



City of Richmond

Report to Committee

To: Finance Committee **Date:** February 8, 2019
From: Andrew Nazareth **File:** 03-0970-25-2019-01/2019-Vol 01
 General Manager, Finance and Corporate Services
Re: **Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979**

Staff Recommendation

1. That the Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979 be introduced and given first, second, and third readings.
2. That staff undertake a process of public consultation as required in Section 166 of the Community Charter.

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

Att. 5

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Law	<input checked="" type="checkbox"/>	
CONCURRENCE BY SMT	INITIALS:	APPROVED BY CAO

Staff Report

Origin

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

The 5YFP Bylaw No. 9979 consolidates the budgets for Utility, Operating, and Capital budgets. The key components of 5YFP Bylaw No. 9979 are as follows:

- 2019 Utility Budget
- 2019 One-Time Expenditures
- 2019 Capital Budget
- 2019 Operating Budget

The 2019 Utility rates were approved by Council on October 9, 2018 and the following bylaws were adopted as follows:

- Drainage, Dike and Sanitary Sewer System Bylaw No. 7551, Amendment Bylaw No. 9943 adopted on October 22, 2018.
- Solid Waste and Recycling Regulation Bylaw No. 6803, Amendment Bylaw No. 9941 adopted on October 22, 2018.
- Waterworks and Water Rates Bylaw No. 5637, Amendment Bylaw No. 9942 adopted on October 22, 2018.

The Alternative Funding Sources for the 2019 One-Time Expenditures report dated February 8, 2019 will be presented to the Special Finance Committee meeting on February 11, 2019 and is included in the Consolidated 5YFP.

The 2019 Capital Budget was approved by the Finance Committee on February 4, 2019 and is included in the Consolidated 5YFP.

The 2019 Operating Budget as presented to the Finance Committee on February 11, 2019 and is included in the Consolidated 5YFP.

The 2019 budget for Richmond Public Library was approved by the Finance Committee at the Special Finance Committee meeting on January 14, 2019 and is included in the Consolidated 5YFP.

The Consolidated 5YFP includes the budget for the City's wholly owned subsidiary Richmond Olympic Oval Corporation. The 2019 budget was approved by the Oval's Board of Directors on January 17, 2019.

Effective January 1, 2018, the Consolidated 5YFP does not include the budget for Lulu Island Energy Company (LIEC) since LIEC has been classified as a Government Business Enterprise

and is required to apply International Financial Reporting Standards while the City is required to report under Public Sector Accounting Standards. Instead, LIEC is reflected as a financial asset on the City's Statement of Financial Position.

The Consolidated 5YFP Bylaw includes estimates for 2020-2023 based on information currently available and will be revised with the financial plan for each respective year. Inclusion in the financial plan for 2020 and beyond does not represent final approval for spending.

Analysis

This report combines the 2019 budgets into a consolidated financial plan to provide expenditure authorization, allowing the City to formally proceed with delivering services to the community. In addition, the 5YFP includes operating and capital carryforward amounts that have been approved in prior years, however, projects and programs are expected to be completed in 2019 and future years.

Adjustments with No Impact on Rates

Prior Year Capital Carryforwards

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

Prior Year Operating Carryforwards

The 2019 Carryforwards are comprised of unspent amounts from 2018 and previously approved one-time expenditures that are required for programs and projects that were not completed in 2018 and hence carried into 2019. There is no tax impact as a result of including these amounts.

Developer Contributed Assets

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

Operating Budget Impacts (OBI) for Utility Projects

The approved Capital Budget includes Utility projects with OBI for water and sanitary sewer infrastructure. Since the approval of these Capital projects occurred subsequent to the setting of the utility rates, these additional operating costs are not factored into the 2019 utility rates. These additional costs will be incorporated into the 2020 rates, and for 2019 the OBI will be funded by utility rate stabilization accounts.

One-time Expenditures

One-Time expenditures totaling \$1,425,909 funded by Rate Stabilization Account have been incorporated in the Consolidated 5YFP as presented in the Alternative Funding Sources for the 2019 One-Time Expenditures report dated February 8, 2019.

Capital Budget

The 2019 Capital Budget as presented in the staff report dated January 11, 2019 totalled \$116,524,202.

At the General Purposes Committee meeting on February 4, 2019, the staff report titled “Viability of Repurposing Minoru Aquatic Centre – Low Cost Options” from the Senior Manager, Capital Buildings Project Development dated February 1, 2019 was presented and the following motions were carried:

- (1) That the Minoru Aquatics Centre Demolition (\$3,392,000) be removed from the proposed 2019 Capital Budget;*
- (2) That the Minoru Aquatics Centre not be demolished.*

As a result of the above resolution, the Minoru Aquatics Centre Demolition (Capital submission ID: 6245) was removed from the list of recommended projects in the amount of \$3,392,000.

At the Finance Committee meeting on February 4, 2019 it was verbally reported that the revised 2019 Capital Budget as a result of the decision made at the General Purposes Committee totals \$113,132,202.

At the Finance Committee meeting on February 4, 2019, the 2019 Capital Budget was approved with the following changes:

That the Terra Nova Rural Park Viewpoint Seating Area (Submission ID 6371) be removed.

That \$975,000 for the RCMP Exhibit Compound (part of Submission ID 6479) be funded from the Capital Building and Infrastructure Reserve instead of the Rate Stabilization Account.

The 2019 Capital Budget was approved by the Finance Committee on February 4, 2019 with a revised amount of \$112,932,202.

Subsequently, at the Finance Committee meeting on February 4, 2019, the staff report titled “2019 Proposed Operating Budget – Referral Response” from the Director, Finance dated January 28, 2019 was presented and the following was approved:

1e) Pursuant to Council’s Safe Community Priority program, the capital and one-time costs for the additional 36 firefighters in the amount of \$2,541,276 be approved with funding from the Rate Stabilization Account

The capital costs for the additional 36 firefighters include \$2,050,000 for the purchase of fire rescue vehicles and \$110,000 relating to building renovations to Fire Hall No. 2 (Steveston). The remaining non-capital one-time costs total \$381,276.

Table 1 summarizes the changes to the Capital Plan to be included in the Consolidated 5YFP.

Table 1 – 2019 Capital Budget With Approved Fire Rescue Capital Costs

Budget Component	Amount
2019 Capital Budget – as presented in the staff report dated January 11, 2019	\$116,524,202
General Purposes Committee resolution to remove Minoru Aquatics Centre Demolition	(3,392,000)
Proposed 2019 Capital Budget presented to the Finance Committee on February 4, 2019	113,132,202
Finance Committee resolution to remove the Terra Nova Rural Park Viewpoint Seating Area (Submission ID 6371)	(200,000)
Finance Committee resolution to change the funding source of the RCMP Exhibit Compound to be funded from the Capital Building and Infrastructure Reserve instead of the Rate Stabilization Account	-
2019 Capital Budget approved by Finance Committee	112,932,202
Fire Rescue Vehicles and Operational Equipment - Fire Engine truck	1,500,000
Purchase of Vehicles and Operational Equipment - Fire Rescue truck	550,000
Building renovations to Fire Hall No. 2 (Steveston)	110,000
2019 Capital Budget to be included in the Consolidated 5YFP	\$115,092,202

Attachment 1 includes a list of projects proposed for 2019-2023. Attachment 2 presents a summary of the proposed capital plan by program and Attachment 3 presents the proposed funding sources for the capital plan.

Smart Cities Challenge

The Smart Cities Challenge is a national competition that encourages communities to adopt a smart cities approach to improve the lives of their residents through innovation, data and connected technology. The City is one of 20 finalists in the Government of Canada's nation wide Smart Cities Challenge. Each finalist receives a grant of \$250,000 to further develop their innovative ideas into final proposals that outline all design, planning, and project management components of their plans. The final proposals are due in March 2019 and winners will be announced in spring 2019. Four winners will be awarded with prizes of up to \$50 million, two at \$10 million, and \$5 million. Richmond is a finalist for a \$10 million prize in the competition.

The list of proposed capital projects for 2019-2023 in Attachment 1 identifies the projects that are part of the proposed 5 Year Financial Plan that are aligned with the goals and objectives of the Smart Cities Challenge.

Operating Budget

At the Finance Committee Meeting held on February 4, 2019, the Finance Committee approved components of the 2019 Operating Budget and referred staff to further reduce the overall tax increase by 0.50%. In response to this referral, the “Proposed 2019 Operating Budget – Same Level of Services Referral Response” dated February 8, 2019 that will be presented at the Special Finance Committee meeting on February 11, 2019 with a tax increase of 4.82%. The proposed 2019 Municipal Tax Dollar Breakdown is presented in Attachment 4.

Public Consultation

Section 166 of the *Community Charter* requires a process of public consultation prior to adoption of the 5YFP. The public consultation process will commence after the proposed 5YFP bylaw is given first through third readings. The budget is anticipated to be considered by Council at the Regular Council meeting on February 11, 2019. In order to comply with this requirement and ensure that the tax bylaw is also prepared on a timely basis, staff are working on a number of communication initiatives, which include:

- preparing a news release on the City website scheduled for Tuesday, February 12, 2019 with a link to the 5YFP.
- engaging a public forum on Let’s Talk Richmond scheduled to launch on Tuesday, February 12, 2019.
- utilizing social media to raise awareness of the public consultation period through Facebook and Twitter accounts.
- having copies of the 2019-2023 Consolidated Financial Plan and the budget reports approved by Council available for pick-up by the public or available electronically.
- advertising in the Richmond News as reminder of the ongoing public consultation.

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

In 2018, over 430 engagements and 30 comments were received from the public via Let’s Talk Richmond. In order to ensure that the 5YFP consultation is beneficial, effective and efficient, staff will conduct the process through Let’s Talk Richmond and social media once again.

The public consultation period will run until Sunday, March 3, 2019 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 2 summarizes the proposed 2019 tax increase of 4.82%, and estimates for 2020 through 2023. The estimated tax increase for the 5YFP includes a 0.5% increase for investment in community infrastructure in 2019 as approved by Council and 1.0% increase for investment in community infrastructure in 2020 to 2023.

Table 2 – Proposed 5YFP 2019-2023 Summary

Proposed 5YFP	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Same Level of Service Increase	1.00%	1.50%	0.96%	1.49%	1.91%
External Senior Government Related Increases	1.38%	0.16%	0.16%	0.18%	0.18%
Previously Approved Expenditures	0.51%	2.26%	0.75%	0.38%	0.09%
Safe Community Program – 36 fire rescue positions	0.93%	0.93%	0.93%	-%	-%
Safe Community Program – 51 RCMP officers and 20 municipal employees to support the RCMP Detachment phased-in over three years	2.62%	0.73%	0.73%	-%	-%
Operating Budget Impact from Capital Budget	0.18%	0.58%	0.74%	0.63%	0.56%
Investment in Community Infrastructure	0.50%	1.00%	1.00%	1.00%	1.00%
City Wide Additional Levels	0.07%	0.23%	0.23%	0.23%	1.62%
Less: Rate stabilization	(2.37%)	(0.70)%	(0.30)%	-%	-%
Proposed Operating Budget Increase	4.82%	6.69%	5.20%	3.91%	5.36%

Conclusion

The 5YFP 2019-2023 has been prepared utilizing the 2019 Utility budget approved by Council, 2019 Capital budget approved by Finance Committee on February 4, 2019 and the proposed 2019 Operating budget with an endorsed 4.82% overall tax increase to form the base of the financial plan. Estimates for 2020 to 2023 are based on information currently available and will be revised in the next 5YFP (2020-2024). Staff recommend that the bylaw be given first through third readings and undertake the public consultation process.



Melissa Shiao, CPA, CA
Manager, Financial Planning and Analysis
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MS:jh

- Att. 1: 5 Year Capital Plan by Program (2019-2023)
- 2: 5 Year Capital Plan Summary (2019-2023)
- 3: 5 Year Capital Plan Funding Sources (2019-2023)
- 4: 2019 Proposed Municipal Tax Dollar
- 5: Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979

**CITY OF RICHMOND
5 YEAR CAPITAL PLAN BY PROGRAM (2019-2023)
(in \$000s)**

	2019	2020	2021	2022	2023
Infrastructure Program					
Roads					
Accessible Pedestrian Signal Program	250	250	-	-	-
Active Transportation Improvement Program * Smart Cities	1,000	600	600	600	600
Annual Asphalt Re-Paving Program - MRN	1,151	1,151	1,151	1,151	1,151
Annual Asphalt Re-Paving Program - Non-MRN	3,131	2,982	2,982	2,982	2,982
Arterial Roadway Improvement Program	450	350	350	350	350
Bridge Rehabilitation Program	300	300	300	643	300
City-wide Cycling Network Plan	150	-	-	-	-
Citywide Street Light Replacement and Sidewalk Repair Program * Smart Cities	-	500	500	500	500
Francis Road Enhancements, from St. Albans Road to Garden City Road	-	-	2,000	-	-
Garden City Road Pedestrian and Cyclist Enhancements, Westminster Highway to Lansdowne Road	1,000	-	-	-	-
LED Street Name Sign Program	200	200	200	200	200
Neighbourhood Walkway Program	500	500	500	500	500
Road Weather Information System	260	-	-	-	-
Special Crosswalk Program	350	350	350	350	350
Steveston Highway Multi-Use Pathway, Shell Road to Mortfield Gate	2,000	-	-	-	-
Streetlight LED Upgrade Program * Smart Cities	430	460	-	-	-
Traffic Calming Program	150	150	150	150	150
Traffic Signal Power Backup System (UPS) * Smart Cities	100	100	100	100	100
Traffic Signal Pre-emption Program * Smart Cities	-	100	100	100	100
Traffic Signal Program	1,350	1,200	1,200	1,200	1,200
Traffic Video and Communication Program * Smart Cities	400	400	400	400	400
Transit-Related Amenity Improvement Program * Smart Cities	50	50	50	50	50
Transit-Related Roadway Improvement Program	400	400	400	400	400
Transportation Planning, Functional and Preliminary Design	253	256	258	260	262
Westminster Highway Pedestrian and Cyclist Enhancements, Smith Crescent to Fraserside Gate	1,100	-	-	-	-
Total Roads	\$14,975	\$10,299	\$11,591	\$9,936	\$9,595
Drainage					
Aztec Street Drainage Upgrade	-	-	1,260	-	-
Box Culvert Repair	-	1,000	-	1,000	-
Burkeville Utility Upgrades	-	2,486	2,495	1,741	2,271
Canal Stabilization	-	2,375	-	-	-
Development Coordinated Works - Drainage	250	250	250	250	250
Drainage Pump Station Generator Upgrade * Smart Cities	-	-	130	130	130
Drainage Pump Station Rehabilitation	-	250	250	250	250

* Smart Cities - This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
East Richmond Drainage and Irrigation Upgrades	-	300	300	300	-
Ewen Road Pump Station Upgrade * Smart Cities	-	-	-	-	8,520
Flood Protection and Dike Improvements	5,100	3,300	3,300	3,300	2,000
Headwall Replacement and Ditch Infills	-	300	-	-	-
Heather Street Improvement	1,757	-	-	-	-
Invasive Species Management	220	175	175	175	175
Laneway Drainage Upgrade - 10,000 Block No. 4 Road	-	-	-	-	374
Laneway Drainage Upgrade - Afton Drive (North)	1,373	-	-	-	-
Laneway Drainage Upgrade - Aintree Crescent (East)	-	-	-	-	578
Laneway Drainage Upgrade - Ashwood Drive/Francis Road	-	-	803	-	-
Laneway Drainage Upgrade - Bates Road - East Lane	-	-	740	-	-
Laneway Drainage Upgrade - Bates Road - South Lane	-	-	-	597	-
Laneway Drainage Upgrade - Greenlees East Lane	-	313	-	-	-
Laneway Drainage Upgrade - Herbert East Lane	542	-	-	-	-
Laneway Drainage Upgrade - Reeder Road	-	-	-	432	-
McCallan Road North Pump Station Upgrade * Smart Cities	-	-	-	-	8,860
Montego Street Drainage Upgrades	-	1,575	-	-	-
No. 6 Road South Pump Station Upgrade * Smart Cities	-	-	-	8,580	-
Steveston Highway and Gilbert Road Pump Station Upgrade * Smart Cities	-	2,000	-	-	-
Steveston Highway and No. 3 Road Pump Station Upgrade	2,000	-	-	-	-
Williams Road 6000 Block Drainage Pipe Upgrade	-	-	500	-	-
Woodhead Road Drainage Upgrade	-	-	1,855	-	-
Drainage Pump Station Upgrade (Generator) * Smart Cities	-	130	-	-	-
No. 9 Road and Westminster Highway Drainage (Dog Kennels) Pump Station	-	-	2,520	-	-
Total Drainage	\$11,242	\$14,454	\$14,578	\$16,755	\$23,408
Water					
Development Coordinated Works - Water	250	250	250	250	250
Emergency Water Supply	150	-	-	-	-
Pressure Reducing Valve Upgrades	-	-	-	1,000	-
Water Metering Program	-	1,890	1,890	1,890	1,890
Watermain Replacement Program	5,394	4,778	6,560	5,225	6,005
Watermain Tie-in and Restoration	400	400	300	300	300
Total Water	\$6,194	\$7,318	\$9,000	\$8,665	\$8,445
Sanitary Sewer					
Aquila Road Sanitary Sewer Replacement	-	-	-	160	-
Bennett West Pump Station Replacement * Smart Cities	-	2,190	-	-	-
Burkeville Utility Upgrades	1,133	-	-	-	-
Development Coordinated Works - Sanitary	150	250	250	250	250
Fibre Reinforced Plastic Gravity Sewer Replacement	-	-	-	1,800	1,800
Gravity Sanitary Sewer Upgrade on River Road / Beckwith Road / Charles Street	-	-	2,500	-	-
Gravity Sewer Assessment and Upgrade Program	-	250	250	250	250

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
Hammersmith Forcemain Replacement	-	1,200	-	-	-
Leslie Pump Station Replacement * Smart Cities	-	2,913	-	-	-
Leslie Road Forcemain Replacement	-	-	-	560	-
Manhole and Inspection Chamber Replacement Program	-	250	250	250	250
Sanitary Pump Station and Forcemain Assessment, Upgrade and Grease Management	-	600	600	600	600
Sanitary Pump Station Rehabilitation	-	300	300	300	300
Sanitary Sewer Tie-in and Restoration	-	150	150	150	150
SCADA System Improvements * Smart Cities	150	150	150	150	150
Steveston and Broadmoor Forcemain Replacements	-	1,100	-	-	-
Steveston Gravity Sewer Replacement and Rehabilitation	-	1,000	-	-	-
Steveston Pump Station Replacement * Smart Cities	-	-	-	-	2,500
Van Horne Pump Station Replacement * Smart Cities	-	-	2,800	-	-
Williams Road Sanitary Forcemain Replacement	-	-	-	1,920	-
Total Sanitary Sewer	\$1,433	\$10,353	\$7,250	\$6,390	\$6,250
Infrastructure Advanced Design and Minor Public Works					
Public Works Infrastructure Advanced Design	1,780	1,780	1,780	1,780	1,780
Public Works Minor Capital - Drainage	475	400	300	300	300
Public Works Minor Capital - Roads	250	250	250	250	250
Public Works Minor Capital - Sanitary	400	400	400	400	400
Public Works Minor Capital - Sanitation and Recycling	300	300	300	300	300
Public Works Minor Capital - Traffic	250	250	250	250	250
Public Works Minor Capital - Water	500	500	500	500	500
Total Infrastructure Advanced Design and Minor Public Works	\$3,955	\$3,880	\$3,780	\$3,780	\$3,780
Total Infrastructure Program	\$37,799	\$46,304	\$46,199	\$45,526	\$51,478
Building Program					
Building					
2019 Capital Buildings Project Development Advanced Design	500	-	-	-	-
Britannia Shipyards Complex Rehabilitation	-	2,200	-	-	-
City Hall - Electrical and Interior Renovations * Smart Cities	-	11,100	-	-	-
City Hall Annex Transformer Replacement	500	-	-	-	-
City Hall Upgrades and Repairs	980	-	-	-	-
City Hall Window and Flooring System Renewals	-	-	-	-	5,500
Citywide Caretaker Suite Renewals	-	-	-	-	2,500
East Richmond Community Hall Envelope and Mechanical System Renewals	402	-	-	-	-
Gateway Theatre Infrastructure Replacements Phase 2	3,700	-	-	-	-
Japanese Canadian Cultural Centre - Front Entry Accessibility Upgrade	258	-	-	-	-
Japanese Duplex and First Nations Bunkhouse Reconstruction and Exhibit Development	-	4,150	-	-	-
Library Cultural Centre Conveyance Replacements	709	-	-	-	-
London Farm House Envelope Renewals	376	-	-	-	-

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
Minoru Arena System Renewals	3,300	-	-	-	-
Minoru Place Activity Centre Program - Implementation	2,511	-	-	-	-
RCMP Exhibit Compound Interim Upgrades	975	-	-	-	-
Watermania Aging Mechanical and Building Envelope Infrastructure Replacement Phase 2	1,341	-	-	-	-
Works Yard Mechanical Replacements	1,707	-	-	-	-
Works Yard Salt Shed Repairs	266	-	-	-	-
Community Safety Building Heat Pump Replacement	-	470	-	-	-
Sea Island Hall Exterior Envelope	-	350	-	-	-
Works Yard Building System Renewals	-	-	1,100	-	-
Gateway Theatre Mechanical and HVAC Renewals	-	-	5,500	-	-
West Richmond Community Centre - Envelope and Life Safety Renewals * Smart Cities	-	-	1,400	-	-
Mechanical and HVAC Renewals	-	-	-	120	-
Fire Hall 7 Envelope Renewals	-	-	-	125	-
Kwantlen Courthouse - HVAC and Interior Finish Renewals	-	-	-	2,500	-
Library Cultural Centre - Envelope and Plumbing Renewals	-	-	-	1,600	-
East Richmond Library Interior Finish Renewals	-	-	-	186	-
Richmond Ice Centre - Refrigeration and Envelope Renewals	-	-	-	13,700	-
Thompson Community Centre - Interior Finish Renewals	-	-	-	1,100	-
South Arm Community Centre - Envelope and Interior Finish Renewals	-	-	-	800	-
Watermania Mechanical and Pool Equipment Renewals	-	-	-	1,100	-
Watermania Major Maintenance	-	1,100	1,100	-	3,000
Thompson Community Centre Major Maintenance * Smart Cities	-	-	2,000	-	-
Richmond Ice Centre Major Maintenance	-	-	2,000	-	-
City Hall Major Maintenance	-	-	-	-	4,000
Steveston Community Centre and Branch Library * Smart Cities	-	90,000	-	-	-
Total Building Program	\$17,525	\$109,370	\$13,100	\$21,231	\$15,000
Parks Program					
Parkland					
Parkland Acquisition	4,000	4,000	4,000	2,000	2,000
Total Parkland	\$4,000	\$4,000	\$4,000	\$2,000	\$2,000
Parks					
Aberdeen Park – Phase 3	800	-	-	-	-
Garden City Lands Phase 4	-	1,000	-	-	-
Garden City Lands Phase 5	-	-	500	-	-
Garden City Lands Phase 6	-	-	-	500	-
Garden City Lands Phase 7	-	-	-	-	750
Hollybridge Pier Phase 2	-	-	2,000	-	-
Hugh Boyd Artificial Turf Sports Field - Turf Replacement	1,800	-	-	-	-

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
King George Artificial Turf Sports Fields - Turf Replacement	-	-	750	-	-
Lang Park Completion	-	200	-	-	-
London/Steveston Park Dog Park Phase 3	-	150	-	-	-
London Steveston Park Phase 2	300	-	-	-	-
Lulu Island Park	-	-	500	1,000	1,000
Minoru Bowling Green Artificial Turf Replacement	350	-	-	-	-
Minoru Oval - Artificial Turf Replacement	-	750	-	-	-
Minoru Park Central Amenity Space Development and Advancement of Richmond Cultural Plaza Renewal	-	-	-	750	-
Minoru Park LaKes Renewal	1,750	-	-	-	-
Minoru Park Major Trail Upgrades	-	500	-	-	-
Park Characterization	-	-	-	-	200
Parks Advance Planning and Design	400	500	450	450	450
Parks Aging Infrastructure Replacement Program	550	350	350	350	350
Parks General Development	400	400	400	300	400
Parks Identity Signage Program	200	-	-	-	-
Paulik Park Development of New Lots	300	-	-	-	-
Playground Improvement Program	-	600	400	500	400
Steveston Community Park Playground Expansion	-	300	-	-	-
Trails Network Enhancements	-	-	-	-	350
West Cambie Park – Phase 2	770	-	1,030	-	-
Total Parks	\$7,620	\$4,750	\$6,380	\$3,850	\$3,900
Total Parks Program	\$11,620	\$8,750	\$10,380	\$5,850	\$5,900
Public Art Program					
Public Art					
Public Art Program	563	150	150	150	150
Total Public Art Program	\$563	\$150	\$150	\$150	\$150
Land Program					
Land					
Strategic Land Acquisition	10,000	10,000	10,000	5,000	5,000
Total Land Program	\$10,000	\$10,000	\$10,000	\$5,000	\$5,000
Affordable Housing					
Affordable Housing 2019 Operating Initiatives	350	-	-	-	-
Affordable Housing Projects - City-wide	200	400	400	400	400
Affordable Housing Projects - West Cambie	225	225	225	225	225
Total Affordable Housing	\$775	\$625	\$625	\$625	\$625
Equipment Program					
Vehicle Replacement					
Fleet Electrical Charging Infrastructure Installations	521	-	-	-	-
Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet)	3,741	2,637	2,528	2,334	3,995
Total Vehicle Replacement	\$4,262	\$2,637	\$2,528	\$2,334	\$3,995

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
Fire Vehicle					
Fire Vehicle Addition to Fleet	-	550	-	-	-
Fire Vehicle Replacement Reserve Purchases	2,521	166	1,185	1,221	1,257
Total Fire Vehicle	\$2,521	\$716	\$1,185	\$1,221	\$1,257
Information Technology					
Annual Hardware Refresh	468	365	455	460	516
Budget Planning and Monitoring Solution	1,000	-	-	-	-
Contract Life Cycle Management	623	-	-	-	-
Digital Strategy Initiatives	900	-	-	-	-
IPS Mobility - Enterprise Deployment	507	-	-	-	-
Network Infrastructure Core Refresh	481	-	-	-	-
Office 2016 Licensing	495	495	-	-	-
Total Information Technology	\$4,474	\$860	\$455	\$460	\$516
Equipment					
City Centre Community Centre North - Furniture, Fixtures and Equipment (FF&E) and OBI	-	-	1,320	-	-
Digital Radio Hardware and Licensing	147	-	-	-	-
Energy Management Projects ^{* Smart Cities}	-	550	550	550	550
Energy Management Projects - Gas Equipment Replacement and Upgrade Phase 1	675	-	-	-	-
Fire Equipment Replacement - Auto Extrication Equipment	170	-	-	-	-
Fire Equipment Replacement - Fire Hose	27	28	29	30	31
Fire Equipment Replacement from Reserve - Self Contained Breathing Apparatus Equipment	-	-	200	-	-
Total Equipment	\$1,019	\$578	\$2,099	\$580	\$581
Total Equipment Program	\$12,276	\$4,791	\$6,267	\$4,595	\$6,349
Child Care Program					
Child Care					
Child Care - Administration	100	-	-	-	-
Child Care Projects - City-wide (Capital Grants)	50	50	50	50	50
Child Care Projects - City-wide Non-Capital Grants	10	10	10	10	10
Total Child Care Program	\$160	\$60	\$60	\$60	\$60
Internal Transfers/Debt Payment					
Internal Transfers/Debt Payment					
12040 Horseshoe Way Repayment	525	525	525	525	525
7080 River Road Repayment	2,341	2,341	2,341	2,341	2,341
9540 Alexandra Road and 9560 Odlin Road	2,100	-	-	-	-
Nelson Road Interchange Repayment	385	385	386	-	-
River Road/North Loop (2005) Repayment	1,685	1,335	1,335	1,335	1,335
Shovel - Ready Grant (2009) Repayment Lansdowne Road Extension	78	-	-	-	-
City Centre Community Police Office	5,100	-	-	-	-
Total Internal Transfers/Debt Payment	\$12,214	\$4,586	\$4,587	\$4,201	\$4,201

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

	2019	2020	2021	2022	2023
Contingent External Contribution					
Contingent External Contribution					
Contingent External Contribution	10,000	10,000	10,000	10,000	10,000
Total Contingent External Contribution	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Grand Total	\$112,932	\$194,636	\$101,368	\$97,238	\$98,763
One-Time Fire Rescue Capital					
One-Time Fire Rescue Capital					
Fire Vehicles	2,050	-	-	-	-
Building Renovations – Fire Hall 2	110	-	-	-	-
Total One-Time Fire Rescue Capital	\$2,160	-	-	-	-
Total 2019 Capital + One-Time Fire Rescue Capital	\$115,092	\$194,636	\$101,368	\$97,238	\$98,763

* Smart Cities – This project aligns with the goals and objectives of the Smart Cities Challenge.

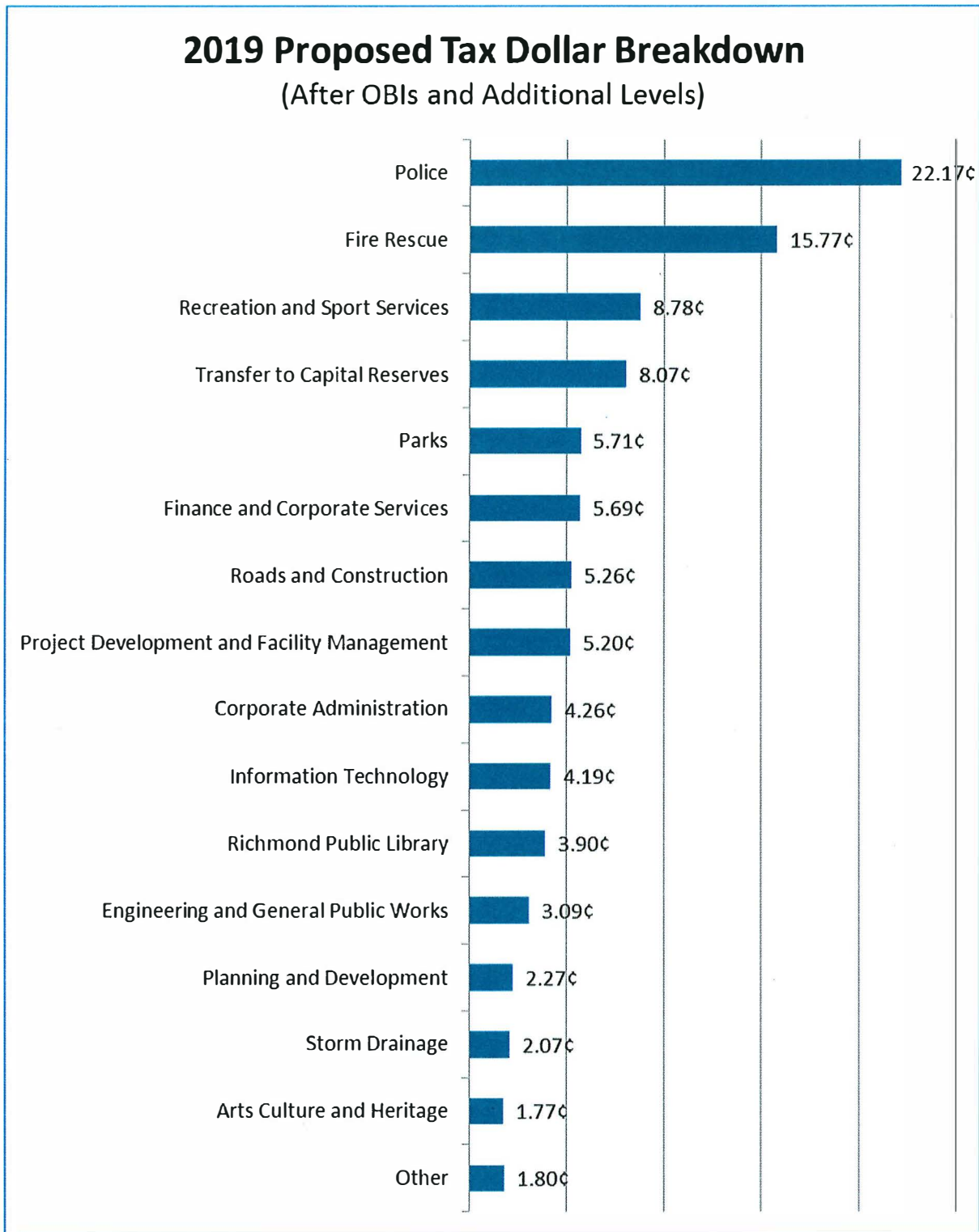
**CITY OF RICHMOND
5 YEAR CAPITAL PLAN SUMMARY (2019 - 2023)
(in \$000s)**

	2019	2020	2021	2022	2023
Infrastructure Program					
Roads	14,975	10,299	11,591	9,936	9,595
Drainage	11,242	14,454	14,578	16,755	23,408
Water	6,194	7,318	9,000	8,665	8,445
Sanitary Sewer	1,433	10,353	7,250	6,390	6,250
Infrastructure Advanced Design and Minor Public Works	3,955	3,880	3,780	3,780	3,780
Total Infrastructure Program	\$ 37,799	\$ 46,304	\$ 46,199	\$ 45,526	\$ 51,478
Building Program					
Building	17,635	109,370	13,100	21,231	15,000
Total Building Program	\$ 17,635	\$109,370	\$ 13,100	\$ 21,231	\$ 15,000
Parks Program					
Parks	7,620	4,750	6,380	3,850	3,900
Parkland	4,000	4,000	4,000	2,000	2,000
Total Parks Program	\$ 11,620	\$ 8,750	\$ 10,380	\$ 5,850	\$ 5,900
Public Art Program	\$ 563	\$ 150	\$ 150	\$ 150	\$ 150
Land Program	\$ 10,000	\$ 10,000	\$ 10,000	\$ 5,000	\$ 5,000
Affordable Housing	\$ 775	\$ 625	\$ 625	\$ 625	\$ 625
Equipment Program					
Vehicle	4,262	2,637	2,528	2,334	3,995
Fire Vehicle	4,571	716	1,185	1,221	1,257
Information Technology	4,474	860	455	460	516
Equipment	1,019	578	2,099	580	581
Total Equipment Program	\$ 14,326	\$ 4,791	\$ 6,267	\$ 4,595	\$ 6,349
Child Care Program	\$ 160	\$ 60	\$ 60	\$ 60	\$ 60
Internal Transfers/Debt Payment	\$ 12,214	\$ 4,586	\$ 4,587	\$ 4,201	\$ 4,201
Contingent External Contributions	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Capital Program	\$ 115,092	\$194,636	\$101,368	\$97,238	\$98,763

**CITY OF RICHMOND
CAPITAL FUNDING SOURCES (2019-2023)
(In \$000's)**

	2019	2020	2021	2022	2023
DCC Reserves					
Drainage DCC	466	464	-	-	1,057
Park Development DCC	3,903	2,869	1,740	2,822	2,774
Park Development DCC – West Cambie	724	-	969	-	188
Park Land Acquisition DCC	8,064	5,964	5,964	4,083	4,083
Roads DCC	8,898	6,405	8,052	5,788	5,791
Sanitary DCC	-	1,175	1,428	149	-
Water DCC	708	138	1,798	812	-
Total DCC	\$22,763	\$17,015	\$19,951	\$13,654	\$13,893
Statutory Reserves					
Affordable Housing	1,300	1,150	1,150	1,150	1,150
Capital Building and Infrastructure	14,821	60,369	10,450	20,131	11,600
Capital Reserve	15,383	57,951	16,399	9,312	7,778
Child Care	160	60	60	60	60
Drainage Improvement	11,428	13,904	14,383	17,314	22,380
Equipment Replacement	6,404	2,832	3,392	3,310	4,833
Leisure Facilities	7,611	5,400	2,000	-	3,400
Neighbourhood Improvement	184	-	-	-	-
Public Art Program	563	150	150	150	150
Sanitary Sewer	1,650	10,477	7,022	6,791	7,500
Watermain Replacement	7,388	7,556	7,689	8,234	8,655
Total Statutory Reserves	\$66,892	\$159,849	\$62,695	\$66,452	\$67,506
Other Sources					
Enterprise Fund	180	550	550	550	550
Grant and Developer Contribution	12,847	10,125	10,125	10,125	10,125
Other Sources	7,624	4,957	4,587	4,592	4,649
Rate Stabilization	3,536	-	1,320	-	-
Sewer Levy	300	50	100	-	50
Solid Waste and Recycling	300	300	300	300	300
Water Levy	650	1,790	1,740	1,565	1,690
Total Other Sources	\$25,437	\$17,772	\$18,722	\$17,132	\$17,364
Total Capital Program	\$115,092	\$194,636	\$101,368	\$97,238	\$98,763

2019 PROPOSED MUNICIPAL TAX DOLLAR





Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" which are attached and form part of this bylaw, are adopted as the Consolidated 5 Year Financial Plan (2019-2023).
2. 5 Year Consolidated Financial Plan (2018-2022) Bylaw 9663 and all associated amendments are repealed.
3. This Bylaw is cited as **"Consolidated 5 Year Financial Plan (2019-2023) Bylaw No. 9979"**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.

APPROVED for legality by Solicitor


MAYOR

CORPORATE OFFICER

SCHEDULE A:

CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)
REVENUE AND EXPENSES
(In \$000's)

	2019 Budget *	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Revenue:					
Taxation and Levies	229,903	248,731	265,395	278,436	296,153
User Fees	105,805	109,809	115,048	120,448	126,549
Sales of Services	41,977	42,253	42,946	43,504	44,069
Gaming Revenue	16,500	16,500	16,500	16,500	16,500
Investment Income	16,062	16,634	17,148	17,923	18,622
Payments In Lieu Of Taxes	14,200	14,626	15,065	15,532	16,013
Other Revenue	11,244	11,577	11,970	12,380	12,804
Licenses And Permits	11,107	11,324	11,544	11,779	12,020
Provincial and Federal Grant	8,362	8,387	8,449	8,513	8,579
Developer Contributed Assets	50,350	50,350	50,350	50,350	50,350
Development Cost Charges	22,764	17,015	19,951	13,654	13,893
Other Capital Funding Sources	12,847	10,125	10,125	10,125	10,125
	541,121	557,331	584,491	599,144	625,677
Expenses:					
Community Safety	112,526	117,553	124,192	127,398	130,683
Engineering and Public Works	74,568	71,393	72,738	74,212	75,582
Community Services	71,549	67,127	69,395	71,847	73,815
Finance and Corporate Services	29,010	26,192	26,842	27,466	28,104
Fiscal	22,708	21,446	22,436	23,511	27,553
Debt Interest	1,677	1,677	1,677	1,677	1,677
Corporate Administration	11,208	10,866	11,114	11,380	11,651
Planning and Development Services	17,336	17,523	17,994	18,510	19,058
Utility Budget					
Water Utility	44,049	46,047	48,476	51,125	53,964
Sanitary Sewer Utility	33,258	34,730	37,254	39,705	42,659
Sanitation and Recycling	17,760	17,971	18,330	18,715	19,109
Richmond Public Library	11,037	11,244	11,455	11,681	11,911
Richmond Olympic Oval Corporation	16,595	16,905	17,223	17,562	17,909
	463,281	460,674	479,126	494,789	513,675
Annual Surplus	77,840	96,657	105,365	104,355	112,002

SCHEDULE A (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)
TRANSFERS
(In \$000's)**

	2019 Budget *	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Transfers:					
Debt Principal	4,951	5,150	5,355	5,570	5,793
Transfer To (From) Reserves	69,403	71,725	74,246	76,915	79,699
Transfer To (From) Surplus	(28,874)	(2,428)	1,680	4,901	9,001
Capital Expenditures - Current Year	115,092	194,636	101,368	97,238	98,763
Capital Expenditures - Prior Years	280,620	189,309	195,870	140,008	83,601
Capital Expenditures - Developer Contributed Assets	50,350	50,350	50,350	50,350	50,350
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	2,567	2,294	1,602	1,055	1,124
Capital Funding	(417,161)	(415,271)	(325,998)	(272,574)	(217,221)
Transfers/Amortization offset:	77,840	96,657	105,365	104,355	112,002
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	4.82%	6.69%	5.20%	3.91%	5.36%

* 2019 Budget includes recommended one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2020 through 2023 are base budgets to deliver the same level of service and do not include estimates of carryforwards or one-time expenditures that may be approved in future years.

SCHEDULE B:

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2019-2023)
(In \$000's)

	2019	2020	2021	2022	2023
DCC Reserves					
Drainage DCC	466	464	-	-	1,057
Park Development DCC	3,903	2,869	1,740	2,822	2,774
Park Development DCC – West Cambie	724	-	969	-	188
Park Land Acquisition DCC	8,064	5,964	5,964	4,083	4,083
Roads DCC	8,898	6,405	8,052	5,788	5,791
Sanitary DCC	-	1,175	1,428	149	-
Water DCC	708	138	1,798	812	-
Total DCC	\$22,763	\$17,015	\$19,951	\$13,654	\$13,893
Statutory Reserves					
Affordable Housing	1,300	1,150	1,150	1,150	1,150
Capital Building and Infrastructure	14,821	60,369	10,450	20,131	11,600
Capital Reserve	15,383	57,951	16,399	9,312	7,778
Child Care	160	60	60	60	60
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Equipment Replacement	6,404	2,832	3,392	3,310	4,833
Leisure Facilities	7,611	5,400	2,000	-	3,400
Neighbourhood Improvement	184	-	-	-	-
Public Art Program	563	150	150	150	150
Sanitary Sewer	1,650	10,477	7,022	6,791	7,500
Watermain Replacement	7,388	7,556	7,689	8,234	8,655
Total Statutory Reserves	\$66,892	\$159,849	\$62,695	\$66,452	\$67,506
Other Sources					
Enterprise Fund	180	550	550	550	550
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Other Sources	7,624	4,957	4,587	4,592	4,649
Rate Stabilization	3,536	-	1,320	-	-
Sewer Levy	300	50	100	-	50
Solid Waste and Recycling	300	300	300	300	300
Water Levy	650	1,790	1,740	1,565	1,690
Total Other Sources	\$25,437	\$17,772	\$18,722	\$17,132	\$17,364
Total Capital Program	\$115,092	\$194,636	\$101,368	\$97,238	\$98,763

SCHEDULE C:
CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)
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 2019.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	50.5%
User Fees	23.3%
Sales of Services	9.2%
Gaming Revenue	3.6%
Investment Income	3.5%
Payments in Lieu of Taxes	3.1%
Licenses and Permits	2.4%
Provincial and Federal Grants	1.8%
Other	2.6%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2019-2023)
STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the 2018 distribution of property tax revenue among the property classes. 2019 estimated roll figures will be received in March 2019.

Objective:

- Maintain the City’s business to residential tax ratio in the middle in comparison to other municipalities. This will ensure that the City will remain competitive with other municipalities in attracting and retaining businesses.

Policies:

- Regularly review and compare the City’s tax ratio between residential property owners and business property owners relative to other municipalities in Metro Vancouver.

Table 2: (Based on the 2018 Revised Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.19%
Business (6)	35.14%
Light Industry (5)	6.82%
Others (2,4,8 & 9)	1.85%
Total	100.00%

Permissive Tax Exemptions

Objective:

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

Policy:

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