



5 Year Financial Plan (2011-2015) Bylaw 8707

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 (2011-2015).
2. 5 Year Financial Plan (2010 – 2014) Bylaw 8568 and all associated amendments are repealed.
3. This Bylaw is cited as "**5 Year Financial Plan (2011 - 2015) Bylaw 8707**".

FIRST READING

MAR 14 2011

SECOND READING

MAR 14 2011

THIRD READING

MAR 14 2011

ADOPTED



MAYOR

CORPORATE OFFICER

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2011 – 2015)
(in '000's)

	2011	2012	2013	2014	2015
Revenues					
Property Taxes	161,335	168,343	175,485	181,890	188,562
Transfer from Capital Equity	46,821	54,931	61,127	67,498	74,247
Fees & Charges	26,492	27,223	29,044	30,879	31,796
Grant-in-lieu	11,770	11,920	12,070	12,320	12,420
Grants	3,715	3,789	3,865	3,942	4,021
Gaming Revenue	11,113	11,146	11,174	11,204	11,242
Investment Income	16,205	15,400	13,650	12,800	11,200
Penalties and Interest on Taxes	990	995	1,000	1,005	1,010
Miscellaneous Fiscal Earnings	25,635	23,222	23,038	23,664	24,238
Utilities	85,460	90,477	95,311	99,752	104,392
Transfer from Capital Equity	7,709	8,597	9,565	10,629	11,740
Capital Plan					
Transfer from DCC Reserve	11,784	12,432	10,206	9,556	8,242
Transfer from Other Funds and Reserves	60,915	100,044	54,443	42,000	28,178
Carry Forward Prior Years	143,382	64,824	53,190	35,352	26,072
TOTAL REVENUES	\$613,326	\$593,343	\$553,168	\$542,491	\$537,360
Expenditures					
Law & Community Safety	79,793	82,361	84,841	87,162	89,883
Parks & Recreation	36,825	39,680	41,460	43,505	45,340
Engineering & Public Works	55,176	59,946	64,005	68,507	73,043
Community Services	21,262	22,101	23,231	24,529	25,637
Corporate Services	17,124	17,562	18,209	18,990	19,605
Project Development & Facility Maintenance	11,652	11,882	12,205	12,582	12,885
Planning & Development Services	12,150	12,512	13,080	13,777	14,303
Business and Financial Services	6,930	7,059	7,305	7,617	7,820
Corporate Administration	4,343	4,414	4,555	4,735	4,849
Fiscal	24,786	24,761	27,700	31,020	33,735
Transfer to Funds: Statutory Reserves	29,511	30,389	30,392	31,356	31,636
Utilities	93,169	99,074	104,876	110,381	116,132
Municipal Debt					
Debt Interest	3,223	3,137	2,359	844	-
Debt Principal	1,301	1,165	1,111	578	-
Capital Plan					
Current Year Capital Expenditures	72,699	112,476	64,649	51,556	36,420
Carry Forward Prior Years	143,382	64,824	53,190	35,352	26,072
TOTAL EXPENDITURES	\$613,326	\$593,343	\$553,168	\$542,491	\$537,360
Proposed Property Tax Increase	2.95%	3.10%	3.05%	3.08%	3.12%

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN FUNDING SOURCES
(2011 – 2015)
(In 000's)

	2011	2012	2013	2014	2015
DCC Reserves					
Drainage	539	1,248	167	403	0
Parks Acquisition	3,198	3,292	4,232	3,292	3,292
Parks Development	1,458	2,102	1,693	1,881	943
Roads	5,126	4,766	3,601	2,991	3,336
Sanitary Sewer	746	580	143	652	0
Water	717	444	370	337	671
Total DCC Reserves	11,784	12,432	10,206	9,556	8,242
Statutory Reserves					
Capital Building and Infrastructure Reserve Fund	300	8,500	7,300	0	0
Capital Reserve Fund	16,351	32,898	14,004	9,464	2,691
Child Care Development Reserve Fund	295	225	0	0	0
Drainage Improvement Reserve Fund	4,251	3,921	2,182	2,964	4,050
Equipment Replacement Reserve Fund	3,483	2,250	1,535	2,278	2,400
Leisure Facilities	0	0	0	0	0
Local Improvements Reserve Fund	750	750	750	750	750
Public Art Program Reserve Fund	349	0	0	0	0
Sanitary Sewer Reserve Fund	2,938	18,127	2,375	2,893	2,970
Steveston Road Ends Reserve Fund	830	0	0	0	0
Watermain Replacement Reserve Fund	13,466	21,490	12,000	7,500	7,504
Total Statutory Reserves	43,013	88,161	40,146	25,849	20,365
Other Sources					
Appropriated Surplus/Surplus	6,662	6,088	6,088	6,088	6,088
Enterprise	1,466	0	0	0	0
Grant, Developer and Community Contributions	6,054	4,195	6,609	8,463	125
Utility Levy	420	0	0	0	0
Water Metering Provision	3,300	1,600	1,600	1,600	1,600
Total Other Sources	17,902	11,883	14,297	16,151	7,813
Total Capital Plan Contributions	\$72,699	\$112,476	\$64,649	\$51,556	\$36,420

**City of Richmond
2011-2015 Financial Plan
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:

- 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 tax rate.

Table 1:

Revenue Source	% of Total Revenue*
Property Taxes	62.7%
Other Sources	10.4%
User Fees & Charges	10.3%
Investment Income	6.3%
Grants in Lieu of Taxes	4.6%
Gaming Revenue	4.3%
Grants	1.4%
Total	100.0%

**Total Revenue consists of general revenues*

Table 1 shows the proportion of total general revenue proposed to be raised from each funding source in 2011. Utility revenue that is billed on a cost recovery basis is not included in this table.

Distribution of Property Taxes

Table 2 provides the estimated 2011 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: (based on the 2011 Preliminary Roll figures)

Property Class	% of Tax Burden
Residential (1)	53.5%
Business (6)	37.6%
Light Industry (5)	7.6%
Others (2,4,8 & 9)	1.3%
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.