



8.3 FISCAL MANAGEMENT & PRIORITIES

The Municipal Act requires that municipalities keep their expenditures within their adopted annual budgets. As the City provides a diverse range of services to residents and property, the demand for new or expanded capital improvements must be balanced by the need to operate within current fiscal limitations. The OCP's implementation cannot count on tomorrow's population increases to pay for today's new services. Furthermore, the City cannot project large City budgets based on increasing financial assistance from the provincial and federal governments. City budget restraint will likely mean that there will be increasing competition for limited financial resources.

Therefore, the implementation of the OCP must be achieved in a fiscally efficient and effective manner. It is increasingly important that long-term financial strategies be established and implemented and that financial implications be monitored on an ongoing basis. The City has a key role in coordinating and streamlining service delivery, optimizing service levels, and seeking innovative and efficient approaches to the OCP's implementation.

A framework for assessing the policy and fiscal implications of potential major new and expanded capital program initiatives will include the consideration of issues such as a capital work's consistency with the OCP for the City and its local areas, and effects on Richmond's quality of life, the environment, social equity, and economic opportunity.

For the OCP's implementation to be cognizant of fiscal responsibilities, the plan will be monitored and coordinated to include, but not limited to, the following fiscal planning initiatives:

Capital Planning

- a) Coordinate capital planning to achieve Richmond's OCP goals;
- b) Annually approve a Five-Year Capital Expenditure Program which reflects the objectives and policies of the OCP;

Development Responsibilities

- c) Ensure that funds required to deliver the additional services and costs related to growth are provided by development proponents;



- d) Prior to development proceeding, ensure that all agreements are in place, including front end agreements, financial agreements and development cost charges, to provide for the servicing infrastructure to accommodate the growth brought about by new development;

Municipal Responsibilities

- e) Ensure that the non-growth share of servicing costs is funded from the municipal tax base, municipal user rates, and other sources of government funding;

Financial Mechanisms

- f) Use financial mechanisms, e.g. development costs charges, front-end financing, etc., to offset the financial impact of development, and to ensure that development proceeds in a fiscally responsible manner;
- g) Consider innovative infrastructure financing initiatives, including public/private partnerships;
- h) Continue to provide opportunities for citizen-initiated improvements, e.g. Local Improvement Program, neighbourhood improvement charges, etc.;

School Forecasts

- i) Work with the Richmond School District to provide five-year forecasts of capital expenditures for schools;

Annual Economic & Fiscal Impact Analysis

- j) Provide annual economic and fiscal impact analysis for municipal and regional plans, as follows:
 - Delivery of regional service costs, including transportation, water, sewer, safety, community, and health services;
 - Impact on operating and capital budgets, and the financing implications related to the impact on tax levy, user rates, and development cost charges;



- Ability of new development to financially and technically provide for the required servicing infrastructure, in order to allow the development to proceed on a timely basis.

How Residents Want to Manage City Budget

