




City of Richmond

Report to Committee



To: Finance Committee **Date:** January 5, 2018
From: Andrew Nazareth **File:** 03-0985-01/2016-Vol
 General Manager, Finance and Corporate 01
 Services
Re: **Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800**

Staff Recommendation

1. That the Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800 be introduced and given first, second, and third readings.
2. That staff undertake a process of public consultation as required in Section 166 of the Community Charter.


 Andrew Nazareth
 General Manager, Finance and Corporate Services
 (604-276-4095)

Att. 4

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Law	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: CJ	APPROVED BY CAO 

Staff Report

Origin

Subsection 165(l) of the *Community Charter* requires the City to adopt a 5 Year Financial Plan (5YFP) Bylaw. The 5YFP Bylaw provides the City with the authority to proceed with spending to the limits as outlined in the bylaw. The City is required under section 166 of the *Community Charter* to undertake a process of public consultation prior to adoption of the 5YFP.

The 5YFP Bylaw No. 9800 consolidates the budget decisions previously approved by Council including the Utility, Operating, Capital budgets and One-Time Expenditures. The key components were approved by Council as follows:

Table 1 – Summary of Council Approval of the 2018 Budgets

Budget Input	Council Approval Date
2018 Utility Budget	November 14, 2017
2018 Richmond Public Library Budget	November 14, 2017
2018 One-Time Expenditures	December 11, 2017
2018 Council Community Initiatives	December 11, 2017
2018 Capital Budget	December 11, 2017
2018 Operating Budget	December 11, 2017

The 2018 Utility rates were approved by Council on November 14, 2017 and the following bylaws were adopted as follows:

- Drainage, Dike and Sanitary Sewer System Bylaw No. 7551, Amendment Bylaw No. 9782 adopted on November 14, 2017.
- Solid Waste and Recycling Regulation Bylaw No. 6803, Amendment Bylaw No. 9791 adopted on November 14, 2017.
- Waterworks and Water Rates Bylaw No. 5637, Amendment Bylaw No. 9785 adopted on November 14, 2017.

The 5YFP includes the budget for the City’s wholly owned subsidiary Richmond Olympic Oval Corporation which has been approved by its Board of Directors.

The operating budget for Lulu Island Energy Company (LIEC) which was approved by its Board of Directors was presented to Council on December 4, 2017 Finance Committee. The 5YFP excludes the 2018 budget for LIEC since LIEC has been classified as Government Business Enterprise and is required to apply International Financial Reporting Standards while the City is required to report under Public Sector Accounting Standards.

The 5YFP Bylaw includes estimates for 2019-2022 based on information currently available to staff and will be revised with the financial plan for each respective year. Inclusion in the financial plan for 2019 and beyond does not represent final approval for spending.

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.

7.1. Relevant and effective budget processes and policies.

7.2. Well-informed and sustainable financial decision making.

7.3. Transparent financial decisions that are appropriately communicated to the public.

7.4. Strategic financial opportunities are optimized.

Analysis

The 2018 Budget present a same level of service budget, with only non-discretionary increases that can be clearly identified and supported. Enhanced or new levels of service has been identified separately as ongoing additional level request for Council's consideration.

This report summarizes the 2018 budgets that have been previously approved by Council into a consolidated financial plan to provide expenditure authorization, allowing the City to formally proceed with delivering services to the community. In addition, the 5YFP includes operating and capital carryforward amounts that have been approved in prior years, however, projects and programs are expected to be completed in 2018 and future years.

Adjustments with No Impact on Rates

Prior Year Capital Carryforwards

The Capital Budget as presented in the 5YFP includes carryforward amounts for previously approved and funded projects that are still in progress as capital projects usually take several years to complete after Council approval. There is no tax impact of including these amounts.

Prior Year Operating Carryforwards

The 2018 Carryforwards are comprised of unspent amounts from 2017 and previously approved one-time expenditures that are required for programs and projects that were not completed in 2017 and hence carried into 2018. There is no tax impact of including these amounts.

Developer Contributed Assets

The 5YFP also includes an estimate for the value of developer contributed assets that the City will take ownership of as a result of rezoning approvals. This includes dedicated land under new road and infrastructure contributed by developers. There is no cost to the City for building the initial infrastructure; however it becomes part of the City's inventory of assets to maintain and eventually replace.

2018 Operating Budget Impacts (OBI) for Utility Projects

The approved Capital Budget includes Utility projects with OBI for water and sanitary sewer infrastructure. Since the approval of these Capital projects occurred subsequent to the setting of the utility rates, these additional operating costs are not factored into the 2018 utility rates. These additional costs will be incorporated into the 2019 rates, and for 2018 the OBI will be funded as needed by utility rate stabilization accounts.

2018 One-Time Expenditures

On December 11, 2017, Council approved \$1.75M in One-Time expenditures funded by the Rate Stabilization Account. These expenditures have been incorporated in the 5YFP and summarized in Table 2.

Table 2 – 2018 One-Time Expenditures Summary

One-Time Expenditures	Amount (in \$ 000's)
Replenishing Sanding and Salting Provision	\$800
Enhanced hours and programming for Steveston Heritage Sites	303
Parks Strategic Ageing Infrastructure Replacement Plan	225
Election Reserve	130
Recreation Fee Subsidy Program Administrative Support and Promotion	118
City's Industrial Land Intensification Study	100
Richmond Public Library – Book Vending Technology at Hamilton	77
2018 One-Time Expenditures	\$1,753

Council Community Initiatives Account

On December 11, 2017, Council approved funding in the amount of \$13,000 from the Council Community Initiatives Account for Richmond Community Services Advisory Community Space Review.

Capital Budget

On December 11, 2017, Council approved the 2018 Capital Budget of \$160.1M. The 2018 Capital Budget is summarized in Table 3 and presented in bylaw format in Attachments 1 and 2.

Table 3 – Total 2018 Capital Budget

2018 Capital Budget	Amount (in \$ 000's)
Infrastructure Program	\$71,645
Building Program	40,745
Parks Program	11,455
Equipment Program	10,542
Contingent External Grants	10,000
Land Program	10,000
Internal Transfer / Debt Payment	4,489
Affordable Housing Program	620
Public Art Program	348
Child Care Program	220
Total 2018 Capital Budget - City	\$160,064

Projects range from road, sewer, water and drainage services to new buildings and parks, child care and affordable housing projects, land and equipment purchase. Highlights of the 2018 Capital Budget include:

- Construction of the new River Parkway from Gilbert to Cambie along the former railway right-of-way (\$10.5 million);
- Reconstruction of No. 4 Road from Blundell to Granville (\$1.8 million);
- Construction of a new animal shelter (\$8.0 million) and lawn bowling club house (\$4.0 million);
- Closed circuit television monitoring at signalized intersections (\$2.2 million);
- Restoration of the Phoenix Net Loft at Britannia Shipyards National Historic Site (\$11.5 million)
- Funding for design of a new Canada Line station at Capstan Way (\$3.5 million)
- Diking and drainage improvements (\$14.0 million);
- Phase 3 park development of the Garden City Lands (\$1.62 million) and development of the New Aberdeen Park playground and garden (\$1.25 million)

Operating Budget

The Operating Budget approved by Council on December 11, 2017 includes the Operating Budget Impacts from Capital, Additional Expenditures and additional transfer to reserves to form the new Ongoing Base Budget. The revised 2018 Municipal Tax Dollar Breakdown is presented in Attachment 3.

Table 4 presents a reconciliation of the Property Tax amount in the 2018 Budget.

Table 4 – Total 2018 Property Tax

2018 Property Tax	Amount (in \$ 000's)	
Same Level of Service		\$213,771
OBI and Additional Levels :		
2018 Capital Program OBI – Year 1 of 2	495	
2018 Developer Contributed Assets OBI	89	
OBI of Previously Approved 2017 One-Time Expenditures	35	
Additional 1% Transfer to Reserves	2,065	
Additional Levels:		
16 RCMP Officers and 3 Municipal Employees	2,277	
One-time capital costs - 16 RCMP Officers and 3 Municipal Employees	291	
Animal Shelter Operations	248	
Richmond Public Library Expanded Senior Services	203	
Emergency Program Neighbourhood Preparedness Program Assistant	100	
Rate Stabilization:		
16 RCMP Officers and 3 Municipal Employees	(2,277)	
One-time capital costs - 16 RCMP Officers and 3 Municipal Employees	(291)	
Richmond Public Library Expanded Senior Services	(203)	
Emergency Program Neighbourhood Preparedness Program Assistant	(100)	
Subtotal:		2,932
Total 2018 Property Tax		\$216,703

The 2018 Operating Budget includes 1% transfer to reserves in accordance with Council's Long Term Financial Management Strategy (LTFMS). At the Finance Committee held on December 4, 2017, Council referred back to staff to conduct an analysis on the LTFMS specifically examining the need for the 1% transfer to reserves. Staff has been working with various departments assessing the long-term building and infrastructure replacement needs and focusing on enhancing the City's economic well-being and report back to Council with the findings.

Public Consultation

Section 166 of the *Community Charter* requires a process of public consultation prior to adoption of the 5YFP. In order to comply with this requirement, staff are working on a number of communication initiatives, which include:

- preparing a news release on the City website scheduled for Wednesday, February 14, 2018 with a link to the 5YFP.
- engaging a public forum on Let's Talk Richmond scheduled to launch on Wednesday, February 14, 2018.
- utilizing social media to raise awareness of the public consultation period through Facebook and Twitter accounts.
- having copies of the 2018-2022 Consolidated Financial Plan and the budget reports approved by Council available for pick-up by the public.
- advertising in the Richmond News as reminder of the ongoing public consultation.

Upon review of the legislation and discussions with Province, the format of the public consultation process is at the discretion of the municipality to determine the communication channel that best suits its local community. Last year, staff held 2 open houses and conducted consultation via Let's Talk Richmond that was advertised online, newspaper ads, and social media for last year's budget process.

The open houses held for the 2017 budget process to solicit feedback from the public were not well attended. Questions raised at the open houses were mainly focused on personal neighbourhood concerns and technical in nature which required representation from various departments (Engineering, Transportation, Parks) to provide a response. On the other hand, over 200 visitors and 100 comments were received from the public via Let's Talk Richmond which was advertised online and through newspaper ads and social media. In order to ensure that the 5YFP consultation is beneficial, effective and efficient, staff will conduct the process through Let's Talk Richmond and social media.

The public consultation period will end on Sunday, March 4, 2018 and staff will report the results to Council in advance of the meeting scheduled to give final reading to the 5YFP bylaw.

Financial Impact

Table 5 summarizes the Council approved 2018 total tax increase of 3.30%, the proposed estimates for 2019 through 2022 to deliver the same level of service, and do not include additional levels, carryforwards, or one-time expenditures. The estimated tax increase for the 5YFP also includes 1% transfer to reserves in accordance with Council’s Long Term Financial Management Strategy (LTFMS) for building and infrastructure replacement.

Table 5 – 5YFP 2018-2022 Summary

Year	Projected CPI	Tax Increase	Transfer to Reserves	Total Increase
2018 Approved Increase	2.30%	2.30%	1.00%	3.30%
2019 Proposed Increase	2.40%	1.99%	1.00%	2.99%
2020 Proposed Increase	2.00%	1.98%	1.00%	2.98%
2021 Proposed Increase	2.10%	1.95%	1.00%	2.95%
2022 Proposed Increase	2.10%	1.99%	1.00%	2.99%

Conclusion

The 5YFP 2018-2022 has been prepared utilizing the 2018 budgets approved by Council to form the base of the financial plan. Staff recommend that the bylaw be given first through third readings and undertake the public consultation process.



Mike Ching, CPA, CMA
 Manager, Financial Planning and Analysis
 (604-276-4137)

MC:jh

- Att. 1: 5 Year Capital Plan by Program (2018-2022)
- 2: 5 Year Capital Plan by Funding Sources (2018-2022)
- 3: 2018 Municipal Tax Dollar
- 4: Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800

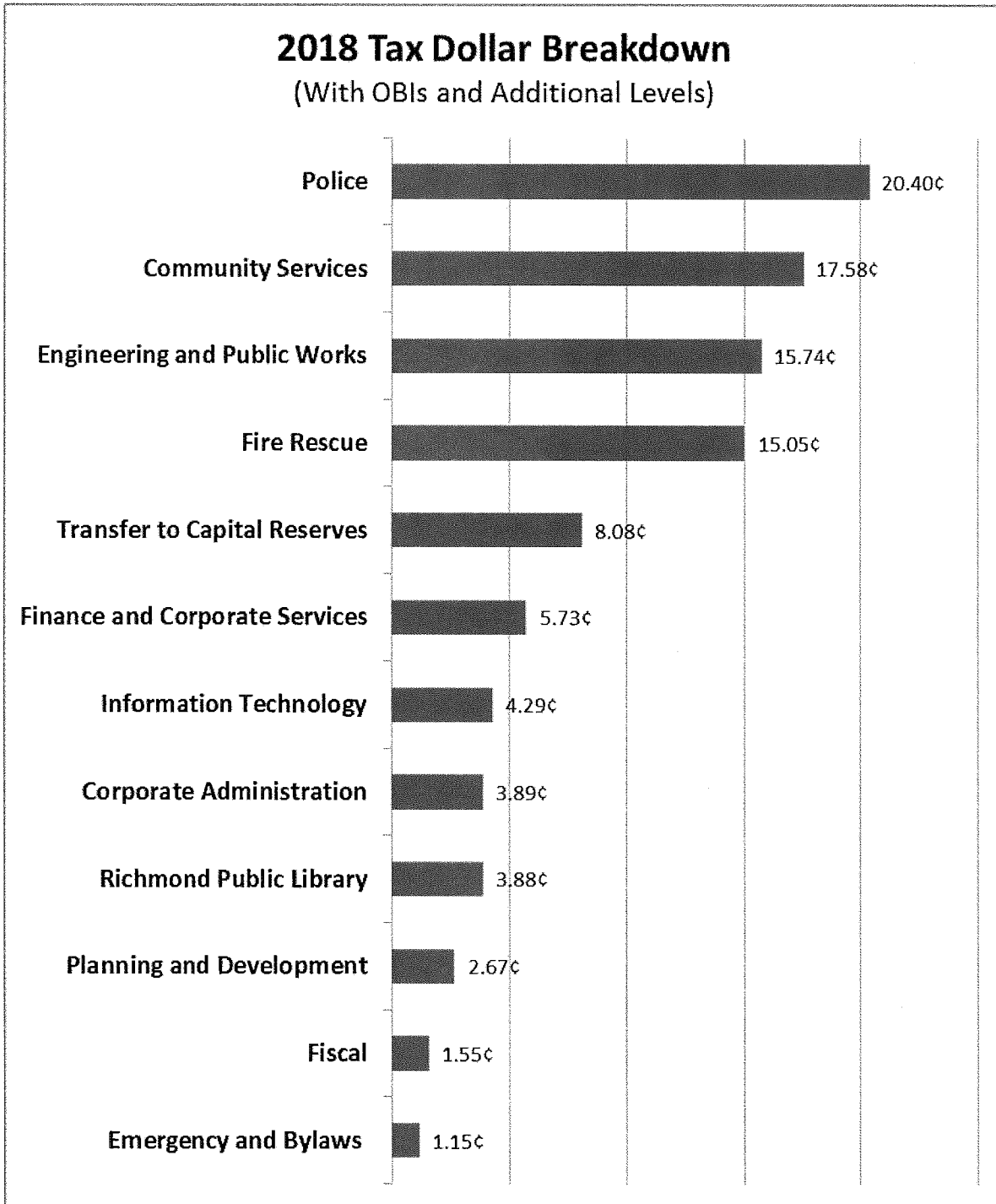
**CITY OF RICHMOND
5 YEAR CAPITAL PLAN SUMMARY (2018 – 2022)
(in \$000s)**

	2018	2019	2020	2021	2022
Infrastructure Program					
Roads	27,002	15,504	17,861	12,289	12,759
Drainage	13,996	16,351	12,835	12,510	13,434
Water	14,327	10,793	9,520	10,139	12,309
Sanitary Sewer	12,190	7,200	5,670	7,350	4,570
Minor Capital	4,130	4,480	4,480	5,791	4,480
Total Infrastructure Program	\$71,645	\$54,328	\$50,366	\$48,079	\$47,552
Building Program					
Building	29,245	15,547	19,065	2,199	21,231
Heritage	11,500	-	-	-	-
Total Building Program	\$40,745	\$15,547	\$19,065	\$2,199	\$21,231
Parks Program					
Parkland	4,000	4,000	4,000	3,400	1,100
Parks	7,455	27,320	3,650	3,400	3,400
Total Parks Program	\$11,455	\$31,320	\$7,650	\$6,800	\$4,500
Public Art Program	\$348	\$742	\$600	\$100	\$100
Land Program	\$10,000	\$10,000	\$10,000	\$10,000	\$5,000
Affordable Housing	\$620	\$625	\$625	\$625	\$625
Equipment Program					
Annual Fleet Replacement	3,423	1,498	1,415	1,735	2,547
Fire Dept. Vehicles and Equipment	1,239	2,431	182	1,466	1,183
Information Technology	2,730	2,125	365	455	460
Equipment	3,150	550	550	550	550
Total Equipment Program	\$10,542	\$6,604	\$2,512	\$4,206	\$4,740
Child Care Program	\$220	\$60	\$60	\$60	\$60
Internal Transfers/Debt Payment	\$4,489	\$4,489	\$4,061	\$4,061	\$3,676
Contingent External Contributions	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Capital Program	\$160,064	\$133,715	\$104,939	\$86,130	\$97,484

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2018-2022)
(In \$000's)**

	2018	2019	2020	2021	2022
DCC Reserves					
Drainage DCC	-	1,154	97	97	-
Park Development DCC	4,167	4,421	2,586	2,257	2,210
Park Land Acquisition DCC	5,964	5,964	5,964	5,400	3,237
Roads DCC	19,274	6,305	5,739	5,505	5,123
Sanitary DCC	588	1,223	103	1,436	150
Water DCC	1,645	708	498	900	1,710
Total DCC	\$31,638	\$19,775	\$14,987	\$15,595	\$12,430
Statutory Reserves					
Affordable Housing	620	625	625	625	625
Arts Culture Heritage	3,645	-	-	-	-
Capital Building and Infrastructure	28,351	1,000	-	1,311	-
Capital Reserve	19,924	52,162	39,262	17,061	31,470
Child Care	220	60	60	60	60
Drainage Improvement	16,753	16,213	14,538	14,213	15,234
Equipment Replacement	4,810	4,080	1,237	2,951	3,480
Neighbourhood Improvement	-	94	-	-	-
Public Art Program	348	464	100	100	100
Sanitary Sewer	10,530	6,697	6,367	6,634	5,140
Waterfront Improvement	-	1,000	-	-	-
Watermain Replacement	11,792	10,385	8,632	8,849	10,209
Total Statutory Reserves	\$96,993	\$92,780	\$70,821	\$51,804	\$66,318
Rate Stabilization					
Rate Stabilization	8,049	-	-	-	-
Total Rate Stabilization	\$8,049	-	-	-	-
Other Sources					
Enterprise Fund	100	550	550	550	550
Grant and Developer Contribution	11,275	11,825	11,125	11,125	11,125
Other Sources	8,878	6,835	5,556	5,186	5,191
Sewer Levy	643	-	-	-	-
Solid Waste and Recycling	300	300	300	300	300
Water Levy	2,188	1,650	1,600	1,570	1,570
Total Other Sources	\$23,384	\$21,160	\$19,131	\$18,731	\$18,736
Total Capital Program	\$160,064	\$133,715	\$104,939	\$86,130	\$97,484

2018 MUNICIPAL TAX DOLLAR





Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800

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 (2018-2022).
2. 5 Year Consolidated Financial Plan (2017-2021) Bylaw 9663 and all associated amendments are repealed.
3. This Bylaw is cited as "Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

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

MAYOR

CORPORATE OFFICER

SCHEDULE A:

CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2018-2022)
REVENUE AND EXPENSES
(In \$000's)

	2018 Budget *	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Revenue:					
Property Taxes	216,703	226,240	236,227	246,653	257,499
User Fees	100,786	104,224	107,693	111,350	115,168
Sales of Services	39,246	39,572	40,092	40,599	41,116
Gaming Revenue	16,500	16,500	16,500	16,500	16,500
Investment Income	14,694	15,103	15,420	16,326	17,574
Payments In Lieu Of Taxes	14,245	14,729	15,171	15,641	16,126
Other Revenue	10,921	11,208	11,506	11,814	12,132
Licenses And Permits	10,384	10,626	10,832	11,053	11,279
Grant Revenue	7,692	7,799	7,901	8,035	8,171
Developer Contributed Assets	47,410	33,360	33,360	33,360	33,360
Development Cost Charges	31,638	19,775	14,987	15,595	12,430
Other Capital Funding Sources	11,275	11,825	11,125	11,125	11,125
	521,494	510,961	520,814	538,051	552,480
Expenses:					
Community Safety	101,786	102,569	105,425	108,980	112,580
Engineering and Public Works	76,076	66,972	68,232	69,722	71,268
Community Services	66,159	63,298	65,966	68,627	70,641
Finance and Corporate Services	28,162	24,761	25,511	26,534	27,607
Fiscal	22,006	19,222	18,988	18,552	18,088
Debt Interest	1,679	1,677	1,677	1,677	1,677
Corporate Administration	9,950	10,149	10,433	10,791	11,162
Planning and Development Services	16,120	16,165	16,714	17,418	18,158
Utility Budget					
Water Utility	42,161	43,353	44,955	46,645	48,407
Sanitary Sewer Utility	31,930	33,105	34,700	36,415	38,227
Sanitation and Recycling	16,369	16,701	17,294	18,245	19,261
Richmond Public Library	10,758	10,900	11,175	11,523	11,885
Richmond Olympic Oval Corporation	16,211	16,535	16,866	17,203	17,547
	439,367	425,407	437,936	452,332	466,508
Annual Surplus	82,127	85,554	82,878	85,719	85,972

SCHEDULE A (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2018-2022)
TRANSFERS
(In \$000's)**

	2018 Budget *	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Transfers:					
Debt Principal	4,761	4,951	5,149	5,355	5,570
Transfer To (From) Reserves	66,999	69,700	71,963	74,325	76,792
Transfer To (From) Surplus	(34,116)	(3,551)	(1,871)	(1,807)	(1,076)
Capital Expenditures - Current Year	160,064	133,716	104,938	86,131	97,484
Capital Expenditures - Prior Years	257,680	224,878	179,784	137,746	104,968
Capital Expenditures - Developer Contributed Assets	47,410	33,360	33,360	33,360	33,360
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	1,362	-	-	-	-
Capital Funding	(422,925)	(378,392)	(311,337)	(250,283)	(232,018)
Transfers/Amortization offset:	82,127	85,554	82,878	85,719	85,972
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	3.30%	2.99%	2.98%	2.95%	2.99%

* 2018 Budget includes approved one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2019 through 2022 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 (2018-2022)
(In \$000's)

	2018	2019	2020	2021	2022
DCC Reserves					
Drainage DCC	-	1,154	97	97	-
Park Development DCC	4,167	4,421	2,586	2,257	2,210
Park Land Acquisition DCC	5,964	5,964	5,964	5,400	3,237
Roads DCC	19,274	6,305	5,739	5,505	5,123
Sanitary DCC	588	1,223	103	1,436	150
Water DCC	1,645	708	498	900	1,710
Total DCC	\$31,638	\$19,775	\$14,987	\$15,595	\$12,430
Statutory Reserves					
Affordable Housing	620	625	625	625	625
Arts Culture Heritage	3,645	-	-	-	-
Capital Building and Infrastructure	28,351	1,000	-	1,311	-
Capital Reserve	19,924	52,162	39,262	17,061	31,470
Child Care	220	60	60	60	60
Drainage Improvement	16,753	16,213	14,538	14,213	15,234
Equipment Replacement	4,810	4,080	1,237	2,951	3,480
Neighbourhood Improvement	-	94	-	-	-
Public Art Program	348	464	100	100	100
Sanitary Sewer	10,530	6,697	6,367	6,634	5,140
Waterfront Improvement	-	1,000	-	-	-
Watermain Replacement	11,792	10,385	8,632	8,849	10,209
Total Statutory Reserves	\$96,993	\$92,780	\$70,821	\$51,804	\$66,318
Rate Stabilization					
Rate Stabilization	8,049	-	-	-	-
Total Rate Stabilization	\$8,049	-	-	-	-
Other Sources					
Enterprise Fund	100	550	550	550	550
Grant and Developer Contribution	11,275	11,825	11,125	11,125	11,125
Other Sources	8,878	6,835	5,556	5,186	5,191
Sewer Levy	643	-	-	-	-
Solid Waste and Recycling	300	300	300	300	300
Water Levy	2,188	1,650	1,600	1,570	1,570
Total Other Sources	\$23,384	\$21,160	\$19,131	\$18,731	\$18,736
Total Capital Program	\$160,064	\$133,715	\$104,939	\$86,130	\$97,484

SCHEDULE C:

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2018-2022)
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 2018.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	49.8%
User Fees	23.9%
Sales of Services	9.2%
Gaming Revenue	3.8%
Investment Income	3.4%
Payments in Lieu of Taxes	3.3%
Licenses and Permits	2.4%
Grants	1.8%
Other	2.4%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
 CONSOLIDATED 5 YEAR FINANCIAL PLAN (2018-2022)
 STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the 2017 distribution of property tax revenue among the property classes. 2018 estimated roll figures will be received in January 2018.

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 2017 Revised Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.28%
Business (6)	35.79%
Light Industry (5)	7.18%
Others (2,4,8 & 9)	0.75%
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*.