



5 YEAR FINANCIAL PLAN (2010 - 2014) BYLAW 8568

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" which are attached and form a part of this bylaw, are adopted as the 5 Year Financial Plan (2010 - 2014).
2. 2009 to 2013 – 5 Year Financial Plan Bylaw No. 8490 is repealed.
3. This Bylaw is cited as "5 Year Financial Plan (2010 - 2014) Bylaw 8568".

FIRST READING

MAR 8 2010

SECOND READING

MAR 8 2010

THIRD READING

MAR 8 2010

ADOPTED

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

MAYOR

CITY CLERK

SCHEDULE A to BYLAW 8568
CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2010-2014)
(in \$000's)

	2010	2011	2012	2013	2014
Property Taxes	\$154,777	\$163,224	\$172,111	\$180,918	\$189,028
Grants-in-lieu	11,277	11,342	11,609	11,676	11,544
Utilities	75,587	82,398	86,414	91,057	95,018
Grants	4,332	4,376	4,421	4,469	4,518
Fees & Charges	33,485	30,417	31,780	32,345	32,493
Gaming Revenue	11,080	11,080	11,080	11,080	11,080
Investment Income	11,197	11,197	11,197	11,197	11,197
Penalties and Interest on Taxes	1,075	1,075	1,075	1,075	1,075
Miscellaneous Fiscal Earnings	24,573	19,309	19,543	18,471	18,093
Capital Plan					
Transfer from DCC Reserve	9,384	8,666	7,881	7,443	6,858
Transfer from Other Funds and Reserves	125,028	27,563	102,824	34,694	28,230
Carryforward Prior Years	166,815	90,368	37,979	44,605	26,023
TOTAL REVENUES	628,608	461,013	497,914	449,029	435,157
Corporate Administration	3,532	3,665	3,735	3,807	3,867
Parks & Recreation	30,857	32,123	32,738	33,374	33,978
Business & Financial Services	6,531	6,782	6,906	7,032	7,140
Engineering Public Works	34,827	35,840	36,541	37,241	37,943
Planning & Development Service	10,028	10,420	10,610	10,804	10,967
Utilities	75,587	82,398	86,414	91,057	95,018
Fiscal	18,759	19,539	23,978	27,644	28,827
Corporate Services	14,325	14,707	14,934	15,166	15,868
Project Dev & Facility Maint	17,239	9,717	9,892	10,072	10,242
Law & Community Safety	72,864	75,982	78,287	80,477	82,646
Community Services	18,321	18,733	19,053	19,381	19,672
Transfer to Funds: Statutory Reserves	24,511	24,511	26,144	26,232	27,877
Capital Plan					
Current Year Capital Expenditures	134,412	36,229	110,705	42,137	35,088
Carryforward Prior Years	166,815	90,368	37,979	44,605	26,023
TOTAL EXPENDITURES	628,608	461,013	497,914	449,029	435,157
Proposed Property Tax Increase	\$5,102	\$6,447	\$6,887	\$6,807	\$6,110

Note: Numbers may not add exactly due to rounding.

SCHEDULE B to BYLAW 8568
CITY OF RICHMOND
5 YEAR CAPITAL PLAN FUNDING SOURCES
2010 – 2014
(in \$000's)

	2010	2011	2012	2013	2014
DCC Reserve					
Drainage	160	166	473	167	403
Parks Acquisition	3,386	2,822	2,351	2,351	1,881
Parks Development	983	1,293	1,246	1,223	1,270
Roads	3,300	3,061	2,670	2,674	2,315
Sanitary Sewer	751	746	697	658	652
Water	804	578	444	370	337
TOTAL	9,384	8,666	7,881	7,443	6,858
Reserves and Other Sources					
Statutory Reserves					
Affordable Housing Reserve Fund	500	0	0	0	0
Capital Building and Infrastructure Reserve Fund	5,735	0	11,100	0	0
Capital Reserve Fund	40,812	9,742	40,070	10,091	9,063
Child Care Development Reserve Fund	237	0	0	0	0
City Centre Facility	100	0	0	0	0
Community Legacy & Land Repl Reserve Fund	28,170	0	0	0	0
Drainage Improvement Reserve Fund	2,270	1,800	2,981	2,182	2,964
Equipment Replacement Reserve Fund	2,006	2,960	2,886	1,600	1,600
Leisure Facilities	1,365	0	0	0	0
Local Improvements Reserve Fund	750	750	750	750	750
Neighbourhood Improvement Reserve Fund	25	0	0	0	0
Public Art Program Reserve Fund	100	100	100	100	100
Sanitary Sewer Reserve Fund	3,900	1,686	12,482	6,416	2,870
Steveston Road Ends Reserve Fund	1,805	0	0	0	0
Waterfront Improvement Reserve Fund	550	750	50	50	50
Watermain Replacement Reserve Fund	12,100	7,500	29,000	10,400	7,500
Subtotal Statutory Reserves	100,425	25,288	99,419	31,589	24,897
Other Sources					
Appropriate Surplus	3,002	0	0	0	0
Enterprise	1,690	0	0	0	0
Grant, Developer and Community Contributions	16,011	275	1,405	1,105	1,333
Water Metering Provision	3,900	2,000	2,000	2,000	2,000
Subtotal Other Sources	24,603	2,275	3,405	3,105	3,333
TOTAL RESERVES & OTHER SOURCES	125,028	27,563	102,824	34,694	28,230
TOTAL CAPITAL PLAN CONTRIBUTIONS	134,412	36,229	110,705	42,137	35,088

**CITY OF RICHMOND
2010-2014 FINANCIAL PLAN
STATEMENT OF OBJECTIVES AND POLICIES
SCHEDULE C to BYLAW 8568**

In accordance with Section 165(3.1) of the *Community Charter*, the City of Richmond (“City”) is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*;
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions.

Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2010. It excludes utility revenues such as water, sewer and sanitation charges as they are billed separately on cost recovery basis.

Property taxes are the largest portion of revenue for the City. 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.

User fees and charges form the second largest portion of planned revenue. These include many municipal services, such as aquatics, sports fields, building permits, business licenses, development applications etc. that can be measured and charged for on a user-pay basis. This basis attempts to fairly apportion the value of a municipal service to those who make use of it.

Objective:

- Maximize alternative revenues to lessen the burden on property taxes.

Policies:

- Review and increase user fee levels by consumer price index (CPI).
- Any increase in alternative revenues and economic development beyond all financial strategy targets can be utilized for increased levels of service or to reduce tax rate.

Table 1:

Revenue Source	% of Total Revenue*
Property Taxes	64%
User Fees & Charges	14%
Investment Income	5%
Gaming Revenue	5%
Grants in Lieu of Taxes	5%
Other Sources	7%
Total	100%

*Total Revenue consists of general revenues.

Distribution of Property Taxes

Table 2 provides the estimated 2010 distribution of property tax revenue among the property classes. This approximate distribution will be determined upon receipt of the City's final revised roll.

Objective:

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

Policies:

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

Table 2:

Property Class	% of Total Property Tax
Residential (1)	50%
Business (6)	41%
Light Industry (5)	8%
Others (2,4,8 & 9)	1%
Total	100%

Permissive Tax Exemptions

Each year, Council passes a permissive exemption bylaw exempting certain properties from property tax. The Property Tax Exemptions Policy 3561 sets out the guidelines for permissive exemptions to churches, private schools, hospitals and charities as stated in Sections 220 and 224 of the Community Charter.

Objective:

The City will review its current policy of permissive exemption to include and encourage green development that will meet our commitment to Climate Action Charter.