Contributed Assets	50,000	50,000	50,000	50,000	50,000
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	1,721	1,970	2,215	2,236	2,548
Capital Funding	(506,400)	(359,677)	(234,986)	(190,620)	(195,481)
Transfers/Amortization offset:	87,658	95,407	99,295	99,790	103,709
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	2.97%	4.03%	4.44%	4.50%	4.01%

SCHEDULE B:
CITY OF RICHMOND
REVISED 5 YEAR FINANCIAL PLAN
AMENDED CAPITAL FUNDING SOURCES (2020-2024)
(In \$000's)

	2020 Amended Budget	2021 Amended Plan	2022 Plan	2023 Plan	2024 Plan
DCC Reserves					
Drainage DCC	-	1,510	-	-	2,144
Park Development DCC	6,330	3,907	1,647	1,787	1,740
Park Land Acquisition DCC	5,964	5,964	5,964	5,964	5,964
Roads DCC	13,152	8,478	8,047	8,051	5,731
Sanitary DCC	3,527	-	1,428	-	658
Water DCC	138	634	898	-	673
Total DCC	\$29,111	\$20,493	\$17,984	\$15,802	\$16,910
Statutory Reserves					
Affordable Housing	925	725	725	725	725
Capital Building and Infrastructure	25,303	63,512	6,800	13,700	10,550
Capital Reserve	16,050	54,706	28,979	8,575	14,010
Capstan Station	31,000	-	-	-	-
Child Care	170	172	174	177	179
Drainage Improvement	12,415	13,552	14,577	15,603	23,286
Equipment Replacement	3,655	3,392	3,310	4,833	4,066
Leisure Facilities	-	4,934	-	-	-
Public Art Program	745	150	150	150	150
Sanitary Sewer	13,386	12,850	14,641	14,620	11,542
Watermain Replacement	10,590	8,820	8,466	8,407	8,480
Total Statutory Reserves	\$114,239	\$162,813	\$77,822	\$66,790	\$72,988
Other Sources					
Enterprise Fund	125	550	550	550	-
Grant and Developer Contribution	16,274	15,028	15,191	14,005	13,150
Other Sources	12,180	12,221	6,248	5,862	5,883
Rate Stabilization	-	1,320	-	-	-
Sewer Levy	350	100	-	50	50
Solid Waste and Recycling	450	300	300	300	300
Water Levy	650	450	275	400	350
Total Other Sources	\$30,029	\$29,969	\$22,564	\$21,167	\$19,733
Total Capital Program	\$173,379	\$213,275	\$118,370	\$103,759	\$109,631

SCHEDULE C:

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2020-2024)
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 2020.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	49.6%
User Fees	23.9%
Sales of Services	9.1%
Investment Income	3.9%
Payments in Lieu of Taxes	3.1%
Gaming Revenue	3.0%
Licenses and Permits	2.4%
Provincial and Federal Grants	2.1%
Other	2.9%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
 CONSOLIDATED 5 YEAR FINANCIAL PLAN (2020-2024)
 AMENDED STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the estimated 2020 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 2020 Revised Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.53%
Business (6)	34.64%
Light Industry (5)	6.80%
Others (2,3,4,8 & 9)	2.03%
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*.