



City of Richmond

Report to Committee

To: Finance Committee

Date: September 16, 2013

From: Andrew Nazareth
General Manager, Finance and Corporate
Services

File:

Re: Amendments to the 5 Year Financial Plan (2013-2017) Bylaw 8990

Staff Recommendation

That the 5 Year Financial Plan (2013-2017) Bylaw 8990, Amendment Bylaw 9060 which would incorporate and put into effect changes previously approved by Council and administrative changes to the 2013 Capital, Utility and Operating Budgets (as summarized in Attachment 1), be introduced and given first, second and third readings.

Andrew Nazareth
General Manager, Finance and Corporate Services
(604-276-4095)
Att. 3

| REPORT CONCURRENCE | | |
|------------------------------|-------------------------------------|--------------------------------|
| ROUTED TO: | CONCURRENCE | CONCURRENCE OF GENERAL MANAGER |
| Community Social Development | <input checked="" type="checkbox"/> | |
| Parks Services | <input checked="" type="checkbox"/> | |
| Finance Division | <input checked="" type="checkbox"/> | |
| Engineering | <input checked="" type="checkbox"/> | |
| Project Development | <input checked="" type="checkbox"/> | |
| Sewerage & Drainage | <input checked="" type="checkbox"/> | |
| Roads and Construction | <input checked="" type="checkbox"/> | |
| Community Bylaws | <input checked="" type="checkbox"/> | |
| Fire Rescue | <input checked="" type="checkbox"/> | |
| Library | <input checked="" type="checkbox"/> | |
| Transportation | <input checked="" type="checkbox"/> | |
| Public Art | <input checked="" type="checkbox"/> | |
| Development Applications | <input checked="" type="checkbox"/> | |
| REVIEWED BY DIRECTORS | INITIALS: | APPROVED BY CAO |

Staff Report

Origin

The 5 Year Financial Plan (2013-2017) Bylaw 8990 was adopted February 25, 2013. Included in the 5 Year Financial Plan (5YFP) are the 2013 Capital, Utility and Operating Budgets.

Subsection 165(2) of the Community Charter allows for amendments of the financial plan by bylaw and Section 137(1) (b) directs that the power to amend or repeal must be exercised by bylaw and is subject to the same approval and other requirements, if any, as the power to adopt a new bylaw under that authority. Section 166 states that a council must undertake a process of public consultation regarding the proposed financial plan before it is adopted.

Analysis

The 5 Year Financial Plan (2013-2017) Bylaw 8990 was adopted February 25, 2013 and included the 5 Year Financial Plan, 5 Year Capital Program and Statement of Policies and Objectives. Subsection 165 (4) of the Community Charter requires the financial plan to include the proposed funding sources for the planning period. The Amended 5 Year Financial Plan (2013-2017) includes the 5 Year Financial Plan, 5 Year Funding Sources, and Statement of Policies and Objectives.

Subsequent to the adoption of the 5YFP, additional opportunities and projects have emerged. Individual staff reports detailing these amendments have been presented to Council for approval.

Also, administrative amendments resulting from additional grant funding and contributions, re-classification of costs or unexpected expenditures are presented in accordance with Policy 3001 - Budget Amendments.

The current expenditure bylaw does not include these amounts and staff recommend that these amendments to the 5YFP be approved. There is **no tax impact** for any of these amendments.

Several reports have been presented to Council detailing items that result in amendments to the 2013 5YFP. The Council approved changes (presented in order of the Council meeting date) are:

1. a. At the Council meeting on March 25, 2013, Council approved: *“(1) That the Blundell School Field baseball upgrade project be endorsed for submission to the federal Community Infrastructure Improvement Fund (CIIF); and (2) That the Chief Administrative Officer and General Manager Community Services be authorized to execute the funding agreements for approved projects and the 2013 – 2017 five year financial plan be amended accordingly to reflect the receipt of an external grant.”*

The 2013 Capital Budget will be increased by \$165,300 for the Blundell School Field Upgrade project to be funded by the CIIF external grant.

- b. At the Council meeting on May 6, 2013, it was approved: *“(1) That the Ladner Steveston Local Channel Dredging Contribution Agreement as attached to the staff report titled*

Ladner Steveston Local Channel Dredging Contribution Agreement 2013 from the Senior Manager, Parks and Director, Engineering dated April 16, 2013 be approved; (2) That the Chief Administrative Officer and the General Managers of Community Services and Engineering and Public Works be authorized to sign the Ladner Steveston Local Channel Dredging Contribution Agreement; and (3) That staff bring forward the finalized dredging budget and scope for consideration prior to any expenditure commitment."

- i. This amendment increases the 2013 Operating Budget by \$100,000 for the dredging planning and design with funding from the Dredging Provision.
- ii. At the October 22, 2012 Council meeting, it was approved: *"(1) That no greater than \$2.0M in funding from the utility provisions be approved as the City's proportionate share for the dredging of the Steveston Channel, which will only be expended upon the approval and commitment by senior governments of matching grants."*

The remaining \$1.9 million will be funded in equal proportions from the water and sewer utility provision accounts to allow for the funds to be expended, subject to future approval by Council of senior government grants.

- c. At the Council meeting on June 24, 2013, it was approved: *"That: (1) the following Major Capital Facilities Program Phase 1 projects be endorsed and included in the City's 2014 budget process for Council consideration as described in the Staff report titled "Major Capital Facilities Program Phase 1" dated May 31, 2013 from the Director of Engineering: (a) Replacement of the Older Adults' Activity Centre in Minoru Park; (b) Renovation of the City Hall Annex (formerly known as the Public Safety Building on Minoru Boulevard) for temporary use as an older adults' centre; (c) replacement of the Aquatics Centre in Minoru Park; (d) Temporary cover over Steveston outdoor pool for continuity of community aquatic services; (e) Replacement of Firehall No. 1 at the corner of Granville Avenue and Gilbert Road; (2) the funding strategy outlined in Option 3 of this report be endorsed on the basis that the City would borrow \$50 Million dollars with a 10-year amortization with the balance to be taken from the City's Reserves; (3) an amendment to the City's Five Year Financial Plan (2013-2017) to include \$3.5 million for advanced design of the Major Capital Facilities Program Phase 1 with funding to come from the City's revolving fund be brought forward for Council consideration; (4) an amendment to the City's Five Year Financial Plan (2013-2017) to include \$500,000 for advanced construction of the City Centre Community Centre Tenant Improvements with funding to come from the City's revolving fund be brought forward for Council consideration; (5) staff bring forward the balance of the list of the capital facilities priorities for examination; and (6) staff provide details of the full consultation plans and report through the General Purposes Committee."*
- i. The 2013 Capital Budget will be increased by \$3.5 million for advanced design for the projects identified at the June 24, 2013 Council meeting that form the

Major Capital Facilities Program (CFIP) Phase 1. This will be funded by the Revolving Fund.

- ii. Increase the 2013 Capital Budget by \$500,000 for City Centre Community Centre Tenant Improvements funded from the Revolving Fund.
- iii. The 2013 Capital Budget will be increased by \$50 million representing the debt funding for the replacement of the Aquatics Centre. The remaining funding required for the CFIP Phase 1 will be taken from the City's Reserves as part of the 2014-2018 Financial Plan. The inclusion of this project in the amended 2013-2017 5YFP is required in order to complete the full approval process by the end of November which will allow the Municipal Finance Authority (MFA) to provide the requested funding to the City in the Spring of 2014.

Upon Council approval of this 5YFP amendment, staff will present to Council the Loan Authorization Bylaw to borrow \$50 million from the MFA under a separate report. The debt repayment will be funded by existing debt funding budget and gaming revenue, therefore no tax impact will result from the proposed borrowing for the CFIP.

- d. At the Council meeting on July 22, 2013, it was approved: *"That \$251,500 of Drainage Utility Reserve funding be approved for the No. 2 Road Drainage Box Culvert Replacement, and that the 2013 – 2017 Five Year Financial Plan be amended accordingly."*

The transfer of \$251,500 from the Drainage Utility Reserve funding will increase the 2013 Capital Budget.

- e. At the Council meeting on July 22, 2013, it was approved: *"(1) That a pilot program for food scraps and organics collection services for multifamily dwellings and commercial businesses, as outlined in Option 1 of the staff report dated June 24, 2013 from the Director – Public Works Operations, be approved; (2) That the Chief Administrative Officer and General Manager, Engineering & Public Works be authorized to negotiate and execute an amendment to Contract T.2988, Residential Solid Waste & Recycling Collection Services, to service, acquire, store, assemble, label, deliver, replace and undertake related tasks for the carts, kitchen containers and related items associated with this temporary pilot program; and (3) That an amendment to the City's Five Year Financial Plan (2013-2017) to include capital costs of \$200,000 and operating costs of \$120,000 for undertaking a pilot program for food scraps and organics collection services for Multi-Family Dwellings (4) and Commercial Businesses, with funding from the City's general solid waste and recycling provision, be brought forward for Council consideration."*

The Operating Budget will be increased by \$120,000 and the Capital Budget increased by \$200,000 for this initiative which will be funded from the General Solid Waste and Recycling Provision.

- f. At the Council meeting on September 16, 2013, it was approved: *“That: (1) staff be authorised to purchase the Cadence Child Care Facility based on the terms and conditions as set out in RZ 12-602449 and the staff report dated January 22, 2013 to Planning Committee; (2) staff be authorised to transfer \$874,000 from the Child Care Development Reserve Fund and such funds to be utilized to complete the proposed transaction; (3) an amendment to the City's Five Year Financial Plan (2013-2017) to include \$874,000 for the purchase of an independent air space parcel which is to include a fully constructed facility, to be known as Cadence Child Care Facility, with funding to come from the City's Childcare Development Reserve Fund be brought forward for Council consideration; and (4) the Chief Administrative Officer and the General Manager, Finance & Corporate Services are authorised to complete the negotiations and execute the Purchase and Sale Agreement in regards to the purchase of Cadence Child Care Facility.”*

The 2013 Capital Budget will be increased by \$874,000 from the Childcare Development Reserve for the acquisition of the independent air parcel for the Cadence Child Care Facility. The corresponding \$30,257 Operating Budget Impact will be included in the City's Five Year Financial Plan (2014-2018).

- g. Include subject to approval of a separate staff report at a future Council meeting, the addition of \$7,019,666 from the Affordable Housing Capital Reserve Fund toward the construction costs associated with the 296 subsidized seniors housing units at 6251 Minoru Boulevard (Kiwanis Towers).
- h. At the Closed Council meeting on July 22, 2013, Council approved the transfer of \$150,000 within the Law and Community Safety Operating Budget for consulting costs.

During the year the original 5 Year Financial Plan Bylaw may require amendments due to additional amounts being received, re-classification of costs or unexpected expenditures. The following amendments represent administrative changes:

2. a. Budget Amendment Policy 3001 states that changes to salaries be reported to Committee. The following amendments will result in no overall increase to the 2013 Operating Budget:
 - i. Transfer \$149,900 from the Corporate Administration budget to the Energy Management budget in order to provide funding for the Senior Manager, Sustainability & District Energy position.
 - ii. Transfer \$130,979 from the Corporate Administration budget to the Community Services budget in order to provide funding for the Manager, Community Cultural Development position.

- iii. Increase the Sports and Community Events budget by \$104,000 for the 2013 Maritime Festival expenditures, which was funded by Maritime Festival sponsorship revenues. \$4,000 of this is allocated to salaries.
 - iv. Increase the Energy Management budget by \$79,167 for the temporary full time Sustainability Project Manager position which is funded through BC Hydro grants.
 - v. Increase the Community Bylaws budget for the approved reclassifications of unionized staff positions. The 2013 funding for these positions of \$53,920 will be offset by the increased parking revenues.
 - vi. Transfer \$49,000 within the Information Technology section operating budget from consultants to salaries to provide funding for Business Systems Analyst position.
 - vii. Increase the Arts, Culture and Heritage budget by \$30,000 for the additional administration required for Public Arts projects, which will be funded from the Public Art Provision.
 - viii. Transfer \$20,000 within the Community Services Department from the Parks Resource Management section to the Parks Administration section for clerical assistance.
 - ix. Transfer \$14,000 within the Finance and Corporate Services Department from the Finance Administration section to the City Clerks section for clerical assistance.
 - x. Include \$42,700 Operating Budget Impact (OBI) in the Water and Sanitary Sewer Utility Budgets as a result of the completion of the 2013 Watermain Replacement and Sanitary Sewer capital projects. Included in the \$42,700 is \$7,178 for additional salaries.
- b. During the year there were items that should have been capitalized in accordance with generally accepted accounting principles. The following amendments represent the administrative transfer from the operating or utility budget to the capital budget:
- i. Transfer \$1,625,000 to the 2013 Capital Budget for minor capital charges for the Public Safety Building Renovation project 2011-2012. There is no financial impact since the amount is funded from the Project Development Facilities operating budget.
 - ii. Transfer \$609,000 to the 2013 Capital Budget for miscellaneous repaving charges for roads. There is no financial impact since the amount is funded from the Roads and Construction operating budget.

- iii. Transfer \$341,000 to the 2013 Capital Budget for water meters. There is no financial impact since the amount is funded from the Water Utility budget.
- c. Increase the scope of existing programs and projects by a total of \$2,025,371 to recognize additional external funding to the Capital Budget:
 - Oval West Waterfront Park – Phase 1 Hollybridge Pier (\$1,000,000) voluntary contribution by a developer. The rezoning was adopted on October 24, 2011.
 - Britannia: Seine Net Loft (2011) funded by a Western Economic Diversification Canada grant (\$250,000).
 - Traffic Video Detection funded by Translink & ICBC contributions (\$198,500).
 - Asphalt Repaving of roads funded by developer contributions (\$170,331).
 - Cycling Network Expansion (\$108,233) funded from various grants.
 - Hamilton Park Playground redesign/rebuild funded by contributions from Hamilton Community Association and the Tire Stewardship of B.C. (\$97,244).
 - Traffic signals and operations (\$96,500) funded by external funding such as developer contributions, ICBC and Translink.
 - Gateway Theatre Mechanical System Retrofit funded by a Federal Grant (\$58,980).
 - West Richmond Community Centre carpentry work (\$35,583) funded by the West Richmond Community Association.
 - Oval West Waterfront Park – Phase 1 derelict piles removal cost share (\$10,000) funded by the UBC Rowing Club.
- d. Increase the Project Facilities Administration Operating Budget by \$380,316 by transferring \$155,000 from the Gaming Provision and \$225,316 from the Building Improvement Provision accounts. The respective amounts represent the carry-forward of unspent funds from the 2012 Operating Budget that relate to programs that were not completed in 2012.
- e. Transfer \$225,000 from the McLennan (South) Park project to the Middle Arm Waterfront project with no overall impact to the Capital Budget for general landscaping of the overall park.
- f. Transfer \$204,705 from the Future Capping Deposits account to Annual Asphalt Re-Paving capital projects for the final repaving of designated roads.
- g. Transfer funding of \$150,000 from the Additional Level Provision for the expenses incurred for the Garden City Land consultation and public input that was conducted.
- h. Include the Library Wireless Network capital project for \$146,818 in the 2013 Capital Budget which will be funded equally from the Library's accumulated surplus and a grant from the Community Infrastructure Improvement Fund.
- i. Increase the Capital Budget by \$135,000 for the purchase of a Mobile Public Education unit to be funded equally from the Additional Level provision and the Fire Provision. A

partnership agreement with Canadian Western Bank will sponsor \$67,500 representing half of the cost and will be paid over a three-year term with proceeds to be deposited into the Fire Provision.

- j. Increase the Human Resources budget by \$125,000 for collective agreement negotiation, which will be funded by the Arbitrations Provision account.
- k. Include the capital costs for City Hall first floor improvements of \$100,000 to be funded from the General Contingency.
- l. Include the Mobile Shelving Installation capital project for \$90,000 in the 2013 Capital Budget which will be funded from library donations.
- m. Transfer \$76,200 within the Richmond Fire Rescue operating budget to purchase Business Continuity supplies.
- n. Increase the Capital Budget by \$48,631 for the replacement of the City Hall commercial refrigeration equipment from general contingency.
- o. Increase the Capital Budget by \$46,893 for the Tempest License Software project and the Community Bylaw Operating budget by \$4,800 for the corresponding OBI which will be funded from the favourability in existing revenues.
- p. Increase the Capital Budget by \$30,554 for the Tempest E-Apply for Dog License Module project and the Community Bylaw Operating budget by \$4,400 for the corresponding OBI which will be funded from the favourability in existing revenues.
- q. Reallocate \$14,900 for the OBI related to the No. 2 Road Fire Hall maintenance from Fiscal to Fire Rescue and Facilities Management Operating Budgets.
- r. Increase the Arts, Culture and Heritage budget by \$10,000, which will be funded from Gulf & Fraser Sponsorship for Art Gallery initiatives.

Financial Impact

The proposed 2013 budget amendments have **no tax impact**. Overall, there is an increase of \$67,913,438 to the 2013 Capital Budget and \$10,158,716 to the 2013 Operating and Utility Budget. Each of these annual budgets combines to form part of the 2013-2017 5YFP. The 2013-2017 5YFP schedule, capital program and funding sources can be found in **Attachments 1 - 3**.

2013 Capital Budget – Summary of Changes

(in \$000's)

| Item | Description | Ref | Amount |
|---|----------------------------------|---------|-----------------|
| Capital Budget as at February 25, 2013 | | | \$71,768 |
| 1 | Aquatics Centre debt funding | 1(c)iii | 50,000 |
| 2 | Affordable Housing Kiwanis | 1(g) | 7,020 |
| 3 | Major facilities advanced design | 1(c)i | 3,500 |

| | | | |
|----|--|---------|-------|
| 4 | Misc. grants & external sources | 2(c) | 2,025 |
| 5 | Public Safety Building Renovation | 2(b)i | 1,625 |
| 6 | Air parcel acquisition | 1(f) | 874 |
| 7 | Miscellaneous repaving capital | 2(b)ii | 609 |
| 8 | City Centre Community Centre capital project | 1(c)ii | 500 |
| 9 | Water Meters | 2(b)iii | 341 |
| 10 | Drainage Box Culvert replacement | 1(d) | 251 |
| 11 | Asphalt capping | 2(f) | 205 |
| 12 | Multi-Family & Commercial recycling | 1(e) | 200 |
| 13 | Sports field upgrade | 1(a) | 165 |
| 14 | Library wireless network | 2(h) | 147 |
| 15 | Fire Safety Mobile Public Education Unit | 2(i) | 135 |
| 16 | City Hall Improvements | 2(k) | 100 |
| 17 | Mobile Shelving Installation | 2(l) | 90 |
| 18 | Licensing Software | 2(o&p) | 77 |
| 19 | City Hall Equipment Replacement | 2(n) | 49 |
| 20 | Middle Arm Waterfront project | 2(e) | 0 |

Total amendments **67,913**

Total 2013 Capital Budget including amendments **\$139,681**

2013 Operating and Utility Budget – Summary of Changes (in \$000's)

| Item | Description | Ref | Amount |
|------|-------------|-----|--------|
|------|-------------|-----|--------|

Operating and Utility Budget as at February 25, 2013 **\$414,806**

| | | | |
|----|---|---------|-------|
| 1 | Affordable Housing Kiwanis | 1(g) | 7,020 |
| 2 | Steveston Channel Dredging | 1(b)ii | 1,900 |
| 3 | Project Facilities | 2(d) | 380 |
| 4 | Garden City Lands | 2(g) | 150 |
| 5 | Union Bargaining Arbitration | 2(j) | 125 |
| 6 | Multi-Family & Commercial Recycling | 1(e) | 120 |
| 7 | Maritime Festival | 2(a)iii | 104 |
| 8 | Dredging | 1(b)i | 100 |
| 9 | Licensing Software | 2(o&p) | 87 |
| 10 | Community Energy Management Program | 2(a)iv | 79 |
| 11 | Community Bylaws positions | 2(a)v | 54 |
| 12 | Public Art administration transfer | 2(a)vii | 30 |
| 13 | Art Gallery initiatives | 2(r) | 10 |
| 14 | Law and Community Safety consulting | 1(h) | 0 |
| 15 | Sustainability & District Energy position | 2(a)i | 0 |
| 16 | Community Cultural Development position | 2(a)ii | 0 |
| 17 | Business Systems Analyst position | 2(a)vi | 0 |

| Item | Description | Ref | Amount |
|--|--|----------|------------------|
| 18 | Parks administration transfer | 2(a)viii | 0 |
| 19 | Finance administration transfer | 2(a)ix | 0 |
| 20 | Watermain replacements & Sanitary pump station maintenance | 2(a)x | 0 |
| 21 | Public Safety Building Renovation | 2(b)i | 0 |
| 22 | Miscellaneous repaving capital | 2(b)ii | 0 |
| 23 | Water Meters | 2(b)iii | 0 |
| 24 | Business continuity supplies | 2(m) | 0 |
| 25 | No 2 Fire Hall maintenance | 2(q) | 0 |
| Total amendments | | | 10,159 |
| Total Operating Budget including amendments | | | \$424,965 |

Items included in the above Summary of Changes with no amount represents offsetting adjustments due to transfers within the Operating and Utility Budget, resulting in no overall increase to the Operating and Utility Budget.

Conclusion

Staff recommends that Council approve the 2013 Capital, Operating and Utility Budget amendments to accommodate the expenditures within the 5 Year Financial Plan Bylaw. The proposed 2013 budget amendments will have no tax impact. Overall, there is an increase of \$67,913,438 to the 2013 Capital Budget and \$10,158,716 to the 2013 Operating and Utility Budget.

As required in Section 166 of the Community Charter staff will conduct a process of public consultation prior to the final reading on November 25, 2013.



Jerry Chong
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(604-276-4064)

JC:ms

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2013 – 2017)
(in 000's)

| | 2013 Amended | 2014 | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | |
| Property Taxes | 174,825 | 181,481 | 188,176 | 194,641 | 201,023 |
| Transfer from Capital Equity | 43,185 | 43,085 | 43,161 | 43,539 | 44,819 |
| Utilities | 90,940 | 97,101 | 103,095 | 108,625 | 113,876 |
| Transfer from Capital Equity | 6,621 | 6,504 | 6,387 | 6,309 | 6,220 |
| Fees and Charges | 26,878 | 27,080 | 27,479 | 27,889 | 28,311 |
| Investment Income | 16,199 | 16,279 | 16,361 | 16,443 | 16,525 |
| Grant-in-lieu | 13,199 | 13,199 | 13,199 | 13,199 | 13,199 |
| Gaming Revenue | 12,364 | 12,394 | 12,436 | 12,475 | 12,516 |
| Grants | 4,739 | 4,556 | 4,556 | 4,556 | 4,556 |
| Penalties and Interest on Taxes | 990 | 1,010 | 1,030 | 1,051 | 1,072 |
| Miscellaneous Fiscal Earnings | 35,026 | 22,286 | 22,224 | 22,568 | 23,023 |
| Capital Plan | | | | | |
| Transfer from DCC Reserve | 20,125 | 15,159 | 13,566 | 11,431 | 14,501 |
| Transfer from Other Funds and Reserves | 62,824 | 41,362 | 38,424 | 43,771 | 41,491 |
| External Contributions | 6,732 | 650 | 170 | 195 | 195 |
| Proceeds from borrowing | 50,000 | - | - | - | - |
| Carryforward Prior Years | 97,522 | 54,142 | 37,206 | 32,411 | 31,009 |
| TOTAL REVENUES | \$662,169 | \$536,288 | \$527,470 | \$539,103 | \$552,336 |
| Expenditures | | | | | |
| Utilities | 97,724 | 103,605 | 109,482 | 114,934 | 120,095 |
| Law & Community Safety | 85,191 | 87,218 | 89,568 | 91,945 | 94,328 |
| Community Services | 71,053 | 63,001 | 64,027 | 65,160 | 67,055 |
| Engineering & Public Works | 67,316 | 68,224 | 69,934 | 71,658 | 73,661 |
| Finance and Corporate Services | 24,330 | 24,075 | 24,447 | 24,828 | 25,221 |
| Planning & Development | 12,513 | 12,561 | 12,789 | 13,025 | 13,262 |
| Fiscal | 23,237 | 23,422 | 24,475 | 24,360 | 24,064 |
| Transfer to Funds: Statutory Reserves | 32,207 | 33,955 | 35,770 | 37,652 | 39,598 |
| Corporate Administration | 7,926 | 7,493 | 7,612 | 7,733 | 7,856 |
| Municipal Debt | | | | | |
| Debt Interest | 1,114 | 366 | - | - | - |
| Debt Principal | 2,355 | 1,056 | - | - | - |
| Capital Plan | | | | | |
| Current Year Capital Expenditures | 139,681 | 57,170 | 52,160 | 55,397 | 56,187 |
| Carryforward Prior Years | 97,522 | 54,142 | 37,206 | 32,411 | 31,009 |
| TOTAL EXPENDITURES | \$662,169 | \$536,288 | \$527,470 | \$539,103 | \$552,336 |

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN
CAPITAL PROGRAM (2013-2017)
(in \$000's)

| | 2013 Amended | 2014 | 2015 | 2016 | 2017 |
|--|------------------|-----------------|-----------------|-----------------|-----------------|
| Infrastructure Program | | | | | |
| Roads | 17,780 | 10,131 | 10,620 | 8,254 | 8,114 |
| Drainage | 8,131 | 8,125 | 4,863 | 7,001 | 13,720 |
| Water Main Replacement | 9,804 | 8,480 | 8,580 | 8,120 | 8,680 |
| Sanitary Sewer | 3,970 | 5,600 | 4,340 | 6,580 | 4,010 |
| Infrastructure Advanced Design & Land | 1,411 | 1,194 | 1,184 | 1,184 | 1,184 |
| Minor Public Works | 250 | 250 | 250 | 250 | 250 |
| Total Infrastructure Program | \$41,346 | \$33,780 | \$29,837 | \$31,389 | \$35,958 |
| Building Program | | | | | |
| Major Building | 60,400 | 1,377 | 250 | 250 | 250 |
| Minor Building | 340 | - | - | - | - |
| Total Building Program | \$60,740 | \$1,377 | \$250 | \$250 | \$250 |
| Parks Program | | | | | |
| Major Parks/Streetscapes | 5,240 | 4,250 | 2,700 | 2,200 | 2,154 |
| Minor Parks | 962 | 500 | 600 | 600 | 600 |
| Parkland Acquisition | - | 3,500 | 3,500 | 3,500 | 2,000 |
| Public Art | 257 | - | - | - | - |
| Total Parks Program | \$6,459 | \$8,250 | \$6,800 | \$6,300 | \$4,754 |
| Land Program | | | | | |
| Total Land Program | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Affordable Housing Program | | | | | |
| Total Affordable Housing Program | \$750 | \$975 | \$975 | \$975 | \$975 |
| Equipment Program | | | | | |
| Annual Fleet Replacement | 3,055 | 2,230 | 4,450 | 3,149 | 2,130 |
| Computer Capital | 1,674 | 597 | 341 | 330 | 330 |
| Fire Dept. Equipment | 219 | 1,173 | 891 | 1,432 | 892 |
| Miscellaneous Equipment | 5,525 | 1,101 | 1,101 | 3,600 | 3,601 |
| Technology | 1,011 | 350 | 400 | 450 | - |
| Total Equipment Program | \$11,484 | \$5,451 | \$7,183 | \$8,961 | \$6,953 |
| Child Care Program | | | | | |
| Total Child Care Program | \$924 | \$275 | \$275 | \$275 | \$50 |
| Internal Transfers/Debt Payment | | | | | |
| Total Internal Transfers/Debt Payment | \$12,978 | \$2,062 | \$1,840 | \$2,247 | \$2,247 |
| TOTAL CAPITAL PROGRAM | \$139,681 | \$57,170 | \$52,160 | \$55,397 | \$56,187 |

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2013-2017)
(in 000's)

| | 2013 Amended | 2014 | 2015 | 2016 | 2017 |
|--|------------------|-----------------|-----------------|-----------------|-----------------|
| DCC Reserves | | | | | |
| Drainage | 2,918 | 1,344 | 644 | 97 | 4,199 |
| Parks Acquisition | 4,232 | 3,292 | 3,292 | 3,292 | 1,881 |
| Parks Development | 3,825 | 3,104 | 2,822 | 2,115 | 2,085 |
| Roads | 7,925 | 4,349 | 4,798 | 3,237 | 3,237 |
| Sanitary Sewer | 238 | 1,420 | 1,420 | 1,310 | 1,350 |
| Water | 987 | 1,650 | 590 | 1,380 | 1,750 |
| Total DCC Reserves | \$20,125 | \$15,159 | \$13,566 | \$11,431 | \$14,502 |
| Reserves and Other Sources | | | | | |
| Statutory Reserves | | | | | |
| Affordable Housing Reserve Fund | 7,770 | 975 | 975 | 975 | 975 |
| Capital Building & Infrastructure Reserve Fund | - | 500 | - | - | - |
| Capital Reserve Fund | 13,751 | 12,590 | 10,781 | 10,099 | 9,857 |
| Child Care Development Reserve Fund | 924 | 275 | 275 | 275 | 50 |
| Drainage Improvement Reserve Fund | 5,042 | 6,743 | 4,172 | 7,071 | 9,936 |
| Equipment Replacement Reserve Fund | 2,423 | 3,216 | 4,022 | 4,280 | 2,777 |
| Leisure Facilities Reserve Fund | - | 50 | - | - | - |
| Neighbourhood Improvement Reserve Fund | - | 17 | - | - | - |
| Public Art Program Reserve Fund | 257 | 100 | 100 | 100 | 100 |
| Sanitary Sewer Reserve Fund | 4,048 | 4,015 | 3,235 | 5,585 | 2,975 |
| Waterfront Improvement Reserve Fund | - | 250 | - | 250 | - |
| Watermain Replacement Reserve Fund | 7,500 | 5,655 | 6,815 | 8,065 | 8,255 |
| Total Reserves | \$41,715 | \$34,386 | \$30,375 | \$36,700 | \$34,925 |
| Other Sources | | | | | |
| Appropriated Surplus / Surplus | 16,370 | 3,619 | 3,619 | 3,619 | 3,289 |
| Enterprise | 812 | 350 | 400 | 450 | 0 |
| Utility Levy | 1,153 | 305 | 1,329 | 301 | 575 |
| Library Provision | 1,174 | 1,101 | 1,101 | 1,101 | 1,101 |
| Water Metering Provision | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |
| Grant, Developer and Comm. Contributions | 6,732 | 650 | 170 | 195 | 195 |
| Proceeds from borrowing | 50,000 | - | - | - | - |
| Total Other Sources | \$77,841 | \$7,625 | \$8,219 | \$7,266 | \$6,760 |
| TOTAL CAPITAL FUNDING | \$139,681 | \$57,170 | \$52,160 | \$55,397 | \$56,187 |



**5 Year Financial Plan (2013-2017) Bylaw 8990
Amendment Bylaw 9060**

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" of the 5 Year Financial Plan (2013-2017) Bylaw 8990, 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 (2013 - 2017) Bylaw 8990, Amendment Bylaw 9060"**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

MAYOR

CORPORATE OFFICER

| |
|--|
| CITY OF RICHMOND |
| APPROVED for content by originating dept. JC |
| APPROVED for legality by Solicitor H |

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2013 – 2017)
(in 000's)

| | 2013 Amended | 2014 | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | |
| Property Taxes | 174,825 | 181,481 | 188,176 | 194,641 | 201,023 |
| Transfer from Capital Equity | 43,185 | 43,085 | 43,161 | 43,539 | 44,819 |
| Utilities | 90,940 | 97,101 | 103,095 | 108,625 | 113,876 |
| Transfer from Capital Equity | 6,621 | 6,504 | 6,387 | 6,309 | 6,220 |
| Fees and Charges | 26,878 | 27,080 | 27,479 | 27,889 | 28,311 |
| Investment Income | 16,199 | 16,279 | 16,361 | 16,443 | 16,525 |
| Grant-in-lieu | 13,199 | 13,199 | 13,199 | 13,199 | 13,199 |
| Gaming Revenue | 12,364 | 12,394 | 12,436 | 12,475 | 12,516 |
| Grants | 4,739 | 4,556 | 4,556 | 4,556 | 4,556 |
| Penalties and Interest on Taxes | 990 | 1,010 | 1,030 | 1,051 | 1,072 |
| Miscellaneous Fiscal Earnings | 35,026 | 22,286 | 22,224 | 22,568 | 23,023 |
| Capital Plan | | | | | |
| Transfer from DCC Reserve | 20,125 | 15,159 | 13,566 | 11,431 | 14,501 |
| Transfer from Other Funds and Reserves | 62,824 | 41,362 | 38,424 | 43,771 | 41,491 |
| External Contributions | 6,732 | 650 | 170 | 195 | 195 |
| Proceeds from borrowing | 50,000 | - | - | - | - |
| Carryforward Prior Years | 97,522 | 54,142 | 37,206 | 32,411 | 31,009 |
| TOTAL REVENUES | \$662,169 | \$536,288 | \$527,470 | \$539,103 | \$552,336 |
| Expenditures | | | | | |
| Utilities | 97,724 | 103,605 | 109,482 | 114,934 | 120,095 |
| Law & Community Safety | 85,191 | 87,218 | 89,568 | 91,945 | 94,328 |
| Community Services | 71,053 | 63,001 | 64,027 | 65,160 | 67,055 |
| Engineering & Public Works | 67,316 | 68,224 | 69,934 | 71,658 | 73,661 |
| Finance and Corporate Services | 24,330 | 24,075 | 24,447 | 24,828 | 25,221 |
| Planning & Development | 12,513 | 12,561 | 12,789 | 13,025 | 13,262 |
| Fiscal | 23,237 | 23,422 | 24,475 | 24,360 | 24,064 |
| Transfer to Funds: Statutory Reserves | 32,207 | 33,955 | 35,770 | 37,652 | 39,598 |
| Corporate Administration | 7,926 | 7,493 | 7,612 | 7,733 | 7,856 |
| Municipal Debt | | | | | |
| Debt Interest | 1,114 | 366 | - | - | - |
| Debt Principal | 2,355 | 1,056 | - | - | - |
| Capital Plan | | | | | |
| Current Year Capital Expenditures | 139,681 | 57,170 | 52,160 | 55,397 | 56,187 |
| Carryforward Prior Years | 97,522 | 54,142 | 37,206 | 32,411 | 31,009 |
| TOTAL EXPENDITURES | \$662,169 | \$536,288 | \$527,470 | \$539,103 | \$552,336 |

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN
FUNDING SOURCES (2013 - 2017)
(In 000's)

| | 2013 Amended | 2014 | 2015 | 2016 | 2017 |
|--|------------------|-----------------|-----------------|-----------------|-----------------|
| DCC Reserves | | | | | |
| Drainage | 2,918 | 1,344 | 644 | 97 | 4,199 |
| Parks Acquisition | 4,232 | 3,292 | 3,292 | 3,292 | 1,881 |
| Parks Development | 3,825 | 3,104 | 2,822 | 2,115 | 2,085 |
| Roads | 7,925 | 4,349 | 4,798 | 3,237 | 3,237 |
| Sanitary Sewer | 238 | 1,420 | 1,420 | 1,310 | 1,350 |
| Water | 987 | 1,650 | 590 | 1,380 | 1,750 |
| Total DCC Reserves | \$20,125 | \$15,159 | \$13,566 | \$11,431 | \$14,502 |
| Reserves and Other Sources | | | | | |
| Statutory Reserves | | | | | |
| Affordable Housing Reserve Fund | 7,770 | 975 | 975 | 975 | 975 |
| Capital Building & Infrastructure Reserve Fund | - | 500 | - | - | - |
| Capital Reserve Fund | 13,751 | 12,590 | 10,781 | 10,099 | 9,857 |
| Child Care Development Reserve Fund | 924 | 275 | 275 | 275 | 50 |
| Drainage Improvement Reserve Fund | 5,042 | 6,743 | 4,172 | 7,071 | 9,936 |
| Equipment Replacement Reserve Fund | 2,423 | 3,216 | 4,022 | 4,280 | 2,777 |
| Leisure Facilities Reserve Fund | - | 50 | - | - | - |
| Neighbourhood Improvement Reserve Fund | - | 17 | - | - | - |
| Public Art Program Reserve Fund | 257 | 100 | 100 | 100 | 100 |
| Sanitary Sewer Reserve Fund | 4,048 | 4,015 | 3,235 | 5,585 | 2,975 |
| Waterfront Improvement Reserve Fund | - | 250 | - | 250 | - |
| Watermain Replacement Reserve Fund | 7,500 | 5,655 | 6,815 | 8,065 | 8,255 |
| Total Reserves | \$41,715 | \$34,386 | \$30,375 | \$36,700 | \$34,925 |
| Other Sources | | | | | |
| Appropriated Surplus / Surplus | 16,370 | 3,619 | 3,619 | 3,619 | 3,289 |
| Enterprise | 812 | 350 | 400 | 450 | 0 |
| Utility Levy | 1,153 | 305 | 1,329 | 301 | 575 |
| Library Provision | 1,174 | 1,101 | 1,101 | 1,101 | 1,101 |
| Water Metering Provision | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |
| Grant, Developer and Comm. Contributions | 6,732 | 650 | 170 | 195 | 195 |
| Proceeds from borrowing | 50,000 | - | - | - | - |
| Total Other Sources | \$77,841 | \$7,625 | \$8,219 | \$7,266 | \$6,760 |
| TOTAL CAPITAL FUNDING | \$139,681 | \$57,170 | \$52,160 | \$55,397 | \$56,187 |

**City of Richmond
2013-2017 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:

- Tax increases will be at CPI + 1%
- 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 | 67.5% |
| User Fees & Charges | 9.1% |
| Investment Income | 6.7% |
| Grants in Lieu of Taxes | 5.0% |
| Gaming Revenue | 4.7% |
| Grants | 1.8% |
| Other Sources | 5.2% |
| 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 2013.

Distribution of Property Taxes

Table 2 provides the estimated 2013 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 2013 Completed Roll figures)

| Property Class | % of Tax Burden |
|-----------------------|------------------------|
| Residential (1) | 53.9% |
| Business (6) | 35.8% |
| Light Industry (5) | 8.6% |
| Others (2,4,8 & 9) | 1.7% |
| 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.