



To: Richmond City Council

Date: April 29, 2004

From: Andrew Nazareth
Director of Finance

File: 03-0985-01/2004-Vol 01

Re: 5 YEAR FINANCIAL PLAN (2004-2008) BYLAW 7726

Staff Recommendation

That the 5 Year Financial Plan (2004-2008) Bylaw 7726 be introduced and given first, second and third readings.

Andrew Nazareth
Director of Finance
(4365)

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY TAG	YES <input type="checkbox"/>	N/A <input type="checkbox"/>
REVIEWED BY CAO	YES <input type="checkbox"/>	N/A <input type="checkbox"/>

Staff Report

Origin

A 5 Year Financial Plan provides City staff with the authority to pay for services for Richmond residents and to generate required revenues to cover the costs for the services through property taxation, users fees and other types of revenue. It also provides City staff with clear direction on spending levels and ensures that City staff are accountable to Council and the residents. The 5 Year Financial Plan is prepared in accordance with Section 165 of the Community Charter and must be adopted annually by bylaw before the annual property tax bylaw which has a deadline of May 15th.

Analysis

The 5 Year Financial Plan (2004-2008) (hereafter "5YFP") summarizes the City's projected financial plans for the next 5 year period. The 5YFP is critical in ensuring that the City is focused on the operations of the current year, but cognizant of the emerging and long-term requirements of the community. The 5YFP includes the City's operating, utilities and capital budgets and is based on a number of assumptions and the best available information to City staff at the time of preparation. Therefore, in some cases the figures that are used in calculating the budgets are estimates which means that less reliance can be placed upon the rate increases beyond 2004. However, this is mitigated by the fact that the 5YFP is also revised each year as new information becomes available.

For 2004 the increase in the property tax draw will represent a 3.74% average property tax rate increase over 2003. This has been driven primarily by community safety related increases of \$3.2 million. Some of these increases have been mitigated by an increase in growth and user fees.

Financial Impact

Based on the 5 Year Financial Plan (2004-2008), the City's overall tax base increase and corresponding average tax rate increases are as follows:

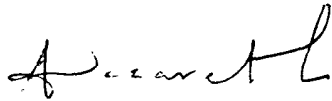
Year	in 000's	%
2004	\$3,954	3.74
2005	\$3,835	3.47
2006	\$3,792	3.32
2007	\$4,059	3.44
2008	\$4,247	3.48

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Conclusion

That Council introduce and give first, second and third readings to the 5 Year Financial Plan (2004-2008) Bylaw 7726.

A handwritten signature in cursive script, appearing to read "Andrew Nazareth".

Andrew Nazareth
Director of Finance
(4365)

:naw



5 YEAR FINANCIAL PLAN (2004 TO 2008)

BYLAW NO. 7726

EFFECTIVE DATE –

CITY OF RICHMOND

BYLAW 7726

5 YEAR FINANCIAL PLAN (2004 - 2008)

The Council of the City of Richmond enacts as follows:

- 1. Schedule "A" and Schedule "B" which are attached and forms a part of this bylaw, is adopted as the 5 Year Financial Plan (2004 – 2008).
- 2. 2003 to 2007 – 5 Year Financial Plan Bylaw No. 7520 is repealed.
- 3. This Bylaw is cited as "**5 Year Financial Plan (2004 – 2008) Bylaw 7726**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.
APPROVED for legality by Solicitor

MAYOR

CITY CLERK

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2004 - 2008)
(in 000's)

EXPENDITURES	2004	2005	2006	2007	2008
	\$	\$	\$	\$	\$
Municipal Debt:					
Debt Interest	2,700	2,511	2,511	2,511	2,511
Debt Principal	2,377	2,130	2,230	2,342	2,458
Divisional Expenditures:					
Community Safety	53,487	55,261	57,746	59,343	60,959
Parks, Recreation & Cultural Services	35,063	36,106	37,039	37,570	37,937
Engineering & Public Works	23,907	25,349	26,658	27,605	28,602
Utilities (Water, Sewer & Sanitation)	50,252	53,638	57,392	62,159	67,580
Finance & Corporate Services	13,292	13,649	14,070	14,198	14,325
Urban Development	7,115	7,278	7,466	7,476	7,485
Corporate Administration	2,445	2,504	2,572	2,576	2,581
Human Resources	2,083	2,116	2,154	2,160	2,165
Fiscal	26,902	27,461	28,708	31,128	33,625
Transfers To Funds:					
Statutory Reserves	9,565	9,765	9,654	9,807	9,809
Capital Plan	45,380	35,307	41,292	62,056	31,073
TOTAL EXPENDITURES	274,568	273,075	289,492	320,931	301,110

REVENUES	2004	2005	2006	2007	2008
	\$	\$	\$	\$	\$
Property Taxes	110,493	114,328	118,120	122,179	126,426
Grants in Lieu of Taxes	9,935	9,405	9,522	9,638	9,756
Utilities (Water, Sewer & Sanitation)	50,252	53,638	57,392	62,159	67,580
Fees & Charges	31,704	32,280	33,965	35,516	36,887
Other Revenues:					
Provincial Revenue Sharing	1,717	2,046	2,681	2,858	2,858
Fiscal Revenues	20,117	20,926	21,375	21,380	21,385
Investment Income	3,900	4,000	4,000	4,000	4,000
Penalties and Interest on Taxes	1,070	1,145	1,145	1,145	1,145
Capital Plan:					
Transfer from DCC Reserve	13,214	10,845	9,958	10,513	11,823
Transfer From Other Funds and Reserves	32,166	24,462	31,334	51,543	19,250
TOTAL REVENUES	274,568	273,075	289,492	320,931	301,110

Proposed Property Tax Increase %	3.74%	3.47%	3.32%	3.44%	3.48%
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CITY OF RICHMOND
5 YEAR CAPITAL PLAN FUNDING SOURCES
2004-2008
(in 000's)

DCC Reserve	2004	2005	2006	2007	2008
	\$	\$	\$	\$	\$
Roads	\$4,492	\$3,770	\$3,771	\$4,256	\$4,100
Drainage	1,971	1,777	1,140	720	530
Sanitary Sewer	167	0	0	0	0
Parks Acquisition	4,410	3,822	3,626	4,018	5,684
Parks Development	2,174	1,476	1,421	1,519	1,509
TOTAL DCC	\$13,214	\$10,845	\$9,958	\$10,513	\$11,823
Other Funds and Reserves					
	\$	\$	\$	\$	\$
Statutory Reserves					
Affordable Housing Reserve Fund	\$1,500	\$1,000	\$1,000	\$1,000	\$0
Capital Building and Infrastructure Fund	344	3,837	7,951	31,446	1,488
Capital Reserve Fund	7,960	4,815	7,086	5,158	5,145
Equipment Replacement Reserve Fund	3,290	2,178	2,311	1,789	2,077
Local Improvements Reserve Fund	750	750	750	750	750
Sanitary Sewer Reserve Fund	1,725	1,403	1,800	1,653	853
Waterfront Improvement Reserve Fund	600	700	800	900	1,000
Watermain Replacement Reserve Fund	3,814	4,121	4,520	4,551	4,537
Subtotal Statutory Reserves	\$19,983	\$18,804	\$26,218	\$47,247	\$15,850
Other Sources					
Asphalt Capping Provision	\$500	\$0	\$0	\$0	\$0
Casino Funding	2,043	2,095	2,421	2,676	1,900
Hamilton Community Association	0	0	25	0	0
Library Board Funding	285	0	0	0	0
Library Provision	160	0	0	0	0
Terra Nova Provision	1,000	500	500	1,000	1,000
Water Metering Provision	2,000	1,000	1,000	0	0
Grant & Developers	6,195	2,063	1,170	620	500
Subtotal Other Sources	\$12,183	\$5,658	\$5,116	\$4,296	\$3,400
TOTAL OTHER FUNDS & RESERVES	\$32,166	\$24,462	\$31,334	\$51,543	\$19,250
TOTAL CAPITAL PLAN FUNDING SOURCES	\$45,380	\$35,307	\$41,292	\$62,056	\$31,073