



Finance Committee

**Anderson Room, City Hall
6911 No. 3 Road**

Monday, February 3, 2014

Immediately Following the Open General Purposes Committee meeting

Pg. # ITEM

MINUTES

FIN-3 *Motion to adopt the **minutes** of the meeting of the Finance Committee held on Monday, December 2, 2013.*



FINANCE AND CORPORATE SERVICES DEPARTMENT

1. **5 YEAR FINANCIAL PLAN (2014 - 2018) BYLAW 9100**
(File Ref. No. 03-0970-20-01) (REDMS No. 4125913)

FIN-13

See Page FIN-13 for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

- (1) *That the 5 Year Financial Plan (2014 –2018) be approved as presented by the Director, Finance;*
- (2) *That the 5 Year Financial Plan (2014 –2018) Bylaw No. 9100 be introduced and given first, second, and third readings; and*
- (3) *That staff undertake a process of public consultation as required in Section 166 of the Community Charter.*



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ITEM

ADJOURNMENT





Finance Committee

Date: Monday, December 2, 2013

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Linda Barnes
Councillor Derek Dang
Councillor Evelina Halsey-Brandt
Councillor Ken Johnston
Councillor Bill McNulty
Councillor Linda McPhail
Councillor Harold Steves

Call to Order: The Chair called the meeting to order at 5:02 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, November 4, 2013, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DEPARTMENT

Councillor Steves left the meeting at 5:03 p.m. and returned at 5:05 p.m.

1. **FINANCIAL INFORMATION – 3RD QUARTER SEPTEMBER 30, 2013**
(File Ref. No.) (REDMS No. 4033012)

It was moved and seconded

That the staff report titled Financial Information – 3rd Quarter September 30, 2013 from the Director, Finance be received for information.

CARRIED

1.

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2. **2013 AUDIT ENGAGEMENT**

(File Ref. No. 03-0950-03) (REDMS No. 4043208)

It was moved and seconded

That the 2013 Audit Engagement report dated November 15, 2013 be received for information.

CARRIED

3. **2014 CAPITAL BUDGET**

(File Ref. No.) (REDMS No. 4024687 v.3)

Andrew Nazareth, General Manager, Finance and Corporate Services, accompanied by Jerry Chong, Director, Finance, advised that the Capital Budget is one of the largest components of the Five-Year Financial Plan. The proposed 2014 Capital Budget is \$185.9 million; approximately 65% of the proposed budget is related to Phase 1 of the Corporate Facilities Implementation Plan to build (i) a co-located Older Adults' Centre and Minoru Aquatic Centre at Minoru 2 Field in Minoru Park, (ii) a new Fire Hall No. 1, and (iii) a new City Centre Community Centre. The proposed budget meets the requirements of the Long-Term Financial Management Strategy (LTFMS) to ensure that sufficient long-term capital funding for infrastructure replacement and renewal is in place in order to maintain community viability and to generate economic development.

A discussion ensued regarding:

- the Minoru 2 artificial turf retrofit and Minoru Park track resurfacing in relation to the Facilities Plan, to which Mike Redpath, Senior Manager, Parks, advised that the artificial turf will be installed at its new location and the Minoru Park track will be maintained as a useable track during the construction phase of the Older Adults' Centre and Minoru Aquatic Centre; hence staff's request to resurface the track;
- staff providing more details on the purchase of the Inter-agency Emergency Command Vehicle;
- the purchase of a new fire truck, to which Fire Chief John McGowan, Richmond Fire-Rescue, advised that two vehicles, associated with the 2013 Capital Budget, are currently in production with an approximate delivery date of May 2014 or June 2014; the purchases requested for 2014 are for new fire vehicles;
- increasing the Strategic Land Acquisition budget to which Mr. Nazareth noted that the amount requested would augment the existing approved funds and that staff are currently preparing a long-term Land Strategy proposal;

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- gaming revenue being a consistent source of funding for specific Capital projects, such as playground improvements with the balance of the revenue being placed in the Gaming Provision Fund;
- the purchase of four vehicles for the RCMP Detachment Leadership Team, to which Phyllis Carlyle, General Manager, Law and Community Safety, advised that the recent policy for British Columbia was an arbitrary reduction of services that prevents officers driving directly from their residence to the scene of an investigation. Four City vehicles will be purchased and equipped to RCMP standards for the Officer in Charge and three Inspectors, in exchange for a one-time reduction to future billings of the RCMP Contract Policing Account;
- a letter being sent to the RCMP “E” Division challenging the recent reduction in the level of service;
- the costs associated with the Richmond Ice Centre to which Robert Gonzalez, General Manager, Engineering and Public Works, advised that the facility is reaching the end of its lifespan and in order to minimize monies spent on the facility staff are currently reviewing opportunities for funding;
- the lifespan of drainage pumps, to which Mr. Gonzalez stated pump stations are being built with long-term considerations in mind and that such pumps are being built to meet anticipated capacity for the next twenty years;
- the Mobile Middleware Framework to which Grant Fengstad, Director, Information Technology, advised that the purpose of the framework is to provide a solution which enables many of the City’s servers to properly communicate to the web and mobile devices, thereby enabling opportunities for innovation;
- funding for a public art component for the pump station replacement program;
- laneway improvements that comply with City standards; and
- confirmation that the Branscombe House renovations include accessible public washrooms.

It was moved and seconded

- (1) ***That the 2014 Capital Budget be approved and staff be authorized to commence the 2014 Capital Projects effective January 1, 2014;***
- (2) ***That the Five-Year Financial Plan (2014-2018) be prepared for presentation to Council incorporating the 2014 Capital Budget; and***

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- (3) *That a letter, signed by the Mayor, be sent to the RCMP "E" Division regarding the reductions in service as a result of the changing of vehicle policy.*

CARRIED

It was moved and seconded

That the Inter-Agency Emergency Command Vehicle be referred to staff for more details on its need, use, and cost.

CARRIED

4. **2014 OPERATING BUDGET**

(File Ref. No.) (REDMS No. 4016840 v.2)

Mr. Nazareth advised that the 2014 Operating Budget included high level estimates for the Aquatic Centre and City Centre Community Centre with a future report being brought forward to Council. Also, he noted that the Chief Administrative Officer (CAO) has directed that the Operational Review Committee (ORC) review the expenses going forward. The ORC will also be reviewing administrative staffing to determine whether a portion of the tax growth can be utilized to meet administrative needs. The 2014 Operating Budget meets the requirements of the City's LTFMS.

In response to a query regarding an analysis of the incremental staffing needs, George Duncan, CAO, advised that a personnel strategy would be part of the ORC process and included in the staff report to Council. For the past number of years the City has satisfied staffing requirements by offsetting efficiencies that had been identified. The operational review will examine anticipated staffing needs for the next five to seven years and identify efficiencies to minimize any impact to the operating budget for 2015. Staff is confident that there are sufficient funds, through the efficiencies identified, for any staffing requirements for 2014.

In reply to a query regarding the need for a Quick Response Team Officer, Superintendent Renny Nasset, Officer in Charge, Richmond RCMP, advised that the additional officer would meet resource levels for the Quick Response Team as it has a proactive and targeted approach to managing hotspots and high risk offenders.

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Discussion ensued regarding the funds for the one percent transfer to reserves be taken from the surplus for 2013 in lieu of charging taxpayers. The City has consistently raised taxes over the past several years, however private industry salaries have not increased accordingly. Concern was expressed that the taxpayer be given a break in the municipal taxes. Mr. Nazareth advised that Council's direction had been to protect the yearly surplus for rate stabilization and yearly one-time expenditures. Mr. Chong noted that taxpayers are being given a break by applying the surplus to reduce the operating budget impact over the next five years. Committee discussed removing the one percent transfer to reserves from the operating budget.

In response to queries, Greg Buss, Chief Librarian, Richmond Public Library, advised that the proposed increased in fine revenue was the result of combining all fine revenue into one account. Actual figures reflect a modest decline in fine revenue. There is a one-time contract expense for the Consultant fees related to strategic planning.

Committee expressed the need for staff to have a communication strategy with regard to the transfer to reserves both in terms of where these funds have been used over the years and of the importance of continuing to build the reserve funds in order to meet the future needs of the community.

It was moved and seconded

- (1) *That the 2014 Operating Budget, as presented under Budget Option 1 in the staff report dated November 29, 2013 from the Director Finance, be approved;*
- (2) *That the 2014 Richmond Public Library budget as presented in Attachment 3 of the staff report dated November 29, 2013 from the Director Finance be approved in accordance with the Library Act;*
- (3) *That the Five-Year Financial Plan (2014-2018) be prepared for presentation to Council incorporating the 2014 Operating Budget; and*
- (4) *That staff prepare a communication strategy regarding the City Financing and the use of reserves.*

The question on the motion was not called, as the following **amendment** was introduced:

It was moved and seconded

That Part (1) be amended to read as follows:

- (1) *That the 2014 Operating Budget, as presented under Budget Option 1 in the staff report dated November 29, 2013 from the Director Finance, be approved provided that the transfer to reserves of 1% be deleted;*

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The question on the **amendment** was not called as a brief discussion ensued during which those members of Committee supporting the amendment expressed the importance of providing a tax break to taxpayers in light of current economic pressures. Also, it was noted that Council has other sources of revenue to draw from for the one percent transfer to reserves. Members of Committee opposed to the amendment expressed the need to continue the prudent conservative LTFMS in order to meet the increasing demand of the aging infrastructure and for future Capital projects. Experience has shown that it took the City years to recover from the decline in reserves when allocations were suspended in the past.

In response to a query, Mr. Nazareth stated that the one percent transfer today would accumulate to a loss in revenue of \$8.5 million in five years time. Mr. Chong advised that the balance of uncommitted reserves is approximately \$200 million with much of the balance being held in restricted reserves such as the Affordable Housing Reserve.

The question on the **amendment** motion was then called, and it was **DEFEATED** with Mayor Brodie and Councillors Au, Barnes, Halsey-Brandt, McPhail, and Steves opposed.

The question on the main motion was then called, and it was **CARRIED** with Councillors Dang, Johnston, and McNulty opposed.

5. **2014 ONE-TIME EXPENDITURES**

(File Ref. No.) (REDMS No. 4034216)

Mr. Nazareth advised that the 2014 One-Time Expenditures do not impact property taxes for 2014.

Discussion ensued regarding the low priority rating for Item 13 “Gateway Theatre Facility Need Options.” Committee expressed that the Arts are an important component of the community and that the project should be included as part of the 2014 expenditures. It was noted that the inclusion of such funding be subject to Gateway Theatre receiving matching funds. Mr. Nazareth advised that the priority level was based on the evaluation criteria related to health, safety, and social benefits.

In reply to a query concerning Item 1 “Contribution to Facility Maintenance/Repair Provision” not being included in the 2014 Capital or Operating Budgets; Mr. Chong stated that the monies would be placed in a provisional account in order to ensure that the funds are available as needs arise.

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Discussion ensued regarding (i) the need for the evaluation of the Major Event Provision Fund, (ii) which events are supported, and (iii) the possibility of expanding support to other events. Cathryn Carlile, General Manager, Community Services, advised that the funds are placed in a provision account. When requests for support are received, staff would report to Council for approval prior to any disbursement of said funds. In terms of other events, such as the Dragon Boat Festival, the organizers have accessed grant funding or Corporate Sponsorships for financing. Ms. Carlie advised that Council could direct staff to support other events at their discretion.

In response to a query regarding Item #7 “Law and Community Safety Facility Long-term Review and Deployment Plan-Fire and Police Services in the City”, Ms. Carlyle noted that as development progresses in the City, staff examine how to manage matters such as Duck Island, the urbanization of the City Centre core, and the proposed fuel line tank farm in light of the 2041 Official Community Plan.

Ms. Carlile advised that a Community Needs Assessment is completed every five years which establishes community needs. The assessment will also include the professional review for future aquatic service needs in the community.

Ted Townsend, Senior Manager, Corporate Communications, stated that “Let’s Talk Richmond” has been used on a wide variety of projects over the past three years. “Let’s Talk” has been a successful tool for expanding public participation and seeking direction on such matters as the Official Community Plan, the Dyke Master Plan, and the Garden City Lands. Staff has evaluated other available options and has been satisfied that “Let’s Talk” provides the best value to the City.

It was moved and seconded

- (1) *That the recommended one-time expenditures in the amount of \$3.1M, as outlined in the staff report titled 2014 One-Time Expenditures, be approved; and*
- (2) *That the one-time expenditures be included in the City’s Five-Year Financial Plan (2014-2018) Bylaw.*

The question on the motion was not called, as the following **amendment** was introduced:

It was moved and seconded

That the Gateway Theatre Facility Need Options be included subject to receiving matching funds as identified.

CARRIED

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Staff was directed to provide more information on Item 10 “Let’s Talk Richmond” and Item #4 “Major Events Provision Fund” prior to the next Council meeting.

Discussion ensued and a member of Committee moved that Item 4 “Major Events Provision Fund” be deleted (no seconder for the motion). Further discussion ensued and as a result the following **amendment** was introduced:

It was moved and seconded

That Item #7 “Law and Community Safety Facility Long-term Review and Deployment Plan-Fire and Police Services in the City” be deleted.

The question on the amendment was not called, as clarification was requested. Ms. Carlyle advised that review would primarily focus on geography and concentration of population to determine personnel requirements to respond to the need of the community.

The question on the amendment was then called and it was **DEFEATED** with Mayor Brodie and Cllrs. Au, Barnes, Dang, Halsey-Brandt, Johnston, McPhail, and Steves opposed.

Discussion continued and a member of Committee moved that Item 9 “Community Needs Assessment” be deleted (no seconder for the motion). Also, there was agreement to include direction to staff to provide more information on Item 10 “Let’s Talk Richmond” and Item #4 “Major Events Provision Fund” prior to the next Council meeting as Part (4).

The question on the main motion, as amended, which now reads:

- (1) *That the recommended one-time expenditures in the amount of \$3.1M, as outlined in the staff report titled 2014 One-Time Expenditures, be approved;*
- (2) *That the one-time expenditures be included in the City’s Five-Year Financial Plan (2014-2018) Bylaw;*
- (3) *That the Gateway Theatre Facility Need Options be included subject to receiving the matching funding as identified; and*
- (4) *That staff provide more information on Item 10 “Let’s Talk Richmond” and Item #4 “Major Events Provision Fund”.*

was then called and it was **CARRIED**.

RICHMOND OLYMPIC OVAL CORPORATION

6. 3RD QUARTER 2013 – FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION

(File Ref. No.) (REDMS No. 4048098)

It was moved and seconded

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended September 30, 2013 from the Controller of the Richmond Olympic Oval Corporation be received for information.

The question on the motion was not called as discussion ensued regarding the approximate \$615,000 surplus funds and staff was requested to provide the current balance of the capital reserve fund to Committee.

In response to a query regarding the 30% decrease in Administration/Finance expenses, Rick Dusanj, Controller, Richmond Olympic Oval Corporation, noted that the favourable variance is due in part to: (i) contingency related to a specific project, (ii) savings in professional fees, and (iii) vacant and auxiliary staffing. On the revenue side, registered programming for high performing and sports camps have been higher than anticipated. The favourable variance in the marketing expenses is due to vacancies in personnel.

CARRIED

7. 2014 OPERATING AND CAPITAL BUDGETS FOR THE RICHMOND OLYMPIC OVAL CORPORATION

(File Ref. No.) (REDMS No. 4048160)

Discussion ensued regarding future allocations related to the 2014 Games Operating Trust.

It was moved and seconded

That the report on the 2014 Operating and Capital Budgets for the Richmond Olympic Oval Corporation from the Controller of the Richmond Olympic Oval Corporation be received for information.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:43 p.m.).

CARRIED

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Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, December 2, 2013.

Mayor Malcolm D. Brodie
Chair

Heather Howey
Committee Clerk



City of Richmond

Report to Committee

To: Finance Committee

Date: January 13, 2014

From: Jerry Chong, CA
Director, Finance

File: 03-0970-20-01/2014-
Vol 01



Re: 5 Year Financial Plan (2014 - 2018) Bylaw 9100

Staff Recommendation

That:

1. The 5 Year Financial Plan (2014 –2018) be approved as presented by the Director, Finance.
2. The 5 Year Financial Plan (2014 –2018) Bylaw No. 9100 be introduced and given first, second, and third readings.
3. Staff undertake a process of public consultation as required in Section 166 of the Community Charter.

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

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Business Licences	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	
Affordable Housing	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Recreation Services	<input checked="" type="checkbox"/>	
Engineering Department	<input checked="" type="checkbox"/>	
Sewerage & Drainage	<input checked="" type="checkbox"/>	
Sustainability	<input checked="" type="checkbox"/>	
Water Services	<input checked="" type="checkbox"/>	
Law & Community Safety Administration	<input checked="" type="checkbox"/>	
Community Bylaws	<input checked="" type="checkbox"/>	
Fire Rescue	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Building Approvals	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: DW	APPROVED BY CAO 

Staff Report

Origin

In subsection 165(l) of the Community Charter, it requires the City to adopt a 5 Year Financial Plan (5YFP) Bylaw on or before May 15th of each year. However early adoption is encouraged in order for all users to be aware of the bylaws and rates in place. Included in the 5 Year Financial Plan are the 2014 Operating, Capital and Utility Budgets and estimates for the remainder of the five-year program. The 2014 5YFP Bylaw provides the City with the authority to proceed with spending to the limits as outlined in the bylaw. The following figure outlines the process and timeline behind the 2014 – 2018 Financial Plan:

Timeline	Operating	Capital	Utility
June 2013	<ul style="list-style-type: none"> Research assumptions for the 2014 Budget 	<ul style="list-style-type: none"> Review Budget Process and identify focus areas Publish guidelines for the preparation of Capital Submissions 	<ul style="list-style-type: none"> Liaise with external agencies for external input (Metro Vancouver)
July - August 2013	<ul style="list-style-type: none"> Council endorses 2014 Budget assumptions Reviews commence with individual departments 	<ul style="list-style-type: none"> Prepare and submit capital submissions and Operating Budget Impact for Capital Projects 	<ul style="list-style-type: none"> Prepare the Budget based on initial assumptions received from Agencies
September 2013	<ul style="list-style-type: none"> Budget reviews continue with individual departments 	<ul style="list-style-type: none"> Rank 2014-2018 Capital Submissions Review by Corporate Directors Leadership Group 	<ul style="list-style-type: none"> Continue Budget preparation
October 2013	<ul style="list-style-type: none"> SMT Budget reviews 	<ul style="list-style-type: none"> Present preliminary 2014 Capital Budget to SMT for review and direction 	<ul style="list-style-type: none"> Obtain finalized rates from agencies and finalize the Budget Finance review of the Budget
November 2013	<ul style="list-style-type: none"> CAO/SMT Budget review 	<ul style="list-style-type: none"> CAO/SMT Budget review 	<ul style="list-style-type: none"> Present the 2014 Budget to General Purpose Committee and Council
December 2013	<ul style="list-style-type: none"> Present 2014 Budget to Finance Committee and Council 	<ul style="list-style-type: none"> Present 2014 Capital Budget to Finance Committee and Council 	
January 2014	<ul style="list-style-type: none"> Consolidate 2014 Capital, Operating and Utility Budgets Prepare Financial Plan 2014 - 2018 for presentation to Council 		

Analysis

The key inputs into the 5YFP (2014-2018) are the Operating, Capital and Utility budgets. Each of these key components were approved by Council as follows:

- 2014 Capital Budget approved on December 9, 2013
- 2014 Utility Budget approved on November 25, 2013

- 2014 Operating Budget approved on December 9, 2013
- 2014 One-Time Expenditures approved on December 9, 2013

Under the City's Long Term Financial Management Strategy (LTFMS), the City is committed to financial planning that maintains existing levels of service to the community and provides for the future needs of the community, while limiting the impact on property taxes.

A number of major trends were reviewed to determine the assumptions to apply in forming the 5YFP. The situational analysis is included in Attachment 1 and a summary of the assumptions gathered based on this analysis are summarized in Table 1.

Table 1 – 5 Year Financial Plan (2014-2018) Assumptions

	2014	2015	2016	2017	2018
Consumer Price Index	2.0% ¹	2.0% ¹	2.0% ¹	2.0% ¹	2.0% ²
Municipal Price Index (For comparative purposes only)	3.1%	3.2%	3.0%	3.1%	3.1%
Business Licences	2.0%	2.0%	2.0%	2.0%	2.0%
User Fees	2.0%	2.0%	2.0%	2.0%	2.0%
Growth (tax base)	1.3%	1.0%	0.9%	0.8%	0.8%
Metro Vancouver Rates:					
Water	4.0%	8.1%	7.9%	8.6%	4.9%
Liquid Waste	8.0%	8.0%	8.0%	8.0%	8.0%
Solid Waste	1.0%	10.0%	15.0%	10.0%	4.0%
RCMP contract increases	3.5%	2.0%	1.5%	2.1%	2.3%
Natural gas expense	0.0%	1.0%	3.0%	3.0%	3.0%
Electricity Expense	7.0% ³	6.7% ³	4.9% ³	3.7% ³	3.2% ³
Material and Supplies	2.0%	2.0%	2.0%	2.0%	2.0%
Fuel Costs	6.0%	6.0%	6.0%	6.0%	6.0%
Insurance Expense	3.0%	3.0%	3.0%	3.0%	3.0%
Casino Funding Assumptions (in '000s):					
Oval	\$5,000	-	-	-	-
Debt Servicing	-	\$5,000	\$5,000	\$5,000	\$5,000
Revolving Fund	\$2,239	\$2,239	\$2,239	\$2,239	\$2,239
Industrial Use Reserve	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Capital	\$600	\$600	\$600	\$600	\$600
Capital Building Infrastructure	\$1,777	\$1,777	\$1,777	\$1,777	\$1,777
Grants	\$763	\$778	\$794	\$810	\$826
Physical Plant	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
Operating (RCMP)	\$628	\$641	\$650	\$664	\$679
Operating Budget Impact of Capital Budget (OBI) in '000s					
Utility Budget	\$20	\$101	\$89	\$94	\$94
Operating Budget (includes phase in)	\$600	\$938	\$789	\$852	\$723

¹ The CPI Rate is estimated based on TD Economics, RBC, BMO, and Central 1; ² Estimated rate of CPI for the period 2018 based on continuation of 2017 projection. ³ Energy Manager. City of Richmond

Table 2 – 5 Year Financial Plan (2014 – 2018)

	2014	2015	2016	2017	2018
Revenues					
Property Taxes	\$183,822	\$191,101	\$198,414	\$205,865	\$213,675
Transfer from Capital Equity	44,812	45,028	45,113	45,642	48,882
Utilities	94,505	98,470	102,977	107,832	111,882
Transfer from Capital Equity	6,621	6,653	6,666	6,744	7,222
Fees and Charges	27,517	27,930	28,326	28,736	29,189
Investment Income	16,197	16,278	16,360	16,441	16,524
Grants in Lieu of Taxes	13,473	13,647	13,823	14,001	14,182
Gaming Revenue	14,908	14,946	14,983	15,020	15,058
Grants	4,580	4,608	4,637	4,666	4,695
Penalties and Interest on Taxes	1,015	1,025	1,036	1,046	1,056
Miscellaneous Fiscal Earnings	23,735	20,776	21,548	22,128	21,606
Proceeds from Borrowing	50,815	-	-	-	-
Capital Plan					
Transfer from DCC Reserve	19,675	14,452	11,471	11,449	13,589
Transfer from Other Funds and Reserves	171,767	51,986	49,688	49,269	43,826
External Contributions	680	230	175	575	175
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL REVENUES	\$874,801	\$643,843	\$608,916	\$576,700	\$577,577
Expenditures					
Utilities	\$79,505	\$83,502	\$88,022	\$92,955	\$97,483
Transfer to Drainage Improvement Replacement Reserve	9,765	9,765	9,765	9,765	9,765
Transfer to Watermain Replacement Reserve	7,500	7,500	7,500	7,500	7,500
Transfer to Sanitary Sewer Reserve	4,256	4,256	4,256	4,256	4,256
Transfer to Equipment Replacement Reserve	100	100	100	100	100
Law and Community Safety	87,417	89,625	91,677	93,708	96,115
Transfer to Equipment Replacement Reserve	983	983	983	983	983
Engineering and Public Works	67,596	67,967	69,101	70,699	71,764
Transfer to Equipment Replacement Reserve	1,675	1,675	1,675	1,675	1,675
Community Services	62,980	63,403	65,872	68,206	72,699
Transfer to Capital Building & Infrastructure Reserve	252	252	252	252	252
Finance and Corporate Services	24,927	25,105	25,516	25,936	26,374
Planning and Development	12,806	13,011	13,240	13,474	13,722
Corporate Administration	7,180	7,251	7,371	7,493	7,620
Fiscal	24,676	25,028	25,546	26,071	26,499
Transfer to Capital Building & Infrastructure Reserve	11,866	13,704	15,615	17,599	19,658
Transfer to Capital Reserve	59,890	9,890	9,890	9,890	9,890
Transfer to Accumulated Surplus	5,000	-	-	-	-
Transfer Investment Income to Statutory Reserves	11,250	11,306	11,363	11,420	11,477
Municipal Debt					
Debt Interest	1,366	1,906	1,906	1,906	1,906
Debt Principal	1,010	4,233	4,233	4,233	4,233
Capital Plan					
Current Year Capital Expenditures	192,122	66,668	61,334	61,293	57,590
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL EXPENDITURES	\$874,801	\$643,843	\$608,916	\$576,700	\$577,577
Proposed Property Tax Increase	2.96%	2.96%	2.98%	2.96%	2.99%

Note: Including 1% levy for transfer to reserves for capital and infrastructure replacements

Table 2 summarizes the impact of applying these assumptions to revenues, expenditures and includes a summary of the projected tax increases for 2014-2018. The projected tax increases meet Council's policy of keeping property tax increases to Vancouver's CPI rate and adheres to the LTFMS by including a 1% levy for future capital and infrastructure replacement.

The remainder of this report discusses:

1. Highlights of some of the major city services included in the 5YFP along with the major cost drivers for these services.
2. Operating Budget Funding Sources
3. Capital Budget Highlights

1. Major City Service Highlights – Operating and Utility Budgets:

A. Utilities

The utility rates need to be established by December 31st every year in order to facilitate charging for the next calendar year. Home owners in the City are issued a utility bill annually or quarterly. The operating expenditure covers services for water supply, sewage collection and treatment, drainage, dike, solid waste, recycling, flood protection, grease management and environmental programs. Table 3 outlines the distance coverage for drainage, sewer, and water in Richmond.

The major cost drivers are salaries, regional water rates, regional waste disposal tipping fee increases, regional operating costs for sewer treatment, contracts and new programs related to solid waste and recycling collection services. Metro Vancouver forecasted expense increases for Water, Liquid Waste and Solid Waste are summarized in Table 1.

Table 3 Infrastructure – Drainage, Sanitary Sewer and Watermains (km)

Year	2009	2010	2011	2012	2013
Drainage	613	613	620	622	625
Sewer	563	563	565	565	567
Water	624	624	630	630	630

B. Law and Community Safety

i. RCMP

The RCMP is committed to working in partnership with the citizens of Richmond to achieve the goal of "Safe Homes and Safe Communities". Through a consultative process with Council and other Stakeholders, the RCMP establishes policing priorities on an annual basis. In the period between 2009-2012, the City of Richmond has lower provincial rates per each of the categories monitored as presented in Table 4, except for the Controlled Drugs and Substances Act ("CDSA") offences, due to the fact that controlled substances seizures are executed at Vancouver International Airport, which is under the City's jurisdiction.

Table 4— Average Crime Rates City of Richmond vs. BC

2009 - 2012 Average Crime Rates (per'000 people)	Richmond Average	BC Average
Violent Crime Rates	8.6	15.2
Controlled Drugs and Substances Act Crime Rates	5.8	5.7
Property Crime Rate	40.2	50.2
Total Crime Code Offences Rate	59.8	82.7

Source: RCMP Crime Analyst

Consultation with the public through the strategic planning external survey and internal assessment of crime reports have identified a number community concerns for the upcoming fiscal year. The following Community Objectives were selected by Council as priorities for the RCMP fiscal year 2013/14:

- Pedestrian Safety – with a focus on reducing fatalities and severe bodily injuries;
- Commercial/Residential Break and Enters – with a focus on prolific offenders; and
- Personal Thefts/Robberies in the Downtown Core – with a focus on increasing police visibility.

The major cost driver for RCMP within the Law and Community Safety budget is the RCMP contract. Forecasted increases for 2014 to 2018 are included in Table 1.

ii. Fire Rescue

Richmond Fire-Rescue continues to provide services to the community in the areas of prevention, education and emergency response. In 2014, a focus will be placed on construction of Fire Halls 1 and 3, developing and implementing Prevention and Public Education plans and services that align with community risk.

A study to look at Richmond's Fire and Rescue services (RFR) and community risk is being conducted in 2014 with completion in 2015. The goal is to ensure that RFR has resources, at the right event and time with the right amount of staff now and into the foreseeable future. The City's new Official Community Plan (OCP) to 2041 and the City Centre Area Plan to 2031 are key documents that will be used. The prevention and education initiatives outlined and being implemented in the Fire-Rescue Plan (2012-2015) are intended to help manage the future demand for RFR emergency response services.

The major cost driver for Fire Rescue services within the Law and Community Safety budget is salaries. Forecasted increases for 2014 to 2018 are based on estimates as the collective agreement is yet to be negotiated.

C. Engineering and Public Works

Engineering and Public Works continues to provide services including the installation, maintenance and replacement of the City's infrastructure including roads, water, sewer, drainage, dikes and civic buildings. In addition, the department leads the City's sustainability efforts, including the district energy program. Roads and construction provide various services and street infrastructure for citizens of Richmond. These services are required for

public safety and include many areas such as: snow and ice control, street cleaning, asphalt maintenance of roads, inspections and maintenance of bridges, maintenance of street lights and maintenance of dikes.

The major cost driver for Engineering and Public Works is union salaries which are based on collective agreement rates set at 1.75% for 2014 and 2% for 2015. Increases for 2016 through 2018 are based on estimates.

D. Community Services (Includes Community Social Development; Arts, Culture and Heritage; Parks and Recreation; Richmond Public Library)

Community Services continues to work in partnership with the community to provide a variety of programs, services, places, spaces and other amenities which greatly enhance the quality of life for both current and future generations.

There will be continued emphasis on park development and programs, aquatic and arena services, recreation services for all ages, health and wellness programs as well as arts, culture and heritage programs and services.

There will also be an emphasis on pursuing implementation of the Richmond Social Development Strategy: a strategy which identifies social development priorities requiring City attention over the next ten years. Services and initiatives related to our aging population, cultural diversity, child care and affordable housing are among the priorities.

The Richmond Public Library is committed to working with Council, City staff, community partners and generous donors to achieve five strategic goals:

- Support reading in our community
- Use technology to connect readers
- Develop collections to meet popular demand
- Offer programs that inform and inspire
- Create friendly, welcoming facilities

The Library will continue to provide items to satisfy public demand for its services.

The major cost driver for Community Services include union salaries, natural gas, and electricity expenses. Union salaries are based on collective agreement rates set at 1.75% for 2014 and 2% for 2015. Increases for 2016 through 2018 are based on estimates. Assumptions for natural gas and electricity are summarized in Table 1.

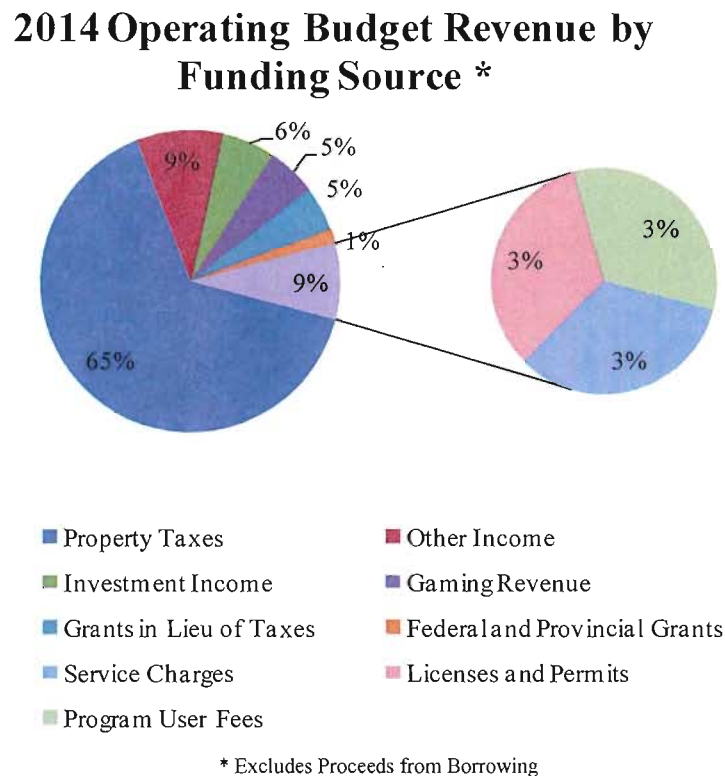
For 2014, Attachment 2 shows the breakdown of where each tax dollar is spent by the City. The biggest areas are the services provided by the City to its citizens (e.g. Police, Fire, Parks and Recreations). The City of Richmond provides significant value to taxpayers by offering excellent services while maintaining moderate tax increases.

2. Operating Budget Funding Sources

In accordance with the Community Charter Section 165 (5) the City is required to propose a balanced budget, with no projection of a deficit. The projected increase in expenditures need to be offset with increases from funding sources. To prevent overburdening the taxpayers, Council has directed user fees increase by the CPI (summarized in Table 1) and has encouraged staff to find alternative funding sources for increased levels of service or to reduce the tax rate.

The main operating budget funding received by the City is outlined by source in Chart 1. As shown, the largest funding source for the City is property taxes. The next largest portion of funding is received from user fees and charges.

Chart 1– 2014 Operating Budget Revenue by Funding Source (excluding Utilities and Capital)



The cost of non-discretionary City expenditures has increased at a higher rate than the CPI (such as RCMP contract costs and collective bargaining agreements). Therefore, non-tax revenue growth is not keeping up with costs and plant/population growth.

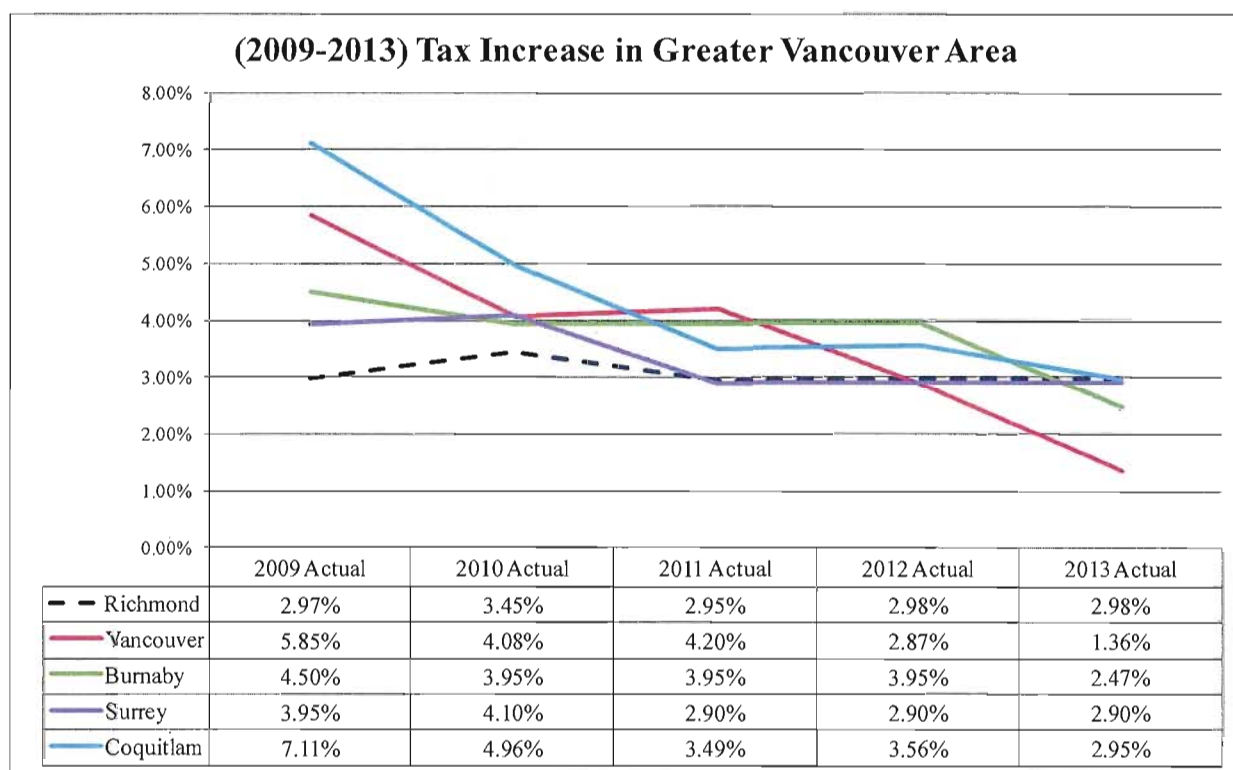
The remaining expenditures in excess of forecasted funding sources results in the required tax levy. The average tax increase is calculated by taking the year over year change in the required tax levy less any projected growth in the tax base. The average tax rate increase is then determined by dividing this resulting increase by the prior year's tax base. The

assumptions for tax growth are summarized in Table 1 and the estimated property tax increases are summarized in Table 2.

Chart 2 demonstrates the trends of tax increases in top cities within the Greater Vancouver area for the period 2008-2013. As seen from Chart 2, the City of Richmond has one of the lowest average rates with 3.21% average annual increase for the period 2008-2013.

Revenue from property tax is collected from multiple classes of properties. The largest two contributors to property tax are the residential and business classes. Please see the Attachment 2 for more details.

Chart 2 - Average increase in tax rates in Greater Vancouver Area (2009-2013)



Source of Data: Finance Department and Internet sites of the aforementioned GVA municipalities

Based on the proposed 5YFP (2014-2018), Table 5 shows the average tax (\$) increase and the corresponding average tax rate (%) increases are as follows:

Table 5– Tax Rate Increases

(in S'000s)	2014	2015	2016	2017	2018
Same Level of Service Increase Before Growth	\$4,983	\$4,203	\$4,312	\$4,316	\$4,828
OBI (includes Phase-in)*	\$600	\$938	\$789	\$852	\$723
Additional Expenditures	\$155	\$300	\$300	\$300	\$200
Total Funding Increase Required Before Growth	\$5,738	\$5,441	\$5,401	\$5,468	\$5,751
Estimated Growth	(\$2,300)	(\$1,838)	(\$1,624)	(\$1,588)	(\$1,647)
Proposed Property Tax Impact (\$)	\$3,438	\$3,603	\$3,777	\$3,880	\$4,104
Proposed Property Tax Impact (%)	1.96%	1.96%	1.98%	1.96%	1.99%
Additional 1% Transfer to Reserves	\$1,748	\$1,838	\$1,911	\$1,984	\$2,059
Net Budget Increase	\$5,186	\$5,441	\$5,688	\$5,864	\$6,163
Total Proposed Property Tax and Levy Impact (%)	2.96%	2.96%	2.98%	2.96%	2.99%

* Operating Budget Impact (OBI)

The 5YFP incorporates the OBI phase-in plan as discussed in the 2014 Capital Budget report. This preliminary operating budget impact estimate of \$3.56 million for the Corporate Facilities Implementation Plan – Phase 1 will be subject to further review and analysis before the details of programming and service levels are presented to Council for approval.

The proposed 5YFP (2014-2018) includes an additional 1% levy each year in accordance with the Long Term Financial Management Strategy. This funding strategy was implemented to bridge the funding gap between aging infrastructure funding requirements and funding availability. The Long Term Financial Management Strategy will be reviewed in conjunction with the aging infrastructure requirements in the future to determine when the optimum level of annual funding is achieved.

3. Capital Budget

The 2014-2018 5-Year Capital Plan considers Richmond's aging infrastructure and rapid infrastructure expansion related to urban growth. The projects in the 2014-2018 Capital Budget maintain, improve and advance the City of Richmond's infrastructure inventory, provide the basic necessities for urban living and help fulfill Council's strategic goals for the City.

Under Council's direction and in accordance with Council Term Goals, the following are a summary of recommended projects to be undertaken for the next 5 years:

- Building the major facilities including the integrated Older Adults Centre/ Minoru Aquatic Centre, Fire Hall No.1 and City Centre Community Centre
- Invest on active transportation modes, enhance traffic efficiency and safety
- Laneway drainage and pavement improvements for better access for residents
- Extensive water, drainage and sanitary sewer upgrades to maintain quality service.
- Upgrade and construct pump stations to ensure reliable service

- Continued development of the City's trail and park systems, and replacement of playground equipment to create safe and engaging recreational environments
- Increased public art to ensure the City's continued development as a vibrant cultural city
- Development of childcare facilities that will provide much needed childcare to Richmond residents
- Funding for affordable housing projects and initiatives to ensure affordable rental housing to Richmond residents

The capital projects for years 2015-2018 are recommended based on existing priorities and current funding estimates. The projects and estimates for each of these successive years will be updated as more current and accurate information becomes available.

i. Capital Program

On December 9, 2013 the 2014 Capital Budget was approved by Council. The 2014-2018 5 Year Financial Capital Plan by Program is summarized in Table 6. Program and funding details are included in Attachment 3. The Capital Program consolidates the 2014 Capital Budget, the capital projects approved by Council through 2014 One-Time Expenditures and other staff reports presented to Council subsequent to the 2014 Capital Budget report. Also included is a \$5 million increase to the strategic land acquisitions program in order for the City to act on opportunities in a timely manner; Council's approval is required prior to any funds being spent from this program.

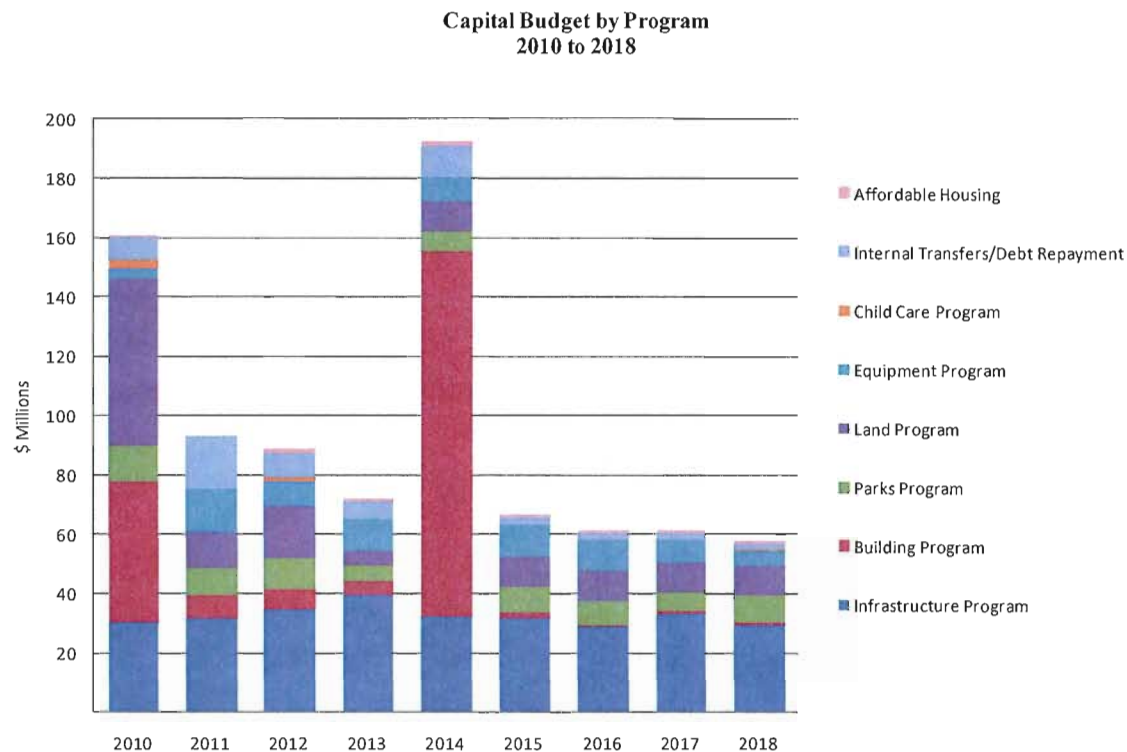
Highlights of the recommended 2015-2018 program are included in Attachment 4. Chart 3 shows that the 2015-2018 Capital Plan represents an annual basic capital program relative to previous years to reflect the current economic trends. The significant increase in 2010 is due to the RCMP building and strategic land acquisition. The significant increase in the 2014 program is due to the major facilities including the integrated Older Adults Centre/Minoru Aquatic Centre, and Fire Hall No.1.

Table 6 – Capital Program (2014-2018)

(in \$000's)	2014	2015	2016	2017	2018
Infrastructure Program	\$32,239	\$31,640	\$28,695	\$33,015	\$29,226
Building Program	123,092	1,980	650	870	1,010
Parks Program	6,595	8,550	8,250	6,303	9,228
Land Program ¹	10,000	10,000	10,000	10,000	10,000
Affordable Housing Program ¹	1,032	975	975	975	975
Equipment Program	8,135	11,326	10,567	7,933	4,954
Child Care Program ¹	50	50	50	50	50
Internal Transfers/Debt Payment	10,979	2,147	2,147	2,147	2,147
TOTAL CAPITAL PROGRAM	\$192,122	\$66,668	\$61,334	\$61,293	\$57,590

¹ The availability of funding for these programs is based on external factors such as contributions from development or proceeds on land disposition. The future programs are estimated based on forecasted market conditions.

Chart 3 Capital Budget by Program (2010-2018)



ii. Capital Budget Funding Sources

The capital budget uses a variety of funding sources which include:

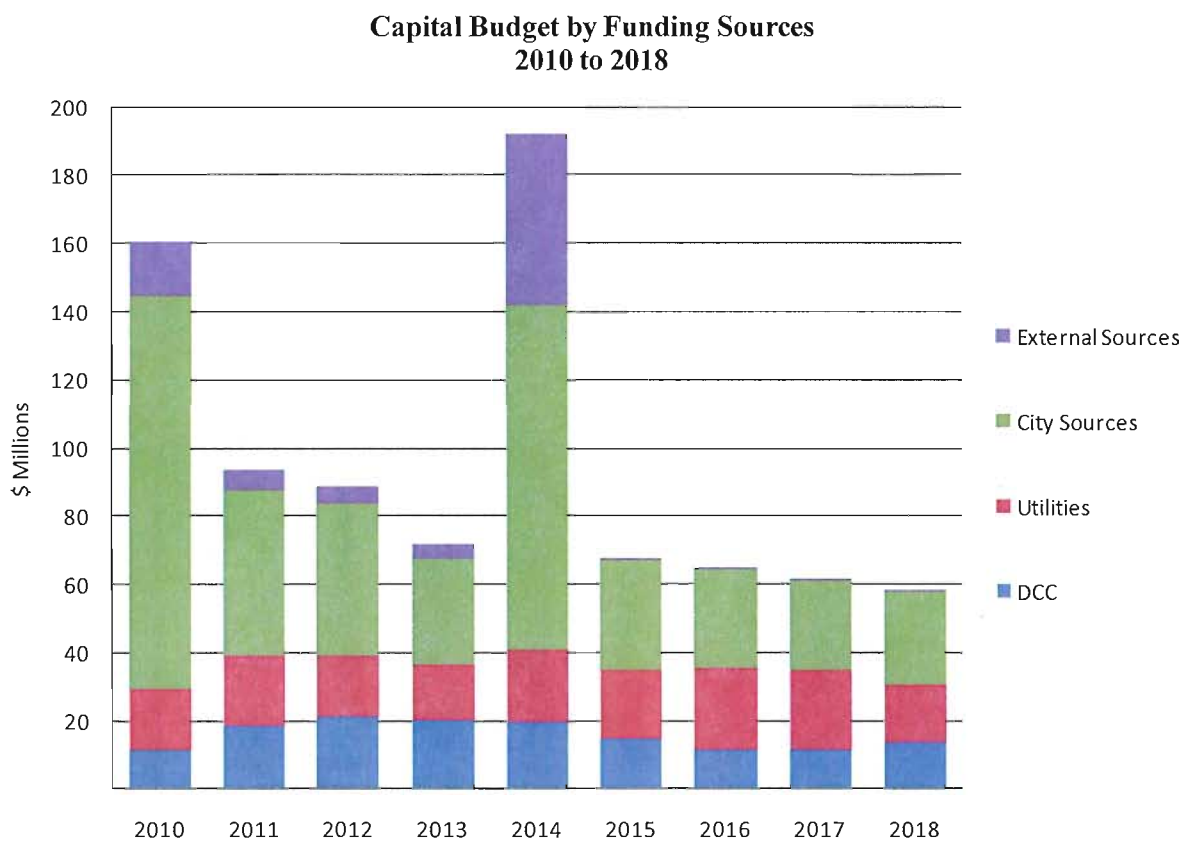
- Development Cost Charges (DCC) – these contributions are made through development and are used for growth related projects
- External Sources – these include grants awarded from Provincial and Federal Governments, developer cash contributions (other than DCCs) and other non-City related sources including debt
- Utilities – these are funds collected through the utility bills and are specified for waterworks, sanitary sewer and drainage
- City Sources – this includes all other sources of City funding such as statutory reserves, appropriated surplus (provisions) and general surplus

The capital funding sources correspond to the nature of expenditure where external sources are the most restricted and City sources the most general. Council can direct the use of City Reserve funds in compliance with the Community Charter section 189.

As highlighted in previous staff reports, the 2014 Capital Budget report includes \$50 million debt from Municipal Finance Authority to fund the Integrated Older Adults / Minoru Aquatic Centre. Although the City is taking on new debt to take advantage of low interest rates, it is important to emphasize that funding to service this debt is coming from existing funding sources and there is no tax increase as a direct result of this new debt. This is due to the timing of existing debt payments being completely repaid just before payments on the new debt begin.

Chart 4 summarizes funding sources for the 5 Year Financial Capital Plan (2014-2018) in comparison to previous years. A summary of the 5 Year Capital Funding Sources are located in Attachment 3.

Chart 4 Capital Budget by Funding Sources (2010-2018):



Financial Impact

Table 7 summarizes the Council approved 2014 tax increases of 1.96% plus 1% levy for capital and infrastructure replacement for a total of 2.96%. The proposed estimated tax increase for 2015 through 2018 is expected to be consistent with 2014 and includes a 1% levy for capital and infrastructure replacement, in accordance with Council's Long Term Financial Management Strategy.

Table 7 – Tax Rate Increases

Year	Proposed Property Tax Impact (in \$000's)	Proposed Property Tax Impact (%)	1% Infrastructure Replacement Levy (\$)	Net Budget Increase (\$)	Total Proposed Property Tax and Levy Impact %
2014	\$3,438	1.96%	\$1,748	\$5,186	2.96%
2015	\$3,603	1.96%	\$1,838	\$5,441	2.96%
2016	\$3,777	1.98%	\$1,911	\$5,688	2.98%
2017	\$3,880	1.96%	\$1,984	\$5,864	2.96%
2018	\$4,104	1.99%	\$2,059	\$6,163	2.99%

Conclusion

The 5YFP outlines the 2014 budget and provides projections for future years. It should be emphasized that beyond 2014, the 5YFP will change as more information is made available to update each successive year accordingly. Richmond is competitive in its municipal tax levy when compared with other municipalities in Metro Vancouver and continues to be a leader in providing quality services to its residents.

The City is required to undertake a process of public consultation in accordance with Section 166 of the Community Charter. Staff will use the Let's Talk Richmond online discussion tool to enhance the public consultation process. This will provide greater opportunity for the public to access information about the 5YFP, pose questions to staff and provide feedback.



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Attachments

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Situational Analysis

1. Key Economic Drivers

Overall, Richmond is performing well in consideration of national and provincial economic trends. Gaming revenue and Development Cost Charges are increasing, and overall statistics indicate continuing strength in the Richmond economy.

Table 8 – Key Economic Drivers British Columbia and Canada

Key Economic Indicators	2012 Actual	2013 (forecast)	2014 (forecast)	2015 (forecast)	2016 (forecast)	2017 (forecast)
British Columbia:						
Real GDP (% Change)	1.9	2.2	2.7	3.3	3.9	3.9
Employment (% Change)	1.7	1.3	1.7	2.2	2.5	2.9
Unemployment Rate (%)	6.8	6.5	6.0	5.4	4.7	4.0
Housing Starts ('000)	27.5	24.8	26.6	30.0	33.8	37.6
Canada:						
Vancouver Consumer Price Index (%)	1.2	1.0	2.0	2.0	2.0	2.0
3-month Government of Canada T-Bill (%)	0.9	1.00	0.95	1.20	1.85	2.80
10-year-Government of Canada Bond Yield (%)	1.85	2.35	2.95	3.40	3.90	4.30

Sources: Central 1 Economic Analysis of BC September 2013 issue, TD Bank Long-Term Economic Forecast December 2013 issue, and TD Provincial Economic Forecast January 2014 issue.

It is expected that the BC economy will continue to gain momentum as shown in Table 8, based on the economic indicators and researched articles.

In 2013, the Canadian CPI charted a low 1.0% due to lower gasoline and natural gas prices as well as downward pressures as a result of switching back to the PST. The CPI forecast in years 2014 to 2017 is projected to rise to 2% or above with the expectation that higher energy and commodity prices will prevail while labour markets tighten. Personal disposable income growth is expected to lift higher than the CPI with forecasted rates increasing from 2.7% in year 2013 to 6.5% in year 2017 due to projection of wage growth, higher investment income (higher interest rates), and higher consumer spending.

The assumptions for the 5 Year Financial Plan are contained in Table 1.

2. Population

Richmond has been growing at an average of 1.5% per year since 2008, following a period of rapid growth over the last 30 years during which the population doubled in size. It is projected

that Richmond's population will grow to 280,000 by 2041, an increase of approximately 75,000 from 2013.

Past trends reveal the actual population growth in the City Centre accounted for more than half the growth with the City. The Richmond City Centre is seeing increasing levels of development activity and is expected to have significant growth rates in coming years. The following chart illustrates the population growth from 2008 to 2013 and the projection for the next five years:

Table 9 – Richmond Population

Population Growth	2009	2010	2011	2012	2013
Number of People	193,505	196,858	199,141	201,471	205,133
% Change	2.3%	1.7%	1.1%	1.2%	1.8%

Population Forecast (in '000s)	2014 (forecast)	2015 (forecast)	2016 (forecast)	2017 (forecast)	2018 (forecast)
Number of People	209,388	213,891	218,401	222,945	227,406
% Change	2.0%	2.2%	2.1%	2.1%	2.0%

Sources: Urban Futures Inc. with City of Richmond Projections

With a population that is growing at an average of 1.5% per year, including many newcomers to Canada from all over the world, the City faces challenges in creating the appropriate service mix to offer its residents.

3. Demand for City Services

The demand for City services has increased annually and this is reflected in the following statistics:

Table 10 – Demand for City Services

	2009	2010	2011	2012	2013
Budgeted Capital Construction Costs (\$mil) ¹	63,901	148,136	75,536	80,287	71,768
Registration ²	113,396	128,622	122,784	129,526	126,410
Fire Rescue Responses ³	9,240	9,048	9,141	9,164	9,710
Public Works Calls for Services ⁴	12,554	13,664	13,332	13,800	12,927

Source: ¹City of Richmond Capital Model, ²City of Richmond Class Registration System

³Richmond Fire Rescue, ⁴City of Richmond Hansen System

The demand for City Services for the period 2014-2018 will be projected at the existing service level to be conservative and any projects impacting the demand for City Services will be brought forward to Council.

4. Aging Population and Workforce

Similar to most communities, Richmond will experience an aging population which means increased demand for policies and services to improve aging-in-place, affordable housing accessibility and healthy communities.

Likewise, the demographic profile of the Canadian workforce will undergo a substantial shift as a larger number of older workers will be joined by relatively few new entrants to the labour force. As an increasing number of employees will be eligible to retire within the next five years, a systematic method for projecting critical resource gaps will be combined with effective hiring, development, and retention programs to fill these critical roles.

5. Employment Estimates

Approximately 34% of all jobs in Richmond are in the transportation, warehousing, logistics, wholesale and manufacturing sectors. Tourism jobs make up an additional 7% of the total, meaning that the movement of goods and people is the largest economic driver in Richmond. Business sectors with growth prospects include these, as well as the technology, retail, agriculture, health care and post secondary education sectors.

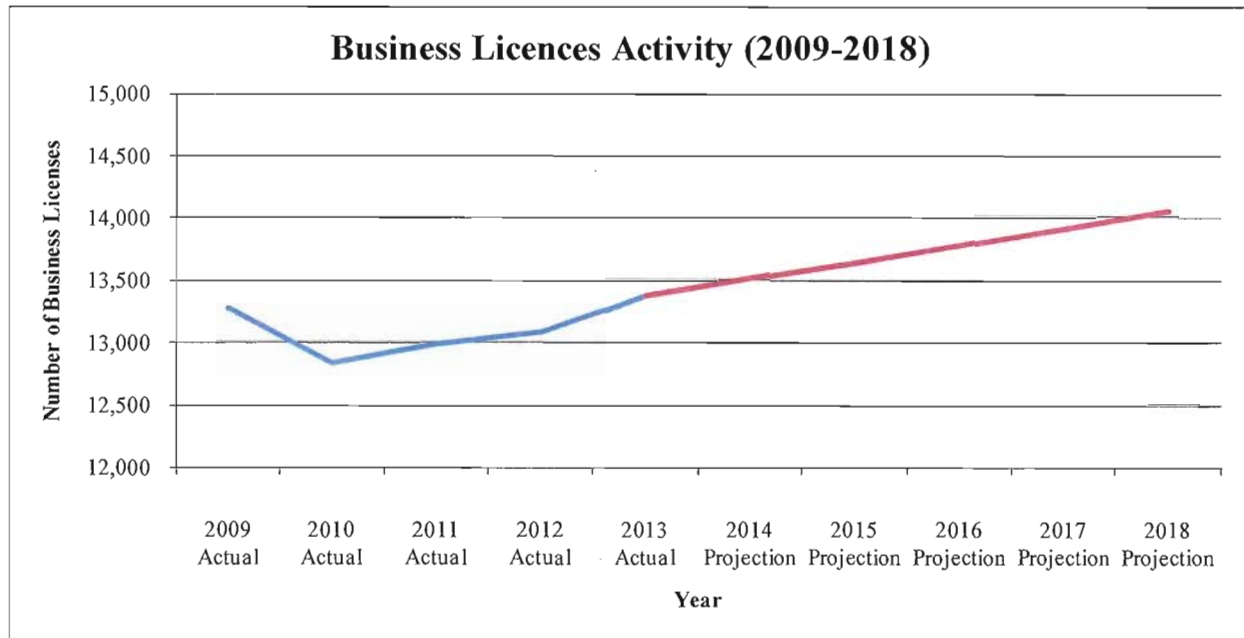
Employment in Richmond is forecasted to grow by about 1,300 new jobs per year, or an average annual growth rate of about 0.9% per year from 2011 to 2041 as per Urban Futures Institute projections.

6. Business Licences

The total number of valid business licenses in Richmond is stable as businesses winding up are replaced by new business, approximately 1,600 per year on average. Chart 5 below shows a trend line of actual and projected business licence activity in Richmond.

The recent introduction of an Inter Municipal Business Licence (IMBL) for construction related trades will reduce the total number of licenses over the next two years however any income reduction is expected to be offset by the fee of a Richmond IMBL.

Chart 5 – Business Licences Activity (2009 – 2018)



Source: City Finance Department

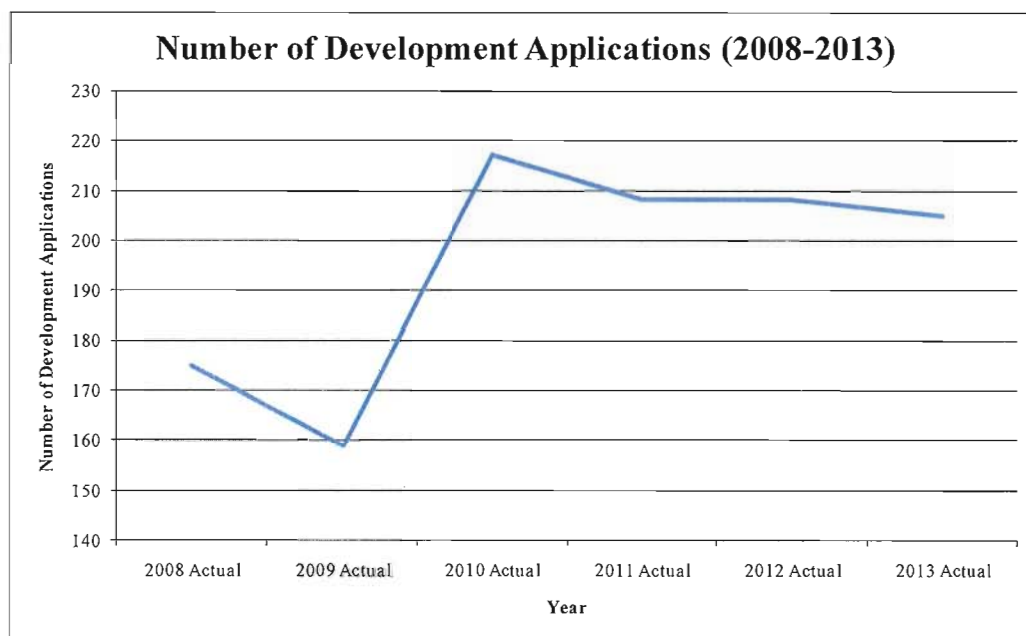
7. Housing and Development

Richmond's residential assessment values are projected to stabilize in 2014 with an average residential assessment value decreasing slightly by 0.15% as opposed to approximately 2% decrease as seen in the previous year.

In the longer term, BC's housing starts are projected to churn a cyclical upturn pushing up demand and housing starts above 30,000 units annually in 2015 and continuing to rise through to 2017 alongside projected interest rate increases.

Chart 6 shows the development activity in the City had a significant decrease from 2008 to 2009 as development reached historically high levels in the mid 2000s prior to the economic recession in 2008. However, in the period 2010-2011, there was a recovery and development stabilized in 2012 and 2013 at approximately 200 development applications annually.

Chart 6 – Number of Development Applications



Source: City Planning and Development Department

8. Salaries

Salary increases for all employee groups have been based on information currently available as summarized in Table 11. The City of Richmond Council ratified the collective agreement with the Richmond Firefighters Association (RFFA) Local 1286 on September 10, 2012 for a four year term commencing January 1, 2010 through December 31, 2013. Forecasted increases for 2014 to 2018 are based on estimates as the collective agreement is yet to be negotiated.

Table 11 – City of Richmond Local 718 and 394 Salary Increase Per Year:

Salary Increase %	2012	2013	2014	2015
City of Richmond CUPE Local 718 ¹	1.25%	1.75%	1.75%	2.00%
City of Richmond CUPE Local 394 ²	1.25%	1.75%	1.75%	2.00%

Source: ¹City of Richmond and CUPE Local 718 2012 Collective Bargaining Agreement, ²City of Richmond and CUPE 394 2012 Collective Bargaining Agreement

9. Climate Change Action

Increasing greenhouse gas (GHG) emissions from human activities are identified as major contributors to climate change and the resulting impacts, such as sea level rise, increased probability of extreme weather events, changes in agricultural viability, reduced energy and natural resources availability, adverse public health issues (e.g. extreme heat days) and other socio-economic effects, are likely to pose challenges now and into the future. In Richmond, approximately 53% of community-wide GHG emissions are transportation-related, 43% from energy use in buildings with emissions from solid waste accounting for 3% of GHGs.

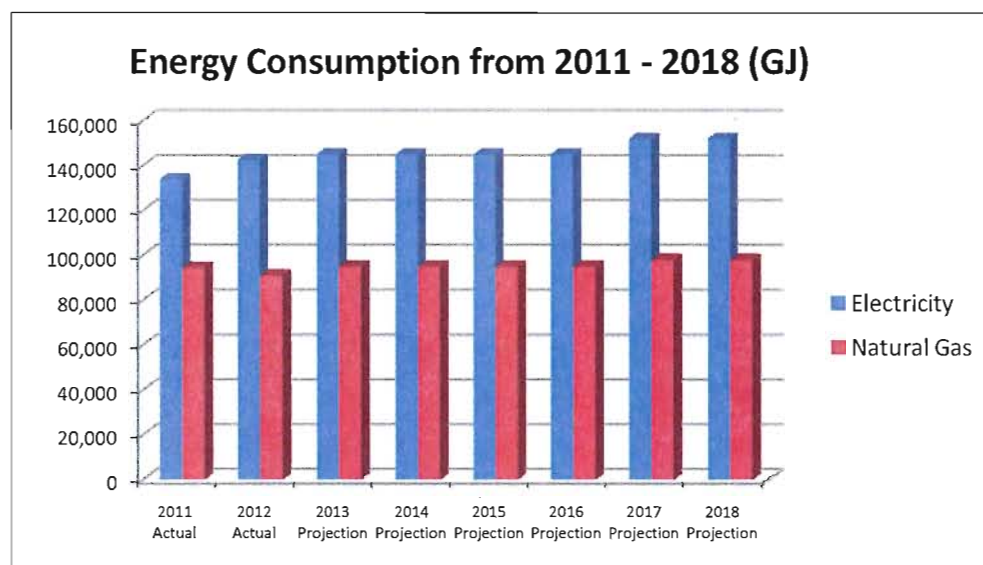
To address these concerns, the City signed the Climate Action Charter, a collaborative initiative among local BC municipalities, the Union of British Columbia Municipalities (UBCM) and the

Province of BC, to reduce GHG emissions and achieve carbon neutrality in corporate operations. For making this commitment, the City receives a refund on carbon taxes it pays for fuel purchases through the Climate Action Revenue Incentive Program and these funds are reinvested into corporate and community projects. Regarding emissions from corporate sources, the City measures and reports on GHG emissions and energy consumption and has been investing in initiatives to reduce both since the 1990s. Major corporate investments relate to greening the City's fleet and building and managing energy efficient buildings. In 2014, the City will launch a pilot program to purchase community-based carbon offsets as a means to neutralize any remaining corporate GHGs. Regarding emissions from community sources, the City identified specific targets in the Official Community Plan to reduce GHG emissions by 33% by 2020 and 80% by 2050, as compared to 2007 emissions. A Community Energy and Emissions Plan (CEEP) further identifies actions and policies for meeting these targets. Community investments support district energy systems, green building requirements for new construction, recycling and composting programs, and land use policies and infrastructure investments that promote walkable, mixed use neighbourhoods.

10. Energy Cost

The most recent BC Hydro rate application was reviewed by the BC Utility Commission (BCUC) and annualized increases of 7.0% in 2014, 6.7% in 2015, 4.9% in 2016, 3.7% in 2017, and 3.2% in 2018 have been approved, for a total increase of 25.6% over the next five years. Chart 7 below illustrates the 2011 to 2012 actual and projected energy consumption in Gigajoules (GJ) for electricity and natural gas.

Chart 7 – Energy Consumption from 2011 – 2018



Source: City Engineering and Public Works Department

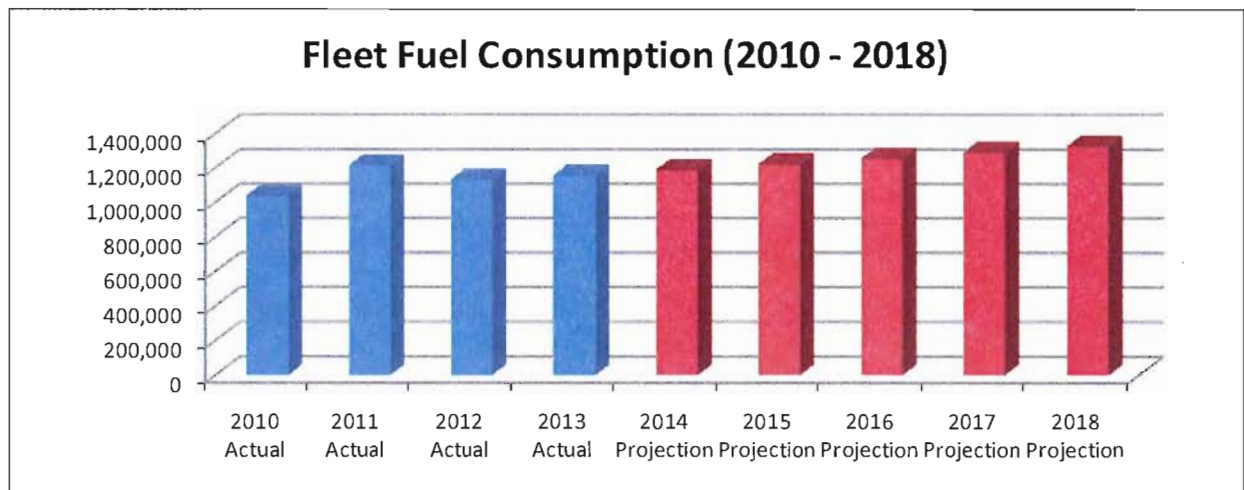
As for corporate natural gas costs, the top 11 natural gas consuming buildings were locked into a supply contract for a fixed price which ended November 2013. Currently these top consuming buildings are paying an index price for natural gas. For 2014 and 2015 it is expected that natural gas costs will remain flat, with 0% and 1.0% projections respectively, for 2016-2018 a 3.0%

projection was used for contingency purposes with multiple facilities potentially coming on line over that time.

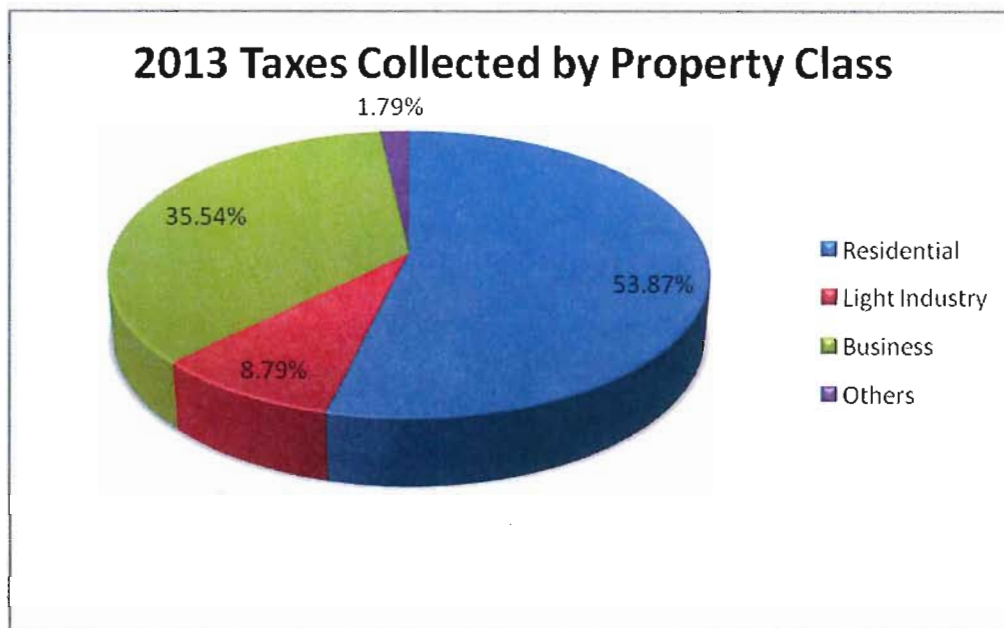
Through the continued effective integration of energy efficiency within the organization, the minimum goal of the Energy Management Program will be to keep corporate energy costs relatively stable even with the projected increase in civic infrastructure. This can potentially be achieved through building energy retrofits, increased use of passive design techniques in new buildings, upgrading equipment for energy use, and incorporation of more renewable energy sources within our energy system.

Chart 8 provides the trendline and forecast for the City's usage increase of gasoline, marked diesel and bio diesel. The estimated consumption is an average increase of 2.8% per annum or total of 14% in the 2014-2018 period. In the same period, the cost of fuel is estimated to be increasing at a rate of 6% per annum based on an adjusted increasing trend of fuel prices experienced in the last 5 years as suggested by the Public Works Department.

Chart 8 – Fuel Consumption City Fleet

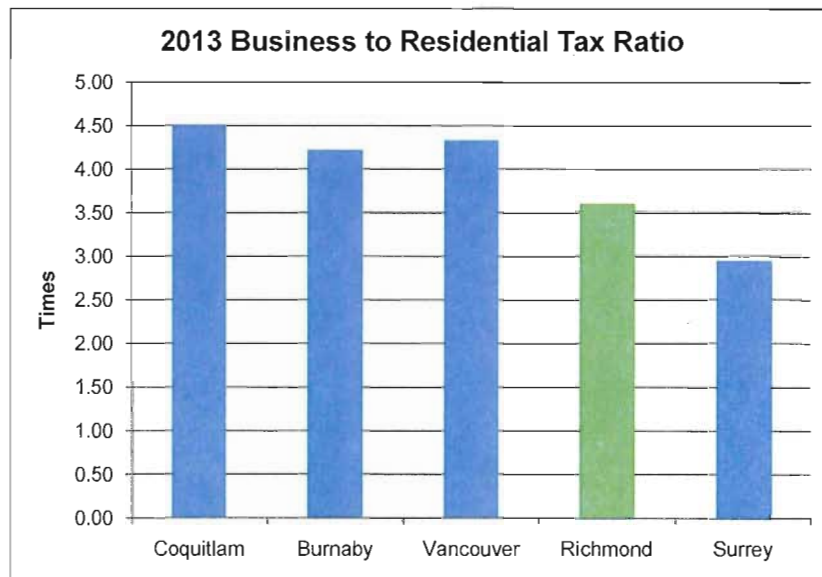


Source: City Engineering and Public Works Department

Tax DistributionChart 9–2013 Distribution of Property Tax by Class

In terms of property taxes, finding the right balance to ensure fairness and equity for all taxpayers, including small business has been Council's objective. To this end, Council has directed staff to regularly review and analyze the City's business to residential tax ratio, to ensure that it remains competitive and fair.

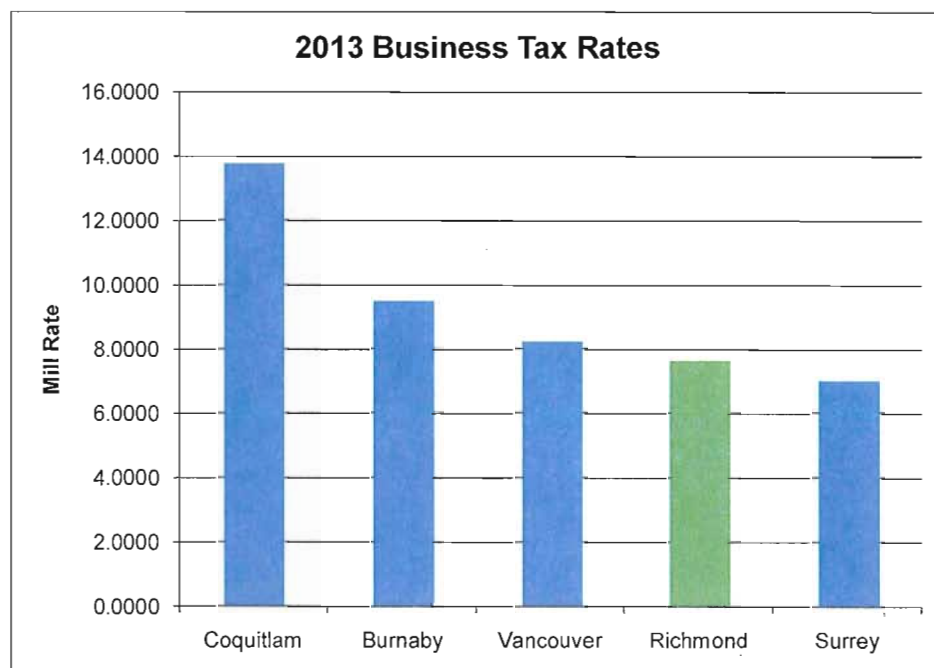
Chart 10 – 2013 Business to Residential Tax Ratio Greater Vancouver Area



Source: Info received from municipalities in Greater Vancouver Area

Chart 10 shows that Richmond has the 2nd lowest business property tax rate amongst comparative cities in the lower mainland and Chart 11 shows the 2013 business tax rate comparisons in the Greater Vancouver area.

Chart 11 – 2013 Business Tax Rate Greater Vancouver Area



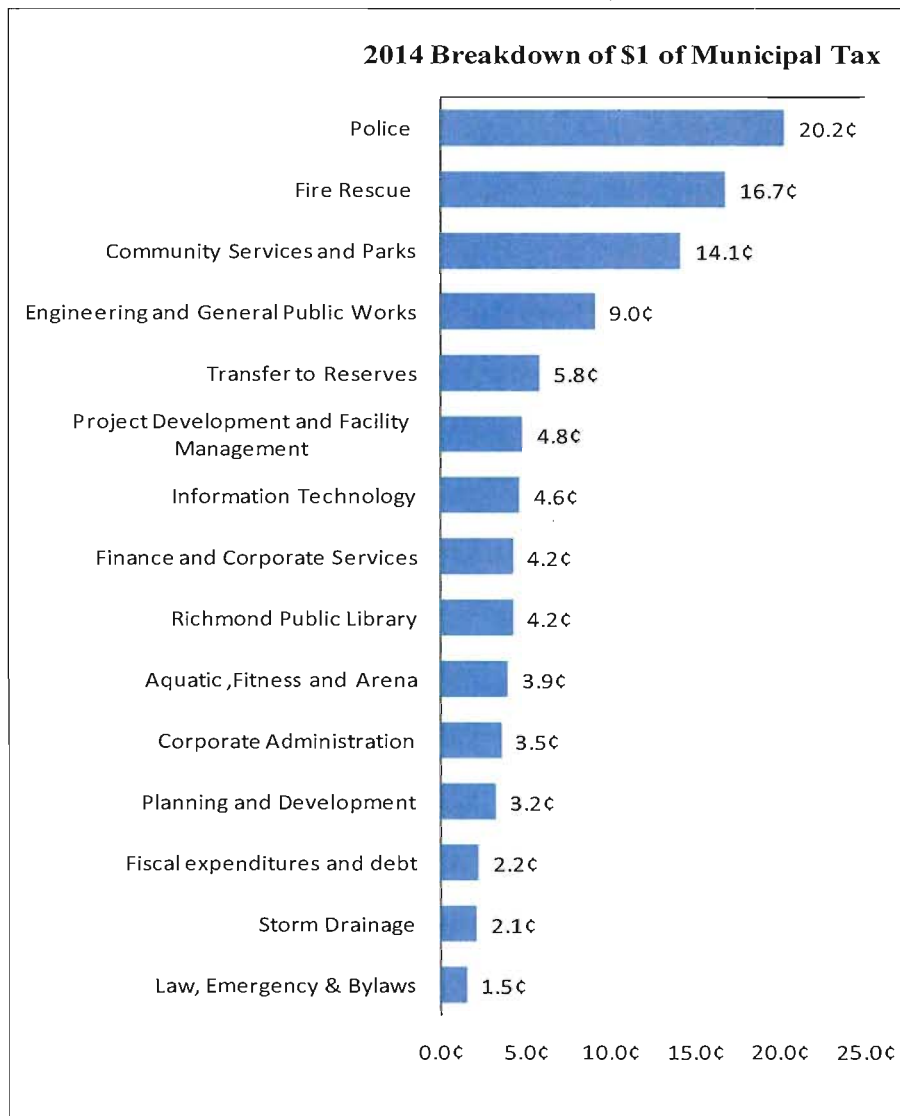
Source: Info received from municipalities in Greater Vancouver Area

Council continues to develop policies in support of businesses, such as the creation of two commercial business districts as part of our City Centre Area Plan and ongoing protection of industrial lands. Further, through its Economic Development Office, the City continues to invest in programs that both support the growth and expansion of existing businesses and attract new businesses to the community.

Council continues to fund improvements to our transportation network, such as the Nelson Road/Highway 91 Interchange, to ensure access for businesses in the strategically important trade sector. Regulation through our Business License Bylaw ensures businesses are treated in an equitable manner. Council continues to contribute significant funding towards community safety, thus providing a secure environment in which businesses can operate.

Chart 12 illustrates the breakdown of how a municipal dollar is spent by services provided.

Chart 12 – 2014 Breakdown of Municipal Tax



CITY OF RICHMOND
5 YEAR CAPITAL PROGRAM (2014-2018)
(In \$000's)

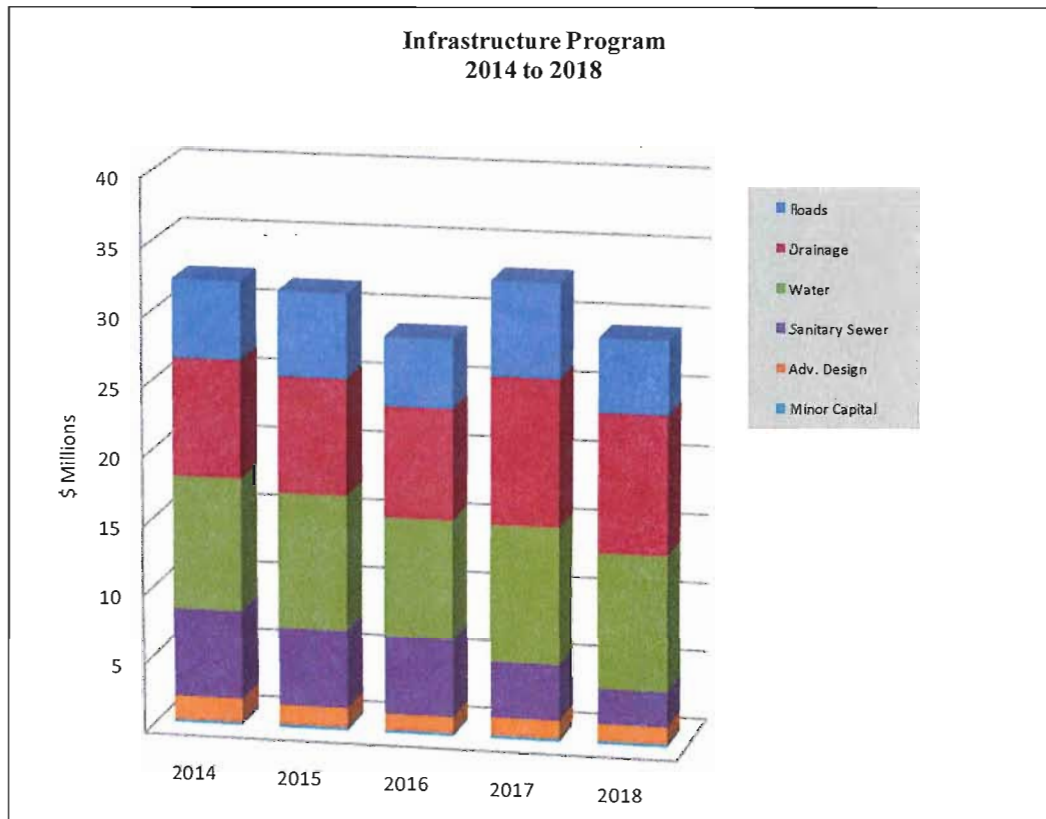
	2014	2015	2016	2017	2018
Infrastructure Program					
Roads	\$5,652	\$6,082	\$4,955	\$6,815	\$5,296
Drainage	8,540	8,420	8,030	10,650	10,060
Watermain Replacement	9,650	9,810	8,620	9,900	9,810
Sanitary Sewer	6,430	5,660	5,680	4,090	2,580
Infrastructure Advanced Design	1,742	1,418	1,160	1,310	1,230
Minor Public Works	225	250	250	250	250
Total Infrastructure Program	\$32,239	\$31,640	\$28,695	\$33,015	\$29,226
Building Program					
Major Building	\$122,986	\$250	\$250	\$500	-
Minor Building	106	1,730	400	370	1,010
Total Building Program	\$123,092	\$1,980	\$650	\$870	\$1,010
Parks Program					
Major Parks/Streetscapes	\$5,280	\$3,900	\$3,450	\$1,503	\$4,350
Minor Parks	625	550	700	700	500
Parkland Acquisition	-	4,000	4,000	4,000	4,000
Public Art	690	100	100	100	378
Total Parks Program	\$6,595	\$8,550	\$8,250	\$6,303	\$9,228
Land Program					
Land Acquisition	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Land Program	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Affordable Housing Project					
Affordable Housing Project	\$1,032	\$975	\$975	\$975	\$975
Total Affordable Housing Project	\$1,032	\$975	\$975	\$975	\$975
Equipment Program					
Annual Fleet Replacement	\$1,980	\$4,889	\$2,689	\$1,972	\$2,468
Computer Capital	1,176	462	330	330	330
Law and Community Safety Dept Vehicles	1,310	952	1,435	968	992
Miscellaneous Equipment	1,163	1,163	3,663	3,663	1,164
Technology	2,506	3,860	2,450	1,000	-
Total Equipment Program	\$8,135	\$11,326	\$10,567	\$7,933	\$4,954
Child Care Program					
Child Care Program	\$50	\$50	\$50	\$50	\$50
Total Child Care Program	\$50	\$50	\$50	\$50	\$50
Internal Transfers/Debt Payment					
Internal Transfers/Debt Payment	\$10,979	\$2,147	\$2,147	\$2,147	\$2,147
Total Internal Transfers/Debt Payment	\$10,979	\$2,147	\$2,147	\$2,147	\$2,147
Total Capital Program	\$192,122	\$66,668	\$61,334	\$61,293	\$57,590

CITY OF RICHMOND
5 YEAR CAPITAL FUNDING SOURCES
(2014 – 2018)
(In \$000's)

	2014	2015	2016	2017	2018
DCC Reserves					
Drainage	\$162	\$644	\$-	\$644	\$3,411
Parks Acquisition	8,653	3,762	3,762	3,762	3,762
Parks Development	3,621	3,715	1,740	1,661	2,022
Roads	4,211	4,309	3,238	3,238	3,689
Sanitary Sewer	2,450	1,425	1,337	1,354	-
Water	578	597	1,394	790	705
Total DCC Reserves	\$19,675	\$14,452	\$11,471	\$11,449	\$13,589
Statutory Reserves					
Affordable Housing Reserve Fund	\$1,032	\$975	\$975	\$975	\$975
Arts, Culture, & Heritage Reserve Fund	106	-	-	-	-
Capital Building and Infrastructure Reserve Fund	29,400	-	600	-	1,800
Capital Reserve Fund	99,697	8,606	7,975	8,655	7,585
Child Care Development Reserve Fund	50	50	50	50	50
Drainage Improvement Reserve Fund	9,198	8,012	8,055	10,172	6,694
Equipment Replacement Reserve Fund	4,055	4,511	3,849	2,465	3,272
Leisure Facilities Reserve Fund	171	50	-	-	-
Neighbourhood Improvement Reserve Fund	267	-	-	-	-
Public Art Program Reserve Fund	690	100	100	100	100
Sanitary Sewer Reserve Fund	4,250	4,505	4,621	3,006	2,843
Waterfront Improvement Reserve Fund	-	-	250	-	250
Watermain Replacement Reserve Fund	7,472	7,643	8,156	10,040	7,535
Total Statutory Reserves	\$156,388	\$34,452	\$34,631	\$35,463	\$31,104
Other Sources					
Appropriated Surplus	\$11,297	\$12,181	\$11,169	\$10,168	\$9,370
Enterprise	895	860	450	-	-
Utility Levy	704	1,330	275	475	189
Library Provision	1,163	1,163	1,163	1,163	1,163
Water Metering Provision	1,320	2,000	2,000	2,000	2,000
Grant, Developer and Comm. Contributions	680	230	175	575	175
Total Other Sources	\$16,059	\$17,764	\$15,232	\$14,381	\$12,897
TOTAL CAPITAL FUNDING	\$192,122	\$66,668	\$61,334	\$61,293	\$57,590

i) Infrastructure Program 2014-2018

The City's Infrastructure Program assets include: road, drainage and sanitary pump stations, drainage, water, and sanitary mains.



2014 Approved Infrastructure Roads Program

Approved Project Name	Year
Roads	2014
Active Transportation Improvement Program	325,000
Annual Asphalt Re-Paving Program - MRN	831,000
Annual Asphalt Re-Paving Program - Non-MRN	2,105,460
Crosswalk Improvement Program	250,000
Functional and Preliminary Design (Transportation)	25,000
Neighbourhood Traffic Safety Program	550,000
New Traffic Signal Installation at Cambie Road / Stolberg Street	175,000
Pedestrian and Roadway Program	400,000
Roads Minor Capital	250,000
Street Light Security and Wire Theft Prevention - Phase 3 of 5	140,000
Traffic Signal Program	600,000
Total 2014 Roads	\$ 5,651,460

Note: *Approved 2014 One-Time Expenditures included in the Capital Program

2015 – 2018 Recommended Infrastructure Road Program

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year	Ref #
Roads	2015	2016	2017	2018	
Active Transportation Improvement Program	325,000	170,000	170,000	170,000	
Annual Asphalt Re-Paving Program - MRN	831,000	831,000	831,000	831,000	
Annual Asphalt Re-Paving Program - Non-MRN	2,458,600	2,458,600	2,458,600	2,460,000	
Crosswalk Improvement Program	250,000	135,000	135,000	135,000	
Functional and Preliminary Design (Transportation)	27,000	12,000	12,000	12,000	
Interim CP Road Construction- Gilbert Road to Leslie Road	-	-	-	480,000	1
Neighbourhood Traffic Safety Program	680,000	188,000	188,000	188,000	
Pedestrian and Roadway Program	400,000	250,000	250,000	250,000	
Roads Minor Capital	250,000	250,000	250,000	250,000	
Street Light Pole Replacement - Seafair & Richmond Gardens - Phase 2 to 5	120,000	120,000	120,000	120,000	2
Street Light Security and Wire Theft Prevention - Phase 4 and 5	140,000	140,000			3
Traffic Signal Program	600,000	400,000	400,000	400,000	
Undergrounding - Lansdowne Rd	-	-	2,000,000	-	4
Total 2015 to 2018 Roads	\$ 6,081,600	\$ 4,954,600	\$ 6,814,600	\$ 5,296,000	

Refer to the 2014 Capital Budget Report and the 2014 One-Time Expenditures approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

Highlights of the 2015 – 2018 infrastructure roads program include:

1. Interim CP Construction Gilbert Rd to Leslie Rd – \$480,000 for 2018

This project involves the construction of an interim two-lane road along the former CPR rail right-of-way, between Gilbert Road and Leslie Road. The purpose of the project is to provide a new north/south transportation corridor in the City Centre, intended to enhance the City Centre transportation network. This phase is the first year of the project and intended to complete the functional and detailed design works.

2. Seafair & Richmond Gardens - \$480,000 for years 2015 - 2018

This project is to replace approximately 200 streetlight poles that were installed approximately 34 years ago in the Seafair & Richmond Gardens sub-divisions. Poles were not raised off the bases with levelling nuts to allow a free draining environment. Consequently the poles are experiencing significant base plate corrosion that is creating leads to structural failure and a serious risk of falling poles.

3. Street Light Security and Wire Theft Prevention - \$280,000 – for the years 2015 - 2016

The project includes removing approximately 2,000 existing street light access covers per year for five years and replacing them with reinforced access covers.

4. Undergrounding – \$2,000,000 for 2017

This project is the continuation of the council approved annual undergrounding / beautification 10 year program aimed at ultimately eliminating all poles, overhead electrical and communication wires within the OCP City Centre area.

The scope of this program includes the removal of poles, overhead cables/wires and the placement of kiosks in rights-of-way at the following locations:

- 2017 – Lansdowne Rd from Alderbridge Way to Minoru Blvd

2014 Approved Infrastructure Drainage Program

Approved Project Name	Year
Drainage	2014
ALR Drainage System Upgrades - South Sidaway Area - Phase 1 to 3	300,000
Canal Stabilization - No. 3 Road and No. 8 Road Phase 3, 4, and 5	300,000
Development Coordinated Works in Capital	400,000
Dike Upgrades	1,000,000
Drainage Pump Station Generator Upgrade - No 8 Road North	120,000
Drainage Pump Station Upgrade - No 2 Road North	4,400,000
Laneway Drainage and Asphalt Upgrade - 11000 Blk Williams Rd	270,000
Laneway Drainage and Asphalt Upgrade - Dennis Crescent (East)	550,000
Williams Rd Storm Sewer Upgrades	1,200,000
Total 2014 Drainage	\$ 8,540,000

2015-2018 Recommended Infrastructure Drainage Program

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year	Ref #
Drainage	2015	2016	2017	2018	
ALR Drainage System Upgrades - South Sidaway Area - Phase 1 to 3	300,000	300,000	-	-	
Canal Stabilization - No. 3 Road and No. 8 Road Phase 3, 4, and 5	300,000	300,000	-	-	
Dennis Crescent West Laneway Drainage and Pavement Upgrade	-	490,000	-	-	1
Development Coordinated Works in Capital	500,000	500,000	500,000	100,000	
Dike Upgrades	1,500,000	1,500,000	1,500,000	1,500,000	
Drainage Minor Capital	300,000	300,000	300,000	300,000	2
Horseshoe Slough Pump Station Rebuild	4,000,000	-	-	-	3
Laneway Drainage and Asphalt Upgrade - 10,000 Blk No. 4 Road	-	320,000	-	-	1
Laneway Drainage and Asphalt Upgrade - Aintree Crescent (East)	-	-	490,000	-	1
Laneway Drainage and Asphalt Upgrade - Dennis Crescent (West)	430,000	-	-	-	1
Laneway Drainage and Asphalt Upgrade - Seabrook Crescent (East)	-	-	340,000	-	1
Laneway Drainage and Asphalt Upgrade - Seacote Road (East)	-	-	-	170,000	1
Laneway Drainage and Asphalt Upgrade - Seamount Road (East)	-	-	-	740,000	1
Laneway Drainage and Asphalt Upgrade - Swinton Cr (East)	400,000	-	-	-	1
Long Shaft Pump Replacement Program	450,000	-	-	-	4
Miller Road Pump Station Generator Upgrade	-	120,000	-	-	5
Nelson Road South Pump Station Generator	120,000	-	-	-	5
No 2 Road South Pump Station Upgrade	-	-	7,400,000	-	3
No 6 Road South Pump Station Generator	-	-	120,000	-	5
No 7 Road South Pump Station Upgrade	-	4,200,000	-	-	3
Queens Road North Pump Station Generator	120,000	-	-	-	5
Shell Road North Pump Station Upgrade	-	-	-	3,900,000	3
Williams Road 3000 Block Drainage Pipe Upgrade	-	-	-	3,350,000	6
Total 2015 to 2018 Drainage	\$ 8,420,000	\$ 8,030,000	\$ 10,650,000	\$ 10,060,000	

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

Highlights of the 2015 – 2018 infrastructure drainage program include:

1. Laneway Drainage & Pavement/Asphalt Upgrade - \$3,380,000 for years 2015 – 2018

These laneway drainage and pavement projects will resolve laneway drainage issues for residents living in specific locations and will improve access to the rear of each property. The scope will consist of drainage installation and pavement upgrade along the existing laneway. It does not include the addition of street lighting, curbs or gutters.

2. Drainage Minor Capital - \$1,200,000 for the years 2015 - 2018

This project funds the requests that staff receive from the public every year for minor, local and contingency-type projects related to drainage. Minor drainage infrastructure upgrade type work can include: minor upgrades to pump stations, improved operational efficiencies, changes to safety requirements, minor repairs to manholes or valve boxes, testing of new technologies to improve efficiencies, minor main repairs and response to resident complaints that require site specific repairs.

3. Pump Station Upgrade - \$19,500,000 for the years 2015 - 2018

These pump station project upgrades will increase the capacity and effectiveness of various existing drainage pump stations. This requirement was identified by the 2041 OCP Drainage Model. These projects address the stations aging infrastructure replacement requirements as mechanical and electrical equipment are nearing the end of their useful service life. The Horseshoe Slough, No. 7 Road South, No. 2 Road North, Shell Road North, and No. 2 Road south existing pump stations will be demolished and rebuilt to a modern standard thereby increasing pumping capacity.

4. Long Shaft Pump Replacement Program - \$450,000 for 2015

To increase the reliability and efficiency of drainage pump stations by replacing aging long shaft pumps with new submersible pumps. Compared to submersible pumps, long shaft pumps are costly to maintain and challenging to service, especially in the event of blockage or failure.

5. Pump Station Generator - \$360,000 for the years 2015 - 2017

The project will provide a back-up power source for various pump stations to prevent flooding during a local BC Hydro power failure through the construction of a concrete pad with fenced surround and the purchase and installation of a generator and connection via an existing transfer switch. All drainage pump stations that do not have back-up power are vulnerable to power failure. This project is part of a larger strategy to add back-up generators to pump stations all around Lulu Island.

6. Williams Road 3000 Block Drainage Pipe Upgrade - \$3,350,000 for 2018

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

2014 Approved Infrastructure Water Program

Approved Project Name	Year
Water	2014
Bulk Water Meter Installations - Boundary Road Area	400,000
Development Coordinated Works in Capital	500,000
Lockhart Road Watermain, Drainage and Neighbourhood Improvement	1,950,000
Minor Capital Waterworks Program	300,000
Residential Water Metering	1,920,000
Watermain Replacement - Colbeck Road Area	2,810,000
Watermain Replacement - Ledway Area	960,000
Watermain Replacement - Ryan Road Area	810,000
Total 2014 Water	\$ 9,650,000

2015-2018 Recommended Infrastructure Water Program

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year	Ref #
Water	2015	2016	2017	2018	
Development Coordinated Works in Capital	100,000	100,000	100,000	100,000	
Minor Capital Waterworks Program	300,000	300,000	300,000	300,000	
Residential Water Metering	2,000,000	2,000,000	2,000,000	2,000,000	
Watermain Replacement - Lulu Island North Area	-	6,220,000	-	-	2
Watermain Replacement - Brown Rd Area	-	-	1,940,000	-	2
Watermain Replacement - Cantley Rd Area	-	-	2,440,000	-	1
Watermain Replacement - Lulu Island East Area	3,390,000	-	-	-	3
Watermain Replacement - Lulu Island North Area	1,440,000	-	-	-	2
Watermain Replacement - Lulu Island West Area	2,580,000	-	-	7,410,000	1
Watermain Replacement - Sealord Rd Area	-	-	1,660,000	-	1
Watermain Replacement - Webster Rd Area	-	-	1,460,000	-	1
Total 2015 to 2018 Water	\$ 9,810,000	\$ 8,620,000	\$ 9,900,000	\$ 9,810,000	

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

Highlights of the 2015 – 2018 infrastructure water program include:

1. Watermain Replacement: West - \$15,550,000 for the years 2015 - 2018

This project will replace a certain amount of aging watermain infrastructure in the Lulu West Waterworks area which is at the end of its service life and improve fire protection. This project is required to minimize operating costs due to watermain breaks. The waterworks capital program is developed based on the City's long range infrastructure replacement strategy, watermain break history, 2041 OCP Water Modelling Study and the proposed road paving program.

2. Watermain Replacement: North - \$9,600,000 for the years 2015 and 2017

This project will replace a certain amount of aging watermain infrastructure in the Lulu North Waterworks area which is at the end of its service life and improve fire protection. This project is required to minimize operating costs due to watermain breaks. The waterworks capital program is developed based on the City's long range infrastructure replacement strategy, watermain break history, 2041 OCP Water Modelling Study and the proposed road paving program.

3. Watermain Replacement: East - \$3,390,000 for 2015

This project will replace a certain amount of aging watermain infrastructure in the Lulu East Waterworks area which is at the end of its service life, improve fire protection, and coordinate watermain replacement with road paving program. This project is required to minimize operating costs due to watermain breaks and to optimize resource utilization through coordinating watermain replacement with paving programs. The waterworks capital program is developed based on the City's long range infrastructure replacement strategy, watermain break history, 2041 OCP Water Modelling Study and the proposed road paving program.

2014 Approved Infrastructure Sanitary Sewer Program

Approved Project Name	Year
Sanitary Sewer	2014
Buswell St. Gravity Sewer Installation	2,190,000
Development Coordinated Works in Capital	100,000
Eckersley B Pump Station Replacement	1,350,000
Hamilton Sanitary Sewer Phase 2 and 3	1,520,000
Leslie Pump Station Forcemain Replacement	560,000
Public Works Minor Capital - Sanitary	300,000
Sanitary Sewer Assessment	410,000
Total 2014 Sanitary Sewer	\$ 6,430,000

2015 – 2018 Recommended Infrastructure Sanitary Sewer Program

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year	Ref#
Sanitary Sewer	2015	2016	2017	2018	
City Centre Sanitary Sewer Rehabilitation - Phase 1 & 2	1,160,000	-	-	-	1
Development Coordinated Works in Capital	100,000	100,000	500,000	500,000	
Forcemain Replacements	-	-	-	780,000	2
Gravity Sanitary Sewer Upgrade on River Rd / Beckwith Rd / Charles St	-	2,500,000	-	-	3
Gravity Sewer Replacement - Shelmont Sanitary Area	-	-	140,000	-	3
Hamilton Sanitary Sewer Phase 2 and 3	1,520,000	-	-	-	
Leslie Pump Station Replacement	-	-	2,150,000	-	4
Miscellaneous SCADA System Improvements	250,000	-	250,000	250,000	5
Public Works Minor Capital - Sanitary	300,000	300,000	300,000	300,000	
Pump Station and Forcemain Assessment and Upgrade	750,000	-	750,000	750,000	6
Steveston Sanitary Sewer Rehabilitation	410,000	-	-	-	1
Van Horne Pump Station Upgrade	-	2,780,000	-	-	4
Vulcan Way Forcemain Replacement	1,170,000	-	-	-	2
Total 2015 to 2018 Sanitary Sewer	\$ 5,660,000	\$ 5,680,000	\$ 4,090,000	\$ 2,580,000	

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

Highlights of the 2015 – 2018 infrastructure sanitary sewer program include:

1. Sanitary Sewer Rehabilitation and Upgrade - \$1,570,000 for 2015

- **City Centre Sanitary Sewer Rehabilitation** – \$1,160,000 for 2015

This project includes the rehabilitation of sanitary sewer mains and service connections in various locations of City Centre sanitary sewer area.

- **Steveston SSA Rehabilitation and Upgrade** - \$410,000 for 2015

This project includes the rehabilitation and replacement of sanitary sewer mains at various locations in the Steveston sanitary area.

2. Force Main Replacement - \$1,950,000 for years 2015 and 2018

- 2015: Vulcan Way force main replacement. This project involves the replacement of the aging sanitary force main, which is at the end of its service life. This project reduces the risk of sanitary sewer overflows due to force main breaks. This project includes 1300 meters of 450mm diameter force main construction to replace the existing force main which is at the end of its useful life.
- 2018: As pressurized fibreglass force mains age they become brittle and have an increased risk of failure. This project will replace the following:
 - 485 meters of 300mm diameter forcemain and 30 meters of 500mm on Richmond St. from Steveston pump station to Garry St
 - 160 meters of 250mm diameter forcemain on Fentiman Pl. From Garry pump station to Garry St.;
 - 285 meters of 300mm diameter forcemain on Francis Road from #7260 Francis Rd. to Foster Rd.

Major Cost Components:

- Force main pipe work
- Tie-ins to the existing sanitary infrastructure.

3. Gravity Sewer Replacement/ Upgrade - \$2,640,000 for the years 2016 - 2017

These projects are required to:

- Replace aging infrastructure at the end of its service life
 - Minimize risk of pipe failure
 - Minimize maintenance cost due to an increased number of service requests
 - Upgrade the existing sanitary sewer as identified by the 2041 OCP Sanitary Model.
- **Gravity Sanitary Sewer Upgrade on River Rd/ Beckwith Rd/ Charges St - \$2,500,000 for 2016**

The new sanitary sewer will be designed to service the projected 2041 OCP population in the area, which is currently undergoing rapid high-density re-development.

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

- **Gravity Sanitary Sewer Replacement – Shellmont Sanitary Area - \$140,000 for 2017**

This project includes construction of 210 meters of 250mm diameter gravity sewer.

4. Sanitary Pump Station - \$4,930,000 for years 2017 – 2018

- **Leslie Pump Station Replacement** - \$2,150,000 for 2017

This project includes construction of a new pump station complete with wet well, VFD pumps, electrical kiosk, 350 meters of 350/450mm diameter gravity pipe and 430 meters of 400mm force main. This project may require land acquisition.

- **Van Horne Pump Station Upgrade** - \$2,780,000 for 2018

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

5. SCADA System Improvements - \$750,000 for the years 2015 – 2018

This project is required to upgrade and rehabilitate the existing Supervisory Control and Data Acquisition (SCADA) system to improve the operation of the sanitary sewer service in the area. In order to effectively monitor over two hundred sites within the City, continuous upgrades are required to maintain and upgrade the SCADA system to provide accurate information. This project will allow the City to remain current with emerging technologies and to react appropriately to security threats.

6. Assessment and Upgrade - \$2,250,000 for years 2015 – 2018

This project will perform an assessment of sanitary pump stations and force mains and implement improvements based on the assessments. A critical part of the assessments will be a quantification of Fats, Oils and Grease (FOG) issues in the force main system and a review FOG mitigation measures. Improvements will likely include:

- Installation of pressure monitors
- Installation of force main bypass and inspection assemblies
- Upgrade electrical, control and telemetry kiosks
- Improved pump station access and safety.

2014 – 2018 Approved (2014) and Recommended (2015-2018) Public Works Infrastructure Advanced Design

Approved Project Name	Year
Infrastructure Advanced Design	2014
City Centre District Energy Utility	300,000
PW Infrastructure Advanced Design	1,442,000
Total 2014 Infrastructure Advanced Design	\$ 1,742,000

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year
Infrastructure Advanced Design	2015	2016	2017	2018
PW Infrastructure Advanced Design	1,418,000	1,160,000	1,310,000	1,230,000
Total 2015-2018 Infrastructure Advanced Design	\$ 1,418,000	\$ 1,160,000	\$ 1,310,000	\$ 1,230,000

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

Attachment 4 – Capital Program Details - 41 -
Infrastructure Program – Minor Capital – Traffic Program

**2014 - 2018 Approved (2014) and Recommended (2015-2018) Infrastructure Public Works
Minor Capital - Traffic Program**

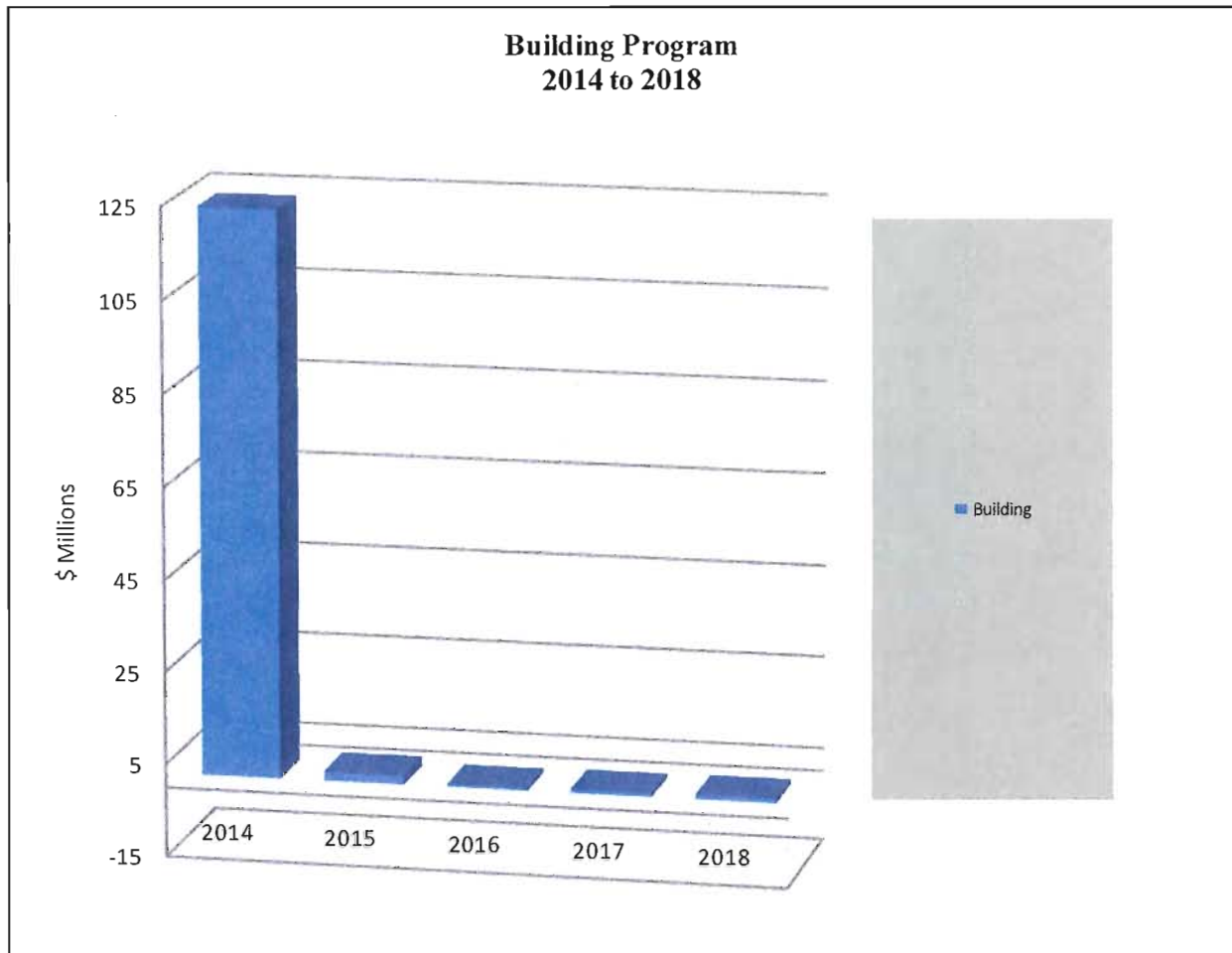
Approved Project Name	Year
Minor Public Works	2014
PW Minor Capital - Traffic	225,000
Total 2014 Minor Public Works	\$ 225,000

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year
Minor Public Works	2015	2016	2017	2018
PW Minor Capital - Traffic	250,000	250,000	250,000	250,000
Total 2015-2018 Minor Public Works	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

ii) Building Program 2014-2018

The building program includes major building construction and renovation projects as well as minor facility upgrades and repairs. The City's building assets include: arenas, pools, community centres, libraries, heritage buildings, police stations, fire halls and other government facilities.



Significant items from the major facilities replacements have been included in the 2014-2018 Capital Budget. The Corporate Facilities Implementation Plan – Phase 1 (CFIP - Phase 1) endorsed by Council on November 12, 2013 is to build a co-located Older Adults Centre and Minoru Aquatic Centre at Minoru 2 Field in Minoru Park, build a new Fire Hall No. 1 and new City Centre Community Centre. The total amount approved by Council for Phase 1 is \$123.7 million. These projects are funded by a combination of internal City funding sources and \$50 million debt financing from Municipal Finance Authority.

2014 Approved Building Program

Approved Project Name	Year
Building	2014
Branscombe House Phase 2	105,500
City Centre Community Centre	6,700,000
Fire Hall No. 1	21,500,000
Japanese FBS Building Exhibit Development	171,000
Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency	15,000,000
Middle Arm Gathering Place Design	150,000
Minoru Aquatic Centre/Older Adults Centre	76,900,000
Minoru Chapel Restoration and Rehabilitation	625,000
Richmond Ice Centre - Chiller Replacements	550,000
Richmond Ice Centre - HVAC/Refrigeration Equipment	440,000
Watermania Air Handling Units	495,000
Watermania - HVAC	455,000
Total 2014 Building	\$ 123,091,500

Note: *Approved 2014 One-Time Expenditures to be included in the Capital Program

Total 2015 - 2018 Recommended Buildings

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year	Ref #
Building	2015	2016	2017	2018	
Brighthouse Park Fieldhouse & Caretaker Facility	-	-	370,000	-	1
Garratt Wellness Centre Upgrades	-	-	-	360,000	2
Gateway Theatre Renewals & Upgrade	700,000	-	-	-	3
Project Development Advanced Design	250,000	250,000	250,000	-	4
Richmond Public Courthouse Renewals of Interior Finishes	-	-	-	650,000	5
Sea Island Community Hall	-	-	250,000	-	6
South Arm Community Centre Renewals & Upgrades	880,000	-	-	-	7
South Arm Community Hall Upgrades	150,000	-	-	-	8
Thompson Community Hall Renewals & Upgrades	-	400,000	-	-	9
Total 2015-2018 Building	\$ 1,980,000	\$ 650,000	\$ 870,000	\$ 1,010,000	

Refer to the 2014 Capital Budget Report and the 2014 One-Time Expenditures approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

Highlights of the 2015 – 2018 building program include:

1. Brighthouse Park Fieldhouse & Caretaker Facility – \$370,000 for 2017

Brighthouse Park is a 7.8 acres sports oriented park located in the busy City Centre. The fieldhouse and caretaker facility is currently nearing the end of its useful life. The project includes updating the exterior and interior walls, roof replacement, flooring, plumbing, mechanical, electrical and lighting.

2. Garratt Wellness Centre Upgrades – \$360,000 for 2018

Garratt Wellness Centre offers specialized programs, education and resources to help Richmond residents manage their chronic conditions and improve the quality of their lives. The facility is currently nearing the end of its useful life. The project includes updating the exterior walls and doors, roof replacement, flooring, signage, mechanical, electrical, and lighting.

3. Gateway Theatre Renewals and Upgrades – \$700,000 for 2015

Gateway Theatre is a professional theatre company, home to Gateway Academy for the Performing Arts, and is a popular rental venue. The facility is currently nearing the end of its useful life. The project includes updating the interior walls, mechanical, electrical, and lighting.

4. Project Development Advanced Design - \$750,000 for the years 2015-2017

Advanced design of projects is required to ensure that each project is well managed in regards to scope of work, costs and schedule. Engage the appropriate experts (i.e. architects, engineers, designers) for a variety of proposed facility projects to determine the feasibility of each project. The experts would develop conceptual plans and provide preliminary estimates and schedule for each proposed project.

5. Richmond Public Courthouse - \$650,000 for 2018

The Richmond Public Courthouse facility is currently nearing the end of its useful life. The project includes upgrades to renew acoustic ceiling tiles and repair and refinish interior walls.

6. Sea Island Community Hall - \$250,000 for 2017

The Sea Island Community Hall facility is currently nearing the end of its useful life. This project includes renewing the roof, the exterior openings and stairs, updating the interior finishes, electrical service and distribution, renewing the terminal and packaged units, and updating the emergency lighting.

7. South Arm Community Centre - \$880,000 for 2015

The South Arm Community Centre project includes renewal of exterior and interior walls, replacing the roof, and updating the electrical and lighting.

8. South Arm Community Hall - \$150,000 for 2015

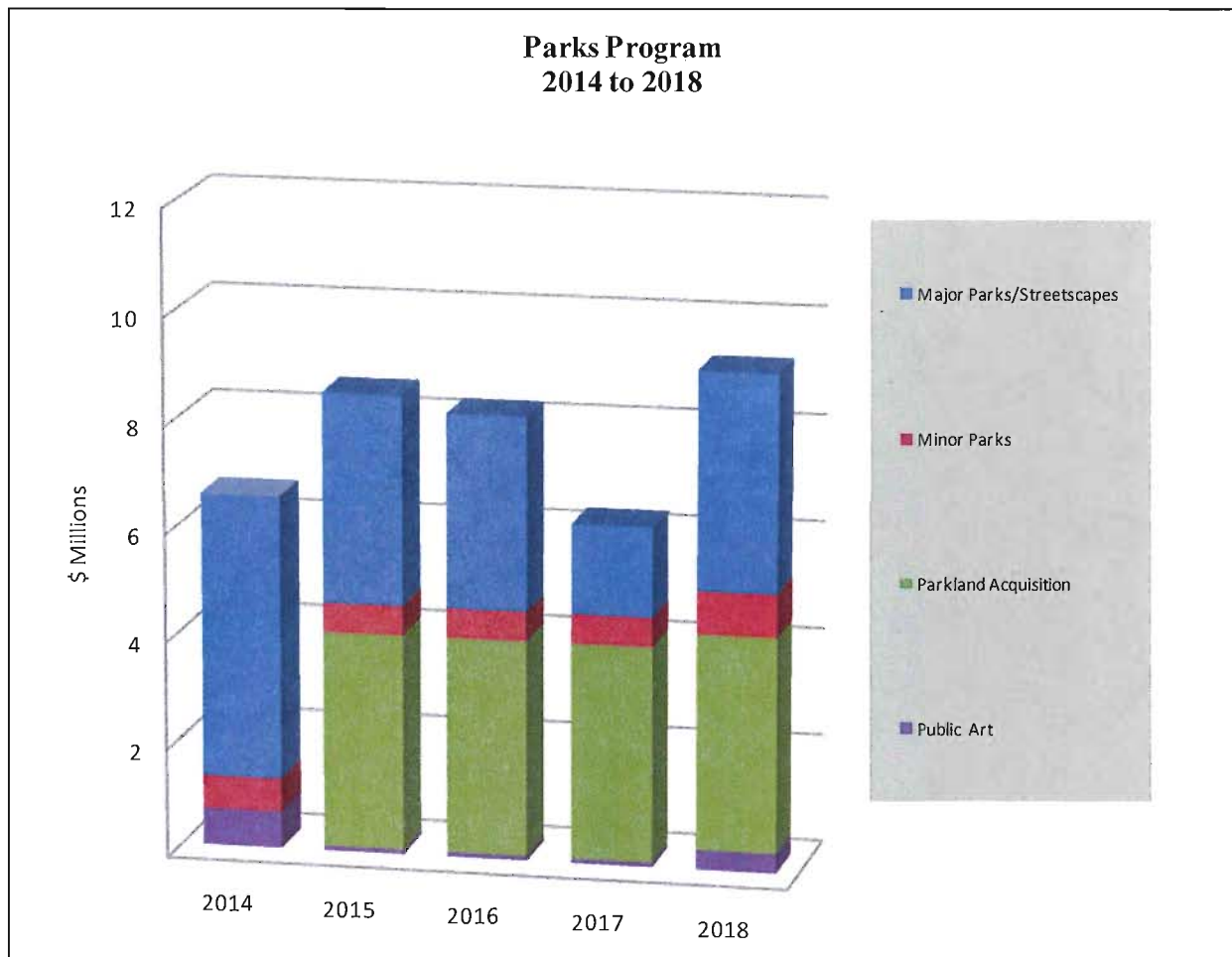
The South Arm Community Hall project includes renewing interior walls and floor finishes, and updating exterior windows.

9. Thompson Community Hall - \$400,000 for 2016

The Thompson Community Hall project includes renewal of interior walls and floor finishes, replacing the roof, and updating the electrical and lighting.

iii) Parks Program 2014-2018

Richmond is renowned for its high quality parks and recreation facilities. The City's park system has over 90 parks that total approximately 1,400 acres. Parks are unique places designed and developed for the enjoyment of all city residents as well as visitors to Richmond. These sites usually contain a wide variety of recreational and sports facilities, play equipment and other specialized facilities. In addition to parks, Richmond has a 200-acre recreational trail system.



2014 Approved Parks Program

Approved Project Name	Year
Parks	2014
Cambie Mueller Park	\$ 1,500,000
City Tree Planting Program	150,000
Minoru Artificial Turf - Minoru 2 field	600,000
Minoru Park - Track Resurfacing	450,000
ORA Development - Park OBI	1

Parks Program

Approved Project Name	Year
Parks	2014
Parks Advance Planning & Design	350,000
Parks Aging Infrastructure Retrofit/Upgrade/Replacement Program	75,000
Parks General Development	250,000
Playground Improvement Program	300,000
Public Art Program	690,324
Railway Greenway Phase 2 & 3	330,000
Railway Greenway Washrooms at Branscombe House - OBI	1
Terra Nova Play Environment Washroom & Landscaping	650,000
The Gardens Agricultural Park	850,000
Trails	250,000
Tree Planting/Urban Forest Advance Design Program	150,000
Total 2014 Parks	\$ 6,595,326

2015-2018 Recommended Parks Program

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year	Ref #
Parks	2015	2016	2017	2018	
Cambie Mueller Park	-	-	-	750,000	
Characterization - Neighbourhood Parks	100,000	100,000	100,000	100,000	1
City Centre Middle Arm Waterfront Park	-	-	500,000	400,000	1
City Tree Planting Program	150,000	150,000	150,000	150,000	
Grauer Lands - Trails and Boardwalks	500,000	-	-	-	1
Hollybridge Pier	500,000	-	-	-	1
Hugh Boyd Artificial Turf Sports Fields	-	-	-	1,800,000	2
Kawaki Development	-	1	-	-	
Lang Park Redevelopment - Park Characterization	400,000	-	-	-	1
Minoru Lakes Development	-	1,000,000	-	-	1
Oval East Waterfront Park	-	-	1	-	
Oval Precinct Public Art Program	-	-	-	278,000	3
Parkland Acquisition	4,000,000	4,000,000	4,000,000	4,000,000	4
Parks Advance Planning & Design	250,000	250,000	250,000	400,000	
Parks Aging Infrastructure Retrofit/Upgrade/Replacement Program	100,000	100,000	100,000	200,000	
Parks General Development	250,000	250,000	250,000	300,000	
Parks Identity Signage Program	350,000	-	-	-	1
Playground Improvement Program	200,000	200,000	200,000	300,000	
Public Art Program	100,000	100,000	100,000	100,000	
Railway Greenway Phase 2 & 3	500,000	-	-	-	
Richmond High Artificial Turf Field Replacement	-	600,000	-	-	5
River Green Village - Park OBI	-	1	-	-	
Tait Elementary School Community Amenity Space	50,000	-	-	-	1
The Gardens Agricultural Park	1,000,000	900,000	403,300	-	
Trails	100,000	100,000	250,000	200,000	
Waterfront Improvement Program	-	250,000	-	250,000	1
West Cambie Park	-	250,000	-	-	1
West Park – Oris Development/River Drive Development	1	-	-	-	
Total 2015 to 2018 Parks	\$ 8,550,001	\$ 8,250,002	\$ 6,303,301	\$ 9,228,000	

Note that project costs of \$1 represent assets that the City takes ownership or responsibility of that have an associated operating budget impact.

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

Highlights of the 2015 – 2018 parks program include:

1. Identified Following Parks \$4,850,000 for the years 2015-2018

- **Characterization – Neighbourhood Parks** - \$400,000 for the years 2015-2018

The purpose of this program is to strengthen the overall function and character of existing neighbourhood parks within the City's Park and Open Space system. Designs are prepared and implemented in response to Community driven requests and concerns. The preliminary projects include:

- 2015 - Odlin Neighbourhood Park, Hamilton Neighbourhood Park.
- 2016 - Wowk Neighbourhood Park, Talmey Neighbourhood Park.
- 2017 – Ferris School/Neighbourhood Park, Terra Nova Neighbourhood Park.
- 2018 – Burkeville Neighbourhood Park.

- **City Centre Middle Arm Waterfront Park** - \$900,000 for years 2017-2018

City Centre Middle Arm Waterfront Park is a pivotal park in the City Centre Area Plan that will become the City's living room, adjacent to the Fraser Room, supporting water-based recreation, cultural events, formal & informal recreation, environmental features, heritage interpretation. These phases are to begin placing funds in a reserve account towards the construction of the park which, tentatively, is to commence in 2022.

- **Grauer Lands** - \$500,000 for 2015

The City of Richmond purchased the Grauer Lands in 2012 to preserve, conserve, maintain and enhance the natural state of the Lands and its amenities in perpetuity as habitat for waterfowl, fish, and wildlife. They are a key part of an internationally recognized wildlife area that provides essential food sources and shelter to fish and migratory waterfowl, and other shorebirds. By 2015 it is expected the excavated material will have settled sufficiently to allow new trails and boardwalks to be constructed on top of it.

- **Hollybridge Pier** - \$500,000 for 2015

The Hollybridge Pier is an integral part of the parks and open space plan that Council approved in 2013 as part of ASPAC's River Green development. This is the estimated cost of designing and constructing the pier.

- **Lang Park Redevelopment - Park Characterization - \$400,000 for 2015**

Lang Park is well used by numerous people, however there are several improvements required to ensure residents can continue to use and enjoy the park.

For 2015, the scope of work will include:

- A consultation process that engages nearby residents, Lang Centre staff and program participants in workshops to identify priorities.
- Develop preliminary design ideas and cost estimates for review and discussion.
- Develop construction documentation and cost estimates.
- Finalize design and cost estimates for Council review.

- **Minoru Lakes - \$1,000,000 for 2016**

This project is the redevelopment of the Minoru lakes and surrounding areas. This includes the retrofit construction of the lakes that may include a storm water retention option (similar to Garden City Lakes) and other landscape features.

- **Parks Identity Signage - \$350,000 for 2015**

Many of the City's park sites do not have signage to inform the public the name of the park they are visiting or to find a specific park during special events. In order to adequately provide both park identity and wayfinding for the public and community, a comprehensive planning, design and signage fabrication & installation program needs to be established to have a coordinated approach to site identity.

- **Tait Elementary School – Community Amenity Space - \$50,000 for the 2015**

In order to address the lack of community facilities in the area, the developer has worked together with Planning and Parks, Recreation and Culture Services to address the needs of residents in the area.

- **Waterfront Improvement Program - \$500,000 for 2016 and 2018**

In 2009, City Council adopted the Waterfront Strategy. Several of the City's best open space amenities are located along the waterfront edge such as Terra Nova, Garry Point Park, Middle Arm & the Oval, and the south & west dyke trails. This program assists in the funding of opportunistic waterfront improvements and the continuation of implementing the waterfront strategy.

- 2016: Development of a new pier structure at Garry Point Park. Planning and preparation would start in 2015 for the conceptual design and cost estimates to confirm the feasibility of the project.

- 2018: TBD. To assist in funding opportunistic waterfront improvements and development of an overall waterfront strategy.
- **West Cambie Park - \$250,000 for 2016**

Construction will include demolishing old structures (on acquired properties); clearing and grubbing of parts of the land; grading and seeding of new landscaped areas; installing storm drainage; rejuvenating and enhancing existing stands of vegetation; constructing pathways and installing site furniture.

Funding for this project will come from the West Cambie Local Area DCC's

Future phases will be designed and implemented as the City continues to acquire adjacent properties.

2. Hugh Boyd Artificial Turf Sports Fields – \$1,800,000 for 2018

Hugh Boyd Artificial Turf Sports Fields was constructed in 2006 as part of the planning and design of the City's Sports Strategy with the Sports Council. It was then one of the largest single synthetic sports field built in Canada with the equivalent area of over 3 full size soccer fields. The facility now hosts major soccer tournaments such as the Nations Cup and has become one of Richmond's premier fields for training and tournaments. This project includes the removal and disposal of the existing turf layer, installation of the new turf layer, and drainage and sub base preparation costs.

3. Oval Precinct Public Art – \$278,000 for years 2018

Phase 4 consists of 2 additional opportunities identified in the Oval Precinct Public Art Plan. One of these opportunities is proposed for 2018.

2018 Opportunity: Canadian Artists for long term and temporary artworks.

Post 2018 Potential Opportunity: Construction of the signature art piece in the Riverside Gathering (north side Festival Plaza) to support the activation strategy for the Plaza.

4. Parkland Acquisition - \$16,000,000 for the years 2015-2018

The purpose of the Parkland Acquisition program is to acquire land for park requirements to address development and population growth. The program is based on the City's population projections as per the OCP and Council approved 2022 Parks and Open Space Strategy.

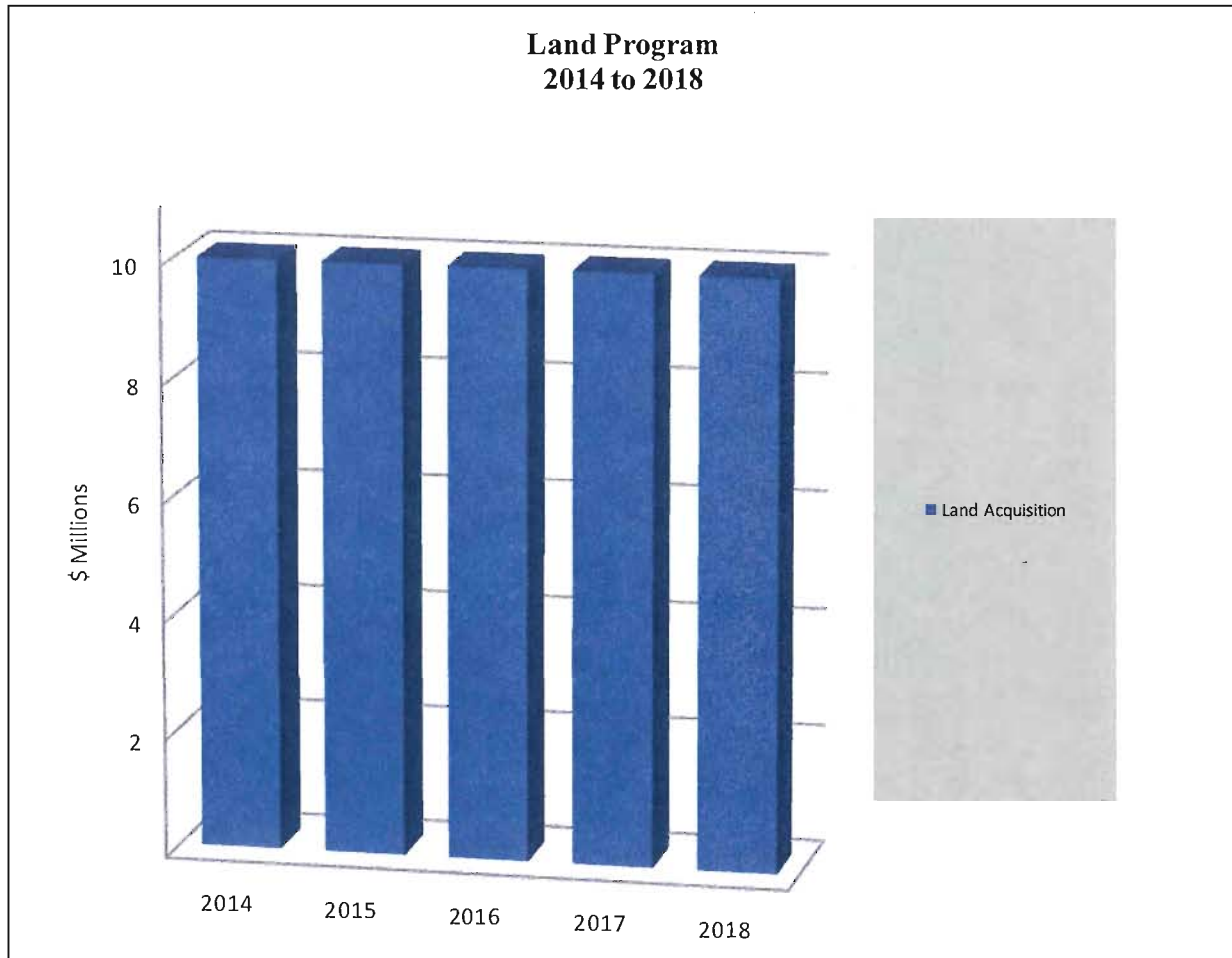
5. Richmond High Artificial Turf Field Replacement – \$600,000 for 2016

Richmond High Artificial turf field was constructed in 2005 as a joint effort between the School District and the City. Since the field serves as the only "green space" for the

school, it is used for all purposes and activities during school hours including sports, gathering areas and special events. After hours, the fields are consistently booked for programmed use. This project includes the removal and disposal of the existing turf layer, installation of the new turf layer, and design and base preparation costs.

iv) Land Program 2014-2018

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



2014 Approved Land Program

Approved Project Name	Year
Land	2014
Strategic Land Acquisition	10,000,000
Total 2014 Land	\$ 10,000,000

Total 2015-2018 Recommended Land Program

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year
Land	2015	2016	2017	2018
Strategic Land Acquisition	10,000,000	10,000,000	10,000,000	10,000,000
Total 2015-2018 Land	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 project and recurring projects. The program is increased by \$5 million in order for the City to act on opportunities in a timely manner; Council approval is required prior to any funds being spent from this program.

v) Affordable Housing Program 2014-2018

The Affordable Housing Division is responsible for coordinating the implementation of the Richmond Affordable Housing Strategy. This Strategy was adopted in 2007 and contains recommendations, policies, directions, priorities, definitions and annual targets for affordable housing in the City. The City is working with other levels of government, the non-profit sector, the private sector, local groups and the community in pursuit of the Strategy's goals.



2014 Approved Affordable Housing Program

Approved Project Name		Year
Affordable Housing		2014
Affordable Housing Projects - City Wide		857,000
Affordable Housing Projects - Legal		175,000
Total 2014 Affordable Housing		\$ 1,032,000

2015 – 2018 Recommended Affordable Housing Program

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year	Ref #
Affordable Housing	2015	2016	2017	2018	
Affordable Housing Projects - City Wide	750,000	750,000	750,000	\$ 750,000	1
Affordable Housing Projects - West Cambie	225,000	225,000	225,000	\$ 225,000	1
Total 2015-2018 Affordable Housing	\$ 975,000	\$ 975,000	\$ 975,000	\$ 975,000	

The City's Affordable Housing Strategy focuses on:

- Leveraging monies collected in the City's Affordable Housing Reserve Fund primarily for subsidized housing, and
- Meeting the affordable housing needs of Richmond's diverse population by the City managing its resources in partnerships with the private sector, local groups, agencies and other levels of government.

In the absence of consistent Senior Government funding, subsidized rental housing is the most financially challenging to develop. The challenge for non-profit housing providers is to cover the construction costs and carry a mortgage at a level that is sustainable to maintain operating costs and delivery of affordable rents to very low-income households.

The City has approved two Affordable Housing Special Development Circumstance (AHSDC) projects for subsidized rental housing. The City has committed significant financial contributions to these projects through the Affordable Housing Reserve Fund and policy mechanisms that provide for voluntary developer contributions to be utilized towards the constructions costs for AHSDC projects, which includes Council approval of the:

- Kiwanis project for development of 296 senior subsidized rental units to receive a total of up to \$24,243,078 towards construction costs and permit fees (i.e. Affordable Housing Value Transfer of \$18,690,406; Affordable Housing Reserve Fund contribution for subsidized rental housing provision of \$2,147,204; and DCC, Service Cost, and Permit fee coverage of \$3,305,468).
- 8111 Granville Avenue/8080 Anderson Road development of 129 subsidized rental units with complementary programmed space to support tenant self-sufficiency to receive a total of up to \$19,861,021 towards the construction costs and permit fees (i.e. Affordable Housing Value Transfer of \$14,142,228; DCC, Service Cost and Permit fee coverage of up to \$2,718,793; and Interim funding of \$3M to support delivery of subsidized rents).

Both projects total \$44,104,099 in City contributions through the Affordable Housing Reserve Fund and City policies to leverage monies received through voluntary developer contributions towards the delivery of affordable housing without impact to Richmond taxpayers.

Highlights of the 2015 – 2018 affordable housing program include:

1. Affordable Housing \$3,900,000 for the years 2015-2018

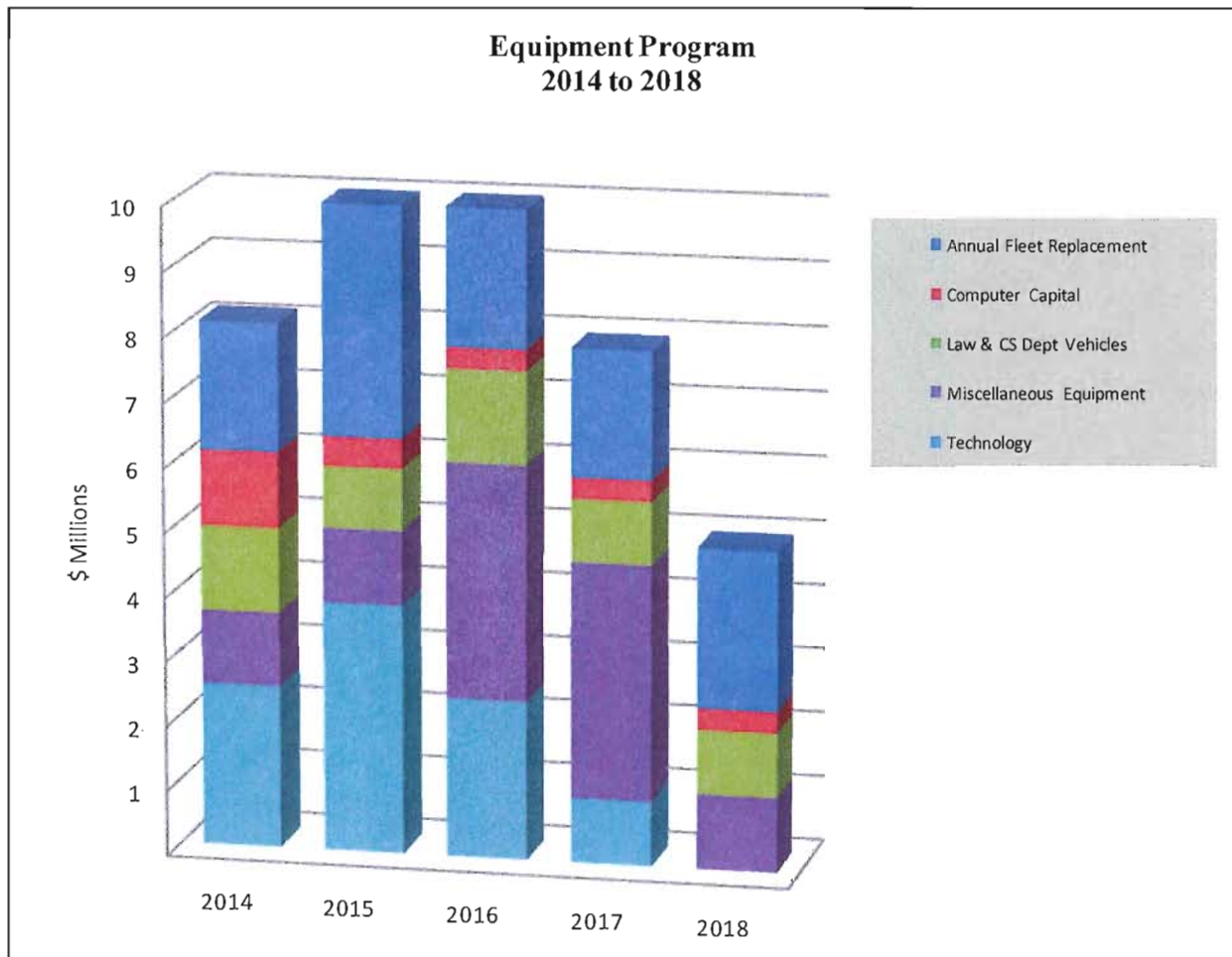
This funding is for the development of affordable housing which helps to ensure that Richmond is liveable and appealing. By investing in strategic land acquisition and related affordable housing development, the City will be able to effectively implement its Affordable Housing Strategy, and contribute to being a well-managed city.

The timing of the projects is dependent upon land acquisition opportunities as they arise and the receipt of affordable housing development proposals. Any expenditures are subject to Council's approval.

Development activity funds the Affordable Housing Reserve Fund.

vi) Equipment Program 2014-2018

The equipment program includes machinery and vehicles for Public Works and Fire Rescue Services, computer hardware, software, library materials, and other miscellaneous equipment.



2014 Approved Equipment Program

Approved Project Name	Year
Equipment	2014
2014 Server Replacements	232,000
Amanda Mobile 6.0 Upgrade Implementation	97,555
Energy Management - 2014 Projects	645,000
Existing Operational Desktop Computer Hardware Funding	330,000
Fibre Optic Cabling to City Facilities - Phase 8b	120,000
Fibre Optic Cabling to City Facilities - Phase 9/10	130,000
Fire Equipment Replacement	318,182
Fire Vehicle Replacement Reserve Purchases	886,641

Approved Project Name	Year
Equipment	2014
Hansen Upgrade	1,175,500
Library Material Purchases	1,162,900
Mobile Middleware Framework	200,000
PeopleSoft 9.2 Enhancements and Business Intelligence Tools	450,000
Richmond Fire Mobile In Apparatus Computers (Evergreen)	150,000
Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	1,980,000
Vehicles for RCMP Detachment Leadership Team	105,000
WorkSafeBC Claims/Incident Management System	151,200
Total 2014 Equipment	\$ 8,133,978

2015-2018 Recommended Equipment Program

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year	Ref #
Equipment	2015	2016	2017	2018	
2015 Equipment Lease Payments	12,153	-	-	-	
Alexandra District Energy Utility Expansion	-	2,500,000	2,500,000	-	1
Digital Strategy	3,000,000	2,000,000	1,000,000	-	2
Energy Management	260,000	-	-	-	
Energy Management - Energy Audits and Building Optimization	400,000	450,000	-	-	3
Energy Management - Infrastructure Energy Efficiency Upgrade Funding	200,000	-	-	-	4
Existing Operational Desktop Computer Hardware Funding	330,000	330,000	330,000	330,000	
Fire Equipment Replacement	16,396	16,765	16,892	17,230	
Fire Vehicle Replacement Reserve Purchases	935,106	1,418,176	951,245	975,142	5
IT Infrastructure Replacement	120,000				
Library Material Purchases	1,162,900	1,162,900	1,162,900	1,162,900	
Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	4,889,400	2,688,944	1,972,120	2,467,826	6
Total 2015-2018 Equipment	\$ 11,325,955	\$ 10,566,785	\$ 7,933,157	\$ 4,953,098	

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

Highlights of the 2015 – 2018 equipment program include:

1. Alexandra District Energy Utility Expansion \$5,000,000 for years 2016-2017

Expand the energy capacity and distribution network of the existing ADEU to meet the needs of development in the service area. As the developments in the area occur, additional boilers, fluid coolers and/or renewable energy sources, as well as the distribution piping will have to be supplied and installed to service these new developments.

2. Digital Strategy - \$6,000,000 for the years 2015-2017

The purpose of this program is to transform the City to embrace digitalization in all aspects of running the business of the City. This includes the automation of the

development and planning process, implementation of mobile capabilities, the integration of the City computing systems to facilitate the creation of the ‘smart city’ with real time monitoring and publication of information and transformation of all services to be provided online using a standard shopping-cart approach. A new customer-centric portal service will be created providing citizens and business developers a simple, one-stop website that provides information and services to them in a personalized and comprehensive manner.

3. Energy Management - Energy Audits and Building Optimization - \$850,000 for the years 2015-2016

The purpose of this program is to reduce the energy used at City assets, through optimization of existing systems or incorporation of new technologies. This will involve conducting detailed energy audits at five selected City assets, each year, and implementing the recommended improvements that provide the best energy performance, maximizes the reduction of GHG emissions, and which can deliver the best return on investment.

4. Energy Management – Infrastructure Energy Efficiency \$200,000 for 2015

This project will provide general funding to support the increased energy efficiency upgrades to a building’s energy using systems during project development. Projects will be chosen that are aligned with the work already being carried out by Project Development, and the highest priority will be given to the projects with the strongest business cases.

5. Fire Vehicle Replacement and Equipment \$4,280,000 for the years 2015-2018

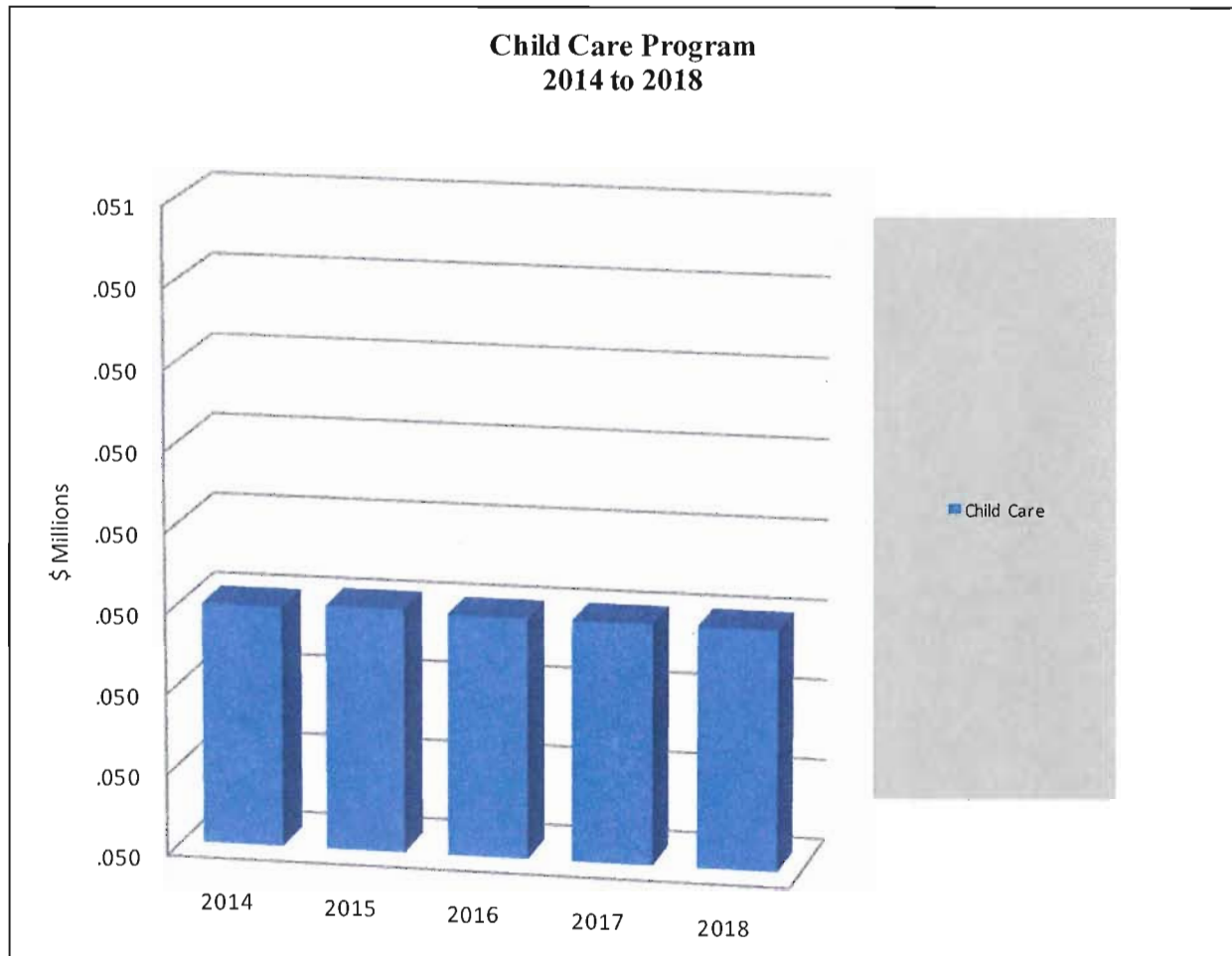
- 2015 – Replacement of Pumper and fire fighting hose.
- 2016 – The construction and delivery of a fire ladder and fire hose.
- 2017 – Replacement of Pumper and fire fighting hose.
- 2018 – Replacement of Pumper and fire fighting hose.

6. Vehicle & Equipment Reserve Purchases – \$12,018,000 for years 2015-2018

Item replacement due to vehicles reaching the end of their useful life cycle and increasing maintenance costs associated with their current condition. Vehicles/equipment which present safety concerns are also include in the project costs.

vii) Child Care Program 2014-2018

To address child care need, the City will plan, partner and, as resources and budgets become available, support a range of quality, affordable child care including facilities and spaces.



2014 Approved Child Care Program

Approved Project Name		Year
Child Care		2014
Child Care Projects - City Wide		50,000
Total 2014 Child Care		\$ 50,000

2015-2018 Recommended Child Care Program

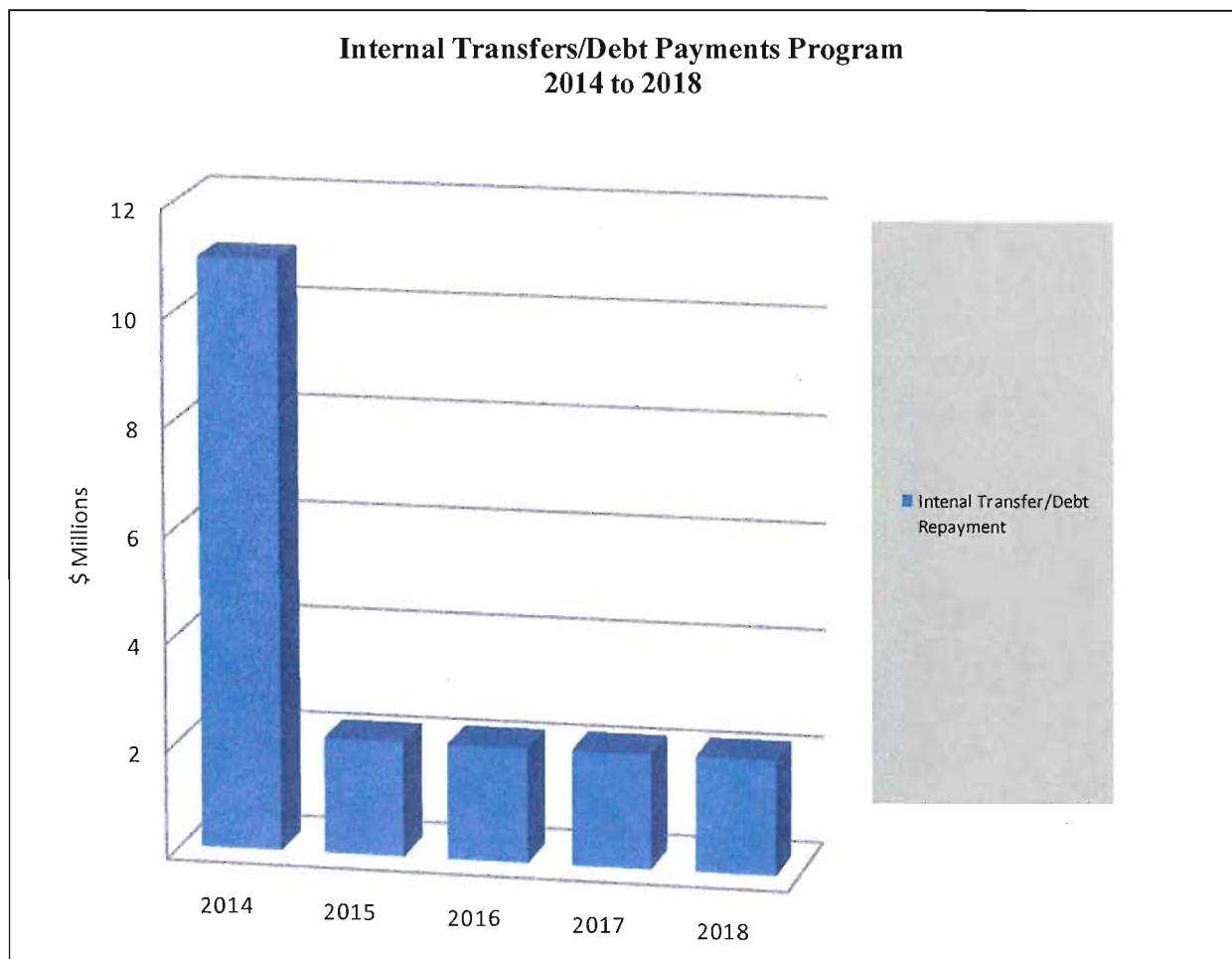
Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year
Child Care	2015	2016	2017	2018
Bridgeport - Child Care Facility	1	-	-	-
Child Care Projects - City Wide	50,000	50,000	50,000	50,000
Cressey Cadence Child Care Facility	1	-	-	-
River Green - Child Care Facility	1	-	-	-
The Gardens - Child Care Facility	1	-	-	-
Total 2015-2018 Child Care	\$ 50,004	\$ 50,000	\$ 50,000	\$ 50,000

Note that project costs of \$1 represent assets that the City takes ownership or responsibility of that have an associated operating budget impact.

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

viii) Internal Transfers/Debt Program 2014-2018

The internal transfers/debt program relates to the use of capital funding for items that do not result in tangible capital assets. This includes: the repayment of capital funds borrowed from other internal sources of funding, external debt repayment and transfers to the operating budget for items that do not meet the asset capitalization criteria.



2014 Approved Internal Transfer/Debt Program

Approved Project Name	Year
Internal Transfers/Debt Payment	2014
Nelson Road Interchange Repayment	385,098
Parkland Acquisition City Wide	8,000,000
Parkland Acquisition West Cambie	1,200,000
River Rd/North Loop (2005) Repayment	1,317,000
Shovel - Ready Grant (2009) Repayment Lansdowne Rd Extension	77,263
Total 2014 Internal Transfers/Debt Payment	\$10,979,361

Attachment 4 – Capital Program Details - 63 -
Internal Transfers / Debt Program

2015-2018 Recommended Internal Transfer/Debt Program

Recommended Project Name	Projected Year	Projected Year	Projected Year	Projected Year
Internal Transfers/Debt Payment	2015	2016	2017	2018
Nelson Road Interchange Repayment	385,098	385,098	385,098	385,098
River Rd/North Loop (2005) Repayment	1,685,056	1,685,056	1,685,056	1,685,056
Shovel - Ready Grant (2009) Repayment Lansdowne Rd Extension	77,263	77,263	77,263	77,263
Total 2015-2018 Internal Transfers/Debt Payment	\$ 2,147,417	\$ 2,147,417	\$ 2,147,417	\$ 2,147,417

Refer to the 2014 Capital Budget Report approved at the December 9, 2013 Council meeting for more details on the approved 2014 projects and recurring projects.

**City of Richmond
2014-2018 Financial Plan
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%.
- 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 tax rate.

Table 1:

Revenue Source	% of Total Revenue*
Property Taxes	43.0%
User Fees & Charges	27.9%
Proceeds From Borrowing	11.9%
Investment Income	3.9%
Gaming Revenue	3.5%
Grants in Lieu of Taxes	3.2%
Grants	1.1%
Other Sources	5.5%
Total	100.0%

Table 1 shows the proportion of total general revenue proposed to be raised from each funding source in 2014.

Distribution of Property Taxes

Table 2 provides the estimated 2014 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 2014 Completed Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.8%
Business (6)	33.5%
Light Industry (5)	7.9%
Others (2,4,8 & 9)	1.8%
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.



5 Year Financial Plan (2014-2018) Bylaw 9100
Bylaw 9100

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" which are attached and form part of this bylaw, are adopted as the 5 Year Financial Plan (2014-2018).
2. 5 Year Financial Plan (2013 – 2017) Bylaw 8990 and all associated amendments are repealed.
3. This Bylaw is cited as "**5 Year Financial Plan (2014 - 2018) Bylaw 9100**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

MAYOR

CORPORATE OFFICER

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

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN (2014 – 2018)
(in 000's)

	2014	2015	2016	2017	2018
Revenues					
Property Taxes	\$183,822	\$191,101	\$198,414	\$205,865	\$213,675
Transfer from Capital Equity	44,812	45,028	45,113	45,642	48,882
Utilities	94,505	98,470	102,977	107,832	111,882
Transfer from Capital Equity	6,621	6,653	6,666	6,744	7,222
Fees and Charges	27,517	27,930	28,326	28,736	29,189
Investment Income	16,197	16,278	16,360	16,441	16,524
Grants in Lieu of Taxes	13,473	13,647	13,823	14,001	14,182
Gaming Revenue	14,908	14,946	14,983	15,020	15,058
Grants	4,580	4,608	4,637	4,666	4,695
Penalties and Interest on Taxes	1,015	1,025	1,036	1,046	1,056
Miscellaneous Fiscal Earnings	23,735	20,776	21,548	22,128	21,606
Proceeds from Borrowing	50,815	-	-	-	-
Capital Plan					
Transfer from DCC Reserve	19,675	14,452	11,471	11,449	13,589
Transfer from Other Funds and Reserves	171,767	51,986	49,688	49,269	43,826
External Contributions	680	230	175	575	175
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL REVENUES	\$874,801	\$643,843	\$608,916	\$576,700	\$577,577
Expenditures					
Utilities	\$79,505	\$83,502	\$88,022	\$92,955	\$97,483
Transfer to Drainage Improvement Replacement Reserve	9,765	9,765	9,765	9,765	9,765
Transfer to Watermain Replacement Reserve	7,500	7,500	7,500	7,500	7,500
Transfer to Sanitary Sewer Reserve	4,256	4,256	4,256	4,256	4,256
Transfer to Equipment Replacement Reserve	100	100	100	100	100
Law and Community Safety	87,417	89,625	91,677	93,708	96,115
Transfer to Equipment Replacement Reserve	983	983	983	983	983
Engineering and Public Works	67,596	67,967	69,101	70,699	71,764
Transfer to Equipment Replacement Reserve	1,675	1,675	1,675	1,675	1,675
Community Services	62,980	63,403	65,872	68,206	72,699
Transfer to Capital Building & Infrastructure Reserve	252	252	252	252	252
Finance and Corporate Services	24,927	25,105	25,516	25,936	26,374
Planning and Development	12,806	13,011	13,240	13,474	13,722
Corporate Administration	7,180	7,251	7,371	7,493	7,620
Fiscal	24,676	25,028	25,546	26,071	26,499
Transfer to Capital Building & Infrastructure Reserve	11,866	13,704	15,615	17,599	19,658
Transfer to Capital Reserve	59,890	9,890	9,890	9,890	9,890
Transfer to Accumulated Surplus	5,000	-	-	-	-
Transfer Investment Income to Statutory Reserves	11,250	11,306	11,363	11,420	11,477
Municipal Debt					
Debt Interest	1,366	1,906	1,906	1,906	1,906
Debt Principal	1,010	4,233	4,233	4,233	4,233
Capital Plan					
Current Year Capital Expenditures	192,122	66,668	61,334	61,293	57,590
Carryforward Prior Years	200,679	136,713	93,699	47,286	36,016
TOTAL EXPENDITURES	\$874,801	\$643,843	\$608,916	\$576,700	\$577,577
Proposed Property Tax Increase	2.96%	2.96%	2.98%	2.96%	2.99%

CITY OF RICHMOND
5 YEAR FINANCIAL PLAN
FUNDING SOURCES (2014 - 2018)
(In 000's)

	2014	2015	2016	2017	2018
DCC Reserves					
Drainage	\$162	\$644	\$-	\$644	\$3,411
Parks Acquisition	8,653	3,762	3,762	3,762	3,762
Parks Development	3,621	3,715	1,740	1,661	2,022
Roads	4,211	4,309	3,238	3,238	3,689
Sanitary Sewer	2,450	1,425	1,337	1,354	-
Water	578	597	1,394	790	705
Total DCC Reserves	\$19,675	\$14,452	\$11,471	\$11,449	\$13,589
Statutory Reserves					
Affordable Housing Reserve Fund	\$1,032	\$975	\$975	\$975	\$975
Arts, Culture, & Heritage Reserve Fund	106	-	-	-	-
Capital Building and Infrastructure Reserve Fund	29,400	-	600	-	1,800
Capital Reserve Fund	99,697	8,606	7,975	8,655	7,585
Child Care Development Reserve Fund	50	50	50	50	50
Drainage Improvement Reserve Fund	9,198	8,012	8,055	10,172	6,694
Equipment Replacement Reserve Fund	4,055	4,511	3,849	2,465	3,272
Leisure Facilities Reserve Fund	171	50	-	-	-
Neighbourhood Improvement Reserve Fund	267	-	-	-	-
Public Art Program Reserve Fund	690	100	100	100	100
Sanitary Sewer Reserve Fund	4,250	4,505	4,621	3,006	2,843
Waterfront Improvement Reserve Fund	-	-	250	-	250
Watermain Replacement Reserve Fund	7,472	7,643	8,156	10,040	7,535
Total Statutory Reserves	\$156,388	\$34,452	\$34,631	\$35,463	\$31,104
Other Sources					
Appropriated Surplus	\$11,297	\$12,181	\$11,169	\$10,168	\$9,370
Enterprise	895	860	450	-	-
Utility Levy	704	1,330	275	475	189
Library Provision	1,163	1,163	1,163	1,163	1,163
Water Metering Provision	1,320	2,000	2,000	2,000	2,000
Grant, Developer and Comm. Contributions	680	230	175	575	175
Total Other Sources	\$16,059	\$17,764	\$15,232	\$14,381	\$12,897
TOTAL CAPITAL FUNDING	\$192,122	\$66,668	\$61,334	\$61,293	\$57,590

**City of Richmond
2014-2018 Financial Plan
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%
- 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 tax rate.

Table 1:

Revenue Source	% of Total Revenue*
Property Taxes	43.0%
User Fees & Charges	27.9%
Proceeds From Borrowing	11.9%
Investment Income	3.9%
Gaming Revenue	3.5%
Grants in Lieu of Taxes	3.2%
Grants	1.1%
Other Sources	5.5%
Total	100.0%

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2014.

Distribution of Property Taxes

Table 2 provides the estimated 2014 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 2014 Completed Roll figures)

Property Class	% of Tax Burden
Residential (1)	56.8%
Business (6)	33.5%
Light Industry (5)	7.9%
Others (2,4,8 & 9)	1.8%
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.