



City of Richmond

Report to Committee

To: Finance Committee

Date: August 25, 2014

From: Andrew Nazareth
General Manager, Finance and Corporate
Services

File: 99-BUDGETS/2014-
Vol 01

Re: Amendments to the 5 Year Financial Plan (2014-2018) Bylaw 9100

Staff Recommendation

That the 5 Year Financial Plan (2014-2018) Bylaw 9100, Amendment Bylaw 9166, which would incorporate and put into effect changes previously approved by Council and administrative changes to the 2014 Capital, Utility and Operating Budgets, 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
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	
City Clerk	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Human Resources	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Law and Community Safety	<input checked="" type="checkbox"/>	
Library Services	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	
Sustainability	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY ^{Acting} CAO

Staff Report

Origin

The 5 Year Financial Plan (2014-2018) Bylaw 9100 was adopted on February 24, 2014. Included in the 5 Year Financial Plan (5YFP) are the 2014 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

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.

The Council approved changes to the 2014 5YFP presented in order of Council meeting dates, are:

1. a. At the Council meeting on February 11, 2014, Council approved the following:

(4) That the City's budget for Ships to Shore 2014, Maritime Festival 2014 and Richmond Days of Summer be included in the 5 Year Financial Plan (2014-2018).

The 2014 Operating Budget will be increased by \$180,000 for Ships to Shore 2014 and \$50,000 for Richmond Days of Summer funded by the Major Events Provision. The 2014 Maritime Festival funding of \$200,000 was included in the original Bylaw.

- b. At the Closed Council meeting on April 14, 2014, Council approved the transfer of \$145,000 from the Leisure Facilities Reserve Fund to increase the 2014 Capital Budget for program and space planning.
- c. At the Closed Council meeting on April 14, 2014, Council approved that the purchase of the property at 6580 Eckersley Road be approved at a purchase price of \$1,078,000, plus other costs of acquisition including legal, due diligence inspections and demolition estimated at up to \$30,000.

- d. At the Council meeting on April 28, 2014, Council approved the following:

(1) That the Chief Administrative Officer and General Manager, Engineering & Public Works be authorized to negotiate and execute an amendment to or replacement of Contract T.2988, Residential Solid Waste & Recycling Collection Services with Sierra Waste Services Ltd. (in accordance with the April 7, 2014 staff report titled "Multi-Material BC Program Implementation" from the Director, Public Works (the "Staff Report")), (2) That additional funding for the remaining portion of the 2014 Sanitation and Recycling budget be approved at the estimated amount of \$650,000 and that full program funding in the estimated amount of \$1,040,000 be included in the 2015 utility budget process for Council's consideration.

The following four amendments are required to the Utility budget pertaining to Solid Waste and Recycling Collection services:

- i) Sanitation and Recycling expenses will be increased by \$460,000 for additional costs related to Multi-Material BC (MMBC) program.
- ii) Sanitation and Recycling revenues will be reduced by \$190,000 representing the loss of commodity revenue.

The additional costs of \$460,000 and the loss of revenue of \$190,000 are funded by the Sanitation and Recycling provision in 2014 for a total of \$650,000. The full annual costs estimated at \$1,040,000 will be included in the Utility budget in 2015.

- iii) Utility revenue will be increased by \$1,440,512 for the estimated MMBC incentive revenue. All revenues received under this agreement are to be transferred to the Sanitation and Recycling provision.
- iv) Council approved \$520,000 for start up costs to meet MMBC Program requirements for the separate collection of glass, public education, contract modifications, and related items. This was approved in Closed Council on November 25, 2013 and disclosed in Open Council on April 28, 2014.

The Capital Budget will be increased by \$520,000 funded by the Sanitation and Recycling provision.

The impact of the above four amendments results in an anticipated surplus of \$270,512 which will be transferred to the Sanitation and Recycling provision.

- e. At the Closed Council meeting on May 12, 2014, Council approved that the purchase of the properties at 2380 and 2400 Westminster Highway be approved at purchase prices of \$1,350,000 and \$1,400,000 respectively, plus other costs of acquisition including legal, due diligence/inspections.

- f. At the Council meeting on May 26, 2014, Council approved the following:
- (1) 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 with Sierra Waste Services Ltd. (in accordance with the April 7, 2014 staff report titled "Multi-Material BC Program Implementation" from the Director, Public Works (the "Staff Report")) to establish a recycling materials consolidation facility under the terms outlined in the staff report; and (2) That additional funding for the consolidation facility in the amount of \$140,000 plus applicable taxes for one-time costs, and related service costs per tonne of approximately \$320,000 annually be approved, with funding from the Sanitation and Recycling provision.*
- i) The 2014 Utility Budget will be increased by \$140,000 for the one-time facility arrangement costs funded by the Sanitation and Recycling provision.
- ii) The 2014 Utility Budget will be increased by \$200,000 for the prorated annual service costs funded by the Sanitation and Recycling provision. The full annual costs estimated at \$320,000 will be included in the Utility budget in 2015.

The amendments total \$340,000 in funding from the Sanitation and Recycling provision. The impact from item 1(d) above is an anticipated net increase to the Sanitation and Recycling provision of \$270,512. The total impact after both amendments is a net of \$69,488 to be drawn from the Sanitation and Recycling provision.

- g. At the Closed Council meeting on May 26, 2014, Council approved the transfer of \$150,000 from the Rate Stabilization Fund for Engineering & Public Works consulting costs.

The 2014 Operating Budget for Project Development will be increased by \$150,000.

- h. At the Council meeting on July 28, 2014, Council approved the following:

That \$69,000 from the Council Contingency Account and secondly, \$6,000 from the Council Provisional Account be allocated towards the funding of the Japanese Canadian Film / Media Project – Nikkei Stories of Steveston (the "Project") and that this amount of \$75,000 (which includes applicable taxes) be paid to Orbit Films Inc., with a personal guarantee from Gordon McLennan, to complete the Project.

The 2014 Fiscal Operating Budget will be increased by \$6,000 funded by the Council Provision.

- i. At the Council meeting on July 28, 2014, Council approved the following:

That funding of \$325,000 from the Sanitary Utility Reserve and \$275,000 from the

Drainage Utility Reserve be included as an amendment to the 5 Year Financial Plan (2014-2018) to complete the Graybar Road Drainage and Sanitary Main Replacement Project.

- i) The 2014 Capital Budget will be increased by \$325,000 for Graybar Road sanitary main replacement project to be funded by the Sanitary Utility Reserve.
- ii) The 2014 Capital Budget will be increased by \$275,000 for Graybar Road drainage project to be funded by the Drainage Utility Reserve.

During the year, the original 5 Year Financial Plan Bylaw may require amendments due to external contribution amounts being received, re-classification of expenditure budgets or unexpected expenditures funded by provisions. The following amendments represent administrative changes:

- 2. a. Budget Amendment Policy 3001 states that changes to salaries be reported to the Committee. The following amendments will result in no net increase to the 2014 Operating Budget:
 - i) Transfer \$313,667 within the Law and Community Safety Department for staffing adjustments as approved by Council at the Special Closed meeting held on December 17, 2013.
 - ii) Transfer \$150,000 from the Fiscal operating budget to Information Technology section for the IT Innovation Manager position.
 - iii) Transfer \$100,268 from the fiscal operating budget to the Community Social Development section for the Affordable Housing Planner I position.
 - iv) Transfer \$87,775 within the Finance and Corporate Services department to provide funding for the temporary full time FOI specialist position within the Clerk's Office section.
 - v) Increase in auxiliary staff salary expenditures totalling \$71,500 in the Arts, Culture and Heritage Services Section funded by the Public Art Provision.
 - vi) Increase in auxiliary staff salary expenditures totalling \$7,000 at the Seine Net Loft to be offset by an increase to operational revenues.
- b. The 2014 Capital Budget will be increased by \$5,564,766 for the 3rd disbursement payable to Kiwanis Senior Citizens Housing Society as approved by Council on July 16, 2012, to be funded by the Affordable Housing Reserve.
- c. Increase the scope of existing programs and projects by a total of \$1,004,085 to recognize additional external funding to the Capital Budget:

- Increase the road improvement cost share projects by \$293,000 as part of the 2014 Major Road Network & Bike (MRNB) Upgrade Program funded by TransLink.
 - \$144,000 for work done on Hamilton Daycare Frontage Improvements to be funded by TransLink.
 - Amend the asphalt repaving roads program for funds contributed by developers for \$137,000.
 - Add \$100,000 to the Branscombe House restoration project for funding received from Penta Builder's Group Inc.
 - Adjust the transit facility improvement cost share program for \$93,100 as part of the 2014 Transit Related Road Infrastructure Program (TRRIP) funded by Coast Mountain Bus Company.
 - Adjust the bicycle facility improvement cost share program for \$91,000 as part of the 2014 Bicycle Infrastructure Capital Cost-Sharing (BICCS) Regional Needs Program funded by TransLink.
 - Add \$66,300 for Accessible Pedestrian Signals (APS) installation funded by developer contributions.
 - Increase the capital budget for the funding anticipated from BC Hydro of \$47,875 for the Richmond Energy Challenge and the Climate Smart Program.
 - Increase the King George Park Playground (McNeely) project by \$31,810 funded by community donations.
- d. Increase the fleet capital project by \$440,000 for vehicle replacements funded by the Public Works Equipment Replacement Reserve. These funds originated as the 2013 operating budget surplus was transferred to the reserve as directed by Policy 2020 - Sustainable Green Fleet Policy.
- e. Increase the Project Development budget by \$390,356 for contract works funded by carry-forward 2013 surplus from the Corporate Provision.
- f. Increase the Public Works budget by \$225,000 for consulting work funded by 2013 utility surplus currently in the Water Stabilization Provision.
- g. Transfer \$182,500 from the General Contingency Account in Fiscal to the City Clerk's Office for one-time additional funding for 2014 general local election.
- h. Increase the Human Resources budget by \$135,000 to provide funding for collective agreement negotiation, which will be funded by the Arbitration Provision.

- i. Transfer \$58,600 from the General Contingency Account in Fiscal to the Human Resources section for the City's Long Service Recognition program.
- j. Increase the Energy Management budget by \$55,000 for energy conservation assessments funded by the Energy Operating Provision.
- k. Increase the Library budget by \$37,519 for the balance of strategic planning consulting work funded by Library's accumulated surplus.
- l. Increase the Community Services budget by \$10,000 for art gallery exhibition expenses funded by Canadian Western Bank sponsorship revenues.

Financial Impact

The proposed 2014 budget amendments have **no tax impact**. Overall, there is an increase of \$12,136,851 to the 2014 Capital Budget and \$3,557,887 to the 2014 Operating and Utility Budget. Each of these annual budgets combines to form part of the 2014-2018 5YFP. The 2014-2018 5YFP schedule, capital program and funding sources can be found in Attachments 1 - 3.

2014 Capital Budget – Summary of Changes

(in \$000's)

Item	Description	Ref	Amount
Capital Budget as at February 24, 2014			\$192,122
1	Program and Space Planning	1.b	\$145
2	Parkland Acquisition	1.c	1,108
3	MMBC Program Start Up Costs	1.d (iv)	520
4	Parkland Acquisition	1.e	2,755
5	Sanitary Main Replacement-Graybar Road	1.i (i)	325
6	Drainage Project-Graybar Road	1.i (ii)	275
7	Kiwanis Towers Affordable Housing Project	2.b	5,565
8	Misc. Grants & External Sources	2.c	1,004
9	Fleet Replacement	2.d	440
Total Amendments			12,137
Total 2014 Capital Budget including Amendments			\$204,259

2014 Operating and Utility Budget – Summary of Changes

(in \$000's)

Item	Description	Ref	Amount
Operating and Utility Budget as at February 24, 2014			\$482,000
1	2014 Festival Campaign	1.a	\$230
2	MMBC Program Additional Costs	1.d (i)	460
3	MMBC Program Loss of Commodity Revenue	1.d (ii)	-
4	MMBC Program Estimated MMBC Incentive Revenue*	1.d (iii)	1,441
5	MMBC Program Consolidation Facility Arrangement	1.f (i)	140
6	MMBC Program Service Costs	1.f (ii)	200

Item	Description	Ref	Amount
7	Engineering & Public Works Consulting	1.g	150
8	Japanese-Canadian Film / Media Program	1.h	6
9	Law & Community Safety Positions	2.a (i)	-
10	IT Innovation Manager Position	2.a (ii)	-
11	Affordable Housing Planner I	2.a (iii)	-
12	Temporary FOI Specialist Position	2.a (iv)	-
13	Public Art Project Administration	2.a (v)	72
14	Seine Net Loft Rental Revenues	2.a (vi)	7
15	Project Development Contracts	2.e	390
16	Public Works Consulting	2.f	225
17	2014 General Local Election	2.g	-
18	Union Bargaining Arbitration	2.h	135
19	City's Long Service Recognition Program	2.i	-
20	Energy Conservation Assessments	2.j	55
21	Library Consulting	2.k	37
22	Art Gallery Exhibition	2.l	10
Total Amendments			3,558
Total 2014 Operating Budget including Amendments			\$485,558

*The MMBC incentive revenue is included as an increase to the total budget as the revenue amount is also budgeted as a transfer to provision.

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

Conclusion

Staff recommend that Council approve the 2014 Capital, Operating and Utility Budget amendments to accommodate the expenditures within the 5 Year Financial Plan Bylaw. The proposed 2014 budget amendments will have no tax impact. Overall, there is an increase of \$12,136,851 to the 2014 Capital Budget and \$3,557,887 to the 2014 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 September 22, 2014.



Jerry Chong
Director, Finance
(604-276-4064)

- Att. 1: 5 Year Amended Financial Plan (2014 - 2018)
- Att. 2: Capital Program (2014- 2018)
- Att. 3: Capital Funding Sources (2014 – 2018)

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2014 - 2018)

(in 000's)

	2014 Amended	2015	2016	2017	2018
Revenues					
Property Taxes	\$183,822	\$191,101	\$198,414	\$205,865	\$213,675
Transfer from Capital Equity	44,812	45,028	45,113	45,642	48,882
Utilities	95,756	98,470	102,977	107,832	111,882
Transfer from Capital Equity	6,621	6,653	6,666	6,744	7,222
Fees and Charges	27,534	27,930	28,326	28,736	29,189
Investment Income	16,197	16,278	16,360	16,441	16,524
Grants in Lieu of Taxes	13,473	13,647	13,823	14,001	14,182
Gaming Revenue	14,908	14,946	14,983	15,020	15,058
Grants	4,580	4,608	4,637	4,666	4,695
Penalties and Interest on Taxes	1,015	1,025	1,036	1,046	1,056
Miscellaneous Fiscal Earnings	26,025	20,776	21,548	22,128	21,606
Proceeds from Borrowing	50,815	-	-	-	-
Capital Plan	-	-	-	-	-
Transfer from DCC Reserve	23,538	14,452	11,471	11,449	13,589
Transfer from Other Funds and Reserves	179,037	51,986	49,688	49,269	43,826
External Contributions	1,684	230	175	575	175
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL REVENUES	\$890,496	\$643,843	\$608,916	\$576,700	\$577,577
Expenditures					
Utilities	\$80,305	\$83,502	\$88,022	\$92,955	\$97,483
Transfer to Drainage Improvement Replacement Reserve	9,765	9,765	9,765	9,765	9,765
Transfer to Watermain Replacement Reserve	7,500	7,500	7,500	7,500	7,500
Transfer to Sanitary Sewer Reserve	4,256	4,256	4,256	4,256	4,256
Transfer to Equipment Replacement Reserve	100	100	100	100	100
Law and Community Safety	87,417	89,625	91,677	93,708	96,115
Transfer to Equipment Replacement Reserve	983	983	983	983	983
Engineering and Public Works	68,416	67,967	69,101	70,699	71,764
Transfer to Equipment Replacement Reserve	1,675	1,675	1,675	1,675	1,675
Community Services	63,436	63,403	65,872	68,206	72,699
Transfer to Capital Building & Infrastructure Reserve	252	252	252	252	252
Finance and Corporate Services	25,260	25,105	25,516	25,936	26,374
Planning and Development	12,806	13,011	13,240	13,474	13,722
Corporate Administration	7,374	7,251	7,371	7,493	7,620
Fiscal	25,631	25,028	25,546	26,071	26,499
Transfer to Capital Building & Infrastructure Reserve	11,866	13,704	15,615	17,599	19,658
Transfer to Capital Reserve	59,890	9,890	9,890	9,890	9,890
Transfer to Accumulated Surplus	5,000	-	-	-	-
Transfer Investment Income to Statutory Reserves	11,250	11,306	11,363	11,420	11,477
Municipal Debt					
Debt Interest	1,366	1,906	1,906	1,906	1,906
Debt Principal	1,010	4,233	4,233	4,233	4,233
Capital Plan					
Current Year Capital Expenditures	204,259	66,668	61,334	61,293	57,590
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL EXPENDITURES	\$890,496	\$643,843	\$608,916	\$576,700	\$577,577
Proposed Property Tax Increase	2.96%	2.96%	2.98%	2.96%	2.99%

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN
CAPITAL PROGRAM (2014-2018)
(in 000's)

	2014 Amended	2015	2016	2017	2018
Infrastructure Program					
Roads	\$6,332	\$6,082	\$4,955	\$6,815	\$5,296
Drainage	8,959	8,420	8,030	10,650	10,060
Watermain Replacement	9,650	9,810	8,620	9,900	9,810
Sanitary Sewer	6,755	5,660	5,680	4,090	2,580
Infrastructure Advanced Design	1,742	1,418	1,160	1,310	1,230
Minor Public Works	225	250	250	250	250
Total Infrastructure Program	\$33,663	\$31,640	\$28,695	\$33,015	\$29,226
Building Program					
Major Building	\$123,279	\$250	\$250	\$500	-
Minor Building	106	1,730	400	370	1,010
Total Building Program	\$123,385	\$1,980	\$650	\$870	\$1,010
Parks Program					
Major Parks/Streetscapes	\$5,312	\$3,900	\$3,450	\$1,503	\$4,350
Minor Parks	625	550	700	700	500
Parkland Acquisition	3,863	4,000	4,000	4,000	4,000
Public Art	690	100	100	100	378
Total Parks Program	\$10,490	\$8,550	\$8,250	\$6,303	\$9,228
Land Program					
Land Acquisition	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Land Program	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Affordable Housing Project					
Affordable Housing Project	\$6,597	\$975	\$975	\$975	\$975
Total Affordable Housing Project	\$6,597	\$975	\$975	\$975	\$975
Equipment Program					
Annual Fleet Replacement	\$2,420	\$4,889	\$2,689	\$1,972	\$2,468
Computer Capital	1,176	462	330	330	330
Law and Community Safety Dept Vehicles	1,310	952	1,435	968	992
Miscellaneous Equipment	1,683	1,163	3,663	3,663	1,164
Technology	2,506	3,860	2,450	1,000	-
Total Equipment Program	\$9,095	\$11,326	\$10,567	\$7,933	\$4,954
Child Care Program					
Child Care Program	\$50	\$50	\$50	\$50	\$50
Total Child Care Program	\$50	\$50	\$50	\$50	\$50
Internal Transfers/Debt Payment					
Internal Transfers/Debt Payment	\$10,979	\$2,147	\$2,147	\$2,147	\$2,147
Total Internal Transfers/Debt Payment	\$10,979	\$2,147	\$2,147	\$2,147	\$2,147
Total Capital Program	\$204,259	\$66,668	\$61,334	\$61,293	\$57,590

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2014-2018)
(in 000's)

	2014 Amended	2015	2016	2017	2018
DCC Reserves					
Drainage	\$162	\$644	\$-	\$644	\$3,411
Parks Acquisition	12,516	3,762	3,762	3,762	3,762
Parks Development	3,621	3,715	1,740	1,661	2,022
Roads	4,211	4,309	3,238	3,238	3,689
Sanitary Sewer	2,450	1,425	1,337	1,354	-
Water	578	597	1,394	790	705
Total DCC Reserves	\$23,538	\$14,452	\$11,471	\$11,449	\$13,589
Reserves					
Statutory Reserves					
Affordable Housing Reserve Fund	\$6,597	\$975	\$975	\$975	\$975
Arts, Culture, & Heritage Reserve Fund	106	-	-	-	-
Capital Building and Infrastructure Reserve Fund	29,400	-	600	-	1,800
Capital Reserve Fund	99,697	8,606	7,975	8,655	7,585
Child Care Development Reserve Fund	50	50	50	50	50
Drainage Improvement Reserve Fund	9,473	8,012	8,055	10,172	6,694
Equipment Replacement Reserve Fund	4,495	4,511	3,849	2,465	3,272
Leisure Facilities Reserve Fund	316	50	-	-	-
Neighbourhood Improvement Reserve Fund	267	-	-	-	-
Public Art Program Reserve Fund	690	100	100	100	100
Sanitary Sewer Reserve Fund	4,575	4,505	4,621	3,006	2,843
Waterfront Improvement Reserve Fund	-	-	250	-	250
Watermain Replacement Reserve Fund	7,472	7,643	8,156	10,040	7,535
Total Statutory Reserves	\$163,138	\$34,452	\$34,631	\$35,463	\$31,104
Other Sources					
Appropriated Surplus	\$11,817	\$12,181	\$11,169	\$10,168	\$9,370
Enterprise	895	860	450	-	-
Utility Levy	704	1,330	275	475	189
Library Provision	1,163	1,163	1,163	1,163	1,163
Water Metering Provision	1,320	2,000	2,000	2,000	2,000
Grant, Developer and Comm. Contributions	1,684	230	175	575	175
Total Other Sources	\$17,583	\$17,764	\$15,232	\$14,381	\$12,897
Total Capital Funding	\$204,259	\$66,668	\$61,334	\$61,293	\$57,590



**5 Year Financial Plan (2014-2018) Bylaw 9100
Amendment Bylaw 9166**

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" of the 5 Year Financial Plan (2014-2018) Bylaw 9100, 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 (2014-2018) Bylaw 9100, Amendment Bylaw 9166"**.

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 m

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN (2014 – 2018)
(in 000's)

	2014 Amended	2015	2016	2017	2018
Revenues					
Property Taxes	\$183,822	\$191,101	\$198,414	\$205,865	\$213,675
Transfer from Capital Equity	44,812	45,028	45,113	45,642	48,882
Utilities	95,756	98,470	102,977	107,832	111,882
Transfer from Capital Equity	6,621	6,653	6,666	6,744	7,222
Fees and Charges	27,534	27,930	28,326	28,736	29,189
Investment Income	16,197	16,278	16,360	16,441	16,524
Grants in Lieu of Taxes	13,473	13,647	13,823	14,001	14,182
Gaming Revenue	14,908	14,946	14,983	15,020	15,058
Grants	4,580	4,608	4,637	4,666	4,695
Penalties and Interest on Taxes	1,015	1,025	1,036	1,046	1,056
Miscellaneous Fiscal Earnings	26,025	20,776	21,548	22,128	21,606
Proceeds from Borrowing	50,815	-	-	-	-
Capital Plan	-	-	-	-	-
Transfer from DCC Reserve	23,538	14,452	11,471	11,449	13,589
Transfer from Other Funds and Reserves	179,037	51,986	49,688	49,269	43,826
External Contributions	1,684	230	175	575	175
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL REVENUES	\$890,496	\$643,843	\$608,916	\$576,700	\$577,577
Expenditures					
Utilities	\$80,305	\$83,502	\$88,022	\$92,955	\$97,483
Transfer to Drainage Improvement Replacement Reserve	9,765	9,765	9,765	9,765	9,765
Transfer to Watermain Replacement Reserve	7,500	7,500	7,500	7,500	7,500
Transfer to Sanitary Sewer Reserve	4,256	4,256	4,256	4,256	4,256
Transfer to Equipment Replacement Reserve	100	100	100	100	100
Law and Community Safety	87,417	89,625	91,677	93,708	96,115
Transfer to Equipment Replacement Reserve	983	983	983	983	983
Engineering and Public Works	68,416	67,967	69,101	70,699	71,764
Transfer to Equipment Replacement Reserve	1,675	1,675	1,675	1,675	1,675
Community Services	63,436	63,403	65,872	68,206	72,699
Transfer to Capital Building & Infrastructure Reserve	252	252	252	252	252
Finance and Corporate Services	25,260	25,105	25,516	25,936	26,374
Planning and Development	12,806	13,011	13,240	13,474	13,722
Corporate Administration	7,374	7,251	7,371	7,493	7,620
Fiscal	25,631	25,028	25,546	26,071	26,499
Transfer to Capital Building & Infrastructure Reserve	11,866	13,704	15,615	17,599	19,658
Transfer to Capital Reserve	59,890	9,890	9,890	9,890	9,890
Transfer to Accumulated Surplus	5,000	-	-	-	-
Transfer Investment Income to Statutory Reserves	11,250	11,306	11,363	11,420	11,477
Municipal Debt					
Debt Interest	1,366	1,906	1,906	1,906	1,906
Debt Principal	1,010	4,233	4,233	4,233	4,233
Capital Plan					
Current Year Capital Expenditures	204,259	66,668	61,334	61,293	57,590
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL EXPENDITURES	\$890,496	\$643,843	\$608,916	\$576,700	\$577,577

CITY OF RICHMOND
5 YEAR AMENDED FINANCIAL PLAN
FUNDING SOURCES (2014-2018)
(In 000's)

	2014 Amended	2015	2016	2017	2018
DCC Reserves					
Drainage	\$162	\$644	\$-	\$644	\$3,411
Parks Acquisition	12,516	3,762	3,762	3,762	3,762
Parks Development	3,621	3,715	1,740	1,661	2,022
Roads	4,211	4,309	3,238	3,238	3,689
Sanitary Sewer	2,450	1,425	1,337	1,354	-
Water	578	597	1,394	790	705
Total DCC Reserves	\$23,538	\$14,452	\$11,471	\$11,449	\$13,589
Reserves					
Statutory Reserves					
Affordable Housing Reserve Fund	\$6,597	\$975	\$975	\$975	\$975
Arts, Culture, & Heritage Reserve Fund	106	-	-	-	-
Capital Building and Infrastructure Reserve Fund	29,400	-	600	-	1,800
Capital Reserve Fund	99,697	8,606	7,975	8,655	7,585
Child Care Development Reserve Fund	50	50	50	50	50
Drainage Improvement Reserve Fund	9,473	8,012	8,055	10,172	6,694
Equipment Replacement Reserve Fund	4,495	4,511	3,849	2,465	3,272
Leisure Facilities Reserve Fund	316	50	-	-	-
Neighbourhood Improvement Reserve Fund	267	-	-	-	-
Public Art Program Reserve Fund	690	100	100	100	100
Sanitary Sewer Reserve Fund	4,575	4,505	4,621	3,006	2,843
Waterfront Improvement Reserve Fund	-	-	250	-	250
Watermain Replacement Reserve Fund	7,472	7,643	8,156	10,040	7,535
Total Statutory Reserves	\$163,138	\$34,452	\$34,631	\$35,463	\$31,104
Other Sources					
Appropriated Surplus	\$11,817	\$12,181	\$11,169	\$10,168	\$9,370
Enterprise	895	860	450	-	-
Utility Levy	704	1,330	275	475	189
Library Provision	1,163	1,163	1,163	1,163	1,163
Water Metering Provision	1,320	2,000	2,000	2,000	2,000
Grant, Developer and Comm. Contributions	1,684	230	175	575	175
Total Other Sources	\$17,583	\$17,764	\$15,232	\$14,381	\$12,897
Total Capital Funding	\$204,259	\$66,668	\$61,334	\$61,293	\$57,590

**City of Richmond
2014-2018 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	43.9%
User Fees & Charges	28.3%
Proceeds From Borrowing	12.1%
Investment Income	4.0%
Gaming Revenue	3.5%
Grants in Lieu of Taxes	3.2%
Grants	1.1%
Other Sources	3.9%
Total	100.0%

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2014.

Distribution of Property Taxes

Table 2 provides the estimated 2014 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: (Estimated based on the 2014 Completed Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.8%
Business (6)	33.5%
Light Industry (5)	7.9%
Others (2,4,8 & 9)	1.8%
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.