



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

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B", and Schedule "C" of the 5 Year Financial Plan (2015-2019) Bylaw 9220, are deleted and replaced with Schedule "A", Schedule "B", and Schedule "C" attached to and forming part of this amendment bylaw.
2. This Bylaw is cited as "**5 Year Financial Plan (2015-2019) Bylaw 9220, Amendment Bylaw 9296**".

FIRST READING

OCT 13 2015

SECOND READING

OCT 13 2015

THIRD READING

OCT 13 2015

ADOPTED

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

MAYOR

CORPORATE OFFICER

SCHEDULE A:

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

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

SCHEDULE A (CONT'D):

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

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

SCHEDULE B:

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

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

SCHEDULE C:

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

Revenue Proportions By Funding Source

Property taxes are the largest portion of revenue for any municipality. Taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as community safety, general government, libraries and park maintenance.

Objective:

- Maintain revenue proportion from property taxes at current level or lower

Policies:

- Tax increases will be at CPI + 1% for transfers to reserves
- Annually, review and increase user fee levels by consumer price index (CPI).
- Any increase in alternative revenues and economic development beyond all financial strategy targets can be utilized for increased levels of service or to reduce the tax rate.

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2015.

Table 1:

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

SCHEDULE C (CONT'D):

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

Distribution of Property Taxes

Table 2 provides the estimated 2015 distribution of property tax revenue among the property classes.

Objective:

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

Policies:

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

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

Property Class	% of Tax Burden
Residential (1)	54.6%
Business (6)	35.5%
Light Industry (5)	8.2%
Others (2,4,8 & 9)	1.7%
Total	100.0%

Permissive Tax Exemptions

Objective:

- Council passes the annual permissive exemption bylaw to exempt certain properties from property tax in accordance with guidelines set out by Council Policy and the Community Charter. There is no legal obligation to grant exemptions.
- Permissive exemptions are evaluated with consideration to minimizing the tax burden to be shifted to the general taxpayer.

Policy:

- Exemptions are reviewed on an annual basis and are granted to those organizations meeting the requirements as set out under Council Policy 3561 and Sections 220 and 224 of the *Community Charter*.