



**5 Year Financial Plan (2010 - 2014) Bylaw 8568,
Amendment Bylaw 8653**

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" of the 5 Year Financial Plan (2010-2014) Bylaw 8568, are deleted and replaced with Schedule "A", Schedule "B" and Schedule "C" attached to and forming part of this amendment bylaw.
2. This Bylaw is cited as **"5 Year Financial Plan (2010 – 2014) Bylaw 8568, Amendment Bylaw 8653"**.

FIRST READING

SEP 13 2010

SECOND READING

SEP 13 2010

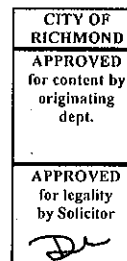
THIRD READING

SEP 13 2010

ADOPTED

MAYOR

CORPORATE OFFICER



Schedule A to Bylaw 8653
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	75,597	82,398	86,414	91,057	95,018
Transfer from Capital Equity	6,927	7,274	7,637	8,019	8,420
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	27,036	19,309	19,543	18,471	18,093
Transfer from Capital Equity	43,479	45,653	47,937	50,333	52,849
Capital Plan					
Transfer from DCC Reserve	11,123	8,666	7,881	7,443	6,858
Transfer from Other Funds and Reserves	149,403	27,563	102,824	34,694	28,230
Carryforward Prior Years	166,815	90,368	37,979	44,605	26,023
TOTAL REVENUES	\$707,603	\$513,942	\$553,488	\$507,382	\$496,426
Corporate Administration	\$3,532	\$3,665	\$3,735	\$3,807	\$3,867
Parks & Recreation	35,723	36,912	37,767	38,654	39,523
Business & Financial Services	6,531	6,782	6,906	7,032	7,140
Engineering & Public Works	57,537	59,407	61,286	63,223	65,224
Planning & Development Services	10,147	10,546	10,742	10,942	11,112
Utilities	82,514	89,671	94,052	99,077	103,438
Fiscal	28,463	29,729	34,675	38,878	40,622
Corporate Services	16,623	17,107	17,454	17,812	18,646
Project Dev & Facility Maint	18,620	9,717	9,892	10,072	10,242
Law & Community Safety	75,924	78,628	81,064	83,394	85,709
Community Services	21,137	20,670	21,087	21,517	21,915
Transfer to Funds: Statutory Reserves	23,511	24,511	26,144	26,232	27,877
Capital Plan					
Current Year Capital Expenditures	160,526	36,229	110,705	42,137	35,088
Carryforward Prior Years	166,815	90,368	37,979	44,605	26,023
TOTAL EXPENDITURES	\$707,603	\$513,942	\$553,488	\$507,382	\$496,426
Proposed Property Tax Increase	\$5,102	\$6,447	\$6,887	\$6,807	\$6,110

Schedule B to Bylaw 8653
City of Richmond
5 Year Capital Funding Sources
2010 - 2014
(in \$000's)

	2010	2011	2012	2013	2014
DCC Reserve					
Drainage	160	166	473	167	403
Parks Acquisition	4,832	2,822	2,351	2,351	1,881
Parks Development	1,276	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	11,123	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	42,223	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	2,420	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	101,986	25,288	99,419	31,589	24,897
Other Sources					
Appropriated Surplus	25,753	0	0	0	0
Enterprise	1,690	0	0	0	0
Grant, Developer and Community Contributions	16,074	275	1,405	1,105	1,333
Water Metering Provision	3,900	2,000	2,000	2,000	2,000
Subtotal Other Sources	47,417	2,275	3,405	3,105	3,333
TOTAL RESERVES & OTHER SOURCES	149,403	27,563	102,824	34,694	28,230
TOTAL CAPITAL PLAN CONTRIBUTIONS	\$160,526	\$36,229	\$110,705	\$42,137	\$35,088

**City of Richmond
2010-2014 Financial Plan
Statement of Policies and Objectives
Schedule C to Bylaw 8653**

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 and it also excludes the transfer from capital equity as this represents the non-cash reduction in equity as a result of amortization expense.

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 2010 distribution of property tax revenue among the property classes.

Objective:

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

Policies:

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

Table 2:

Property Class	% of Total Property Tax
Residential (1)	50%
Business (6)	40%
Light Industry (5)	8%
Others (2,4,8 & 9)	2%
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 tax exemptions to determine whether there are any possible options for revitalization opportunities.

