



5 Year Financial Plan (2012-2016) Bylaw 8867

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" which are attached and form a part of this bylaw, are adopted as the 5 Year Financial Plan (2012-2016).
2. 5 Year Financial Plan (2011 – 2015) Bylaw 8707 and all associated amendments are repealed.
3. This Bylaw is cited as "5 Year Financial Plan (2012 - 2016) Bylaw 8867".

FIRST READING

APR 10 2012

SECOND READING

APR 10 2012

THIRD READING

APR 10 2012

ADOPTED

CITY OF RICHMOND
APPROVED for content by originalling dept.
<i>[Signature]</i>
APPROVED for legality by Solicitor
<i>[Signature]</i>

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER

**CITY OF RICHMOND**  
**5 YEAR FINANCIAL PLAN (2012 - 2016)**  
**(IN \$000'S)**

	2012	2013	2014	2015	2016
<b>Revenues</b>					
Property Taxes	168,204	175,106	182,909	190,245	197,767
Transfer from Capital Equity	44,387	45,163	46,648	46,613	46,736
Utilities	88,085	93,212	96,080	98,971	101,585
Transfer from Capital Equity	7,051	7,208	7,313	7,406	7,538
Fees and Charges	26,329	26,611	26,900	27,193	27,493
Investment Income	16,184	16,265	16,346	16,428	16,510
Grant-in-lieu	13,199	13,331	13,465	13,599	13,735
Gaming Revenue	11,148	11,168	11,196	11,229	11,263
Grants	4,112	4,174	4,237	4,300	4,365
Penalties and Interest on Taxes	990	1,000	1,010	1,020	1,030
Miscellaneous Fiscal Earnings	24,342	24,367	24,392	24,419	24,443
<b>Capital Plan</b>					
Transfer from DCC Reserve	21,366	15,682	11,872	8,055	9,079
Transfer from Other Funds and Reserves	47,194	63,948	34,478	34,013	36,897
External Contributions	4,584	3,779	114	114	114
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
<b>TOTAL REVENUES</b>	<b>\$ 584,194</b>	<b>\$ 555,063</b>	<b>\$ 518,198</b>	<b>\$ 509,916</b>	<b>\$ 519,103</b>
<b>Expenditures</b>					
Utilities	95,136	100,420	103,393	106,377	109,123
Law and Community Safety	82,449	84,192	87,493	89,896	92,272
Engineering and Public Works	54,106	55,698	57,443	58,618	59,914
Parks and Recreation	39,485	40,695	42,564	43,344	43,860
Community Services	21,361	21,732	21,821	22,137	22,600
Corporate Services	17,532	17,795	17,856	17,778	18,050
Project Dev and Facility Maintenance	11,714	11,950	12,099	12,319	12,545
Planning and Development Services	12,470	12,798	13,133	13,465	13,727
Business and Financial Services	7,275	7,410	7,549	7,690	7,833
Corporate Administration	4,464	4,548	4,634	4,722	4,812
Fiscal	22,805	24,090	25,301	28,690	29,440
Transfer to Funds: Statutory Reserves	31,124	32,807	34,596	36,387	38,289
Municipal Debt	-	-	-	-	-
Debt Interest	2,999	2,359	1,503	-	-
Debt Principal	1,111	1,111	1,111	-	-
Capital Plan	-	-	-	-	-
Current Year Capital Expenditures	73,144	83,409	46,464	42,182	46,090
Carryforward Prior Years	107,019	54,049	41,238	26,311	20,548
<b>TOTAL EXPENDITURES</b>	<b>\$ 584,194</b>	<b>\$ 555,063</b>	<b>\$ 518,198</b>	<b>\$ 509,916</b>	<b>\$ 519,103</b>
<b>Proposed Property Tax Increase</b>	<b>2.98%</b>	<b>2.90%</b>	<b>3.26%</b>	<b>2.86%</b>	<b>2.80%</b>

**CITY OF RICHMOND**  
**5 YEAR FINANCIAL PLAN FUNDING SOURCES**  
**(2012 - 2016)**  
**(In 000's)**

	2012	2013	2014	2015	2016
<b><u>DCC Reserves</u></b>					
Drainage	97	2,680	2,228	0	0
Parks Acquisition	10,972	4,232	3,292	3,292	3,292
Parks Development	3,174	2,492	2,398	1,411	1,176
Roads	4,554	5,152	3,954	3,340	3,275
Sanitary Sewer	2,569	1,126	0	12	1,336
Water	0	0	0	0	0
<b>Total DCC Reserves</b>	<b>\$21,366</b>	<b>\$15,682</b>	<b>\$11,872</b>	<b>\$8,055</b>	<b>\$9,079</b>
<b><u>Reserves and Other Sources</u></b>					
<b><u>Statutory Reserves</u></b>					
Affordable Housing Reserve Fund	1,333	975	975	975	975
Capital Building and Infrastructure Reserve Fund	254	7,300	0	0	0
Capital Reserve Fund	12,798	22,675	8,762	8,541	8,085
Child Care Development Reserve Fund	1,150	275	275	275	275
Drainage Improvement Reserve Fund	5,347	6,019	5,590	1,441	3,748
Equipment Replacement Reserve Fund	3,528	2,607	2,177	3,342	4,272
Leisure Facilities Reserve Fund	0	0	0	0	0
Local Improvements Reserve Fund	0	0	0	0	0
Neighbourhood Improvement Reserve Fund	428	0	17	0	0
Public Art Program Reserve Fund	503	100	100	100	100
Sanitary Sewer Reserve Fund	4,487	3,621	1,500	3,172	4,238
Watermain Replacement Reserve Fund	7,807	13,600	9,215	9,155	9,311
<b>Total Reserves</b>	<b>\$37,635</b>	<b>\$57,172</b>	<b>\$28,611</b>	<b>\$27,001</b>	<b>\$31,004</b>
<b><u>Other Sources</u></b>					
Appropriated Surplus	5,694	4,432	4,432	4,432	4,432
Enterprise	465	0	0	0	0
Utility Levy	640	1,184	275	1,420	301
Library Provision	1,160	1,160	1,160	1,160	1,160
Water Metering Provision	1,600	0	0	0	0
Grant, Developer and Comm. Contributions	4,584	3,779	114	114	114
<b>Total Other Sources</b>	<b>\$14,143</b>	<b>\$10,555</b>	<b>\$5,981</b>	<b>\$7,126</b>	<b>\$6,007</b>
<b>TOTAL CAPITAL FUNDING</b>	<b>\$73,174</b>	<b>\$83,409</b>	<b>\$46,464</b>	<b>\$42,182</b>	<b>\$46,090</b>

**City of Richmond  
2012-2016 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:**

- 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:

<b>Revenue Source</b>	<b>% of Total Revenue*</b>
Property Taxes	64.1%
User Fees & Charges	10.0%
Investment Income	6.1%
Grants in Lieu of Taxes	5.0%
Gaming Revenue	4.2%
Grants	1.5%
Other Sources	9.1%
<b>Total</b>	<b>100.0%</b>

*\*Total Revenue consists of general revenues*

Table 1 shows the proportion of total general revenue proposed to be raised from each funding source in 2012.

### **Distribution of Property Taxes**

Table 2 provides the estimated 2012 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: (based on the 2012 Preliminary Roll figures)

<b>Property Class</b>	<b>% of Tax Burden</b>
Residential (1)	52.1%
Business (6)	38.4%
Light Industry (5)	7.8%
Others (2,4,8 & 9)	1.7%
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.