



Consolidated 5 Year Financial Plan (2017-2021) Bylaw No. 9663

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 Consolidated 5 Year Financial Plan (2017-2021).
2. 5 Year Consolidated Financial Plan (2016-2020) Bylaw 9521 and all associated amendments are repealed.
3. This Bylaw is cited as "Consolidated 5 Year Financial Plan (2017-2021) Bylaw No. 9663".

FIRST READING

JAN 09 2017

SECOND READING

JAN 09 2017

THIRD READING

JAN 09 2017

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.
<i>JC</i>
APPROVED for legality by Solicitor
<i>DL</i>

MAYOR

CORPORATE OFFICER

SCHEDULE A:

CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2017-2021)
REVENUE AND EXPENSES
(In \$000's)

	2017 Budget *	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Revenue:					
Property Taxes	206,490	215,335	223,934	232,430	241,226
User Fees	100,718	104,627	108,251	111,910	115,792
Sales of Services	36,491	36,914	37,437	37,915	38,402
Gaming Revenue	18,088	18,088	18,088	18,088	18,088
Investment Income	14,694	14,694	14,694	14,694	14,694
Payments In Lieu Of Taxes	13,860	14,276	14,704	15,146	15,600
Other Revenue	9,985	10,254	10,545	10,847	11,159
Licenses And Permits	9,578	9,773	10,012	10,216	10,426
Grant Revenue	7,592	7,704	7,824	7,911	8,000
Developer Contributed Assets	31,219	30,610	30,610	30,610	30,610
Development Cost Charges	18,933	22,946	21,167	11,683	10,958
Other Capital Funding Sources	14,819	10,525	10,490	10,463	10,463
	482,467	495,746	507,756	511,913	525,418
Expenses:					
Law and Community Safety	96,637	98,918	101,402	103,719	106,046
Engineering and Public Works	68,170	63,645	64,612	65,508	66,455
Community Services	63,361	58,777	61,063	63,224	64,685
Finance and Corporate Services	25,586	23,666	24,241	24,739	25,221
Fiscal	21,536	17,891	17,838	17,766	17,689
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	9,762	9,702	9,916	10,100	10,288
Planning and Development Services	14,275	13,891	14,249	14,592	14,966
Utility Budget					
Water Utility	41,258	42,458	43,977	45,543	47,179
Sanitary Sewer Utility	30,774	32,117	33,879	35,675	37,611
Sanitation and Recycling	15,066	15,223	15,597	15,917	16,252
Richmond Public Library	9,983	10,177	10,413	10,611	10,812
Richmond Olympic Oval Corporation	15,652	15,949	16,253	16,562	16,877
Lulu Island Energy Company	4,473	3,576	3,637	3,691	3,746
	418,210	407,667	418,754	429,324	439,504
Annual Surplus	64,257	88,079	89,002	82,589	85,914

SCHEDULE A (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2017-2021)
TRANSFERS
(In \$000's)**

	2017 Budget *	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Transfers:					
Debt Principal	4,578	4,761	4,951	5,149	5,355
Transfer To Reserves	66,824	68,906	71,059	73,298	75,622
Transfer To (From) Surplus	(30,065)	(9,469)	(2,498)	(158)	1,382
Capital Expenditures - Current Year	112,775	126,193	112,740	68,807	74,012
Capital Expenditures - Prior Years	258,261	207,063	178,693	170,137	135,109
Capital Expenditures - Developer Contributed Assets	30,610	30,610	30,610	30,610	30,610
Capital Expenditures - Richmond Public Library	1,274	1,274	1,274	1,274	1,274
Capital Expenditures - Lulu Island Energy Company	609	-	-	-	-
Capital Expenditures - Richmond Olympic Oval Corporation	2,670	-	-	-	-
Capital Funding	(383,279)	(341,259)	(307,827)	(266,528)	(237,450)
Transfers/Amortization offset:	64,257	88,079	89,002	82,589	85,914
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	2.95%	2.98%	2.99%	2.99%	2.98%

* 2017 Budget includes approved one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2018 through 2021 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 FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2017-2021)
(In \$000's)

	2017	2018	2019	2020	2021
DCC Reserves					
Drainage DCC	-	1,344	-	97	97
Parks DCC	10,097	10,362	10,801	7,757	8,091
Roads DCC	7,008	9,744	8,747	3,005	2,770
Sanitary DCC	1,425	12	1,337	23	-
Water DCC	403	1,484	282	802	-
Total DCC	\$18,933	\$22,946	\$21,167	\$11,684	\$10,958
Statutory Reserves					
Affordable Housing	3,735	625	625	625	625
Arts Culture Heritage	893	-	-	-	-
Capital Building and Infrastructure	2,000	-	2,311	-	-
Capital Reserve	28,438	50,400	38,985	13,517	20,416
Child Care	120	50	50	50	50
Drainage Improvement	12,321	11,050	11,354	11,393	11,263
Equipment Replacement	4,350	2,596	3,486	2,662	2,110
Neighbourhood Improvement	8	-	-	-	-
Public Art Program	611	100	100	100	100
Sanitary Sewer	6,540	5,383	6,614	5,807	5,070
Waterfront Improvement	-	1,000	-	-	-
Watermain Replacement	6,992	7,483	10,099	6,848	7,317
Total Statutory Reserves	\$66,008	\$78,687	\$73,624	\$41,002	\$46,951
Other Sources					
Enterprise Fund	545	550	550	550	550
Grant and Developer Contribution	13,419	10,525	10,490	10,463	10,463
Other Sources	11,345	11,395	6,329	4,582	4,540
Sewer Levy	205	-	-	50	-
Solid Waste and Recycling	300	300	300	300	300
Water Levy	2,020	1,790	280	176	250
Total Other Sources	\$27,834	\$24,560	\$17,949	\$16,121	\$16,103
Total Capital Program	\$112,775	\$126,193	\$112,740	\$68,807	\$74,012

SCHEDULE C:

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2017-2021)
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 2017.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	49.5%
User Fees	24.1%
Sales of Services	8.7%
Gaming Revenue	4.3%
Investment Income	3.5%
Payments in Lieu of Taxes	3.3%
Licenses and Permits	2.3%
Grants	1.8%
Other	2.5%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2017-2021)
STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the 2016 distribution of property tax revenue among the property classes. 2017 estimated roll figures will be received in January 2017.

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: (Based on the 2016 Revised Roll figures)

Property Class	% of Tax Burden
Residential (1)	54.9%
Business (6)	35.6%
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*.



To: Mayors & Councillors
From: Jerry Chong, CPA, CA
Director, Finance
Date: February 7, 2017
File: 03-0970-01/2017-Vol 01
Re: Results of the Public Consultation on the Consolidated 5 Year Financial Plan (2017-2021) Bylaw No. 9663

The City's 5 Year Consolidated Financial Plan (2017-2021) Bylaw No. 9663, was read by Council on January 9, 2017 and prior to adoption a process of public consultation must be undertaken.

The *Community Charter* (section 166) requires a local government to undertake a process of public consultation regarding a proposed financial plan before it is adopted. However, the legislation does not specify the format and it is at the local government's discretion to determine an appropriate method. Public consultation could include meetings, surveys, open houses, use of websites and newspaper ads. Staff conducted the public consultation as follows:

- A news release including a link to the City's 5 Year Financial Plan webpage was posted on the City's website on January 10, 2017.
- An e-blast was sent to over 1,470 registered users of Let's Talk Richmond on January 10, 27 and February 3, 2017.
- Advertisements were placed in the Richmond News Wednesday, January 11 and Friday, January 20, 2017.
- Several tweets were posted on the City's Twitter account (@Richmond_BC) to raise awareness of the ongoing public consultation from January 12 to February 5, 2017.
- A Facebook ad was placed from January 17-22, 2017 reaching 3,808 Facebook users. A Facebook post was done on February 4, 2017 reaching 2,711 Facebook users.
- Finally, copies were made available at the Information Centre at City Hall.

Comments were accepted from Tuesday, January 10, 2017 until Sunday, February 5, 2017. During the public consultation period, there were 189 visitors to the Let's Talk Richmond website and 94 visitors to the City's website that viewed the 5 Year Financial Plan webpage for a total of 283 online visitors. Fourteen copies of the financial plan were requested of the City Hall - Information Centre. These statistics are summarized in the following table.

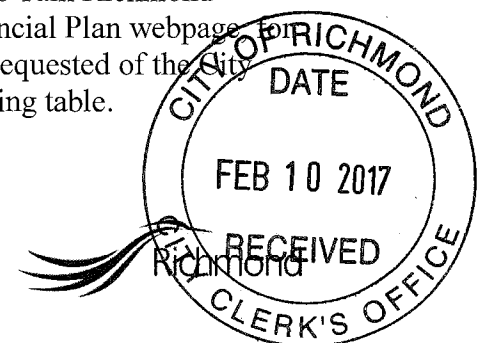
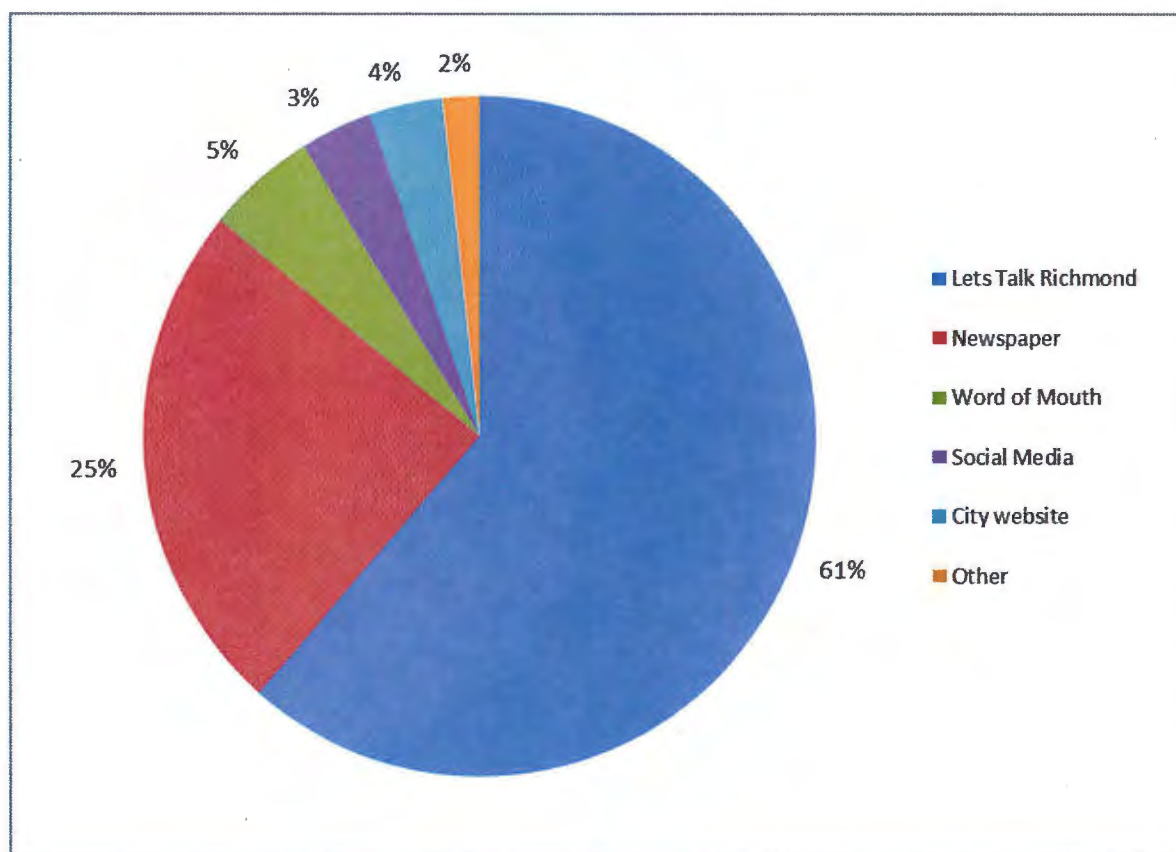


Table 1 - Summary of Visitors

	2017	2016	% Change
Let's Talk Richmond	189	171	10.53%
City Website	94	41	129.27%
City Hall - Information Centre	14	5	180.00%
Total Visitors	297	217	36.87%
Comments/Letters Received	45	19	136.84%

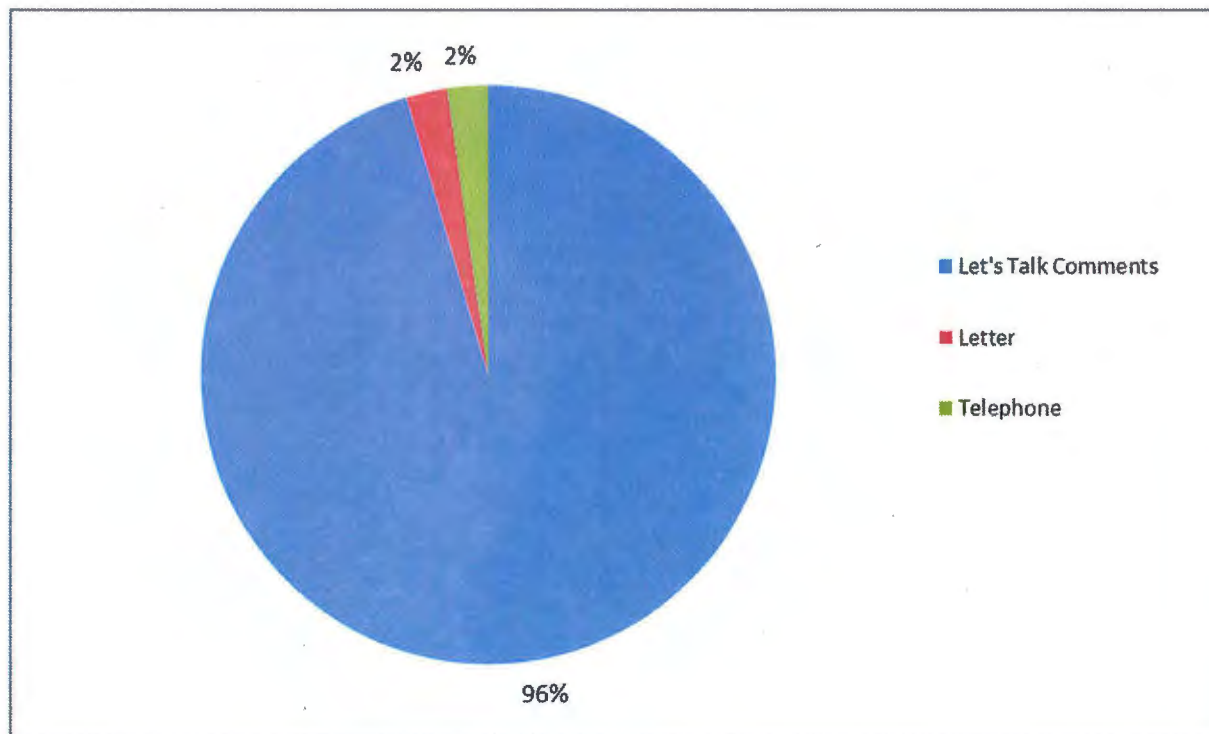
Figure 1 summarizes how respondents heard about the public consultation.

Figure 1 – How did you hear about the consultation?



Respondents were given the option to submit comments or questions through Let's Talk Richmond, via e-mail or over the phone. Figure 2 summarizes the initial response method. Note that some comments were initiated over the phone and followed up with a letter while others were initiated on Let's Talk Richmond and followed up with e-mails.

Figure 2 – How Respondents Submitted Comments



The comments received are widely varied and Finance staff coordinated with staff across the organization to compile complete responses and responded to each online comment.

The comments received through Let's Talk Richmond are included in Attachment 1. A summary of phone conversations, all of which were responding to one individual who subsequently submitted a letter are summarized in Attachment 2. The names and contact information have not been disclosed for privacy and protection of identity. Staff responses are also included in the attachment for information purposes.

A copy of letters received and response letters sent are included in Attachment 3.

Jerry Chong, CPA, CA
Director, Finance

Pc: SMT

Let's Talk Richmond
Consolidated 5 Year Financial Plan (2017 – 2021) Bylaw No. 9663
Public Consultation Comments and Responses

Ref	Comment/Question	Staff Response
1	Not enough emphasis on maintaining and protecting farmland and traditional neighbourhoods.	<p>The current 2041 Official Community Plan (OCP) has a range of policies, to protect both farmland and traditional neighbourhoods through tailored approaches, for example:</p> <p>(1) In Agricultural Areas:</p> <ul style="list-style-type: none"> - Richmond farmland is currently managed by the City's Agricultural (AG1) zone requirements - It is also managed by the Province's Agricultural Land Reserve (ALR) requirements - Recently, Council has authorized a public consultation, to determine what people think about establishing maximum farm house and residential floor plate size (i.e., the house and related residential accessory buildings and structures) <p>(2) In traditional neighbourhood (Single Family [SF] areas):</p> <ul style="list-style-type: none"> - The 2041 OCP and Area Plan Neighbourhood Residential land use policies both protect neighbourhoods and allow, in certain circumstances, a range of needed dwelling units (e.g. SF houses, duplexes, triplexes, row housing) - Recently, Council approved, after public consultation, new SF building massing regulations and replaced Land Use Contracts (LUC) 'zoning' with more tailored and limiting City controlled single family house size Zoning Bylaw requirements - Soon, it is anticipated that the City's 2007 Affordable Housing Strategy review will be completed, to better address Subsidized, Low End Market Rental and Rent to Own housing, and a Market Rental Housing Policy and Neighbourhood SF Lot Size Policy Review will be brought forward. - Council continues to request both Federal and Provincial funding for to provide a range of more affordable housing for Richmond residents.
2	<p>This is a complex document and I appreciate how much time it took to put it together. Thank You</p> <p>One project in particular that I was looking for and couldn't find is the widening to four lanes from 2, the southern portion of No 2 Rd from Steveston Hwy to London Road. Is this project still live</p>	<p>This project is in the design stage. Construction is scheduled to commence later this year.</p>

	<p>Response to our Response: Thank you for your feedback. I have one more item which I would like to comment on but the website would not let me sign on again. I'm concerned that there is only 250,000 dollars allocated to bus shelters for Richmond. I don't think the program is sufficiently aggressive. The new benches recently installed on major roads is a start, but wet benches in winter rain storms don't offer much relief other than those with disabilities who have no choice only to sit on them. There are two locations on No 2 Rd that I can think of which have more than ample room for a shelter but instead they have a lone bench in a large concreted arethe first is located at No 2 and Williams the other is at the entrance to new housing located at The old Steveston High site. Why is it that it has taken Richmond so long to complete a program that provides basic bus shelters through out the city. All other municipalities in the lower mainland have an adequate supply of shelters. Bus shelters are a basic provision for any city.</p>	<p>City funding of \$250,000 via the Transit Related Amenity Improvement Program for the installation of transit shelters is in addition to the transit shelters with advertising to be supplied, installed and maintained by Pattison Outdoor Ltd (Pattison) as part of its 20-year contract with the City. As part of the contract, Pattison will provide 200 transit shelters and 600 benches within the first 10 years. City funding plus developer contributions secured through the development application process will supplement the installation of additional shelters beyond those provided by Pattison. Locations for transit shelters are prioritized based on passenger boardings (i.e., those bus stops with a higher number of passengers waiting for a bus have a higher priority for installation given sufficient right-of-way). The location at No. 2 Road-Williams Road will be assessed according to the this policy while a developer contribution towards two transit shelters has been secured as part of the development application process for the location at No. 2 Road-Wallace Road (old Steveston High School site).</p>
<p>3</p>	<p>Does YVR continue having big noses during the late night</p>	<ul style="list-style-type: none"> - Even though YVR is federally approved to operate 24 hours a day, it continues to avoid and minimize airport night noise, as follows: - YVR's Noise Abatement Procedures are available at: http://www.yvr.ca/en/about-yvr/noise-management/monitoring-and-abatement - Airlines are required to obtain prior approval of a proposed departure of a jet aircraft which is over 34,000 kg (maximum take-off weight), regardless of actual take-off weight, between midnight and 6:00 am - Between 11:00 pm and 6:00 am, airlines are required to use the runways to have both arriving and departing airplanes fly over the Strait of Georgia, rather than over residential areas (weather permitting) - Requiring planes to turn early, to minimize flights over populated areas - Closing the North Runway between 10:00 pm and 7:00 am (e.g., except for an emergency like maintenance or snow)

		<p>- YVR also provides information on South Runway closures for annual maintenance, repairs and the Runway End Safety Areas (RESA) project that require the use of the north runway at night: - See: - http://www.yvr.ca/en/about-yvr/noise-management/south-runway-maintenance-schedule ;- As well, noise complaints may be reported, to YVR by email (noise@yvr.ca), to YVR's noise information line (604-207-7097) and by visiting the YVR online noise-monitoring and flight tracking tool (WebTrak) - Council also appoints a citizen representative to the YVR Aeronautical Noise Management Committee which advises on airport noise.</p>
<p>4</p>	<p>No timeline on the Steveston/London park improvements, it just says phase 1 of 3, many years ago we were promised "phase two" guess what, it didn't happen and my kids grew up, hoping it will happen for the grandkids.</p> <p>Also when will the Steveston community center get its redevelopment, but I see lots of money for the city center and the oval. We feel a little left out over here.</p>	<p>With the acquisition by the City of approximately 5 acres of land previously owned by the Richmond School District, a plan was prepared in 2015 to integrate that area with the existing park and, at the same time, add new amenities to London Steveston Park. The new park amenities will be constructed over 3 years, starting in 2017, and are anticipated to be complete in 2019. Further capital submissions for the work will be presented for Council approval in 2018 and 2019.</p> <p>The 2017 Capital Budget includes Advanced Planning and Design funding for Major Facilities Phase 2, which includes the Steveston Community Centre and Branch Library, which has been identified as a Council approved priority project. Once the planning and design is complete, a Capital Project budget will be brought to Council for consideration.</p>

<p>5</p>	<p>Make more funding on bicycle trail or network.</p>	<p>The City has an annual capital program, the Active Transportation Improvement Program, that is dedicated to funding the implementation of on- and off-street cycling and rolling (e.g., in-line skating, skateboarding) infrastructure such as on-street bicycle lanes, off-street multi-use paths and neighbourhood bikeways on local streets (e.g., Crabapple Ridge bike route). For the 2017 Capital Budget, this amount is \$320,000. The City also seeks cost-share grant opportunities from external agencies (e.g., provincial BikeBC program, TransLink, ICBC) to extend this funding further. Funding allocated to this program will vary depending on other competing priorities and Council approval. Cycling facilities may also be implemented as part of a capital road project (eg Lansdowne Road between Minoru and Alderbridge) and through frontage improvements as part of adjacent development (eg off-street pathway at the Gardens development at No 5 Road and Steveston Highway).</p>
<p>6</p>	<p>Glad to see city promising to promote provincial tax deferral for seniors and families. Let's see it. Also, good to see funding to library apparently reinstated and that Lulu Island Energy seems to be self-supporting at present. Hope the full complement of RCMP is finally reached this yer too.</p> <p>Seems the city needs to look into what's going on with potential natural gas availability in Richmond.</p> <p>And, we need to keep the pressure on higher levels of government to save our farmland from the ever-increasing demands of the hubris of the Vancouver Port Authority.</p>	<p>The City of Richmond currently has in place gas purchase contracts with Direct Energy services for the purchase of approximately 80% of the natural gas it uses in its buildings, mostly for heat and hot water services. These contracts are reviewed and renewed on an as needed basis. The remaining natural gas, approximately 20%, that the City purchases for its smaller buildings is obtained from Fortis BC.</p> <p>Council continues to keep the pressure on the Federal and Provincial governments, to stop the Port of Vancouver (Port) expanding on farmland, by requesting Minister of Transport Canada to not allow the Port to buy and use agricultural land for Port uses.</p>

	<p>Can we still challenge the Massey Tunnel Bridge?</p> <p>Where are at with the airport pippin under Richmond?</p>	<p>The George Massey Tunnel Replacement Project is subject to a provincial Environmental Assessment (EA) process, which is currently nearing completion. The Project must first receive an EA Certificate before construction can commence. The BC EA Office is anticipated to provide its recommendations by the end of January 2017 as to whether or not an EA Certificate should be issued to the two provincial Ministers assigned to make the decision: the Minister of the Environment (Hon. Mary Polak, contact: ENV.Minister@gov.bc.ca) and the Minister of Community Sport and Cultural Development (Hon. Peter Fassbender, contact: CSCD.minister@gov.bc.ca). Accordingly, you may wish to express your opinion to these Ministers or directly to Premier Christy Clark (premier@gov.bc.ca). Information on the Project is available at http://engage.gov.bc.ca/masseytunnel/, which also identifies ways to participate (see http://engage.gov.bc.ca/masseytunnel/waystoparticipate/).</p> <p>The Vancouver Airport Fuel Delivery (VAFD) project is moving forward under a conditional Environmental Assessment Certificate and is seeking a permit from the Oil and Gas Commission. The VAFD has a permit to construct the storage tanks on port land from Port Metro Vancouver and is actively conditioning the soil in preparation for construction. The VAFD is also working toward an Environmental Development Permit for their Fuel Offloading Facility from the City of Richmond.</p>
7	I live in Richmond for 18 years, first time know it	No response required.
8	The city needs to plan for effective and efficient clearing of roads and bridges from ice and snowfall in the winter. There are resources available to have crews on call, and if the weather turns mild that year, there will be surplus budget to allocate for next year's projects, or keep it as a rolling fund from year to year.	The City has a snow and ice response plan that ensures all necessary resources are available 24/7 if and when required. Any surplus budget from mild weather years is set aside for use in years with more than average snow fall.
9	Why has the expenditure on RCMP consistently remain to be the highest every year? Is Richmond infested with crime?	Policing is the largest contracted service for the City. The main cost drivers are: salary and personnel costs, training, and Integrated Teams. The annual cost increase for the RCMP Contract was between 2.6% and 2.9% in the last four years. For 2017, Council has authorized 223 officers and 2 civilian member crime analysts. In addition, municipal staff support the RCMP Detachment.

<p>How about being more proactive and invest more resources on environmental design to prevent criminal activity than being reactive and spend tax dollars on RCMP?</p>	<p>The Richmond RCMP is proactive in its crime fighting through the Crime Reduction Strategy. The key elements of the strategy comprise of: community engagement and partnering, intervention, prevention and enforcement. In particular, the Richmond RCMP is part of the City's Advisory Design Panel. The Advisory Design Panel (ADP) is an advisory body of the City of Richmond, bound by 'Terms of Reference'. Members of the ADP are nominated by designated associations and are appointed by Council. The panel meets twice monthly and makes recommendations with regard to the design, landscaping and site planning of all new or renovated buildings except single-family and two-family dwellings. The Richmond RCMP is represented on the City of Richmond ADP by Reserve Constable Barry Edwards, of the Crime Prevention Unit (CPU), who is a trained Crime Prevention Through Environmental Design (CPTED) practitioner and qualified subject matter expert. There is currently a total of twelve members of the ADP, most of whom are also CPTED trained and work for the City of Richmond. As part of the building development process, land developers go through a series of steps to get approval to build. The developers present their proposals to the ADP who consider the proposals vis a vis the City's planning objectives, constraints, and/or guidelines, as well as, neighbourhood impact. It is during this process that CPTED principles are applied and considered. The ADP can, and often does, provide feedback and commentary to applicants for improving proposed plans such as increased lighting, security enhancements, access by the disabled, among other things. If plans are approved, then the panel votes to see if the proposal will go to the next step in getting their building licence. The Richmond RCMP has always had a seat on the panel and continues to provide input. However, as a large number of projects are reviewed by the panel, the RCMP does not participate in all review processes and focuses on specific projects such as those that are high security in nature or otherwise of specific interest to police (banks, diplomatic complexes, commercial marijuana grow operations, sensitive materials warehousing, etc.) and those where the panel specifically seeks police input. Majority of ADP hearings deal with the construction of residential complexes, which do not require police input.</p>
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	Is the casino contributing more to security since crimes tend to congregate around casino activities?	Revenue from the casino provides funding for four police officers.
10	Currently, I do not see any proposals/funding for a cycling network. With Richmond being flat, we have the perfect geography to have an integrated cycling network to be used as transportation and try to reduce our use of the automobile, especially as certain areas and arterial roads are/ have become more dense.	The City has an annual capital program, the Active Transportation Improvement Program, that is dedicated to funding the implementation of on- and off-street cycling and rolling (e.g., in-line skating, skateboarding) infrastructure such as on-street bicycle lanes, off-street multi-use paths and neighbourhood bikeways on local streets (e.g., Crabapple Ridge bike route). For the 2017 Capital Budget, this amount is \$320,000. The City also seeks cost-share grant opportunities from external agencies (e.g., provincial BikeBC program, TransLink, ICBC) to extend this funding further. Funding allocated to this program will vary depending on other competing priorities and Council approval. Cycling facilities may also be implemented as part of a capital road project (eg Lansdowne Road between Minoru and Alderbridge) and through frontage improvements as part of adjacent development (eg off-street pathway at the Gardens development at No 5 Road and Steveston Highway). Further information on the City's planned cycling network can be found at: http://www.richmond.ca/__shared/assets/OCP_9000_mobility34182.pdf
11	Still going through it	No response required.
12	this isn't engagement. You've told us what you are doing without asking what residents see as important. It seems that an annual 3% property tax increase over the next five years is incredibly steep	This is the second opportunity to provide input into the 5 Year Financial Plan (2017-2021). The first opportunity was in October 2016, which included two open houses and a Let's Talk Survey. Your previously submitted comments and all other comments have been reviewed by staff and provided to Council and incorporated into this plan where possible. The estimated property tax increase for years 2018-2021 will be reviewed by Council in each subsequent year, inclusion in the 5 Year Financial Plan does not represent final approval.

13	<p>Costs need to be scaled back - salaries held in check - items such as over \$1million for Oval scrapped - replacement of fire halls has gone well.</p> <p>Stop monster houses especially on farm land.</p>	<p>The City has an Operating Agreement with the Oval to provide services to the community.</p> <p>Recently, Council has authorized a public consultation, to determine what people think about establishing maximum farm house and residential floor plate size (i.e., the house and related residential accessory buildings and structures)</p>
14	<p>The Steveston community needs to have a new community centre as soon as possible. It is generally too small which prime examples being the fitness centre, the rooms for events and preschool, not enough space for youth and seniors and the small offices for the staff. This should be a priority to be built as soon as possible. We also need a replacement for Lions Manor as soon as possible to be built near the community centre for easy access for the residents.</p>	<p>The 2017 Capital Budget includes Advanced Planning and Design funding for Major Facilities Phase 2, which includes the Steveston Community Centre and Branch Library, which has been identified as a Council approved priority project. Once the planning and design is complete, a Capital Project budget will be brought to Council for consideration.</p>
15	<p>Please set aside adequate funds to provide more bylaw officers to crack down on illegal hotels operating in neighbourhoods.</p>	<p>Community Bylaws is in the process of hiring four Temporary Bylaw Officers which will be assigned to investigate Short Term Rentals. The future of this initiative will depend on the outcome of the upcoming public consultation process and Council's decision.</p>
16	<p>How is funding determined and allocated for contingencies that occur with weather related events? Flooding and snow storm related services have recently been addressed and shortcomings exposed in some Metro Vancouver jurisdictions.</p>	<p>The City's budget includes funding for Snow & Ice Control. Any surplus budget from mild weather years is set aside for use in years with more than average snow fall. In addition, the City has set aside provision funding to deal with emergency situations.</p>

<p>17</p>	<p>I am displeased, if not outright angry, with the continuing increase in property taxes, because salaries and the rest of the economy does not keep up with 2.98%. At least, not at this time, and probably not within the next 3 years, at the least. To draw a comparison with a narrative, I work in an unionized environment (a very strong union), for a high quality employer, and they provide for increases in salaries, depending on how the BC economy has fared. This year, that allowance is 1%. 1%, not 2.98%.</p> <p>The current interest rate is very low, the city could consider borrowing for funding or decrease allocation to the reserves (the city can borrow when the need arises). Basic financial planning advises that in periods of low interest rate, borrowing is also a strategy and can yield better returns than drawing from existing cash.</p> <p>I also argue that it may be too ambitious to implement a 5-year plan. The more you implement, the more resources you have to draw. Stretch out the 5-year plan to a 10-year plan, and should BC's economy drastically improve within that period, City can then amend and increase the frequency at which they complete projects and expansion. This is a conservative strategy when economics times are unstable, and I expect the City to operate within their means, and have the foresight and capacity to change gears as the economy improves. Currently, because the City is increasing property taxes (a direct hit to their citizen's finances) during Canada's persisting economic low-tide, the City does not appear to be operating within their means.</p>	<p>The property tax increase is not solely due to salary increases alone. It includes contractual obligations such as the RCMP Contract as well as regulated increases from Hydro, Natural Gas and insurance. The increase also covers additional levels of service provided to the growing community such as the provision of 11 additional police officers.</p> <p>Council has revised its financial policies to consider debt where circumstances support borrowing. In 2014, Council took advantage of the low-interest rate environment borrowing \$50M to fund Major Facilities Phase 1. Borrowing could create a large tax increase since new debt would need to be serviced. By transferring funding to reserves, tax increases are moderated and reserves are created in order to plan and construct capital infrastructure in a well planned and timely manner.</p> <p>The 5 Year Financial Plan is prepared in accordance with the requirements of the Community Charter. The rolling 5 Year Financial Plan is updated annually and approved by Council each year. Adoption of this financial plan does not represent final approval for the future years.</p>
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<p>18</p>	<p>I see a lot of good uses for our money in such thing as increased policing and restoring the library hours.</p> <p>However one time expenditures like new logo and tee shirts for the Partners for Beautification program are questionable.</p> <p>Still see no plans for replacing the disgusting facility we use for the city animal shelter!!!</p>	<p>The Partners for Beautification Program was initiated in the 1990s with the goal of encouraging residents including schools, youth groups, businesses, strata councils, associations and clubs in Richmond to volunteer to enhance the City's Parks and Open Spaces. Volunteers adopt areas, participate in invasive species pulls, habitat restoration projects, and community clean ups. In 2016, 1,310 individuals contributed over 9,000 hours through this program. Applying an in-kind value of \$20 per hour, this represents an annual in-kind contribution to the City of \$180,000. Active volunteers in the program have expressed a desire to have branded clothing to wear while they are volunteering in order to clearly identify them as volunteers and to help promote the program. The recruitment of additional volunteers will help generate future long term cost savings to the City.</p> <p>The 2017 Capital Budget includes Advanced Planning and Design funding for Major Facilities Phase 2, which includes the Richmond Animal Shelter, has been identified as a Council approved priority project. Once the planning and design is complete, a Capital Project budget will be brought to Council for consideration.</p>
	<p>Response to our Response: Thank you for taking the time to respond to my comment on the survey Jerry. In all the years I have been responding, yours is the first response I've ever received. Do you know who I could talk to about funding for a new City animal shelter?</p>	<p>The Advanced Design Funding for Major Facilities Phase 2, including the Richmond Animal Shelter is being funded from the City's reserves. Once the planning and design is complete, the funding for construction will be considered at that time.</p>
	<p>Response to our 2nd Reponse: WOW that is so exciting thank you. Looking forward to seeing the new plans.</p>	

<p>19</p>	<p>The amount sitting in reserves and being transferred to reserves is astronomical. Half of the annual tax increases burdening Richmond residents are caused by reserve increases. When reserves are very healthy, there is no need to keep growing them.</p> <p>Mandatory annual tax increases are not acceptable, especially in light of the fact the extra funds are not needed.</p> <p>I am also disappointed and angry with council about all the discussion over funding for the public library, when the Oval has TWICE the budget, and serves probably 1/10th the number of people. When you look at the fact that libraries service vulnerable populations such as the elderly, disabled, and in poverty, and that the Oval services the exact opposite populations, I am doubly upset with the direction the Council has taken. Add to that the millions in capital funding that is on its way to the Oval.... It's a sad day in Richmond.</p>	<p>Council's Long Term Financial Management Strategy includes an additional 1% toward infrastructure replacement, rather than relying on debt in the future to build new community facilities. It also allows for stable increases rather than a sharp fluctuation as facilities are built. Once the optimal level of funding is reached, the 1% increase will no longer be required. The required annual reserve contribution is based on the long-term replacement plan for City assets and is determined through analysis of the existing reserve balance, the timing of required expenditure and annual funding. Gaps in anticipated funding compared to the planned expenditure are narrowed through increases to the transfer to reserve.</p> <p>Tax increases are limited to amounts that are contractual obligations, such as the RCMP contract, and regulated increases, such as Hydro, Natural Gas, insurance, etc. Increases for additional levels of service are approved by Council, such as the addition of 11 police officers to the 2017 Budget.</p> <p>The City contributes \$9M annually to the Richmond Public Library's operating budget; this funds 92% of Library operations, the remainder of which is mostly funded through a provincial grant. In addition, as the Library does not provide their own funding for capital projects this is also the responsibility of the City. Replacement of the Steveston Community Centre and Branch Library has been identified as a Council priority in the 2017 Budget. The City contributes \$3.4M annually to the Richmond Olympic Oval in exchange for delivering services to the community; this funds 24% of the Oval's operations, the remainder of which is mostly funded through membership revenues. The Richmond Olympic Oval funds their own capital projects through their own reserves or through external funding, for example funding received from Tourism Richmond through the hotel tax.</p>
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<p>20</p>	<p>Overall a solid plan. Given the densification that is taking place, I am not sure that the roads allocation is sufficient to relieve traffic congestion. Some statistics on the vehicle population in Richmond would be interesting, together with a longer term road system plan.</p>	<p>As part of the background technical work for the Official Community Plan (2041) Update undertaken in 2010-2011, travel demand modelling was undertaken by consultants based on forecast population and employment growth. The results confirmed that Richmond's internal road network has sufficient capacity to meet future growth to 2041. Only the crossings that connect Richmond to other regions (e.g., Oak St Bridge, Arthur Laing Bridge), which are not under the jurisdiction of the City, may experience capacity constraints. Moreover, per the Official Community Plan, the City's target is to shift more trips to transit, cycling and working from private vehicles such that 51% of all trips are made by sustainable travel modes thereby lessening the need for increased road capacity.</p> <p>Further details on the planned long-term road network, which will include new roads and thus more capacity at strategic locations, can be found at: City-wide: http://www.richmond.ca/shared/assets/OCP_9000_mobility34182.pdf (see Section 8.1) City Centre Area: http://www.richmond.ca/shared/assets/23_mobility23839.pdf (see Section 2.3.1)</p> <p>Statistics such as vehicle ownership in Richmond can be requested from the Insurance Corporation of BC (ICBC): http://www.icbc.com/about-icbc/contact-us/Pages/default.aspx</p>
<p>21</p>	<p>My house taxes are too high. I cannot understand why the taxes are tied to the market housing rate. If that is how you determine to collect the taxes then the increase due to the market should suffice. I was due to retire this year, but now I can't because of the cost of my house taxes, and utilities. I do not feel like I am getting value for my contributions at all.</p>	<p>Under the Community Charter, all municipalities in BC must calculate tax rates based on assessment values provided by BC Assessment. Increase in your assessment value does not result in a 1 to 1 increase in your property tax. Please go to the following link to see the relationship between assessment and property taxes: http://www.richmond.ca/cityhall/finance/propertyassessments.htm</p> <p>You had mentioned that you were due to retire this year. The Province of BC offers a low interest tax deferral program for property owners who are 55 years of age or older. Please see http://www2.gov.bc.ca/gov/content/taxes/property-taxes/annual-property-tax/pay/defer-taxes for details. This program allows you to defer your taxes and make no tax payments until you sell your home. Current interest rate on this program is 0.7% simple interest per annum.</p> <p>If you have further property tax or assessment</p>

		questions, please contact Ivy Wong, Revenue Manager at 604-276-4046.
22	Tax increases should be no higher than 2%	Tax increases are limited to amounts that are contractual obligations, such as the RCMP contract, and regulated increases, such as Hydro, Natural Gas, insurance, etc. Increases for additional levels of service are approved by Council, such as the addition of 11 police officers to the 2017 Budget. Council's Long Term Financial Management Strategy (LTFMS) is to keep taxes increases at the Vancouver CPI rate; however this target is difficult to achieve as contractual and regulated increases often exceed this amount. The LTFMS also includes an additional 1% toward infrastructure replacement, rather than relying on debt in the future to build new community facilities. It also allows for stable increases rather than a sharp fluctuation as facilities are built. Once the optimal level of funding is reached, the 1% increase will no longer be required.
23	If you are not privy to discussions these are very difficult to relate to. Numbers are only 1 piece - the other is the context Programs such as sustainability or support for Arts are difficult to find through these budget figures	No response required.
24	The proposed consolidated 5 year Financial Plan appears reasonable, affordable, and sustainable.	No response required.
25	I am really upset that the City is allocating \$1.4 million to renovate the Oval, which is only 7 years old, while our homeless and at-risk women and men have no permanent housing. Where are the City's priorities.	<p>The \$1.4M that the Richmond Olympic Oval is utilizing for the expansion project is funded by an external grant from Tourism Richmond through hotel taxes collected. The terms of this agreement are limited in how the funds can be spent; therefore it is not possible to redirect these specific funds to housing.</p> <p>Through the Affordable Housing Strategy, the City secures ongoing contributions from development. In developments with more than 80 units, the City secures 5% of the total floor area as built affordable housing units. With smaller apartment developments (e.g. 80 units or less), townhouses and single family homes, the City requires a cash contribution to the Affordable Housing Strategy through the rezoning process. The City is currently updating the Affordable Housing Strategy, and will be examining the requirement for built affordable housing units and the</p>

		<p>cash contributions. The City will also explore other policy options to create more affordable housing as part of the Affordable Housing Strategy update. From these contributions the City has approved \$20.8M for the Kiwanis affordable housing development and has approved a total of \$19.9M in funding for the Storeys affordable housing development. As these amounts were already approved in previous financial plans, they do not appear in the future year plans, even though the funds are transferred as key milestones are reached.</p>
<p>26</p>	<p>How is funding determined and allocated for contingencies that occur with weather related events? Flooding and snow storm related services have recently been addressed and shortcomings exposed in some Metro Vancouver jurisdictions.</p>	<p>The City's budget includes funding for Snow & Ice Control. Any surplus budget from mild weather years is set aside for use in years with more than average snow fall. In addition, the City has set aside provision funding to deal with emergency situations. Your comments will be provided to Council for information.</p>
	<p>Response to our Response: Thank you so kindly for the reply! I wasn't expecting this. I really appreciate it.</p>	
<p>27</p>	<p>No timeline on the Steveston/London park improvements, it just says phase 1 of 3, many years ago we were promised "phase two" guess what, it didn't happen and my kids grew up, hoping it will happen for the grandkids. Also when will the Steveston community center get its redevelopment, but I see lots of money for the city center and the oval. We feel a little left out over here.</p>	<p>With the acquisition by the City of approximately 5 acres of land previously owned by the Richmond School District, a plan was prepared in 2015 to integrate that area with the existing park and, at the same time, add new amenities to London Steveston Park. The new park amenities will be constructed over 3 years, starting in 2017, and are anticipated to be complete in 2019. Further capital submissions for the work will be presented for Council approval in 2018 and 2019.</p> <p>The 2017 Capital Budget includes Advanced Planning and Design funding for Major Facilities Phase 2, which includes the Steveston Community Centre and Branch Library, which has been identified as a Council approved priority project. Once the planning and design is complete, a Capital Project budget will be brought to Council for consideration.</p>

	<p>Response to our Response: Thank you for your reply, where would I see the plans, I know there were some presented at the open houses, but I don't know which one was decided as the one chosen.</p>	<p>The Final Park Concept Design is attached.</p>
<p>28</p>	<p>I support the overall direction, property tax and spending levels in the Plan. I would need more understanding to comment in greater detail</p>	<p>No response required.</p>
<p>29</p>	<p>I have a concern about the money being spent on the Olympic Oval. I would like to see how much more will be spent on Monore Park development. The Tennis Club on the park needs a new clubhouse to maintain the new look throughout the park.</p>	<p>Any changes to Minoru Park and its facilities will be considered through a Minoru Park masterplanning process which will occur in 2017 and 2018.</p>
<p>30</p>	<p>I never object to my tax support of schools even though i have never had children but i do enjoy my dog but richmond does provide off leash areas but almost no off leash LARGE fenced parks -- I have to go to Cresent Beach (Blackie Spit) and WhiteRock (Dogwood Park) for their fabulous really large and well planned fenced dog parks - considering the small tax base of Cresent beach and White rock it seems a shame we cant do more to provide similar resources for our residents. Happy to outline the differences if anyone interested in contacting me</p>	<p>The City of Richmond currently has 10 designated off leash dog parks throughout the City. The largest areas are at McDonald Beach, No.3 Road Waterfront Park and Woodward's Slough and are unfenced. The City's other seven off leash areas are fenced.</p> <p>In 2014 / 2015 the Parks Department piloted four new off leash areas for a period of one year. Based on public feedback , all four areas were maintained as off leash areas, and two were increased in size. The South Arm fenced off leash area was improved and expanded in 2016/2017 and will be completed by the end of February 2017. As part of the 2017 capital program, the fenced off leash area at Garden City Park will also be expanded in size to better meet the needs of residents.</p> <p>A map of off leash areas in the City can be found at - http://www.richmond.ca/parks/parks/dogsinparks.htm</p>

<p>31</p>	<p>Richmond must reverse its financial planning for the next 5 years and start reducing expenditures, not increasing expenditures. There must be no tax increases, rather with an expanding population and more tax revenue, if you hold expenditures our individual taxes should go down. We need team of experts (not staff) who will examine Richmond's expenditures to look for ways to reduce spending. We need to eliminate non-critical expenditures and re-examine senior city staff salaries.</p> <p>Good candidates for elimination or reduction: - Sell the Olympic Oval and no more financial support from tax payers. - Reduce library hours (many late hours see next to no customers. - stop all travel junkets (e.g. to Japan for tall ships). Stick to our core services and reduce or eliminate all non-core. Richmond must stop spending increases which outpace the inflation rate. I look at our taxes in 2016 versus 15 years ago. Our property taxes including water and sewer has gone up 55%. Wages in the last 15 years have not increased. This is not sustainable for normal middle class citizens. During those 15 years Canada Consumers Price Index increased 32%. So, Richmond has exceed inflation by 72%. City expenditures must not exceed the inflation rate.</p> <p>How many staff increased in the last 15 years? Have the City's salaries changes exceed those in the private sector?</p> <p>The City must bring spending under control!</p>	<p>The 5 Year Financial Plan is based on providing the same level of service. It includes contractual obligations such as the RCMP Contract as well as regulated increases from Hydro, Natural Gas and insurance. The increase also covers additional levels of service provided to the growing community such as the provision of 11 additional police officers, new community centres, and expanded pool facilities.</p> <p>Increases in staffing are approved by Council as an additional level of service. Salaries are negotiated through collective bargaining agreements and established at competitive market rates in order to attract and retain qualified staff.</p>
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<p>32</p>	<p>The biggest concern is the lack of services for the proposed population growth of Richmond. Townhouses are springing up everywhere in the city, yet the hospital's ability to give care remains static. There should be smaller medical clinics opened that offer emergency, and surgical care, to residents. There is such a clinic in Cumberland, on Vancouver island, which helps serve the needs of the locals.</p>	<p>The Richmond General Hospital is a responsibility of the Province of British Columbia and is not under the direct responsibility of the City of Richmond. In February 2016, Richmond City Council wrote a letter to the Premier, Minister of Health and the Richmond Members of the Legislative Assembly, the Chair of the Vancouver Coastal Health and the President of Vancouver Coastal Health, requesting an immediate commitment from the Province to build a new Richmond Hospital Acute Care Tower for completion within five years. In June 2016, the Province of BC announced that in partnership with Vancouver Coastal Health and the Richmond Hospital Foundation they are moving forward to start plans for a new replacement patient care tower. The news release from the Province can be found at this link: https://news.gov.bc.ca/releases/2016HLTH0042-000915.</p>
<p>33</p>	<p>Keep costs down on "appearances" of our city, such as the Olympic oval. Start a long term plan to fill in residential ditches and have proper sidewalks like any good urban residential area has. Keep wasteful expenses down.</p>	<p>The City has an annual capital program, the Neighbourhood Walkway Program, that funds the construction of new and/or upgraded neighbourhood walkways/sidewalks on local roads, in response to requests from the public and/or Council. Priority is given to walkways/sidewalks connecting locations with high pedestrian activities, such as schools, neighbourhood service centres, bus stops, recreational services centres, and shopping/retail centres, and roads with high traffic volumes/traffic conflicts. Potential locations for the City's consideration can be sent to transportation@richmond.ca.</p> <p>In addition, the Local Area Services Program encompasses neighbourhood improvements paid for by the owners of the properties benefitting, with some financial assistance from the City. Typical local area services include enclosing of ditches, installation of curb, gutter and sidewalk, installation of street lighting, and planting of street trees. Through this program, residents repay the cost of the infrastructure improvements in their neighbourhood over 20 years through an additional item on their tax bill. More information is available at: http://www.richmond.ca/services/rdws/lasp.htm</p>

<p>34</p>	<p>I am outraged to see that the oval's budget is 1.5 times the budget for the public library. How can this justified? The budget should be distributed in proportion to the number of Richmond residents' they serve... Get rid of the OVAL and concentrate on other higher-use services such as the public library and the Community Centres!!!</p>	<p>The Richmond Olympic Oval Corporation is a for-profit organization that establishes its own budget. The City contributes \$3.4M under an operating agreement in exchange for services provided to the Community.</p> <p>The Oval's 2017 budget report can be found at this link: http://www.richmond.ca/shared/assets/2/ROOC_2017_Annual_Operating_Capital_Budgets46119.pdf</p> <p>The Richmond Public Library Board establishes its own budget, which is presented to City Council for approval of the municipal contribution. The 2017 Municipal Contribution is \$9.0M.</p> <p>The 2017 Richmond Public Library budget can be found at this link: http://www.richmond.ca/shared/assets/24/OperatingBudgetsRPL45982.pdf</p>
	<p>Response to our Response: I appreciate your response! However, the City's 5 year consolidated plan shows otherwise ~ \$16M for the Richmond Olympic Oval Corporation which is a far cry from the \$3.4M you mention below. This is a pic from page 4 of the '2017-2021_Summary_Consolidated_5_Year_Financial_Plan' that is on the city's website.</p>	<p>To clarify, the amounts shown in the Consolidated 5 Year Financial Plan include the expenses to fully operate the Library (\$10.0M) and Oval (\$15.7M). Also included in the financial plan are the revenues generated or collected by the Library and Oval. The Library collects \$0.7M of revenue (excluding the \$9M contribution from the City) and the Oval generates \$13.0M of revenue (excluding the \$3.4M contribution from the City). Refer to the budget links previously sent.</p> <p>In other words, the City funds 92% of the Library operations, the remainder of which is mostly funded through a provincial grant. In addition, as the Library does not provide their own funding for capital projects this is also the responsibility of the City. Replacement of the Steveston Community Centre and Branch Library has been identified as a Council priority in the 2017 Budget.</p> <p>The City's contribution to the Oval, in exchange for delivering services to the community, funds 24% of the Oval's operations, the remainder of which is mostly funded through membership, admission and program revenues. The Richmond Olympic Oval funds their own capital projects through their own reserves or through external funding, for example funding received from Tourism Richmond through the hotel tax.</p>

	<p>Response to our 2nd Response: Thanks again Mr. Chong,</p> <p>If the ‘Richmond Olympic Oval Corporation is a for-profit organization that establishes its own budget’, why are their numbers included in the city’s budget?</p>	<p>While the Richmond Olympic Oval Corporation is a for-profit entity, it is wholly-owned by the City. In order to reflect all operations of the City, the Oval’s budget is included in the City’s Consolidated Financial Plan.</p>
	<p>Response to our 3rd Response: Thanks for the explanation Mr. Chong.</p>	
<p>35</p>	<p>Spin off Richmond Olympic Oval into its own independent for-profit business unit, make it pay business taxes and not depend upon City of Richmond grants.</p>	<p>The Richmond Olympic Oval Corporation is a for-profit entity. The City contributes \$3.4M under an operating agreement in exchange for services provided to the Community.</p>
<p>36</p>	<p>Environmental issues related to public property and private property should be placed ahead of piecemeal development. Richmond seems to be walking in opposite directions when you look at public projects versus private development. The city is doing many positive things about planting trees on public land, recycling and speaking up for the health and well being of Fraser river estuary. However it is also through a process of changing zoning allowing neighborhoods to become homogenized. Semi industrial and light industrial properties are being zoned to residential properties seemingly without making sure the local small businesses stay within the neighborhood. Overstocking Richmond with condos and not having daycares, small convenient stores, bottle depots, neighborhood car mechanics and many other utilitarian businesses is not good for the diversity and health of a neighborhood. Mixed used neighborhoods are far healthier and reduce transportation costs and carbon footprint s. Affordable housing should be uppermost when the city is densified, Developers should not be allowed to buy out of the scheme and be held responsible for holding the affordable housing units permanently in lieu of getting a zoning change from the council to suit what they would like to build and sell. They should be given incentives to keep the neighborhoods</p>	<p>No response required.</p>

	<p>mixed use rather than split the city into areas with shopping malls, industrial units and residential areas. I would also like the city to put more financial support into social services such as Chimo crisis centre, care of the elderly and at risk children and youth. The wealth in the city should support those who need it not just strengthen the success to the successful loops within our society.</p>	
<p>37</p>	<p>I dont see anywhere in this budget any mention of the construction of the long promised Hugh Boyd clubhouse. As Richmond Soccer has put six figures down to help pay for it, and soccer is by far the most played sport in Richmond, why has this project been punted down the field and forgotten? Concessions at this location could help soccer be self sustaining and grow. Are you forgetting our kids?</p>	<p>At this time, the Hugh Boyd Fieldhouse has not been identified as a priority major facility project in the next five years nor has any commitment for additional funding for the project been received from Richmond Soccer. A feasibility study was undertaken by the City in conjunction with stakeholders including Richmond Soccer and this study will be shared with Council in the near future.</p>
<p>38</p>	<p>(1) Richmond is an expensive place to live. Taxes are rising 3.5%, but most peoples' incomes do not grow that quickly. Pensions have gone up only 1.3%.</p> <p>(2) Please pare expenses carefully: the Richmond Public Library is an important resource and deserves more than \$4.06 of the tax dollar.</p> <p>(3) Find corporate sponsors for events rather than support them with city funds. If sponsors aren't interested, the events probably aren't worth it.</p> <p>(4) Stop funding the Olympic Oval - if it can't pay its own way, get rid of it.</p>	<p>Your comment summarizes the challenge faced by the City in budgeting. There is a demand for additional services to be provided, such as your suggestion to increase funding for the library; which would result in a further tax increase. The City considers the demand for increased services while ensuring tax increases are reasonable.</p> <p>The City has received Corporate sponsorships for major events and continues to seek additional sponsorships for future events.</p> <p>The City has an Operating Agreement with the Oval to provide services to the community.</p>
	<p>Response to our Response: Thank you for your response: I did not expect to get one from a real person.</p> <p>May I suggest that you try to survey Richmond residents on what they consider to be unnecessary or frivolous expenditures. People often comment that something is a waste of money, and it would give you insight into what people value.</p>	<p>Thank you for your email. Your comments will be provided to Mayor and Councillors as well as the appropriate staff.</p>

	<p>For example, the pump station at No. 1 Road and Road has, for lack of a better descriptions, 'cute' sayings on the concrete (photo attached). I am not the only person who considers these as a waste of money. A well-designed pump station is sufficient—decoration is not necessary—and the money is better spent on community resources such as the library.</p> <p>Another example of excess is the 4-way intersection at No. 1 Road and Moncton St. which cost a bundle (was it \$600,000?) when a set of regular traffic lights would have worked just as well.</p> <p>We need a mindset at city hall where it is everyone's responsibility to ask, "Is this expenditure necessary?" I know this is possible. At my former workplace everyone understood that wasting money was not an option. This mindset is driven from the top.</p>	
<p>39</p>	<p>Concerned that the huge increase in home assessments will translate into huge property tax charges with no additional services added to individuals!</p>	<p>Under the Community Charter, all municipalities in BC must calculate tax rates based on assessment values provided by BC Assessment. An increase in your assessment value does not result in a 1 to 1 increase in your property tax. Please go to the following link to see the relationship between assessment and property taxes: http://www.richmond.ca/cityhall/finance/propertyassessments.htm</p>

<p>40</p>	<p>I have the following comments:</p> <p>1) Why do we need to put 1% of the annual tax increase to Reserves? Is there a target for the reserve be maxed?</p> <p>2) What is the annual income/revenue of Richmond Olympic Oval? It seems the expenses of Oval are significantly higher than the Libraries'.</p> <p>3) What is the annual revenue/profit of Lulu Island Energy Company? How much does it cost annually to operate/maintain?</p> <p>4) We paid special levy for the dike, where is the projected cost for the dike upgrades for the next five years.</p> <p>5) Due to climate change, will Richmond's stormwater pump stations handle the 10 year return storm? What is the total capacity of the city's storm system that can handle the anticipated storm events?</p>	<p>Council's Long Term Financial Management Strategy includes an additional 1% toward infrastructure replacement, rather than relying on debt in the future to build new community facilities. It also allows for stable increases rather than a sharp fluctuation as facilities are built. Once the optimal level of funding is reached, the 1% increase will no longer be required. The required annual reserve contribution is based on the long-term replacement plan for City assets and is determined through analysis of the existing reserve balance, the timing of required expenditure and annual funding. Gaps in anticipated funding compared to the planned expenditure are narrowed through increases to the transfer to reserve.</p> <p>The 2017 annual revenue budget for the Richmond Olympic Oval is \$16.4M. The Oval's 2017 budget report can be found at this link: http://www.richmond.ca/shared/assets/2/ROOC_2017_Annual_Operating_Capital_Budgets46119.pdf</p> <p>The 2017 Richmond Public Library budget can be found at this link: http://www.richmond.ca/shared/assets/24/OperatingBudgetsRPL45982.pdf</p> <p>The 2017 Lulu Island Energy Company budget can be found at this link: http://www.richmond.ca/shared/assets/1/2017OperatingBudget_LIEC45935.pdf</p> <p>The City is currently in the process of master planning dike upgrades for the next 25 years to protect the City from climate change induced sea level rise. The plan includes raising the dike 1.2 m around the entire City. Toward this end, dike improvement implementation and funding will require increases over the next five years, however, the rate of increase has not been determined. Establishing the medium to long term funding will be a focus of this year's Ageing Infrastructure work and will be part of the Utility Rates Report to Council this fall.</p> <p>Richmond is continually upgrading the drainage pump stations at the rate of 1 station per year (there are 39 total). The upgrades include substantial capacity upgrades based on the City's Official Community Plan hydraulic modeling. The storm information used in the modeling is constantly updated and the pump station</p>
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	<p>6) How much budget of 2017 is for the construction of sidewalks? Could the City allocate some funds for a city-wide sidewalk program? I believe each road in the city SHOULD HAVE at least one sidewalk that provide safe access for users. There is NO sidewalk in the entire Broadmoor neighbourhood. It is unsafe for pedestrians to share the paved road with vehicles.</p> <p>7) Why is the infrastructure program peaked at 2019? please provide details.</p>	<p>sizing includes surplus capacity that will accommodate climate change. Additionally, the City has built a number of storm water detention ponds throughout the City that reduce the City's total required pumping capacity.</p> <p>The 2017 Capital Budget includes two annual programs that fund the construction of walkway/sidewalks on arterial and local roads respectively: the Arterial Roadway Improvement Program (\$343,000) and the Neighbourhood Walkway Program (\$250,000). With respect to the Broadmoor neighbourhood, the City constructed a pathway on Herbert Road (Afton Drive-Bates Road) in 2012. In 2014, the City intended to construct a walkway on Belair Drive (Gilbert Road-Broadmoor Blvd); however, the project was cancelled following a survey of property owners on Belair Drive who indicated insufficient support for the project to proceed. The 2019 Infrastructure program peak is due to the \$2.78M Van Horne Sanitary Pump Station Upgrade, required in order to support planned development in the area.</p> <p>The infrastructure program also includes \$1.31M for the City Centre Community Centre North which has been negotiated as part of a rezoning development.</p>
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<p>41</p>	<p>I read a few documents from your document library and really appreciate your hard work and good services. I do have some concern and questions.</p> <p>1. We immigrated here and bought a single-family house for about \$400,000 in 2003. Now, the 2017 property assessment notice says that its value is \$1,382,400. For just 14 years, our house value increases by 245%, but our income does not and will never. Because we love Richmond and will not sell our house, the huge house value is not good news for us; it means high taxes only. I think the extra rate for foreign buyers is a good measure to deter housing price rise by foreign investors. I hope you can also charge higher property taxes on local investors and short-term home owners who make quick money by selling homes frequently. For example, a family in our neighborhood sold their house last year. They lived here for about one and a half year only. The owner renovated the house and then earned about \$500,000 or more when selling it. I know he makes money by selling houses like that.</p> <p>2. In 2017 Utility Budget, on page GP – 81, under the Table 2. 2017 Metered Rate Water Options (net of discount), there are lines as follows. The Water Bylaw provides a 10% discount for utility bills paid prior to a deadline. The rates shown will be increased by 10% in the supporting bylaws to provide for the discount incentive while ensuring appropriate cost recovery. (they are also on GP - 86, 89, 95) Does it mean that, actually, we are not given 10% discount?</p> <p>3. On page GP – 94, there is Table 10. 2017 Single-Family and Townhome Net Rates by Garbage Cart Size. My question is: For garbage carts of the same size, why do townhomes pay less than single families? Thank you very much for your services.</p>	<p>Under the Community Charter, all municipalities in BC must calculate tax rates based on assessment values provided by BC Assessment. An increase in your assessment value does not result in a 1 to 1 increase in your property tax. Please go to the following link to see the relationship between assessment and property taxes: http://www.richmond.ca/cityhall/finance/propertyassessments.htm</p> <p>The rates set in the Bylaw need to be established at the gross rates in order to have proper authorization in place to charge the gross rate for those customers that do not pay prior to the deadline. For those customers that do pay prior to the deadline, the 10% discount is applied (i.e. charged the net rate).</p> <p>There is no difference the cost for Garbage carts of the same size. Townhomes pay less because their standard Green Cart is 120L vs. a single-family, which is 240L.</p>
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<p>Response to our Response: Thank you very much for answering my questions about the 10% discount for our utility fee and the garbage fees for town homes and single families. Regarding your answer about utility fees, my husband and I do not understand the terms of gross rate, net rate, and cost recovery. We thought of three scenarios listed below. Please tell us which one is correct.</p> <p>Scenario 1: (our original thought) The utility cost for us is \$1000 and our utility bill is \$1000. If we pay before the deadline, we will have a 10% discount and pay \$900 (i.e., net rate). If we pay after the deadline, we will pay \$1000 (i.e., gross rate). Namely, when our money is saved by 10%, the city's utility revenue is short by 10%.</p> <p>Scenario 2: (based on the wording in the utility budget: "The rates shown will be increased by 10% in the supporting bylaws to provide for the discount incentive while ensuring appropriate cost recovery.") The utility cost for us is \$1000 and our utility bill is \$1100 (the rate is increased by 10%). If we pay before the deadline, we will have a 10% discount and pay \$990 (i.e., net rate). If we pay after the deadline, we will pay \$1100 (i.e., gross rate). Namely, those who pay before the deadline save some money, those who pay after the deadline have a penalty fee, and the utility cost can be covered overall.</p> <p>Scenario 3: (based on the wording aforementioned) The utility cost for us is \$1000 and our utility bill is \$1111.11 (for cost recovery). If we pay before the deadline, we will have a 10% discount and pay \$1000 (i.e., net rate). If we pay after the deadline, we will pay \$1111.11 (i.e., gross rate). Namely, those who pay before the deadline do not save money, those who pay after the deadline have a penalty fee, and the city's utility revenue is greater than the utility cost.</p>	<p>Scenario 3 is the correct answer. The City cannot budget as to whether customers will be missing the due date and therefore the discount revenue is an unknown amount. To balance the budget, the utility budget is based on the \$1000 that we should be collecting from each property given that between 95% - 97% of the taxpayers takes advantage of the 10% discount.</p> <p>Any discount revenue collected after the due date will go into reserves to offset the following year's budget.</p> <p>The difference in the rate of \$270.10 for a single-family and \$213.60 for a townhome (both with a 120L garbage cart) is that residents in single-family homes are charged more for their organics collection service (\$102.00 within the \$270.10 rate) vs. townhomes (\$45.50 within the \$213.60 rate). This is because the collection and processing cost for organics is less in townhomes due to the fact they are closer together for collection (more efficient) and generate less volumes of organics (townhomes typically also have smaller carts for their organics).</p>
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	<p>Regarding garbage fees, your answer is from Table 9 (rates based on standard garbage cart sizes). My question is from Table 10 (rates based on different garbage cart sizes). For example, using a cart of 120 L (our garbage size), single families will pay \$270.10 but town homes will pay only \$213.60. Why?</p> <p>We will appreciate your information greatly.</p>	
<p>42</p>	<p>Ques: While satisfied with recycling/waste management system in general, the closing of Steveston recycling (Trites Road) in November 2016 due to demolish/construction, hoping another recycling branch in Steveston area due to increased population of new/future residential buildings.</p> <p>Seeing lots of donation bins in Richmond treated like dumping of bulk furniture every month which can be unsanitary. Prefer if it's at school area location as ideal to aid families with children.</p>	<p>No response required.</p>

<p>43</p>	<p>Dear Madame or Sir:</p> <p>In response to the request for public consultation regarding the above Bylaw, I have attached a couple of references related to the Richmond Olympic Oval (Oval) for consideration in going forward. The first reference includes the BC Assessment value attributed to the Oval for 2017 (\$249,356,000.). With reference to the 5 Year Plan, the 1/4 \$billion Oval financial performance does not register prominently. Perhaps the performance is embarrassing.</p> <p>The second reference details findings from various City of Richmond (City) and Oval documents and records. Be aware, the findings were not easy to come by. The absence of clear and telling details are disconcerting.</p> <p>What are the City and Oval definitions of financially viable and what financial performance expectations are required to meet this definition?</p> <p>The Oval Annual Reports 2013, 2014 and 2015 include statements from the Chairman of the Board referencing a legacy operation that is efficiently run, financially viable and not a burden to taxpayers or similar. What measure is referenced to determine whether the Oval is efficiently run? What qualifications are necessary to determine the Oval is financially viable when dependent on taxpayer subsidies provided by the City, Games Operating Trust (GOT) and other federal and provincial grants, etc. Of special concern, the City leases the (now \$249,356,000.) property for \$1.00 per year to the Richmond Olympic Oval Corporation (Oval). The Oval pays no reasonable lease, mortgage or rent to the City and is further subsidized by the City by way of forgiven property tax annually. In the absence of taxpayer subsidies, the Oval is and has been operating at a loss since conception.</p>	<p>Thank you for your interest in the Oval.</p> <p>Your initial premise that the Oval should pay property taxes is at odds with the principle that civic governments provide facilities for the use of the community. These include schools, libraries, community centres, performance spaces like theatres, art galleries, museums, playing fields etc. Generally, the City owns these facilities, maintains them, and covers their capital and operational costs. You suggest the Oval and presumably the other City-owned facilities should pay property taxes and cover their operating costs.</p> <p>Few, if any, City-owned facilities, such as those named above, generate enough revenue to fully cover their operating costs and/or their property taxes. The Oval gives good value for the support it receives from the City.</p> <p>Both the City and the Oval provide considerable information on line, including annual audits. Each quarter the Oval presents its financials to Council at the Finance Committee meeting. These reports are on the City's website. We refer you to that information and invite you to attend the Oval's Annual Information Meeting, held in November each year, if you have further questions.</p> <p>We are unable to dedicate staff resources to complete further analysis which you requested in your email. Nor can we create new documents.</p>
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<p>I suggest non-voluntary taxpayer subsidies are a burden on taxpayers reference the attached. City and Oval documents are lacking in forthright and transparent Oval financial details. City - Oval costs are not defined as forgiven property tax, other grants/subsidies in detail or goods and services (?) provided to the Oval in kind. The Oval simply records this as revenue. It is not earned revenue and this should be clear. The Oval is not profitable when reliant on taxpayer funding to cover operating costs. The City subsidies to the Oval are a cost to City taxpayers. Forgiven lease, mortgage, rent revenues are costs to the City. These costs require compensation from other City taxpayers. When did it become a financial obligation of any Canadian municipal taxpayer to subsidize elite athletes without approval of the affected taxpayers? The Oval has reported Richmond resident usage of less than 80%. When did the City first impose a hotel tax and for what purpose? What rate and amount of hotel tax has been collected annually by the City since inception? When and why did the City transfer any or all hotel tax revenue to the Oval and for what purpose? Going forward, what is the expected annual hotel tax revenue expected in each of the next five years? What costs have been undertaken by the City and Oval for rights to use Olympic names and or logos associated with all Oval operations?</p>	
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<p>What are the total costs to the City and Oval respectively for all development and operations of the Oval Olympic Museum and ROXY each? What is the total additional revenue to the Oval associated with the Museum operation only and ROXY operation only? What were the expected Museum revenues? What were the expected ROXY revenues? How many similar and successful (free of taxpayer subsidies) Olympic (museum/ROXY) operations in the world were and are assessed by City and Oval officials? Did City/Oval officials review the BC Sports Hall of Fame financial performance at any time and expect the Oval operation to be free of taxpayer subsidies at any time?</p> <p>The Games Operating Trust (GOT) was funded by the federal and provincial taxpayers (\$55,000,000.) each respectively. Twenty percent of that amount was assigned to a contingency fund. Why did the Oval not fund the museum and museum associated renovations from the GOT contingency fund? Why does the Oval not recover annual property tax assessments or staff costs from the contingency fund?</p> <p>I am not aware of any Oval member detail availability to the public (numbers, retention, cancellations, renewals, etc.). I am not aware of any target established for the Oval becoming non-dependent on City taxpayer subsidies.</p> <p>What options exist for the City to transfer Oval operations to the Federal or Provincial governments? What promotional funding/management is available from the IOC and COC for Oval operations? Both entities should be happy to accept responsibility if the Oval is financially viable without taxpayer subsidies. If neither organization is willing to accept responsibility, the message is clear, the Oval operation cannot succeed without taxpayer subsidies contrary to the Board Chairman's</p>	
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<p>assurance.</p> <p>The future seems clear. The City must end the financial subsidies and losses associated with the Oval. It has not been and I expect will not be financially viable considering the 1/4 \$billion dollar capital investment which is operating at a loss despite, no property tax, no market-lease/mortgage/rental obligations and receiving other taxpayer funded subsidies. The City and Oval have not provided details of any financially viable Olympic legacy venue operation for comparison to the Oval. It is unreasonable to expect the taxpayers of Richmond to subsidize IOC and COC dreams. It is past time for the City to require the Oval performance to be financially viable (free of taxpayer funding). Please do not, - repeat, - do not repeat the Montreal Olympic Stadium or Athen's Olympic financial debacles. Please convey these sentiments and concerns to Mayor Brodie and all Council members. Thank you for your consideration and efforts to mitigate the financial costs and risks associated with the Oval operation.</p>	
<p>Response to our Response: Please convey the content of this communication to Mayor Brodie, Members of Council, and Mr. John Mills for their info and response.</p> <p>Yes, in response to the statement of Mr. John Mills, I was and am concerned with the Oval operation and financial viability.</p> <p>Yes, - if financially viable and not a burden to Richmond taxpayers as declared in comments by the Chairman of the Board of Directors in past Annual Reports, the Oval should pay property taxes. I suspect many Richmond residents cannot afford or choose not to afford activities at the Oval reference the roughly 20% of users not being Richmond residents. What are member/user recruiting costs? I suggest, it is not a civic responsibility in Canada to forcefully</p>	<p>Thank you for your e-mail. Your comments will be provided to the Mayor, Councillors and John Mills.</p>

<p>subject local taxpayers to subsidize IOC and COC elite athletic training facilities. Yes, community taxpayers fund schools, libraries, community centres, theatres, art galleries, museums, playing fields etc. for community use. I suggest the Oval, if financially viable and not a burden to taxpayers as claimed, should pay property tax on a 1/4 \$billion dollar property (BC Assessment value). Perhaps, the City could forgive all residential property taxation equivalent to that afforded to the Oval. The other facilities are for community use and do attract some user fees. The former Olympic facility is not in the same class or category of operation as the community facilities identified.</p> <p>Please identify and quantify the “good value” provided by the Oval operation to the City in exchange for City support. This should be readily available if the Oval is truly financially viable and not a tax burden.</p> <p>Yes, I have reviewed a number of financial and operating reports. The numbers gathered from reports for my query do not support the claim of the Oval being financially viable or not being a burden to taxpayers. Which is correct? Which is true?</p> <p>Which former Olympic facilities were assessed for financial viability and freedom from taxpayer subsidies before and since the City undertook the Oval project? How many former Olympic facilities were and are financially viable and free of taxpayer subsidies?</p> <p>I assume and hope, Oval management are aware of membership numbers, retention, and recruitment records including revenues. I also assume and hope Oval management record revenues on the basis of each category, - memberships, gift shop, ROM and ROXY. Please confirm Mayor Brodie and members of Council are provided with these details in order to undertake proper due diligence. I will</p>	
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<p>appreciate receipt of the same details.</p> <p>I am not seeking new documents. I simply wish to access necessary Oval financial performance details to dispel my concerns and that of other taxpayers with the claimed assertion, - the Oval is financially viable and not a burden to taxpayers.</p> <p>Why, and how many free admissions will be provided to the Olympic Museum on Feb 12-13th and what is the total loss of associated admission revenue? Why is it reasonable for City taxpayers to pay this cost?</p> <p>Thank you for your consideration and financial details access support.</p>	
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Phone Enquiries
Consolidated 5 Year Financial Plan (2017 – 2021) Bylaw No. 9663
Public Consultation Comments and Responses

Ref	Comment/Question	Staff Response
1	Hardcopy report is difficult to compare to the reports online.	The hardcopy includes the budget reports reviewed by the Finance Committee while the online link is to the Finance Committee minutes including the agenda and other staff reports. The link opens to the start of the specific budget report. Since you picked up a hardcopy it is recommended to refer to the hardcopy alone.
	Provide an explanation on the mechanics of financial statement consolidation. Why are the tables difficult to reconcile.	Consolidation includes non-budgetary impact items such as amortization expense, inclusion of one-time expenditure amounts and estimated carryforwards for projects that will continue into the 2017 year.
	Why is the Sister City Activity Plan Budget included when this was not included in the 2017 One-Time Expenditure report.	Approved by Council on January 9, 2017 and therefore included in the financial plan.
	Why is the one-time expenditures amount in the 5YFP report higher than the 2017 One-Time Expenditures report by \$40,000.	On January 9, 2017 Council approved an additional \$40,000 for item #17 Richmond Fire Rescue Plan Update.

**Letters and Response Letters
Consolidated 5 Year Financial Plan (2017 – 2021) Bylaw No. 9663
Public Consultation Comments and Responses**

1. Letter from Erika Simm: Public Input on a Proposed 5 Year Consolidated Financial Plan
2. Letter from Erika Simm: Public Input on City's Financial Plan – Budget Surpluses
3. Response Letter to Erika Simm
4. Letter from Donald Flintoff: Comments and Queries on 5 Year Financial Plan (2017-2021)
5. Response Letter to Donald Flintoff

Jan. 13, 2017

Mayor and Council
c/o City of Richmond
6911 No 3 Rd.
V6Y 2C1

from Erika Simm
4991 Westminster Hwy
Richmond, B.C. V7C 1B7

Re: Public input on a proposed 5 year Consolidated Financial Plan

I read in the Newspaper that the City is asking for public feedback on a proposed consolidated 5 year financial plan.

After thoughtful consideration of the pro's and con's of such a plan - I really have a problem with the word " consolidated ", which means to become united, merge, make solid, combine in one. A overall consolidated financial plan would lack accountability.

While I agree that the Capital Budget should have a fairly solid 5 year financial plan; I think that the Operating budget should remain a yearly budget, as it needs more flexibility. The Utility budget is somewhere in between, but I think that it also should remain more flexible and remain the way it is.

The proposed plan is based on estimates and trends of future longer term financial predictions, which could be off in this time of general uncertainty, especially in the housing market and its implications in Richmond. The predictions show a downward trend, who knows for how long and how much .(I actually appreciate the slow down of the housing market, as it was not sustainable. An increase of 45 % on any investment in one year is unhealthy and highly inflationary. So is its ripple effect, no matter how governments are trying to fix it. Our City is not immune to it.)

Therefore I don't think that at this time of uncertainty our City's overall financial situation can be accurately predicted for the next 5 years.

Thank you for involving the public in this decision.
Sincerely yours, as always

.....Erika Simm.....

Erika Simm, Richmond

January 13th, 2017

To Mayor & Council
City of Richmond
6911 No 3 Rd
RICHMOND, B.C.

from Erika Simm
4991 Westminster Hwy
Richmond, B.C. V7C 1B7

Re: Public input on City's Financial Plan - Budget Surpluses

Dear Mayor and Council.

While the City of Richmond is seeking input by the public into its Financial Plan, this is a good time to write to you about something that has been of concern to me for a long time. That is what the City does with any surplus to its yearly budget.

It was in the 1990's when then Mayor Greg Halsey Brandt suggested that the City should apply yearly surpluses to next years budget, which makes a lot of sense.

It would take care of the devaluation, inflation and fluctuation of the Canadian Dollar and take care of some of the cost increases. It would help to keep next years budget increases down.

Another suggestion is to put any surplus into a special fund, to be applied to publicly owned infrastructure projects as upgrades, repairs, accessories, equipment etc.

This would apply to Community Centres, Swimming Pools, Britannia Heritage Shipyard, Fire Halls, Police Stations, and so on. Each year a different project could be chosen; instead of asking staff where to distribute surplus funds - where they often get frittered away.

I think that the City should take another look at this and conscientiously contribute either to next years budget or to the upgrade and renewal of public facilities.

Please give this suggestion your consideration.

Meanwhile I remain sincerely yours, as always

.....*Erika Simm*.....
Erika Simm, Richmond

January 20, 2017
File: 03-0985-01/2017-Vol 01

Finance and Corporate Services Division
Finance Department
Telephone: 604-276-4218
Fax: 604-276-4162

Erika Simm
4991 Westminster Highway
Richmond, BC V7C 1B7

Dear Erika Simm:

Re: Public input on the proposed Consolidated 5 Year Financial Plan (2017-2021)

Thank you for submitting your comments on the proposed Consolidated 5 Year Financial Plan (2017-2021) during the comment period from January 10 to February 5, 2017. We will address your questions in two parts, which correspond to the questions contained in the 2 letters submitted.

In December 2012, Council established a Rate Stabilization Account with surplus from the previous year's budget deposited into this account. The account was established to help balance the budget and minimize any significant tax increase by offsetting significant expenditure increases or any one-time expenditure requests. Council approved taking \$1 million from the Rate Stabilization Account in order to offset the expenditure increases in the 2017 Operating Budget to reduce the tax increase impact. The annual budget process also includes Council approval of one-time expenditures. Submissions are reviewed and prioritized by staff with a recommendation made to Council. Council may approve the expenditures as presented or make changes. The expenditures approved for 2017 includes investing additional funding in infrastructure such as Minoru Arenas, South Arm Pool and London Heritage Farm and ensuring there is adequate funding to maintain Richmond's Fire Vehicles to ensure a safe community. Each year new priorities are considered allowing different projects to be supported each year.

We are required under section 165 of the Community Charter to prepare a 5 Year Financial Plan. This is an annual requirement. For reporting purposes we have to follow the Public Sector Accounting regulations, specifically the Public Sector Accounting Board (PSAB) Standards which requires our financial statements and hence budget to be consolidated. Each year the 5 Year Financial Plan is updated based on current information and priorities. Council has approved the first year of the plan. We agree that the future years cannot be accurately predicted; the future years are based on current estimates and will be updated and approved by Council in each subsequent year. Adoption of this financial plan does not represent final approval for the future years.

Your comments will be provided to Council for information.

Yours truly,

Jerry Chong
Director, Finance
JC:sn

pc: Mayor and Council
SMT

5294309

CNCL - 459

February 4, 2017

Donald Flintoff,
6071 Dover Road,
Richmond, B.C.
V7C 3K9
don_flintoff@hotmail.com

City of Richmond,
Finance
finance@richmond.ca

RE: Comments and Queries on 5 Year Financial Plan (2017-2021)

Appended to this document are my comments and queries on the City's "5 Year Financial Plan (2017-2020)".

By May 15th, Council is required submit to the inspector its audited financial statements for the preceding year and any other financial information requested by the inspector.

I find the urgency to have the final reading of the bylaw planned for Tuesday, February 14th, Valentine's Day, when the public has other obligations to be unnecessary. A two week delay would change nothing.

Aside from the 11 pages of queries and comments, I've included some additional comments below on the consultation, basis of the estimate and quality of the documents provided for review.

The Consultation

1. How does Council expect the taxpayers to review the 5 YFP without proper orientation on how the Budget was prepared?
2. The District of West Vancouver provided three open houses Monday, January 30, Wednesday, February 1, and Thursday, February 2. As Richmond Council did not provide any Open Houses, my opinion is that Council is frustrating public input.
3. In a March 2016 Council Meeting, I requested improved consultation for the 5YFP and supplied the District of West Vancouver's review consultation process to the Chief Financial Officer, I am of the opinion that this Council has not provided its taxpayers with adequate consultation.
4. This opinion is based on the quality of the documents presented to the public for review.

DONALD FLINTOFF
6071 DOVER RD
RICHMOND, BC
V7C 3K9

DON_FLINTOFF@HOTMAIL.COM

INFORMATION REQUEST No. 2017-01
SUBMITTED ON FEB. 4, 2017

Comments and/or Questions on the proposed Consolidated 5 Year Financial Plan (2017-2021)

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A. OVERVIEW

1.0 Reference: **Summary**
N/A, Tab 0, p. 3
2016 Average Tax & Utilities per Dwelling Type

- 1.1 As there are three different types of dwellings (Single Family, Townhouse, Condo) in Residential Class 01, please provide a bar chart showing the average and forecasted average tax per dwelling type for Richmond for the period 2017-2021 assuming growth in the BC Assessment amounts.
- 1.2 Explain how the forecasted Property Tax Revenue shown is estimated.
- 1.3 What are the forecast average BC Assessment values for Residential Class 01 used to forecast Property Tax Revenue for the period 2017-2021?

2.0 Reference: **Summary**
N/A, Tab 0, pp. 4-5
Property Tax Revenue and Tax Increase

On page 4, the Annual Surpluses are shown, these surplus total \$416.066 million. If these surpluses were

transferred to the Property Tax Revenue, the average reduction in property tax would be 37%.

- 2.1 What is the current surplus held by the City?
- 2.2 Provide a summary of all Stabilization fund, revolving funds, etc showing the current balance, and transfers in/out for the years 2017-2021 by fund type.

- 3.0 **Reference: Summary**
N/A, Tab 0, p. 5
2017 One-Time Expenditures

FIN-29, p. 2, states the balance in the Council Community Initiative Account as of Sep. 30, 2016 is \$713,000. The Annual Gaming Revenue for 2017 is \$18.1 million therefore the amount of \$362,000 will be allocated to the Council Community Initiative Account. Currently there are already Council Community Initiative Account expenditure requests totaling \$562,000.

There is an additional 24 One-Time Expenditure requested that total \$9.21 million. \$7.789 million are recommended by staff and \$1.421 million are not recommended by staff.

The \$7.789 million plus the \$0.562 million or \$8.3510 million represents about 4% of the total 2017 Property Tax Revenue. As these funds come from Gaming Revenue and the Property Tax Rate Stabilization Account, they are described as having no tax impact.

- 3.1 However, there is a tax impact as a 4% tax reduction could be achieved in 2017.

- 4.0 **Reference: Summary**
N/A, Tab 0, pp. 6-8
2017 Capital Program

The Capital Program expenditures for 2017 is \$112.8. This might be able to be pared by deleting, delaying or deferring some the expenditures. Only 25% of these expenditures is coming from "Other Sources" (levies and grant/developer contributions), the remainders is coming from DDC Reserves and Statutory Reserves.

- 4.1 Reserve Fund Establishment Bylaw No. 7812 (2004) should be reviewed or repealed.
- 4.2 The reserve funds should be used to reduce the property tax impacts. There is too much discretionary monies in these funds.

B. CONSOLIDATED 5 YEAR FINANCIAL PLAN (2017-2021) BYLAW NO. 9663

5.0 **Reference: 2017-20 Consolidated 5YFP
Tab 1, FIN-62/66, pp. 2-6
Budget Items Approved**

Prior to December 12, 2016, ..."the 5YFP Bylaw No. 9663 presented in Attachment 1 consolidates the budget decisions previously approved by Council including the Utility, Operating, Capital budgets and One-Time Expenditures funded by previous years' surplus. (p. 2)

5.1 If it was previously approved, why is the public even asked to review the 5YFP?

5.2 Has Council already approved:

5.2.1 2017 One-Time Expenditures (Rate Stabilization) = \$7,886,000?

5.2.1.1 Why was Funding of \$1,510k approved to be transferred to the Major Events Provision for events to be held in 2018 when it is beyond the term of this Council?

5.2.2 2017 One-Time Expenditures (Council Community Initiatives) = \$562,000?

5.3 Why does the 2017-2021 Capital Plan does not include estimates for the next phase of Major Facilities Replacement Plan, except for the \$2.0M of Advanced Planning and Design? (p. 5)

5.4 In the operating budget, the cost to maintain the same level of service is \$203,002. This represents about 98% of the total cost. Can the level of service be reduced to provide some property tax relief?

5.4.1 If so, why has Council not proposed this?

C. PUBLIC CONSULTATION

6.0 **Reference: 2017-20 Consolidated 5YFP
Tab 1, FIN-66, p. 6
Public Consultation**

I appeared before Council in the spring of 2016 requesting improved public consultation. Obviously, Council is satisfied with the old status quo as there has been not change to this stage of the process. The City must realize that there are seniors and others who do not use computers, are not on Facebook and Twitter and rely only on the newspaper, if it arrives, for any information.

The public in the District of West Vancouver (DWV) is treated to a more fulsome review of its 5YFP and is holding 3 open houses on January 30, Wednesday, February 1 and Thursday, February 2 for review of its 5YFP.

To ask non-financial, working people to slog through this financial maze in the time allotted shows the level of concern this Council has for the public.

7.0 Reference: 2017-20 Consolidated 5YFP
Tab 1, FIN-72, p. 2
Discrepancy in Tables

- 7.1 Why is the Annual Surplus different in Schedule A: CITY OF RICHMOND CONSOLIDATED 5 YEAR FINANCIAL PLAN (2017-2021) REVENUE AND EXPENSES in Bylaw 9663 and on page 4 of the Summary?
- 7.2 Why is the Transfer/Amortization offset different in SCHEDULE A: CITY OF RICHMOND CONSOLIDATED 5 YEAR FINANCIAL PLAN (2017-2021) TRANSFERS in Bylaw 9663 and on page 5 of the Summary and the line item not identified?
- 7.3 Does Bylaw 9663 govern?

D. 2017 CAPITAL BUDGET

Capital Project Budgets are usually characterized by describing them as:

- Least cost
- Cost effective
- Gold Standard (gold plated).

Other common characteristics, identified below, of Capital Project estimates are identified in their descriptive pages. These are:

- The Need for the Project
- The justification for the Project
- The Class of Estimate under review using the classes provided by the AACE International.
- The Accuracy of the Estimate of Cost.
- The Contingency applied to the Estimate of Cost.
- The Project and other Reserves embedded in the Estimate of Cost.

8.0 Reference: 2017 CAPITAL BUDGET
Tab 2, Appendix 3, pp. 14-17
2017 Summary of Capital Projects Recommended

- 8.1 Of the recommended projects shown, how many are characterized as least cost, cost effective or gold standard?
- 8.2 Please provide the accuracy class of the estimate including contingency and reserves for the 2017 Summary of Recommended Capital Projects.

9.0 Reference: 2017 CAPITAL BUDGET
Tab 2, Appendix 4, pp.14-17
2017 Summary of Capital Projects Not Recommended

- 9.1 Of the not recommended projects shown, how many are pose liability and/or public safety issues?
- 9.1.1 Why was root damage sidewalk repair not recommended when it poses a risk to taxpayers when walking (especially at night)? (p. 140)

9.2 Why was Emergency Supplies Containers not recommended as it may be essential during an emergency? (p. 152)

10.0 **Reference:** 2017 CAPITAL BUDGET
Tab 2, Appendix 6, p.70
Public Works Minor Capital - Sanitation & Recycling

10.1 Why has the City not implemented a Share Shed to promote the reuse function of recycling like other municipalities?

11.0 **Reference:** 2017 CAPITAL BUDGET
Tab 2, Staff Report, pp. 4-11
Contingent External Contributions

11.1 Is there a list of capital projects that may rely upon Contingent External Contributions?

In the document it states, "...will allow staff to request scope changes to existing projects without having to wait until the Bylaw Amendment, which is typically in the fall of the budget year." (p. 7)

11.2 At what level of scope change cost does Council have to approve the additional funding by Bylaw Amendment?

11.3 What is the process for scope changes to be approved by City Staff only?

12.0 **Reference:** 2017 CAPITAL BUDGET
Tab 2, Staff Report, pp. 7-8
2017 Capital Budget Funding Sources

12.1 What is the total amount of Reserve Funds within the City?

12.2 What is the total amount of Surplus within the City?

12.3 In Table 1-2017 Funding Sources, please explain what is meant by provisions?

As \$70.6M is funded internally from City Reserves and other sources, should the DCCs be increased to reduce the drawdown of City Reserves (Tax Money)?

13.0 **Reference:** 2017 CAPITAL BUDGET
Tab 2, Staff Report, p. 7
Debt Repayment - \$4.5M

13.1 When is the Debt Repayment on the \$4.5M shown to be retired?

14.0 **Reference:** 2017 CAPITAL BUDGET
Tab 2, Staff Report, p. 8
MFA - \$50M

14.1 When is the repayment on the \$50M shown to be retired?

14.2 What is the total amount of funds that are still owed to the MFA and when will it be paid off?

15.0 **Reference:** 2017 CAPITAL BUDGET
 Tab 2, Staff Report, pp. 10-11
 Operating Budget Impacts

Almost all Capital Projects have an Operating Budget Impact. The operating budget impact was provided only for 2017 Capital Projects yet the Plan duration is from 2017-2021.

Year	Funding Amount	OBI	% OBI
Total 2017 Funding & OBI	\$102.90	\$1.13	1.10%
2018	\$131.40	\$1.50	1.14%
2019	\$107.50	\$0.70	0.65%
2020	\$68.80	\$0.40	0.58%
2021	\$74.00	\$0.70	0.95%
Total 2017-2021 Funding & OBI	\$484.60	\$4.43	\$0.04
Average OBI	\$ 96.92	\$ 0.89	0.88%

15.1 What is the average rule used by the City Staff to estimate the OBI for the proposed projects?

15.1.1 Is there a different OBI for new and existing projects?

15.2 Why is the percentage OBI lower in years 2019-2021?

15.3 Why is only the 2017 OBI of \$1.13M included in the 2017-2021 5YFP when the OBI for the other years is known?

16.0 **Reference:** 2017 CAPITAL BUDGET
 Tab 2, Appendix 1, p. 12
 Capital Ranking Criteria

16.1 Why is the property tax impact by project not part of the Capital Ranking Criteria?

16.1.1 If the property tax impact by project is part of the Capital Ranking Criteria, then please provide a reference to the page in the 5YFP.

17.0 Reference: 2017 CAPITAL BUDGET
Tab 2, FIN-36, p. 5
Revolving Fund

17.1 What is the total amount of money in the Revolving Fund?

17.2 As it does not have dedicated sources of funding, how is the Revolving Fund funded?

18.0 Reference: 2017 CAPITAL BUDGET
2017 Details of Recommended Projects by Program, Appendix 6, p. 76
City Hall Domestic Water Piping Upgrade

18.1 As my house piping is about the same age, what is the nature of the health and safety issue for City Staff with the Domestic Water Piping System that necessitates the upgrade?

19.0 Reference: 2017 CAPITAL BUDGET
2017 Details of Recommended Projects by Program, Appendix 6, p. 108
Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)

19.1 Why is the City taking \$205,000 from the Sewer Levy and \$500,000 from the Water Levy for vehicle and equipment purchases?

19.1.1 Why is there a funding shortfall of the Annual Reserve?

19.1.2 Is the City over-collecting on the water and sewer levies?

19.1.2.1 If so, by how much money?

19.2 How many units are in the City's corporate vehicle fleet?

19.2.1 What is the current value of the units in the fleet?

19.2.2 What is the estimated amount of money in percent of original cost of the units to be recovered from the disposal of the replaced units?

19.3 How many light duty units are light duty - cars and small pickups?

19.3.1 What is the average kMs on the units?

19.4 How many tractors are in the fleet?

19.5 What is the reserve balance available for fleet replacement?

19.5.1 Is it adequately funded?

19.5.2 Can the number of units in the fleet be reduced to fit within the \$2,447,000?

19.5.3 Why is there no OBI associated with the fleet units?

20.0 Reference: 2017 CAPITAL BUDGET
2017 Details of Recommended Projects by Program, Appendix 6, p. 124
Electric Vehicle Direct Current Fast Charging Network Development

20.1 Why is the City (taxpayer) providing these fast charging stations that have an on-going OBI of \$16,000 per year?

20.2 How many residents are benefiting from these charging stations? These charging stations should be owned and operated by the private sector and not through taxes. There must be better options that benefit the taxpayer such as LED street lighting.

21.0 Reference: **2017 CAPITAL BUDGET**
2017 Details of Recommended Projects by Program, Appendix 6, p. 134
City Centre District Energy Utility Advanced Design

21.1 Where is the \$400,000 funded from? Other is not an explanation.

21.2 Why is this not funded by LIEC?

E. 2017 OPERATING BUDGET

22.0 Reference: **2017 OPERATING BUDGET**
Executive Summary, Staff Report, p. 9
Same Level of Service, Table 4

22.1 Why is the Corporate Administration proposing a 2.25% increase (when the RCMP increase is only 1.85%) to provide the same level of Service?

22.1.1 Council should direct them to abandon their positions at the other Municipal Corporations and focus on their work at the City to reduce the excessive growth in this area.

23.0 Reference: **2017 OPERATING BUDGET**
Executive Summary, Staff Report, p. 12
Additional Levels of Services

The total OBI from the 2017 recommended Capital program is \$1,130,426. Table 7 presents the 2017 OBI by Capital program. Of this amount \$581,503 is associated with utility projects and will be included in future utility budgets. The operating budget impact is \$548,923. 2017 OBI will be phased in over two years.

23.1 Why will the 2017 OBI be phased in over two years?

23.2 If the utility projects are essential, then what capital projects can be delayed, deferred or shelved to reduce the OBI?

24.0 Reference: **2017 OPERATING BUDGET**
Executive Summary, Staff Report, Attachment 2, pp. 20-25
Approved Types of Programs and Services

24.1 Can the discretionary services shown be reduced or eliminated?

24.1.1 If not, why not?

25.0 Reference: **2017 OPERATING BUDGET**
Executive Summary, Staff Report, Attachment 8, p. 45

Pie Chart of 2017 Budget Expenditures

- 25.1 The chart shows 2017 City Staff salaries as being 47% of all expenditures. Are all benefits, including pension costs, shown as included in the 47%?
- 25.2 What is the projected growth in City Staff salaries to maintain the same level of service from 2017-2021?
- 25.3 As labour and salaries are a major expenditure, has Council considered a cap on the number of FTE and contract employees?

26.0 **Reference:** **2017 OPERATING BUDGET**
 Executive Summary, Staff Report, Attachment 8, p. 51
 Corporate Administration

- 26.1 The growth in the labour expenditures is 2.81%, would it not appear that this group's activities in the other municipal corporations needs to be re-focused on City Hall work instead?

27.0 **Reference:** **2017 OPERATING BUDGET**
 Executive Summary, Staff Report, Attachment 8, pp. 46-53
 Labour Expenditures

It is interesting to note that the labour expenditures across all City Divisions are increasing in excess of Law and Community Safety.

Community Services is 1.68%, Engineering and Public Works is 1.69%, Finance and Corporate Services is 1.10%, Corporate Administration is 2.81%, Planning and Development is 1.09%, and Fiscal is 197.78% while Law and Community Safety is only 0.89%.

- 27.1 How is Council proposing to control these increases in labour expenditures from 2017-2021?

F. 2017 UTILITY BUDGETS AND RATES

28.0 **Reference:** **2017 UTILITY BUDGETS AND RATES**
 Staff Report, Water Utility, p.5
 Table 1. Water Utility Budget

- 28.1 How much of the water/sewer levies is used to fund other expenditures?

Table 1 – Water Utility Budget shows the Total Base Level Expenditure Budget as \$45.184M in 2016 and \$45.618M in 2017 and Total Base Level Revenue Budget as -\$5.138M in 2016 and -\$5.338M in 2017. However, the Total Base Level Revenue Budget appears to add to only -\$200,700 not -\$5.338M. There also appears to be errors in columns 4 and 5. (p. 5)

- 28.2 Given the above, is Table 1 – Water Utility Budget correct?

29.0 **Reference:** **2017 UTILITY BUDGETS AND RATES**
 Staff Report, Water Purchases, p. 6

GVWD Water Purchases - Metro Vancouver

- 29.1 As the City buys its water Metro Vancouver under seasonal rates, why does the City not have seasonal rates available to the taxpayers?
- 29.2 Instead of using uniform rates for water sales, why does the City not employ step rates similar in concept to BC Hydro electricity sales?
- 30.0 **Reference: 2017 UTILITY BUDGETS AND RATES
Staff Report, Water Rate Stabilization Fund, p. 8
Water Rate Stabilization Contribution**
- 30.1 The Water Levy Stabilization Provision has a current balance of \$9.1 million and as the need to subsidize the water rate is not prominent at this time, why is this money not returned to the taxpayers?
- 31.0 **Reference: 2017 UTILITY BUDGETS AND RATES
Staff Report, Table 2. 2017 Metered Rate Water Options p. 8
Water Rates**

In 2015, Metro Vancouver reported that the average water consumption per capita per day in the City of Richmond is just under 500 litres of water.

- 31.1 What is the price paid Metro Vancouver by Richmond for a cubic meter of water?
- 31.2 What is the markup by Richmond for a cubic meter of water?
- 31.3 As Richmond purchase water from Metro Vancouver's seasonal rates, why is a uniform rate used for billing instead of seasonal rates?
- 32.0 **Reference: 2017 UTILITY BUDGETS AND RATES
Staff Report, Advantages/Disadvantages of Various Option p. 9
Recommended Options**

"Staff recommend the budgets and rates outlined under Option 2 for Water Services."

- 32.1 Why does the Staff report recommend Option 2 when Option 1 appears to be the recommended option?
- 32.2 What is the dollar cap for the Water Levy Stabilization Provision?
- 32.3 What is the proposed timeline for additional Metro Vancouver projects that may require that the rate be subsidized to level water rate spikes?
- 33.0 **Reference: 2017 UTILITY BUDGETS AND RATES
Staff Report, Sewer Utility, p. 10
Table 4. Sewer Utility Budget**

Columns 3, 4 and 5 in Table 4 do not add to the amounts shown under Total Base Level Revenue Budget.

33.1 Are the Total Base Level Revenue Budget numbers shown in the table correct?

34.0 **Reference:** 2017 UTILITY BUDGETS AND RATES
Staff Report, Sewer Utility, p. 11
Transfer from Vehicle Charges to Overtime Salaries

34.1 As staff is added will not more vehicles be required?

34.2 Using a service level contract, is it possible to contract out this overtime?

35.0 **Reference:** 2017 UTILITY BUDGETS AND RATES
Staff Report, Sewer Utility, p. 11
Grease Bylaw Inspector

35.1 Cannot this cost and others be recovered through a special restaurant/food service sewer levy?

35.1.1 If not, why not?

35.1.2 Why is it necessary to take this funding from the Sewer Levy Stabilization Provision?

36.0 **Reference:** 2017 UTILITY BUDGETS AND RATES
Staff Report, Sewer Utility, p. 13
Table 5. 2017 Metered Rate Sewer Options

For Residential (A), the sewer billing seems to indicate that it is based on 87% of the water consumption.

36.1 Is this 87% the same for Townhouses and Apartments?

36.1.1 If so, please explain why there is 87% reduction for apartments and townhouses as houses have more lawns, trees, etc. that need watering.

36.2 Are the Total Base Level Revenue Budget numbers shown in the table correct?

37.0 **Reference:** 2017 UTILITY BUDGETS AND RATES
Staff Report, Solid Waste and Recycling, p. 21
Table 9. 2017 Solid Waste and Recycling Rate Options

37.1 Why is the single family cart (240l) costing more than twice the Townhouse cart (120l)?ra

37.2 Why is the Business Rate significantly less than any of the other rates?

G. 2017 COUNCIL COMMUNITY INITIATIVES

38.0 Reference: **2017 Council Community Initiatives One-Time Expenditures
Staff Report, Attachment 1, p. 4
2017 Council Community Initiatives Account Requests**

38.1 Does Public Works have a tractor for intermittent use at the Sharing Farm?

38.1.1 Who will drive the tractor?

38.1.2 Who will maintain the tractor?

38.1.3 What is the utilization factor for the tractor?

38.1.4 Can this tractor service be obtained elsewhere (farmer)?

H. 2017 ONE TIME EXPENDITURES

39.0 Reference: **2017 One-Time Expenditures
Staff Report, Analysis, p. 3
Table 1 -One-Time Expenditure Requests Summary**

The Recommended Amount of \$7,789,000 does not agree with the amount of \$7,886,000 on p. 4 under the tab 2017-21 Consolidated 5 Year Financial Plan. There is a \$97,000 difference.

39.1 Is part of the difference the Sister City Program of \$57,000?

39.2 What is the remaining \$40,000 for?

The Basis of the Budget

Statements in the Budget are not supported by need or may be misleading.

1. Council's justification for retaining the "same level on service" for the Budget is not provided nor is level of service chosen identifiable.
2. As every expenditure leads to a tax/fee/levy impact, the statement "...no tax impact" is repeated quite often. I found this somewhat amusing as governments operate on taxes and fees levied since there is no other source of funds..

The Documents

My issues with the quality of the documents are:

3. The hard copy document does not have a budget overview section (roadmap) of the various funds and budgets and how they are related to each other.
4. There appears to be inconsistency between the tables. For example the 2017 Annual Surplus on page 4 is not the same amount as the 2017 Annual Surplus on page 2, FIN-72.
5. The electronic copy provided does not mirror the hard copy provided by the City so cross-referencing is difficult. The electronic copy when fully downloaded is 1172 pages which is far larger than the hardcopy document.
6. The documents are suitable for someone having an accounting background, not the general public.
7. There is no glossary of terms used in the 5YFP.
8. There is no list of acronyms used in the 5YFP.

Cheers,
Donald Flintoff,
6071 Dover Road,
Richmond.

cc: City Clerk
cityclerk@richmond.ca

Mayor and Council
mayorandcouncillors@richmond.ca

February 9, 2017
File: 03-0985-01/2017-Vol 01

Finance and Corporate Services Division
Finance Department
Telephone: 604-276-4218
Fax: 604-276-4162

Donald Flintoff
6071 Dover Road
Richmond, BC V7C 3K9

Dear Donald Flintoff:

Re: Comments and Queries on 5 Year Financial Plan (2017-2021)

This letter is in response to your comments and enquiries on the 5 Year Financial Plan (2017-2021). We appreciate your comments and feedback during the Public Consultation period for the 2017 Budget and 2017-2021 Financial Plan and all your comments have been provided to Council. During the pre-budget consultation, the City held open houses, which you attended on October 13, 2016. We also accepted comments from the public, which you submitted 6 pages of questions on October 23, 2016. During the second public consultation for the Consolidated 5 Year Financial Plan (2017-2021) held from January 10, 2017 to February 5, 2017 you submitted 14 pages of questions on February 4, 2017. In addition, staff received phone calls and voice messages during the consultation responding to verbal questions. Staff spent time returning phone calls, often trying multiple times due to a busy signal received and no means to leave a message. It was noted that questions already answered at the Open House meeting were repeated in the written request received on October 23, 2016 and again questions already answered over the phone were repeated in the letter received on February 4, 2017.

Under section 166 of the *Community Charter*, "a council must undertake a process of public consultation regarding the proposed financial plan before it is adopted." The Act does not disclose what type of public consultation is necessary to fulfill this requirement. The timing of this consultation is to take place once the financial plan has been drafted. The financial plan is not drafted until all components have been presented to City Council.

Public consultations are opportunities for local governments to seek input and discuss and explain issues with members of the public. The City has been forthright in our efforts to provide these opportunities. The responses to many of your questions are answered within Staff Reports that are already publicly available. The City, as with any other organization, must ensure resources are balanced in order to accommodate goals, objectives and priorities. Staff have consumed a significant amount of time in responding to your questions, resulting in staff overtime and as we have to be reasonable and fair to all taxpayers, we will respond to only those questions that information readily exists and will not be preparing detailed analysis nor requesting details from other agencies such as BC Assessment on your behalf as you are welcome to contact them directly.

Your comments will be provided to Council for information.

2017-2021 Capital Budget

The Capital Review Committee which is comprised of Directors/Senior Managers from each City division reviewed and ranked each project submission. To ensure consistent application of the established ranking criteria, the Capital Review Committee determines the final ranking for each submission giving consideration to strategic and master plans, policies and Council priorities. Projects are ranked using 5 criteria: Alignment with City vision, Risk management, Social, Environmental, and Economic factors. Only high priority projects are recommended.

OBI is requested based on support for the additional expenditures for capital projects resulting in new or expanded assets. Replacement assets do not receive any OBI. The 5 Year Financial Plan is based on projections and is updated annually.

The Capital Plan does not include estimates for Phase 2 of Major Facilities as the design will need to be completed first.

If there is an urgent need to address a sidewalk issue, funding is available in existing budgets or the financial plan will be amended accordingly.

Council authorizes applications for external grants and if these are successful, having the Contingent External Contributions funding in the bylaw allows staff to begin work on the project once the grant is confirmed rather than having to wait until the expenditure is added to the Financial Plan. Council approves scope changes to Capital projects.

DCCs can only be used for the projects for which they were collected and these cannot be used for other projects such as buildings.

It is necessary to replace the City Hall "Domestic Water Supply Piping" because of leaking and the potential to cause significant damage. The existing copper piping has developed extensive pinholes and subsequent leaks requiring frequent and costly repairs. The potential is high for the pinholes to develop into more significant leaks and cause significant damage to other City Hall infrastructure. The replacement pipe eliminates the risk of pinholes.

The equipment units funded by the Sewer and Water Levy are purchased to directly support these particular operational areas.

City Council established targets in the Official Community Plan to reduce GHG emissions 33% over 2007 levels by 2020, and 80% by 2050. The 2014 Community Energy and Emissions Plan (CEEP) identifies that near-universal adoption of plug-in electric vehicles will be required to meet the City's 2050 emissions reduction targets. Accordingly, the CEEP establishes "Strategy 7: Promote Low Carbon Personal Vehicles", which includes "Action 19: Continue expanding the City-owned network of EV charging stations". In November 2016, Council directed staff to report back to Council on location and business model options for DC Fast Charging implementation, including investigating an energy cost recovery approach.

As part of potential energy cost recovery approach, consideration will be given to providing the DC Fast Charging services on a fee basis. The net OBI impacts are based on a conservative, "worse case" estimate of financial impact reflecting low levels of use in early years. Higher levels of use of charging stations may result in lower OBI impacts or net revenue, therefore the OBI will be adjusted in future years accordingly.

The availability of DC Fast Charging enables plug-in electric vehicle (EV) ownership by reducing “range anxiety” (the prospect of running out of charge when driving) and providing access to charging for residents without home charging. A network of DC Fast Charging will better enable all residents to adopt EVs into the future, helping to meet the City’s climate and energy goals. While greater private sector investment is anticipated in the future as the EV stock grows, initial City investment in charging infrastructure will help stimulate demand for EVs. The development of DC Fast Charging acts as an incentive that supports the City’s GHG reduction goals, and is considered a short-term initiative to help spur market demand in meeting environmental objectives.

The contribution to Lulu Island Energy Corporation (LIEC) is funded by Utility General Surplus. Under the LIEC’s District Energy Agreement with the City, the City can provide assistance to the LIEC.

2017 Operating Budget

Council has not proposed to reduce any services and directed staff to prepare the 2017 budget using the same service levels as 2016.

Labour includes the associated benefit costs. There is no projected growth in the number of employees as Council requires a same level of service Financial Plan to be presented.

The revolving fund receives an allocation of funding from the tax base as well as a portion from gaming revenue.

The line item for the annual contribution to the Vehicle and Equipment reserve is less than that required to maintain the reserve as currently estimated and there is no annual inflationary amount applied. The reserve contribution requirement is under review.

OBI is phased in to align with the timing of when the projects will be completed.

2017 Utility Budget

The numbers in the Utility Budget report are correct and the table highlights the change in the base year over year.

Funding was reallocated from vehicles to overtime salaries as approved by Council. Overtime cannot be contracted out as this would be in violation of the collective agreement.

There was a typo in the report on page CNCL – 171 which was verbally corrected at the General Purposes Committee meeting; Option 1 was the recommended and adopted option.

The City does not over-collect on the water and sewer levies. There is no proposed cap for the water levy stabilization provision.

The City still has some flat rate water customers. It is inequitable to charge the metered customers a seasonal rate while flat rate customers do not. Price structures designed to promote specific behaviours can be considered once everyone in the City is metered for water.

The rate stabilization fund is utilized to smooth out large increases in the rate. Metro Vancouver costs make up 56% of the City’s water rate and has considerable influence on the rate. Should Metro Vancouver have a large increase in their water rate, funds from the rate stabilization fund will be used to subsidize the residential rate for a period to allow a more gradual increase in the City’s water rate.

The rate stabilization fund is also intended to even out variable rate collection from year to year. In wet summers, metered customers use less water and the rate under collects and the rate stabilization contributes to balance the budget. During dry years when metered customers have higher than average water consumption, the rate over collects and the over collection is added to the rate stabilization fund.

Metro Vancouver Water Rates:

January to May: \$0.5926 per m3

June to September: \$0.7407 per m3

October to December: \$0.5926 per m3

Metro Vancouver has not released a 5 year rate plan so potential future rates are not known at this time.

Sewer maintenance is negatively impacted by grease in the sewers. Reducing grease in the sewers can potentially reduce sewer maintenance, therefore it makes sense to fund initiatives that can reduce sewer maintenance through the Sewer Levy Stabilization Provision.

The sewer billing is not based on 87% of the water consumption. The sewer billing is based on total sanitary sewer cost divided by the amount of water used, using water usage as a proxy for sewage generation.

The reason a Share Shed has not been done to date relates to logistical, liability and staffing resource implications. This concept may be considered or proposed as part of any future expansion of Recycling Depot services.

There is less material in the 120L organics cart to be processed/composted.

Businesses do not receive any direct City recycling or garbage collection services. The rate they pay is based on the fact they are entitled to dispose of up to 1 cubic yard of recycling material at the City Recycling Depot.

Financial Information

The \$50M debt was obtained in 2014. The net debt balance at December 31, 2015 was \$46.6M. The final debt repayment will be made in 2024.

The general surplus as at December 31, 2015 is \$16.5M.

All balances as at September 30, 2016:

- Revolving sub-fund – \$42.5M
- Rate stabilization – \$17.2M
- General solid waste and recycling stabilization – \$1.3M
- Sewer levy stabilization – \$7.8M
- Water levy stabilization – \$9.1M

The reserve funds are established by Bylaw pursuant to the Community Charter. Money in a reserve fund must be used only for the purpose for which the fund was established. If the amount to the credit of a reserve fund is greater than required for the purpose for which the fund was established, the council may, by bylaw, transfer all or part of the amount to another reserve fund. However, the transfer from a reserve fund established for a capital purpose may only be made to another reserve fund for a capital purpose.

The reserve fund balances as of September 30, 2016 are included in the following report:
http://www.richmond.ca/shared/assets/2_Reserve_Funds_Update45688.pdf

2017 One-Time Expenditures

There is no future tax impact of including one-time expenditures. Utilizing surplus funds for these items eliminates the fluctuation in taxes.

Council has approved the 2017 One-Time Expenditures from Rate Stabilization and Council Community Initiatives.

Funding for events needs to be approved one year in advance in order to facilitate planning.

The funds were approved to purchase a tractor for the sharing farm. Their staff will drive, maintain, and service the tractor. The utilization rate is unknown at this time.

At the Council Meeting held on December 12, 2016, Council increased the funding toward the Richmond Fire Rescue Plan Update by \$40,000. Also, subsequent to the presentation of the 2017 One-Time Expenditures report, the Sister City Activity Plan was approved by Council.

Financial Plan

As required under the Community Charter, a public consultation process must be undertaken prior to adoption. The Act does not specify the format.

The annual surplus changed due to Council's request to utilize Rate Stabilization funding to reduce the property tax impact. The 5 Year Financial Plan Bylaw includes the higher amount of Rate Stabilization funding and lower property tax amount.

Property Assessment Values

Property assessment values are determined by market conditions as of July 1st each year and is provided to the City by BC Assessment. The City cannot provide a forecasted average dwelling value.

Please go to the following link: <http://www.richmond.ca/cityhall/finance/propertyassessments.htm> to review the relationship between property tax and assessments.

Yours truly,

Jerry Chong, CPA, CA
Director, Finance
JC:ms

pc: Mayor and Councillors
SMT