



Consolidated 5 Year Financial Plan (2023-2027) Bylaw No. 10429

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" which are attached and form part of this bylaw, are adopted as the Consolidated 5 Year Financial Plan (2023-2027).
2. Consolidated 5 Year Financial Plan (2022-2026) Bylaw No. 10327 and all associated amendments are repealed.
3. This Bylaw is cited as "**Consolidated 5 Year Financial Plan (2023-2027) Bylaw No. 10429**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

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| CITY OF RICHMOND |
| APPROVED for content by originating dept. <i>MC</i> |
| APPROVED for legality by Solicitor <i>BB</i> |

MAYOR

CORPORATE OFFICER

SCHEDULE A:

CITY OF RICHMOND

CONSOLIDATED 5 YEAR FINANCIAL PLAN (2023-2027)

REVENUE AND EXPENSES

(In \$000's)

| | 2023 Budget | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue: | | | | | |
| Taxation and Levies | 287,052 | 305,455 | 322,929 | 342,371 | 362,527 |
| Utility Fees | 133,609 | 142,747 | 153,773 | 165,859 | 179,544 |
| Sales of Services | 48,817 | 49,979 | 51,056 | 52,105 | 53,097 |
| Other Revenue | 16,464 | 15,977 | 16,276 | 17,914 | 18,062 |
| Payments In Lieu of Taxes | 14,650 | 15,138 | 15,586 | 16,062 | 16,552 |
| Gaming Revenue | 14,500 | 14,500 | 14,500 | 14,500 | 14,500 |
| Investment Income | 14,323 | 14,882 | 15,320 | 15,813 | 16,371 |
| Licenses and Permits | 12,195 | 12,473 | 12,712 | 12,967 | 13,227 |
| Provincial and Federal Grants | 11,656 | 11,002 | 11,214 | 11,435 | 11,663 |
| Developer Contributed Assets | 48,745 | 74,526 | 48,745 | 48,745 | 48,745 |
| Development Cost Charges | 20,323 | 18,961 | 15,303 | 10,869 | 11,387 |
| Other Capital Funding Sources | 16,953 | 19,130 | 33,338 | 15,821 | 15,404 |
| | \$639,287 | \$694,770 | \$710,752 | \$724,461 | \$761,079 |
| Expenses: | | | | | |
| Community Safety | 141,537 | 147,047 | 153,465 | 159,767 | 166,094 |
| Community Services | 76,202 | 72,605 | 74,319 | 76,203 | 78,047 |
| Engineering and Public Works | 69,235 | 68,698 | 69,243 | 70,755 | 72,243 |
| Planning and Development Services | 33,080 | 27,943 | 28,591 | 29,295 | 29,987 |
| Finance and Corporate Services | 28,361 | 27,665 | 28,362 | 29,125 | 29,868 |
| Fiscal | 28,337 | 26,502 | 29,079 | 30,602 | 31,819 |
| Debt Interest | 5,603 | 4,765 | 3,926 | 3,926 | 3,926 |
| Corporate Administration | 10,741 | 10,432 | 10,728 | 11,050 | 11,363 |
| Law and Legislative Services | 4,794 | 4,531 | 4,668 | 4,818 | 4,964 |
| Utility Budget | | | | | |
| Water Utility | 50,256 | 53,799 | 58,548 | 64,287 | 70,798 |
| Sanitary Sewer Utility | 44,092 | 47,915 | 52,722 | 58,577 | 65,245 |
| Sanitation and Recycling | 24,532 | 24,606 | 25,175 | 25,773 | 26,386 |
| Flood Protection | 16,561 | 17,561 | 18,606 | 18,818 | 19,037 |
| Richmond Public Library | 11,368 | 11,646 | 11,930 | 12,217 | 12,513 |
| Richmond Olympic Oval Corporation | 18,788 | 19,042 | 19,351 | 19,667 | 19,989 |
| | \$563,487 | \$564,757 | \$588,713 | \$614,880 | \$642,279 |
| Annual Surplus | \$75,800 | \$130,013 | \$122,039 | \$109,581 | \$118,800 |

SCHEDULE A (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2023-2027)
TRANSFERS
(In \$000's)**

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|-----------------|------------------|------------------|------------------|------------------|
| | Budget | Plan | Plan | Plan | Plan |
| Transfers: | | | | | |
| Debt Principal | 9,187 | 9,538 | 3,636 | 3,764 | 3,895 |
| Transfer To Reserves | 81,863 | 85,259 | 88,312 | 91,539 | 94,958 |
| Transfer from Reserves to fund Operating Reserve Programs: | | | | | |
| Bylaw 8206 | (400) | (400) | (400) | (400) | (400) |
| Bylaw 8877 | (210) | (210) | (210) | (210) | (210) |
| Bylaw 7812 S. 1.1.1 (a) | (525) | (525) | (525) | (525) | (525) |
| Bylaw 7812 S. 1.1.1 (d) | (50) | (50) | (50) | (50) | (50) |
| Bylaw 7812 S. 1.1.1 (j) | (170) | (150) | (150) | (150) | (150) |
| Operating Reserves Funding - Prior Years | (7,036) | - | - | - | - |
| Transfer To (From) Surplus | (7,225) | 10,944 | 21,047 | 27,187 | 32,752 |
| Capital Expenditures - Current Year | 131,516 | 124,615 | 145,091 | 123,861 | 111,963 |
| Capital Expenditures - Prior Years | 220,276 | 248,674 | 247,297 | 256,293 | 258,919 |
| Capital Expenditures - Developer Contributed Assets | 48,745 | 74,526 | 48,745 | 48,745 | 48,745 |
| Capital Expenditures - Richmond Public Library | 1,050 | 610 | 610 | 610 | 610 |
| Capital Funding | (401,221) | (422,818) | (431,364) | (441,083) | (431,707) |
| Transfers/Amortization offset: | \$75,800 | \$130,013 | \$122,039 | \$109,581 | \$118,800 |
| Balanced Budget | \$- | \$- | \$- | \$- | \$- |
| Tax Increase | 5.89% | 5.37% | 4.68% | 5.00% | 4.92% |

SCHEDULE B:
CITY OF RICHMOND
5 YEAR FINANCIAL PLAN
CAPITAL FUNDING SOURCES (2023-2027)
(In \$000's)

| DCC Reserves | 2023 | 2024 | 2025 | 2026 | 2027 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Park Development DCC | 3,292 | 941 | 1,552 | 1,223 | 1,646 |
| Park Land Acquisition DCC | 5,964 | 5,964 | 3,762 | 3,762 | 3,762 |
| Roads DCC | 11,067 | 9,827 | 7,766 | 5,885 | 5,979 |
| Water DCC | - | 2,229 | 2,224 | - | - |
| Total DCC | \$ 20,323 | \$ 18,961 | \$ 15,304 | \$ 10,870 | \$ 11,387 |
| Statutory Reserves | | | | | |
| Capital Building and Infrastructure | 20,657 | 20,400 | 36,500 | 32,450 | 18,050 |
| Capital Reserve | 15,001 | 15,000 | 14,860 | 14,981 | 14,973 |
| Drainage Improvement | 18,932 | 16,833 | 14,161 | 15,677 | 18,096 |
| Equipment Replacement | 4,222 | 4,515 | 3,071 | 3,845 | 5,650 |
| Sanitary Sewer | 6,535 | 5,771 | 5,775 | 7,722 | 5,820 |
| Steveston Road Ends | 119 | - | - | - | - |
| Watermain Replacement | 9,909 | 11,205 | 9,591 | 9,466 | 9,555 |
| Total Statutory Reserves | \$ 75,375 | \$ 73,724 | \$ 83,958 | \$ 84,141 | \$ 72,144 |
| Other Sources | | | | | |
| Enterprise Fund | 650 | 550 | 550 | 205 | 205 |
| Grant and Developer Contribution | 16,953 | 19,130 | 33,338 | 15,820 | 15,404 |
| Other Sources | 15,472 | 9,119 | 9,397 | 10,225 | 10,564 |
| Rate Stabilization | - | 800 | - | - | - |
| Sewer Levy | 555 | 450 | 712 | 36 | 191 |
| Solid Waste and Recycling | 300 | 300 | 300 | 300 | 300 |
| Water Levy | 1,888 | 1,581 | 1,532 | 2,264 | 1,768 |
| Total Other Sources | \$ 35,818 | \$ 31,930 | \$ 45,829 | \$ 28,850 | \$ 28,432 |
| Total Capital Program | \$ 131,516 | \$ 124,615 | \$ 145,091 | \$ 123,861 | \$ 111,963 |

SCHEDULE C:

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2023-2027)
STATEMENT OF POLICIES AND OBJECTIVES**

Revenue Proportions By Funding Source

Property taxes are the largest portion of revenue for any municipality. Taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as community safety, general government, libraries and park maintenance.

Objective:

- Maintain revenue proportion from property taxes at current level or lower

Policies:

- Tax increases will be at CPI + 1% for transfers to reserves
- Annually, review and increase user fee levels by consumer price index (CPI).
- Any increase in alternative revenues and economic development beyond all financial strategy targets can be utilized for increased levels of service or to reduce the tax rate.

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2023.

Table 1:

| Funding Source | % of Total Revenue |
|---|---------------------------|
| Property Taxes | 51.9% |
| User Fees | 24.2% |
| Sales of Services | 8.8% |
| Payments in Lieu of Taxes | 2.6% |
| Gaming Revenue | 2.6% |
| Investment Income | 2.6% |
| Licenses and Permits | 2.2% |
| Provincial and Federal Grants | 2.1% |
| Other | 3.0% |
| Total Operating and Utility Funding Sources | 100.0% |

SCHEDULE C (CONT'D):

**CITY OF RICHMOND
CONSOLIDATED 5 YEAR FINANCIAL PLAN (2023-2027)
STATEMENT OF POLICIES AND OBJECTIVES**

Distribution of Property Taxes

Table 2 provides the 2022 distribution of property tax revenue among the property classes. 2023 Revised Roll figures will be received in late March 2023.

Objective:

- Maintain the City's business to residential tax ratio in the middle in comparison to other municipalities. This will ensure that the City will remain competitive with other municipalities in attracting and retaining businesses.

Policies:

- Regularly review and compare the City's tax ratio between residential property owners and business property owners relative to other municipalities in Metro Vancouver.

Table 2: (Based on the 2022 Revised Roll figures)

| Property Class | % of Tax Burden |
|----------------------|-----------------|
| Residential (1) | 57.1% |
| Business (6) | 32.9% |
| Light Industry (5) | 8.0% |
| Others (2,3,4,8 & 9) | 2.0% |
| 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*.