



5 Year Consolidated Financial Plan (2016-2020) Bylaw No. 9521

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 Consolidated Financial Plan (2016-2020).
2. 5 Year Financial Plan (2015-2019) Bylaw 9220 and all associated amendments are repealed.
3. This Bylaw is cited as "5 Year Consolidated Financial Plan (2016-2020) Bylaw No. 9521".

FIRST READING

FEB 09 2016

SECOND READING

FEB 09 2016

THIRD READING

FEB 09 2016

ADOPTED

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

MAYOR

CORPORATE OFFICER

## SCHEDULE A:

**CITY OF RICHMOND**  
**5 YEAR CONSOLIDATED FINANCIAL PLAN (2016-2020)**  
**REVENUE AND EXPENSES**  
(In \$000's)

	2016 Budget *	2017 Plan	2018 Plan	2019 Plan	2020 Plan
<b>Revenue:</b>					
Property Taxes	197,965	206,823	215,531	223,666	232,083
User Fees	98,773	102,953	107,361	110,771	115,129
Sales of Services	33,692	34,260	34,854	35,656	36,255
Gaming Revenue	18,088	18,400	18,400	18,400	18,400
Investment Income	14,694	14,694	14,694	14,694	14,694
Payments In Lieu Of Taxes	13,473	13,473	13,473	13,473	13,473
Other Revenue	9,799	9,803	9,906	10,029	10,159
Licenses And Permits	9,184	9,363	9,546	9,741	9,941
Grant Revenue	7,376	7,494	7,613	7,727	7,820
Developer Contributed Assets	55,000	55,000	55,000	55,000	55,000
Development Cost Charges	26,875	17,668	12,781	9,437	9,327
Other Capital Funding Sources	14,115	21,805	10,500	10,440	10,040
	<b>499,034</b>	<b>511,736</b>	<b>509,659</b>	<b>519,034</b>	<b>532,321</b>
<b>Expenses:</b>					
Law and Community Safety	93,358	94,855	97,383	99,956	102,603
Engineering and Public Works	65,629	64,382	66,067	66,707	67,654
Community Services	59,020	58,343	59,941	61,282	62,540
Finance and Corporate Services	24,321	23,360	23,884	24,441	25,013
Fiscal	19,011	17,730	18,153	16,063	15,950
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	8,655	8,452	8,641	8,843	9,051
Planning and Development Services	14,324	14,502	14,847	15,232	15,627
<b>Utility Budget</b>					
Water Utility	40,469	42,606	44,576	46,168	47,831
Sanitary Sewer Utility	29,746	30,958	32,834	34,405	36,072
Sanitation and Recycling	14,944	15,248	15,557	15,888	16,226
Richmond Public Library	9,754	9,946	10,141	10,349	10,562
Richmond Olympic Oval Corporation	14,890	15,288	15,719	16,131	16,594
Lulu Island Energy Company	1,590	1,524	2,451	2,211	2,647
	<b>397,388</b>	<b>398,871</b>	<b>411,871</b>	<b>419,353</b>	<b>430,047</b>
<b>Annual Surplus</b>	<b>101,646</b>	<b>112,865</b>	<b>97,788</b>	<b>99,681</b>	<b>102,274</b>

**SCHEDULE A (CONT'D):****CITY OF RICHMOND  
5 YEAR CONSOLIDATED FINANCIAL PLAN (2016-2020)****TRANSFERS**

(In \$000's)

	2016 Budget *	2017 Plan	2018 Plan	2019 Plan	2020 Plan
<b>Transfers:</b>					
Debt Principal	4,402	4,402	4,402	4,402	4,402
Transfer To Reserves	62,222	64,421	66,707	69,092	71,561
Transfer To (From) Surplus	(3,076)	8,971	10,089	10,591	11,126
Capital Expenditures - Current Year	114,538	127,615	103,740	85,259	60,065
Capital Expenditures - Prior Years	272,070	211,956	176,060	160,921	153,488
Capital Expenditures - Developer					
Contributed Assets	55,000	55,000	55,000	55,000	55,000
Capital Funding	(403,510)	(359,500)	(318,210)	(285,584)	(253,368)
	<b>101,646</b>	<b>112,865</b>	<b>97,788</b>	<b>99,681</b>	<b>102,274</b>
<b>Balanced Budget</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Tax Increase</b>	<b>3.11%</b>	<b>2.97%</b>	<b>2.96%</b>	<b>2.97%</b>	<b>2.96%</b>

\* 2016 Budget includes approved one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2017 through 2020 are base budgets to deliver the same level of service and do not include estimates of carryforwards or one-time expenditures that may be approved in future years.



**SCHEDULE B:**

**CITY OF RICHMOND  
5 YEAR CONSOLIDATED FINANCIAL PLAN  
CAPITAL FUNDING SOURCES (2016-2020)  
(In \$000's)**

	2016	2017	2018	2019	2020
<b>DCC Reserves</b>					
Drainage DCC	-	3,411	644	97	97
Parks DCC	16,570	7,289	5,360	5,643	5,408
Roads DCC	8,492	5,489	4,307	3,384	2,956
Sanitary DCC	582	724	1,943	23	-
Water DCC	1,231	755	527	290	866
<b>Total DCC Reserves</b>	<b>\$26,875</b>	<b>\$17,668</b>	<b>\$12,781</b>	<b>\$9,437</b>	<b>\$9,327</b>
<b>Statutory Reserves</b>					
Affordable Housing Reserve Fund	930	625	625	625	625
Capital Building and Infrastructure Reserve Fund	600	-	-	1,000	-
Capital Reserve Fund	32,262	53,202	42,128	29,997	11,701
Child Care	60	50	50	50	50
Drainage Improvement	11,047	10,595	11,505	11,557	8,912
Equipment Replacement Reserve Fund	3,778	4,374	2,945	3,921	3,044
Public Art Program	1,120	100	100	100	100
Sanitary Sewer	4,738	4,369	4,909	4,217	4,290
Waterfront Improvement	-	-	250	-	-
Watermain Replacement	7,000	7,873	8,428	7,987	7,902
<b>Total Statutory Reserves</b>	<b>\$61,535</b>	<b>\$81,189</b>	<b>\$70,940</b>	<b>\$59,454</b>	<b>\$36,625</b>
<b>Other Sources</b>					
Appropriated Surplus	8,691	5,004	7,649	5,378	3,524
Enterprise Fund	1,202	630	550	550	550
Water Levy/Meter Stabilization	2,120	1,320	1,320	-	-
Grant and Developer Contribution	14,115	21,805	10,500	10,440	10,040
<b>Total Other Sources</b>	<b>\$26,128</b>	<b>\$28,759</b>	<b>\$20,019</b>	<b>\$16,368</b>	<b>\$14,114</b>
<b>Total Capital Program</b>	<b>\$114,538</b>	<b>\$127,615</b>	<b>\$103,740</b>	<b>\$85,259</b>	<b>\$60,065</b>

**SCHEDULE C:**

**CITY OF RICHMOND  
5 YEAR CONSOLIDATED FINANCIAL PLAN (2016-2020)  
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 2016.

**Table 1:**

<b>Funding Source</b>	<b>% of Total Revenue</b>
Property Taxes	50.9%
User Fees	25.0%
Sales of Services	6.5%
Gaming Revenue	4.7%
Investment Income	3.8%
Payments in Lieu of Taxes	3.5%
Licenses and Permits	2.4%
Grants	1.2%
Other	2.0%
Total Operating and Utility Funding Sources	100.0%

**SCHEDULE C (CONT'D):**

**CITY OF RICHMOND  
5 YEAR CONSOLIDATED FINANCIAL PLAN (2016-2020)  
STATEMENT OF POLICIES AND OBJECTIVES**

**Distribution of Property Taxes**

Table 2 provides the estimated 2016 distribution of property tax revenue among the property classes.

**Objective:**

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

**Policies:**

- Regularly review and compare the City's tax ratio between residential property owners and business property owners relative to other municipalities in Metro Vancouver.

**Table 2:** (Estimated based on the 2016 Completed Roll figures)

<b>Property Class</b>	<b>% of Tax Burden</b>
Residential (1)	54.6%
Business (6)	36.0%
Light Industry (5)	7.8%
Others (2,4,8 & 9)	1.6%
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*.



**Reconciliation of 2016 Operating Budget Report to 5YFP 2016-2020 (In \$000s)**

Division	Same Level of Service Budget	Council Approved Changes	No Tax Impact Adj	Amortization Adj	Total
<b>LAW AND COMMUNITY SAFETY</b>					
Revenues	(8,399)	(156)	-	-	(8,555)
Operating Expenses	88,673	298	2,117	-	91,088
Fiscal Expenses	-	-	-	2,271	2,271
Transfers	66	(104)	(1,078)	(2,271)	(3,387)
	80,340	38	1,039	-	81,417
<b>ENGINEERING AND PUBLIC WORKS</b>					
Revenues	(6,945)	-	(700)	-	(7,645)
Operating Expenses	35,433	61	3,378	-	38,872
Fiscal Expenses	-	-	-	26,758	26,758
Transfers	6,184	-	(2,894)	(26,758)	(23,467)
	34,673	61	(216)	-	34,518
<b>COMMUNITY SERVICES</b>					
Revenues	(8,852)	(29)	(220)	-	(9,100)
Operating Expenses	46,399	2,007	2,699	-	51,105
Fiscal Expenses	1	-	-	7,914	7,915
Transfers	507	(817)	(2,615)	(7,914)	(10,838)
	38,055	1,162	(136)	-	39,082
<b>FINANCE AND CORPORATE SERVICES</b>					
Revenues	(3,948)	-	-	-	(3,948)
Operating Expenses	21,537	158	1,446	-	23,142
Fiscal Expenses	-	(1)	1	1,179	1,179
Transfers	1,223	(45)	(1,538)	(1,179)	(1,539)
	18,812	113	(91)	-	18,834
<b>FISCAL</b>					
Revenues	(241,964)	(8,169)	(80)	-	(250,213)
Operating Expenses	8,406	114	1,385	-	9,904
Fiscal Expenses	1,677	-	-	9,108	10,785
Transfers	50,334	1,415	(1,304)	(9,108)	41,337
	(181,547)	(6,640)	1	-	(188,187)
<b>CORPORATE ADMINISTRATION</b>					
Operating Expenses	8,313	-	343	-	8,655
Transfers	-	-	(389)	-	(389)

Division	Same Level of Service Budget	Council Approved Changes	No Tax Impact Adj	Amortization Adj	Total
	8,313	-	(46)	-	8,267
<b>PLANNING AND DEVELOPMENT SERVICES</b>					
Revenues	(6,306)	-	(550)	-	(6,856)
Operating Expenses	12,895	56	199	-	13,151
Fiscal Expenses	-	-	-	1,174	1,174
Transfers	-	(25)	(199)	(1,174)	(1,398)
	6,589	31	(550)	-	6,070
<b>LIBRARY</b>					
Revenues	(9,541)	-	-	-	(9,541)
Operating Expenses	8,265	(50)	-	-	8,215
Fiscal Expenses	-	-	-	1,539	1,539
Transfers	1,326	-	-	(1,539)	(213)
	50	(50)	-	-	-
<b>Grand Total</b>	<b>5,284</b>	<b>(5,284)</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>

\* Total operating and fiscal expenses may not tie exactly to the financial plan bylaw presentation due to rounding.



**CITY OF RICHMOND  
5 YEAR CAPITAL PLAN BY PROGRAM (2016-2020)  
(In \$000s)**

	2016	2017	2018	2019	2020
<b>Infrastructure Program</b>					
Roads	17,446	20,924	8,364	7,338	4,843
Drainage	8,440	13,510	11,720	11,210	8,170
Watermain Replacement	11,080	8,930	9,080	7,270	7,870
Sanitary Sewer	3,320	4,530	6,400	3,670	3,670
Minor Public Works	1,810	1,400	1,400	1,400	1,400
Infrastructure Advanced Design & Land	1,255	1,445	1,412	1,336	1,276
District Energy Utility	400	-	3,600	1,400	-
<b>Total Infrastructure Program</b>	<b>\$43,751</b>	<b>\$50,739</b>	<b>\$41,976</b>	<b>\$33,624</b>	<b>\$27,229</b>
<b>Building Program</b>	<b>\$2,475</b>	<b>\$4,666</b>	<b>\$5,373</b>	<b>\$1,162</b>	<b>\$770</b>
<b>Parks Program</b>					
Major Parks/Streetscapes	6,450	6,100	3,025	8,500	1,450
Minor Parks	690	900	850	850	850
Parkland Acquisition	8,000	4,000	4,000	4,000	4,000
<b>Total Parks Program</b>	<b>\$15,140</b>	<b>\$11,000</b>	<b>\$7,875</b>	<b>\$13,350</b>	<b>\$6,300</b>
<b>Public Art Program</b>	<b>\$1,120</b>	<b>\$600</b>	<b>\$378</b>	<b>\$100</b>	<b>\$100</b>
<b>Land Program</b>					
Land Acquisition	21,200	42,300	30,000	20,000	10,000
<b>Total Land Program</b>	<b>\$21,200</b>	<b>\$42,300</b>	<b>\$30,000</b>	<b>\$20,000</b>	<b>\$10,000</b>
<b>Affordable Housing Project</b>	<b>\$930</b>	<b>\$625</b>	<b>\$625</b>	<b>\$625</b>	<b>\$625</b>
<b>Equipment Program</b>					
Annual Fleet Replacement	1,612	1,905	1,944	1,825	1,650
Computer Capital	4,303	2,396	2,374	555	507
Fire Dept Vehicles	1,655	1,185	998	1,821	1,114
Technology	552	-	-	-	-
<b>Total Equipment Program</b>	<b>\$8,122</b>	<b>\$5,486</b>	<b>\$5,316</b>	<b>\$4,201</b>	<b>\$3,271</b>
<b>Child Care Program</b>	<b>\$60</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>
<b>Internal Transfers/Debt Payment</b>	<b>\$11,740</b>	<b>\$2,147</b>	<b>\$2,147</b>	<b>\$2,147</b>	<b>\$1,720</b>
<b>Contingent External Contributions</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>
<b>Total Capital Program</b>	<b>\$114,538</b>	<b>\$127,615</b>	<b>\$103,740</b>	<b>\$85,259</b>	<b>\$60,065</b>