



Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800

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 (2018-2022).
2. 5 Year Consolidated Financial Plan (2017-2021) Bylaw 9663 and all associated amendments are repealed.
3. This Bylaw is cited as "Consolidated 5 Year Financial Plan (2018-2022) Bylaw No. 9800".

FIRST READING

FEB 13 2018

SECOND READING

FEB 13 2018

THIRD READING

FEB 13 2018

ADOPTED

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

MAYOR

CORPORATE OFFICER

SCHEDULE A:
CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2018-2022)
REVENUE AND EXPENSES
(In \$000's)

	2018 Budget *	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Revenue:					
Property Taxes	216,703	226,240	236,227	246,653	257,499
User Fees	100,786	104,224	107,693	111,350	115,168
Sales of Services	39,246	39,572	40,092	40,599	41,116
Gaming Revenue	16,500	16,500	16,500	16,500	16,500
Investment Income	14,694	15,103	15,420	16,326	17,574
Payments In Lieu Of Taxes	14,245	14,729	15,171	15,641	16,126
Other Revenue	10,921	11,208	11,506	11,814	12,132
Licenses And Permits	10,384	10,626	10,832	11,053	11,279
Grant Revenue	7,692	7,799	7,901	8,035	8,171
Developer Contributed Assets	47,410	33,360	33,360	33,360	33,360
Development Cost Charges	31,638	19,775	14,987	15,595	12,430
Other Capital Funding Sources	11,275	11,825	11,125	11,125	11,125
	521,494	510,961	520,814	538,051	552,480
Expenses:					
Community Safety	101,786	102,569	105,425	108,980	112,580
Engineering and Public Works	76,076	66,972	68,232	69,722	71,268
Community Services	66,159	63,298	65,966	68,627	70,641
Finance and Corporate Services	28,162	24,761	25,511	26,534	27,607
Fiscal	22,006	19,222	18,988	18,552	18,088
Debt Interest	1,679	1,677	1,677	1,677	1,677
Corporate Administration	9,950	10,149	10,433	10,791	11,162
Planning and Development Services	16,120	16,165	16,714	17,418	18,158
Utility Budget					
Water Utility	42,161	43,353	44,955	46,645	48,407
Sanitary Sewer Utility	31,930	33,105	34,700	36,415	38,227
Sanitation and Recycling	16,369	16,701	17,294	18,245	19,261
Richmond Public Library	10,758	10,900	11,175	11,523	11,885
Richmond Olympic Oval Corporation	16,211	16,535	16,866	17,203	17,547
	439,367	425,407	437,936	452,332	466,508
Annual Surplus	82,127	85,554	82,878	85,719	85,972

SCHEDULE A (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2018-2022)
TRANSFERS
(In \$000's)**

	2018 Budget *	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Transfers:					
Debt Principal	4,761	4,951	5,149	5,355	5,570
Transfer To (From) Reserves	66,999	69,700	71,963	74,325	76,792
Transfer To (From) Surplus	(34,116)	(3,551)	(1,871)	(1,807)	(1,076)
Capital Expenditures - Current Year	160,064	133,716	104,938	86,131	97,484
Capital Expenditures - Prior Years	257,680	224,878	179,784	137,746	104,968
Capital Expenditures - Developer	47,410	33,360	33,360	33,360	33,360
Contributed Assets					
Capital Expenditures - Richmond Public Library	892	892	892	892	892
Capital Expenditures - Richmond Olympic Oval Corporation	1,362	-	-	-	-
Capital Funding	(422,925)	(378,392)	(311,337)	(250,283)	(232,018)
Transfers/Amortization offset:	82,127	85,554	82,878	85,719	85,972
Balanced Budget	\$-	\$-	\$-	\$-	\$-
Tax Increase	3.30%	2.99%	2.98%	2.95%	2.99%

* 2018 Budget includes approved one-time expenditures and carryforwards funded by rate stabilization accounts. The projections for 2019 through 2022 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 (2018-2022)
(In \$000's)

	2018	2019	2020	2021	2022
DCC Reserves					
Drainage DCC	-	1,154	97	97	-
Park Development DCC	4,167	4,421	2,586	2,257	2,210
Park Land Acquisition DCC	5,964	5,964	5,964	5,400	3,237
Roads DCC	19,274	6,305	5,739	5,505	5,123
Sanitary DCC	588	1,223	103	1,436	150
Water DCC	1,645	708	498	900	1,710
Total DCC	\$31,638	\$19,775	\$14,987	\$15,595	\$12,430
Statutory Reserves					
Affordable Housing	620	625	625	625	625
Arts Culture Heritage	3,645	-	-	-	-
Capital Building and Infrastructure	28,351	1,000	-	1,311	-
Capital Reserve	19,924	52,162	39,262	17,061	31,470
Child Care	220	60	60	60	60
Drainage Improvement	16,753	16,213	14,538	14,213	15,234
Equipment Replacement	4,810	4,080	1,237	2,951	3,480
Neighbourhood Improvement	-	94	-	-	-
Public Art Program	348	464	100	100	100
Sanitary Sewer	10,530	6,697	6,367	6,634	5,140
Waterfront Improvement	-	1,000	-	-	-
Watermain Replacement	11,792	10,385	8,632	8,849	10,209
Total Statutory Reserves	\$96,993	\$92,780	\$70,821	\$51,804	\$66,318
Rate Stabilization					
Rate Stabilization	8,049	-	-	-	-
Total Rate Stabilization	\$8,049	-	-	-	-
Other Sources					
Enterprise Fund	100	550	550	550	550
Grant and Developer Contribution	11,275	11,825	11,125	11,125	11,125
Other Sources	8,878	6,835	5,556	5,186	5,191
Sewer Levy	643	-	-	-	-
Solid Waste and Recycling	300	300	300	300	300
Water Levy	2,188	1,650	1,600	1,570	1,570
Total Other Sources	\$23,384	\$21,160	\$19,131	\$18,731	\$18,736
Total Capital Program	\$160,064	\$133,715	\$104,939	\$86,130	\$97,484

SCHEDULE C:

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2018-2022)
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 2018.

Table 1:

Funding Source	% of Total Revenue
Property Taxes	49.8%
User Fees	23.9%
Sales of Services	9.2%
Gaming Revenue	3.8%
Investment Income	3.4%
Payments in Lieu of Taxes	3.3%
Licenses and Permits	2.4%
Grants	1.8%
Other	2.4%
Total Operating and Utility Funding Sources	100.0%

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
 CONSOLIDATED 5 YEAR FINANCIAL PLAN (2018-2022)
 STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the 2017 distribution of property tax revenue among the property classes. 2018 estimated roll figures will be received in January 2018.

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 2017 Revised Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.28%
Business (6)	35.79%
Light Industry (5)	7.18%
Others (2,4,8 & 9)	0.75%
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*.