



City of Richmond

Report to Committee

To: Finance Committee

Date: September 10, 2012

From: Andrew Nazareth
General Manager, Finance and Corporate Services

File: 03-0905-01/2012-Vol 01

Re: Amendments to the 5 Year Financial Plan (2012-2016) Bylaw No. 8867

Staff Recommendation

1. That the 5 Year Financial Plan (2012-2016) Bylaw No. 8867, Amendment Bylaw 8950 which would incorporate and put into effect changes previously approved by Council and administrative changes to the 2012 Capital and Operating Budgets (as summarized in Attachment 1), be introduced and given first, second and third readings

Andrew Nazareth
General Manager, Finance and Corporate Services

REPORT CONCURRENCE			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
City Clerk	<input checked="" type="checkbox"/>		
Information Technology	<input checked="" type="checkbox"/>		
Real Estate Services	<input checked="" type="checkbox"/>		
Arts, Culture & Heritage	<input checked="" type="checkbox"/>		
Parks Services	<input checked="" type="checkbox"/>		
Engineering	<input checked="" type="checkbox"/>		
Facility Services	<input checked="" type="checkbox"/>		
Project Development	<input checked="" type="checkbox"/>		
Transportation	<input checked="" type="checkbox"/>		
Fire Rescue	<input checked="" type="checkbox"/>		
Policy Planning	<input checked="" type="checkbox"/>		
REVIEWED BY SMT SUBCOMMITTEE	INITIALS: 	REVIEWED BY CAO (DEPUTY)	INITIALS:

Staff Report

Origin

The 5 Year Financial Plan (2012-2016) Bylaw No. 8867 was adopted April 23, 2012. Included in the 5 Year Financial Plan (5YFP) are the 2012 Capital and 2012 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

The 5 Year Financial Plan (2012-2016) Bylaw No. 8867 was adopted April 23, 2012. 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, administrative 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.

Several reports have been presented to Council detailing items that result in amendments to the 2012 5YFP. The Council approved changes (presented in order of the Council meeting date) are:

1. a. At the Council meeting on November 28, 2011, Council approved:
 - (1) *“That the submission of:
(a) road and intersection improvement projects for cost-sharing as part of the TransLink 2012 Major Road Network (MRN) Minor Capital Program,
(b) bicycle facility improvements for cost-sharing as part of the TransLink 2012 Bicycle Infrastructure Capital Cost-Sharing Program, and
(c) transit facility improvements for cost-sharing as part of the TransLink 2012 Transit-Related Road Infrastructure Program,

as described in the staff report, dated November 8, 2011, from the Director, Transportation, be endorsed;*
 - (2) *That, should the above submissions be successful and the projects receive Council approval via the annual capital budget process, the Chief Administrative Officer and General Manager, Planning and Development be authorized to execute the funding agreements and the 2012 Capital Plan and the 5-Year Financial Plan*

(2012-2016) be updated accordingly dependant on the timing of the budget process."

The 2012 Capital Budget will be increased by \$100,500 to recognize the scope increase related to video detection cameras funded by a TransLink grant.

- b. At the Council meeting on February 27, 2012, Council approved: *"(1) That Contract 4252Q, for the Supply and Delivery of Five Battery-Powered Ice Resurfacers, be awarded to Vimar Equipment Ltd. at a total cost of \$453,430.00, plus applicable taxes and levies; (2) That the additional required funding of \$288,738.50 be approved with funding from the Public Works Equipment Reserve and that the 2012 Capital Budget and the 5-Year Financial Plan (2012-2016) be adjusted accordingly."*

The 2012 Capital budget will be increased by \$288,739 to recognize this approved expenditure from the Public Works Equipment Reserve.

- c. At the Council meeting on March 12, 2012, Council approved: *"(1) the submission of the Railway Avenue Corridor Greenway pedestrian and bicycle facility improvement for cost-sharing as part of the TransLink 2012 Bicycle Infrastructure Capital Cost-Sharing Program, as described in the report dated January 11, 2012 from the General Manager, Parks and Recreation, be endorsed; and (2) should the above submission be successful, the Chief Administrative Officer and General Manager, Parks and Recreation be authorized to execute the funding agreements and the 2012 Capital Plan and the 5-Year Financial Plan (2012-2016) be updated accordingly to reflect the external grant dependant on the timing of the budget process."*

The 2012 Capital Budget will be increased by \$201,500 to recognize the external funding.

- d. At the Council meeting on April 10, 2012, Council approved: *"That the funds held for Thomas Kidd School/Neighbourhood Park be transferred to Woodward School/Neighbourhood Park, and be included in the 5 year Financial Plan (2012-2016)."*

This transfer of \$163,800 redistributes funds amongst the respective projects but does not increase the overall 2012 Capital Budget.

- e. At the Council meeting on April 10, 2012, Council approved: *"That staff be authorized to expend no greater than \$17,000 in order to complete a Statement of Historical Significance, Building Condition Report and Marine Survey and that funding be provided from the Council Contingency Account"* for the floating net shed at Scotch Pond.

This amendment results in allocating funding from the Council Contingency account with no net increase to the existing 2012 Operating Budget.

- f. At the Closed Council meeting on May 14, 2012, Council approved that, if necessary, up to \$35,000 from the Major Events Provision be used to include the sailing vessel Kaisei as part of the 2012 Ships to Shore Event.

This results in a \$35,000 increase to the 2012 Operating Budget funded from the Major Events Provision account.

- g. At the Council meeting on May 28, 2012, Council approved: *“(1) That the list of proposed road safety improvement projects, as described in the report, be endorsed for submission to the ICBC 2012 Road Improvement Program for consideration of cost sharing funding; and (2) That should the above applications be successful, the Chief Administrative Officer and General Manager, Planning and Development be authorized to negotiate and execute the cost-share agreements and the 2012 Capital Plan and 5-Year (2012-2016) Financial Plan be amended accordingly.”*

To date, there are four locations from this report that have been approved by ICBC for grant funding. The 2012 Capital Budget will be increased by \$11,000 to recognize the project scope increases with the other grant amounts received replacing the City's portion of funding.

- h. At the Council meeting on June 11, 2012, Council approved the following One-Time Expenditures:

“That the December 31, 2011 surplus of \$4.556 million be appropriated as outlined in the staff report titled 2011 Surplus Appropriation (dated April 26, 2012 from the General Manager, Business and Financial Services) with the following amendments:

(1) That \$50,000 be taken from Item No. 12 – 2013 Capital Program, for funding of a one year temporary part-time position of a Child Care Coordinator;

(2) That \$167,500 be taken from Item No. 12 – 2013 Capital Program, and

(a) \$67,500 be appropriated to Item No. 15 – Mobile Community Safety Education Unit, as seed funding; and

(b) \$100,000 be appropriated to Item No. 18 – Salmon Row 2013, as seed funding;

(3) That \$500,000 be taken from Item No. 12 – 2013 Capital Program, and placed into Capital Building and Infrastructure Reserve; and

(4) That \$125,000 be taken from Item No. 12 – 2013 Capital Program, and placed in the Major Events Provision Fund.”

The following items which include the recommendations from the report totalling \$4,556,000 will be included as amendments to the 2012 Operating Budget.

- 2012 RCMP retroactive pay increase (\$1,289,053)
 - Hollybridge Lease-City Hall North (\$89,259)
 - Fire-Rescue equipment and vehicle reserve (\$400,000)
 - Chinese language library donation (\$100,000)
 - Contaminated sites (\$250,000)
 - Funding facility infrastructure (\$275,000)
 - Processes and controls - Community Associations (\$100,000)
 - Consultant - youth strategy (\$30,000)
 - Lansdowne Greenway art project (\$150,000)
 - Consultant fees for pre-design assessments (\$85,000)
 - Child care non-capital grants (\$20,000)
 - 2013 Capital program funding (\$925,188)
 - One year temporary part-time Child Care Coordinator (\$50,000)
 - Mobile community safety education unit (\$67,500)
 - Salmon Row (\$100,000)
 - Capital Building and Infrastructure Reserve (\$500,000)
 - Major Events Provision Fund (\$125,000)
- i. At the Closed Council meeting on June 25, 2012, Council approved the use of \$1,000,000 from the Emergency Response Provision, if necessary to complete any emergency work. The 2012 Capital Budget will be amended for this increase in expenditure.
- j. At the Closed Council meeting on July 23, 2012, Council approved the scope change to an existing facility construction project. The 2012 Capital Budget will be amended and increased by \$3,580,000 to reflect the increased funding from Appropriated Surplus.
- k. At the Closed Council meeting on July 23, 2012, Council approved the acquisition of a property for \$11,900,000 plus other related costs of \$60,000. The funding for this acquisition is from existing Strategic Land Acquisition projects and the Industrial Use Reserve. The 2012 Capital Budget will be amended and increased by \$9,000,000 to reflect the increased funding from the Industrial Use Reserve.
- l. At the Closed Council meeting on July 24, 2012, Council approved the restoration of an existing heritage facility for a total of \$430,000. \$100,000 is to be transferred from the existing Development Coordinated Works project, \$200,000 from the Minor Capital provision and the remaining \$130,000 is for a contribution of in kind services. The 2012 Capital Budget will be amended and increased by \$330,000 to reflect the increased expenditure and respective funding.

During the year the original 5 Year Financial Plan Bylaw may require amendments due to additional amounts being received, re-classification of costs or unexpected expenditures. The following amendments represent administrative changes:

2. a. On June 26, 2012, the CAO announced the first phase of the corporate reorganization initiative to improve functionality and to increase the overall efficiency and effectiveness across all areas of the organization. This reorganization has no overall impact to the budget but does result in the redistribution of the expenditure budgets to align with the redefined Departments.
- b. Budget Amendment Policy 3001 states that changes to salaries be reported to Committee. The following items detail the amendments relating to salaries:
 - i. Include \$1,500,000 funded from the Fire Provision for the retroactive wage increase and transfer the wage estimates within the Law and Community Safety budget. This results in an overall \$1,500,000 increase to the 2012 Operating Budget funded from the Fire Provision account.
 - ii. Transfer \$105,988 within the Parks budget by reassigning existing positions. There is no net impact to the 2012 Operating Budget.
 - iii. Transfer \$102,100 relating to existing positions from the Energy Management section to the newly created District Energy Utility budget for the period of June to December. Increase the 2012 Operating Budget by \$55,174 for other expenses to be offset by user fee revenues.
 - iv. Include the costs of \$96,388 for a Community Energy Manager funded from BC Hydro grants.
 - v. Transfer \$72,945 within the Information and Technology budget from the existing telecommunications budget to salaries for a User/Operations Support Assistant position. There is no overall impact to the 2012 Operating Budget.
 - vi. Increase the Planning and Development budget for two additional temporary full-time (TFT) Building Inspector positions for the period of November to December. The funding for these positions of \$26,067 is from increased building permit revenue and will offset the increased expenditures.
- c. Increase the 2012 Capital Budget by \$949,106 to reflect the net settlement from a roof claim reimbursed to the Oval Legacy capital project.

- d. Include carry-forward items totalling \$373,000 from previous years' surplus appropriation to be spent in 2012:
- OCP consulting fees (\$250,000)
 - Library Cultural Centre parkade upper level maintenance (\$70,000)
 - Windows 7 upgrade project (\$53,000)
- e. Include additional funding from the Appeal Board Provision of \$360,000 to offset the decrease in taxation revenue relating to successful property assessment appeals for various properties.
- f. Transfer the janitorial budget of \$251,442 from Facilities Management to Recreation for the three month period of September to December 2012. There is no overall impact to the 2012 Operating Budget.
- g. Transfer \$160,200 from the Energy Operating Provision to the Energy Management budget to be utilized on programs and projects eligible for BC Hydro Incentive Funding. This results in an increase of \$160,200 to the 2012 Operating Budget.
- h. Increase the scope of existing programs and projects by a total of \$159,143 to recognize additional external funding:
- Traffic signals and operations (\$89,626) funded by ICBC, YVR and developer contributions
 - West Richmond Community Centre racquet court conversion (\$32,000) funded by the West Richmond Community Association
 - Library nostalgia kits (\$21,875) funded by federal grant
 - Williams lane upgrade (\$7,410)
 - Memorial bench (\$4,732) funded by Thompson Community Association
 - Thompson Integrated Youth Park (\$3,500) funded by the Thompson Community Association
- i. Include the capital costs for consolidating staff from City Hall West to City Hall and for unanticipated repairs to City Hall. The estimated cost of \$200,000 funded from Appropriated Surplus will be included in the 2012 Capital Budget.
- j. At the April 25, 2012 Richmond Public Library Board Meeting, it was moved that an allocation of \$110,000 from the Library's accumulated Operating Surplus be used to fund an updated strategic planning process. This item relates to the April 10, 2012 Council Meeting where it was adopted, "*That the Richmond Library Board be requested to consider \$110,000 from the Library accumulated surplus to fund the plan.*"

- k. Due to late billings pertaining to the 2011 election, include \$23,200 in the 2012 Operating Budget funded from the Elections Provision.
- l. Transfer \$13,500 from the RCMP Downtown Community Police Office budget for janitorial costs to the Facilities Management budget and transfer \$15,650 for utility costs to the Rental Properties budget. There is no overall impact to the 2012 Operating Budget.

Financial Impact

The proposed 2012 budget amendments will have **no tax impact**. Overall, there is an increase of \$15,819,988 to the 2012 Capital Budget and \$7,295,029 to the 2012 Operating Budget. Each of these annual budgets combines to form part of the 2012-2016 5YFP. The 2012-2016 5YFP schedule, capital program and funding sources can be found in **Attachments 1 - 3**.

2012 Capital Budget – Summary of Changes

(in \$000's)

Item	Description	Ref	Amount
Capital Budget as at April 23, 2012			\$73,144
1	Land acquisition	1(k)	9,000
2	Facility construction	1(j)	3,580
3	Emergency Response Provision	1(i)	1,000
4	Oval Legacy capital project	2(c)	949
5	Heritage facility restoration	1(l)	330
6	Ice resurfacers	1(b)	289
7	TransLink - Railway Ave. Corridor Greenway	1(c)	201
8	Office moves	2(i)	200
9	Misc. grants	2(h)	159
10	TransLink - Video detection	1(a)	101
11	ICBC - Road improvements	1(g)	11
12	Neighbourhood Park – Thomas Kidd to Woodward	1(d)	0
Total amendments			15,820
Total 2012 Capital Budget including amendments			\$88,964

2012 Operating Budget – Summary of Changes

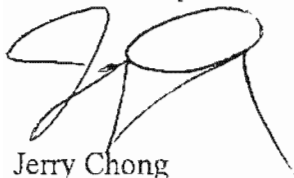
(in \$000's)

Item	Description	Ref	Amount
Operating Budget as at April 23, 2012			\$404,031
1	2011 Surplus Appropriation	1(h)	4,556
2	Fire Rescue retroactive settlement	2(b)i	1,500
3	Previous year surplus appropriation carry-forward	2(d)	373
4	Assessment appeals	2(e)	360
6	Energy Management Incentive	2(g)	160
7	Library strategic planning process	2(j)	110
8	Community Energy Manager	2(b)iv	96
9	District Energy Utility operations	2(b)iii	55
10	Ships to Shore	1(f)	35
5	Building Inspector positions	2(b)vi	26
11	Civic elections	2(k)	23
12	Corporate reorganization	2(a)	0
13	Floating Net Shed	1(e)	0
14	Downtown CPO	2(l)	0
15	Janitor transfer from Facilities Mgmt. to Recreation	2(f)	0
16	Parks position transfers	2(b)ii	0
17	User/Operations Support Assistant	2(b)v	0
Total amendments			7,295
Total Operating Budget including amendments			\$411,326

Conclusion

Staff recommend that Council approve the 2012 Capital and Operating Budget amendments to accommodate the expenditures within the 5 Year Financial Plan Bylaw. The proposed 2012 budget amendments will have no tax impact. Overall, there is an increase of \$15,819,988 to the 2012 Capital Budget and \$7,295,029 to the 2012 Operating 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 22, 2012.



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

JC:cg

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2012 – 2016)
(in 000's)

	2012	2013	2014	2015	2016
Revenues					
Property Taxes	168,204	175,106	182,909	190,245	197,767
Transfer from Capital Equity	44,387	45,163	46,648	46,613	46,736
Utilities	88,085	93,212	96,080	98,971	101,586
Transfer from Capital Equity	7,051	7,208	7,313	7,406	7,538
Fees and Charges	26,410	26,611	26,900	27,193	27,493
Investment Income	16,184	16,265	16,346	16,428	16,510
Grant-in-lieu	13,199	13,331	13,465	13,599	13,735
Gaming Revenue	11,148	11,168	11,196	11,229	11,263
Grants	4,369	4,174	4,237	4,300	4,365
Penalties and Interest on Taxes	990	1,000	1,010	1,020	1,030
Miscellaneous Fiscal Earnings	31,298	24,367	24,393	24,418	24,442
Capital Plan					
Transfer from DCC Reserve	21,366	15,682	11,872	8,055	9,079
Transfer from Other Funds and Reserves	61,463	63,948	34,478	34,013	36,897
External Contributions	6,135	3,779	114	114	114
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
TOTAL REVENUES	\$ 607,308	\$ 555,063	\$ 518,199	\$ 509,915	\$ 519,103
Expenditures					
Utilities	95,136	100,420	103,394	106,377	109,123
Law and Community Safety	85,844	84,359	87,660	90,011	92,439
Engineering and Public Works	66,826	68,230	70,180	71,585	73,119
Community Services	60,359	60,962	62,896	63,969	64,922
Finance and Corporate Services	22,758	22,898	23,073	23,112	23,504
Planning and Development Services	12,746	12,798	13,133	13,465	13,727
Corporate Administration	7,442	7,563	7,687	7,813	7,941
Fiscal	24,980	24,098	25,303	28,704	29,401
Transfer to Funds: Statutory Reserves	31,124	32,807	34,557	36,386	38,289
Municipal Debt					
Debt Interest	2,999	2,359	1,503	-	-
Debt Principal	1,111	1,111	1,111	-	-
Capital Plan					
Current Year Capital Expenditures	88,964	83,409	46,464	42,182	46,090
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
TOTAL EXPENDITURES	\$ 607,308	\$ 555,063	\$ 518,199	\$ 509,915	\$ 519,103

**CITY OF RICHMOND
5 YEAR FINANCIAL PLAN
CAPITAL PROGRAM (2012-2016)
(in \$000's)**

	2012	2013	2014	2015	2016
Infrastructure Program					
Drainage	7,817	8,829	7,831	1,562	3,711
Infrastructure Advanced Design	950	961	905	902	885
Minor Public Works	250	250	250	250	250
Roads	9,493	11,857	7,464	6,424	6,371
Sanitary Sewer	6,856	4,647	1,400	2,983	5,374
Water Main Replacement	9,007	8,700	8,815	8,755	8,911
Total Infrastructure Program	\$34,373	\$35,244	\$26,665	\$20,876	\$25,502
Building Program					
Total Building Program	\$6,963	\$25,650	\$250	\$250	\$250
Parks Program					
Parkland Acquisition	5,803	4,500	3,500	3,500	3,500
Major Parks/Streetscapes	3,927	2,950	2,250	1,200	950
Minor Parks	612	550	450	550	550
Total Parks Program	\$10,342	\$8,000	\$6,200	\$5,250	\$5,000
Land Program					
Total Land Program	\$17,850	\$5,000	\$5,000	\$5,000	\$5,000
Affordable Housing Program					
Total Affordable Housing Program	\$1,303	\$975	\$975	\$975	\$975
Equipment Program					
Vehicle Equipment	3,544	2,871	2,125	4,746	3,149
Library	1,182	1,160	1,160	1,160	1,160
Fire Dept. Equipment	1,113	920	327	16	1,424
Computer Capital	2,083	1,378	1,058	1,058	1,058
Miscellaneous Equipment	674	329	0	0	0
Total Equipment Program	\$8,596	\$6,658	\$4,670	\$6,980	\$6,791
Child Care Program					
Total Child Care Program	\$1,150	\$275	\$275	\$275	\$275
Internal Transfers/Debt Payment					
Total Internal Transfers/Debt Payment	\$8,387	\$1,607	\$2,429	\$2,576	\$2,297
TOTAL CAPITAL PROGRAM	\$88,964	\$83,409	\$46,464	\$42,182	\$46,090

**CITY OF RICHMOND
5 YEAR FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2012-2016)
(in 000's)**

	2012	2013	2014	2015	2016
<u>DCC Reserves</u>					
Drainage	97	2,680	2,228	0	0
Parks Acquisition	10,972	4,232	3,292	3,292	3,292
Parks Development	3,174	2,492	2,398	1,411	1,176
Roads	4,554	5,152	3,954	3,340	3,275
Sanitary Sewer	2,569	1,126	0	12	1,336
Water	0	0	0	0	0
Total DCC Reserves	\$21,366	\$15,682	\$11,872	\$8,055	\$9,079
<u>Reserves and Other Sources</u>					
<u>Statutory Reserves</u>					
Affordable Housing Reserve Fund	1,333	975	975	975	975
Capital Building and Infrastructure Reserve Fund	254	7,300	0	0	0
Capital Reserve Fund	21,798	22,675	8,762	8,541	8,085
Child Care Development Reserve Fund	1,150	275	275	275	275
Drainage Improvement Reserve Fund	5,347	6,019	5,590	1,441	3,748
Equipment Replacement Reserve Fund	3,817	2,607	2,177	3,342	4,272
Leisure Facilities Reserve Fund	0	0	0	0	0
Local Improvements Reserve Fund	0	0	0	0	0
Neighbourhood Improvement Reserve Fund	428	0	17	0	0
Public Art Program Reserve Fund	503	100	100	100	100
Sanitary Sewer Reserve Fund	4,687	3,621	1,500	3,172	4,238
Watermain Replacement Reserve Fund	7,807	13,600	9,215	9,155	9,311
Total Reserves	\$47,124	\$57,172	\$28,611	\$27,001	\$31,004
<u>Other Sources</u>					
Appropriated Surplus	10,474	4,432	4,432	4,432	4,432
Enterprise	465	0	0	0	0
Utility Levy	640	1,184	275	1,420	301
Library Provision	1,160	1,160	1,160	1,160	1,160
Water Metering Provision	1,600	0	0	0	0
Grant, Developer and Comm. Contributions	6,135	3,779	114	114	114
Total Other Sources	\$20,474	\$10,555	\$5,981	\$7,126	\$6,007
TOTAL CAPITAL FUNDING	\$88,964	\$83,409	\$46,464	\$42,182	\$46,090



**5 Year Financial Plan (2012-2016) Bylaw 8867
Amendment Bylaw 8950**

The Council of the City of Richmond enacts as follows:



1. Schedule "A", Schedule "B" and Schedule "C" of the 5 Year Financial Plan (2012-2016) Bylaw 8867, 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 (2012 - 2016) Bylaw 8867, Amendment Bylaw 8950**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.

APPROVED for legality by Solicitor


MAYOR

CORPORATE OFFICER

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2012 – 2016)
(in 000's)

	2012	2013	2014	2015	2016
Revenues					
Property Taxes	168,204	175,106	182,909	190,245	197,767
Transfer from Capital Equity	44,387	45,163	46,648	46,613	46,736
Utilities	88,085	93,212	96,080	98,971	101,586
Transfer from Capital Equity	7,051	7,208	7,313	7,406	7,538
Fees and Charges	26,410	26,611	26,900	27,193	27,493
Investment Income	16,184	16,265	16,346	16,428	16,510
Grant-in-lieu	13,199	13,331	13,465	13,599	13,735
Gaming Revenue	11,148	11,168	11,196	11,229	11,263
Grants	4,369	4,174	4,237	4,300	4,365
Penalties and Interest on Taxes	990	1,000	1,010	1,020	1,030
Miscellaneous Fiscal Earnings	31,298	24,367	24,393	24,418	24,442
Capital Plan					
Transfer from DCC Reserve	21,366	15,682	11,872	8,055	9,079
Transfer from Other Funds and Reserves	61,463	63,948	34,478	34,013	36,897
External Contributions	6,135	3,779	114	114	114
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
TOTAL REVENUES	\$ 607,308	\$ 555,063	\$ 518,199	\$ 509,915	\$ 519,103
Expenditures					
Utilities	95,136	100,420	103,394	106,377	109,123
Law and Community Safety	85,844	84,359	87,660	90,011	92,439
Engineering and Public Works	66,826	68,230	70,180	71,585	73,119
Community Services	60,359	60,962	62,896	63,969	64,922
Finance and Corporate Services	22,758	22,898	23,073	23,112	23,504
Planning and Development Services	12,746	12,798	13,133	13,465	13,727
Corporate Administration	7,442	7,563	7,687	7,813	7,941
Fiscal	24,980	24,098	25,303	28,704	29,401
Transfer to Funds: Statutory Reserves	31,124	32,807	34,557	36,386	38,289
Municipal Debt					
Debt Interest	2,999	2,359	1,503	-	-
Debt Principal	1,111	1,111	1,111	-	-
Capital Plan					
Current Year Capital Expenditures	88,964	83,409	46,464	42,182	46,090
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
TOTAL EXPENDITURES	\$ 607,308	\$ 555,063	\$ 518,199	\$ 509,915	\$ 519,103

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN FUNDING SOURCES
(2012 - 2016)
(In 000's)

	2012	2013	2014	2015	2016
Infrastructure Program					
Drainage	7,817	8,829	7,831	1,562	3,711
Infrastructure Advanced Design	950	961	905	902	885
Minor Public Works	250	250	250	250	250
Roads	9,493	11,857	7,464	6,424	6,371
Sanitary Sewer	6,856	4,647	1,400	2,983	5,374
Water Main Replacement	9,007	8,700	8,815	8,755	8,911
Total Infrastructure Program	\$34,373	\$35,244	\$26,665	\$20,876	\$25,502
Building Program					
Total Building Program	\$6,963	\$25,650	\$250	\$250	\$250
Parks Program					
Parkland Acquisition	5,803	4,500	3,500	3,500	3,500
Major Parks/Streetscapes	3,927	2,950	2,250	1,200	950
Minor Parks	612	550	450	550	550
Total Parks Program	\$10,342	\$8,000	\$6,200	\$5,250	\$5,000
Land Program					
Total Land Program	\$17,850	\$5,000	\$5,000	\$5,000	\$5,000
Affordable Housing Program					
Total Affordable Housing Program	\$1,303	\$975	\$975	\$975	\$975
Equipment Program					
Vehicle Equipment	3,544	2,871	2,125	4,746	3,149
Library	1,182	1,160	1,160	1,160	1,160
Fire Dept. Equipment	1,113	920	327	16	1,424
Computer Capital	2,083	1,378	1,058	1,058	1,058
Miscellaneous Equipment	674	329	0	0	0
Total Equipment Program	\$8,596	\$6,658	\$4,670	\$6,980	\$6,791
Child Care Program					
Total Child Care Program	\$1,150	\$275	\$275	\$275	\$275
Internal Transfers/Debt Payment					
Total Internal Transfers/Debt Payment	\$8,387	\$1,607	\$2,429	\$2,576	\$2,297
TOTAL CAPITAL PROGRAM	\$88,964	\$83,409	\$46,464	\$42,182	\$46,090

**City of Richmond
2012-2016 Financial Plan
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:

- 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 tax rate.

Table 1:

Revenue Source	% of Total Revenue*
Property Taxes	64.1%
User Fees & Charges	10.0%
Investment Income	6.1%
Grants in Lieu of Taxes	5.0%
Gaming Revenue	4.2%
Grants	1.5%
Other Sources	9.1%
Total	100.0%

**Total Revenue consists of general revenues*

Table 1 shows the proportion of total general revenue proposed to be raised from each funding source in 2012.

Distribution of Property Taxes

Table 2 provides the estimated 2012 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: (based on the 2012 Preliminary Roll figures)

Property Class	% of Tax Burden
Residential (1)	52.1%
Business (6)	38.4%
Light Industry (5)	7.8%
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.