



City of Richmond

Report to Committee

To: Finance Committee **Date:** January 18, 2016
From: Andrew Nazareth **File:**
General Manager, Finance and Corporate
Services
Re: 5 Year Consolidated Financial Plan (2016-2020) Bylaw No. 9521

Staff Recommendation

That:

1. The 5 Year Consolidated Financial Plan (2016-2020) be approved as presented by the Director, Finance.
2. The 5 Year Consolidated Financial Plan (2016-2020) Bylaw No. 9521 be introduced and given first, second, and third readings.
3. 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	
CONCURRENCE OF GENERAL MANAGER	
CONCURRENCE OF SMT	INITIALS:
APPROVED BY CAO	

Staff Report

Origin

In subsection 165(l) of the *Community Charter*, it 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 9521 presented in Attachment 1 consolidates the budget decisions previously approved by Council including the Utility, Operating, Capital budgets and One-Time Expenditures funded by previous years' surplus. The key components were approved by Council as follows:

Table 1 – Summary of Council Approval of the 2016 Budgets

Budget Input	Council Approval Date
2016 Utility Budget	November 9, 2015
2016 One-Time Expenditures	December 14, 2015
2016 Council Community Initiatives One-Time Expenditures	December 14, 2015
2016 Richmond Public Library Budget	December 14, 2015
2016 Capital Budget	December 14, 2015
2016 Operating Budget	December 14, 2015

The Consolidated Financial Plan includes 2016 budgets for Lulu Island Energy Company and Richmond Olympic Oval Corporation which have been approved by their respective Board of Directors and are included in a separate report to Council for information.

The bylaw includes estimates for 2017-2020 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 2017 and beyond does not represent final approval for spending.

Analysis

This report summarizes the 2016 budgets that have been previously approved by Council into a consolidated financial plan to provide expenditure authorization, allowing the municipality to formally proceed with delivering services to the community.

The Consolidated Financial Plan is prepared in alignment with accounting standards for financial statement presentation for ease of comparability and therefore requires presentation adjustments. The two main adjustments from the budget presentation to the financial statement presentation are the inclusion of amortization of tangible capital assets as an expense and the removal of transfers out of expenses.

Amortization

Amortization is estimated as required by accounting standards but does not correspond with a cash outflow for budgeting purposes. The cash was expended at the time the related asset was built or purchased. For example, if equipment is purchased for \$40,000 and is expected to have a useful life of 4 years, accounting standards require that \$10,000 (\$40,000 divided by 4 years) be recognized as amortization expense each year until the cost is fully amortized. Staff estimate and include amortization expense in the 5 Year Financial Plan in order to align the budget to the financial statements for improved comparability.

Transfers

Several cash inflows and outflows under the balanced budget method do not correspond with the accounting definition of an expense:

- **Transferring funds to reserves** is a cash outflow for budgeting purposes, but for financial statement purposes this is not recognized as an expense.
- **One-Time Expenditures funded by the Rate Stabilization Account** are funded from accumulated surplus for budgeting purposes; however, for financial statement purposes this funding source is not revenue.
- **The capital budget approved** in the current year identifies all funding sources for balanced budget purposes; however, only those amounts that are received from external parties (such as developer contributions and grants) are recognized as revenue in the financial statements. Transfers from reserves are not included as revenue.
- **Proceeds from debt borrowing** are explicitly required to be budgeted under the Community Charter as a funding source. For financial statement purposes, this is not recognized as revenue, but rather as a liability on the statement of financial position.
- **Debt principal payments** are required to be budgeted for as an outflow, but is recognized as a reduction to the liability, rather than an expense on the statement of operations.

The 5YFP has been prepared under the same presentation structure as the City's annual financial statements, with an additional Transfers section.

Utility Budget

The 2016 Utility rates were approved by Council on November 9 and the following bylaws were adopted on November 23, 2015:

Drainage, Dike and Sanitary Sewer System Bylaw No. 7551, Amendment Bylaw No. 9495
Waterworks and Water Rates Bylaw No. 5637, Amendment Bylaw No. 9496
Solid Waste and Recycling Regulation Bylaw No. 6803, Amendment Bylaw No. 9497

Adjustments with No Impact on Rates

The approved Capital Budget includes Utility projects with Operating Budget Impacts (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 2016 utility rates. These additional costs will be incorporated into the 2017 rates, and for 2016 the OBI will be bridge funded as needed by utility rate stabilization accounts.

Table 2 – 2016 Utility Budget Reconciliation to 5YFP 2016-2020

Utility Budget Summary (in \$000's)	Water	Sewer	Solid Waste and Recycling	Drainage and Diking
Revenues:				
Utility Report Base Level Budget	(40,123)	(29,604)	(13,221)	(10,985)
Firm Price Receivable	(1,857)	(610)		
Meter Rental	(1,763)			
MMBC Incentive Revenue			(1,426)	
Property Tax for DD Debt (MV)		(366)		
Recycling Material			(301)	
Investment	(392)	(152)		
Meter Re-Reads and Other Services	(81)			
YVR Maintenance	(30)			
Garbage Tags			(18)	
Revenue Sharing Grant			(2)	
Add non-tax impact adjustment	(584)	50		
	(44,830)	(30,682)	(14,968)	(10,985)
Expenses:				
Utility Report Base Level Budget	44,497	31,232	14,968	10,985
Reclassify: Transfer to Reserves	(7,550)	(5,306)		(10,985)
Reclassify: Transfer to Provision	(1,320)		(88)	
Add non tax impact adjustment	584	53	-	
Add OBI	103	35	-	
Add Amortization	4,155	3,732	64	
	40,469	29,746	14,944	-
Annual Surplus	4,361	936	24	10,985
Transfers:				
To Reserves	7,550	5,306		10,985
Contribution to Capital	1,320		88	
Rate Stabilization	(354)	(638)		

Utility Budget Summary (in \$000's)	Water	Sewer	Solid Waste and Recycling	Drainage and Diking
Capital Funding	(4,155)	(3,732)	(64)	
	4,361	937	24	10,985
Balanced Budget	-	-	-	-

One-Time Expenditures

Rate Stabilization Account

On December 14, 2015, Council approved \$1.635M in One-Time expenditures funded by rate stabilization. These expenditures are added to the Operating budgets as summarized in Table 3.

Table 3 – 2016 One-Time Expenditures Summary (Rate Stabilization)

One-Time Expenditures	Amount (in \$ 000's)
2016 Operating Budget	\$1,000
Future Year Operating Budgets (Major Events Provision)	635
2016 One-Time Expenditures	\$1,635

Funding of \$635k was approved to be transferred to the Major Events Provision for events to be held in 2017. Specific amounts and budgets will be approved by Council.

Council Community Initiatives Account

On December 14, 2015, Council approved \$1.315M funded by Council Community Initiatives. These expenditures are added to the Capital and Operating budgets as summarized in Table 4.

Table 4 – 2016 One-Time Expenditures Summary (Council Community Initiatives)

One-Time Expenditures	Amount (in \$ 000's)
2016 Operating Budget	\$24
2016 Capital Budget	396
Future Year Operating Budgets (Major Events Provision)	895
2016 One-Time Expenditures	\$1,315

Richmond Public Library

On December 14, 2015, Council approved the 2016 Richmond Public Library Budget for a total municipal contribution of \$8,743,930. This budget is \$50,000 less than the original budget presented by the Library Board.

Capital Budget

On December 14, 2015, Council approved the 2016 Capital Budget of \$104.1M. Subsequently, Council approved the addition of \$396k to be funded from the Council Community Initiatives Account for the Interurban Tram Restoration.

Adjustments with No Impact on Tax Rates

The financial plan includes \$10,000 for Child Care grants to be funded from the Child Care Operating Reserve Fund. Staff recommendations will be presented in a separate report, with disbursements subject to Council approval. The total Capital Budget is therefore \$114.5M as shown in Table 5.

Table 5 – Total 2016 Capital Budget

2016 Capital Budget	Amount (in \$ 000's)
Capital Budget	\$104,132
One-Time Expenditures – Capital	396
Child Care Operating Grants funded by Child Care Operating Reserve ¹	10
Contingent Capital Grants ²	10,000
Total 2016 Capital Budget	\$114,538

¹ Subsection 189 (1) of the *Community Charter* states that money in a reserve fund may only be used for the purpose for which the fund was established. All transactions funded by a reserve fund are included in the Capital Budget. The Capital Budget includes detailed submissions for each project including the scope of the work and identifies the funding source. While not all transactions funded by reserves are capital in nature, such as the Child Care Operating grants adjusted for above, the majority of reserve funded transactions are capital in nature. Including these items in the Capital Budget allows for all disbursements from statutory reserves to be summarized and included in the financial plan bylaw in one table (Schedule B within Attachment 1).

² The Financial Plan includes an estimate for external grants that may be received throughout the year for various projects. Spending will only incur if the funds are confirmed. Including an estimate in the Financial Plan will allow staff to request scope changes to existing projects without having to wait until the Bylaw Amendment, which is typically adopted in the fall.

Prior Year Capital Carryforwards

The Capital Budget as presented in the 5YFP includes a carryforward amount for previously approved and funded projects that are still in progress. There is no tax impact of including this amount, which was previously approved by Council.

Developer Contributed Assets

The Capital Budget 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 land under new

road dedications 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, and therefore it may result in an additional operating budget impact.

2017-2020 Projections

The 2017-2020 Capital program is based on projects currently planned and based on funding availability; however, it does not include any Phase 2 facilities nor the estimated \$1M annual gap in facility capital maintenance identified in the staff report titled Ageing Facility Infrastructure – Update presented to Council on July 27, 2015. These issues will be addressed in future reports to Council and the 5YFP may be amended to capture any decisions approved by Council. Each year the Capital program is reviewed in detail and therefore approval of projects as part of the 2016-2020 financial plan does not provide final approval for 2017-2020 projects. In addition, timing of planned projects may change. Attachment 3 includes the final 2016-2020 Capital plan. Highlights of the 2017-2020 planned projects are included in Attachment 4.

Operating Budget

The base Operating Budget was approved by Council on December 14, 2015. This includes the addition of Capital OBI, Additional Expenditures and additional transfer to reserves to form the new Ongoing Base Budget. For 2016, this also includes the corporate reset to provide funding for 12 additional police officers without impacting property taxes and the approved one-time expenditures.

Adjustments with No Impact on Tax Rates

Reallocations and additional increases funded by non-tax revenue sources are included.

Prior Year Operating Carryforwards

The 2016 Carryforwards estimate is comprised of 2015 operating budget surpluses and previously approved one-time expenditures that are required for programs and projects that were not completed in 2015 and hence carried into 2016. There is no tax impact of including these amounts in the budget, but is required to ensure spending authorization remains in place.

Attachment 2 provides the 2016 Operating Budget reconciliation to the 5YFP by Division. Adjustments to the 2016 budget include reallocation of existing budget resources between Divisions with no tax impact. The balanced Operating Budget (excluding utilities) presentation is summarized in Table 6.

Table 6 – Total 2016 Operating Budget

	Operating Budget	Total
Revenues		(295,858)
Property Taxes	(197,965)	
User Fees - ADEU	(1,369)	
Gaming Revenue	(18,088)	
Investment Income	(14,150)	
Payments In Lieu Of Taxes	(13,473)	
Licenses And Permits	(9,184)	
Grant Revenue	(4,574)	
Other Revenue	(14,834)	
Sales of Services	(22,221)	
Operating Expenses		244,132
Department Expense	244,132	
Fiscal Expenses		51,619
Debt Interest	1,678	
Amortization	49,941	
Transfers		107
Debt Principal	4,402	
Transfer To (From) Surplus	7,266	
Transfer To Reserves	38,381	
Capital Funding	(49,941)	
Balanced Budget		0

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 10, 2016 with a link to the 5YFP.
- engaging a public forum on Let's Talk Richmond scheduled to launch on Wednesday, February 10, 2016.
- utilizing social media to raise awareness of the public consultation period through Facebook and Twitter accounts.
- having copies of the 2016-2020 Consolidated Financial Plan available for pick-up by the public.
- issuing an advertisement in the Richmond News on Friday, February 19, 2016 as reminder of the ongoing public consultation.

The public consultation period will end on Friday, February 26, 2016 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 4 summarizes the Council approved 2016 tax increase of 3.11% and the proposed estimates for 2017 through 2020.

Table 5 –5YFP 2016-2020 Summary

Year	Tax Increase	Transfer to Reserves	Total Increase
2016 Approved Increase	2.11%	1.00%	3.11%
2017 Proposed Increase	1.97%	1.00%	2.97%
2018 Proposed Increase	1.96%	1.00%	2.96%
2019 Proposed Increase	1.97%	1.00%	2.97%
2020 Proposed Increase	1.96%	1.00%	2.96%

Conclusion

The 5YFP 2016-2020 has been prepared utilizing the 2016 budgets approved by Council as a base. Staff recommend approving the financial plan and undertaking the public consultation process based on the proposed 5YFP.

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

JC:ms

- Att. 1: 5 Year Consolidated Financial Plan (2016-2020) Bylaw 9521
- 2: Reconciliation of 2016 Operating Budget Report to 5YFP 2016-2020
- 3: 2016-2020 Capital Plan
- 4: 2016-2020 Consolidated 5 Year Financial Plan Detail



5 Year Consolidated Financial Plan (2016-2020) Bylaw No. 9521

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 5 Year Consolidated Financial Plan (2016-2020).
2. 5 Year Financial Plan (2015-2019) Bylaw 9220 and all associated amendments are repealed.
3. This Bylaw is cited as **"5 Year Consolidated Financial Plan (2016-2020) Bylaw No. 9521"**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

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

MAYOR

CORPORATE OFFICER

SCHEDULE A:

**CITY OF RICHMOND
5 YEAR CONSOLIDATED FINANCIAL PLAN (2016-2020)
REVENUE AND EXPENSES
(In \$000's)**

	2016 Budget *	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Revenue:					
Property Taxes	197,965	206,823	215,531	223,666	232,083
User Fees	98,773	102,953	107,361	110,771	115,129
Sales of Services	33,692	34,260	34,854	35,656	36,255
Gaming Revenue	18,088	18,400	18,400	18,400	18,400
Investment Income	14,694	14,694	14,694	14,694	14,694
Payments In Lieu Of Taxes	13,473	13,473	13,473	13,473	13,473
Other Revenue	9,799	9,803	9,906	10,029	10,159
Licenses And Permits	9,184	9,363	9,546	9,741	9,941
Grant Revenue	7,376	7,494	7,613	7,727	7,820
Developer Contributed Assets	55,000	55,000	55,000	55,000	55,000
Development Cost Charges	26,875	17,668	12,781	9,437	9,327
Other Capital Funding Sources	14,115	21,805	10,500	10,440	10,040
	499,034	511,736	509,659	519,034	532,321
Expenses:					
Law and Community Safety	93,358	94,855	97,383	99,956	102,603
Engineering and Public Works	65,629	64,382	66,067	66,707	67,654
Community Services	59,020	58,343	59,941	61,282	62,540
Finance and Corporate Services	24,321	23,360	23,884	24,441	25,013
Fiscal	19,011	17,730	18,153	16,063	15,950
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	8,655	8,452	8,641	8,843	9,051
Planning and Development Services	14,324	14,502	14,847	15,232	15,627
Utility Budget					
Water Utility	40,469	42,606	44,576	46,168	47,831
Sanitary Sewer Utility	29,746	30,958	32,834	34,405	36,072
Sanitation and Recycling	14,944	15,248	15,557	15,888	16,226
Richmond Public Library	9,754	9,946	10,141	10,349	10,562
Richmond Olympic Oval Corporation	14,890	15,288	15,719	16,131	16,594
Lulu Island Energy Company	1,590	1,524	2,451	2,211	2,647
	397,388	398,871	411,871	419,353	430,047
Annual Surplus	101,646	112,865	97,788	99,681	102,274

SCHEDULE A (CONT'D):

**CITY OF RICHMOND
5 YEAR CONSOLIDATED FINANCIAL PLAN (2016-2020)
TRANSFERS
(In \$000's)**

	2016 Budget *	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Transfers:					
Debt Principal	4,402	4,402	4,402	4,402	4,402
Transfer To Reserves	62,222	64,421	66,707	69,092	71,561
Transfer To (From) Surplus	(3,076)	8,971	10,089	10,591	11,126
Capital Expenditures - Current Year	114,538	127,615	103,740	85,259	60,065
Capital Expenditures - Prior Years	272,070	211,956	176,060	160,921	153,488
Capital Expenditures - Developer					
Contributed Assets	55,000	55,000	55,000	55,000	55,000
Capital Funding	(403,510)	(359,500)	(318,210)	(285,584)	(253,368)
	101,646	112,865	97,788	99,681	102,274
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	3.11%	2.97%	2.96%	2.97%	2.96%

* 2016 Budget includes approved one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2017 through 2020 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 CONSOLIDATED FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2016-2020)
(In \$000's)**

	2016	2017	2018	2019	2020
DCC Reserves					
Drainage DCC	-	3,411	644	97	97
Parks DCC	16,570	7,289	5,360	5,643	5,408
Roads DCC	8,492	5,489	4,307	3,384	2,956
Sanitary DCC	582	724	1,943	23	-
Water DCC	1,231	755	527	290	866
Total DCC Reserves	\$26,875	\$17,668	\$12,781	\$9,437	\$9,327
Statutory Reserves					
Affordable Housing Reserve Fund	930	625	625	625	625
Capital Building and Infrastructure Reserve Fund	600	-	-	1,000	-
Capital Reserve Fund	32,262	53,202	42,128	29,997	11,701
Child Care	60	50	50	50	50
Drainage Improvement	11,047	10,595	11,505	11,557	8,912
Equipment Replacement Reserve Fund	3,778	4,374	2,945	3,921	3,044
Public Art Program	1,120	100	100	100	100
Sanitary Sewer	4,738	4,369	4,909	4,217	4,290
Waterfront Improvement	-	-	250	-	-
Watermain Replacement	7,000	7,873	8,428	7,987	7,902
Total Statutory Reserves	\$61,535	\$81,189	\$70,940	\$59,454	\$36,625
Other Sources					
Appropriated Surplus	8,691	5,004	7,649	5,378	3,524
Enterprise Fund	1,202	630	550	550	550
Water Levy/Meter Stabilization	2,120	1,320	1,320	-	-
Grant and Developer Contribution	14,115	21,805	10,500	10,440	10,040
Total Other Sources	\$26,128	\$28,759	\$20,019	\$16,368	\$14,114
Total Capital Program	\$114,538	\$127,615	\$103,740	\$85,259	\$60,065

SCHEDULE C:

**CITY OF RICHMOND
5 YEAR CONSOLIDATED FINANCIAL PLAN (2016-2020)
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 2016.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	50.9%
User Fees	25.0%
Sales of Services	6.5%
Gaming Revenue	4.7%
Investment Income	3.8%
Payments in Lieu of Taxes	3.5%
Licenses and Permits	2.4%
Grants	1.2%
Other	2.0%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
5 YEAR CONSOLIDATED FINANCIAL PLAN (2016-2020)
STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the estimated 2016 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.

Table 2: (Estimated based on the 2016 Completed Roll figures)

Property Class	% of Tax Burden
Residential (1)	54.6%
Business (6)	36.0%
Light Industry (5)	7.8%
Others (2,4,8 & 9)	1.6%
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*.

Reconciliation of 2016 Operating Budget Report to 5YFP 2016-2020 (In \$000s)

Division	Same Level of Service Budget	Council Approved Changes	No Tax Impact Adj	Amortization Adj	Total
					-
LAW AND COMMUNITY SAFETY					
Revenues	(8,399)	(156)	-	-	(8,555)
Operating Expenses	88,673	298	2,117	-	91,088
Fiscal Expenses	-	-	-	2,271	2,271
Transfers	66	(104)	(1,078)	(2,271)	(3,387)
	80,340	38	1,039	-	81,417
ENGINEERING AND PUBLIC WORKS					
Revenues	(6,945)	-	(700)	-	(7,645)
Operating Expenses	35,433	61	3,378	-	38,872
Fiscal Expenses	-	-	-	26,758	26,758
Transfers	6,184	-	(2,894)	(26,758)	(23,467)
	34,673	61	(216)	-	34,518
COMMUNITY SERVICES					
Revenues	(8,852)	(29)	(220)	-	(9,100)
Operating Expenses	46,399	2,007	2,699	-	51,105
Fiscal Expenses	1	-	-	7,914	7,915
Transfers	507	(817)	(2,615)	(7,914)	(10,838)
	38,055	1,162	(136)	-	39,082
FINANCE AND CORPORATE SERVICES					
Revenues	(3,948)	-	-	-	(3,948)
Operating Expenses	21,537	158	1,446	-	23,142
Fiscal Expenses	-	(1)	1	1,179	1,179
Transfers	1,223	(45)	(1,538)	(1,179)	(1,539)
	18,812	113	(91)	-	18,834
FISCAL					
Revenues	(241,964)	(8,169)	(80)	-	(250,213)
Operating Expenses	8,406	114	1,385	-	9,904
Fiscal Expenses	1,677	-	-	9,108	10,785
Transfers	50,334	1,415	(1,304)	(9,108)	41,337
	(181,547)	(6,640)	1	-	(188,187)
CORPORATE ADMINISTRATION					
Operating Expenses	8,313	-	343	-	8,655
Transfers	-	-	(389)	-	(389)

Division	Same Level of Service Budget	Council Approved Changes	No Tax Impact Adj	Amortization Adj	Total
	8,313	-	(46)	-	8,267
PLANNING AND DEVELOPMENT SERVICES					
Revenues	(6,306)	-	(550)	-	(6,856)
Operating Expenses	12,895	56	199	-	13,151
Fiscal Expenses	-	-	-	1,174	1,174
Transfers	-	(25)	(199)	(1,174)	(1,398)
	6,589	31	(550)	-	6,070
LIBRARY					
Revenues	(9,541)	-	-	-	(9,541)
Operating Expenses	8,265	(50)	-	-	8,215
Fiscal Expenses	-	-	-	1,539	1,539
Transfers	1,326	-	-	(1,539)	(213)
	50	(50)	-	-	-
Grand Total	5,284	(5,284)	(0)	-	(0)

* Total operating and fiscal expenses may not tie exactly to the financial plan bylaw presentation due to rounding.

CITY OF RICHMOND
5 YEAR CAPITAL PLAN BY PROGRAM (2016-2020)
(In \$000s)

	2016	2017	2018	2019	2020
Infrastructure Program					
Roads	17,446	20,924	8,364	7,338	4,843
Drainage	8,440	13,510	11,720	11,210	8,170
Watermain Replacement	11,080	8,930	9,080	7,270	7,870
Sanitary Sewer	3,320	4,530	6,400	3,670	3,670
Minor Public Works	1,810	1,400	1,400	1,400	1,400
Infrastructure Advanced Design & Land	1,255	1,445	1,412	1,336	1,276
District Energy Utility	400	-	3,600	1,400	-
Total Infrastructure Program	\$43,751	\$50,739	\$41,976	\$33,624	\$27,229
Building Program	\$2,475	\$4,666	\$5,373	\$1,162	\$770
Parks Program					
Major Parks/Streetscapes	6,450	6,100	3,025	8,500	1,450
Minor Parks	690	900	850	850	850
Parkland Acquisition	8,000	4,000	4,000	4,000	4,000
Total Parks Program	\$15,140	\$11,000	\$7,875	\$13,350	\$6,300
Public Art Program	\$1,120	\$600	\$378	\$100	\$100
Land Program					
Land Acquisition	21,200	42,300	30,000	20,000	10,000
Total Land Program	\$21,200	\$42,300	\$30,000	\$20,000	\$10,000
Affordable Housing Project	\$930	\$625	\$625	\$625	\$625
Equipment Program					
Annual Fleet Replacement	1,612	1,905	1,944	1,825	1,650
Computer Capital	4,303	2,396	2,374	555	507
Fire Dept Vehicles	1,655	1,185	998	1,821	1,114
Technology	552	-	-	-	-
Total Equipment Program	\$8,122	\$5,486	\$5,316	\$4,201	\$3,271
Child Care Program	\$60	\$50	\$50	\$50	\$50
Internal Transfers/Debt Payment	\$11,740	\$2,147	\$2,147	\$2,147	\$1,720
Contingent External Contributions	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Capital Program	\$114,538	\$127,615	\$103,740	\$85,259	\$60,065



City of Richmond

2016-2020 Consolidated 5 Year Financial Plan



Richmond City Hall

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Introduction

I am pleased to present the City of Richmond's Consolidated Five Year Financial Plan (5YFP) 2016-2020. We believe that this report provides the alignment of assets and finances required to deliver the services needed to sustain the standard of living our community has grown accustomed to.

The 5YFP incorporates the principles of Council's Long Term Financial Management Strategy with a view to enhancing the City's economic well being for present and future generations. It focusses on making our community better and more vibrant with an enviable level of civic services for residents, businesses, visitors and other stakeholders.

A key highlight of the 2016 Operating Budget is the funding for 12 new police officers for the Richmond police detachment. The new police officers will ensure that Richmond continues to be a safe community with one of the lowest crime rates in the region. This additional expenditure for the 12 police officers has been accommodated through a corporate reset of the City's existing base budget, so that there is no impact on property taxes.

The 2016 Operating Budget includes additional expenses to fund the first full year of operations for the new City Centre Community Centre. The Centre opened in September 2015 and fills an urgent need for expanded recreational and cultural services within our rapidly growing City centre. Other highlights of the plan include a \$104.5 million investment in capital projects in 2016. This includes \$21.2 million set aside to meet the Council approved Strategic Land Investment Plan and \$1.7 million towards the digital strategy that will see the City implementing technology to make us more customer focussed.

Through the utility budget, a new garbage cart program is being launched in 2016, building on the success of the highly popular green cart program. This program will also support City and regional objectives of further diverting waste from the landfill, providing economic and environmental benefits for our community.

The 5YFP projects modest property tax increases in coming years, in keeping with Council's Long Term Financial Management Strategy. This provides taxpayers with improved ability to conduct their own financial planning by providing a stable regimen for municipal tax increases.

Although there are still a number of challenges to overcome such as affordable housing, ageing infrastructure and government downloading, Richmond's economy continues to prosper and the City's current financial position is strong. This 5YFP ensures that the City remains flexible, continues on a financially sustainable path and limits vulnerability to unplanned events.

Andrew Nazareth, BEc, CPA, CGA
General Manager.
Finance and Corporate Services

Organization Overview

Vision and Mission

Our Vision is . . .

For the City of Richmond to be the most appealing, livable, and well-managed community in Canada.

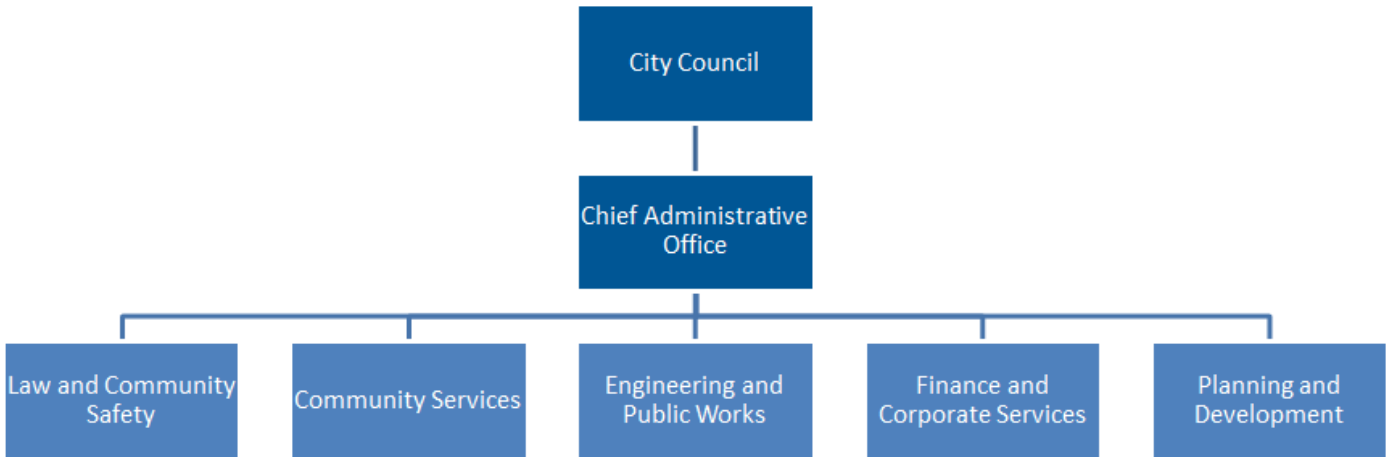
Our Mission is . . .

To protect and enhance the City's livability and economic well-being for current and future generations through:

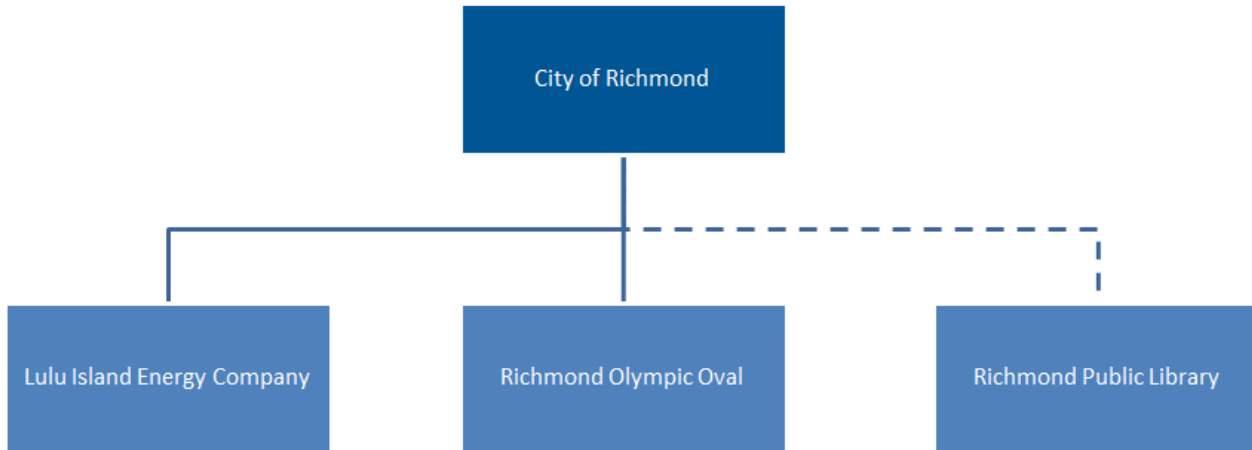
- Visionary leadership and responsible decision making
- Accountable and sustainable fiscal practice
- The development of a unique and beautiful city
- Product and service excellence and efficiency
- Community consultation



City of Richmond Division Structure



Entity Organizational Chart



Lulu Island Energy Company is a municipal corporation created to operate and manage district energy utilities.

Richmond Olympic Oval is a municipal corporation with a mandate to become a world-class centre for sport, health, recreation, entertainment and culture serving all members of our community.

Richmond Public Library is a corporation under the Library Act; the Library Board is appointed by Council which includes one member from municipal council and eight community volunteers.

Council Term Goals (2014 – 2018)

1. A Safe Community

Maintain emphasis on community safety to ensure Richmond continues to be a safe community.

2. A Vibrant, Active, and Connected City

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

3. A Well-Planned Community

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

4. Leadership in Sustainability

Continue advancement of the City's sustainability framework and initiatives to improve the short and long term livability of our City, and that maintain Richmond's position as a leader in sustainable programs, practices and innovations.

5. Partnerships and Collaboration

Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.

6. Quality Infrastructure Networks

Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with ageing systems, population growth, and environmental impact.

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.

8. Supportive Economic Development Environment

Review, develop and implement plans, policies, programs and practices to increase business and visitor appeal and promote local economic growth and resiliency.

9. Well-Informed Citizenry

Continue to develop and provide programs and services that ensure the Richmond community is well-informed and engaged on City business and decision making.



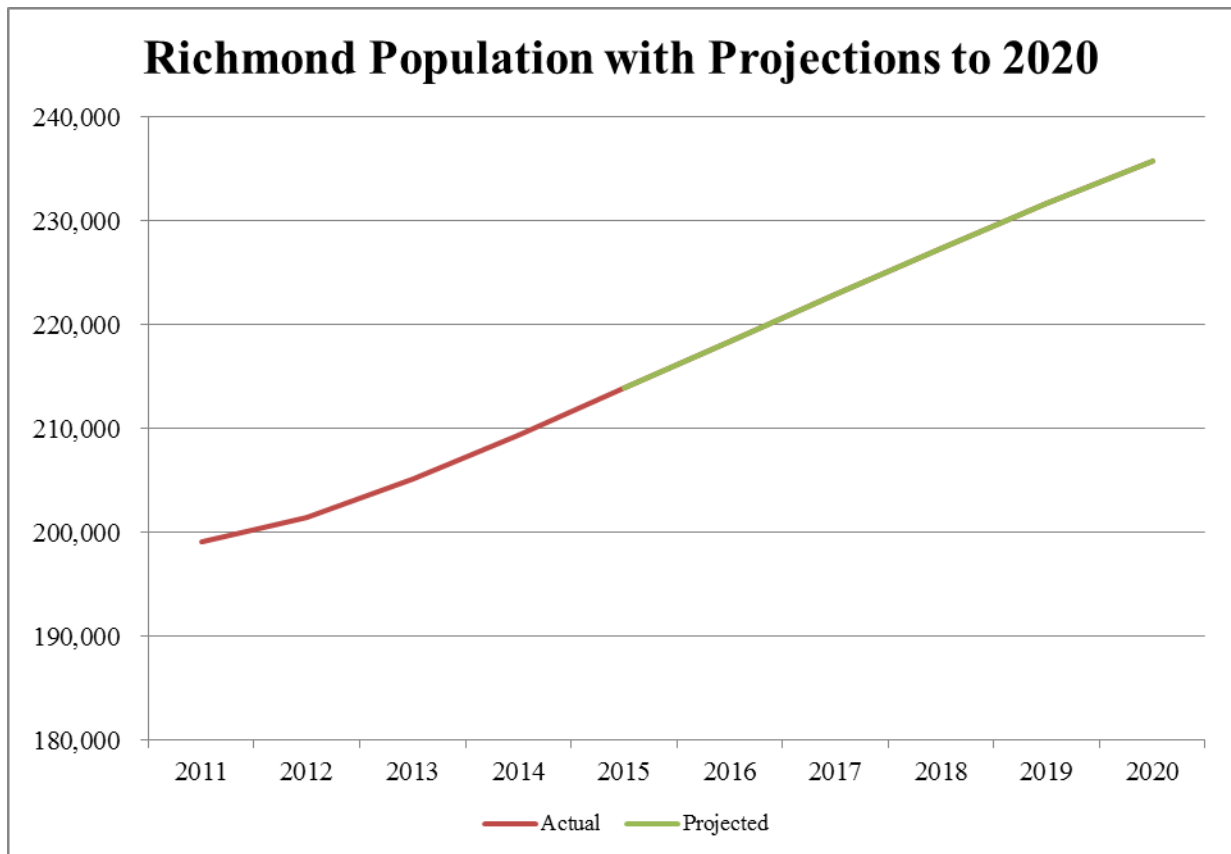
Environmental Scan

Key Statistics

Description	2011	2012	2013	2014	2015
Population	199,141	201,471	205,133	209,338	213,891
Residential	62,460	64,751	65,585	67,186	68,192
Businesses	12,988	13,336	13,371	13,322	13,118
Farm	706	696	680	679	678

Source: BC Stats, Ministry of Labour and Citizens Services, BC Assessment

The population and demand for services continues to rise in Richmond. The population in Richmond is expected to continue to climb to almost 236,000 in 2020.



Demand for Services

Demand for City Services	2011	2012	2013	2014	2015 *
Population Growth (per annum)	1.16%	1.17%	1.82%	2.05%	2.17%
Program Registration ¹	122,784	129,526	129,526	141,175	140,841
RCMP Calls for Service	72,423	70,861	68,484	67,118	67,273
Fire Rescue Responses ²	9,141	9,164	9,710	9,643	10,030
Public Works Calls for Services ³	13,332	13,800	11,342	12,225	12,241

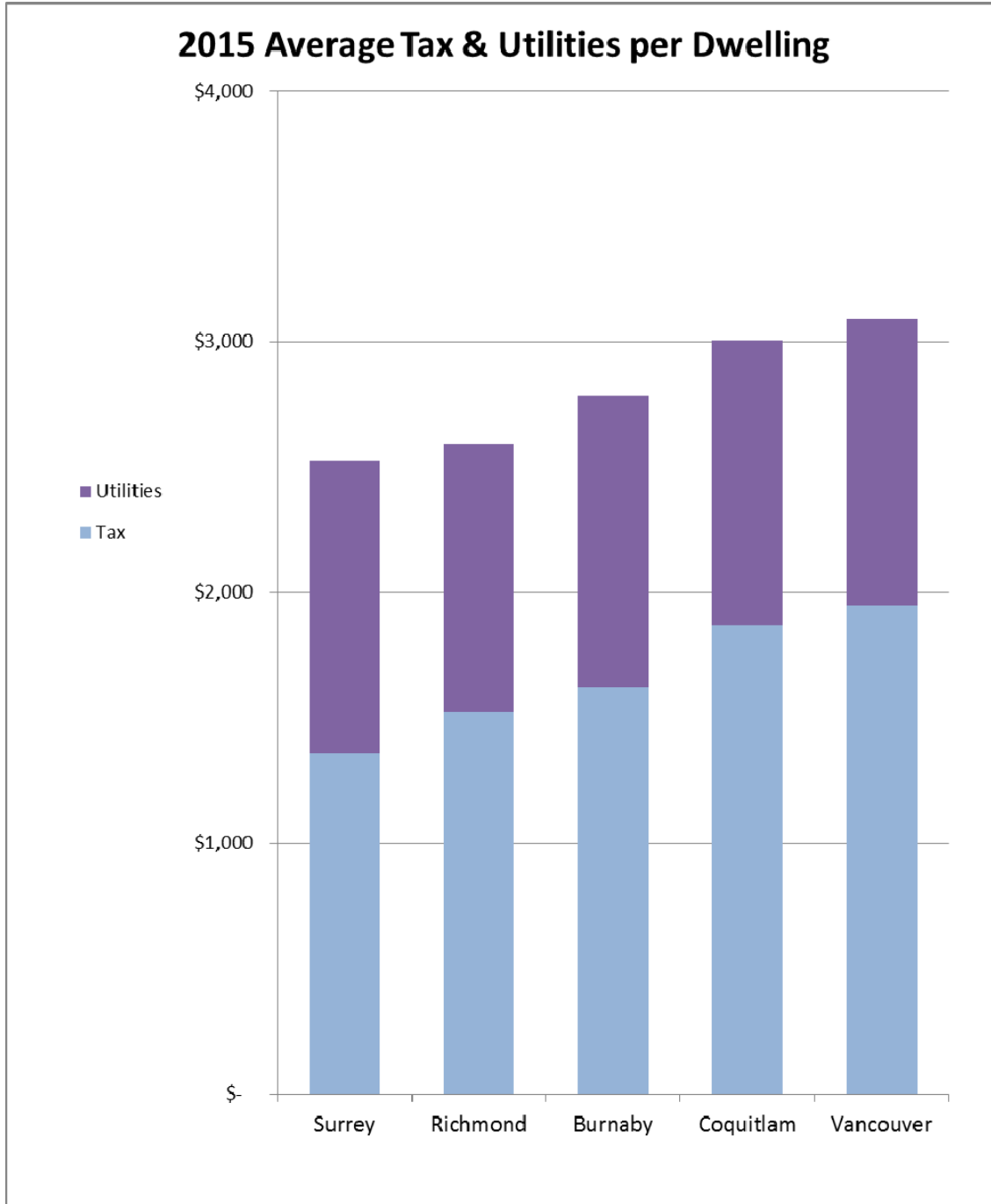
Source: 1 Registration Summary Report, 2 Fire Rescue, 3 Hansen

*Estimates for population growth, registration, fire rescue responses and public works calls for service



Tax and Utilities Comparison

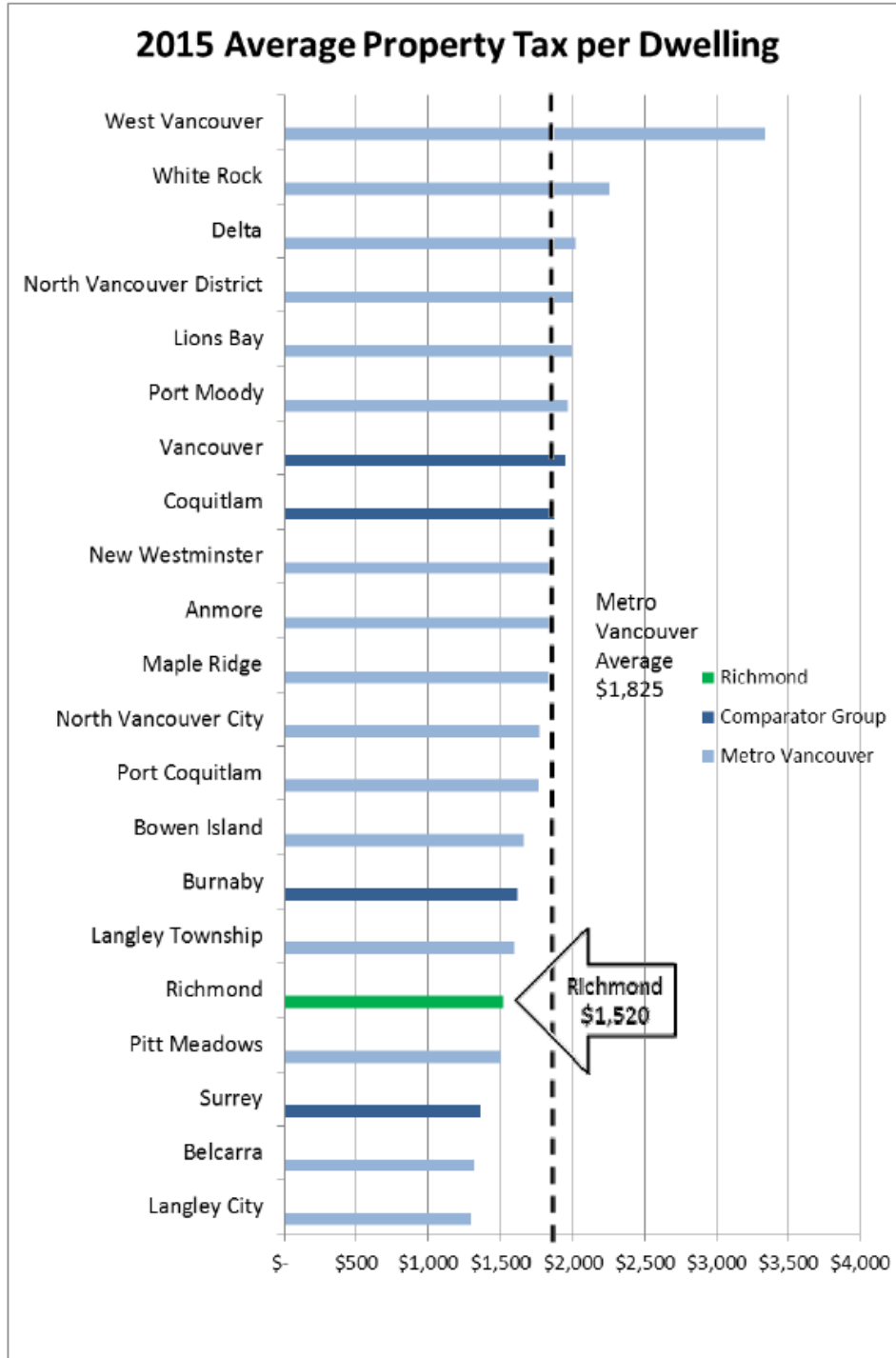
Richmond has the second lowest average combined tax and utilities per dwelling within the comparative group (top 5 municipalities in Metro Vancouver, based on population). Utility charges are based on an average metered single-family residence with an annual consumption of 312 cubic meters).



Source: Province of BC, and survey of municipalities conducted by Municipal Tax Collectors.

2015 Average Property Tax Per Dwelling

Richmond has the second lowest average property tax per dwelling within the comparative group (top 5 municipalities in Metro Vancouver, based on population).



Source: Province of BC.

Economic Outlook

Businesses contribute nearly half of the City's property tax revenues and a healthy local economy can afford families and individuals exceptional levels of municipal services. Richmond is an open economy, subject to constantly changing global, regional and local economic trends. As part of its budget planning process, the City examines the current economic context and available forecasts to reduce exposure to short-term risks and advance long-term financial sustainability.

(Note: unless explicitly referenced in the footnotes, the data source used in the commentary below is the Conference Board of Canada report titled "Metropolitan Outlook Autumn 2015" and providing forecasts to 2019.)

Macroeconomic Trends

With Richmond's advantageous location for global trade, market conditions in the world's major economies have a vast impact on the local economy. Downside risks continue to dominate the world economic outlook. Currently estimated at 3.1% in 2015, global growth is projected at 3.4% in 2016 and 3.6% in 2017, with the pickup in economic activity projected to be more gradual than in previous forecasts¹. Slowdown and rebalancing of the Chinese economy from investment and manufacturing toward consumption and services, continued low prices of energy and other commodities, and gradual tightening of U.S. monetary policy in the context of a resilient recovery will continue to weigh down the global forecast.

Canada has been vastly impacted by three key economic changes over the last 12 to 18 months and these changes will continue to suppress Canadian growth for the next two years. Currently at just over \$30 U.S. dollars per barrel², oil prices have hit their lowest level in 15 years and futures markets suggest only modest oil price recovery in 2016 and 2017. The U.S. dollar continues to appreciate against all major currencies, with the Canadian dollar currently hovering around 0.70 US dollars and expected to remain low in the next two years. In 2015, the Bank of Canada halved its overnight rate for the first time in over three years, with the rate currently at 0.5% and expected to hold at that level through 2016³.

The Canadian economy continues to contract as a result of depressed commodity prices and the national growth forecast has been further downgraded to 1.2% in 2015 and 1.7% in 2016¹. The national economy is expected to stabilize at 2.1% growth in the longer term to 2019. Nationwide housing activity is expected to cool off and low wage growth and high levels of household debt will hold back consumer spending. Business investment will remain the weakest sector of the economy with further reductions in capital investment and job losses in the energy sector and outside. The \$1.9 billion federal surplus posted in fiscal 2015 is likely to be erased due to softening revenues anticipated for fiscal 2016. After declining last year, public consumption and investment spending is expected grow by under 1% in each of 2016 and 2017.

¹ International Monetary Fund, World Economic Update (January 2016)

² NASDAQ Daily Quote for Crude Oil (January 25, 2016)

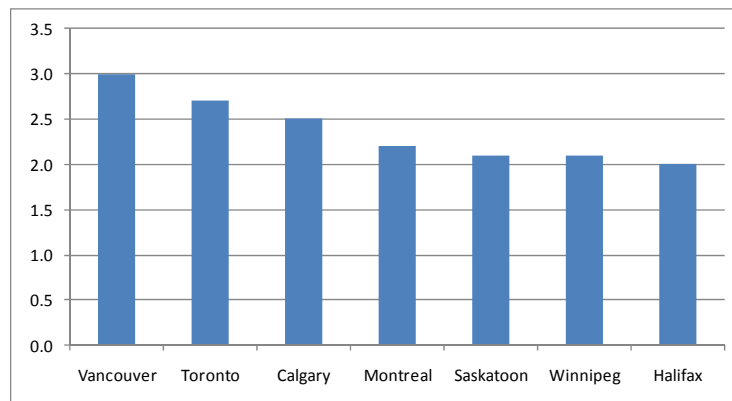
³ Scotiabank, Global Forecast Update (January 5, 2016)

With a weaker Canadian dollar, trade is the only sector of the Canadian economy that is expected to register growth, continuing redistribution of economic activity across provinces. As long as the U.S. economy maintains its current expansionary momentum, total exports are expected to rise 3.1% in 2015 and 3.6% in 2016 (this is still down from the 5.4% export growth registered in 2014).

Regional Trends

Propelled by the U.S. economic expansion, British Columbia's economy will lead the nation, growing by 2.8% in 2015, by 3.4% in 2016 and by 2.8% on average between 2017 and 2019. Moderate employment growth of 0.7% is expected for 2015 and 1.7% average employment growth from 2016 to 2019 will lead to further reductions in the province-wide unemployment rate to under 5% in the longer term through to 2019. Stable employment growth, inflation rates and wage gains will support both housing activity and consumer spending in the province over the next few years. While British Columbia currently maintains a balanced budget, risks to the provincial growth forecast are generated by further delays in the development of the liquefied natural gas sector. As a result, fiscal restraint and continued downloading of services are expected over the next few years.

Due to its reliance on exports and trade, the Metro Vancouver region is expected to lead Canadian metropolitan regions in economic growth, particularly amidst forecasts for sustained weakness in the Canadian dollar. Real GDP will reach 3.4% in 2015, advance to 3.5% in 2016 and 2017, and decelerate to an average of 2.8% through to 2019. Unemployment has dropped from 6.8% in 2012 to 5.9% in 2014 and is projected to steadily drop in the next few years, to 4.7% in 2019. Manufacturing, wholesale and retail will register the highest growth in output and employment, with continued strength in both the residential and non-residential construction sectors.



GDP Growth Forecast 2016-2019 (%) – Select Canadian Metropolitan Cities

Housing starts in Metro Vancouver rose from a record low 8,300 in 2009 to top 19,000 units in 2014. Another 8.1% growth in housing starts to 20,800 is expected for 2015. Strength in the regional economy and continued foreign investment will drive demand and starts are expected to hold over the 20,000 per year mark through to 2019.

Local Trends

As in all of Metro Vancouver, a large share of Richmond's jobs (40%) are community-oriented, representing jobs dependent on population growth. The remaining 60% of jobs are in sectors that comprise Richmond's economic base – sectors that drive the Richmond economy. Nearly 70% of Richmond's economic base jobs are in sectors linked to the City's role as a people and goods movement gateway, including transportation, warehousing and logistics, manufacturing, wholesale and tourism – 23.1%, 18.5%, 14.5% and 11.5% of the economic base⁴.

Not only does Richmond have a regional advantage in those industries, due to the presence of the port and airport, but also senior government policies focus on development of the Asia Pacific Gateway to support growth in those sectors. Furthermore, the macroeconomic environment of low oil prices, Canadian dollar and interest rates defines these sectors as major areas of expansion in the next few years.

Richmond businesses in core economic sectors have performed well in the last few years, as demonstrated by growth in key performance indicators, such as volume of cargo movement through Port Metro Vancouver and YVR, passenger movement through YVR, and local hotel room nights. Meanwhile, a robust housing market has continued to drive residential development in Richmond, rendering commercial lands not lucrative for development and exerting pressure on Richmond's employment lands inventory.

Richmond housing starts have maintained, on average, a steady 11% proportion of Metro Vancouver starts since 2010. At 2,657 in 2015, housing starts are well above the 2,100 housing starts realized on average between 2010 and 2015⁵. Population growth will continue to drive housing demand and exert pressure on affordability.

The construction value of Richmond's total building permits issued peaked at an extraordinary \$800 million in 2010, as multiple major projects were approved during the year. Subsequent years registered healthy levels of between \$400 and \$500 million in Richmond, with 2015 finishing just short of \$1 billion in building permits, breaking the all-time record of 2010.⁶

⁴ City of Richmond – Resilient Economy Strategy

⁵ Canadian Mortgage and Housing Corporation – Monthly Statistics Report

⁶ City of Richmond – Monthly Building Permits Statistics

Financial Position

Vulnerability

In 2014, Senior Government level transfers amount to only 5.9% of total revenue. Gaming revenue is the predominant source as the City receives 10% of River Rock's net gaming revenues from the Province. Only a small portion of gaming revenue is used in the operating budget for policing and grants, therefore the City's vulnerability to potential fluctuations in this amount is minimized.

Sustainability

In 2014, Richmond's Financial assets (cash, investments, receivables, etc.) to liabilities ratio is 2.8 to 1.0 which indicates ability to cover existing liabilities. While this is a strong current position, long term planning is required in order to fund future infrastructure replacement costs. Options are to build up reserve balances, or to fund with external borrowing should interest rates remain low. There is also the option to delay replacement of ageing infrastructure; however, this could result in repair/refurbishment costs that exceed the life cycle cost of replacing the ageing assets.

Flexibility

The 2014 Net Book Value of Capital Assets to Cost is 68.5% (57.7% excluding land) which indicates that the City's assets are ageing and there is a need to plan for future replacement or higher maintenance costs.

Net Book Value to Cost (in \$millions)

2014 Tangible Capital Assets	NBV	Cost	Ratio
Land	\$724	\$724	100.0%
Tangible Capital Assets (Excluding Land)	1,223	2,120	57.7%
Total Tangible Capital Assets	\$1,947	\$2,844	68.5%

Long Range Financial Plans

Major Facilities Implementation

The Operating Budget Impact (OBI) of the Major Facilities – Phase 1 was approved in the 2014 Budget and is being phased in each year and will be fully funded in 2020. This approved implementation plan is included in the 5YFP and provides funding for the new City Centre Community Centre which opened in September 2015. The approved OBI provides additional funding toward additional programming at the Minoru Aquatic Centre and the Older Adults Centre. It also includes additional funding for Fire Hall 1. Phase 2 facility replacement plans are being worked on and will be included in future reports for Council approval.

Policing

The 2016 Budget included the addition of 12 new police officers, which was funded by a corporate reset without impact on the tax rate. The sustainability of this corporate reset funding will be reviewed in 2017.

Although it is anticipated that funding for additional officers will be requested within the range of this five year plan, the City's policy is to prepare the projections for the subsequent years in the plan based on the currently approved level of service. This allows important decisions to be made by Council each year without pre-approval or presumption of a set plan.

Infrastructure Replacement

We are in the midst of building Phase 1 of the major facilities replacement and as discussed above, phasing in the tax impact of the new and expanded facilities to the Operating Budget until 2020.

In addition, the City maintains the existing inventory of assets and as the City's infrastructure is ageing, we need to plan to fund replacement, or prepare for higher maintenance costs.

Garden City Lands

Development of the Garden City Lands is a priority in the 2016-2020 5YFP with \$12.1 million of funding planned from DCC's and City reserves.

Key Financial Policies

The financial plan is a same level of service budget with only non-discretionary increases, which are supported by a contract or an agreement.

Long Term Financial Management Strategy (Policy 3707)

1. **Tax Revenue** - Tax increases will be at Vancouver's CPI rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1.0 % towards infrastructure replacement needs.
2. **Gaming Revenue** - Gaming revenues are designated for the capital reserves, the major capital community facility replacement program, the grants program, the Council initiatives account, and towards the cost of policing relating to gaming activities.
3. **Alternative Revenues & Economic Development** - Any increases in alternative revenues and economic development beyond all the financial strategy targets can be utilized for increased levels of service or to reduce the tax rate.
4. **Changes to Senior Government Service Delivery** - Any additional costs imposed on the City as a result of mandatory senior government policy changes should be identified and added to that particular year's taxes above and beyond the CPI and infrastructure percentage contribution.
5. **Capital Plan** - Ensure that long term capital funding for infrastructure (e.g. parks, trails, facilities, roads etc.) is in place in order to maintain community liveability and generate economic development.
6. **Cost Containment** - Staff increases should be achieved administratively through existing departmental budgets, and no pre-approvals for additional programs or staff beyond existing budgets should be given, and that a continuous review be undertaken of the relevancy of the existing operating and capital costs to ensure that the services, programs and projects delivered continue to be the most effective means of achieving the desired outcomes of the City's vision.
7. **Efficiencies & Service Level Reductions** - Savings due to efficiencies or service level reductions identified in the strategy targets should be transferred to the capital reserves. Any savings due to efficiencies beyond the overall strategy targets can be utilized to reduce the tax rate or for increased levels of service.
8. **Land Management** - Sufficient proceeds from the sales of City land assets will be used to replenish or re-finance the City's land inventory. Any funds in excess of such proceeds may be used as directed by Council.
9. **Administrative** - As part of the annual budget process the following shall be undertaken:
 - all user fees will be automatically increased by CPI;
 - the financial model will be used and updated with current information, and

- the budget will be presented in a manner that will highlight the financial strategy targets and indicate how the budget meets or exceed them.

10. **Debt Management** - Utilize a “pay as you go” approach rather than borrowing for financing infrastructure replacement unless unique circumstances exist that support borrowing.

Gaming Revenue

The annual revenue received is dependent on two main components: the actual activity at River Rock, and the allocation that Province provides to the host local governments. These factors will influence the revenue received by the City and can cause fluctuations in the annual amounts.

Gaming Revenue is currently used to fund capital reserves, the major capital community facility replacement program, the grants program, and towards the cost of policing relating to gaming activities.

At the March 23, 2015 Council Meeting, Council approved an updated allocation model of gaming revenues effective for the 2016 budget year which included the creation of the Council Community Initiatives Account.

Financing Costs – fixed at \$5.0M	Fixed \$5.0M
RCMP four officers – increase in correlation with RCMP contract	Cost of 4 Officers
Capital program – general Capital Reserve	30%
Grants	15%
Council Community Initiatives account	2%
Major capital community facility replacement program (Capital Building and Infrastructure Reserve)	Remainder

Budget Trends

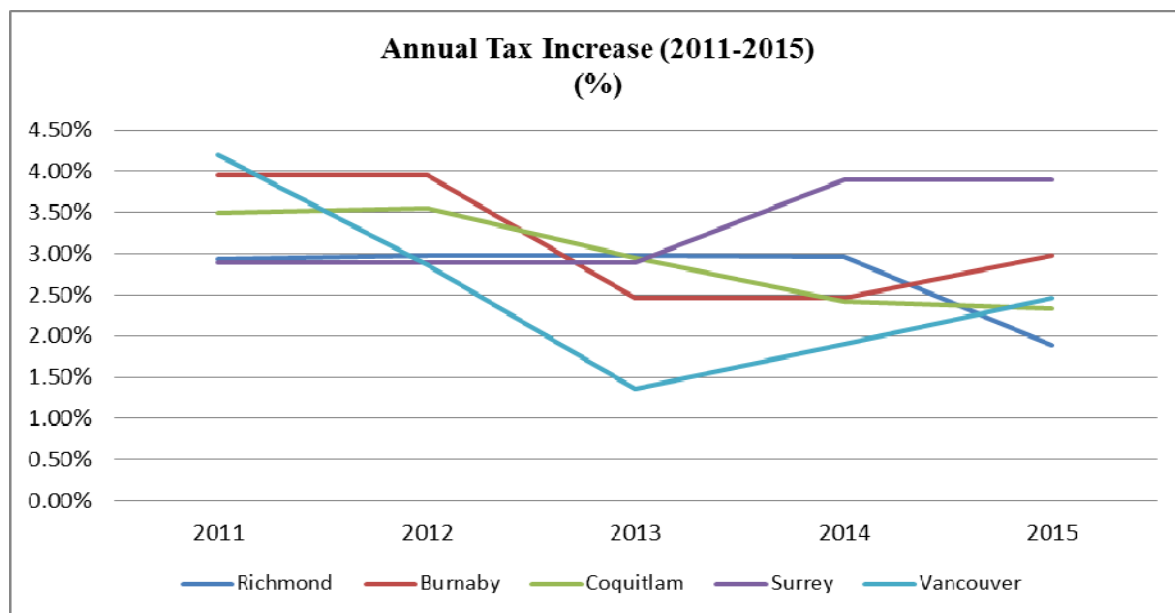
These policies are integral to the financial decision making of the City in ensuring a long-term focus and financial sustainability.

Tax Revenue

Year	CPI ¹	Base Increase	OBI	Additional Levels	Reserves	Total Increase
2011 ²	1.5%	2.63%	0.32%	0.00%	0.00%	2.95%
2012	1.7%	1.70%	0.16%	0.12%	1.00%	2.98%
2013	2.0%	1.39%	0.36%	0.23%	1.00%	2.98%
2014	2.0%	1.53%	0.34%	0.09%	1.00%	2.96%
2015 ³	1.0%	1.45%	0.38%	0.06%	0.00%	1.89%
2016 ⁴	2.3%	1.53%	0.47%	0.11%	1.00%	3.11%

1. CPI estimates using the annual budget preparation.
2. In 2011, the 1% increase for transfer to reserves was replaced by additional interest earned on the Community Legacy & Land Replacement Reserve Fund as approved by Council on July 23, 2007 in lieu of the tax increase.
3. In 2015, the 1% increase for transfer to reserves was replaced by a one-time transfer from surplus gaming revenue in lieu of the tax increase.
4. In 2016, 12 additional officers are included as an additional level of service funded through a corporate reset.

The City of Richmond has maintained consistent modest tax increases due to the long-term financial management strategy.



Capital Plan

The 5 Year Capital Plan is updated annually and projects the anticipated capital program costs and funding availability. The capital budgets have fluctuated over this period due to major facility construction and significant land acquisition.

Year	Capital Budget (In \$5000s)
2011	93,372
2012	88,964
2013	139,681
2014	204,259
2015	167,217
2016	114,538

Debt Management

During 2014, debt in the amounts of \$50.8M was strategically obtained for the construction of the Minoru Aquatic and Older Adults Centre to take advantage of the low interest rate environment.

The debt servicing costs for the new \$50.8M debt did not increase taxes as \$5M of annual gaming revenue (formerly used to repay for the construction of the Oval) and the portion of funding that had been used to pay for the now extinguished Terra Nova debt were used to finance these costs. The debt interest rate is fixed at 3.3% with final payment in 2024.

2016 Budget Highlights

Budget Component	\$000's	Tax Impact (%)
2016 Operating Budget Increase Before Additional Levels	\$3,785	2.00%
Additional Level	210	0.11%
Additional Level Expenditures – 12 Police Officers	2,020	1.06%
Corporate Reset	(1,827)	(0.96%)
Rate Stabilization – Initial Costs for 12 Police Officers	(193)	(0.10%)
2016 Operating Budget Increase	\$3,995	2.11%
Additional 1% Transfer to Reserves	\$1,898	1.00%

Corporate Reset

The 2016 budget includes a corporate reset to fund 12 additional police officers without tax impact. This was achieved through a combination of budgeting for anticipated higher revenues and budgeting expenses less conservatively.

The City has traditionally followed a conservative revenue budgeting approach for non-property taxation revenues as these types of revenues are subject to external market conditions and may fluctuate from year to year. Development fees and gaming revenue are examples that can significantly fluctuate from year to year. Taking a riskier approach to budgeting revenues means that it is possible the revenue targets will not be met.

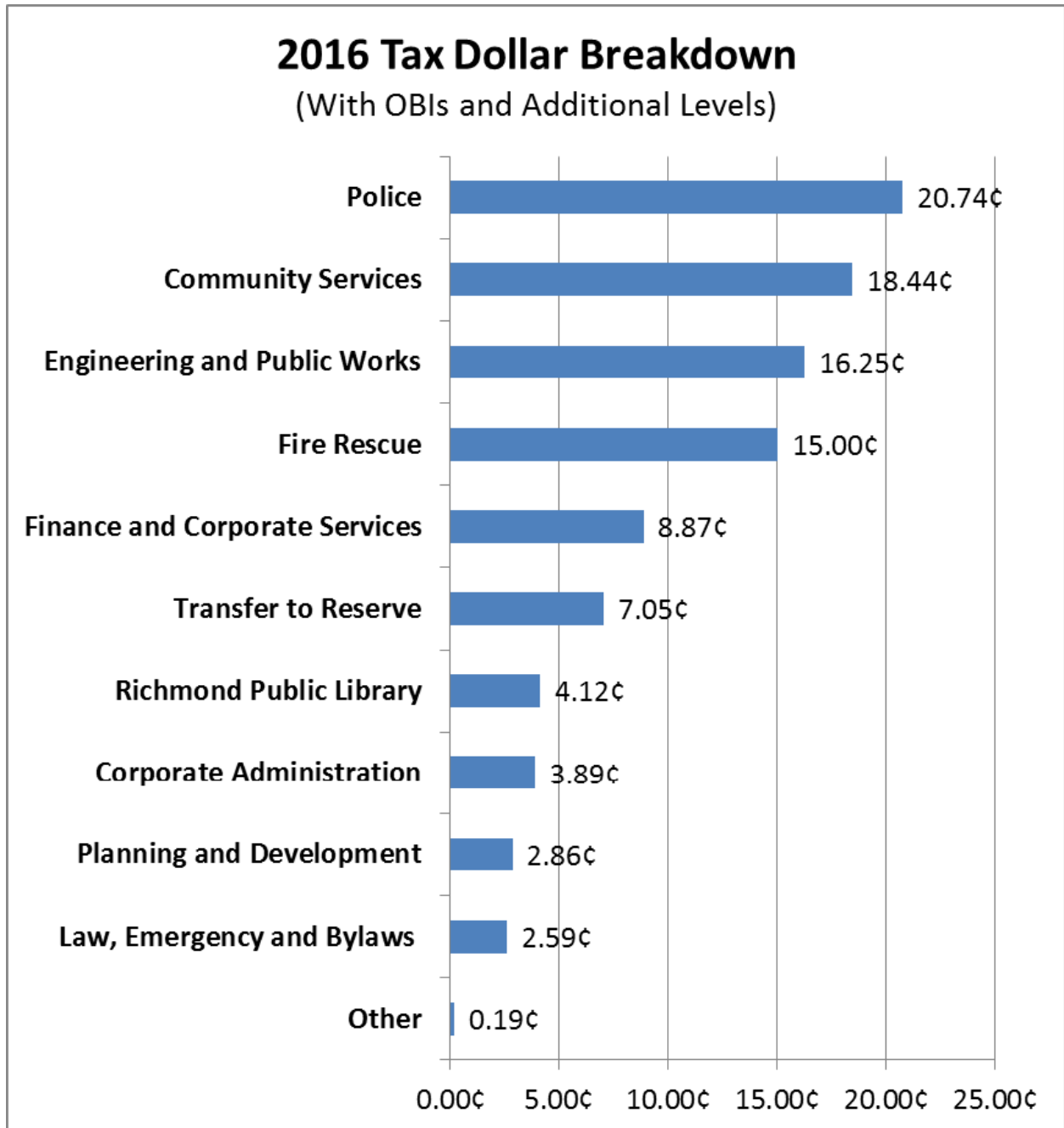
Budgeting expenses less conservatively is not ideal for long term planning; however the reality is any employer, including the City, experiences staff turnover and availability of vacant positions due to termination, resignation, and retirement. The City has traditionally followed a conservative expense budgeting approach by fully funding each position. Since it takes time to fill vacant position, generally surpluses will be realized.

There are risks in reducing budgeted salaries since most of the City's programs and services are dependent upon labour. By estimating the anticipated savings that will be realized as a result of staff turnover, the amount of taxes collected could be reduced for one year only. If actual expenditures are projected to exceed the budget estimate, a budget amendment would be brought forward funded by rate stabilization.

The impact of the corporate reset will be reviewed each year.

Municipal Tax Dollar

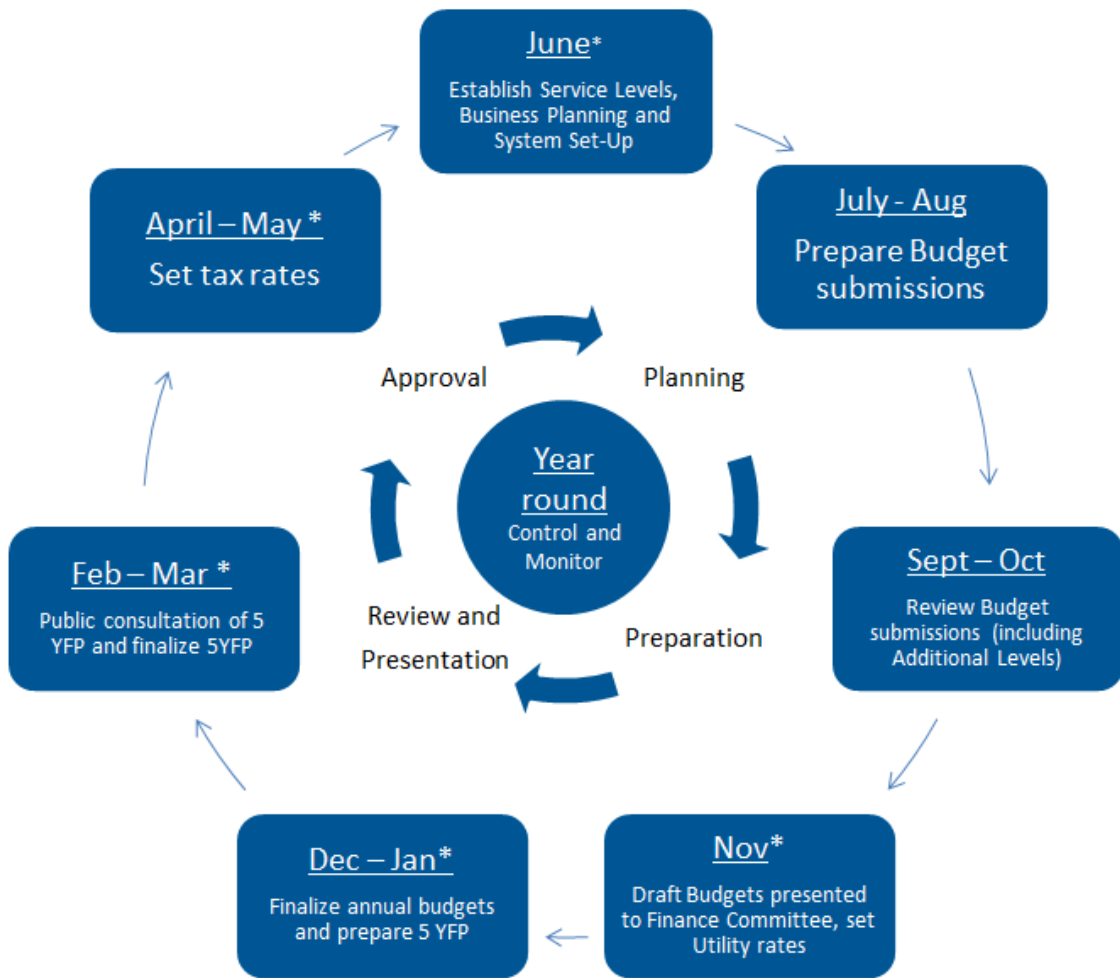
The breakdown of a municipal dollar has been revised to include Operating Budget Impacts of Capital Projects, additional levels of service approved by Council, including the corporate reset to fund 12 additional officers in 2016.



Budget Process

The Budget Cycle from planning through to approval is a year round undertaking as summarized in the figure below. Council is involved in all key decisions, including establishing the levels of service and approving each budget component: Utility Budget, Operating Budget, Capital Budget with associated Operating Budget Impacts, and one-time expenditures.

2016 Budget Cycle



* Council involvement

Budget Assumptions

Table 2 - Preliminary 2016-2020 Operating Budget Assumptions

Key Financial Drivers / Indicators	2016	2017	2018	2019	2020
Vancouver Consumer Price Index (CPI) ¹	2.3%	2.0%	2.0%	2.1%	2.1%
Richmond Municipal Price Index (MPI) ²	2.7%	2.5%	2.5%	2.6%	2.6%
User Fees	2.2%	2.0%	2.0%	2.1%	2.1%
Salaries ³	TBD	TBD	TBD	TBD	TBD
Electricity ⁴	4.9%	3.7%	3.2%	2.6%	2.6%
Natural Gas ⁴	2.5%	2.5%	3.0%	3.0%	3.0%
RCMP Contract Increase ⁵	2.7%	2.6%	2.8%	2.5%	2.4%
Growth (Tax Base) ⁶	1.2%	1.5%	1.3%	0.8%	0.8%

Sources: ¹ The Conference Board of Canada Metropolitan Outlook 1 Spring 2015; 2020 is projected based on 2019 forecasts; ² Finance Department, City of Richmond; ³ Salaries are based on collective agreements, which are to be negotiated; ⁴ Energy Manager, City of Richmond; ⁵ RCMP E Division; ⁶ BC Assessment Authority/Revenue Manager, City of Richmond

Rate Stabilization

Isolating non-recurring expenditures from the Base Operating Budget reduces fluctuations in the base from year to year. To provide funding for these items, once the surplus for the previous year is confirmed, it is deposited into the Rate Stabilization Account to provide funding for future one-time initiatives.

The recently established Council Community Initiatives Account which receives 2% of annual gaming revenue is similar to the rate stabilization fund, with a specific purpose is to fund specific community initiatives, however this is completely at Council's discretion.

Capital Budget Process

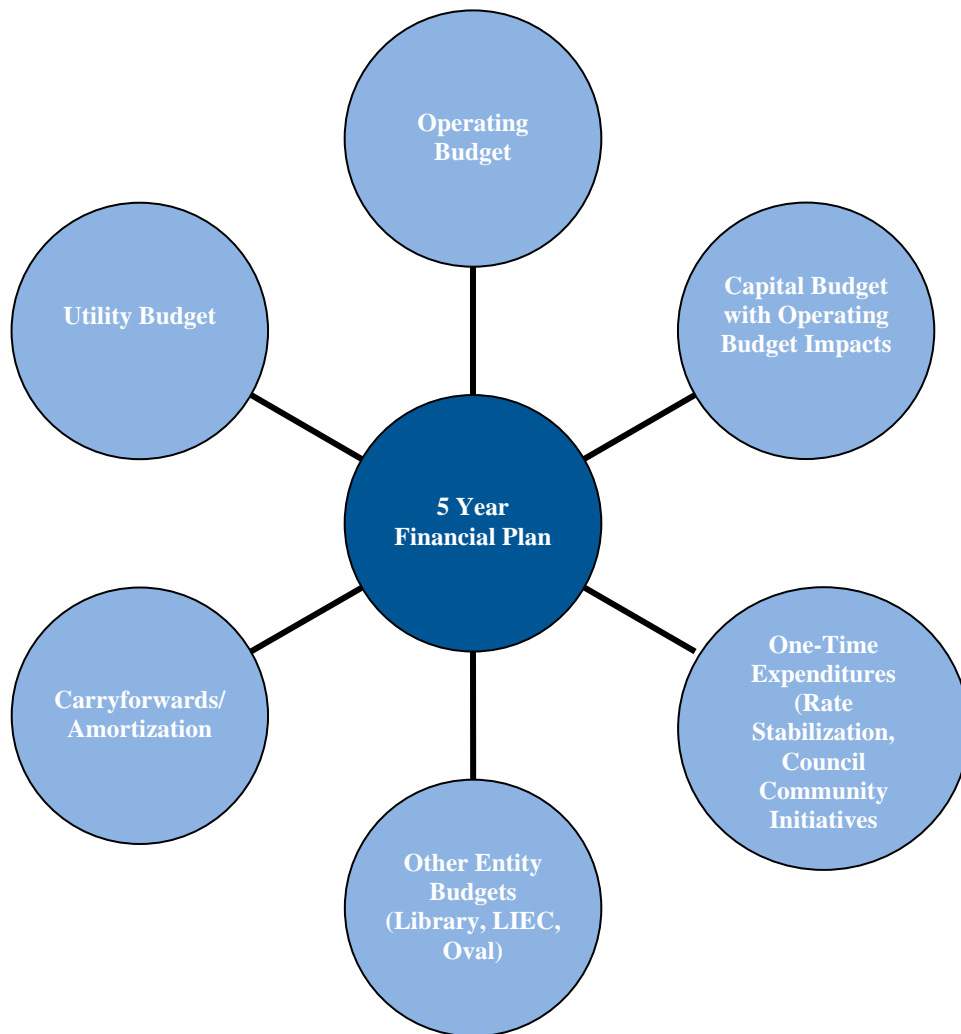
The 5 Year Capital Plan is updated annually and projects the anticipated capital program costs and funding availability. The capital budgets have fluctuated over this period due to major facility construction and significant land acquisition.

The Capital Review Committee which is comprised of Directors/Senior Managers from each City division reviewed and ranked each project submission. Project funding recommendations are then reviewed by the Senior Management Team (SMT) and the CAO and the final recommendation is consolidated to form the 2016 Capital Budget presented to Finance Committee for review and approval.

Budget Approvals

The City of Richmond’s financial plan consolidates the budget decisions previously made by Council including the Utility, Operating and Capital budgets and One-Time Expenditures funded by previous years’ surplus. The key components were approved by Council as follows:

Budget Input	Council Approval Date
2016 Utility Budget	November 9, 2015
2016 One-Time Expenditures	December 14, 2015
2016 Council Community Initiatives One-Time Expenditures	December 14, 2015
2016 Richmond Public Library Budget	December 14, 2015
2016 Operating Budget	December 14, 2015
2016 Capital Budget	December 14, 2015



Utility Budget – approves the utility services, budget and rates.

Operating Budget – approves the base operating same level of service budget and amount of property tax.

Capital Budget with Operating Budget Impacts – approves capital projects, capital project funding sources, and the operating budget impact.

One-Time Expenditures – approves non-recurring expenditures to be funded by Rate Stabilization or Council Community Initiatives.

Other Entity Budgets – Approves the operating and capital budgets for separate entities, including the Richmond Public Library, Richmond Olympic Oval Corporation and Lulu Island Energy Company.

Budget Carryforwards – Operating and Capital initiatives do not always complete in the year the budget is approved due to timing of the project, multiple phases of the project, etc. For funding certainty, the complete project funds are committed to the initiative upon approval. As the financial plan is prepared each year, previously approved initiatives are reviewed and funding is included in the financial plan to continue the projects.

Amortization – Estimated as required by accounting standards but does not correspond with a cash outflow for budgeting purposes. The cash was expended at the time the related asset was built or purchased. For example, if equipment is purchased for \$40,000 and is expected to have a useful life of 4 years, accounting standards require that \$10,000 (\$40,000 divided by 4 years) be recognized as amortization expense each year until the cost is fully amortized. An estimate for amortization is included in the 5 Year Financial Plan in order to align the budget to the City's financial statements for improved comparability.

Transfers – Several cash inflows and outflows under the balanced budget method do not correspond with the accounting definitions for revenue or expense:

- **Transferring funds to reserves** is a cash outflow for budgeting purposes, but for accounting purposes this is not recognized as an expense.
- **One-Time Expenditures funded by the Rate Stabilization Account** are funded from accumulated surplus for budgeting purposes; however, for accounting purposes this funding source is not revenue.
- **The capital budget approved** in the current year identifies all funding sources for balanced budget purposes; however, only those amounts that are received from external parties (such as developer contributions and grants) are recognized as revenue in the financial statements. Transfers from reserves are not included as revenue.
- **Proceeds from debt borrowing** are explicitly required to be budgeted under the Community Charter as a funding source. For financial statement purposes, this is not recognized as revenue, but rather as a liability on the statement of financial position.

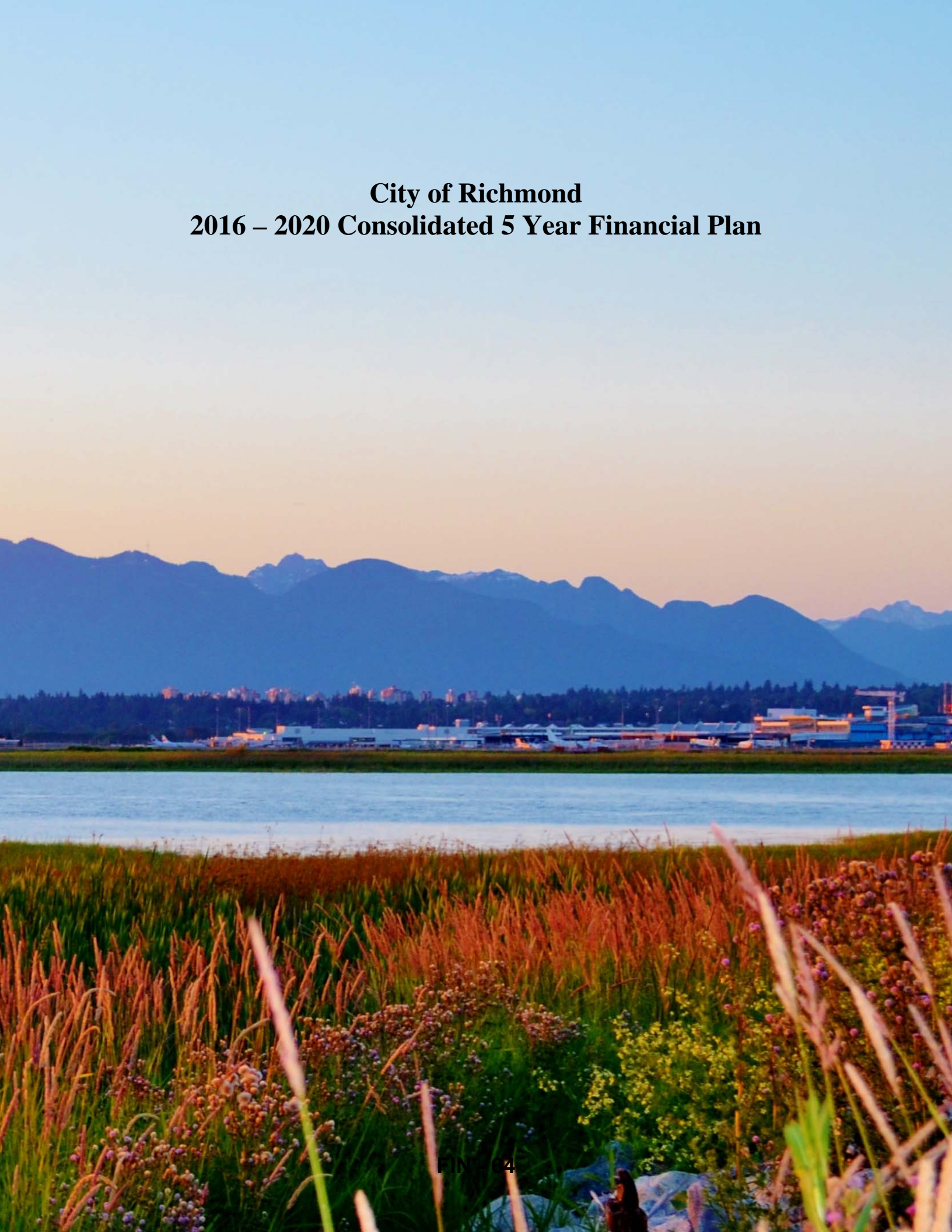
- **Debt principal payments** are required to be budgeted for as an outflow, but is recognized as a reduction to the liability, rather than an expense on the statement of operations.

The financial plan includes estimates for 2017-2020 based on information currently available to staff and will be revised with the financial plan for each respective year.

Before the financial plan is adopted, the City carries out a public consultation as required under the Community Charter.

After the bylaw is adopted, additional opportunities may arise which need to be included in the financial plan. These items are included in the amendment to the financial plan bylaw, which is typically completed in the fall. Amendments to the financial plan must be funded from non-tax revenue sources, such as grant funding, external contribution, or provision balances.

City of Richmond
2016 – 2020 Consolidated 5 Year Financial Plan



City of Richmond					
Consolidated Financial Plan 2016-2020					
(in \$000s)					
	2016 Budget*	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Revenue:					
Property Taxes	197,965	206,823	215,531	223,666	232,083
User Fees	98,773	102,953	107,361	110,771	115,129
Sales of Services	33,692	34,260	34,854	35,656	36,255
Gaming Revenue	18,088	18,400	18,400	18,400	18,400
Investment Income	14,694	14,694	14,694	14,694	14,694
Payments In Lieu Of Taxes	13,473	13,473	13,473	13,473	13,473
Other Revenue	9,799	9,803	9,906	10,029	10,159
Licenses And Permits	9,184	9,363	9,546	9,741	9,941
Grant Revenue	7,376	7,494	7,613	7,727	7,820
Developer Contributed Assets	55,000	55,000	55,000	55,000	55,000
Development Cost Charges	26,875	17,668	12,781	9,437	9,327
Other Capital Funding Sources	14,115	21,805	10,500	10,440	10,040
	499,034	511,736	509,659	519,034	532,321
Expenses:					
Law and Community Safety	93,358	94,855	97,383	99,956	102,603
Engineering and Public Works	65,629	64,382	66,067	66,707	67,654
Community Services	59,020	58,343	59,941	61,282	62,540
Finance and Corporate Services	24,321	23,360	23,884	24,441	25,013
Fiscal	19,011	17,730	18,153	16,063	15,950
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	8,655	8,452	8,641	8,843	9,051
Planning and Development Services	14,324	14,502	14,847	15,232	15,627
Utility Budget					
Water Utility	40,469	42,606	44,576	46,168	47,831
Sanitary Sewer Utility	29,746	30,958	32,834	34,405	36,072
Sanitation and Recycling	14,944	15,248	15,557	15,888	16,226
Richmond Public Library	9,754	9,946	10,141	10,349	10,562
Richmond Olympic Oval Corporation	14,890	15,288	15,719	16,131	16,594
Lulu Island Energy Company	1,590	1,524	2,451	2,211	2,647
	397,388	398,871	411,871	419,353	430,047
Annual Surplus	101,646	112,865	97,788	99,681	102,274

City of Richmond Consolidated Financial Plan 2016-2020 (in \$000s)					
	2016 Budget *	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Transfers:					
Debt Principal	4,402	4,402	4,402	4,402	4,402
Transfer To Reserves	62,222	64,421	66,707	69,092	71,561
Transfer To (From) Surplus	(3,076)	8,971	10,089	10,591	11,126
Capital Expenditures - Current Year	114,538	127,615	103,740	85,259	60,065
Capital Expenditures - Prior Years	272,070	211,956	176,060	160,921	153,488
Capital Expenditures - Developer					
Contributed Assets	55,000	55,000	55,000	55,000	55,000
Capital Funding	(403,510)	(359,500)	(318,210)	(285,584)	(253,368)
	101,646	112,865	97,788	99,681	102,274
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	3.11%	2.97%	2.96%	2.97%	2.96%

* 2016 Budget includes approved one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2017 through 2020 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.

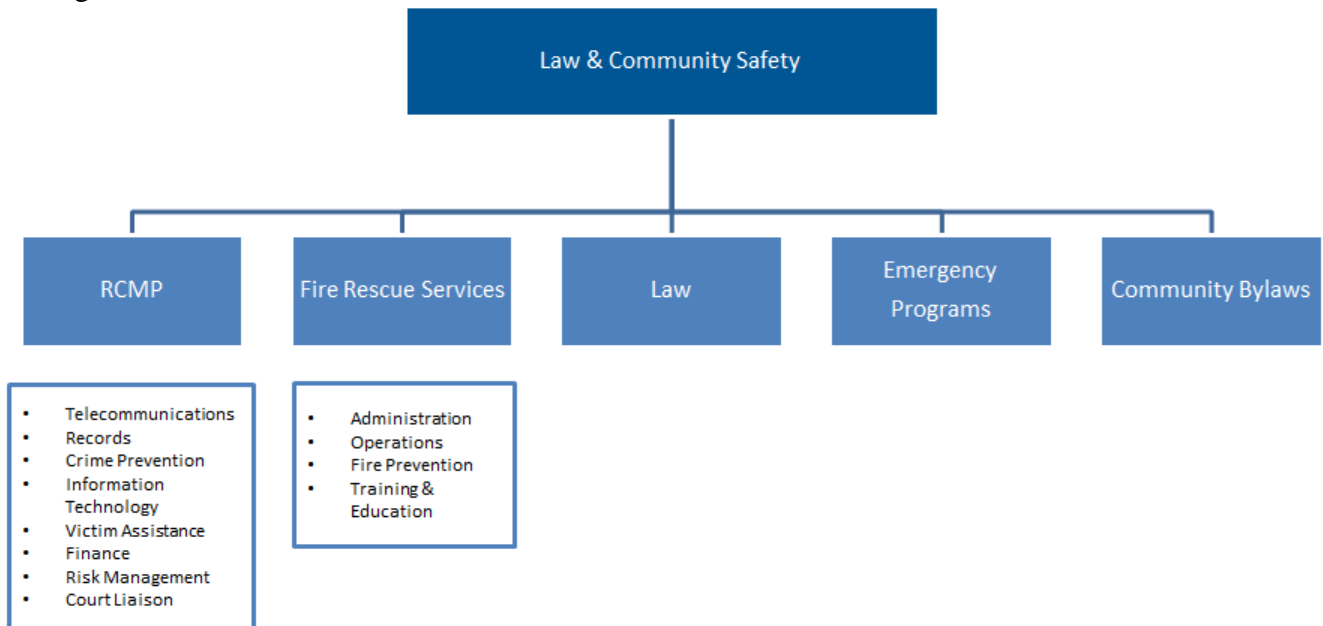
Operating Budget



Law and Community Safety



Brings together the City's public safety providers, along with sections responsible for legal and regulatory matters. The City's primary community safety providers are Police (RCMP), Fire-Rescue, Emergency Programs and Community Bylaws. The role of the Community Bylaws Department is to either lead, assist or partner with others to ensure that the City's various bylaws are compiled with regard for the overall benefit of the community. The Law Section is responsible for providing advice to City Council and staff regarding the City's legal rights and obligations.



FTE Table

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	355.6	355.6	-	-%

RCMP Contract Complement

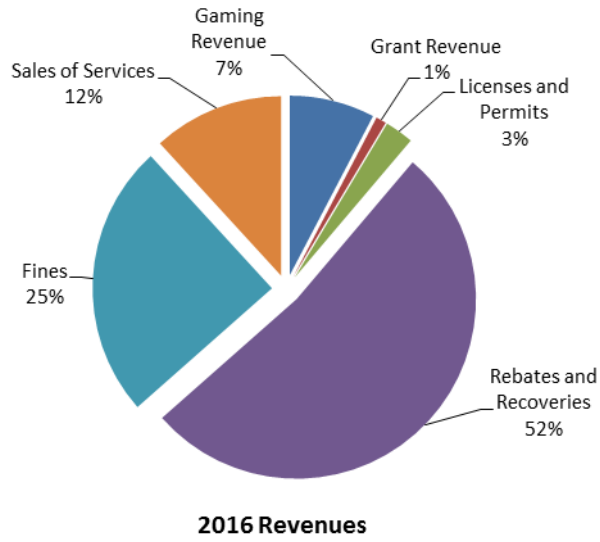
	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Officers	200.0	212.0	12.0	6.00%
Civilian Members	2.0	2.0	-	-%
Less: Non-Budgeted	(10.0)	(10.0)	-	-%
Municipal Policing	192.0	204.0	12.0	6.25%
Integrated teams (including RTIC)	18.4	17.7	(0.7)	(3.80%)
Total	210.4	221.7	11.3	5.39%

2015-2020 Budgets (in \$000s)

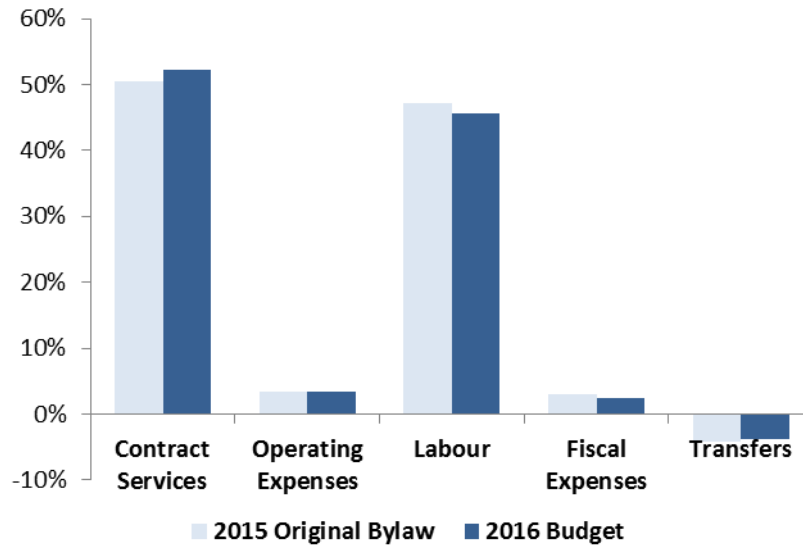
	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Operating Budget	\$78,332	\$81,417	\$83,753	\$86,228	\$88,744	\$91,333
Revenues	(8,056)	(8,555)	(8,770)	(8,823)	(8,880)	(8,938)
Expenditures						
Labour	40,770	41,105	41,943	43,145	44,397	45,689
Contract Services	43,627	46,919	47,719	48,986	50,245	51,537
Operating Expenses	2,941	3,064	2,922	2,982	3,043	3,106
Fiscal Expenses	2,620	2,271	2,271	2,271	2,271	2,271
Transfers	(3,570)	(3,387)	(2,332)	(2,332)	(2,332)	(2,332)
Grand Total	\$78,332	\$81,417	\$83,753	\$86,228	\$88,744	\$91,333

* Totals may not add due to rounding.

Revenue Breakdown



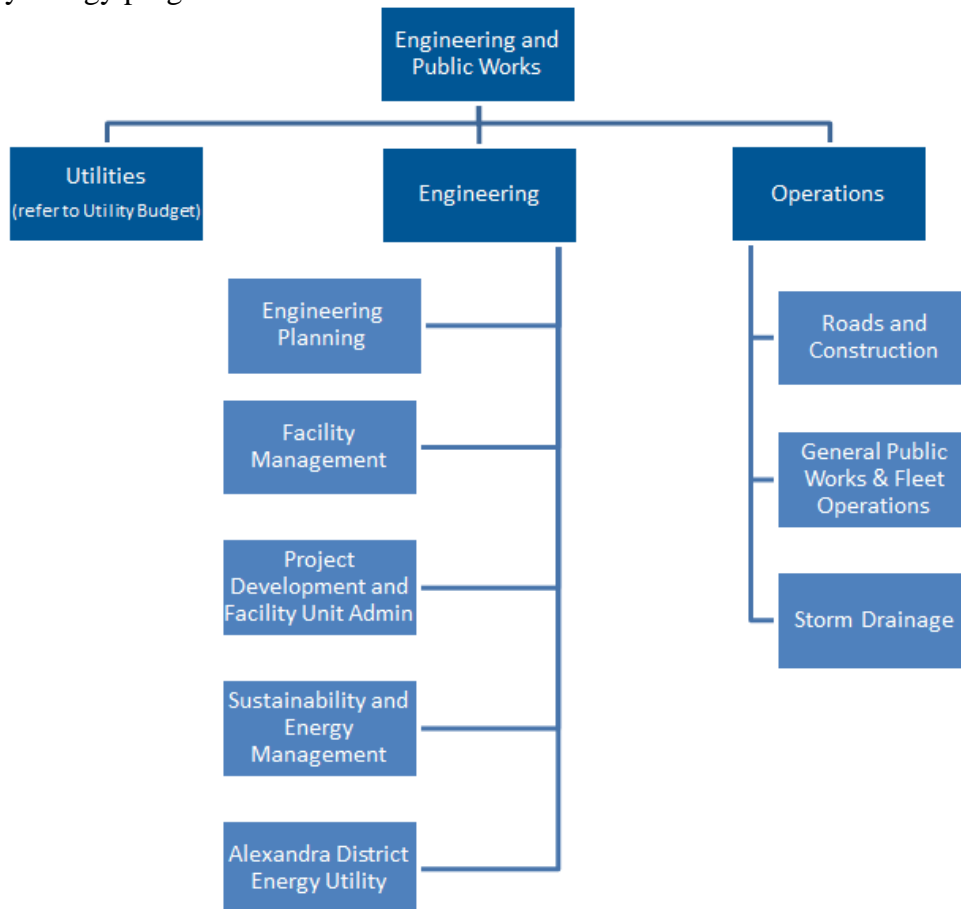
Expense Comparison



Engineering and Public Works



Comprises engineering planning, design, construction and maintenance services for all utility and City building infrastructure. Responsible for dikes and irrigation system, roads and construction services, street lighting, corporate sustainability and district, corporate and community energy programs.



FTE Table

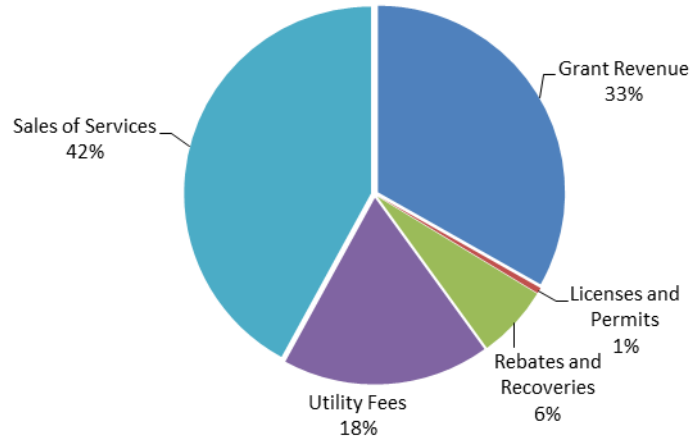
	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	242.2	241.2	(1.0)	(0.41%)

2015-2020 Budgets (in \$000s)

	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Operating Budget	\$33,490	\$34,518	\$35,418	\$36,260	\$37,112	\$37,973
Revenues	(5,380)	(7,645)	(7,734)	(7,826)	(7,924)	(8,024)
Expenditures						
Labour	21,679	22,678	23,218	23,774	24,352	24,937
Contract Services	3,543	5,467	3,695	3,769	3,849	3,930
Operating Expenses	9,973	10,727	10,044	10,336	10,616	10,897
Fiscal Expenses	22,932	26,758	27,425	28,188	27,891	27,891
Transfers	(19,257)	(23,467)	(21,230)	(21,982)	(21,672)	(21,658)
Grand Total	\$33,490	\$34,518	\$35,418	\$36,260	\$37,112	\$37,973

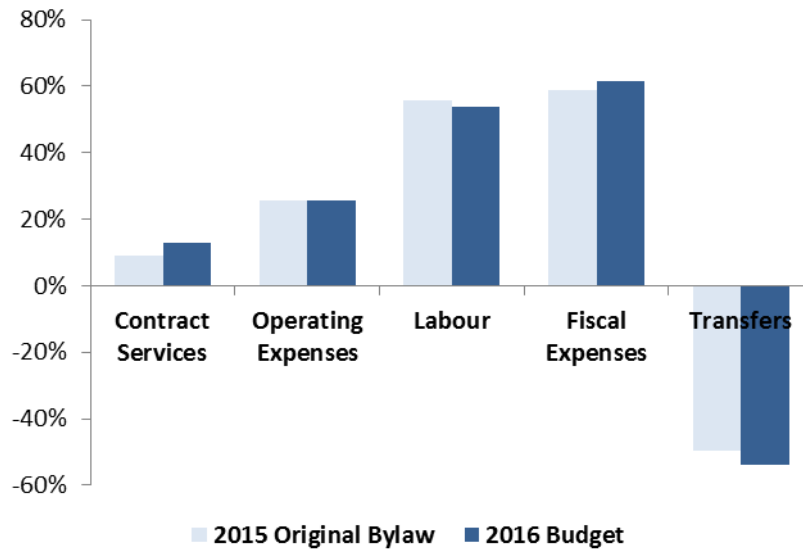
* Totals may not add due to rounding.

Revenue Breakdown

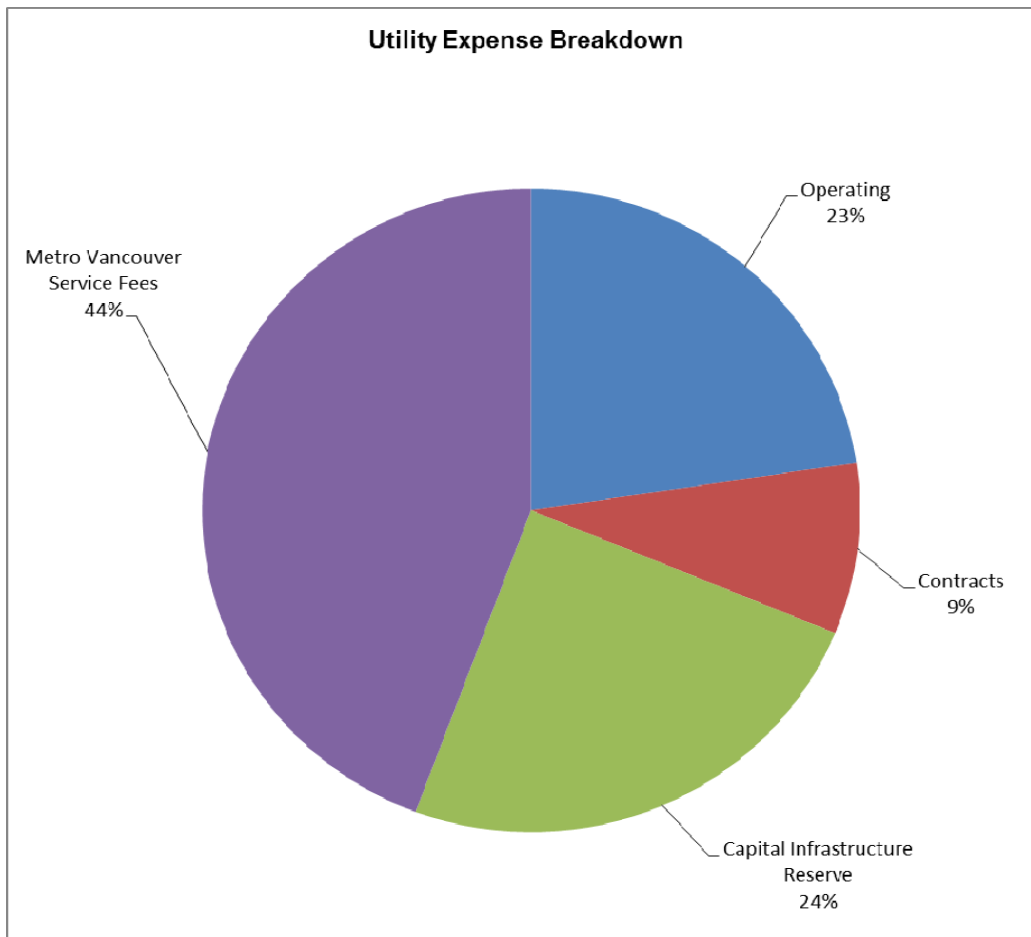
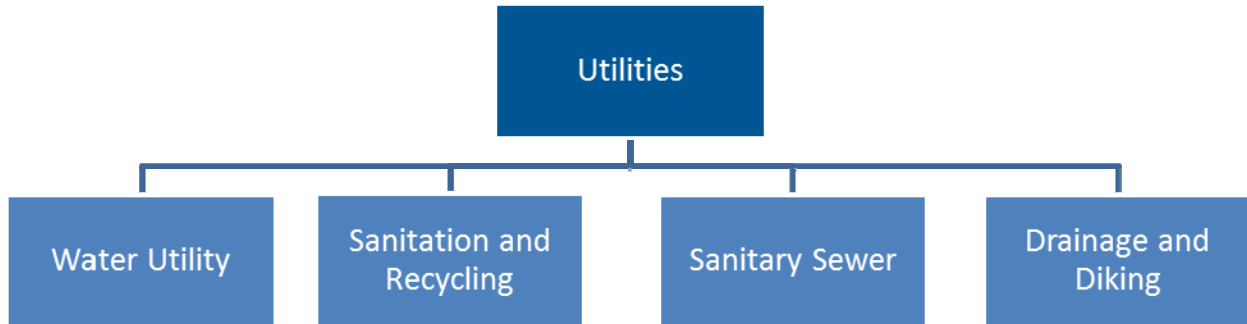


2016 Revenues

Expense Comparison



Utility Budget



44% of the Utility Budget funds Metro Vancouver fees for water supply and distribution and sewerage and drainage surfaces. 24% of the Utility Budget is allocated to fund infrastructure replacement.

Water Utility



Provides Water services, operates and maintains services that are necessary to supply good quality drinking water to the public. Maintains volume and pressure levels to meet the demand fire flow situations, while continually maintaining and improving the water distribution network. Responsibilities include maintenance of Watermains, Water Connections, Water Meters, Fire Hydrants, Valves, Pressure Reducing Stations, as well as Customer Service.

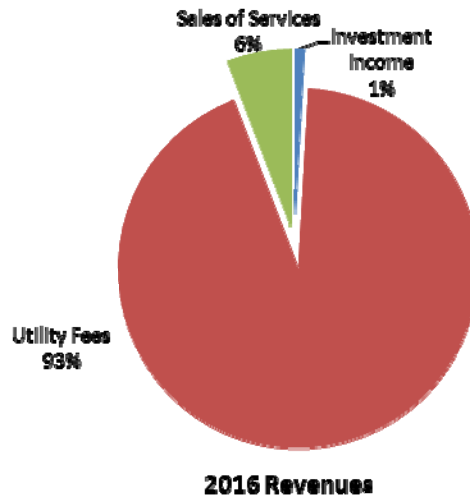
The Water Utility Budget also provides funding for replacement of ageing infrastructure. The Water section manages 630 km of infrastructure.

2015-2020 Budgets (in \$000s)

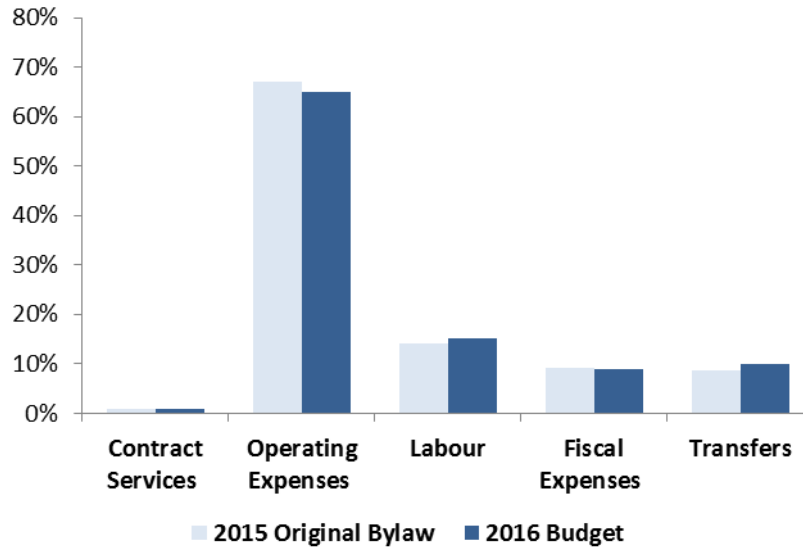
	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Utility Budget	-	-	-	-	-	-
Revenues	(43,653)	(44,830)	(47,322)	(48,910)	(50,502)	(52,164)
Expenditures						
Labour	6,146	6,771	6,756	6,894	7,042	7,194
Contract Services	439	444	453	462	472	481
Operating Expenses	29,321	29,099	31,243	32,684	34,118	35,619
Fiscal Expenses	4,015	4,155	4,155	4,537	4,537	4,537
Transfers	3,732	4,362	4,715	4,334	4,334	4,334
Grand Total	-	-	-	-	-	-

* Totals may not add due to rounding.

Revenue Breakdown



Expense Comparison



FTE Table

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	82.5	82.5	-	-%

Sanitation and Recycling



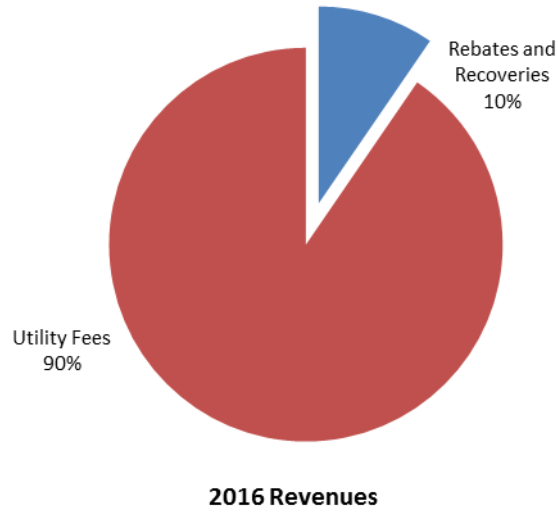
Responsible for coordinating Garbage and Recycling Collection (including a full service Recycling Depot), Food Scraps and Yard Trimming Collection, and Litter Collection to ensure a clean, livable and sustainable community for current and future generations.

2015-2020 Budgets (in \$000s)

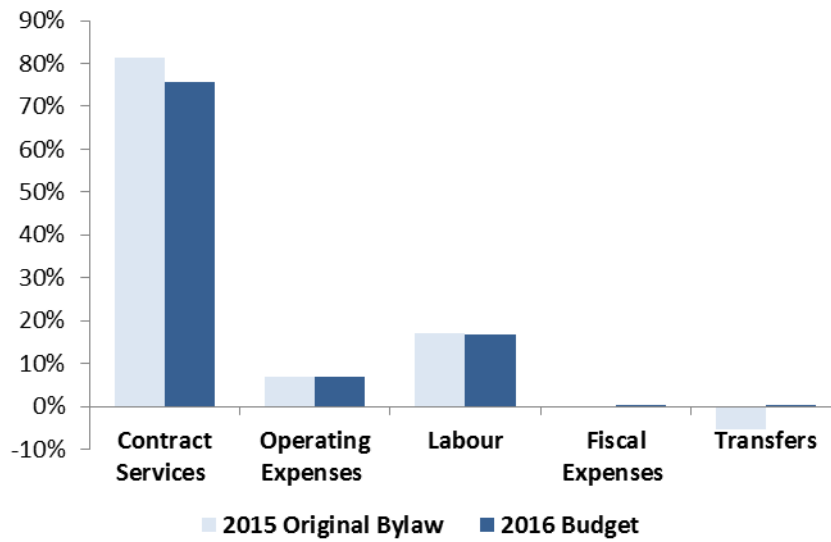
	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Utility Budget	-	-	-	-	-	-
Revenues	(14,268)	(14,968)	(15,271)	(15,580)	(15,911)	(16,250)
Expenditures						
Labour	2,439	2,497	2,553	2,611	2,671	2,734
Contract Services	11,621	11,342	11,569	11,800	12,048	12,301
Operating Expenses	997	1,041	1,061	1,082	1,104	1,127
Fiscal Expenses	-	64	64	64	64	64
Transfers	(789)	23	23	23	23	23
Grand Total	-	-	-	-	-	-

* Totals may not add due to rounding.

Revenue Breakdown



Expense Comparison



FTE Table

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	24.6	24.6	-	-%

Sanitary Sewer



Responsible for ensuring waste water is collected and deposited through the pipe network to the sanitary pump stations. Maintenance work includes the annual flushing program, as well as routine work relating to manholes and inspection chambers. Crews respond to demand maintenance work in situations where sewer mains backup or collapse.

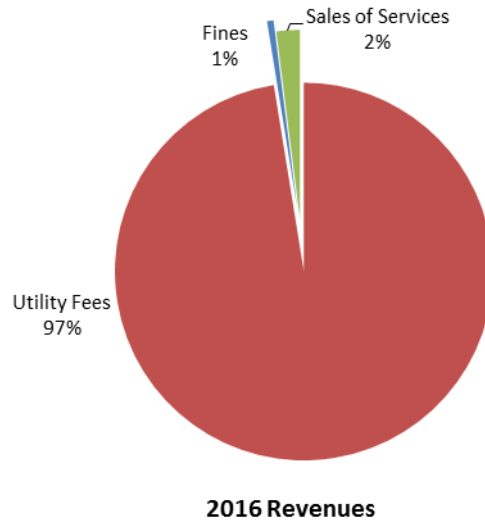
The Sewer Utility Budget also provides funding for replacement of ageing infrastructure. The Sewer section manages 570 km of infrastructure and 152 pump stations.

2015-2020 Budgets (in \$000s)

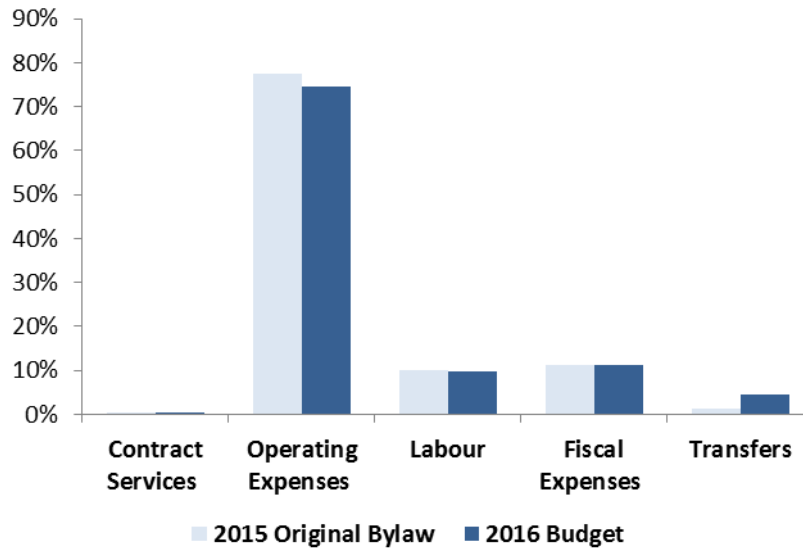
	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Utility Budget	-	-	-	-	-	-
Revenues	(29,762)	(30,682)	(32,032)	(33,527)	(35,098)	(36,765)
Expenditures						
Labour	2,951	3,026	3,101	3,179	3,259	3,340
Contract Services	23	23	23	24	24	25
Operating Expenses	23,040	22,862	24,101	25,517	27,008	28,594
Fiscal Expenses	3,359	3,732	3,732	4,113	4,113	4,113
Transfers	388	1,040	1,075	693	693	693
Grand Total	-	-	-	-	-	-

* Totals may not add due to rounding.

Revenue Breakdown



Expense Comparison



FTE Table

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	32.0	32.1	0.1	0.22%

Drainage and Diking



The Drainage and Diking Utility Budget provides funding for replacement of ageing infrastructure and for structural upgrades along the dike.

2015-2020 Budgets (in \$000s)

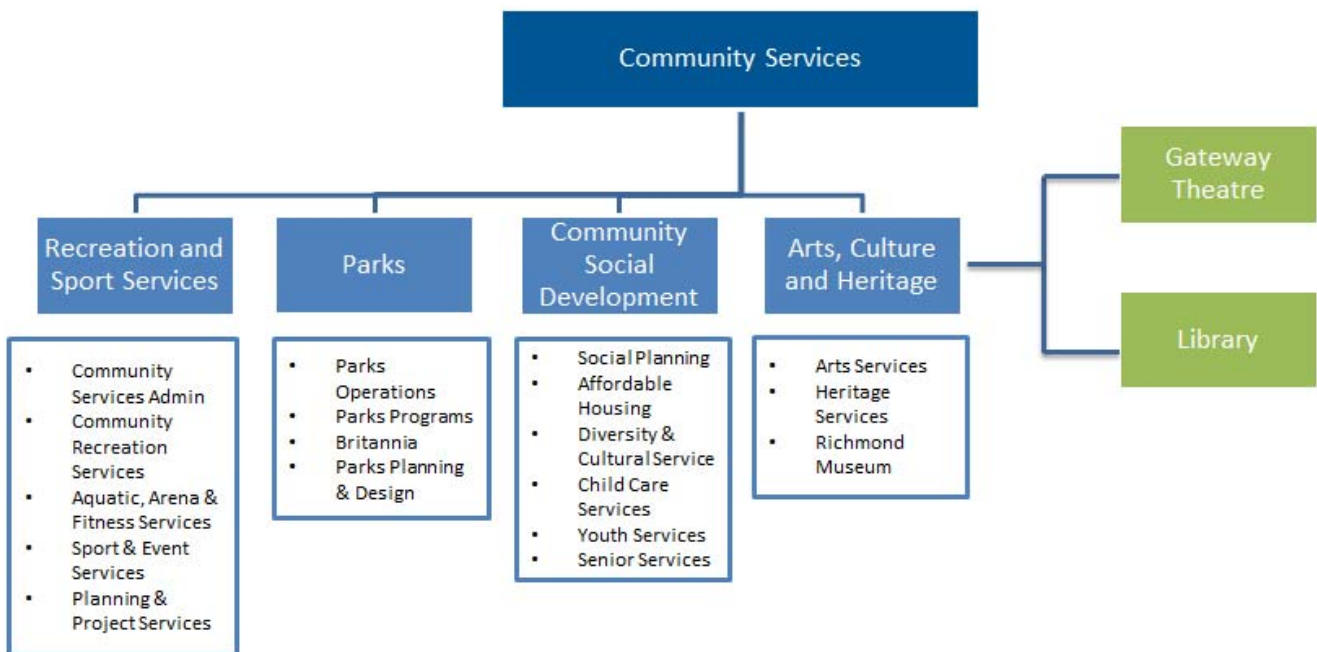
	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Utility Budget	-	-	-	-	-	-
Revenues	(10,410)	(10,985)	(11,205)	(11,429)	(11,669)	(11,914)
Transfers	10,410	10,985	11,205	11,429	11,669	11,914
Grand Total	-	-	-	-	-	-

* Totals may not add due to rounding.

Community Services



Coordinates, supports and develops Richmond's community services including recreation, arts, heritage, sports, social planning, affordable housing, diversity, youth, childcare and older adult services. Oversees City owned public facilities and the design, construction and maintenance of City parks, trails and green spaces. Works with community partners and coordinates special events and filming in the Cit



FTE Table

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	382.5	383.5	1.0	0.26%

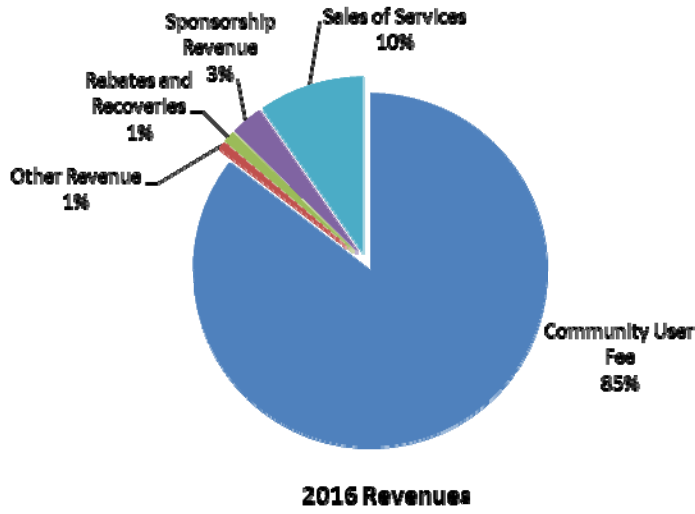
Media Arts Specialist funding approved as an additional level of service.

2015-2020 Budgets (in \$000s)

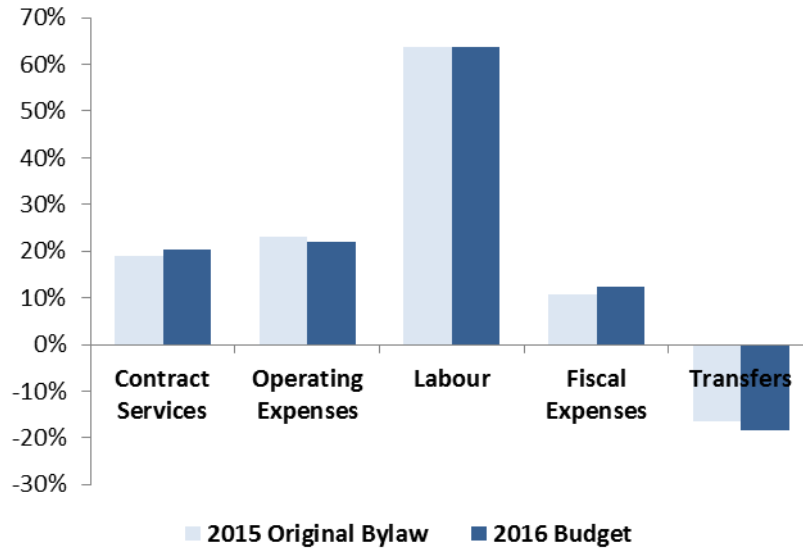
	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
OPERATING BUDGET	\$37,752	\$39,082	\$41,056	\$42,111	\$43,281	\$44,399
Revenues	(8,917)	(9,100)	(9,038)	(9,199)	(9,371)	(9,546)
Expenditures						
Labour	29,734	30,718	32,168	32,983	33,901	34,756
Contract Services	8,824	9,805	7,254	7,414	7,579	7,748
Operating Expenses	10,754	10,582	10,164	10,405	10,663	10,897
Total Expenditures	49,312	51,105	49,586	50,802	52,144	53,401
Fiscal Expenses	5,057	7,915	8,757	9,139	9,139	9,139
Transfers	(7,700)	(10,838)	(8,249)	(8,631)	(8,631)	(8,595)
Grand Total	\$37,752	\$39,082	\$41,056	\$42,111	\$43,281	\$44,399

* Totals may not add due to rounding.

Revenue Breakdown



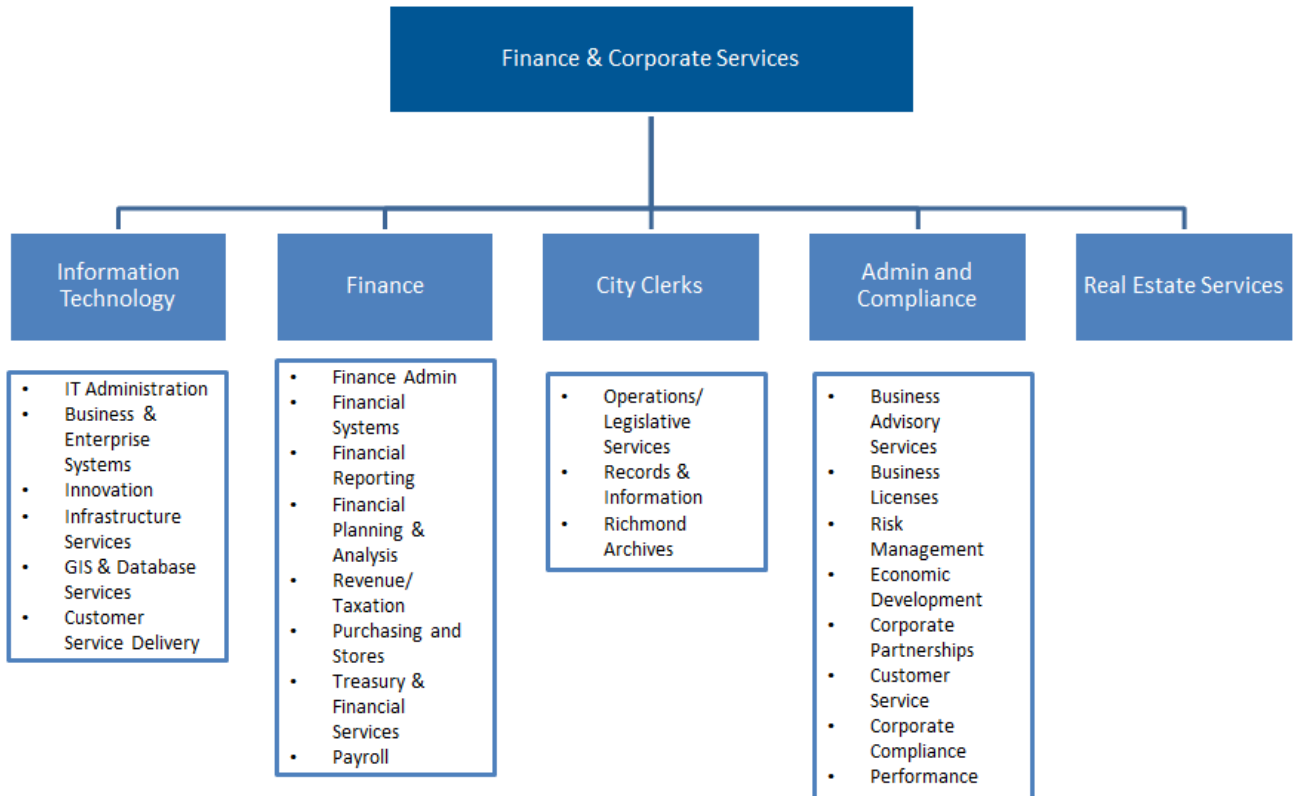
Expense Comparison



Finance and Corporate Services



Responsible for the financial well-being of the City, through the provision of effective and reliable financial advice, services and information to Council, staff and the public, as well as through the support and fostering of a viable business community.



FTE Table

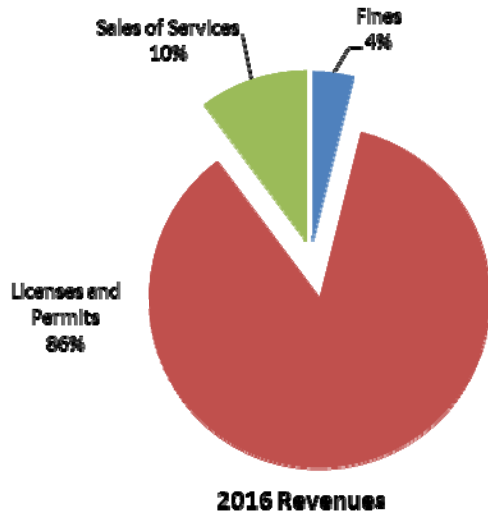
	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	163.2	163.2	-	-%

2015-2020 Budgets (in \$000s)

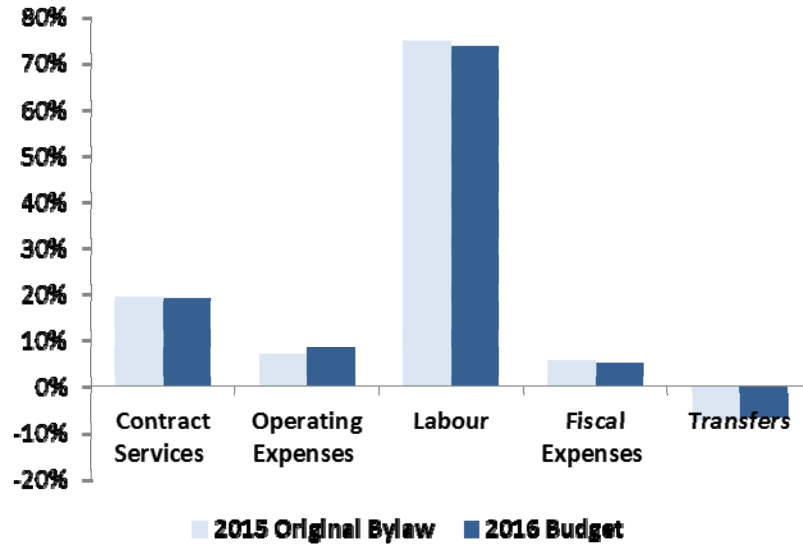
	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
OPERATING BUDGET	\$17,959	\$18,834	\$19,384	\$19,834	\$20,313	\$20,805
Revenues	(4,320)	(3,948)	(4,020)	(4,093)	(4,172)	(4,252)
Expenditures						
Labour	16,738	16,864	17,135	17,561	18,014	18,479
Contract Services	4,291	4,324	3,505	3,575	3,650	3,726
Operating Expenses	1,576	1,954	1,541	1,569	1,598	1,629
Total Expenditures	22,605	23,142	22,181	22,705	23,262	23,834
Fiscal Expenses	1,295	1,179	1,179	1,179	1,179	1,179
Transfers	(1,621)	(1,539)	44	44	44	44
Grand Total	\$17,959	\$18,834	\$19,384	\$19,834	\$20,313	\$20,805

* Totals may not add due to rounding.

Revenue Breakdown



Expense Comparison



Fiscal



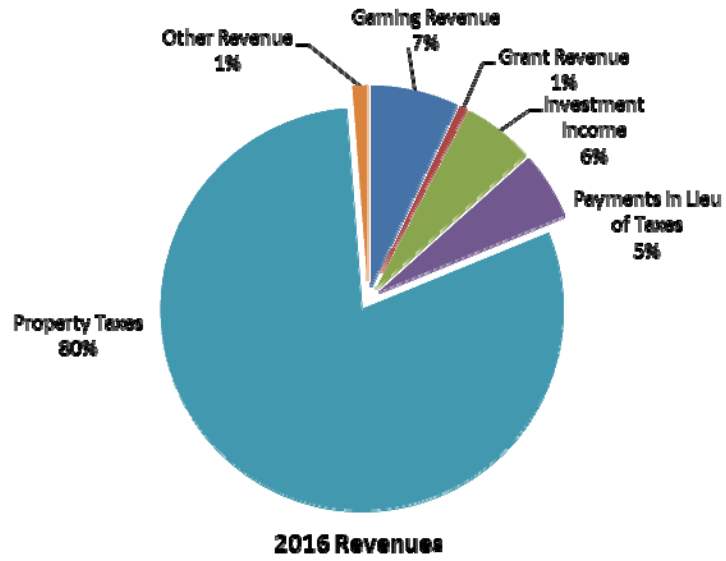
The fiscal budget includes the property taxes collected for the City, gaming revenue, investment income and also includes the rental properties portfolio operating budget. The budget also includes the City’s transfer into reserve funds which are largely used to fund the capital budget. It also contains contingency budgets for the City.

2015-2020 Budgets (in \$000s)

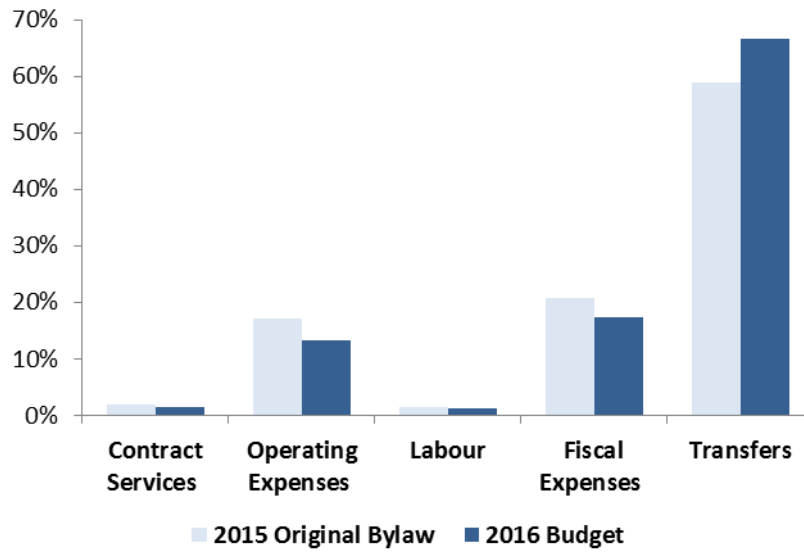
	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Operating Budget	(\$190,750)	(\$188,187)	(\$194,712)	(\$200,096)	(\$205,939)	(\$211,767)
Revenues	(243,163)	(250,213)	(259,212)	(267,807)	(276,205)	(284,630)
Expenditures						
Labour	744	751	770	789	809	830
Contract Services	943	943	464	473	483	493
Operating Expenses	8,932	8,210	7,390	7,403	7,396	7,351
Fiscal Expenses	10,892	10,785	10,785	11,167	9,053	8,954
Transfers	30,902	41,337	45,092	47,879	52,526	55,235
Grand Total	(\$190,750)	(\$188,187)	(\$194,712)	(\$200,096)	(\$205,939)	(\$211,767)

* Totals may not add due to rounding.

Revenue Breakdown



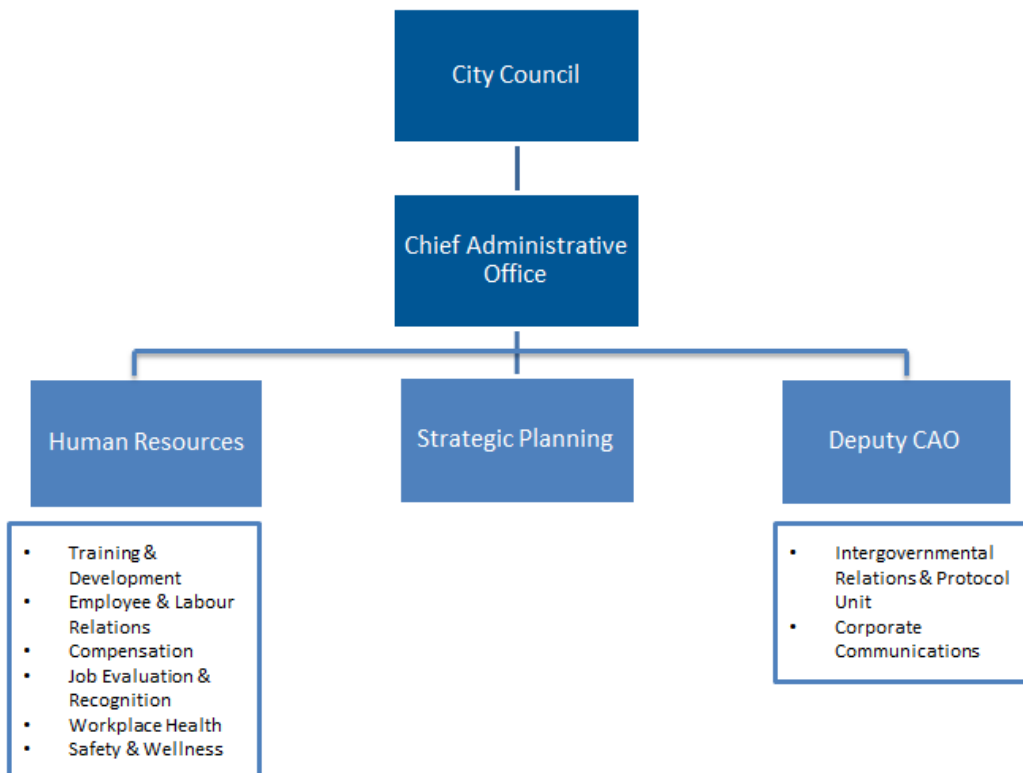
Expense Comparison



Corporate Administration



The CAO's Office oversees the overall administration of the corporate body (business units/operations) of the City, its officers and employees. Responsible for research and development of corporate policy, strategic and corporate planning, protocol, business advisory, special projects and coordination of interdivisional projects and initiatives.



FTE Table

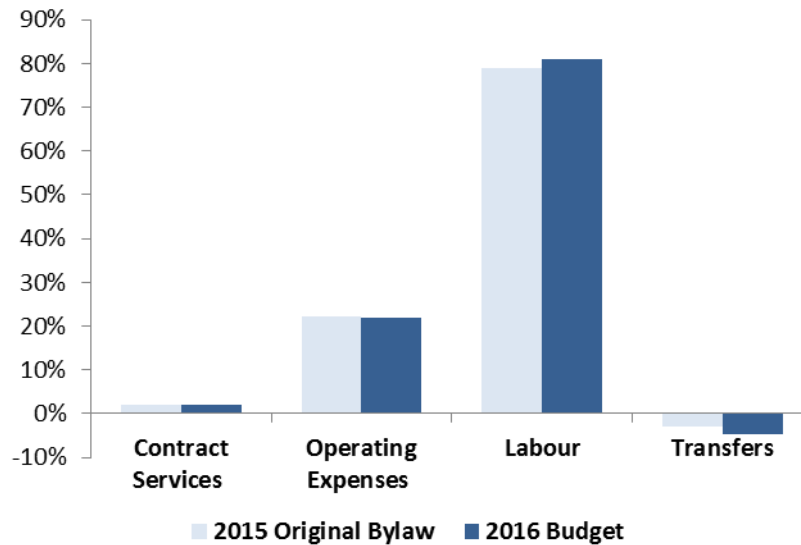
	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	44.3	44.3	-	-%

2015-2020 Budgets (in \$000s)

	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Operating Budget	\$8,135	\$8,267	\$8,452	\$8,641	\$8,843	\$9,051
Expenditures						
Labour	6,422	6,687	6,709	6,876	7,055	7,238
Contract Services	159	159	141	144	147	150
Operating Expenses	1,801	1,809	1,603	1,622	1,642	1,663
Transfers	(246)	(389)	-	-	-	-
Grand Total	\$8,135	\$8,267	\$8,452	\$8,641	\$8,843	\$9,051

* Totals may not add due to rounding.

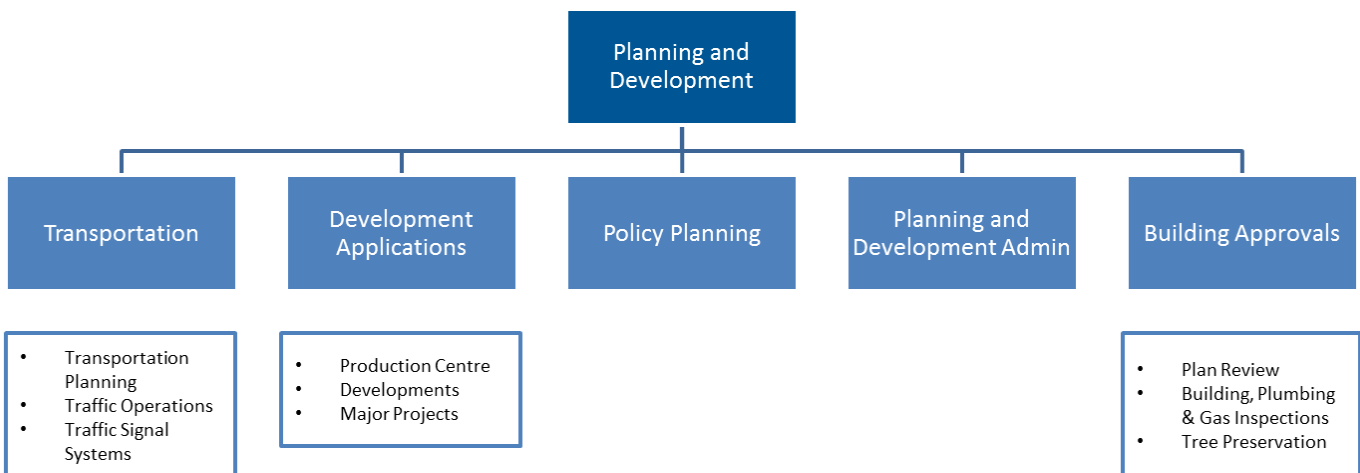
Expense Comparison



Planning and Development



This division provides policy directions that guide growth and change in Richmond with emphasis on land use planning, development regulations, environmental protection, heritage and livability. These planning functions play a vital part in the City's life cycle and involve the development of community plans and policies, zoning bylaws, as well as development related approvals and permits.



FTE Table

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	94.7	95.7	1.0	1.06%

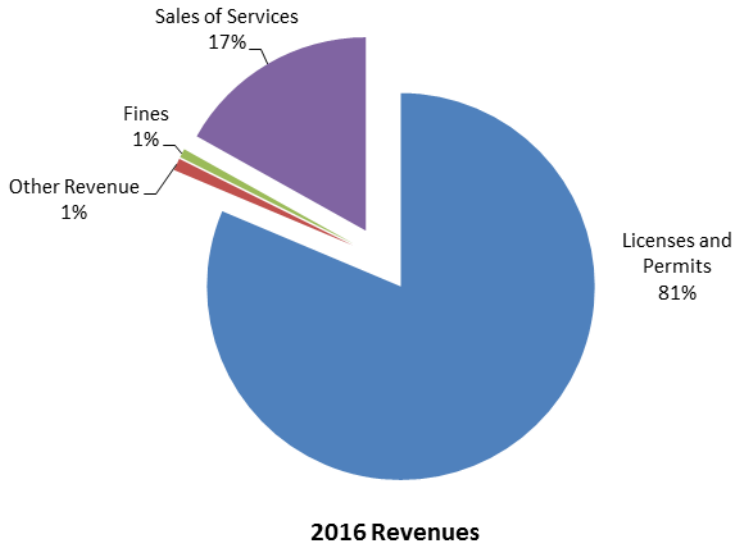
New Building Inspector – Waste Management Demolition Activities as approved by Council.

2015-2020 Budgets (in \$000s)

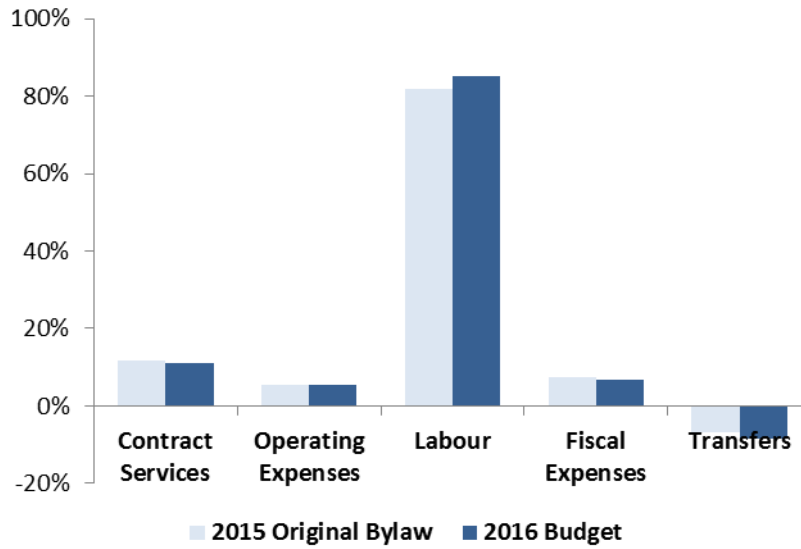
	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Operating Budget	\$6,542	\$6,070	\$6,351	\$6,573	\$6,825	\$7,087
Revenues	(5,755)	(6,856)	(6,978)	(7,101)	(7,233)	(7,366)
Expenditures						
Labour	10,083	11,008	11,182	11,461	11,758	12,063
Contract Services	1,427	1,432	1,448	1,499	1,571	1,647
Operating Expenses	687	711	700	714	729	744
Fiscal Expenses	923	1,174	1,174	1,174	1,174	1,174
Transfers	(823)	(1,398)	(1,174)	(1,174)	(1,174)	(1,174)
Grand Total	\$6,542	\$6,070	\$6,351	\$6,573	\$6,825	\$7,087

* Totals may not add due to rounding.

Revenue Breakdown



Expense Comparison

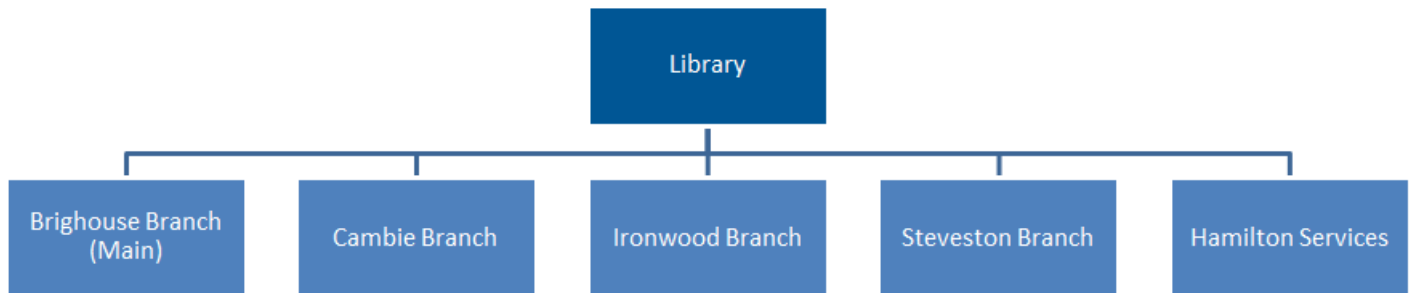


Other Entity Operating Budgets

Richmond Public Library



The Richmond Public Library Board is responsible for the administration of public libraries in Richmond. Funding for the provisions of these services is primarily through an annual contribution from the City and from provincial government grants.



2015-2020 Budgets (in \$000s)

	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
OPERATING BUDGET¹	\$8,541	-	-	-	-	-
Revenues	(832)	(9,541)	(9,733)	(9,928)	(10,136)	(10,349)
Expenditures						
Labour	6,938	6,909	7,082	7,259	7,448	7,641
Contract Services	642	710	724	739	754	770
Operating Expenses	632	596	600	605	608	612
Total Expenditures	8,211	8,215	8,407	8,602	8,810	9,023
Fiscal Expenses	1,581	1,539	1,539	1,539	1,539	1,539
Transfers	(420)	(213)	(213)	(213)	(213)	(213)
Grand Total	\$8,541	-	-	-	-	-

* Totals may not add due to rounding.

¹The 2015 Original Bylaw excludes the City’s contribution to the Library from the revenue. The 2016 – 2020 years include the City’s contribution to the Library in revenue; this is eliminated on consolidation.

FTE Table

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Total	94.6	91.2	(3.4)	(3.54%)

Richmond Olympic Oval



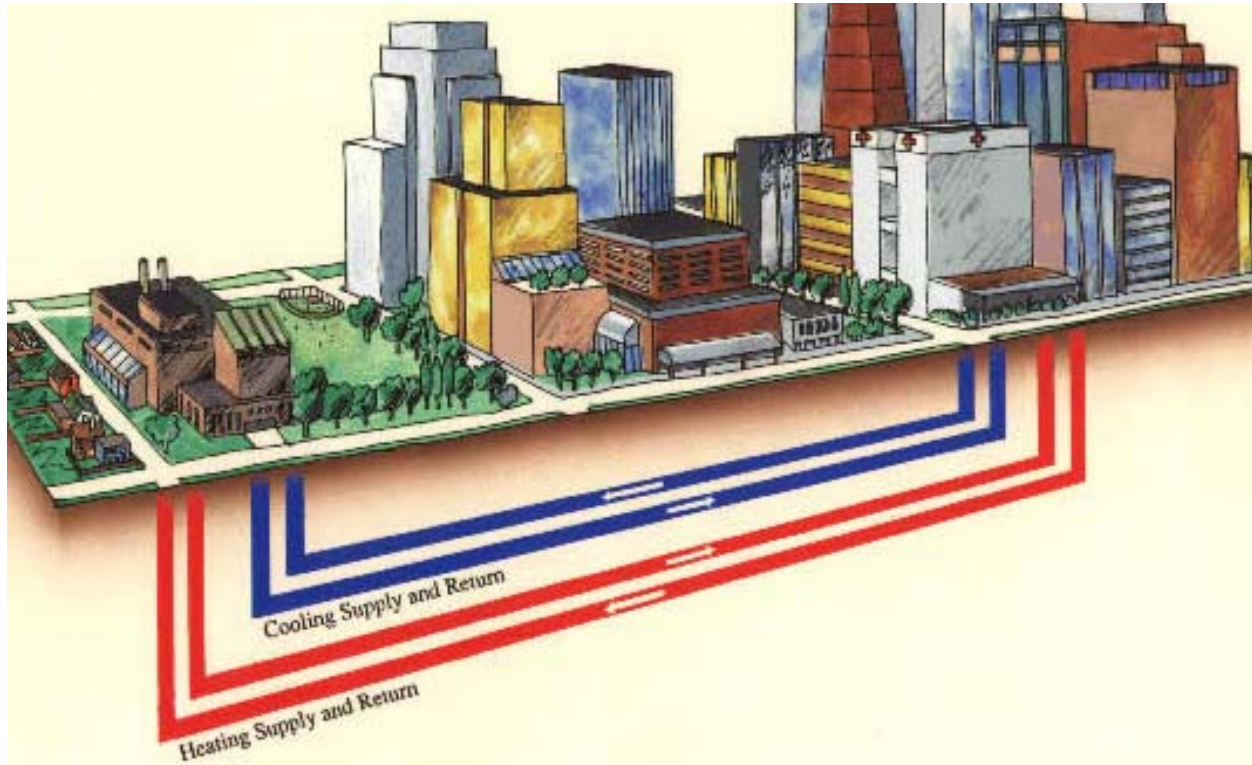
The Richmond Olympic Oval Corporation was incorporated on June 16, 2008 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond. The Oval Corporation's business objectives are: To provide facilities, programs and services for quality sport, fitness, recreational uses and wellness services for the Richmond community, neighbouring communities and the general public; to be developed, used and promoted as a training and competition facility for high performance sport; to provide facilities for non-sporting, community and entertainment events; to provide ancillary commercial, retail, health and wellness services to enhance its use in respect of the activities set out above. The Oval Corporation's capital budget is primarily self-funded through its contributions to its capital reserves.

2015-2020 Budgets (in \$000s)

	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Richmond Olympic Oval Corporation	(\$82)	(\$92)	(\$11)	(\$96)	(\$73)	(\$48)
Revenues	(14,811)	(16,182)	(16,698)	(17,214)	(17,703)	(18,241)
Expenditures						
Labour	8,130	8,619	8,783	8,965	9,155	9,334
Operating Expenses	5,049	5,420	5,637	5,869	6,074	6,340
Fiscal Expenses	850	850	867	884	902	920
Transfers	700	1,200	1,400	1,400	1,500	1,600
Grand Total	(\$82)	(\$92)	(\$11)	(\$96)	(\$73)	(\$48)

* Totals may not add due to rounding.

Lulu Island Energy Company



The Lulu Island Energy Company Ltd. was incorporated on August 19, 2013 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond. The business of the Corporation is to manage and operate district energy utilities, including but not limited to energy production, generation or exchange, transmission, distribution, maintenance, marketing and sale to customers, customer service, profit generation, and financial management.

2015-2020 Budgets (in \$000s)

	2015 Original Bylaw	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Lulu Island Energy Company	(\$31)	(\$5)	(\$80)	(\$138)	(\$92)	(\$141)
Revenues	(1,268)	(1,594)	(1,603)	(2,588)	(2,303)	(2,787)
Expenditures						
Labour	-	70	140	280	420	433
Contract Services	1,219	1,441	1,302	2,087	1,705	2,125
Operating Expenses	18	79	81	83	86	88
Fiscal Expenses	-	-	-	-	-	-
Grand Total	(\$31)	(\$5)	(\$80)	(\$138)	(\$92)	(\$141)

* Totals may not add due to rounding.

Net Income is included under Transfers upon consolidation.

Capital Budget



CITY OF RICHMOND
5 YEAR CAPITAL PLAN BY PROGRAM (2016-2020)
(in \$000's)

	2016	2017	2018	2019	2020
Infrastructure Program					
Roads	17,446	20,924	8,364	7,338	4,843
Drainage	8,440	13,510	11,720	11,210	8,170
Watermain Replacement	11,080	8,930	9,080	7,270	7,870
Sanitary Sewer	3,320	4,530	6,400	3,670	3,670
Minor Public Works	1,810	1,400	1,400	1,400	1,400
Infrastructure Advanced Design & Land	1,255	1,445	1,412	1,336	1,276
District Energy Utility	400	-	3,600	1,400	-
Total Infrastructure Program	\$43,751	\$50,739	\$41,976	\$33,624	\$27,229
Building Program	\$2,475	\$4,666	\$5,373	\$1,162	\$770
Parks Program					
Major Parks/Streetscapes	6,450	6,100	3,025	8,500	1,450
Minor Parks	690	900	850	850	850
Parkland Acquisition	8,000	4,000	4,000	4,000	4,000
Total Parks Program	\$15,140	\$11,000	\$7,875	\$13,350	\$6,300
Public Art Program	\$1,120	\$600	\$378	\$100	\$100
Land Program					
Land Acquisition	21,200	42,300	30,000	20,000	10,000
Total Land Program	\$21,200	\$42,300	\$30,000	\$20,000	\$10,000
Affordable Housing Project	\$930	\$625	\$625	\$625	\$625
Equipment Program					
Annual Fleet Replacement	1,612	1,905	1,944	1,825	1,650
Computer Capital	4,303	2,396	2,374	555	507
Fire Dept Vehicles	1,655	1,185	998	1,821	1,114
Technology	552	-	-	-	-
Total Equipment Program	\$8,122	\$5,486	\$5,316	\$4,201	\$3,271
Child Care Program	\$60	\$50	\$50	\$50	\$50
Internal Transfers/Debt Payment	\$11,740	\$2,147	\$2,147	\$2,147	\$1,720
Contingent External Contributions	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Capital Program	\$114,538	\$127,615	\$103,740	\$85,259	\$60,065

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2016-2020)
(in \$000's)

	2016	2017	2018	2019	2020
DCC Reserves					
Drainage DCC	-	3,411	644	97	97
Parks DCC	16,570	7,289	5,360	5,643	5,408
Roads DCC	8,492	5,489	4,307	3,384	2,956
Sanitary DCC	582	724	1,943	23	-
Water DCC	1,231	755	527	290	866
Total DCC Reserves	\$26,875	\$17,668	\$12,781	\$9,437	\$9,327
Statutory Reserves					
Affordable Housing Reserve Fund	930	625	625	625	625
Capital Building and Infrastructure Reserve Fund	600	-	-	1,000	-
Capital Reserve Fund	32,262	53,202	42,128	29,997	11,701
Child Care	60	50	50	50	50
Drainage Improvement	11,047	10,595	11,505	11,557	8,912
Equipment Replacement Reserve Fund	3,778	4,374	2,945	3,921	3,044
Public Art Program	1,120	100	100	100	100
Sanitary Sewer	4,738	4,369	4,909	4,217	4,290
Waterfront Improvement	-	-	250	-	-
Watermain Replacement	7,000	7,873	8,428	7,987	7,902
Total Statutory Reserves	\$61,535	\$81,189	\$70,940	\$59,454	\$36,625
Other Sources					
Appropriated Surplus	8,691	5,004	7,649	5,378	3,524
Enterprise Fund	1,202	630	550	550	550
Water Levy/Meter Stabilization	2,120	1,320	1,320	-	-
Grant and Developer Contribution	14,115	21,805	10,500	10,440	10,040
Total Other Sources	\$26,128	\$28,759	\$20,019	\$16,368	\$14,114
Total Capital Program	\$114,538	\$127,615	\$103,740	\$85,259	\$60,065

Proposed Capital Program 2016 – 2020

Roads

Roads infrastructure includes the maintenance of 647 km of paved roads.

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Infrastructure Program					
Roads					
Accessible Pedestrian Signal Program	250	250	250	250	250
Active Transportation Improvement Program	320	320	320	246	246
Annual Asphalt Re-Paving Program - MRN	914	914	914	914	914
Annual Asphalt Re-Paving Program - Non-MRN	2,610	2,610	2,610	2,610	2,610
Arterial Roadway Improvement Program	300	300	250	108	108
Donald Road - Local Area Service Program	1,011	-	-	-	-
Dyke Road Fraserwood Road Widening and Trail Connection	1,000	-	-	-	-
Functional and Preliminary Design (Transportation)	25	25	25	20	20
Granville Ave Lighting Upgrade	140	-	-	-	-
Interim River Parkway - Gilbert Road to Cambie Road	-	11,300	-	-	-
LED Street Light Replacement Plan	375	375	375	375	-
Neighbourhood Walkway Program	250	250	250	100	100
No. 2 Road Widening, Steveston Highway to Dyke Road	7,300	-	-	-	-
River Drive Multi-Use Pathway, No. 4 Road to Van Horne Way	-	1,110	-	-	-
Root Damaged Surfaces	460	-	-	-	-
Shell Road Walkway	621	-	-	-	-
Sidaway Road Street Lighting	250	-	-	-	-
Special Crosswalk Program	350	350	300	175	175
Street Light Pole Replacement - Seafair & Richmond Gardens - Phase 2 to 5	120	120	120	120	-
Traffic Calming Program	100	100	100	50	50
Traffic Signal Program	600	600	550	250	250
Transit-Related Amenity Improvement Program	250	100	100	40	40
Transit-Related Roadway Improvement Program	200	200	200	80	80
Undergrounding - Ferndale Rd	-	-	-	2,000	-
Undergrounding - Garden City Rd	-	2,000	-	-	-
Undergrounding - Hydro/Telus No. 3 Rd	-	-	2,000	-	-
Total Roads	17,446	20,924	8,364	7,338	4,843



Interim River Parkway – Gilbert Rd. to Cambie Rd. (2017: \$11,300,000)

The general scope of this project includes the construction of a two-lane road along the former CP Railway corridor, from 200 m northeast of Gilbert Road to Cambie Road. The new road is proposed to be built to the interim standard with paved shoulders for cyclists and pedestrians, streetlights, and traffic control devices at intersections. Note: the new road would connect to existing Leslie Road and Cambie Road, with the exact intersection configurations to be further assessed through the design process. When completed, this new road would replace the existing River Road between Cambie Road and Gilbert Road and provide a continuous alternate route to No. 3 Road and existing River Road.

The first phase of the project is proposed to start in 2017 to carry out functional and detailed design tasks, as well as any property negotiation, consultation with affected property owners/business operators, and soil remediation as necessary. A more accurate cost estimate will then be carried out and updated in project submissions for subsequent year as necessary. The second phase of the project involves site preparation and construction, which is proposed to start in 2019. The implementation strategy for this project was endorsed by Council at its June 22, 2015 Council Meeting.

The estimated project cost cannot entirely be accommodated within the existing Roads DCC; the following funding mechanism is proposed:

Phase 1 (2017): \$800,000 via. Roads DCC and Assist Factor

Phase 2 (2019): \$10.5M via. external grants/funding.

The project will be implemented pending on the City securing necessary external grants/funding.

No. 2 Road Widening Steveston Highway to Dyke Road (2016: \$7,300,000)



The general scope of this project includes widening sections of No.2 Road between Steveston Highway and Dyke Road and provision of a shared continuous cycling/pedestrian pathway along No. 2 Road. Major components of the project are:

- At Steveston Highway and Moncton Road intersections, upgrade to arterial road standard with selective widening and appropriate intersection tapers, additional traffic (turning) lane as warranted;
- Moncton Road to Dyke Road: upgrade the road to collector standard and maintain parking on the east side (no parking will be provided on the west side as per existing conditions);
- A new traffic signal at Moncton Road;
- A shared cycling/pedestrian pathway along No. 2 Road (east side from Steveston Highway to the existing crosswalk located approximately 260m south of Andrews Road then swing over to the west side to Dyke Road); and
- Hydro/Tel/cable portion of cost estimate includes pole relocation and potential cost to acquire lands along east side of No. 2 Road, where required

In July 2015, the federal government (Transport Canada) announced that this project was selected to receive funding from the Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund (APGCTIF), up to \$3.5M of the eligible project costs (i.e., not including land acquisition costs).

This project is proposed to be phased over 2016 and 2017, with the first phase to complete the detailed design works in early 2016. Once the design is completed, site preparation and construction will commence accordingly and the project is anticipated to be substantially completed by end of 2017.

River Drive Multi-Use Pathway, No. 4 Road to Van Horne Way (2017: \$1,110,000)

The general scope includes the provision of a 3m wide multi-use pathway (paved) along the south side of River Drive, between No. 4 Road and Van Horne Way, including pedestrian lighting. The proposed facility would tie-in to existing cycling/pedestrian facilities at both ends. The trail connection is identified in the City Centre Area Plan.

The project is proposed to be funded by the City (\$305,000) and external agencies (Translink \$500,000 and the Province \$305,000). This project would only commence if the City secures the required external funding.

Drainage Infrastructure

There are 39 drainage pump stations to pump rain and ground water deposited in the open ditches and pipes out to the river. The 39 drainage pump stations have the capability of pumping up to 5.1 million litres per minute when running at full capacity. These stations are visited on a daily basis to ensure water access to the pumps is maintained.

Drainage projects are part of a larger strategy to increase the City's drainage capacity, increase pump station reliability and reduce flooding. The projects also include upgrades to the dike.

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Infrastructure Program					
<i>Drainage</i>					
Aquatic Invasive Species Management	175	-	-	-	-
Blundell Road and Burrows Road Irrigation Upgrade	-	-	-	-	100
Burkeville Drainage Improvements	-	1,000	1,000	1,000	1,000
Canal Stabilization - No. 3 Road and No. 8 Road Phase 5 of 5	-	300	-	-	-
Development Coordinated Works in Capital	200	500	100	-	-
Dike Upgrades	750	1,500	1,500	1,500	1,500
Drainage System and Irrigation Upgrades - South Sidaway Area - Phase 2	450	-	-	-	-
Drainage System and Irrigation Upgrades - South Sidaway Area - Phase 3 of 3	-	450	-	-	-
Gilley and Westminster Hwy Culvert Replacement	1,250	-	-	-	-
Horseshoe Slough Dredging	-	500	-	-	-
Irrigation Gate Installation - No. 6 Rd and Triangle Rd	-	150	550	-	-
Laneway Drainage and Asphalt Upgrades	485	960	1050	910	1370
McCallan Rd North Pump Station Upgrade	-	-	-	4,200	-
Miller Road Pump Station Generator Upgrade	-	120	-	-	-
No. 2 Road South Pump Station Upgrade	-	-	7,400	-	-
No. 4 Road Box Culvert Section Replacement	630	-	-	-	-
No. 6 Road South Pump Station Generator	-	-	120	-	-
No. 6 Road South Pump Station Upgrade	-	-	-	-	4,200
No. 7 Road South Drainage Pump Station Upgrade	4,500	-	-	-	-
Shell Road North Pump Station Upgrade	-	4,680	-	-	-
Steveston Hwy & Gilbert Rd Pump Station Upgrade	-	-	-	1,800	-
Steveston Hwy & No. 3 Rd Pump Station Upgrade	-	-	-	1,800	-
Williams Road 3000 Block Drainage Pipe Upgrade	-	3,350	-	-	-
Total Drainage	8,440	13,510	11,720	11,210	8,170

* Totals may not add due to rounding.



McCullan Rd North Pump Station Upgrade (2019: \$4,200,000)

Demolish the existing pump station and rebuild it to a modern standard. Increase pumping capacity by 100% and lower the low water pumping elevation, make local dike upgrades, and landscape the construction area.

The project is estimated to take 6 months. Construction will be scheduled for spring/summer 2019.

Major Cost Components:

- Civil (65%) - \$2,730,000
- Mechanical (19%) - \$798,000
- Electrical (16%) - \$672,000

No. 2 Road South Pump Station Upgrade (2018: \$7,400,000)

This project will relocate the existing No. 2 Road South drainage pump station from the corner of Dyke Rd to the south of No. 2 Rd. The station capacity will be increased by 100%, as identified by the 2041 OCP Drainage Model.

Build a new drainage pump station at the south end of No. 2 Rd and approximately 120m of box culvert. Decommission the existing station, reinstate the dike and fill 120m of ditch.

The project is estimated to take 6 months. Construction will be scheduled for spring 2018.

Major Pump Station Cost Components:

- Civil (65%) \$2,990,000

Mechanical (19%)	\$874,000
Electrical (16%)	\$736,000

Major Ancillary Cost Components:

Box Culvert	\$1,800,000
Decommissioning	\$1,000,000

No. 6 Road South Pump Station Upgrade (2020: \$4,200,000)

Demolish the existing pump station and rebuild it to a modern standard. Increase pumping capacity by 100% and lower the low water pumping elevation. Make local dike upgrades. Landscape the construction area.

The project is estimated to take 6 months. Construction will be scheduled for spring/summer 2020.

Major Cost Components:

Civil (65%) -	\$2,730,000
Mechanical (19%) -	\$798,000
Electrical (16%) -	\$672,000

No. 7 Road South Drainage Pump Station Upgrade (2016: \$4,500,000)

Demolish the existing pump station and rebuild it to a modern standard, make local dike upgrades, and landscape the construction area. Construction is scheduled to be completed by the end of 2017.



Shell Road North Pump Station Upgrade (2017: \$4,680,000)

This project will increase the capacity and effectiveness of the existing Shell Road drainage pump station. This requirement was identified by the 2041 OCP Drainage Model. The project also addresses the station's ageing infrastructure replacement requirements as mechanical and electrical equipment are nearing the end of their useful service life.

Demolish the existing pump station and rebuild it to a modern standard. Increase pumping capacity by 45% and lower the low water pumping elevation. Includes local dike upgrades and landscaping the construction area.

The project is estimated to take 6 months. Construction will be scheduled for spring/summer 2018.

Williams Road 3000 Block Drainage Pipe Upgrade (2017: \$3,350,000)

To create additional drainage system capacity in the Williams Road drainage catchment and neighbouring drainage catchments.

This project will install 960 m of 1200 mm diameter. Pipe to provide additional drainage capacity between the new Williams Road drainage pump station and the No. 1 Road box culvert. Installing one pipe eliminates the need to install various small pipes in this area.

The project is estimated to take 3 months to complete.

Watermain Replacement

Richmond's waterworks inventory consists of 630 km of watermains. In addition there are 13 pressure regulating valve stations, where the water pressure from the Greater Vancouver Regional District (GVRD) supply watermains are reduced to the maximum operational pressure of 100 p.s.i. for distribution within Richmond.

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Infrastructure Program					
Watermain Replacement					
Development Coordinated Works in Capital	250	100	100	100	100
Residential Water Metering	1,920	1,920	1,920	-	-
Spires Area Water, Sanitary, and Drainage Upgrade	4,500	-	-	-	-
Watermain Installation - Lulu Island East Area	370	-	-	-	-
Watermain Replacement - Lulu Island East Area	-	-	1,770	3,110	-
Watermain Replacement - Lulu Island North Area	-	4,750	-	-	-
Watermain Replacement - Lulu Island West Area	4,040	2,160	5,290	4,060	4,060
Watermain Replacement - Sea Island Area	-	-	-	-	3,710
Total Watermain Replacement	11,080	8,930	9,080	7,270	7,870

* Totals may not add due to rounding.



Spires Area Water, Sanitary, and Drainage Upgrade (2016: \$4,500,000)

Watermain, sanitary sewer, drainage sewer replacement and upgrades will be constructed in the Cooney Rd. and Cook Rd. area as follows:

Watermain (1500 metres):	\$1,803,000.00
Sanitary Sewer (390 metres):	\$1,750,000.00

Drainage Sewer (400 metres): \$947,000.00

Watermain Replacement – Lulu Island Area (2016-2020: \$18,160,000)

The Waterworks Capital Program is based on watermain age, material, break history and the proposed road-paving program.

Watermain Replacement – Lulu Island North Area (2017: \$4,750,000)

This project includes installation of 4600 meters of 200mm diameter watermain to replace the existing ageing infrastructure.

Watermain Replacement – Lulu Island West Area (2018: \$5,290,000)

This project includes installation of 5700 meters of 200mm diameter watermain to replace the existing ageing infrastructure.

Watermain Replacement – Lulu Island West Area (2019: \$4,060,000)

This project includes installation of 650 meters of 200mm diameter watermain and 2510 meters of 300mm diameter watermain to replace the existing ageing infrastructure.

Watermain Replacement – Lulu Island West Area (2020: \$4,060,000)

This project includes installation of 2495 meters of 200mm diameter watermain and 1015 meters of 300mm diameter watermain to replace the existing ageing infrastructure.



Sanitary Sewer Infrastructure

152 sanitary pump stations are operating to ensure the collection of the sanitary waste is pumped to the forcemain which moves the material to Metro Vancouver treatment plants for processing.

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Infrastructure Program					
Sanitary Sewer					
Aquila Rd Sanitary Sewer Replacement	-	-	-	140	-
Bennett Pump Station Forcemain Replacement	-	-	-	1,000	-
City Centre Sanitary Sewer Rehabilitation	1,160	-	-	-	-
Development Coordinated Works in Capital	150	150	150	150	150
Eckersley B Pump Station Replacement	-	-	2,150	-	-
Granville Ave Infrastructure Upgrade	900	-	-	-	-
Gravity Sanitary Sewer Upgrade on River Rd / Beckwith Rd / Charles St	-	-	2,500	-	-
Miscellaneous SCADA System Improvements	250	250	250	250	250
Sanitary Forcemain Valve Installations	-	100	100	100	100
Sanitary Pump Replacements	150	150	150	150	150
Sanitary Pump Station and Forcemain Assessment and Upgrade	-	750	750	750	750
Sanitary Pump Station Rehabilitation	300	350	350	350	350
Steveston Forcemain Replacements	-	-	-	780	-
Steveston Sanitary Sewer Rehabilitation	410	-	-	-	-
Van Horne Pump Station Upgrade	-	2,780	-	-	-
Williams Rd Sanitary Forcemain Replacement	-	-	-	-	1,920
Total Sanitary Sewer	3,320	4,530	6,400	3,670	3,670

* Totals may not add due to rounding.



Bennett Pump Station Forcemain Replacement (2019: \$1,000,000)

This project includes:

- Construction of 400 meters of 250mm diameter forcemain

City Centre Sanitary Sewer Rehabilitation (2016: \$1,160,000)

This project involves rehabilitation (trenchless point repairs, external point repairs, and concrete grouting) of sanitary sewer mains in various locations of the City Centre Sanitary Sewer Area. The rehabilitation work is based on deficiencies identified through the sanitary sewer CCTV inspection program.

Rehabilitation will extend the service life of sanitary sewers, lower their lifecycle costs and prevent related infrastructure failures, such as sinkholes.

If ageing sanitary sewers are not rehabilitated, service levels will decrease, operation and maintenance costs will increase and the risk of damage to local road and utility infrastructure will increase.

The project supports an objective in the Official Community Plan (OCP) to maintain an efficient sewage system to protect public health and safety.

Eckersley B Pump Station Replacement (2018: \$2,150,000)

This project involves the replacement of the Eckersley B sanitary sewer pump station. The existing pump station will not have adequate capacity to service the growing population within the catchment area. The requirement for the Eckersley B pump station upgrade was identified by the 2041 OCP Sanitary Modelling project.

Gravity Sanitary Sewer Upgrade on River Rd/ Beckwith Rd/ Charles St. (2018: \$2,500,000)

This project includes construction of 210 meters of 300mm diameter gravity sewer and 470 meters of 375mm diameter gravity sewer.

The existing sanitary sewer on River Rd / Beckwith Rd / Charles St will not have adequate capacity to service the growing population within the Bridgeport area. The requirement for this project was identified by the 2041 OCP Sanitary Model.

Van Horne Pump Station Upgrade (2017: \$2,780,000)

This project includes construction of a new pump station including wet well, VFD pumps, electrical kiosk, 50 meters of 650mm diameter gravity pipe and 320 meters of 400mm forcemain. This project will require land acquisition.

Major Cost Components

- Land Acquisition
- Pump Station Supply and Installation
- Gravity Pipe work
- Forcemain Pipe work

Williams Rd Sanitary Forcemain Replacement (2020: \$1,920,000)

The purpose of this project is to replace an ageing sanitary forcemain that is at the end of its service life. The project includes the construction of 800m of 350mm forcemain to replace the existing reinforced concrete forcemain.

The project corresponds with the City's Ageing Infrastructure Report, and supports an objective in the Official Community Plan (OCP) to proactively plan infrastructure upgrades and replacements due to age and growth. Replacement will reduce the risk of pipe failure and minimizes the cost and disruption of unplanned maintenance and emergency repairs.



Minor Public Works

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Minor Public Works					
Drainage Minor Capital	450	300	300	300	300
Public Works Minor Capital - Sanitary	300	300	300	300	300
Public Works Minor Capital - Water	560	300	300	300	300
PW Minor Capital - Traffic	250	250	250	250	250
Roads Minor Capital	250	250	250	250	250
Total Minor Public Works	1,810	1,400	1,400	1,400	1,400

* Totals may not add due to rounding.

Infrastructure Advanced Design

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Infrastructure Advanced Design					
PW Infrastructure Advanced Design	1,255	1,445	1,412	1,336	1,276
Total Infrastructure Advanced Design	1,255	1,445	1,412	1,336	1,276

* Totals may not add due to rounding.



District Energy Utility Infrastructure

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Infrastructure Program					
<i>District Energy Utility</i>					
Alexandra District Energy Utility Expansion	-	-	3,600	1,400	-
City Centre District Energy Utility	400	-	-	-	-
<i>Total District Energy Utility</i>	400	-	3,600	1,400	-

* Totals may not add due to rounding.

Alexandra District Energy Utility Expansion (2018-2019: \$3,600,000, \$1,400,000)

Expand the energy capacity and distribution network of the existing ADEU to meet the needs of development in the service area. As the developments in the area occur, additional boilers, fluid coolers and/or renewable energy sources, as well as the distribution piping will have to be supplied and installed to service these new developments. More detailed scope of work and timeframe will be available year or two prior to expense needed.



Building

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Building Program					
Major Building	-	-	-	-	-
Animal Shelter - Interior & Envelope Renewals	-	-	-	-	220
Brighthouse Park Fieldhouse & Caretaker - Roof & Deck Repairs	250	-	-	-	-
Direct Digital Control Upgrade and Consolidation	250	180	-	-	-
Garratt Wellness Centre - Renewals & Upgrades	525	-	-	-	-
Interurban Tram Restoration	396	-	-	-	-
Project Development Advanced Design 2016	300	-	-	-	-
Richmond Public Courthouse - Renewals of Interior Finishes	-	-	780	-	-
Total Major Building	1,721	180	780	-	220
Minor Building					
Cambie Community Centre - HVAC Renewal	-	-	941	-	-
East Richmond Community Hall Renewals	-	508	-	-	-
East Richmond Library System Renewals	-	-	-	115	-
Energy Management Projects	755	450	550	550	550
Fire Hall 4 Fuel Tank	-	-	-	125	-
Fire Hall 5 System Renewals	-	-	-	138	-
Fire Hall 7 Roofing	-	-	-	234	-
Minoru Silver Arena HVAC	-	-	1,987	-	-
Nature Park Pavilion HVAC Renewals	-	297	-	-	-
5671 No. 3 Road (Rental Bldg) Roof Renewals	-	-	222	-	-
South Arm Community Centre HVAC Renewals	-	2,165	-	-	-
South Arm Community Hall System Renewals	-	-	430	-	-
South Arm Pool HVAC	-	280	-	-	-
Steveston Martial Arts Interior Finishes	-	-	463	-	-
Steveston Pool Electrical Renewals	-	215	-	-	-
Thompson Community Hall Renewals	-	573	-	-	-
Total Minor Building	755	4,487	4,593	1,162	550
Total Building Program	2,476	4,667	5,373	1,162	770

* Totals may not add due to rounding.

Parks

Richmond is renowned for its high quality parks and recreation facilities. The City's park system has over 120 parks that total approximately 1,700 acres. Parks are unique places designed and developed for the enjoyment of all city residents as well as visitors to Richmond. These sites usually contain a wide variety of recreational and sports facilities, play equipment and other specialized facilities. In addition to parks, Richmond has 50 kilometers of recreational trails.

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Parks Program					
Major Parks/Streetscapes					
Cambie Avanti Park	1,200	1,000	500	-	-
Characterization - Neighbourhood Parks	-	-	100	100	100
City Centre Middle Arm Waterfront Park-Reserves	-	-	-	-	300
Garden City Lands - Phase 2 to 6	3,100	1,000	1,625	6,000	400
Hollybridge Pier - Phase 2	-	2,000	-	-	-
Hugh Boyd Artificial Turf Sports Fields	-	-	-	1,800	-
London Steveston Phase 1 and 2	-	-	-	250	300
Park Characterization - Terra Nova	150	-	-	-	-
Parks Advance Planning & Design	550	300	550	350	350
Parks and Open Space Resource Management Planning Project	150	-	-	-	-
Richmond High Artificial Turf Field Replacement	600	-	-	-	-
Tait Central Park	-	800	-	-	-
Waterfront Improvement Program	-	1,000	-	-	-
Waterfront Improvement Program - No. 2 Road Pier	-	-	250	-	-
West Cambie Park	700	-	-	-	-
Total Major Parks/Streetscapes	6,450	6,100	3,025	8,500	1,450
Minor Parks					
Parks Ageing Infrastructure Replacement Program	140	250	250	250	250
Parks General Development	350	350	300	300	300
Playground Improvement Program	200	300	300	300	300
Minor Parks Total	690	900	850	850	850
Parkland Acquisition					
Parkland Acquisition	8,000	4,000	4,000	4,000	4,000
Parkland Acquisition Total	8,000	4,000	4,000	4,000	4,000

* Totals may not add due to rounding.



Cambie Avanti Park (2016: \$1,200,000)

The creation of a new neighbourhood park in the City Centre's Capstan Village area is the result of residential development to the north of the park by Polygon Homes. The Cambie Avanti Park plan was approved by Council in October 2013. The total cost of the park construction is estimated at \$ 4.2 million. Phase one construction is valued at \$ 2.7 million, and will include base development such as grading the land; installing drainage, sanitary sewer, water, irrigation, lighting and power services; building pathways; and planting landscape features. Special items such as an off-leash dog area; a plaza; feature walls; pedestrian bridge; and an ornamental water feature will also be completed in this phase. Funding sources include \$ 1.5 million in Park capital approved in 2014, and this new \$ 1.2 million in Park Development DCC's payable by the developer.

This phase of park development will begin in 2015 with completion anticipated in spring 2016.

Cambie Avanti Park (2017: \$1,000,000)

Cambie/Aberdeen (Avanti) Park is a new park located within the Capstan Village neighbourhood of Richmond's City Centre. The concept proposes that the park function as a local green space and urban square for public gatherings and community activities, and as a complement to the busy urban realm. It will offer a diverse mixture of landscapes, programs, activities and amenities for residents and visitors alike to experience and enjoy in a shared setting.

This phase of work includes the addition of special amenities to the completed base park development. Work will begin on the planning and design of the plaza performance area, which may include a stage with support facilities, storage area, and public washrooms.

Garden City Lands

After an extensive public process, City Council adopted the GCL Legacy Landscape Plan on June 9, 2014 as the guide for developing these public lands for community use. The Legacy Plan outlines over 25 City policies and objectives that development of the GCL supports within a variety of focus areas such as sustainability, agricultural, ecological health, community wellness, arts and culture, and city vibrancy.



Garden City Lands – Phase 2 (2016: \$3,100,000)

Garden City Lands Phase 2 Water Management Infrastructure and Public Amenities.

This is Phase Two of the Garden City Lands project and includes construction of water management infrastructure which will support the sustainability of the bog ecosystem on the site at the same time as enabling agricultural uses. Extensive tree planting around the perimeter will support both the ecological objectives of the Garden City Lands ("GCL") Legacy Landscape Plan and create a buffer between the perimeter trails and the major streets surrounding the site. In addition, development of public amenities such as trails, a picnic area and parking will provide expanded public access to the 136.5 acre site.

Garden City Lands – Phase 3 (2017: \$1,000,000)

Garden City Lands Phase 3 Water
Management Infrastructure
\$1,000,000 OBI \$33,000.50

Phase 3 of the development of the Garden City Lands will focus on completing the construction of water management infrastructure (e.g., the wetland with water control structures) which will support the sustainability of the bog ecosystem on the site at the same time as enabling agricultural uses.



Garden City Lands – Phase 4 (2018: \$1,625,000)

Garden City Lands Phase 4 \$1,125, 000 Non-DCC
Community Hub building construction and site servicing
OBI \$48,209

\$250,000 DCC – Trails and Community Gardens

Phase 4 of development of the Garden City Lands will focus on development of community gardens and recreational facilities and see the completion of bog enhancements.

Garden City Lands – Phase 5 (2019: \$6,000,000)

\$5,000,000 Non-DCC funding

\$1,000,000 DCC

This is Phase 5 of the Garden City Lands project and includes design and construction of community amenities including major boardwalks and viewing towers, bridges, trails and bog restoration planting.

This phase will open up the whole park to the public by adding community facilities, interpretation, and, by providing controlled public access to environmentally sensitive landscapes, as well as providing critical bog restoration as part of the city-wide Ecological Network.



Hollybridge Pier – Phase 2 (2017: \$2,000,000)

The purpose of this capital submission is to enable the construction of approximately 80 meters of floating walkway, two 30 meter long pedestrian gangways, and associated steel piles adjacent to the previously approved Hollybridge Pier development, scheduled to be constructed in 2016-2017. The investment would represent the second and final phase of waterfront development adjacent to ASPAC's River Green Village, and would provide public access to the river's edge and opportunities for Richmond residents to launch kayaks, canoes, stand-up paddleboards. It is expected that the combination of Hollybridge Pier and floating walkway will become a landmark along the Middle Arm, and an integral part of the Oval Village's parks and open space system.

Hugh Boyd Artificial Turf Sports Fields (2019: \$1,800,000)

The purpose of this project is to replace the artificial turf surface at Hugh Boyd Park.

Hugh Boyd Artificial Turf Sports Fields was constructed in 2006 as part of the planning and design of the City's Sports Strategy with the Sports Council. It was then one the largest single synthetic sports fields built in Canada with the equivalent area of over 3 full size soccer fields. The facility now hosts major soccer tournaments such as the Nations Cup and has become one of Richmond's premier fields for training and tournaments.

The projected lifespan of synthetic sports fields is between 8 to 12 years depending on the usage and the maintenance of the fields.

Proposed funding allocation; \$1 Million from Special Sports Reserve and \$800,000 from Revolving Fund.

Scope of Work includes:

Removal and disposal of the existing turf layer	\$250,000
Installation of the new turf layer	\$1,350,000
Drainage and sub base preparations	\$200,000





Parkland Acquisition (2016: \$8,000,000)

The purpose of the Parkland Acquisition program is to acquire land for park requirements to address development and population growth. The program is based on the City's population projections, as per the OCP, with the objective of maintaining the parks provision standard of 7.66 acres/1000 population. The program is funded through Parkland Acquisition Developer Cost Charges (DCC's) and is guided by the Council approved 2009 Park Land Acquisition Strategy which provides the criteria for evaluating proposed acquisitions. Funding is required each year to allow the City to be strategic and responsive as properties become available, thus avoiding the need to borrow the funding from other City sources or pass bylaws to release the funds for each acquisition. The funding is typically allocated to an acquisition or acquisitions by year end.

Public Art

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Parks Program					
<i>Public Art</i>					
Oval Precinct Public Art Program	-	500	278	-	-
Public Art Program	1,120	100	100	100	100
Public Art Total	1,120	600	378	100	100

* Totals may not add due to rounding.

Public Art Program (2016:\$ 1,120,000)

The scope of work consists of a variety of public art projects.

City initiated public art projects of \$100,000 are funded by private developers contributions to the Public Art Reserve.

- Artwork located within City streets, parks and buildings: \$10,000
- Community public art projects: \$50,000
- Public education and promotion of the public art program: \$20,000
- Collaboration with other City cultural programs: \$10,000
- Community public art partnerships: \$10,000

Private development public art projects for \$1,200,000 are funded by private developer contributions to the Public Art Reserve for artwork that will be integrated with new development throughout the City.



Land

The land acquisition program relates to the acquisition and disposition of real property for the City, as approved by Council.

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Land Program					
<i>Land Acquisition</i>					
Strategic Land Acquisition	21,200	42,300	30,000	20,000	10,000
Total Land Program	21,200	42,300	30,000	20,000	10,000

* Totals may not add due to rounding.

Strategic Land Acquisition (2016: \$21,200,000)

Funds for land acquisition to meet the Council Approved Strategic Real Estate Investment Plan, other than DCC and other special reserve funded projects, are set aside in the Capital Reserve under the Industrial Use Fund. This capital budget submission is to use land acquisition monies from this fund as well as additional general funds approved by Council.



Equipment

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Equipment Program	-				
Annual Fleet Replacement					
Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	1,612	1,905	1,944	1,825	1,650
Total Annual Fleet Replacement	1,612	1,905	1,944	1,825	1,650
Fire Dept Vehicles					
Fire Equipment Replacement	26	226	27	27	28
Fire Vehicle Replacement Reserve Purchases	1,630	959	972	1,794	1,086
Total Fire Dept Vehicles	1,655	1,185	998	1,821	1,114
Computer Capital					
2016 Server Replacements	303	-	-	-	-
Anderson Room Improvements	105	-	-	-	-
Annual Computer Hardware Refresh	409	-	-	-	-
Bylaws License Plate Recognition (LPR) System	197	-	-	-	-
Developing Asset Models for Eng. & Public Works	150	-	-	-	-
Digital Strategy Implementation	1,700	1,900	1,900	-	-
Existing Operational Desktop Computer Hardware Funding	-	496	473	554	507
Log Management Implementation Payment Card Industry Compliance	120	-	-	-	-
PeopleSoft Human Resources and Payroll System Upgrade & Workforce Management	1,751	-	-	-	-
Software Deployment Replacement Solution	115	-	-	-	-
Total Technology	4,855	2,396	2,373	554	507

* Totals may not add due to rounding.



Digital Strategy Implementation (2016:\$ 1,700,000)

2016 initiatives include:

Business Process Management Suite (BPMS) \$600K
Customer Response Management System (CRM) \$900K
WiFi Network Expansion Phase 2 and 3 \$205K

Digital Strategy Implementation (2017:\$ 1,900,000)

2017 initiatives include:

New Personalized / Customer Centric Website including single E-Commerce Platform \$500K
Data Analytics and Reporting - Phase 1 \$400K
Mobile Apps - Phase 1 \$400K
Data & Web Services Development \$200K
Professional Services / Integration Partner \$400K

Digital Strategy Implementation (2018: \$1,900,000)

2018 initiatives include:

Data Analytics and Reporting - Phase 2 \$300K
Enhancements to Website \$300K
Mobile Apps - Phase 2 \$400K
Data & Web Services Development \$200K
Other initiatives \$200K
Professional Services / Integration Partner \$500K

PeopleSoft Human Resources and Payroll System Upgrade & Workforce Mgmt (2016: \$1,751,000)

The City is implementing technology to improve and streamline the management of its workforce. The vision is to provide software that will automate staff scheduling, time and labour entries, and generate statistics and analytics that will assist in better managing and improving operational efficiencies.

Technology automation will include a web-based portal for employee self service, automated time clocks for time entry, telephone access to schedule, automated confirmation of shifts configurations, and mobile app for schedule change requests and time entry.

Affordable Housing Project

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Affordable Housing Project					
Affordable Housing 2016 Operating Initiatives	130	-	-	-	-
Affordable Housing Projects - City Wide	400	400	400	400	400
Affordable Housing Projects - West Cambie	225	225	225	225	225
Affordable Housing Strategy Update	175	-	-	-	-
Total Affordable Housing Project	930	625	625	625	625

* Totals may not add due to rounding.

Child Care Program

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Child Care Program					
Child Care Projects - City Wide	50	50	50	50	50
Child Care Projects - City Wide (non-capital grants)	10	-	-	-	-
Total Child Care Program	60	50	50	50	50

* Totals may not add due to rounding.

Internal Transfers/Debt Payment

Project (\$000s)	2016	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Internal Transfers/Debt Payment					
General Parkland Acquisition Repayment	1,993	-	-	-	-
Nelson Road Interchange Repayment	385	385	385	385	385
River Rd/North Loop (2005) Repayment	1,685	1,685	1,685	1,685	1,335
Shovel - Ready Grant (2009) Repayment					
Lansdowne Rd Extension	77	77	77	77	-
Transfer of funding to Revolving Fund from Watermain Replacement Reserve	6,000	-	-	-	-
West Cambie Parkland Acquisition Repayment	1,600	-	-	-	-
Total Internal Transfers/Debt Payment	11,740	2,147	2,147	2,147	1,720

* Totals may not add due to rounding.

Active Capital Projects Summary

	Budget	Spent to Date	Committed Balance
Infrastructure Program	137,452,781	64,974,121	72,478,660
Building Program	185,685,070	59,113,860	126,571,210
Land & Parks Program	96,055,263	36,933,746	59,121,517
Equipment Program	35,834,620	21,936,179	13,898,441
Grand Total	455,027,735	182,957,907	272,069,828

Projects that span multiple years are generally submitted as one submission in a single year in order to ensure that the complete project scope is clear when presented for approval and that funding for the entire project is committed.

Active capital projects that were approved and funded in previous, but are still in progress are summarized in this table. There is no tax impact of including this amount, which was previously approved by Council.

	Capital Estimates
Revenues	(95,990)
Development Cost Charges	(26,875)
Other Capital Funding Sources	(14,115)
Developer Contributed Assets	(55,000)
Transfers	95,990
Capital Funding	(345,618)
Capital Expenditures - Developer Contributed Assets	55,000
Capital Expenditures - Current Year	114,538
Capital Expenditures - Prior Years	272,070

The Financial Plan includes estimates for the amount of external funding that will be recognized within each year, including the amount of Development Cost Charges that will be spent in the year. It also includes an estimate for the amount of developer contributed assets that will be received as a result of rezoning applications.

Glossary of Terms

5YFP – Five Year Financial Plan: As required under the Community Charter, the City prepares a five year financial plan.

MPI – Municipal Price Index: An internally calculated price index which reflects the City's typical basket of goods, which differs from the Consumer Price Index which is widely publicized.

OBI – Operating Budget Impact: The impact on the Operating Budget as a result of approved Capital Projects upon placement in service.