



**Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979**

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 (2019-2023).
2. 5 Year Consolidated Financial Plan (2018-2022) Bylaw 9663 and all associated amendments are repealed.
3. This Bylaw is cited as **"Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979"**.

FIRST READING

FEB 11 2019

SECOND READING

FEB 11 2019

THIRD READING

FEB 11 2019

ADOPTED

|   |
|---|
| CITY OF RICHMOND                          |
| APPROVED for content by originating dept. |
| <i>jc</i>                                 |
| APPROVED for legality by Solicitor        |
| <i>A<sup>c</sup></i>                      |

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER

**SCHEDULE A:**

**CITY OF RICHMOND**

**CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)**

**REVENUE AND EXPENSES**

**(In \$000's)**

|                                   | 2019<br>Budget * | 2020<br>Plan   | 2021<br>Plan   | 2022<br>Plan   | 2023<br>Plan   |
|-----------------------------------|------------------|----------------|----------------|----------------|----------------|
| <b>Revenue:</b>                   |                  |                |                |                |                |
| Taxation and Levies               | 229,903          | 248,731        | 265,395        | 278,436        | 296,153        |
| User Fees                         | 105,805          | 109,809        | 115,048        | 120,448        | 126,549        |
| Sales of Services                 | 41,977           | 42,253         | 42,946         | 43,504         | 44,069         |
| Gaming Revenue                    | 16,500           | 16,500         | 16,500         | 16,500         | 16,500         |
| Investment Income                 | 16,062           | 16,634         | 17,148         | 17,923         | 18,622         |
| Payments In Lieu Of Taxes         | 14,200           | 14,626         | 15,065         | 15,532         | 16,013         |
| Other Revenue                     | 11,244           | 11,577         | 11,970         | 12,380         | 12,804         |
| Licenses And Permits              | 11,107           | 11,324         | 11,544         | 11,779         | 12,020         |
| Provincial and Federal Grant      | 8,362            | 8,387          | 8,449          | 8,513          | 8,579          |
| Developer Contributed Assets      | 50,350           | 50,350         | 50,350         | 50,350         | 50,350         |
| Development Cost Charges          | 22,764           | 17,015         | 19,951         | 13,654         | 13,893         |
| Other Capital Funding Sources     | 12,847           | 10,125         | 10,125         | 10,125         | 10,125         |
|                                   | <b>541,121</b>   | <b>557,331</b> | <b>584,491</b> | <b>599,144</b> | <b>625,677</b> |
| <b>Expenses:</b>                  |                  |                |                |                |                |
| Community Safety                  | 112,526          | 117,553        | 124,192        | 127,398        | 130,683        |
| Engineering and Public Works      | 74,568           | 71,393         | 72,738         | 74,212         | 75,582         |
| Community Services                | 71,564           | 67,127         | 69,395         | 71,847         | 73,815         |
| Finance and Corporate Services    | 29,010           | 26,192         | 26,842         | 27,466         | 28,104         |
| Fiscal                            | 22,708           | 21,446         | 22,436         | 23,511         | 27,553         |
| Debt Interest                     | 1,677            | 1,677          | 1,677          | 1,677          | 1,677          |
| Corporate Administration          | 11,208           | 10,866         | 11,114         | 11,380         | 11,651         |
| Planning and Development Services | 17,336           | 17,523         | 17,994         | 18,510         | 19,058         |
| Utility Budget                    |                  |                |                |                |                |
| Water Utility                     | 44,049           | 46,047         | 48,476         | 51,125         | 53,964         |
| Sanitary Sewer Utility            | 33,258           | 34,730         | 37,254         | 39,705         | 42,659         |
| Sanitation and Recycling          | 17,760           | 17,971         | 18,330         | 18,715         | 19,109         |
| Richmond Public Library           | 11,079           | 11,244         | 11,455         | 11,681         | 11,911         |
| Richmond Olympic Oval Corporation | 16,595           | 16,905         | 17,223         | 17,562         | 17,909         |
|                                   | <b>463,338</b>   | <b>460,674</b> | <b>479,126</b> | <b>494,789</b> | <b>513,675</b> |
| <b>Annual Surplus</b>             | <b>77,783</b>    | <b>96,657</b>  | <b>105,365</b> | <b>104,355</b> | <b>112,002</b> |

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

**CITY OF RICHMOND  
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)  
TRANSFERS  
(In \$000's)**

|   | <b>2019<br/>Budget *</b> | <b>2020<br/>Plan</b> | <b>2021<br/>Plan</b> | <b>2022<br/>Plan</b> | <b>2023<br/>Plan</b> |
|---|--------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Transfers:</b>   |                          |                      |                      |                      |                      |
| Debt Principal  | 4,951                    | 5,150                | 5,355                | 5,570                | 5,793                |
| Transfer To (From) Reserves                                 | 69,403                   | 71,725               | 74,246               | 76,915               | 79,699               |
| Transfer To (From) Surplus                                  | (28,931)                 | (2,428)              | 1,680                | 4,901                | 9,001                |
| Capital Expenditures - Current Year                         | 115,092                  | 194,636              | 101,368              | 97,238               | 98,763               |
| Capital Expenditures - Prior Years                          | 280,620                  | 189,309              | 195,870              | 140,008              | 83,601               |
| Capital Expenditures - Developer<br>Contributed Assets      | 50,350                   | 50,350               | 50,350               | 50,350               | 50,350               |
| Capital Expenditures - Richmond Public<br>Library           | 892                      | 892                  | 892                  | 892                  | 892                  |
| Capital Expenditures - Richmond<br>Olympic Oval Corporation | 2,567                    | 2,294                | 1,602                | 1,055                | 1,124                |
| Capital Funding   | (417,161)                | (415,271)            | (325,998)            | (272,574)            | (217,221)            |
| <b>Transfers/Amortization offset:</b>                       | <b>77,783</b>            | <b>96,657</b>        | <b>105,365</b>       | <b>104,355</b>       | <b>112,002</b>       |
| <b>Balanced Budget</b>                                      | <b>\$-</b>               | <b>\$-</b>           | <b>\$-</b>           | <b>\$-</b>           | <b>\$-</b>           |
| <b>Tax Increase</b>   | <b>4.82%</b>             | <b>6.69%</b>         | <b>5.20%</b>         | <b>3.91%</b>         | <b>5.36%</b>         |

\* 2019 Budget includes recommended one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2020 through 2023 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 (2019-2023)**  
(In \$000's)

|                                     | 2019             | 2020             | 2021             | 2022            | 2023            |
|-------------------------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>DCC Reserves</b>                 |                  |                  |                  |                 |                 |
| Drainage DCC                        | 466              | 464              | -                | -               | 1,057           |
| Park Development DCC                | 3,903            | 2,869            | 1,740            | 2,822           | 2,774           |
| Park Development DCC – West Cambie  | 724              | -                | 969              | -               | 188             |
| Park Land Acquisition DCC           | 8,064            | 5,964            | 5,964            | 4,083           | 4,083           |
| Roads DCC                           | 8,898            | 6,405            | 8,052            | 5,788           | 5,791           |
| Sanitary DCC                        | -                | 1,175            | 1,428            | 149             | -               |
| Water DCC                           | 708              | 138              | 1,798            | 812             | -               |
| <b>Total DCC</b>                    | <b>\$22,763</b>  | <b>\$17,015</b>  | <b>\$19,951</b>  | <b>\$13,654</b> | <b>\$13,893</b> |
| <b>Statutory Reserves</b>           |                  |                  |                  |                 |                 |
| Affordable Housing                  | 1,300            | 1,150            | 1,150            | 1,150           | 1,150           |
| Capital Building and Infrastructure | 14,821           | 60,369           | 10,450           | 20,131          | 11,600          |
| Capital Reserve                     | 15,383           | 57,951           | 16,399           | 9,312           | 7,778           |
| Child Care                          | 160              | 60               | 60               | 60              | 60              |
| Drainage Improvement                | 11,428           | 13,904           | 14,383           | 17,314          | 22,380          |
| Equipment Replacement               | 6,404            | 2,832            | 3,392            | 3,310           | 4,833           |
| Leisure Facilities                  | 7,611            | 5,400            | 2,000            | -               | 3,400           |
| Neighbourhood Improvement           | 184              | -                | -                | -               | -               |
| Public Art Program                  | 563              | 150              | 150              | 150             | 150             |
| Sanitary Sewer                      | 1,650            | 10,477           | 7,022            | 6,791           | 7,500           |
| Watermain Replacement               | 7,388            | 7,556            | 7,689            | 8,234           | 8,655           |
| <b>Total Statutory Reserves</b>     | <b>\$66,892</b>  | <b>\$159,849</b> | <b>\$62,695</b>  | <b>\$66,452</b> | <b>\$67,506</b> |
| <b>Other Sources</b>                |                  |                  |                  |                 |                 |
| Enterprise Fund                     | 180              | 550              | 550              | 550             | 550             |
| Grant and Developer Contribution    | 12,847           | 10,125           | 10,125           | 10,125          | 10,125          |
| Other Sources                       | 7,624            | 4,957            | 4,587            | 4,592           | 4,649           |
| Rate Stabilization                  | 3,536            | -                | 1,320            | -               | -               |
| Sewer Levy                          | 300              | 50               | 100              | -               | 50              |
| Solid Waste and Recycling           | 300              | 300              | 300              | 300             | 300             |
| Water Levy                          | 650              | 1,790            | 1,740            | 1,565           | 1,690           |
| <b>Total Other Sources</b>          | <b>\$25,437</b>  | <b>\$17,772</b>  | <b>\$18,722</b>  | <b>\$17,132</b> | <b>\$17,364</b> |
| <b>Total Capital Program</b>        | <b>\$115,092</b> | <b>\$194,636</b> | <b>\$101,368</b> | <b>\$97,238</b> | <b>\$98,763</b> |

**SCHEDULE C:**

**CITY OF RICHMOND  
 CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)  
 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 2019.

**Table 1:**

| <b>Funding Source</b>                       | <b>% of Total Revenue</b> |
|---|---------------------------|
| Property Taxes                              | 50.5%                     |
| User Fees                                   | 23.3%                     |
| Sales of Services                           | 9.2%                      |
| Gaming Revenue                              | 3.6%                      |
| Investment Income                           | 3.5%                      |
| Payments in Lieu of Taxes                   | 3.1%                      |
| Licenses and Permits                        | 2.4%                      |
| Provincial and Federal Grants               | 1.8%                      |
| Other                                       | 2.6%                      |
| Total Operating and Utility Funding Sources | 100.0%                    |

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

**CITY OF RICHMOND  
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)  
STATEMENT OF POLICIES AND OBJECTIVES**

**Distribution of Property Taxes**

Table 2 provides the 2018 distribution of property tax revenue among the property classes. 2019 estimated roll figures will be received in March 2019.

**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 2018 Revised Roll figures)

| <b>Property Class</b> | <b>% of Tax Burden</b> |
|-----------------------|------------------------|
| Residential (1)       | 56.19%                 |
| Business (6)          | 35.14%                 |
| Light Industry (5)    | 6.82%                  |
| Others (2,4,8 & 9)    | 1.85%                  |
| Total                 | 100.00%                |

**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*.