



City of Richmond

Report to Committee

To: Finance Committee

Date: March 16th, 2012

From: Jerry Chong
Director of Finance

File:

Re: 5 Year Financial Plan (2012-2016)

Staff Recommendation

That the 5 Year Financial Plan (2012 –2016) be approved, that the 5 Year Financial Plan (2012 –2016) Bylaw No. 8867 be introduced and given first, second, and third readings and that staff undertake a process of public consultation as required in Section 166 of the Community Charter.



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

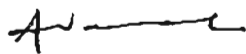

FOR ORIGINATING DEPARTMENT USE ONLY		
CONCURRENCE OF GENERAL MANAGER 		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES  <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

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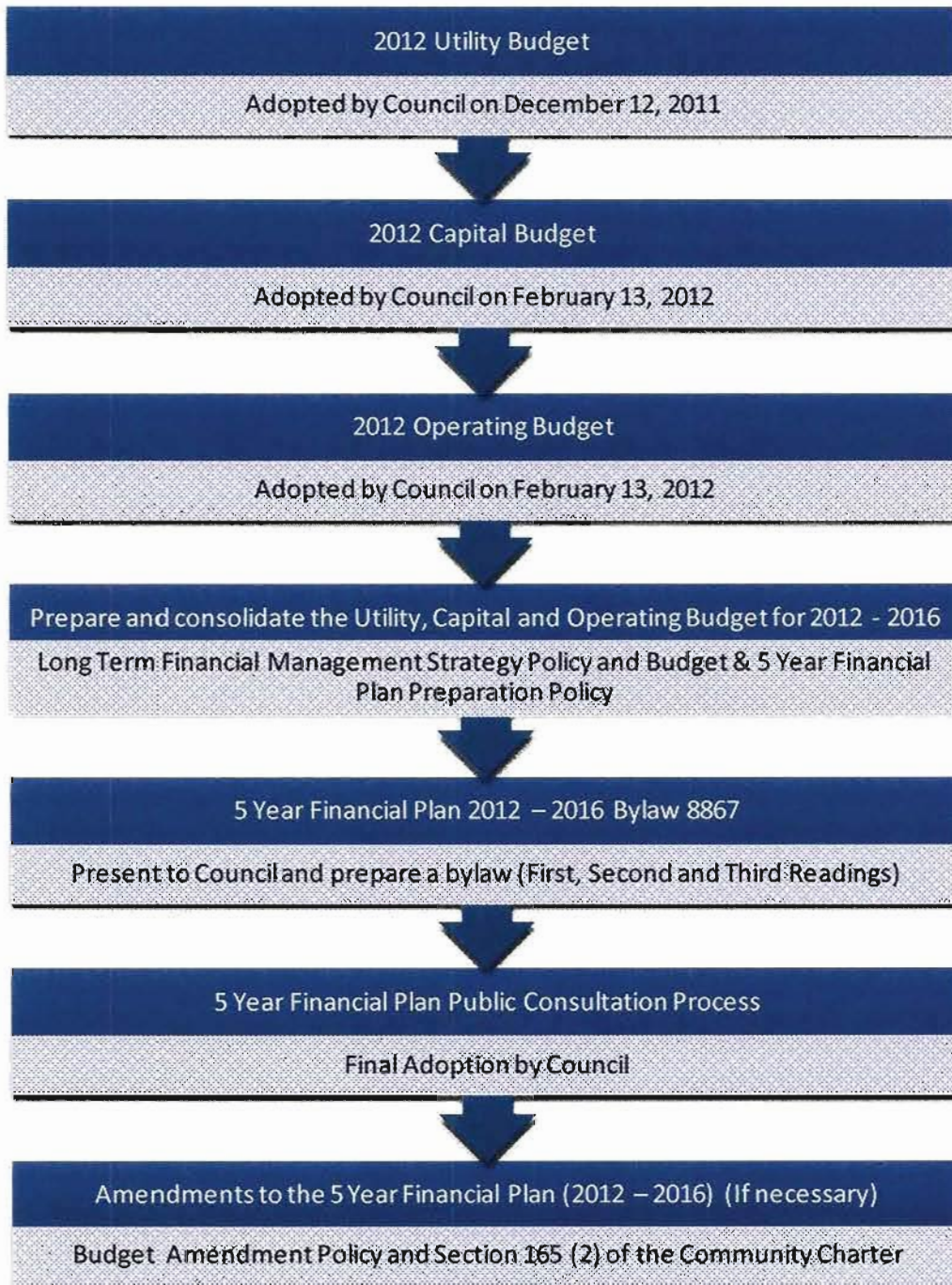
Staff Report

I. Origin

Subsection 165(l) of the Community Charter requires the City to adopt a 5 Year Financial Plan (5YFP) Bylaw on or before May 15th of each year. However early adoption is encouraged in order for all users to be aware of bylaws and rates in place. Included in the 5 Year Financial Plan are the 2012 Utility, Capital and Operating Budgets and estimates for the remainder of the five-year program. The 2012 5YFP Bylaw provides the City with the authority to proceed with spending to the limits as outlined in the bylaw. The following outlines the process and timeline behind the 2012 – 2016 Financial Plan:

Timeline	2012 Capital Budget	2012 Operating Budget	2012 Utility Budget
May 2011	<ul style="list-style-type: none"> Identify the capital focus areas Publish guidelines for the preparation of capital submissions 	<ul style="list-style-type: none"> Research and prepare assumptions & systems updates for the budget Direction on budget provided by CAO and TAG based on Council Policy 	
June	<ul style="list-style-type: none"> Prepare and submit capital submissions and OBI impact to departmental budgets 	<ul style="list-style-type: none"> Publish guidelines for the preparation of the operating budget 	<ul style="list-style-type: none"> Liaise with external agencies for any external factors (i.e. Metro Vancouver and Regional District)
July	<ul style="list-style-type: none"> Rank 2012 – 2016 capital submissions 	<ul style="list-style-type: none"> Prepare and submit the 2012 Operating Budget by the departments 	<ul style="list-style-type: none"> Prepare and submit the 2012 Utility Budget by Engineering and Public Works
August / September	<ul style="list-style-type: none"> Council endorsed budget assumptions Prepare preliminary list of recommended projects based on rank and funding availability 	<ul style="list-style-type: none"> Council endorsed budget assumptions Finance department reviews the 2012 operating budget with individual departments 	<ul style="list-style-type: none"> Council endorsed budget assumptions Finance department reviews the 2012 Utility Budget with Engineering and Public Works
October/ November	<ul style="list-style-type: none"> Present preliminary 2012 Capital Budget to TAG for further direction 	<ul style="list-style-type: none"> Prepare and consolidate the 2012 Operating Budget 	<ul style="list-style-type: none"> TAG review of the 2012 Utility Budget
December/ January 2012	<ul style="list-style-type: none"> TAG review of 2012 – 2016 Capital Budget 	<ul style="list-style-type: none"> TAG Budget Review –General Discussion and Budget Reduction 	<ul style="list-style-type: none"> Present 2012 Utility Budget to Finance Committee
February	<ul style="list-style-type: none"> Present 2012 Capital Budget to Finance Committee 	<ul style="list-style-type: none"> Present 2012 Operating Budget to Finance Committee 	
March	<ul style="list-style-type: none"> Review and update the 5 Year capital plan to reflect the priorities identified by Council and citizens TAG review of 5 YFP 	<ul style="list-style-type: none"> Identify the primary economic and cost drivers for the City financial plan TAG review of 5 YFP 	<ul style="list-style-type: none"> Identify the primary cost drivers for the 5 Year Utility Budget TAG review of 5 YFP
April	<ul style="list-style-type: none"> Public Consultation Final reading of 5 YFP 	<ul style="list-style-type: none"> Public Consultation Final reading of 5 YFP 	<ul style="list-style-type: none"> Public Consultation Final reading of 5 YFP

Council approval process:



The 2012 – 2016 Financial Plan incorporates the operating budget, capital budget and utility budget. The following table provides a five year summary of revenues and expenditures and projected tax increases:

Table 1 – 5 Year Financial Plan (2012 – 2016)

**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	101,585
Transfer from Capital Equity	7,051	7,208	7,313	7,406	7,538
Fees and Charges	26,329	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	4,112	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	24,342	24,367	24,392	24,419	24,443
Capital Plan					
Transfer from DCC Reserve	21,366	15,682	11,872	8,055	9,079
Transfer from Other Funds and Reserves	47,194	63,948	34,478	34,013	36,897
External Contributions	4,584	3,779	114	114	114
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
TOTAL REVENUES	\$584,194	\$ 555,063	\$ 518,198	\$509,916	\$ 519,103
Expenditures					
Utilities	95,136	100,420	103,393	106,377	109,123
Law and Community Safety	82,449	84,192	87,493	89,896	92,272
Engineering and Public Works	54,106	55,698	57,443	58,618	59,914
Parks and Recreation	39,485	40,695	42,564	43,344	43,860
Community Services	21,361	21,732	21,821	22,137	22,600
Corporate Services	17,532	17,795	17,856	17,778	18,050
Project Dev and Facility Maintenance	11,714	11,950	12,099	12,319	12,545
Planning and Development Services	12,470	12,798	13,133	13,465	13,727
Business and Financial Services	7,275	7,410	7,549	7,690	7,833
Corporate Administration	4,464	4,548	4,634	4,722	4,812
Fiscal	22,805	24,090	25,301	28,690	29,440
Transfer to Funds: Statutory Reserves	31,124	32,807	34,596	36,387	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	73,144	83,409	46,464	42,182	46,090
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
TOTAL EXPENDITURES	\$584,194	\$ 555,063	\$ 518,198	\$509,916	\$ 519,103
Proposed Property Tax Increase	2.98%	2.90%	3.26%	2.86%	2.80%

II. Analysis

The 2012 Utility Budget was approved by Council on December 12, 2011, the 2012 Capital Budget and the 2012 Operating Budget was approved by Council on February 13, 2012. These key inputs have been incorporated in the 5YFP (2012 – 2016) which is an important tool in achieving the goals of the Long Term Financial Management Strategy (LTFMS), while providing for the current and future needs of the community. Under the City's LTFMS, the City is committed to financial planning that maintains existing levels of service to the community, while limiting the impact on property taxes.

A. Situational Analysis

Key Economic Drivers

Table 2 – Key Economic Drivers

	2011 (actual)	2012 (forecast)	2013 (forecast)	2014 (forecast)	2015 (forecast)
Real GDP (% Change)	2.4%	2.8%	3.5%	3.4%	3.5%
Employment (% Change)	0.8%	1.7%	2.0%	2.1%	2.7%
Unemployment Rate (%)	7.7%	7.3%	7.0%	6.3%	5.2%
Housing Starts	25,900	27,600	32,300	33,300	35,100
3-month Government of Canada T-Bill	0.91%	0.90%	1.11%	1.50%	2.00%
10-year-Government of Canada T-Bill	2.78%	2.16%	2.63%	3.00%	3.50%

Sources: actual – Statistics BC; forecast – Central 1 Economic Analysis of BC September 2011 issue.

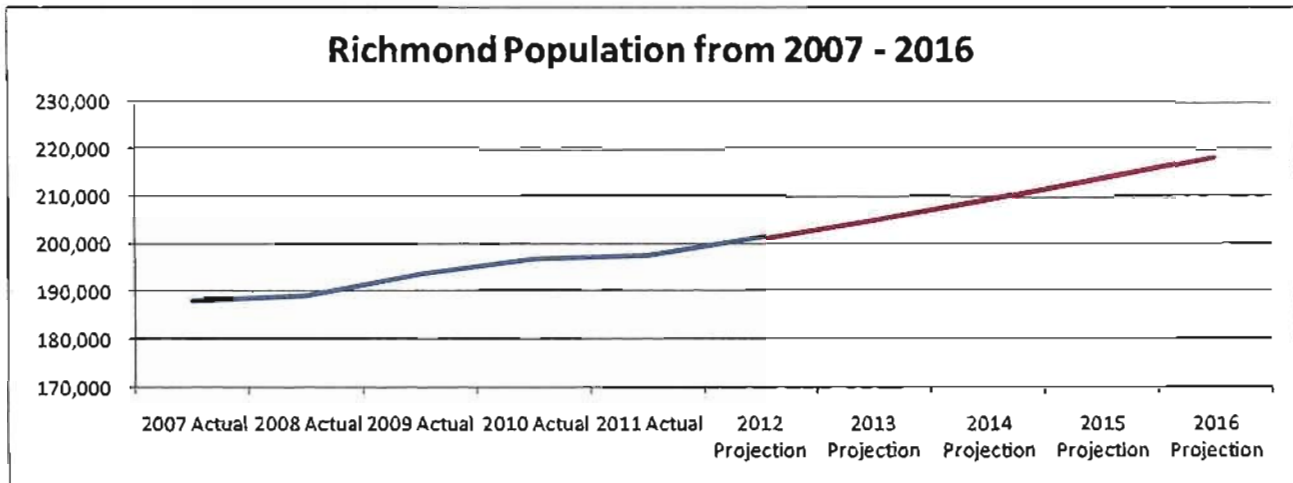
The BC economy will experience moderate economic growth of around 2.8% in 2012 and through to 2016 with the domestic sectors continuing to be the main drivers of the economy as some exports may struggle under the high Canadian dollar.

The assumptions for the 5YFP are contained in Attachment 1.

Population

Richmond has been growing of an average of 1.3% per year since 2007, following a period of rapid growth over the last 30 years during which the population doubled in size. It is projected that Richmond will grow to 280,000 people by 2041, an increase of 80,000 from 2011. Richmond is expected to expand approximately at the same rate as the rest of BC and will account for approximately 7% of Metro Vancouver's population. The table 3 illustrates the population growth from 2007 to 2011 and the projection for the next five years:

Table 3 – Richmond Population



Sources: Urban Futures Ltd

The demand for City services has increased annually and this is reflected in the following statistics:

Table 4 – Demand for City Services

	2008	2009	2010	2011	Est.2012
Population Growth (per annum)	0.56%	2.35%	1.70%	0.42%	1.20%
Capital Construction Costs (\$mil)	\$147.83	\$63.90	\$152.95	\$75.16	\$64.69
Registration in Recreation Programs	109,789	113,396	128,622	122,784	128,923
Public Works Calls for Services*	6,334	12,554	13,664	13,332	13,800

*(2009-utilized software system to track service requests)

Note that the projections for 2012-2016 maintain existing service levels and incorporate operating costs resulting from capital growth.

Aging Population and Workforce

Similar to most communities, Richmond will experience an aging population which means increased demand for policies and services to improve aging-in-place, affordable housing accessibility and healthy communities.

Likewise, the demographic profile of the Canadian workforce will undergo a substantial shift as a larger number of older workers will be joined by relatively few new entrants to the labour force. As an increasing number of employees will be eligible to retire within the next five years, a systematic method for projecting critical resource gaps will be combined with effective hiring, development, and retention programs to fill these critical roles.

Economists believe that increased productivity is required as Canada's labour productivity has declined relative to past performance and in comparison to other countries most notably, the U.S.

Employment Estimates

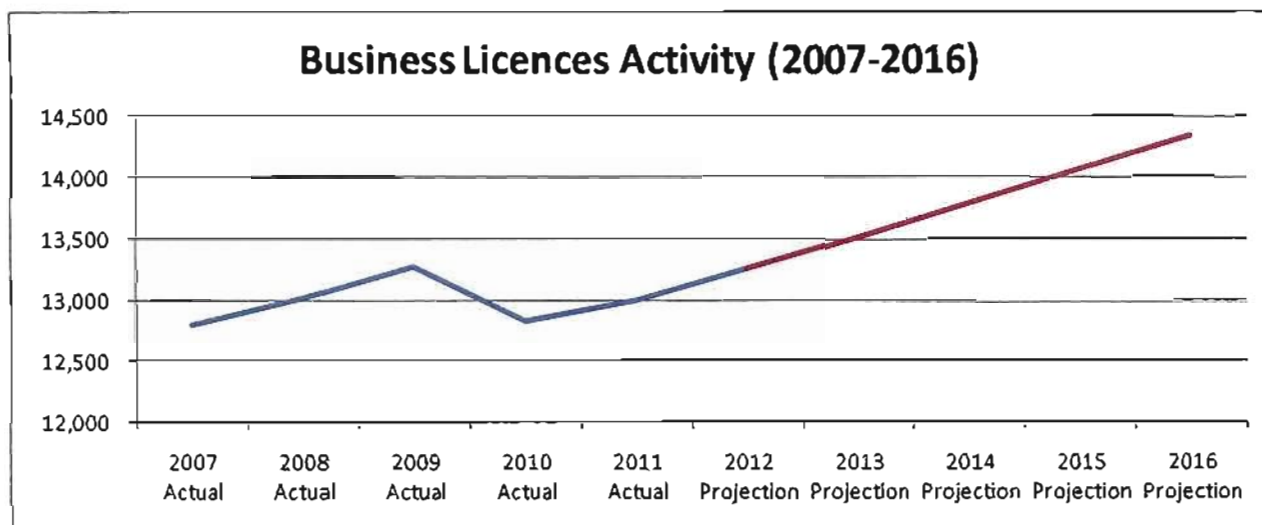
Richmond's anticipated employment growth to 2016 is not as vigorous as its population growth or its housing growth because of an aging labour force and limited supply of land. Generally, core municipalities such as Richmond, Vancouver, Burnaby and New Westminster will see more rapid growth in their senior's population and hence have a smaller labour force.

The City Centre is continuing to be projected to accommodate the greatest absolute and relative increase in employment between 2012 and 2016, reinforcing its status as the central employment hub in Richmond.

Business Licences

The business growth in Richmond is steadily growing. The table below shows a trend line of business licence activity in Richmond from the last five years. 97% of Richmond businesses are categorized as "small business" (less than 50 employees). Over 50% of the Richmond businesses are involved in sales and services and over 100,000 jobs have been created, of which 60% are full time positions.

Table 5 – Business Licences Activity (2007 – 2016)

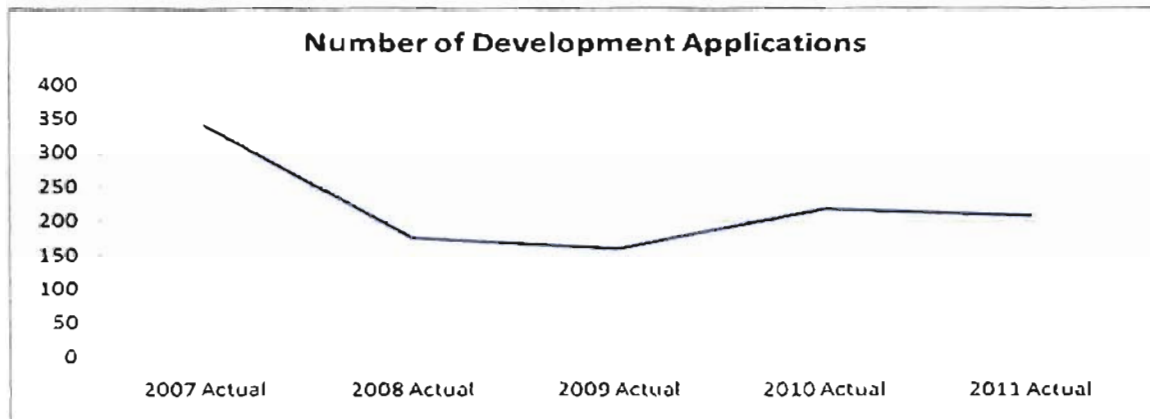


For 2012 to 2016, the Business Licences Department anticipates a 2% increase per year in business licences activity.

Housing and Development

Richmond housing prices outpaced the residential average for Greater Vancouver, with prices of detached houses rising sharply above \$1 million in early 2011 and staying near that value throughout the year. Housing starts in 2012 are forecasted at 27,600. In the longer term, residential development is expected to plateau alongside interest rate increases. Table 6 below shows the development activity with a significant decrease from 2007 to 2008 due to the economic recession. However, 2011 continued to recover and 2012 to 2016 are expected to be at the same level.

Table 6 – Number of Development Applications



Salaries

Salary increases for all employee groups have been estimated based on information currently available. Contract negotiations have been entered into with the Richmond Fire Fighters Association (RFFA) and CUPE 718 & 394. The RFFA collective agreement has expired December 31st, 2009 and CUPE 718 & 394 collective agreement expired December 31st, 2011.

Climate Action Plan

Increasing greenhouse gas (GHG) emissions are identified as major contributors to climate change and the resulting impacts, such as sea level rise, increased extreme weather events, decrease in agricultural viability, energy and natural resources availability, community health and other socio-economic effects, etc., are likely to be felt both now and in the future.

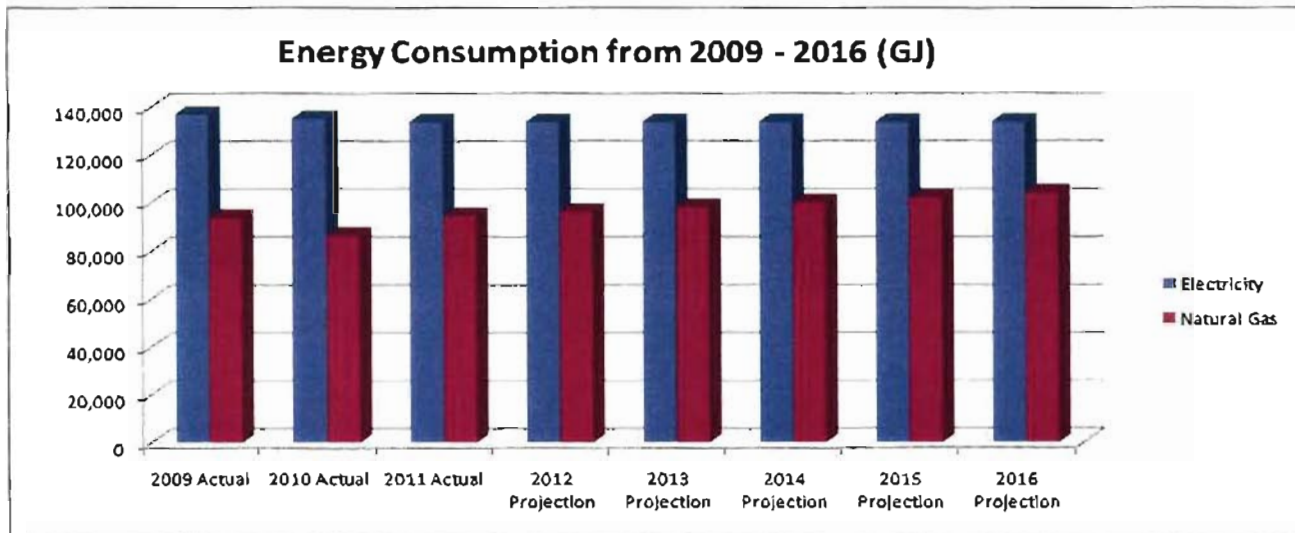
In Richmond, over 49% of GHG emissions are transportation-related and over 47% come from the way buildings are built and operated. After buildings and transportation, waste is the third most significant source of GHGs and contributes to approximately 4% of carbon dioxide emissions. The City will be reporting annually on our GHG emissions beginning in 2012, which will be due in mid-2013. The City will measure and report on our community greenhouse gas emission profile; and work to create compact, more energy efficient communities.

The City along with the Province of BC and the Union of British Columbia Municipalities (UBCM) has signed the Climate Action Charter (CAC) pledging to achieve the following goals to be carbon neutral in corporate operations by 2012 and the City is on track to meet the Carbon Neutrality commitment for 2012.

Energy Cost

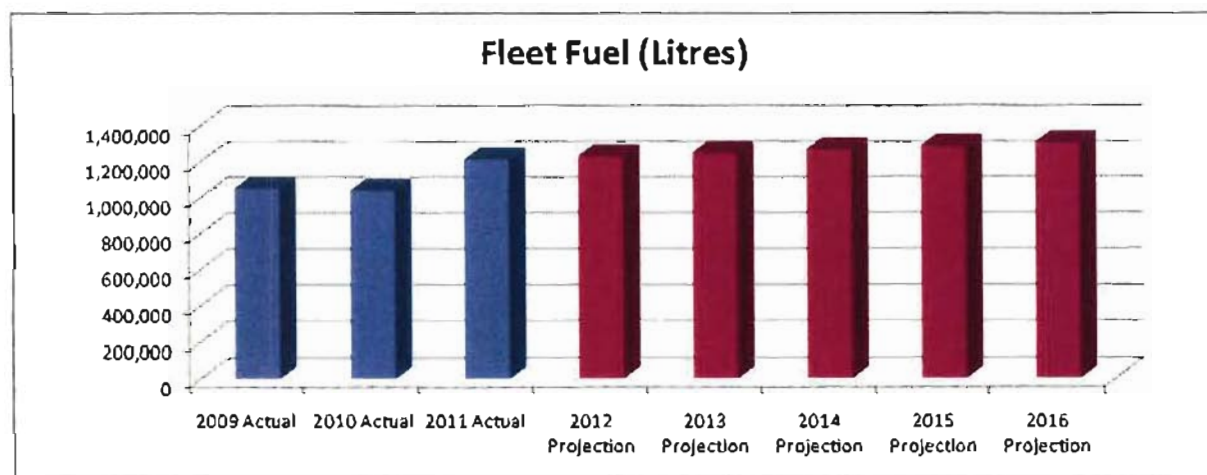
The most recent BC Hydro rate application was reviewed by the BC Utility Commission (BCUC) and increases of 8% in 2012, and 4% in both 2013 and 2014 has been approved, for a total increase of 16% over the next three years. The graph below illustrates the 2009 to 2011 actual and projected energy consumption in GJ:

Table 7 – Energy Consumption from 2009 - 2016



The top 10 City consuming facilities, for natural gas, have locked into a fixed rate until the end of 2013. However, an increase of 2% in natural gas would be a conservative estimate subject to consumption variations due to weather. For an estimate of civic energy consuming assets between 2012 and 2016, at a minimum the goal of the Energy Management Program will be to keep energy consumption rates relatively stable even with the projected increase in civic infrastructure through building energy retrofits, major renovations where warranted, upgrading of energy using equipment, and incorporation of more renewable energy sources within our energy system. The table below includes gasoline, marked diesel and bio diesel and the anticipated city consumption is about 1.5% annually for 2012 – 2016:

Table 8 – Fuel Consumption



B. Operating Budget Comments for some of the Major City Services:

Fire Rescue

The rapidly changing community as well as the forecasted growth and increased population expectations within the community, will result in higher demands for services. Richmond Fire Rescue has a stated objective of delivering services and programs through an approach that balances prevention, education and emergency response.

RCMP

The RCMP is committed to working in partnership with the citizens of Richmond to achieve the goal of "Safe Homes and Safe Communities". Through a consultative process with Council and others, the RCMP establishes policing priorities on an annual basis.

Serious crime is significantly lower in Richmond than in the rest of BC, at 8.7 offences per 1,000 people compared to 12.3 offences for BC. The crime rate in Richmond has decreased between 2006 and 2009 by 29.3%. Juvenile drug crime, violent crime and property crimes are also less prevalent than the provincial average.

Library

The Richmond Public Library is committed to working with the Mayor and Council, City staff, community partners and generous donors to achieve the five strategic goals:

1. Support reading in our community
2. Use technology to connect readers
3. Develop collections to meet popular demand
4. Offer programs that inform and inspire
5. Create friendly, welcoming facilities

Parks, Recreation and Community Services

Parks and Recreation and Community Services both continue to work in partnership with the community to provide a variety of programs, services, places and spaces and other amenities which greatly enhance the quality of life for both current and future generations. There will be a significant increase to the operating expenditures due to the operating budget impact of the new City Centre Community Centre which will come online in 2014.

Utilities

The utility rates need to be established by December 31st every year in order to facilitate charging from the next January 1st. Home owners in the City are issued a utility bill annually or quarterly. The operating expenditure covers services for water supply, sewage collection and treatment, drainage, dike, solid waste, recycling, flood protection, grease management and environmental programs. The major cost drivers are salaries, regional water rates, regional waste disposal tipping fee increases, regional operating costs for sewer treatment, contracts and new programs related to solid waste and recycling collection services.

Table 9: Infrastructure – Drainage, Sanitary Sewer and Water Mains (km)

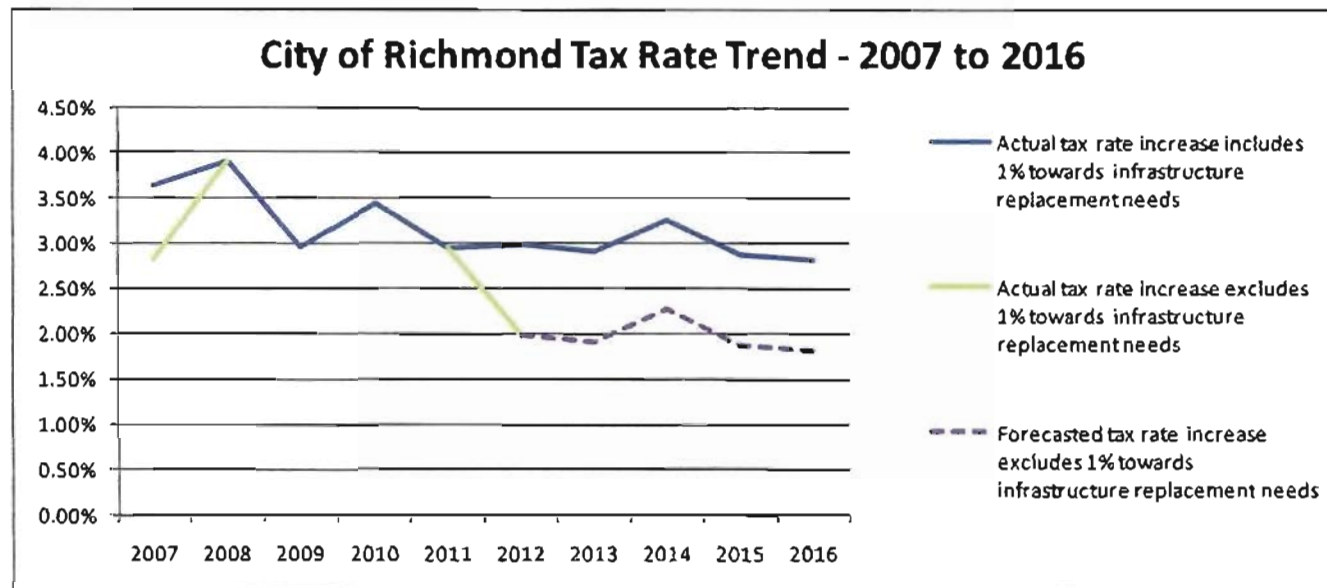
	2007	2008	2009	2010	2011
Drainage	603	609	613	613	620
Sewer	460	462	463	463	465
Water	626	626	624	624	630

C. Consolidated Financial Summary

The 5YFP is a consolidation of the operating, utility and capital plans. The projected increases in expenditures are offset against all projected non-tax revenues (refer to Table 1). All expenditures in excess of non-tax revenues result in the required tax levy. The average tax increase is calculated by taking the year over year change in the required tax levy less any projected growth in the tax base due to new construction. The average tax rate increase is then determined by dividing this resulting increase by the prior year's tax base.

Table 10 below illustrates the actual property tax rate increase and forecast from 2007 to 2016. The 2012 tax levy is comprised of the projected increases in the base budget, the additional expenditures and operating budget impact of capital projects. The base budget is the total cost of maintaining current service levels provided by the City, and the additional expenditures and operating budget impact are increases to the base level of service as a result of new or increased programs or assets. In preparation of the annual operating budget, staff ensured that the 1% towards infrastructure replacement needs is included based on the Long Term Financial Management Strategy. The 5YFP does not include any additional levels and any amounts that are unverifiable.

Table 10: Property Tax Increase Trend 2007 - 2016



The 2012 Operating and Capital Budgets were prepared with a particular awareness of moderate economic growth and recovery. During the economic downturn, the City of Richmond showed restraint and leadership by exercising responsible cost cutting measures in order to minimize the tax impact on our citizens while creating economic stimulus through investments in capital projects.

Subsequent items adopted after the operating and capital budget approved

Subsequent to the adoption of the 2012 operating budget and capital budget on February 13th, 2012, additional opportunities and projects have emerged. There is no tax impact for any of these changes as these items are funded from provisions and reserves:

- At the Council meeting on February 27th, 2012, Council approved: "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."
- At the Council meeting on March 12th, 2012, Council approved: "That up to \$115,000 be approved from the Major Events Provisional Fund for the proposed 2012 Ship to Shore Program and 2013 Tall Ship Recruitment program."
- At the Council meeting on March 12th, 2012, Council approved: "That up to \$200,000 be authorized from the Major Events Provisional Fund to the Maritime Festival account to provide funding in support of the 2012 Maritime Festival, as outlined in the report from the Director, Arts, Culture and Heritage Services dated February 13, 2012."
- At the Council meeting on March 12th, 2012, Council approved "That \$40,000 from the Major Events Provisional Fund be allocated to provide funding for End of Day events on the Richmond portion of the Rick Hansen 25th Anniversary Relay Celebration."

- At the Council meeting on March 26th, 2012, Council approved “That the estimated expenditures of \$70,000 with respect to the South Arm Pool Piping Repair project be funded from the Minor Capital Provision.”

On July 23rd, 2007 Council approved a cessation on policy 1 of the Long Term Financial Management strategy that requires a 1% increase in reserves has been incorporated into the 2012 budget and in the 5YFP from 2012 – 2016. Based on the proposed 5YFP (2012-2016), the average tax (\$) increase and the corresponding average tax rate (%) increases are as follows:

Table 11 – Tax Rate Increases

(in \$'000s)	2012	2013	2014	2015	2016
Total expenditure before OBI and Transfer to Reserve	5,298	4,815	4,669	5,359	5,367
OBI	264	404	1,383	147	253
Additional 1% infrastructure replacement	1,613	1,682	1,751	1,829	1,902
Total Funding Increase Required	7,175	6,901	7,803	7,335	7,522
Growth from New Construction	(2,365)	(2,018)	(2,101)	(2,103)	(2,188)
Proposed Property Tax Increase (\$)	4,810	4,883	5,702	5,232	5,334
Proposed Property Tax Increase %	2.98%	2.90%	3.26%	2.86%	2.80%

For 2012, Attachment 5 shows the breakdown of where each tax dollar is spent by the City. The biggest areas are the services provided by the City to its citizens (e.g. Police, Fire, Parks and Recreations).

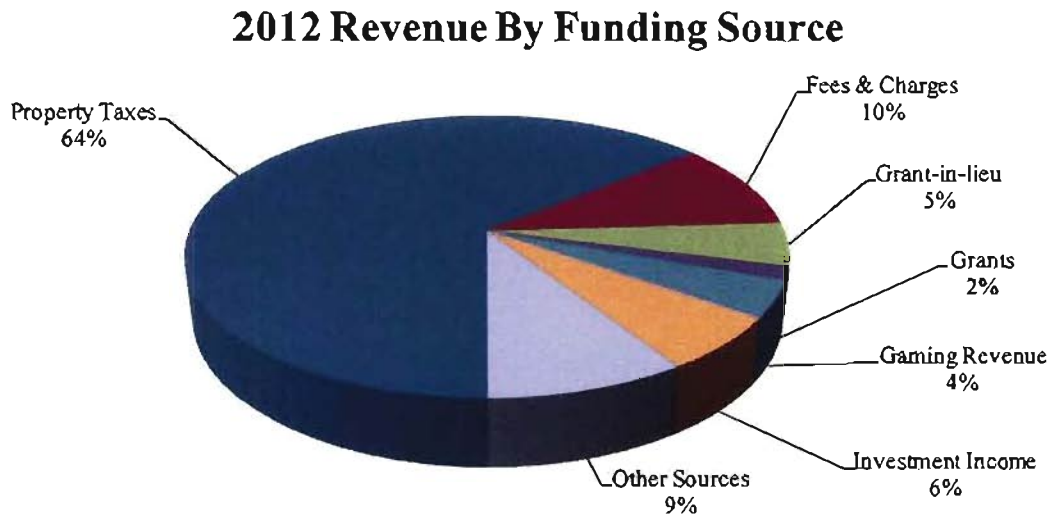
Permissive Exemption

Each year, Council passes a permissive exemption bylaw exempting certain properties from property tax. The property tax exemptions policy 3561 sets out the guidelines for permissive exemptions to churches, private schools, hospitals and charities as stated in Sections 220 and 224 of the Community Charter.

Major Funding Sources

The main funding received by the City is outlined by source in Table 12 below. The distribution of revenues only includes amounts for the Operating Budget as Utility and Capital Funding have been removed from this analysis. As shown, the largest funding source for the City is property taxes. The next largest portion of funding is received from user fees and charges.

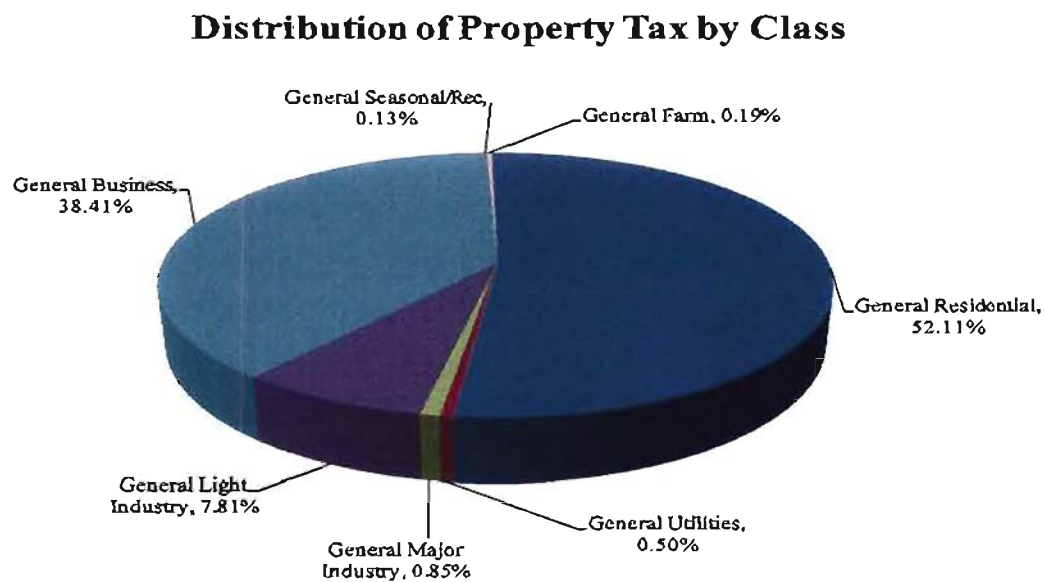
Table 12– 2012 Revenue by funding source



Property Tax by Class

Revenue from property tax is collected from multiple classes of properties. The largest two contributors to property tax are the residential and business classes. The table 13 below charts the proposed distribution of tax among the various classes.

Table 13– Proposed Distribution of Property Tax by Class



D. 2012 Capital and Future Programs

The 2012-2016 5 Year Financial Capital Plan addresses Richmond's ageing infrastructure and rapid infrastructure expansion related with urban growth in the midst of fluctuating market conditions. The projects in the 2012-2016 Capital Budget maintain, improve and advance the City of Richmond's infrastructure inventory, provide the basic necessities for urban living and help fulfill Council's strategic goals for the City.

Under Council's direction, the following are a summary of recommended projects to be undertaken for the next 5 years:

- Enhance traffic capacity and safety and expand the cycling network.
- Laneway drainage and pavement improvements for better access for residents.
- Extensive water, drainage and sanitary sewer upgrades to maintain quality service.
- Upgrade and construct pump stations to ensure reliable service.
- Construction of the No. 1 Fire Hall and City Centre Community Centre.
- Continued development of the City's trail and park systems, and replacement of playground equipment to create safe and engaging recreational environments.
- Increased public art to ensure our continued development as a vibrant cultural city.
- Development of childcare facilities that will provide much needed childcare to Richmond residents.
- Funding for affordable housing projects and initiatives to ensure affordable rental housing to Richmond residents

Significant items from the major facilities replacements have been deferred from the current 2012-2016 Capital Budget to allow further discussion and direction by Council. Once the review is completed and further discussions with Council, a report will be presented to Council for approval, and the 5-year capital budget will be amended if necessary.

Details of the 2012 Capital Budget, approved at the February 13, 2012 Council meeting, can be referenced in the 2012 Capital Budget Report.

http://www.richmond.ca/_shared/assets/Capital_Budget_Finance_2-6-201232222.pdf

In addition to the 2012 Capital Budget, there is \$107M of carry forward funds from previously approved Capital Plans that are committed but remain unspent to date.

The capital projects for years 2013-2016 are recommended based on existing priorities and current funding estimates. The projects and estimates for each of these successive years will be updated as more current and accurate information becomes available.

There are a number of projects that have not been funded at this time, but will be considered in the future as funds become available or as priorities are reconsidered. A detailed list of all of the unfunded

projects is included in the 2012 capital report. Also note that for all of the unfunded projects, there is a potential opportunity for these projects to request funding as one-time requests from surplus.

Capital Program

The 2012-2016 5 Year Financial Capital Plan by Program summary is located in Attachment 2 and the project details including the approved 2012 and recommended 2013-2016 are located in Attachment 3.

A summary of the 2012-2016 Capital Program is as follows:

Table 14 – Capital Program (2012-2016) in (\$000's)

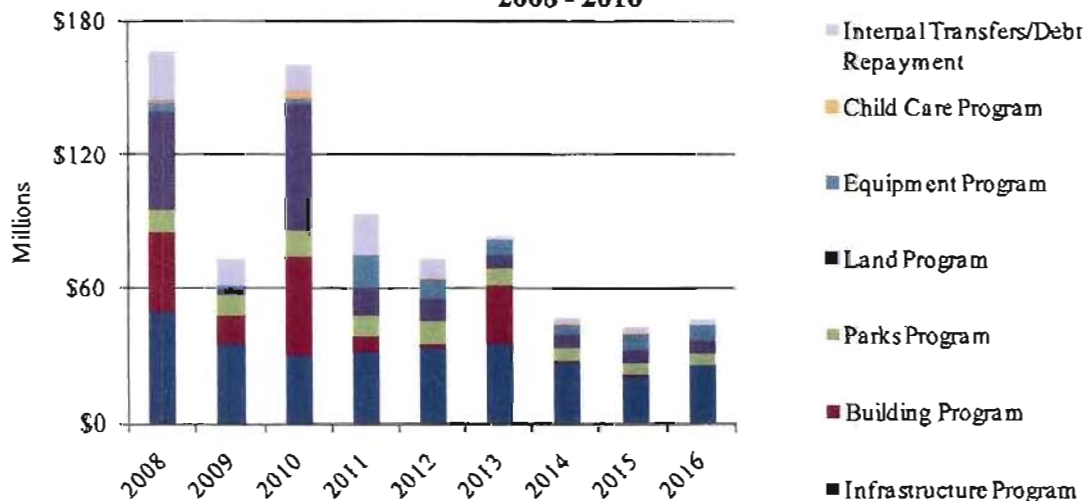
	2012	2013	2014	2015	2016
Infrastructure Program	33,165	35,244	26,665	20,876	25,502
Building Program	1,872	25,650	250	250	250
Parks Program	10,132	8,000	6,200	5,250	5,000
Land Program ¹	8,850	5,000	5,000	5,000	5,000
Affordable Housing Program ¹	1,303	975	975	975	975
Equipment Program	8,285	6,658	4,670	6,980	6,791
Child Care Program ¹	1,150	275	275	275	275
Internal Transfers/Debt Payment	8,387	1,607	2,429	2,576	2,297
TOTAL CAPITAL PROGRAM	\$73,144	\$83,409	\$46,464	\$42,182	\$46,090

¹ The availability of funding for these programs is based on external factors such as contributions from development or proceeds on land disposition. The future programs are estimated based on forecasted market conditions.

The 2012-2016 Capital Plan represents a basic capital program relative to previous years to reflect the current economic trends. The major differences are the Land and Building Programs that have had relatively large expenditures over the past few budget cycles.

Capital Budget by Program

2008 - 2016

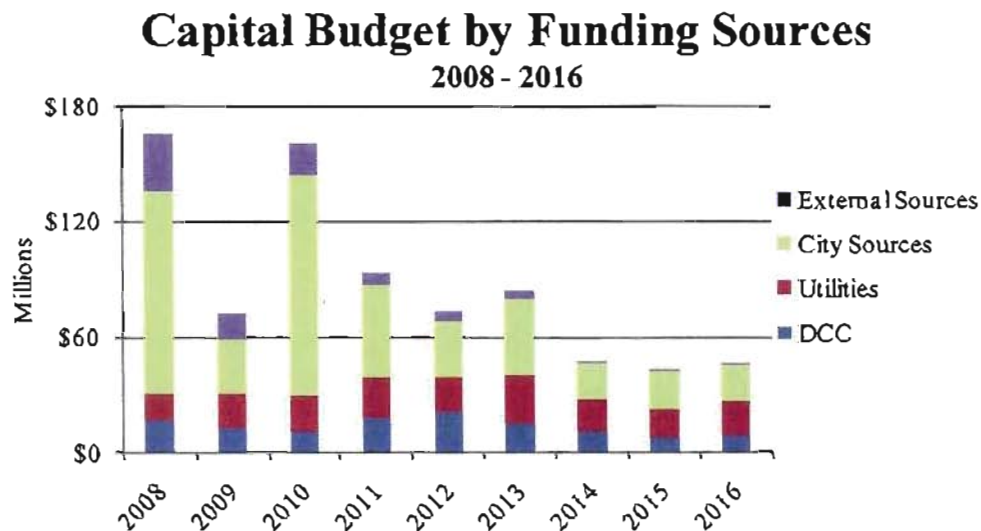


Capital Budget Funding Sources

The capital budget uses a variety of funding sources which include:

- Development Cost Charges (DCC) – These contributions are made through development and are used for growth related projects.
- External Sources – these include grants awarded from Provincial and Federal Governments, developer cash contributions (other than DCCs) and other non-City related sources
- Utilities – these are funds collected through the utility bills and are specified for waterworks, sanitary sewer and drainage.
- City Sources – this includes all other sources of City funding such as statutory reserves, appropriated surplus (provisions) and general surplus.

The capital funding sources correspond to the nature of expenditure where external sources are the most restricted and City sources the most general. Council can direct the use of City Reserve funds in compliance with the Community Charter section 189.



The detailed funding sources for the 5 Year Financial Capital Plan (2012-2016) are located in Attachment 4.

III. Financial Impact

The following proposed property tax increases for the 5 Year Financial Plan (2012 – 2016) Bylaw results in a tax increase of 2.8% to 3.26% in the next 5 years which includes an additional 1% levy for infrastructure replacement and OBI from the capital projects:

Table 15 – Tax Rate Increases

Year	Tax Increase (in \$000's)	Property Tax Proposed Increase %
2012	\$4,810	2.98%
2013	\$4,883	2.90%
2014	\$5,702	3.26%
2015	\$5,232	2.86%
2016	\$5,334	2.80%

IV. Conclusion

The 5YFP outlines the current year's budget and provides projections for future years. It should be emphasized that the 5YFP beyond 2012 will change as more accurate and current information is obtained to update each successive year accordingly. Richmond is competitive in its municipal tax levy when compared with other municipalities in Metro Vancouver and continues to be a leader in providing quality services to its residents.



Nashater Sanghera, CA
Manager, Budgets & Accounting
(604-247-4628)

V. Attachments

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5 YEAR FINANCIAL PLAN (2012-2016) ASSUMPTIONS

(in \$000's unless otherwise stated)

	2012	2013	2014	2015	2016
Consumer Price Index	1.70%	2.10%	2.10%	2.10%	2.10%
Municipal Price Index (For comparative purposes only)	3.23%	2.61%	2.61%	2.80%	2.61%
US Exchange Rates	1.01	1.02	1.02	1.02	1.03
Natural gas expense	2.00%	2.00%	2.00%	2.00%	2.00%
Electricity expense	8.00%	4.00%	4.00%	10.00%	10.00%
Material and Supplies	1.00%	1.00%	1.00%	1.00%	1.00%
User Fees	1.70%	2.10%	2.10%	2.10%	2.10%
Fuel Cost	4.00%	4.00%	4.00%	4.00%	4.00%
Casino Funding					
Oval	5,000	5,000	5,000	0	0
Revolving Fund	1,239	1,239	1,239	6,239	6,239
Capital	600	600	600	600	600
Capital Building Infrastructure	1,777	1,777	1,777	1,777	1,777
Grants	538	546	554	562	570
Physical Plant	1,400	1,400	1,400	1,400	1,400
Operating (RCMP)	589	606	626	651	677
Operating budget impact of capital budget (OBI)	264	404	1,383	147	253
Insurance expense	2.00%	2.00%	2.00%	2.00%	2.00%
Growth (tax base)	1.47%	1.20%	1.20%	1.15%	1.15%
RCMP contract increases	4.00%	4.00%	4.00%	4.00%	4.00%
Business License revenue	2.00%	2.00%	2.00%	2.00%	2.00%
Metro Vancouver					
Water	5.90%	18.60%	6.50%	6.00%	4.50%
Liquid Waste	3.50%	5.50%	5.00%	5.00%	5.00%
Solid Waste	10.99%	7.92%	22.02%	15.04%	9.15%

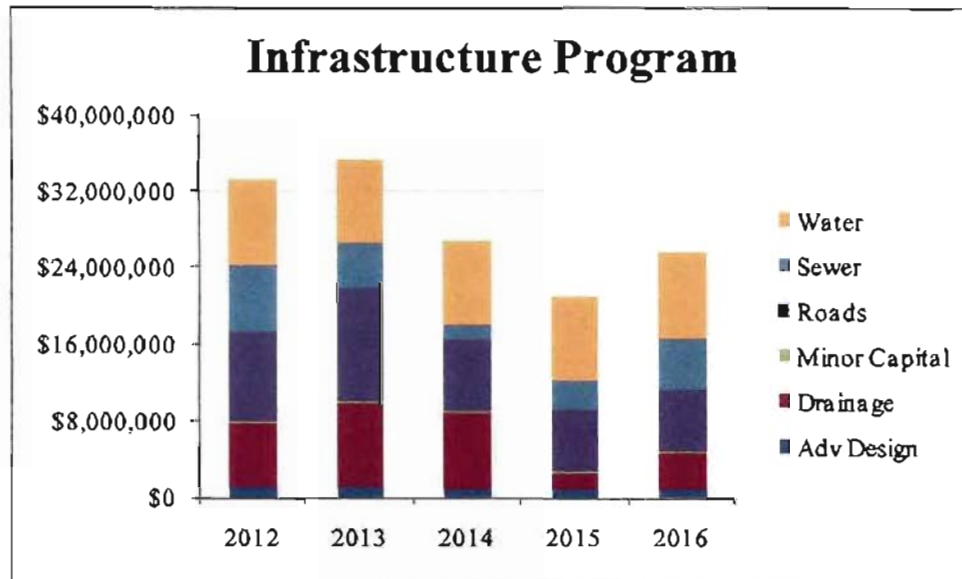
CITY OF RICHMOND
5 YEAR CAPITAL PROGRAM (2012-2016)*
(In \$000's)

	2012	2013	2014	2015	2016
Infrastructure Program					
Drainage	6,817	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	9,285	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	\$33,165	\$35,244	\$26,665	\$20,876	\$25,502
Building Program					
Total Building Program	\$1,872	\$25,650	\$250	\$250	\$250
Parks Program					
Parkland Acquisition	5,803	4,500	3,500	3,500	3,500
Major Parks/Streetscapes	3,725	2,950	2,250	1,200	950
Minor Parks	604	550	450	550	550
Total Parks Program	\$10,132	\$8,000	\$6,200	\$5,250	\$5,000
Land Program					
Total Land Program	\$8,850	\$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	3,255	2,871	2,125	4,746	3,149
Library	1,160	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	\$8,285	\$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	\$73,144	\$83,409	\$46,464	\$42,182	\$46,090

*Based on available funding, future programs may change in subsequent years.

Infrastructure Program 2012-2016

The City's Infrastructure Program assets include: road, drainage and sanitary pump stations, drainage, water, and sanitary mains.



2012 Approved Infrastructure Road Program

Year	Project Name	Amount	Category
2012	Annual Asphalt Re-Paving Program - MRN	\$915,500	Annual Asphalt MRN
2012	Annual Asphalt Re-Paving Program - Non-MRN	\$2,458,600	Annual Asphalt Non-MRN
2012	Arterial Road Crosswalk Improvement Program	\$60,000	Arterial Road Crosswalk
2012	Cycling Network Expansion Program	\$127,660	Cycling Expansion
2012	Enhanced Accessible Traffic Signal and Crosswalk Program	\$74,468	Accessible Traffic Signal & Crosswalk
2012	Functional and Preliminary Design (Transportation)	\$33,814	Design
2012	Interim Lansdowne Road Extension - Alderbridge Way to Minoru Blvd.	\$100,000	Lansdowne road Extension
2012	Miscellaneous Cycling Safety Enhancements	\$50,000	Cycling Enhancements
2012	Miscellaneous Intersection Improvements	\$95,745	Intersection Improvements

Year	Project Name	Amount	Category
2012	Neighbourhood Traffic Safety Program	\$87,500	Neighbourhood Traffic Safety
2012	Neighbourhood Walkways	\$250,000	Neighbourhood Walkways
2012	Nelson Road Improvements	\$1,150,667	Nelson road
2012	New Traffic Signal Installation	\$274,000	New Traffic Signals
2012	No. 6 Road Widening	\$566,667	No. 6 Road
2012	Sidewalk Expansion / Enhancement Program	\$100,000	Sidewalk
2012	Street Light Security and Wire Theft Prevention	\$133,000	Street Light Security
2012	Traffic Detection Video Systems	\$75,000	Traffic Detection
2012	Transit Related Infrastructure Improvements	\$50,000	Transit Improvements
2012	Westminster Hwy Widening: Nelson Rd to McMillan Way	\$2,683,333	Westminster Hwy Widening

Total 2012 Approved Infrastructure Road Program **\$9,285,954**

2013 – 2016 Recommended Infrastructure Road Program

Year	Project Name	Amount	Category
2013	Annual Asphalt Re-Paving Program - MRN	\$915,500	Annual Asphalt MRN
2013	Annual Asphalt Re-Paving Program - Non-MRN	\$2,458,600	Annual Asphalt Non-MRN
2013	Arterial Road Crosswalk Improvement Program	\$60,000	Arterial Road Crosswalk
2013	Asphalt Re-Paving Program - Non-MRN Backlog Management	\$1,000,000	Annual Asphalt Non-MRN
2013	Cycling Network Expansion Program	\$127,660	Cycling Expansion
2013	Enhanced Accessible Traffic Signal and Crosswalk Program	\$74,468	Accessible Traffic Signal & Crosswalk
2013	Functional and Preliminary Design (Transportation)	\$37,246	Design
2013	Gilbert Road Widening	\$851,064	Gilbert Road
2013	Interim Lansdowne Road Extension- Alderbridge Way to Minoru Blvd.	\$1,200,000	Lansdowne road Extension
2013	Miscellaneous Cycling Safety Enhancements	\$50,000	Cycling Enhancements
2013	Miscellaneous Intersection Improvements	\$95,745	Intersection Improvements
2013	Neighbourhood Traffic Safety Program	\$87,500	Neighbourhood

Year	Project Name	Amount	Category
			Traffic Safety
2013	Nelson Road Improvements	\$1,150,667	Nelson road
2013	New Traffic Signal Installation	\$274,000	New Traffic Signals
2013	No. 6 Road Widening	\$566,667	No. 6 Road
2013	Sidewalk Expansion / Enhancement Program	\$100,000	Sidewalk
2013	Traffic Detection Video Systems	\$75,000	Traffic Detection
2013	Transit Related Infrastructure Improvements	\$50,000	Transit Improvements
2013	Westminster Hwy Widening: Nelson Rd to McMillan Way	\$2,683,333	Westminster Hwy Widening
2014	Annual Asphalt Re-Paving Program - MRN	\$915,500	Annual Asphalt MRN
2014	Annual Asphalt Re-Paving Program - Non-MRN	\$2,458,600	Annual Asphalt Non-MRN
2014	Arterial Road Crosswalk Improvement Program	\$60,000	Arterial Road Crosswalk
2014	Asphalt Re-Paving Program - Non-MRN Backlog Management	\$1,000,000	Annual Asphalt Non-MRN
2014	Cycling Network Expansion Program	\$127,660	Cycling Expansion
2014	Enhanced Accessible Traffic Signal and Crosswalk Program	\$74,468	Accessible Traffic Signal & Crosswalk
2014	Interim Lansdowne Road Extension- Alderbridge Way to Minoru Blvd.	\$1,200,000	Lansdowne road Extension
2014	Miscellaneous Cycling Safety Enhancements	\$50,000	Cycling Enhancements
2014	Miscellaneous Intersection Improvements	\$95,745	Intersection Improvements
2014	Neighbourhood Traffic Safety Enhancement Program	\$87,500	Neighbourhood Traffic Safety
2014	Neighbourhood Walkways	\$250,000	Neighbourhood Walkways
2014	New Traffic Signal Installation	\$274,000	New Traffic Signals
2014	No. 2 Road Widening - Phase 1 of 4	\$212,766	No. 2 road Widening
2014	Roads Minor Capital	\$300,000	Roads Minor Capital
2014	Sidewalk Expansion / Enhancement Program	\$100,000	Sidewalk
2014	Street Light Security and Wire Theft Prevention	\$133,000	Street Light Security
2014	Traffic Detection Video Systems	\$75,000	Traffic Detection
2014	Transit Related Infrastructure Improvements	\$50,000	Transit Improvements

Year	Project Name	Amount	Category
2015	Annual Asphalt Re-Paving Program - MRN	\$915,500	Annual Asphalt MRN
2015	Annual Asphalt Re-Paving Program - Non-MRN	\$2,458,600	Annual Asphalt Non-MRN
2015	Arterial Road Crosswalk Improvement Program	\$60,000	Arterial Road Crosswalk
2015	Asphalt Re-Paving Program - Non-MRN Backlog Management	\$1,000,000	Annual Asphalt Non-MRN
2015	Cycling Network Expansion Program	\$127,660	Cycling Expansion
2015	Enhanced Accessible Traffic Signal and Crosswalk Program	\$74,468	Accessible Traffic Signal & Crosswalk
2015	Miscellaneous Cycling Safety Enhancements	\$50,000	Cycling Enhancements
2015	Miscellaneous Intersection Improvements	\$95,745	Intersection Improvements
2015	Neighbourhood Traffic Safety Program	\$87,500	Neighbourhood Traffic Safety
2015	Neighbourhood Walkways	\$250,000	Neighbourhood Walkways
2015	New Traffic Signal Installation	\$274,000	New Traffic Signals
2015	No. 2 Road Widening - Phase 2 of 4	\$372,340	No. 2 road Widening
2015	Roads Minor Capital	\$300,000	Roads Minor Capital
2015	Sidewalk Expansion / Enhancement Program	\$100,000	Sidewalk
2015	Street Light Security and Wire Theft Prevention	\$133,000	Street Light Security
2015	Traffic Detection Video Systems	\$75,000	Traffic Detection
2015	Transit Related Infrastructure Improvements	\$50,000	Transit Improvements
2016	Annual Asphalt Re-Paving Program - MRN	\$915,500	Annual Asphalt MRN
2016	Annual Asphalt Re-Paving Program - Non-MRN	\$2,458,600	Annual Asphalt Non-MRN
2016	Arterial Road Crosswalk Improvement Program	\$60,000	Arterial Road Crosswalk
2016	Asphalt Re-Paving Program - Non-MRN Backlog Management	\$1,000,000	Annual Asphalt Non-MRN
2016	Cycling Network Expansion Program	\$127,660	Cycling Expansion
2016	Enhanced Accessible Traffic Signal and Crosswalk Program	\$74,468	Accessible Traffic Signal & Crosswalk
2016	Miscellaneous Cycling Safety Enhancements	\$50,000	Cycling Enhancements

Total 2013 - 2016 Recommended Infrastructure Road Program	\$32,116,125
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Infrastructure Program - Drainage

2012 Approved Infrastructure Drainage Program

Year	Project Name	Amount	Category
2012	10000 Block Williams Road (South) Laneway Drainage and Pavement Upgrade + Two Additional Lane Ends	\$429,378	Laneway Drainage & Pavement Upgrade
2012	Canal Stabilization	\$300,000	Canal Stabilization
2012	Drainage Minor Capital	\$300,000	Drainage Minor Capital
2012	East Richmond Drainage and Irrigation Upgrades Program – No 6 Road Ditch Improvement plus Hydraulic Model Update	\$621,000	East Richmond Drainage and Irrigation Upgrades Program
2012	Fully Automate No 3 Road South and Horseshoe Slough Pump Station Irrigation Valves	\$100,000	Irrigation Valve Program
2012	Gilbert South Pump Station Generator	\$100,000	Pump Station Generator
2012	Long Shaft Pump Replacement Program	\$450,000	Long Shaft Pump Replacement Program
2012	McCallan Road North Pump Station MCC Upgrade	\$175,000	Pump Station MCC Upgrade
2012	No 1 Road North Pump Station Upgrade	\$3,450,000	Pump Station Upgrade
2012	No 6 Road North Pump Station Generator	\$120,000	Pump Station Generator
2012	Pump Station Level Control Upgrade – Multiple Stations	\$140,000	Pump Station Level Control Upgrade
2012	Seaton Road Laneway Drainage and Pavement Upgrade	\$631,572	Laneway Drainage & Pavement Upgrade
Total 2012 Approved Drainage Program		\$6,816,950	

Infrastructure Program - Drainage

2013-2016 Recommended Infrastructure Drainage Program

Year	Project Name	Amount	Category
2013	Ainsworth Crescent (West) Laneway Drainage and Pavement Upgrade	\$447,000	Laneway Drainage & Pavement Upgrade
2013	Aintree Crescent (West) Laneway Drainage and Pavement Upgrade	\$467,400	Laneway Drainage & Pavement Upgrade
2013	Bath Slough Pump Station Upgrade	\$3,660,000	Pump Station Upgrade
2013	Drainage Minor Capital	\$300,000	Drainage Minor Capital
2013	East Richmond Drainage and Irrigation Upgrades Program - Cambie Road Ditch Improvement	\$450,000	East Richmond Drainage and Irrigation Upgrades Program
2013	East Richmond Drainage and Irrigation Upgrades Program - No. 6 Road Ditch Improvement	\$215,000	East Richmond Drainage and Irrigation Upgrades Program
2013	Long Shaft Pump Replacement Program	\$450,000	Long Shaft Pump Replacement Program
2013	No 7 Road North Pump Station Generator	\$120,000	Pump Station Generator
2013	No 7 Road South Pump Station Upgrade	\$2,420,000	Pump Station Upgrade
2013	No. 3 Road and No. 8 Road Canal Stabilization	\$300,000	Canal Stabilization
2014	11000 Blk Williams Road Laneway Drainage and Pavement Upgrade	\$230,281	Laneway Drainage & Pavement Upgrade
2014	Dennis Crescent (East) Laneway Drainage and Pavement Upgrade	\$475,380	Laneway Drainage & Pavement Upgrade
2014	Drainage Minor Capital	\$300,000	Drainage Minor Capital
2014	Long Shaft Pump Replacement Program	\$450,000	Long Shaft Pump Replacement Program
2014	McCallan Road North Pump Station Generator	\$105,000	Pump Station Generator
2014	No 2 Road North Pump Station Upgrade	\$3,240,000	Pump Station Upgrade

Attachment 3
Infrastructure Program - Drainage

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Year	Project Name	Amount	Category
2014	No 8 Road North Pump Station Generator	\$120,000	Pump Station Generator
2014	No. 3 Road and No. 8 Road Canal Stabilization	\$300,000	Canal Stabilization
2014	Shell Road North Pump Station Upgrade	\$2,610,000	Pump Station Upgrade
2015	Drainage Minor Capital	\$300,000	Drainage Minor Capital
2015	Nelson Road South Pump Station Generator	\$120,000	Pump Station Generator
2015	No. 3 Road and No. 8 Road Canal Stabilization	\$300,000	Canal Stabilization
2015	Queens Road North Pump Station Generator	\$120,000	Pump Station Generator
2015	Swinton Cr (West) Laneway Drainage and Pavement Upgrade	\$371,641	Laneway Drainage & Pavement Upgrade
2015	Swinton Crescent (East) Laneway Drainage and Pavement Upgrade	\$349,980	Laneway Drainage & Pavement Upgrade
2016	Dennis Crescent West Laneway Drainage and Pavement Upgrade	\$440,600	Laneway Drainage & Pavement Upgrade
2016	Drainage Minor Capital	\$300,000	Drainage Minor Capital
2016	Miller Road Pump Station Generator Upgrade	\$120,000	Pump Station Generator
2016	No. 3 Road and No. 8 Road Canal Stabilization	\$300,000	Canal Stabilization
2016	No. 3 Road South Drainage Pump Station	\$2,550,000	Pump Station Upgrade
Total 2013 - 2016 Recommended Infrastructure Drainage Program		\$21,932,282	

Infrastructure Program – Waterworks

2012 Approved Infrastructure Water Main Replacement Program

Year	Project Name	Amount	Category
2012	Lulu East Waterworks Area	\$1,635,867	Water Main Replacement: East
2012	Lulu North Waterworks Area	\$3,476,810	Water Main Replacement: North
2012	Lulu West Waterworks Area	\$1,623,247	Water Main Replacement: West
2012	Sea Island Waterworks Area	\$670,832	Water Main Replacement: Sea Island
2012	Residential Water Metering	\$1,600,000	Water Metering
Total 2012 Approved Water Main Replacement Program		\$9,006,756	

2013-2016 Recommended Infrastructure Water Main Replacement Program

Year	Project Name	Amount	Category
2013	Lulu Island West Waterworks Area	\$6,800,000	Water Main Replacement: West
2013	Residential Water Metering	\$1,600,000	Water Metering
2013	Minor Capital Waterworks Program	\$300,000	Minor Capital
2014	Lulu Island West Waterworks Area	\$6,915,361	Water Main Replacement: West
2014	Residential Water Metering	\$1,600,000	Water Metering
2014	Minor Capital Waterworks Program	\$300,000	Minor Capital
2015	Lulu Island East Waterworks Area	\$2,559,546	Water Main Replacement: East
2015	Lulu Island North Waterworks Area	\$399,069	Water Main Replacement: North
2015	Lulu Island West Waterworks Area	\$3,896,657	Water Main Replacement: West
2015	Residential Water Metering	\$1,600,000	Water Metering
2015	Minor Capital Waterworks Program	\$300,000	Minor Capital
2016	Lulu North Waterworks Area	\$3,944,820	Water Main Replacement: North
2016	Lulu West Waterworks Area	\$3,066,410	Water Main Replacement: West
2016	Residential Water Metering	\$1,600,000	Water Metering
2016	Minor Capital Waterworks Program	\$300,000	Minor Capital
Total 2013 – 2016 Recommended Infrastructure Water Main Replacement Program		\$35,181,863	

Infrastructure Program –Sanitary Sewer / Infrastructure Advanced Design

2012 Approved Infrastructure Sanitary Sewer Program

Year	Project Name	Program Total	Category
2012	Blundell Force main Replacement (Terra Nova Area)	\$1,427,000	Force main Replacement
2012	Gravity Sanitary Sewer Upgrade on Brown/Leslie Road (Bridgeport Sanitary Sewer Area)	\$1,509,000	Gravity Sewer Replacement/Upgrade
2012	Minoru Pump Station Upgrade	\$2,874,000	Sanitary Pump Station
2012	Pump Station and Force main Assessment and Upgrade	\$750,000	Assessment and Upgrade
2012	Sanitary Sewer Replacement at 6331/6351 Cooney Road (City Centre Area)	\$296,000	Gravity Sewer

Total 2012 Approved Infrastructure Sanitary Sewer Program **\$ 6,856,000**

2013 – 2016 Recommended Infrastructure Sanitary Sewer Program

Year	Project Name	Program Total	Category
2013	City Centre SSA Rehabilitation and Upgrades	\$1,631,250	SSA Rehabilitation and Upgrade
2013	Force Main Valve Installation Program	\$100,000	Force main Valve Installation
2013	Miscellaneous SCADA System Improvements	\$250,000	SCADA System Improvements
2013	Public Works Minor Capital - Sanitary	\$300,000	Minor Capital
2013	Pump Station and Force main Assessment and Upgrade	\$750,000	Assessment and Upgrade
2013	Steveston SSA Rehabilitation and Upgrades	\$1,615,369	SSA Rehabilitation and Upgrade
2014	Force Main Valve Installation Program	\$100,000	Force main Valve Installation
2014	Miscellaneous SCADA System Improvements	\$250,000	SCADA System Improvements
2014	Public Works Minor Capital - Sanitary	\$300,000	Minor Capital
2014	Pump Station and Force main Assessment and Upgrade	\$750,000	Assessment and Upgrade
2015	Bridgeport SSA Rehabilitation and Upgrade	\$1,000,000	SSA Rehabilitation and Upgrade
2015	Force Main Valve Installation Program	\$100,000	Force main Valve Installation
2015	Miscellaneous SCADA System Improvements	\$250,000	SCADA System Improvements

Infrastructure Program –Sanitary Sewer / Infrastructure Advanced Design

Year	Project Name	Program Total	Category
2015	Public Works Minor Capital - Sanitary	\$300,000	Minor Capital
2015	Pump Station and Force main Assessment and Upgrade	\$750,000	Assessment and Upgrade
2015	Sanitary Sewer Modelling	\$320,000	Sanitary Sewer Modelling
2015	Steveston SSA Rehabilitation and Upgrades	\$263,390	SSA Rehabilitation and Upgrade
2016	Force Main Valve Installation Program	\$100,000	Force main Valve Installation
2016	Gravity Sanitary Sewer Upgrade on River Rd / Beckwith Rd / Charles St	\$2,500,000	Gravity Sewer
2016	Van Horne Pump Station Upgrade	\$2,774,000	Sanitary Pump Station
Total 2013 - 2016 Recommended Infrastructure Sanitary Sewer Program		\$14,404,009	

2012 Approved Public Works Infrastructure Advanced Design

Year	Project Name	Amount	Category
2012	PW Infrastructure Advanced Design	\$949,516	Advanced Design
Total 2012 Approved Infrastructure Advanced Design Program		\$949,516	

2013 - 2016 Recommended Public Works Infrastructure Advanced Design

Year	Project Name	Amount	Category
2013	PW Infrastructure Advanced Design	\$960,955	Advanced Design
2014	PW Infrastructure Advanced Design	\$905,018	Advanced Design
2015	PW Infrastructure Advanced Design	\$902,159	Advanced Design
2016	PW Infrastructure Advanced Design	\$885,000	Advanced Design
Total 2013 - 2016 Recommended Infrastructure Advanced Design Program		\$3,653,132	

Infrastructure Program –Minor Capital

2012 Approved Infrastructure Public Works Minor Capital - Traffic Program

Year	Project Name	Amount	Category
2012	Public Works Minor Capital - Traffic	\$250,000	Minor Capital

Total 2012 Approved PW Minor Capital - Traffic Program \$250,000

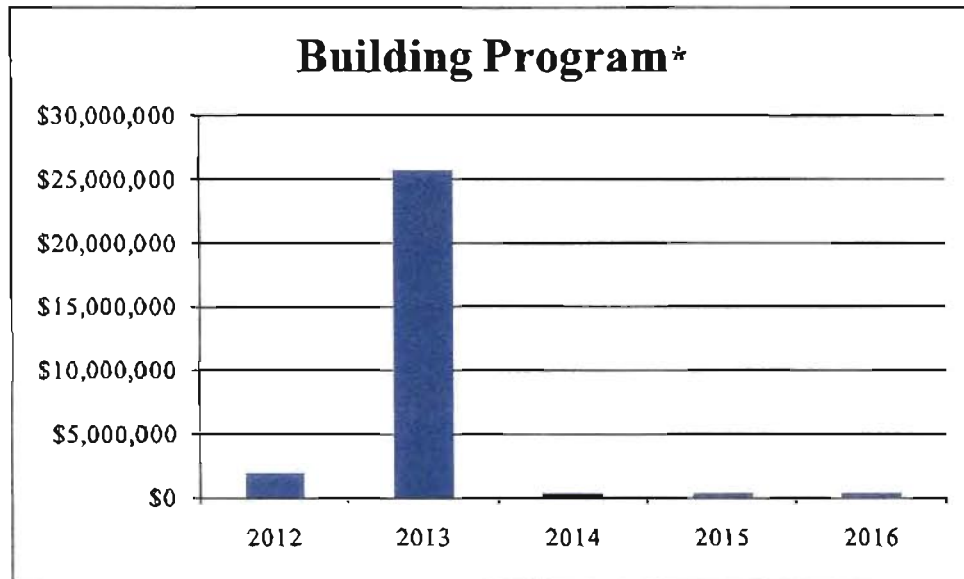
2013-2016 Recommended Infrastructure Public Works Minor Capital – Traffic Program

Year	Project Name	Amount	Category
2013	Public Works Minor Capital - Traffic	\$250,000	Minor Capital
2014	Public Works Minor Capital - Traffic	\$250,000	Minor Capital
2015	Public Works Minor Capital - Traffic	\$250,000	Minor Capital
2016	Public Works Minor Capital - Traffic	\$250,000	Minor Capital

Total 2013 - 2016 Recommended Public Works Minor Capital – Traffic \$1,000,000

Building Program 2012-2016

The building program includes major building construction and renovation projects as well as minor facility upgrades and repairs. The City's building assets include: arenas, pools, community centres, libraries, heritage buildings, police stations, fire halls and other government facilities.



*Significant items from the major facilities replacements have been deferred from the current 2012-2016 Capital Budget to allow further discussion and direction by Council. Once the review is completed and further discussions with Council, a report will be presented to Council for approval, and the 5-year capital budget will be amended if necessary.

2012 Approved Building Program

Year	Project Name	Amount	Category
2012	Public Safety Building Renovation	\$1,100,000	Public Safety Building
2012	Phoenix Net Loft Safety Repairs	\$250,000	Phoenix Net Loft
2012	Project Development Advanced Design	\$200,000	Advanced Design
2012	City Centre Community Police Office	\$167,000	Police Office
2012	South Arm Pool Piping Repair ¹	\$155,000	South Arm Pool
Total 2012 Approved Building Program		\$1,872,000	

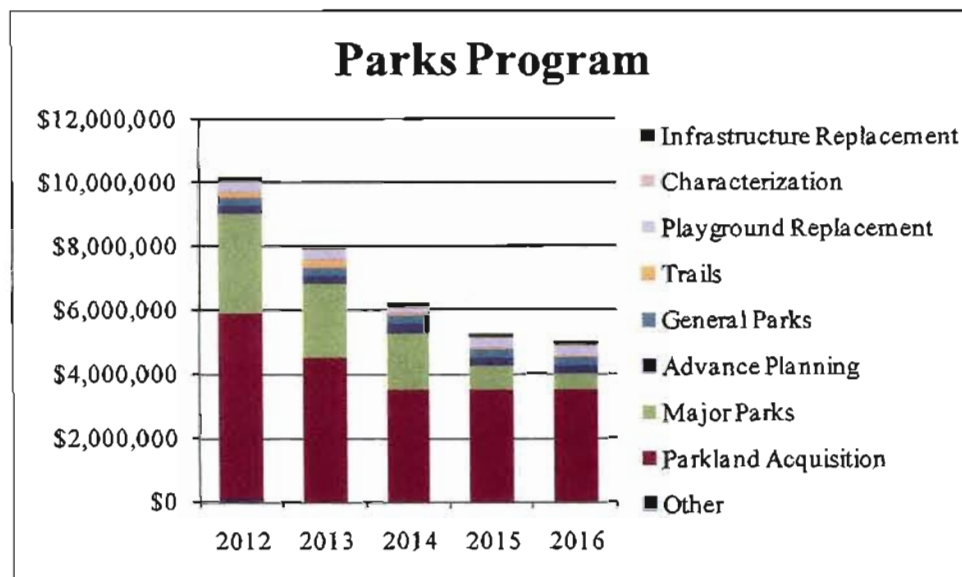
¹Council approved an increase of \$70,000 funded from the minor capital provision March 26, 2012 for a total project amount of \$155,000.

2013-2016 Recommended Building Program

Year	Project Name	Amount	Category
2013	Fire Hall No. #1	\$18,890,000	Fire Hall No. 1
2013	City Centre Community Centre	\$6,450,000	City Centre Community Centre
2013	Project Development Advanced Design	\$250,000	Advanced Design
2014	Project Development Advanced Design	\$250,000	Advanced Design
2015	Project Development Advanced Design	\$250,000	Advanced Design
2016	Project Development Advanced Design	\$250,000	Advanced Design
Total 2013 - 2016 Recommended Buildings		\$26,340,000	

Parks Program 2012-2016

Richmond is renowned for its high quality parks and recreation facilities. The City's park system has over 90 parks that total approximately 1,400 acres. Parks are unique places designed and developed for the enjoyment of all city residents as well as visitors to Richmond. These sites usually contain a wide variety of recreational and sports facilities, play equipment and other specialized facilities. In addition to parks, Richmond has a 200-acre recreational trail system.



2012 Approved Parks Program

Year	Project Name	Amount	Category
2012	Parkland Acquisition	\$5,803,180	Parkland Acquisition
2012	Terra Nova - Play Environment	\$1,000,000	Major Parks
2012	Oval West Waterfront Park - Phase 1	\$850,000	Major Parks
2012	Garden City Park	\$500,000	Major Parks
2012	West Cambie Greenway	\$300,000	Major Parks
2012	West Cambie Neighbourhood Park	\$300,000	Major Parks
2012	Parks Advance Planning & Design	\$275,000	Major Parks
2012	Parks General Development	\$250,000	General Parks
2012	Trails	\$200,000	Major Parks
2012	Unsafe Playground Replacement Program	\$200,000	Playground Replacement
2012	Blundell Park – Sports Field Upgrade	\$100,000	Major Parks
2012	Characterization - Neighbourhood Parks	\$100,000	Major Parks
2012	Parks Ageing Infrastructure Replacement Program	\$100,000	Infrastructure Replacement

Year	Project Name	Amount	Category
2012	The Gardens Agricultural Park - Phase 1	\$100,000	Major Parks
2012	Sports Field Equipment	\$54,000	Sports Equipment
Total 2012 Approved Parks Program		\$10,132,180	

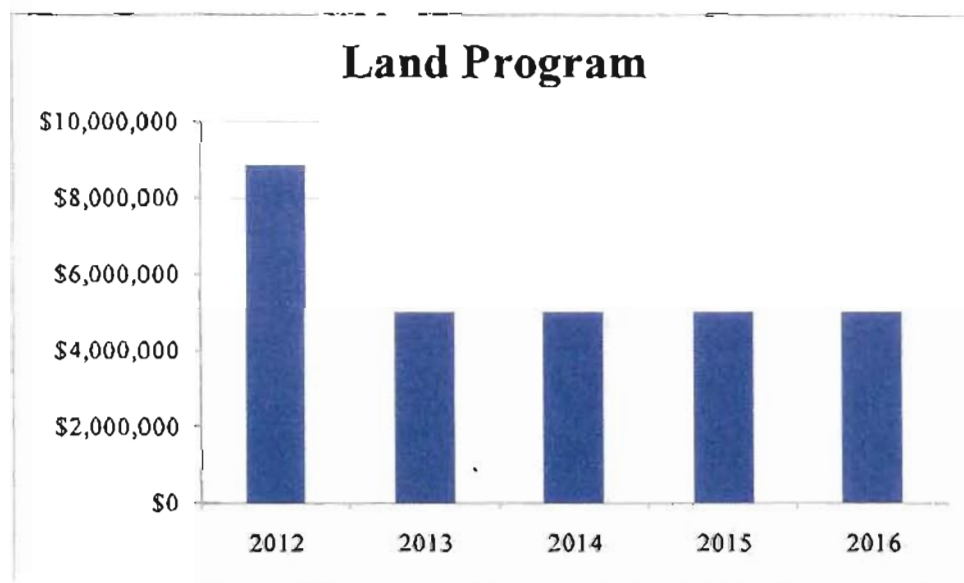
2013-2016 Recommended Parks Program

Year	Project Name	Amount	Category
2013	Parkland Acquisition	\$4,500,000	Parkland Acquisition
2013	The Gardens Agricultural Park - Phase 2	\$1,000,000	Major Parks
2013	Terra Nova Park - Waterfront Development	\$500,000	Major Parks
2013	Minoru Park - Track Resurfacing	\$450,000	Major Parks
2013	Thompson Youth Park Phase 3	\$300,000	Major Parks
2013	Parks Advance Planning & Design	\$250,000	Major Parks
2013	Parks General Development	\$250,000	General Parks
2013	Trails	\$250,000	Major Parks
2013	Unsafe Playground Replacement Program	\$200,000	Playground Replacement
2013	Characterization - Neighbourhood Parks	\$100,000	Major Parks
2013	Parks Ageing Infrastructure Replacement Program	\$100,000	Infrastructure Replacement
2013	West Cambie Neighbourhood Park	\$100,000	Major Parks
2014	Parkland Acquisition	\$3,500,000	Parkland Acquisition
2014	The Gardens Agricultural Park	\$1,500,000	Major Parks
2014	Parks Advance Planning & Design	\$300,000	Major Parks
2014	Parks General Development	\$250,000	General Parks
2014	West Cambie Park	\$250,000	Major Parks
2014	Characterization - Neighbourhood Parks	\$100,000	Major Parks
2014	Parks Ageing Infrastructure Retrofit Program	\$100,000	Infrastructure Replacement
2014	Trails	\$100,000	Major Parks
2014	Unsafe Playground Equipment Replacement	\$100,000	Playground Replacement
2015	Parkland Acquisition	\$3,500,000	Parkland Acquisition
2015	The Gardens Agricultural Park	\$750,000	Major Parks
2015	Parks Advance Planning & Design	\$250,000	Major Parks
2015	Parks General Development	\$250,000	General Parks
2015	Unsafe Playground Equipment Replacement Program	\$200,000	Playground Replacement
2015	Characterization - Neighbourhood Parks	\$100,000	Major Parks
2015	Parks Ageing Infrastructure Upgrade Program	\$100,000	Infrastructure Replacement
2015	Trails	\$100,000	Major Parks

Year	Project Name	Amount	Category
2016	Parkland Acquisition	\$3,500,000	Parkland Acquisition
2016	The Gardens Agricultural Park	\$500,000	Major Parks
2016	Parks Advance Planning & Design	\$250,000	Major Parks
2016	Parks General Development	\$250,000	General Parks
2016	Unsafe Playground Replacement Program	\$200,000	Playground Replacement
2016	Characterization - Neighbourhood Parks	\$100,000	Major Parks
2016	Parks Ageing Infrastructure Replacement Program	\$100,000	Infrastructure Replacement
2016	Trails	\$100,000	Major Parks
Total 2013-2016 Recommended Parks Program		\$24,450,000	

Land Program 2012-2016

The land acquisition program relates to the acquisition and disposition of real property for the City, as approved by Council, for a variety of Council approved acquisitions.



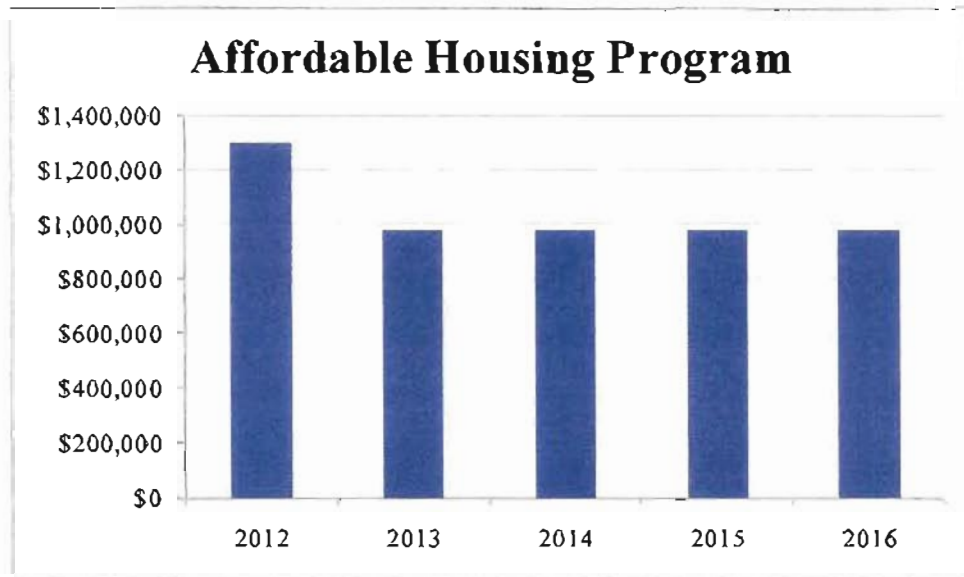
Year	Project Name	Amount	Category
2012	Strategic Land Acquisition	\$8,850,000	Land Acquisition
2013	Strategic Land Acquisition	\$5,000,000	Land Acquisition
2014	Strategic Land Acquisition	\$5,000,000	Land Acquisition
2015	Strategic Land Acquisition	\$5,000,000	Land Acquisition
2016	Strategic Land Acquisition	\$5,000,000	Land Acquisition

Total 2012-2016 Recommended Land Program \$28,850,000

**All land acquisitions are brought to Council for approval. These amounts are placeholders only.*

Affordable Housing Program 2012-2016

Affordable Housing is responsible for coordinating the implementation of the Richmond Affordable Housing Strategy – a Strategy that was adopted in 2007 which contains recommendations, policies, directions, priorities, definitions and annual targets for affordable housing in the city. The City is working with other levels of government, the non-profit sector, the private sector, local groups and the community in pursuit of the Strategy's goals.



2012 Approved Affordable Housing Program

Year	Project Name	Amount	Category
2012	Affordable Housing Projects- City Wide	\$750,000	Affordable Housing
2012	Affordable Housing Projects- City Wide Development	\$402,500	Affordable Housing
2012	Affordable Housing Projects- West Cambie	\$150,000	Affordable Housing
Total 2012 Approved Affordable Housing Program		\$1,302,500	

**The program is dependent on funding sources that are unknown at this time. Should this funding be available the table will be revised.*

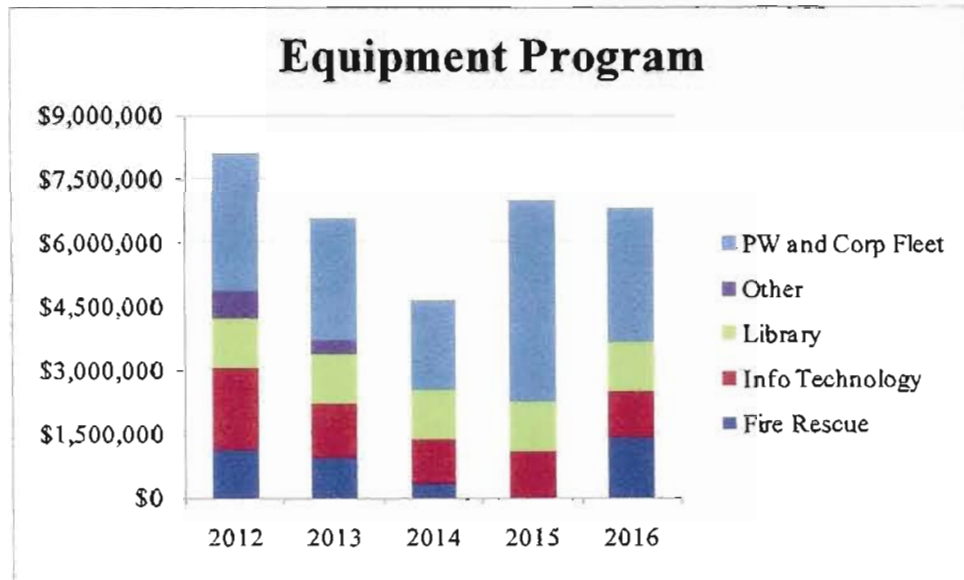
Affordable Housing Program

2013 – 2016 Recommended Affordable Housing Program

Year	Project Name	Amount	Category
2013	Affordable Housing Projects- City Wide	\$750,000	Affordable Housing
2013	Affordable Housing Projects- West Cambie	\$225,000	Affordable Housing
2014	Affordable Housing Projects- City Wide	\$750,000	Affordable Housing
2014	Affordable Housing Projects- West Cambie	\$225,000	Affordable Housing
2015	Affordable Housing Projects- City Wide	\$750,000	Affordable Housing
2015	Affordable Housing Projects- West Cambie	\$225,000	Affordable Housing
2016	Affordable Housing Projects- City Wide	\$750,000	Affordable Housing
2016	Affordable Housing Projects- West Cambie	\$225,000	Affordable Housing
Total 2013-2016 Recommended Affordable Housing Program		\$3,900,000	

Equipment Program 2012-2016

The equipment program includes machinery and vehicles for Public Works and Fire Rescue Services, computer hardware, software, library collections, and other miscellaneous equipment.



2012 Approved Equipment Program

Year	Project Name	Amount	Category
2012	Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	\$2,129,500	PW and Corp Fleet
2012	Library Book Purchases	\$1,160,000	Library
2012	Vehicle/Equipment Reserve Purchases Carry Over from Project 40517 (PW)	\$836,276	PW and Corp Fleet
2012	Fire Vehicle Replacement Reserve Purchases	\$818,000	Fire Rescue
2012	Existing Operational Computer Services Infrastructure Lease Funding	\$528,100	Info Technology
2012	Windows 7 / Office 2007 Infrastructure	\$375,000	Info Technology
2012	Existing Operational Desktop Computer Hardware Funding	\$330,000	Info Technology
2012	PS Electronic Purchase Requisitions	\$300,000	Info Technology
2012	Ice Re-surfacer Replacements ¹	\$288,739	PW and Corp Fleet
2012	Energy Management - Continuous Optimization Implementation	\$247,000	Other
2012	Parking Pay Station - Replacement	\$208,750	Other
2012	Fibre Optic Cabling to City Facilities- Group 2	\$200,000	Info Technology
2012	Existing Operational Application Software Funding	\$200,000	Info Technology

Year	Project Name	Amount	Category
2012	Fire Training Site	\$200,000	Fire Rescue
2012	Fleet Management Software ²	\$150,000	Other
2012	Energy Management - RTU Heat Pump Replacement	\$138,000	Other
2012	Fire Equipment Replacement	\$95,142	Fire Rescue
2012	Energy Management - South Arm Community Centre Solar Wall	\$80,000	Other
Total 2012 Approved Equipment Program		\$8,284,507	

¹The Ice Re-surfacer Replacement project was approved by Council February 27, 2012, after the initial 2012 Capital Budget was approved.

²The Fleet Management Software was approved by Council July 12, 2010 for \$225,000 including a portion for Fire Rescue Services. This submission is for the fleet portion of \$150,000.

2013-2016 Recommended Equipment Program

Year	Project Name	Amount	Category
2013	Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	\$2,870,800	PW and Corp Fleet
2013	Library Book Purchases	\$1,160,000	Library
2013	Fire Vehicle Replacement Reserve Purchases	\$920,046	Fire Rescue
2013	Existing Operational Computer Services Infrastructure Lease Funding	\$528,100	Info Technology
2013	Existing Operational Desktop Computer Hardware Funding	\$330,000	Info Technology
2013	Parking Pay Station - Replacement	\$328,750	Other
2013	Fibre Optic Cabling to City Facilities- Group 1 and 2	\$320,000	Info Technology
2013	Existing Operational Application Software Funding	\$200,000	Info Technology
2014	Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	\$2,125,000	PW and Corp Fleet
2014	Library Book Purchases	\$1,160,000	Library
2014	Existing Operational Computer Services Infrastructure Lease Funding	\$528,100	Info Technology
2014	Existing Operational Desktop Computer Hardware Funding	\$330,000	Info Technology
2014	Fire Equipment Replacement	\$326,500	Fire Rescue
2014	Existing Operational Application Software Funding	\$200,000	Info Technology
2015	Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	\$4,745,500	PW and Corp Fleet
2015	Library Book Purchases	\$1,160,000	Library
2015	Existing Operational Computer Services Infrastructure Lease Funding	\$528,100	Info Technology
2015	Existing Operational Desktop Computer Hardware Funding	\$330,000	Info Technology

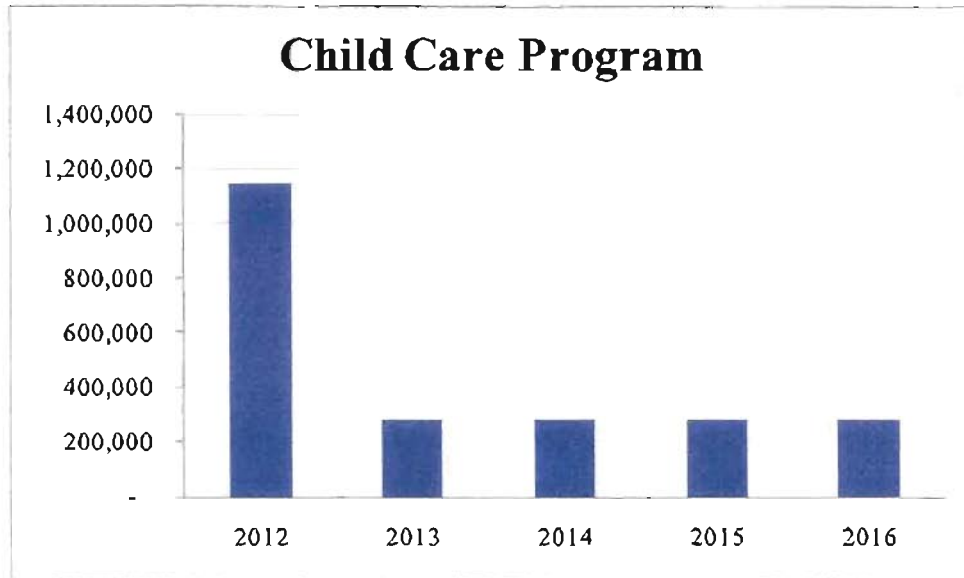
Attachment 3
Equipment Program

- 44 -

Year	Project Name	Amount	Category
2015	Existing Operational Application Software Funding	\$200,000	Info Technology
2015	Fire Equipment Replacement	\$16,396	Fire Rescue
2016	Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	\$3,148,976	PW and Corp Fleet
2016	Fire Vehicle Replacement Reserve Purchases	\$1,407,023	Fire Rescue
2016	Library Book Purchases	\$1,160,000	Library
2016	Existing Operational Computer Services Infrastructure Lease Funding	\$528,100	Info Technology
2016	Existing Operational Desktop Computer Hardware Funding	\$330,000	Info Technology
2016	Existing Operational Application Software Funding	\$200,000	Info Technology
2016	Fire Equipment Replacement	\$16,765	Fire Rescue
Total 2013-2016 Recommended Equipment Program		\$25,098,156	

Child Care Program 2012-2016

To address child care need, the City will plan, partner and, as resources and budgets become available, support a range of quality, affordable child care including facilities and spaces.



2012 Approved Child Care Program

Year	Project Name	Amount	Category
2012	West Cambie Child Care Facility	\$700,000	West Cambie
2012	Hamilton Child Care Facility	\$400,000	Hamilton
2012	Child Care Projects - City Wide	\$50,000	City Wide
Total 2012 Approved Child Care Program		\$1,150,000	

2013-2016 Recommended Child Care Program

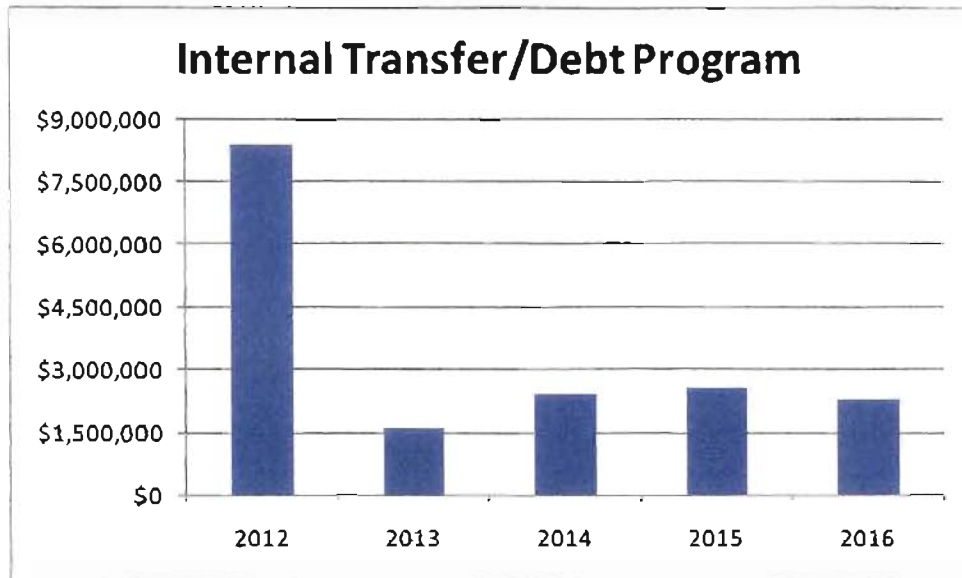
Year	Project Name	Amount	Category
2013	West Cambie Child Care Facility	\$225,000	West Cambie
2013	Child Care Projects - City Wide	\$50,000	City Wide
2014	West Cambie Child Care Facility	\$225,000	West Cambie
2014	Child Care Projects - City Wide	\$50,000	City Wide
2015	West Cambie Child Care Facility	\$225,000	West Cambie
2015	Child Care Projects - City Wide	\$50,000	City Wide
2016	West Cambie Child Care Facility	\$225,000	West Cambie
2016	Child Care Projects - City Wide	\$50,000	City Wide
Total 2013-2016 Child Care Program		\$1,100,000	

Attachment 3

Internal Transfers / Debt Program 2012-2016

Internal Transfers/Debt Program 2012-2016

The internal transfers/debt program relates to the use of capital funding for items that do not result in tangible capital assets. This includes: the repayment of capital funds borrowed from other internal sources of funding, external debt repayment and transfers to the operating budget for items that do not meet the asset capitalization criteria.



2012 Approved Internal Transfer/Debt Program

Year	Project Name	Amount	Category
2012	Parkland Acquisition	\$4,750,000	Internal Repayment
2012	T1368/1369 - No. 2 Road Bridge	\$2,030,000	Debt Repayment
2012	Parkland Acquisition West Cambie	\$746,258	Internal Repayment
2012	Public Art Program	\$503,398	Non Tangible Capital Asset
2012	River Rd/North Loop Repayment	\$200,000	Internal Repayment
2012	Lansdowne Rd. Repayment	\$77,263	Internal Repayment
2012	Tree Planting Program	\$50,000	Non Tangible Capital Asset
2012	Affordable Housing Operating Reserve	\$30,000	Non Tangible Capital Asset
Total 2012 Approved Internal/Debt Program		\$8,386,919	

Attachment 3

Internal Transfers / Debt Program 2012-2016

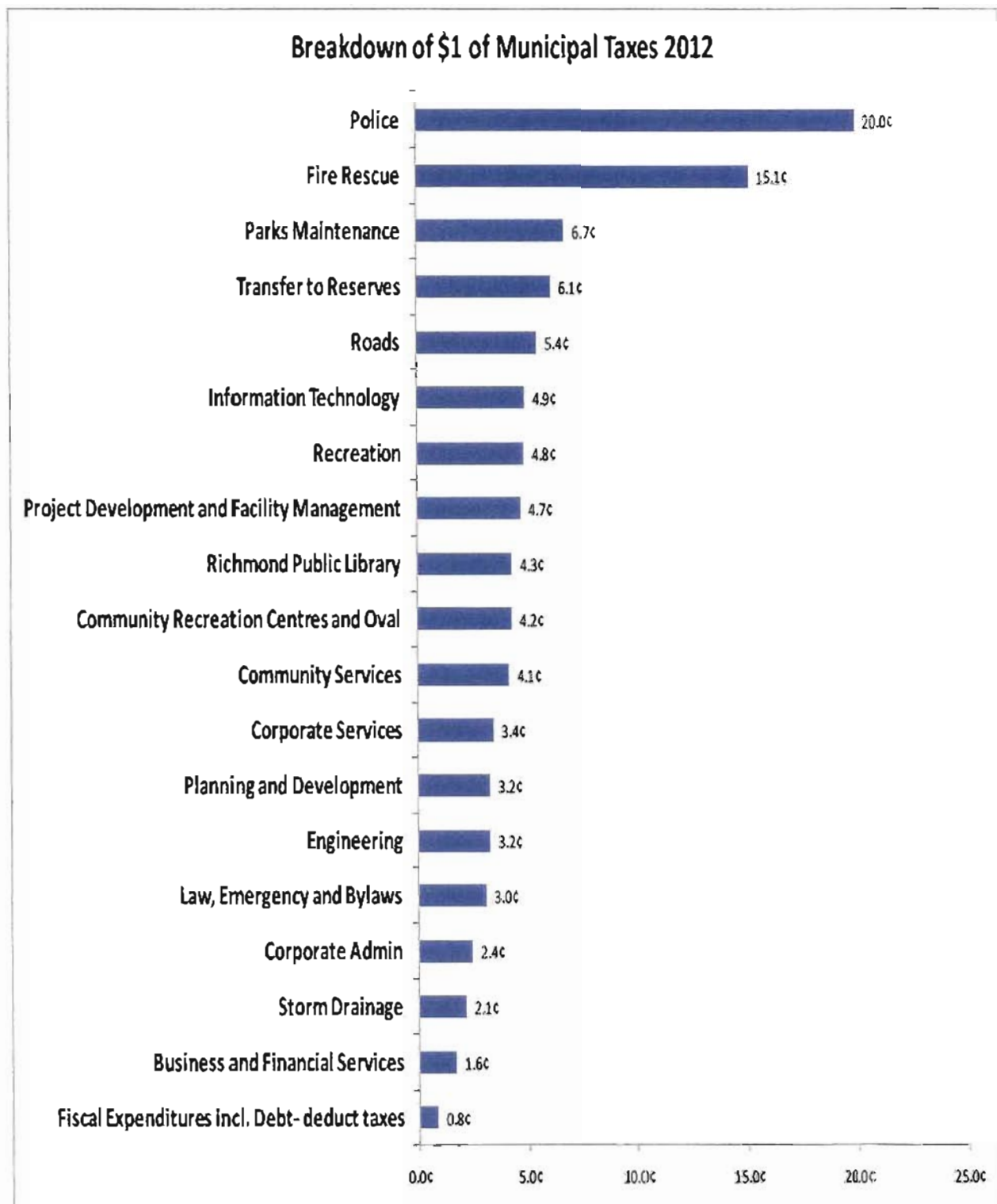
2013-2016 Recommended Internal Transfer/Debt Program

Year	Project Name	Amount	Category
2013	T1368/1369 - No. 2 Road Bridge	\$1,280,000	Debt Repayment
2013	Public Art Program	\$100,000	Non Tangible Capital Asset
2013	River Rd/North Loop Repayment	\$100,000	Internal Repayment
2013	Lansdowne Rd. Repayment	\$77,263	Internal Repayment
2013	Tree Planting Program	\$50,000	Non Tangible Capital Asset
2014	River Rd/North Loop Repayment	\$1,317,000	Internal Repayment
2014	Oval Precinct Public Art Program	\$500,000	Non Tangible Capital Asset
2014	Nelson Rd Interchange Repayment	\$385,098	Internal Repayment
2014	Public Art Program	\$100,000	Non Tangible Capital Asset
2014	Lansdowne Rd. Repayment	\$77,263	Internal Repayment
2014	Tree Planting Program	\$50,000	Non Tangible Capital Asset
2015	River Rd/North Loop Repayment	\$1,685,056	Internal Repayment
2015	Nelson Rd Interchange Repayment	\$385,098	Internal Repayment
2015	Oval Precinct Public Art Program	\$278,000	Non Tangible Capital Asset
2015	Public Art Program	\$100,000	Non Tangible Capital Asset
2015	Lansdowne Rd. Repayment	\$77,263	Internal Repayment
2015	Tree Planting Program	\$50,000	Non Tangible Capital Asset
2016	River Rd/North Loop Repayment	\$1,685,056	Internal Repayment
2016	Nelson Rd Interchange Repayment	\$385,098	Internal Repayment
2016	Public Art Program	\$100,000	Non Tangible Capital Asset
2016	Lansdowne Rd. Repayment	\$77,263	Internal Repayment
2016	Tree Planting Program	\$50,000	Non Tangible Capital Asset
Total 2013-2016 Internal Transfer/Debt Program		\$8,909,458	

Attachment 4
5 Year Capital Funding Sources

CITY OF RICHMOND
5 YEAR 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	12,798	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	3,528	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	4,487	3,621	1,500	3,172	4,238
Watermain Replacement Reserve Fund	7,807	13,600	9,215	9,155	9,311
Total Reserves	\$37,635	\$57,172	\$28,611	\$27,001	\$31,004
<u>Other Sources</u>					
Appropriated Surplus	5,694	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	4,584	3,779	114	114	114
Total Other Sources	\$14,143	\$10,555	\$5,981	\$7,126	\$6,007
TOTAL CAPITAL FUNDING	\$73,144	\$83,409	\$46,464	\$42,182	\$46,090



Adopted by Council: September 22nd, 2003

Policy 3707

File Ref: 0970-03-01

Long Term Financial Management Strategy**Policy 3707:****It is Council Policy that:****1. Tax Revenue**

Tax increases will be at Vancouver's CPI rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1.0 % towards infrastructure replacement needs.

2. Gaming Revenue

Gaming revenues will go directly to the capital reserves, the grants program and a community legacy project reserve.

3. Alternative Revenues & Economic Development

Any increases in alternative revenues and economic development beyond all the financial strategy targets can be utilized for increased levels of service or to reduce the tax rate.

4. Changes to Senior Government Service Delivery

Any additional costs imposed on the City as a result of mandatory senior government policy changes should be identified and added to that particular year's taxes above and beyond the CPI and infrastructure percentage contribution.

5. Capital Plan

Ensure that long term capital funding for infrastructure (e.g. parks, trails, facilities, roads etc.) is in place in order to maintain community liveability and generate economic development.

6. Cost Containment

Staff increases should be achieved administratively through existing departmental budgets, and no pre-approvals for additional programs or staff beyond existing budgets should be given, and that a continuous review be undertaken of the relevancy of the existing operating and capital costs to ensure that the services, programs and projects delivered continue to be the most effective means of achieving the desired outcomes of the City's vision.

Adopted by Council: September 22nd, 2003

Policy 3707

File Ref: 0970-03-01

Long Term Financial Management Strategy**7. Efficiencies & Service Level Reductions**

Savings due to efficiencies or service level reductions identified in the strategy targets should be transferred to the capital reserves. Any savings due to efficiencies beyond the overall strategy targets can be utilized to reduce the tax rate or for increased levels of service.

8. Land Management

Sufficient proceeds from the sales of City land assets will be used to replenish or re-finance the City's land inventory. Any funds in excess of such proceeds may be used as directed by Council.

9. Administrative

As part of the annual budget process the following shall be undertaken:

- all user fees will be automatically increased by CPI;
- the financial model will be used and updated with current information, and
- the budget will be presented in a manner that will highlight the financial strategy targets and indicate how the budget meets or exceed them.

10. Debt Management

Utilize a "pay as you go" approach rather than borrowing for financing infrastructure replacement.



5 Year Financial Plan (2012-2016) Bylaw 8867

The Council of the City of Richmond enacts as follows:



1. Schedule "A", Schedule "B" and Schedule "C" which are attached and form a part of this bylaw, are adopted as the 5 Year Financial Plan (2012-2016).
2. 5 Year Financial Plan (2011 – 2015) Bylaw 8707 and all associated amendments are repealed.
3. This Bylaw is cited as "**5 Year Financial Plan (2012 - 2016) Bylaw 8867**".

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	101,585
Transfer from Capital Equity	7,051	7,208	7,313	7,406	7,538
Fees and Charges	26,329	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	4,112	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	24,342	24,367	24,392	24,419	24,443
Capital Plan					
Transfer from DCC Reserve	21,366	15,682	11,872	8,055	9,079
Transfer from Other Funds and Reserves	47,194	63,948	34,478	34,013	36,897
External Contributions	4,584	3,779	114	114	114
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
TOTAL REVENUES	\$ 584,194	\$ 555,063	\$ 518,198	\$ 509,916	\$ 519,103
Expenditures					
Utilities	95,136	100,420	103,393	106,377	109,123
Law and Community Safety	82,449	84,192	87,493	89,896	92,272
Engineering and Public Works	54,106	55,698	57,443	58,618	59,914
Parks and Recreation	39,485	40,695	42,564	43,344	43,860
Community Services	21,361	21,732	21,821	22,137	22,600
Corporate Services	17,532	17,795	17,856	17,778	18,050
Project Dev and Facility Maintenance	11,714	11,950	12,099	12,319	12,545
Planning and Development Services	12,470	12,798	13,133	13,465	13,727
Business and Financial Services	7,275	7,410	7,549	7,690	7,833
Corporate Administration	4,464	4,548	4,634	4,722	4,812
Fiscal	22,805	24,090	25,301	28,690	29,440
Transfer to Funds: Statutory Reserves	31,124	32,807	34,596	36,387	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	73,144	83,409	46,464	42,182	46,090
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
TOTAL EXPENDITURES	\$ 584,194	\$ 555,063	\$ 518,198	\$ 509,916	\$ 519,103
Proposed Property Tax Increase	2.98%	2.90%	3.26%	2.86%	2.80%

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN 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
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Affordable Housing Reserve Fund	1,333	975	975	975	975
Capital Building and Infrastructure Reserve Fund	254	7,300	0	0	0
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Child Care Development Reserve Fund	1,150	275	275	275	275
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Equipment Replacement Reserve Fund	3,528	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	4,487	3,621	1,500	3,172	4,238
Watermain Replacement Reserve Fund	7,807	13,600	9,215	9,155	9,311
Total Reserves	\$37,635	\$57,172	\$28,611	\$27,001	\$31,004
<u>Other Sources</u>					
Appropriated Surplus	5,694	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	4,584	3,779	114	114	114
Total Other Sources	\$14,143	\$10,555	\$5,981	\$7,126	\$6,007
TOTAL CAPITAL FUNDING	\$73,174	\$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.