



City of Richmond

Report to Committee

To: Finance Committee
From: Andrew Nazareth
General Manager, Finance and Corporate
Services
Re: Amendments to the 5 Year Consolidated Financial Plan (2016-2020) Bylaw
9521

Date: September 27, 2016
File: 03-0970-01/2016-Vol
01

Staff Recommendation

That the 5 Year Consolidated Financial Plan (2016-2020) Bylaw 9521, Amendment Bylaw 9616, which would incorporate and put into effect changes previously approved by Council and changes to the 2016 Capital, Utility and Operating Budgets, be introduced and given first, second and third readings.

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

Att. 4

REPORT CONCURRENCE				
ROUTED TO:		CONCURRENCE	ROUTED TO:	CONCURRENCE
Human Resources	<input checked="" type="checkbox"/>	Water Services	<input checked="" type="checkbox"/>	
Administration & Compliance	<input checked="" type="checkbox"/>	Law & Community Safety Administration	<input checked="" type="checkbox"/>	
Economic Development	<input checked="" type="checkbox"/>	Fire Rescue	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	Law	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	RCMP	<input checked="" type="checkbox"/>	
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	Policy Planning	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	Transportation	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	Sanitation & Recycling	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>			
Facility Services	<input checked="" type="checkbox"/>			
Fleet	<input checked="" type="checkbox"/>			
Roads & Construction	<input checked="" type="checkbox"/>			
Sewerage & Drainage	<input checked="" type="checkbox"/>			
		CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE		INITIALS: 	APPROVED BY CAO 	

Staff Report

Origin

The 5 Year Consolidated Financial Plan (2016-2020) Bylaw 9521 was adopted on March 14, 2016. Included in the 5 Year Consolidated Financial Plan (5YFP) are the 2016 Capital, Utility and Operating Budgets.

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

Analysis

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

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

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

The Council approved changes to the 2016-2020 5YFP presented in order of Council meeting dates, are:

1. a) At the Council meeting on February 9, 2016, Council approved the following:

That the expenditures totaling \$1,100,000 for Major Events, of which \$750,000 is funded from the Major Events Provision Fund, \$223,500 funded from projected sponsorships, and \$126,500 from other revenue (grants, ticket sales, vendor fees, etc.) be included in the 5 Year Financial Plan (2016-2020).

The 2016 Operating Budget will be increased by \$165,000 from \$935,000 to \$1,100,000, of which \$106,500 is funded by other revenue (grants, ticket sales, vendor fees, etc.), \$35,000 is funded from the Major Events provision, and \$23,500 funded by projected sponsorships to fund the following events and programs: Ships to Shore 2016, Maritime Festival 2016, Richmond World Festival 2016, Days of Summer 2016, Children's Arts Festival 2017 and the purchase of festival infrastructure and City branded assets.

The original Bylaw included amounts based on earlier estimates and this amendment brings the operating budget to the final approved amounts.

- b) At the Council meeting on February 22, 2016, Council approved the following:

That the scope of work and budget for a Micro-Sewer Heat Recovery Study identified in the "Sewer Heat Recovery in Richmond Update," dated January 18, 2016, from the Director, Engineering, be approved with funding from the Carbon Tax Provision and included as an amendment to the Five Year Financial Plan (2016-2020) Bylaw.

The 2016 Operating Budget will be increased by \$170,000 with funding from the Carbon Tax Provision. The Federation of Canadian Municipalities will reimburse the project costs up to 50% and the reimbursements will be returned to the Carbon Tax provision.

- c) At the Council meeting on March 14, 2016, Council approved the following:

(1) That the Canada 150 projects as detailed in the report titled "Richmond Celebrates Canada 150 – Proposed Program," dated February 11, 2016 from the General Manager, Interagency Programs and Steveston Waterfront Major Initiatives, be approved;

(2) That funding in the amount of \$1,200,000 be allocated from the Council Community Initiatives Fund to fund the new events;

(3) That \$560,000 be transferred from the Major Events Provisional Fund to support Maritime Festival 2017, Richmond World Festival 2017 and Days of Summer 2017;

(4) That the 5 Year Financial Plan (2016-2020) Bylaw be amended to include an additional expenditure of \$1,760,000.

The 2016 Operating Budget will be increased by \$155,000 funded from the Council Community Initiatives Account to facilitate planning for 2017 events and the remainder will be included in the 2017 Operating Budget.

- d) At the Council meeting on April 11, 2016, Council approved the following:

That the City's 2016 Capital Budget be amended to include the Tempest Application Project in the amount of \$100,000 and that the 5-Year Financial Plan (2016-2020) be amended accordingly.

The 2016 Capital Budget will be increased by \$100,000 with funding transferred from the Finance and Corporate Services Division's operating budget for the Tempest Application Project, which is a one-time setup cost to accept credit card payments for property tax and utilities.

- e) At the Council meeting on April 25, 2016, Council approved the following:

(1) That the Community Celebration Grant Program and the criteria, as outlined in the staff report titled "Canada 150 Community Celebration Grant Program" dated March

31, 2016 from the Director, Arts, Culture and Heritage Services be approved; and

(2) That \$150,000 from the Council Community Initiatives Fund be allocated to fund this program.

The 2016 Operating Budget will be increased by \$79,500 funded by the Council Community Initiatives Account for projected grants disbursements and the balance will be included in the 2017 operating budget.

f) At the Council meeting on May 24, 2016, Council approved the following:

That Option 1 in the staff report from the Director, Engineering dated May 16, 2016, be approved and the 5 Year Financial Plan (2016-2020) be amended to include \$450,000 to accommodate the Steveston Pool Repairs to be funded from the Corporate Provision account.

The 2016 Capital Budget will be increased by \$450,000 for the Steveston Pool Repairs funded by the Corporate provision account.

g) At the Council meeting on June 27, 2016, Council approved the following:

(1) That the Horseshoe Slough and No. 7 Road South Drainage Pump Station Upgrade capital projects be consolidated into a new 2016 Capital Project with the remainder of projects included in the provincial Flood Protection Program Contribution Agreement, as per the staff report titled "2016 Flood Protection Program Funding," from the Director, Engineering, dated May 25, 2016;

(2) That \$2,710,249 of Drainage Development Cost Charges and a \$16,633,332 contribution from the Province of British Columbia be added to the 2016 Capital Budget.

(3) That the 5 Year Consolidated Financial Plan (2016-2020) Bylaw be amended to reflect the above recommendations.

The 2016 Capital Budget will be increased by a total of \$23,543,581 as follows:

- \$16,633,332 funded by a grant received from the Province of British Columbia Ministry of Transportation and Infrastructure;
- \$2,710,249 funded by Drainage DCCs; and
- \$4,200,000 is transferred from an existing 2015 Capital Project, Horseshoe Slough Pump Station Rebuild, funded by the Drainage Improvement Reserve \$3,556,500 and Drainage DCC \$643,500 and is being consolidated with the new 2016 Capital Project.

In addition, the 2016 No. 7 Road South Drainage Pump Station Rebuild project for \$4,500,000 is consolidated into the new 2016 Flood Protection Program project totaling \$28,043,581.

The following capital projects amounting to \$16,280,000 were included in the 5YFP under years 2015, 2017 and 2018 and will be removed due to the advancement of the project into the 2016 Capital Plan.

- \$4,200,000 is transferred from the 2015 Horseshoe Slough Pump Station Rebuild project funded by the Drainage Improvement Reserve \$3,556,500 and Drainage DCC \$643,500;
- \$7,400,000 is brought forward from the 2018 No. 2 Road South Drainage Pump Station Rebuild project funded by Drainage Improvement and Drainage DCC Reserves; and
- \$4,680,000 is brought forward from the 2017 Shell Road North Drainage Pump Station Rebuild project funded by Drainage Improvement and Drainage DCC Reserves.

- h) At the Council meeting on July 25, 2016, Council approved the following:

That the 5-Year Financial Plan (2016-2020) be amended to include an additional \$134,538 from the Affordable Housing Capital Reserve Fund for the City's grant towards the development.

The 2016 Capital Budget will be increased by \$134,538 from the Affordable Housing Reserve Fund for the City's grant to the Habitat for Humanity Society of Greater Vancouver towards development cost charges associated with the six (6) affordable homeownership units and six (6) affordable secondary rental suites located at 8180 Ash Street.

- i) At the Council meeting on July 25, 2016, Council approved the following:

That the City's 5 Year Financial Plan (2016-2020) be amended to include the feasibility study in the amount of \$100,000, to be funded from the Rate Stabilization Account.

The 2016 Operating Budget will be increased by \$100,000 from the Rate Stabilization Account for a feasibility study for the Phoenix Net Loft for future use as an artist creation and support space, and other uses.

- j) At the Closed Council meeting held on September 12, 2016, Council approved a transfer of \$300,000 from the Property Cost provision to the Rental Properties Section.

- k) At the Council meeting on September 26, 2016, Council approved the following:

That funding of \$2,000,000 from the Drainage Utility Reserve be included as an amendment to the 5 Year Financial Plan (2016-2020) to complete the Drainage Box Culvert Replacement Project at No. 2 Road and Walton Road.

The 2016 Capital Budget will be increased by \$2,000,000 from the Drainage Utility Reserve to complete the Drainage Box Culvert Replacement Project at No. 2 Road and Walton Road.

- 1) At the time of writing this report, the following is to be included in the General Purposes Committee meeting on October 3, 2016, and, if approved, the resolution will be brought forward to Council for approval in the meeting scheduled on October 11, 2016.

That the Five-Year Financial Plan (2016-2020) Bylaw be amended to include an additional \$50,000 (from the Affordable Housing Reserve Fund) for the City's contribution towards the Homelessness Liaison pilot contract and centralized housing database program.

If Council approves the resolution, the 2016 Capital Budget will be increased by \$50,000 from the Affordable Housing Reserve Fund for the City's contribution towards the Homelessness Liaison pilot contract and centralized housing database program.

During the year, the 5 Year Consolidated Financial Plan Bylaw may require amendments due to external contributions being received, re-classification of expenditure budgets or unexpected expenditures funded by provisions or reserves. The amendments are as follows:

2. a) The 2016 Capital Budget will be increased by \$5,000,000 with funding transferred from the Fiscal Operating Budget to the Industrial Use Reserve to provide funding for future arising strategic land opportunities.
- b) i. Increase the scope of existing programs and projects by a total of \$544,974 from external funding received from various sources including ICBC, developers, Translink, etc. The Capital Budget is amended as follows:

Table 1 Various Grants and External Sources		(in \$000's)
Capital Programs		Amounts
Roads		\$328
Building Program		120
Minor Parks		61
Major Parks/Streetscapes		25
Drainage		6
Minor Public Works		5
Total		\$545

- ii. The Financial Plan includes an estimate of \$10,000,000 in Contingent Capital Grants, which may be received throughout the year for various projects. Spending is only incurred if the funds are confirmed. Once the funds are confirmed, the amount is transferred into the applicable capital program as summarized above. The \$544,974 represents funds that have been received and transferred to date.
- c) Increase the Water and Sanitary Public Works Minor Capital projects funding by \$97,500 each from the Water and Sewer Levy provisions for the Works Yard security improvements totaling \$195,000.
- d) Increase the 2016 Capital Budget by \$175,000 for the River Parkway and Middle Arm Park project funded by a grant from the Federation of Canadian Municipalities Green Municipal

Fund.

- e) Increase the 2016 Capital Budget by \$100,000 funded by a developer contribution in order to construct a section of the Gilbert Road Greenway from Lansdowne Road to River Parkway.
 - f) Increase the Capital Budget by a total of \$62,856 transferred from the Information Technology 2016 operating budget for the following:
 - i. \$42,192 to the Information Communication Technology (ICT) Infrastructure Replacement project to support the Firewall and Network Security Upgrade;
 - ii. \$15,000 to the Software Deployment Replacement Solution project to support the purchase of LANDesk modules;
 - iii. \$5,664 to support additional cost for the Anderson Room Improvements project.
3. Budget Amendment Policy 3001 states that changes to salaries be reported to the Committee. The following amendments will result in no net increase to the 2016 Operating Budget:
- a) Reallocate \$99,304 within Community Services Parks Operations salary budget for a Supervisor, Mapping and Drafting due to the implementation of the Parks Resource Management Geographic Information System (GIS) program in 2016.
 - b) Transfer \$98,600 of salary budget from Community Services to Human Resources due to reorganization of the Fitness Wellness Coordinator position.
 - c) Reallocate \$100,000 within Sanitation and Recycling operating budget from waste management and processing fees expenditures to salaries due to increased activity at the Recycling Depot and higher frequency of garbage pick-ups at City parks.
 - d) Reallocate \$50,000 within Roads operating budget from public works materials and equipment to salaries to accommodate after hours service request.
 - e) Reallocate \$40,000 within Storm Drainage operating budget from public works materials and equipment to salaries to accommodate after hours service request.
 - f) Reallocate \$35,000 within Engineering Planning operating budget from consulting expenses to auxiliary salaries to assist with the utility design service delivery.
 - g) Reallocate \$35,495 within Sidaway operating budget from salaries to public works materials.
 - h) Reallocate \$25,913 within Finance salary budget from the Accounts Payable section to the Purchasing section.
 - i) Reallocate \$10,343 within Fleet operating budget from consulting expenses to salaries due to a position upgrade of Supervisor – Public Works (Fleet).
 - j) Reallocate \$6,567 within Engineering Planning operating budget from consulting expenses to salaries for the Design Technician salary reclassification.
 - k) Transfer \$2,688 from Parks to Facility Services for the maintenance and security of the Cannery Store.
4. The Operating and Utility Budgets include estimates for work expected to be funded by User Fee Revenue. The following adjustments align the budget to projected levels of activity within each section. The following adjustments have no tax impact:
- a. Increase the Traffic expenditure budget by \$280,000 to offset receivable income which is projected to exceed original budget estimates.
 - b. Reallocate Engineering and Public Works Receivable Income, which will not meet the

original budget estimates as follows: \$575,100 reduction to the Roads and Construction section, \$358,600 increase to Storm Drainage section and \$216,500 increase to Fleet section to offset.

5. The following amendment represents an administrative change:
Amend the capital funding sources for Donald Road - Local Area Service Program from Appropriated Surplus to Local Improvement Reserve by \$1,011,000.
6. The following amendments to the Operating and Utility Budget are funded by external grants, transfer of existing budget resources, or funding from Provisions or Reserves.
 - a) Decrease the estimated Sanitary Sewer revenue budget by \$750,000 and increase the amount drawn from the Sewer Levy provision. The adjustment is due to lower than expected water consumption in 2016, which has a corresponding impact on sewer meter revenues.
 - b) Increase the Human Resource expenditure budget by \$305,000 for arbitration and legal expenditures funded by the Arbitration provision.
 - c) Increase Policy Planning's expenditure budget by \$230,750 funded by the Additional Level provision and Developer Contributions provision allocated for Official Community Plan (OCP) review.
 - d) Increase the Administration and Compliance expenditure budget by \$102,656 funded by Corporate Provision for various initiatives that are anticipated to be completed in 2016.
 - e) Increase the Major Road Network (MRN) expenditure budget by \$56,000 funded by TransLink.
 - f) Increase the Fiscal expenditure budget by \$50,000 for the development of automated collection and reporting of Statement of Financial Information (SOFI) expenses funded by the Corporate provision.
 - g) Increase the Risk Management expenditure budgets by \$40,309 for new initiatives to reduce liability claims funded by the Municipal Insurance Association of British Columbia (MIABC) grant.
 - h) Increase the Policing expenditure budget by \$15,000 for police river craft maintenance funded by RCMP provision through a grant from the Province for Police Specialized Equipment and Training.
 - i) Increase the Community Social Development expenditure budget by \$10,000 for contracts funded by a grant from the Vancouver Foundation for Cultivating Wellness Connection in Richmond.
 - j) Increase the Community Social Development expenditure budget by \$7,500 funded by Corporate provision through a sponsorship received in 2015 from Western Union in support of the Tagalog Newcomer Guide.
 - k) Increase the Arts, Culture and Heritage expenditure budget by \$4,000 for contracts funded by a grant from the Canada Council for the Arts in support of the Writer-in-Residence program.
 - l) Increase the General Waste-Environmental expenditure budget by \$2,900 funded by a Richmond Invasive Plant Management grant.
 - m) Transfer \$2,844 from Fire Rescue to the Infrastructure Services expenditure budget for the first year Telus support services for fibre optic network.

Financial Impact

The proposed 2016 budget amendments have **no tax impact**. Overall, there is an increase of \$31,810,976 to the 2016 Capital Budget. The Operating and Utility Budget expenditure decreased by \$3,089,242 and revenue increased by \$19,935,290, resulting in a net increase to Transfers of \$23,024,532. Each of these annual budgets combines to form part of the 2016-2020 5YFP. The 2016-2020 5YFP Amended Bylaw and Amended Capital Program can be found in Attachments 1 - 3.

Table 2 Capital Budget – Summary of Changes (in \$000's)

Capital Budget as at March 14, 2016			\$114,538
1	2016 Flood Protection Program	1g	23,543
2	Transfer from Fiscal Operating Budget	2a	5,000
3	Drainage Box Culvert Replacement-No. 2 Road & Walton Road	1k	2,000
4	Steveston Pool Repair	1f	450
5	Works Yard Security Improvement	2c	195
6	River Parkway and Middle Arm Park	2d	175
7	Habitat for Humanity Society of Greater Vancouver	1h	135
8	Tempest Application Project	1d	100
9	Gilbert Road Greenway	2e	100
10	Information Technology	2f	63
11	Homelessness Liaison Pilot Contract	1l	50
12	Local Improvement Reserve	5	-
13	Various Grants & External Sources	2b.i	545
14	Contingent External Contributions	2b.ii	(545)
Total Amendments			31,811
Total Amended 2016 Capital Budget			\$146,349

Table 3 Operating and Utility Budget – Summary of Changes (in \$000's)

Operating and Utility Budget as at March 14, 2016			\$101,646
Revenue			
1	2016 Flood Protection Program	1g	19,987
2	Traffic Receivable Increases	4a	280
3	River Parkway and Middle Arm Park	2d	175
4	Major Festivals in 2016/17	1a	130
5	MRN Translink Revenue	6e	56
6	MIABC Grants	6g	40
7	Cultivating Wellness Connections in Richmond	6i	10
8	Writer-in-Residence Program	6k	4

9	Invasive Species Provincial Grant	6l	3
10	Engineering and Public Works Receivables	4b	-
11	Sanitary Sewer Provision Increase	6a	(750)
Total Revenues Amendments			19,935
Expenses			
1	Transfer from Arbitration Provision	6b	305
2	Transfer to Rental Property Section	1j	300
3	Traffic Receivable Increases	4a	280
4	Official Community Plan Consulting Expenses	6c	231
5	Sewer Heat Recovery in Richmond Update	1b	170
6	Major Festivals in 2016/17	1a	165
7	Richmond Celebrates Canada 150	1c	155
8	Admin and Compliance Expenses	6d	103
9	Phoenix Net Loft Feasibility Study	1i	100
10	Canada 150 Community Celebration Funding Program	1e	80
11	MRN Translink Revenue	6e	56
12	Process Automation for SOFI Reports	6f	50
13	MIABC Grants	6g	40
14	Province of BC Grant for Police Specialized Equipment	6h	15
15	Cultivating Wellness Connections in Richmond	6i	10
16	Tagalog Newcomer Guide Sponsorship	6j	7
17	Writer-in-Residence Program	6k	4
18	Invasive Species Provincial Grant	6l	3
19	Fire Hall #3 Fibre Optic Network	6m	-
20	Various Operating Budget Reallocations	3a-k	-
21	Engineering and Public Works Receivables	4b	-
22	Information Technology Initiatives	2f	(63)
23	Tempest Application Project	1d	(100)
24	Transfer from Fiscal Operating Budget	2a	(5,000)
Total Expenditures Amendments			(3,089)
NET AMENDMENT			23,024
Total Amended 2016 Operating and Utility Budget			\$124,670

Conclusion

Staff recommend that Council approve the 2016 Capital, Operating and Utility Budget amendments to accommodate the expenditures within the 5 Year Consolidated Financial Plan Bylaw. The proposed 2016 budget amendments have no tax impact. Overall, there is an increase of \$31,810,976 to the 2016 Capital Budget. The Operating and Utility Budget expenditure decreased by \$3,089,242 and revenue increased by \$19,935,290, resulting in a net increase to Transfers of \$23,024,532.

As required in Section 166 of the Community Charter, staff will conduct a process of public consultation prior to bylaw adoption, which is anticipated to be November 14, 2016.



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Manager, Financial Planning and Analysis
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MS:sx

- Att. 1: 5 Year Consolidated Amended Financial Plan (2016-2020)
2: Capital Funding Sources (2016-2020)
3: Capital Program (2016-2020)
4: 5 Year Consolidated Financial Plan (2016-2020) Bylaw 9521, Amendment Bylaw 9616

City of Richmond 5 Year Consolidated Amended Financial Plan 2016-2020 Revenue and Expenses (In \$000's)					
	2016 Amended	2017 Amended	2018 Amended	2019	2020
Revenue:					
Property Taxes	197,965	206,823	215,531	223,666	232,083
User Fees	98,303	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	9,929	9,803	9,906	10,029	10,159
Licenses And Permits	9,184	9,363	9,546	9,741	9,941
Grant Revenue	7,489	7,494	7,613	7,727	7,820
Developer Contributed Assets	55,000	55,000	55,000	55,000	55,000
Development Cost Charges	30,229	15,602	12,137	9,437	9,327
Other Capital Funding Sources	30,923	21,805	10,500	10,440	10,040
	\$518,969	\$509,670	\$509,015	\$519,034	\$532,321
Expenses:					
Law and Community Safety	93,370	94,855	97,383	99,956	102,603
Engineering and Public Works	65,864	64,382	66,067	66,707	67,654
Community Services	59,439	58,343	59,941	61,282	62,540
Finance and Corporate Services	24,301	23,360	23,884	24,441	25,013
Fiscal	14,361	17,730	18,153	16,063	15,950
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	9,059	8,452	8,641	8,843	9,051
Planning and Development Services	14,835	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
	394,299	398,871	411,871	419,353	430,047
Annual Surplus	124,670	110,799	97,144	99,681	102,274
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	(214)	8,971	10,089	10,591	11,126
Capital Expenditures - Current Year	146,349	122,935	96,340	85,259	60,065
Capital Expenditures - Prior Years	267,870	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	(410,959)	(356,886)	(311,454)	(285,584)	(253,368)
	124,670	110,799	97,144	99,681	102,274
Balanced Budget	\$0	\$0	\$0	\$0	\$0
Tax Increase	3.11%	2.97%	2.96%	2.97%	2.96%

City of Richmond 5 Year Consolidated Amended Financial Plan 2016-2020 Capital Funding Sources (In \$000's)					
	2016 Amended	2017 Amended	2018 Amended	2019	2020
DCC Reserves					
Drainage DCC	3,354	1,344	-	97	97
Parks DCC	16,570	7,289	5,361	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	\$30,229	\$15,601	\$12,138	\$9,437	\$9,327
Statutory Reserves					
Affordable Housing Reserve Fund	1,114	625	625	625	625
Capital Building and Infrastructure Reserve Fund	600	-	-	1,000	-
Capital Reserve Fund	39,262	53,202	42,128	29,997	11,701
Child Care	60	50	50	50	50
Drainage Improvement	14,604	7,981	4,748	11,557	8,912
Equipment Replacement Reserve Fund	3,778	4,375	2,945	3,921	3,044
Local Improvement Reserve	1,011	-	-	-	-
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	73,287	78,575	64,183	59,454	36,624
Other Sources					
Appropriated Surplus	8,491	5,004	7,649	5,378	3,524
Enterprise Fund	1,202	630	550	550	550
Water Levy/Meter Stabilization	2,217	1,320	1,320	-	-
Grant and Developer Contribution	30,923	21,805	10,500	10,440	10,040
Total Other Sources	42,833	28,759	20,019	16,368	14,114
Total Capital Program	\$146,349	\$122,935	\$96,340	\$85,259	\$60,065

City of Richmond 5 Year Consolidated Amended Financial Plan 2016-2020 Capital Program (In \$000's)					
	2016 Amended	2017 Amended	2018 Amended	2019	2020
Infrastructure Program					
Roads	17,774	20,924	8,364	7,338	4,843
Drainage	33,989	8,831	4,320	11,210	8,170
Watermain Replacement	11,080	8,930	9,080	7,270	7,870
Infrastructure Advanced Design & Land	1,255	1,445	1,412	1,336	1,276
Sanitary Sewer	3,320	4,530	6,400	3,670	3,670
Minor Public Works	2,011	1,400	1,400	1,400	1,400
District Energy Utility	400	-	3,600	1,400	-
Total Infrastructure Program	\$69,829	\$46,060	\$34,576	\$33,624	\$27,229
Building Program	3,046	4,667	5,373	1,162	770
Parks Program					
Major Parks/Streetscapes	6,650	6,100	3,025	8,500	1,450
Minor Parks	851	900	850	850	850
Parkland Acquisition	8,000	4,000	4,000	4,000	4,000
Total Parks Program	15,501	11,000	7,875	13,350	6,300
Public Art Program	1,120	600	378	100	100
Land Program					
Land Acquisition	26,200	42,300	30,000	20,000	10,000
Total Land Program	26,200	42,300	30,000	20,000	10,000
Affordable Housing Project	1,114	625	625	625	625
Equipment Program					
Annual Fleet Replacement	1,612	1,905	1,944	1,825	1,650
Computer Capital	4,365	2,396	2,374	555	507
Fire Dept Vehicles	1,655	1,185	998	1,821	1,114
Technology	652	-	-	-	-
Total Equipment Program	8,284	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	9,455	10,000	10,000	10,000	10,000
Total Capital Program	\$146,349	\$122,935	\$96,340	\$85,259	\$60,065



City of
Richmond

Bylaw 9616

5 Year Consolidated Financial Plan (2016-2020) Bylaw 9521 Amendment Bylaw 9616

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B", and Schedule "C" of the 5 Year Consolidated Financial Plan (2016-2020) Bylaw 9521, are deleted and replaced with Schedule "A", Schedule "B", and Schedule "C" attached to and forming part of this amendment bylaw.
2. This Bylaw is cited as **"5 Year Consolidated Financial Plan (2016-2020) Bylaw 9521, Amendment Bylaw 9616"**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

MAYOR

CORPORATE OFFICER

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

SCHEDULE A:

City of Richmond 5 Year Consolidated Amended Financial Plan 2016-2020 Revenue and Expenses (In \$000's)					
	2016 Amended	2017 Amended	2018 Amended	2019	2020
Revenue:					
Property Taxes	197,965	206,823	215,531	223,666	232,083
User Fees	98,303	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	9,929	9,803	9,906	10,029	10,159
Licenses And Permits	9,184	9,363	9,546	9,741	9,941
Grant Revenue	7,489	7,494	7,613	7,727	7,820
Developer Contributed Assets	55,000	55,000	55,000	55,000	55,000
Development Cost Charges	30,229	15,602	12,137	9,437	9,327
Other Capital Funding Sources	30,923	21,805	10,500	10,440	10,040
	\$518,969	\$509,670	\$509,015	\$519,034	\$532,321
Expenses:					
Law and Community Safety	93,370	94,855	97,383	99,956	102,603
Engineering and Public Works	65,864	64,382	66,067	66,707	67,654
Community Services	59,439	58,343	59,941	61,282	62,540
Finance and Corporate Services	24,301	23,360	23,884	24,441	25,013
Fiscal	14,361	17,730	18,153	16,063	15,950
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	9,059	8,452	8,641	8,843	9,051
Planning and Development Services	14,835	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
	394,299	398,871	411,871	419,353	430,047
Annual Surplus	124,670	110,799	97,144	99,681	102,274
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	(214)	8,971	10,089	10,591	11,126
Capital Expenditures - Current Year	146,349	122,935	96,340	85,259	60,065
Capital Expenditures - Prior Years	267,870	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	(410,959)	(356,886)	(311,454)	(285,584)	(253,368)
	124,670	110,799	97,144	99,681	102,274
Balanced Budget	\$0	\$0	\$0	\$0	\$0
Tax Increase	3.11%	2.97%	2.96%	2.97%	2.96%

SCHEDULE B:

City of Richmond 5 Year Consolidated Amended Financial Plan 2016-2020 Capital Funding Sources (In \$000's)					
	2016 Amended	2017 Amended	2018 Amended	2019	2020
DCC Reserves					
Drainage DCC	3,354	1,344	-	97	97
Parks DCC	16,570	7,289	5,361	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	\$30,229	\$15,601	\$12,138	\$9,437	\$9,327
Statutory Reserves					
Affordable Housing Reserve Fund	1,114	625	625	625	625
Capital Building and Infrastructure Reserve Fund	600	-	-	1,000	-
Capital Reserve Fund	39,262	53,202	42,128	29,997	11,701
Child Care	60	50	50	50	50
Drainage Improvement	14,604	7,981	4,748	11,557	8,912
Equipment Replacement Reserve Fund	3,778	4,375	2,945	3,921	3,044
Local Improvement Reserve	1,011	-	-	-	-
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	73,287	78,575	64,183	59,454	36,624
Other Sources					
Appropriated Surplus	8,491	5,004	7,649	5,378	3,524
Enterprise Fund	1,202	630	550	550	550
Water Levy/Meter Stabilization	2,217	1,320	1,320	-	-
Grant and Developer Contribution	30,923	21,805	10,500	10,440	10,040
Total Other Sources	42,833	28,759	20,019	16,368	14,114
Total Capital Program	\$146,349	\$122,935	\$96,340	\$85,259	\$60,065

SCHEDULE C:

**CITY OF RICHMOND
5 YEAR CONSOLIDATED AMENDED 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	49.1%
User Fees	24.4%
Sales of Services	8.4%
Gaming Revenue	4.5%
Investment Income	3.6%
Payments in Lieu Of Taxes	3.3%
Licenses and Permits	2.3%
Grants	1.9%
Other	2.5%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

CITY OF RICHMOND
5 Year Consolidated AMENDED 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.
- Continue economic development initiatives to attract businesses to the City of Richmond.

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

Property Class	% of Tax Burden
Residential (1)	54.6%
Business (6)	35.5%
Light Industry (5)	8.2%
Others (2,4,8 & 9)	1.7%
Total	100.0%

Permissive Tax Exemptions**Objective:**

- Council passes the annual permissive exemption bylaw to exempt certain properties from property tax in accordance with guidelines set out by Council Policy and the Community Charter. There is no legal obligation to grant exemptions.
- Permissive exemptions are evaluated with consideration to minimizing the tax burden to be shifted to the general taxpayer.

Policy:

- Exemptions are reviewed on an annual basis and are granted to those organizations meeting the requirements as set out under Council Policy 3561 and Sections 220 and 224 of the *Community Charter*.