



**5 Year Financial Plan (2014-2018) Bylaw 9100
Bylaw 9100**

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" which are attached and form part of this bylaw, are adopted as the 5 Year Financial Plan (2014-2018).
2. 5 Year Financial Plan (2013 – 2017) Bylaw 8990 and all associated amendments are repealed.
3. This Bylaw is cited as "**5 Year Financial Plan (2014 - 2018) Bylaw 9100**".

FIRST READING

FEB 11 2014

SECOND READING

FEB 11 2014

THIRD READING

FEB 11 2014

ADOPTED

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

MAYOR

CORPORATE OFFICER

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2014 – 2018)
(in 000's)

	2014	2015	2016	2017	2018
Revenues					
Property Taxes	\$183,822	\$191,101	\$198,414	\$205,865	\$213,675
Transfer from Capital Equity	44,812	45,028	45,113	45,642	48,882
Utilities	94,505	98,470	102,977	107,832	111,882
Transfer from Capital Equity	6,621	6,653	6,666	6,744	7,222
Fees and Charges	27,517	27,930	28,326	28,736	29,189
Investment Income	16,197	16,278	16,360	16,441	16,524
Grants in Lieu of Taxes	13,473	13,647	13,823	14,001	14,182
Gaming Revenue	14,908	14,946	14,983	15,020	15,058
Grants	4,580	4,608	4,637	4,666	4,695
Penalties and Interest on Taxes	1,015	1,025	1,036	1,046	1,056
Miscellaneous Fiscal Earnings	23,735	20,776	21,548	22,128	21,606
Proceeds from Borrowing	50,815	-	-	-	-
Capital Plan					
Transfer from DCC Reserve	19,675	14,452	11,471	11,449	13,589
Transfer from Other Funds and Reserves	171,767	51,986	49,688	49,269	43,826
External Contributions	680	230	175	575	175
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL REVENUES	\$874,801	\$643,843	\$608,916	\$576,700	\$577,577
Expenditures					
Utilities	\$79,505	\$83,502	\$88,022	\$92,955	\$97,483
Transfer to Drainage Improvement Replacement Reserve	9,765	9,765	9,765	9,765	9,765
Transfer to Watermain Replacement Reserve	7,500	7,500	7,500	7,500	7,500
Transfer to Sanitary Sewer Reserve	4,256	4,256	4,256	4,256	4,256
Transfer to Equipment Replacement Reserve	100	100	100	100	100
Law and Community Safety	87,417	89,625	91,677	93,708	96,115
Transfer to Equipment Replacement Reserve	983	983	983	983	983
Engineering and Public Works	67,596	67,967	69,101	70,699	71,764
Transfer to Equipment Replacement Reserve	1,675	1,675	1,675	1,675	1,675
Community Services	62,980	63,403	65,872	68,206	72,699
Transfer to Capital Building & Infrastructure Reserve	252	252	252	252	252
Finance and Corporate Services	24,927	25,105	25,516	25,936	26,374
Planning and Development	12,806	13,011	13,240	13,474	13,722
Corporate Administration	7,180	7,251	7,371	7,493	7,620
Fiscal	24,676	25,028	25,546	26,071	26,499
Transfer to Capital Building & Infrastructure Reserve	11,866	13,704	15,615	17,599	19,658
Transfer to Capital Reserve	59,890	9,890	9,890	9,890	9,890
Transfer to Accumulated Surplus	5,000	-	-	-	-
Transfer Investment Income to Statutory Reserves	11,250	11,306	11,363	11,420	11,477
Municipal Debt					
Debt Interest	1,366	1,906	1,906	1,906	1,906
Debt Principal	1,010	4,233	4,233	4,233	4,233
Capital Plan					
Current Year Capital Expenditures	192,122	66,668	61,334	61,293	57,590
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL EXPENDITURES	\$874,801	\$643,843	\$608,916	\$576,700	\$577,577
Proposed Property Tax Increase	2.96%	2.96%	2.98%	2.96%	2.99%

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN
FUNDING SOURCES (2014 - 2018)
(In 000's)

	2014	2015	2016	2017	2018
DCC Reserves					
Drainage	\$162	\$644	\$-	\$644	\$3,411
Parks Acquisition	8,653	3,762	3,762	3,762	3,762
Parks Development	3,621	3,715	1,740	1,661	2,022
Roads	4,211	4,309	3,238	3,238	3,689
Sanitary Sewer	2,450	1,425	1,337	1,354	-
Water	578	597	1,394	790	705
Total DCC Reserves	\$19,675	\$14,452	\$11,471	\$11,449	\$13,589
Statutory Reserves					
Affordable Housing Reserve Fund	\$1,032	\$975	\$975	\$975	\$975
Arts, Culture, & Heritage Reserve Fund	106	-	-	-	-
Capital Building and Infrastructure Reserve Fund	29,400	-	600	-	1,800
Capital Reserve Fund	99,697	8,606	7,975	8,655	7,585
Child Care Development Reserve Fund	50	50	50	50	50
Drainage Improvement Reserve Fund	9,198	8,012	8,055	10,172	6,694
Equipment Replacement Reserve Fund	4,055	4,511	3,849	2,465	3,272
Leisure Facilities Reserve Fund	171	50	-	-	-
Neighbourhood Improvement Reserve Fund	267	-	-	-	-
Public Art Program Reserve Fund	690	100	100	100	100
Sanitary Sewer Reserve Fund	4,250	4,505	4,621	3,006	2,843
Waterfront Improvement Reserve Fund	-	-	250	-	250
Watermain Replacement Reserve Fund	7,472	7,643	8,156	10,040	7,535
Total Statutory Reserves	\$156,388	\$34,452	\$34,631	\$35,463	\$31,104
Other Sources					
Appropriated Surplus	\$11,297	\$12,181	\$11,169	\$10,168	\$9,370
Enterprise	895	860	450	-	-
Utility Levy	704	1,330	275	475	189
Library Provision	1,163	1,163	1,163	1,163	1,163
Water Metering Provision	1,320	2,000	2,000	2,000	2,000
Grant, Developer and Comm. Contributions	680	230	175	575	175
Total Other Sources	\$16,059	\$17,764	\$15,232	\$14,381	\$12,897
TOTAL CAPITAL FUNDING	\$192,122	\$66,668	\$61,334	\$61,293	\$57,590

**City of Richmond
2014-2018 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:

- Tax increases will be at CPI + 1%
- 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	43.0%
User Fees & Charges	27.9%
Proceeds From Borrowing	11.9%
Investment Income	3.9%
Gaming Revenue	3.5%
Grants in Lieu of Taxes	3.2%
Grants	1.1%
Other Sources	5.5%
Total	100.0%

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2014.

Distribution of Property Taxes

Table 2 provides the estimated 2014 distribution of property tax revenue among the property classes.

Objective:

- Maintain the City's business to residential tax ratio in the middle in comparison to other municipalities. This will ensure that the City will remain competitive with other municipalities in attracting and retaining businesses.

Policies:

- Regularly review and compare the City's tax ratio between residential property owners and business property owners relative to other municipalities in Metro Vancouver.
- Continue economic development initiatives to attract businesses to the City of Richmond.

Table 2: (Estimated based on the 2014 Completed Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.8%
Business (6)	33.5%
Light Industry (5)	7.9%
Others (2,4,8 & 9)	1.8%
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.