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<b>To:</b>	Finance Committee	<b>Date:</b>	November 19, 2024
<b>From:</b>	Mike Ching, CPA, CMA Director, Finance	<b>File:</b>	03-0970-01/2024-Vol 01
<b>Re:</b>	<b>2025 Proposed Operating Budget</b>		

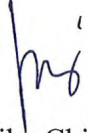
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**Staff Recommendations:**


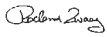

That:

1. The 2025 Proposed Operating Budget as presented in Budget Option 1 for a total of 5.86% be approved as outlined below:
  - a. A same level of service budget increase of \$6,115,400 after tax growth with a tax increase of 1.99% be approved; and
  - b. Ongoing funding for expenditures previously approved by Council totaling \$5,675,000 as presented in *Table 11* on page 22 with a tax increase of 1.85% be approved; and
  - c. Emerging organizational additional levels in the amount of \$2,647,135 as presented in Attachments 9, 10, 11, and 12 of the staff report titled 2025 Proposed Operating Budget with a tax increase of 0.86% be approved; and
  - d. The Rate Stabilization Account be used to pay for the one-time initial capital costs for the recommended additional levels from Attachment 11 and 12 totaling \$246,688 be approved; and
  - e. Transfer to reserves for Investment in Community Facilities as per Council's Long Term Financial Management Strategy in the amount of \$3,066,765 with a tax increase of 1.00% be approved; and
  - f. Senior level government and other government agency increase of \$2,121,638 with a tax increase of 0.69% be approved; and
  - g. Use of reserves for program expenditures for Affordable Housing, Child Care and Public Art programs of \$1,442,191 as presented in Attachment 8 on page 59 be approved; and
  - h. Operating budget impacts totalling \$368,774 with a tax increase of 0.12% be approved; and
  - i. The Rate Stabilization Account be used to reduce the overall impact of additional operating costs for a total of \$2,000,000 resulting in a tax decrease of 0.65% be approved; and

- 2. The 2025 Operating Budget as approved be included in the Consolidated 5 Year Financial Plan (2025-2029).



Mike Ching, CPA, CMA  
Director, Finance  
(604-276-4137)

<b>REPORT CONCURRENCE</b>	
<b>CONCURRENCE OF GENERAL MANAGER</b> 	
<b>REVIEWED BY SMT</b>	<b>INITIALS:</b> 
<b>APPROVED BY CAO</b> 	

## Executive Summary

Subsection 165(1) of the *Community Charter* requires the City to adopt a 5 Year Financial Plan (5YFP) Bylaw. The 2025 Operating Budget forms the basis of the City's 5YFP. In preparing that plan, the City reviews market forces and cost pressures to develop a budget that reflects Council's strategic goal of Responsible Financial Management and the efficient use of public resources to meet community needs.

Staff is recommending a 2025 Proposed Operating Budget tax increase of 5.86% (*Table 1*). This will result in an increase of approximately \$128 in municipal taxes for an average residential property with an assessment value of \$1,306,478 (based on 2024 assessment value and tax rates).

The proposed budget increase is driven by several factors:

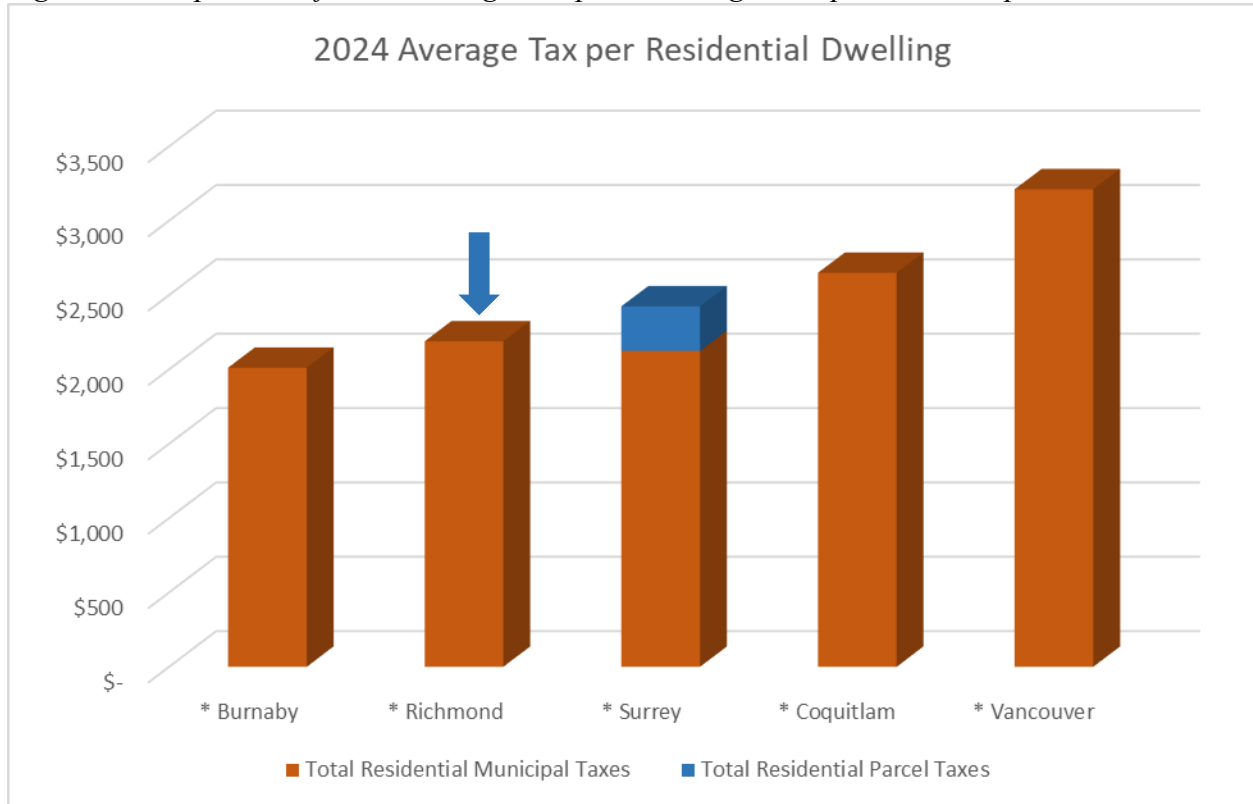
- Increases in labour costs due to negotiated collective agreements for 2024 and 2025.
- Changes in benefit obligations for union staff, as well as adjustments to auxiliary wages for Parks, Recreation and Culture, are also included in the proposed budget.
- Increased labour costs for Richmond RCMP detachment along with policing vehicles, equipment, supplies, training and the PRIMECorp System.
- An additional six RCMP officers and two municipal support staff for Richmond.
- Additional Fire Prevention Captains to comply with the new Fire Safety Act.
- Increase in E-Comm fees for the operation of the emergency 911 service.
- Utilization of the Rate Stabilization Fund to reduce the 2025 tax impact.
- 1.00% increase in community infrastructure investment in accordance with Council's Long Term Financial Management Strategy (LTFMS).

Table 1: 2025 Proposed Operating Budget

	Budget Component	Total 2025 Operating Budget Increase (in '000s)	Tax Impact	Equivalent for Average Residential Property
1	Same Level of Service Increase <b>(LTFMS target of 2.10%)</b> (see page 18) - Includes reserve funded programs (see Attachment 8, page 59)	\$6,115	1.99%	\$43
2	Previously Approved Expenditures (see page 22) - Impacts from the collective agreement for 2024 - Amounts deferred from the 2024 Operating Budget through utilization of Rate Stabilization Account - Auxiliary Rate Adjustment – PRC Division - Steveston Community Centre and Library Replacement OBI Phase-in (Year 3 of 4)	5,675	1.85%	40
3	Emerging Organizational Additional Level Increases - Externally Funded Items (see Attachment 9, page 64) - OBI from Previously Approved Capital budget (see Attachment 10, page 71) - No Tax Impact Positions (see Attachment 11, page 72) - Recommended Emerging Organizational Additional Levels (see Attachment 12, page 74)	2,647	0.86%	19
4	Investment in Community Facilities (Transfer to Reserves) (see page 23)	3,067	1.00%	22
<b>LTFMS Policy: Same Level of Service, Previously Approved Expenditures, Additional Levels, and 1% Infrastructure Replacement Needs</b>		<b>17,504</b>	<b>5.70%</b>	<b>124</b>
5	External Senior Government Increases (see page 25): - Community Safety Cost-Sharing Obligations - Canada Pension Plan Enhancements - WorkSafeBC Rate Increases	2,122	0.69%	15
6	Operating Budget Impacts (see page 26) - OBI from 2025 Capital Budget	369	0.12%	3
7	- Proposed Rate Stabilization (see page 27)	(2,000)	(0.65%)	(14)
<b>Subtotal of External Senior Government, Operating Budget impacts and Rate Stabilization</b>		<b>\$491</b>	<b>0.16%</b>	<b>4</b>
<b>2025 Proposed Operating Budget Increase</b>		<b>\$17,995</b>	<b>5.86%</b>	
<b>Annual equivalent tax increase for average residential property</b>				<b>\$128</b>

The City has kept property taxes below the average amongst other Metro Vancouver municipalities (*Figure 1*).

*Figure 1: Comparison of 2024 Average Tax per Dwelling - Comparator Group*

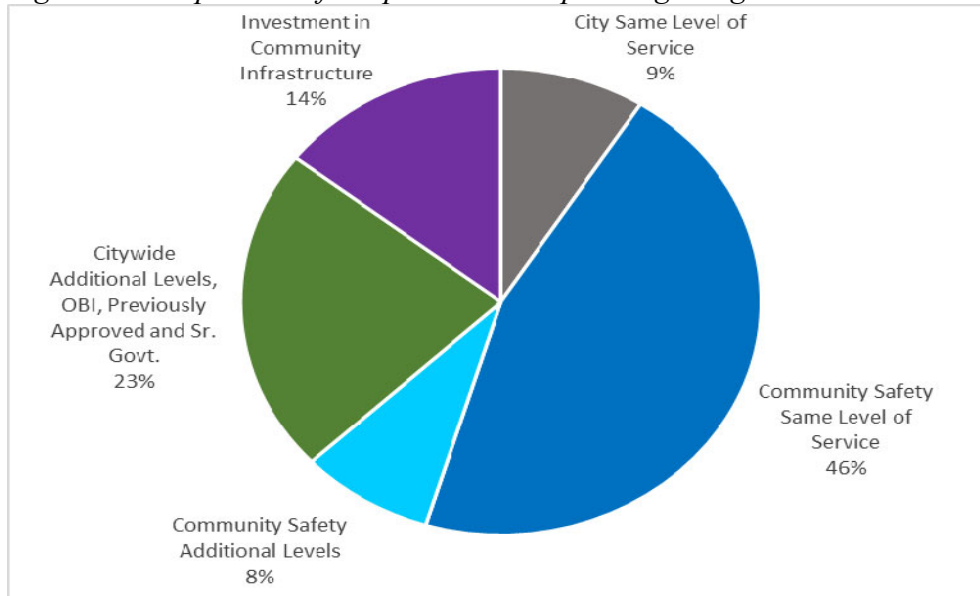


Council’s LTFMS policy is that the tax increase to maintain current programs and maintain existing infrastructure at the same level of service will be at Vancouver’s Consumer Price Index (CPI) rate. 2025 CPI forecasts for Vancouver are estimated at 2.10%. The City continually reviews its programs and services to identify service improvements and cost reductions, and ensure fees charged are in line with the current market. Staff were directed to identify opportunities to reduce the budget while maintaining service levels, increase revenue estimates where possible, and reallocate existing resources to reflect emerging needs. Staff also aggressively pursued external grant funding opportunities to offset increases in the operating budget. Attachment 9 (page 64) summarizes the applications awarded to the City.

Staff have prepared three budget options and recommend Council approve Budget Option 1, (*Figure 2*). Of the proposed budget:

- 53.95% supports Community Safety
- 31.60% reflects City wide operating budget increases
- 14.45% is allocated to investment in community infrastructure

Figure 2: Components of Proposed 2025 Operating Budget Increase



Labour cost, including the RCMP, represents approximately 80.66% of the City’s operating expense increase. Attachment 4 (page 48) summarizes the municipal tax dollar breakdown to maintain the same level of service (without proposed additional levels and OBI). Community Safety continues to be the largest component of the budget with approximately 40 cents of every municipal tax dollar collected spent on policing and Fire Rescue services.

For discussion of alternative budget options, refer to pages 27-31.

The 2025 Operating Budget, as approved by Council, will form the basis of the Consolidated 5 Year Financial Plan as required under the Community Charter. Based on preliminary assumptions, Table 2 provides estimated increases for the years 2026-2029. The estimates for 2026-2029 are based on information currently available and will be revised each budget year.

Table 2: Proposed 5 Year Financial Plan (2025-2029)

Proposed 5 Year Financial Plan	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Same Level of Service Before Transfer to Utility Budget	2.26%	2.00%	2.00%	2.10%	2.10%
Less: Transfer to Utility Budget	(0.27%)	-	-	-	-
<b>Same Level of Service Increase</b>	<b>1.99%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.10%</b>	<b>2.10%</b>
Investment in Community Infrastructure	1.00%	1.00%	1.00%	1.00%	1.00%
External Senior Government Related Increases	0.69%	0.55%	0.38%	0.40%	0.37%
Emerging Organizational Additional Levels	0.82%	0.51%	0.51%	0.50%	0.40%
Operating Budget Impact from Capital Budget	0.16%	0.20%	0.18%	0.18%	0.18%
Council Previously Approved Expenditures	1.85%	0.69%	0.55%	0.39%	0.12%
Less: Rate Stabilization	(0.65%)	(0.45%)	(0.30%)	(0.15%)	0.00%
<b>Proposed Operating Budget Increase</b>	<b>5.86%</b>	<b>4.50%</b>	<b>4.32%</b>	<b>4.42%</b>	<b>4.17%</b>

## Staff Report

### Origin

Subsection 165(1) of the *Community Charter* requires the City to adopt a 5 Year Financial Plan (5YFP) Bylaw. The 2025 Operating Budget forms the basis of the City's 5YFP. Under the *Community Charter*, the City is prohibited from incurring any expenditure unless the expenditures have been included for that year in its financial plan, and the City is required to provide a balanced budget. Under section 165 of the *Community Charter*, the financial plan cannot plan for a deficit. In addition, any deficit that results from one year needs to be included in the financial plan the following year.

Pursuant to Council Policy 3016, the operating and capital budgets and the five year financial plan must be presented to Council by the first Council Meeting in January in which the annual budget is being prepared. It is also prudent to approve the budgets prior to the start of the budget year in order for staff to have clear direction on budget and spending authorization from the start of the fiscal year. External organizations that evaluate the fiscal management of Canadian municipalities have acknowledged Richmond's commitment to this best practice.

The 2025 Proposed Operating Budget ("Budget") applies the principles of Council's Long Term Financial Management Strategy (LTFMS) (Policy 3707), which was originally adopted in 2003: "*Tax increases will be at Vancouver CPI rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1% towards infrastructure replacement needs.*"

This report supports Council's 2022-2026 Strategic Plan #4 Responsible Financial Management:

*Responsible financial management and efficient use of public resources to meet the needs of the community.*

- 4.1 Ensure effective financial planning to support a sustainable future for the City.*
- 4.2 Seek improvements and efficiencies in all aspects of City business.*
- 4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.*
- 4.4 Work with all levels of governments for grant and funding opportunities.*

Council's 2022-2026 Strategic Plan is summarized in Attachment 1.

## Analysis

### Environmental Scan

#### *Economic Outlook*

Global growth is slow and relatively steady, with the notable absence of a recession.

In the context of the global forecast, Canada is aligned with the slowing growth observed and predicted to continue. Real Gross Domestic Product (GDP) is expected to remain stable at 1.2% in 2024 before rising to 2.1% in 2025. Household savings rates continue to be higher than pre-pandemic levels, and both home and vehicle sales have started to increase within the last few months. While the unemployment rate has also increased, this is related in part to population increases, which have, in turn, supported consumption through increased demand. Inflation in Canada is continuing to moderate and is expected to stabilize around the 2.00% target in the medium term.

British Columbia, like Canada, is facing slowing growth. Economic growth in the province is forecast at 1% for 2024, eventually increasing to 2% in 2025 and 2.3% in 2026. Inflation in B.C. is also following the national downward trajectory, with growth of the Consumer Price Index (CPI) expected to decrease to 2.7% year-over-year in 2024, 2.2% in 2025, and 2.2% in 2025. The primary downside risks to B.C.'s economic outlook include ongoing price pressures that could keep interest rates elevated for a longer period, while at the same time there is some risk of pent-up consumer demand driving inflation as interest rates decrease. Challenges related to the housing market also persist.

Metro Vancouver's GDP is anticipated to grow by 1.1% in 2024, before increasing to 2.5% in 2025 and 2.7% in 2026. This marks the smallest annual increase in growth since the pandemic but reflects the fact that the local economy is on par with the Canadian and provincial estimates. Inflation growth in Metro Vancouver is also anticipated to closely mirror national and provincial trends. Price growth has been easing, approaching the Bank of Canada's target rate of 2.00%. The CPI projection for Vancouver as published by the Conference Board of Canada in their autumn forecast is 2.10%.

In Richmond, the city benefits from a well-diversified economy, which supports resiliency and assists in navigating the current low growth environment. Businesses across sectors continue to face challenges including labour shortages, elevated capital costs and high input costs for both goods and services. That said, economic activity in Richmond continues to be strong, with a number of existing businesses looking to grow and others interested in setting up operations in the city. Industrial vacancy rates are starting to ease after a long period of record lows, while office vacancy rates are now closely aligned with the Metro Vancouver average. Slow but steady growth is anticipated in 2025, reflecting global and regional economic trends.

These external economic conditions influence the City's operations and financial situation. For example, the organization faces high costs for services and materials due to the extended period of inflationary pressures. Competition for labour remains challenging, especially for certain skillsets and amidst attractive private sector compensation packages. Contracted services, such as



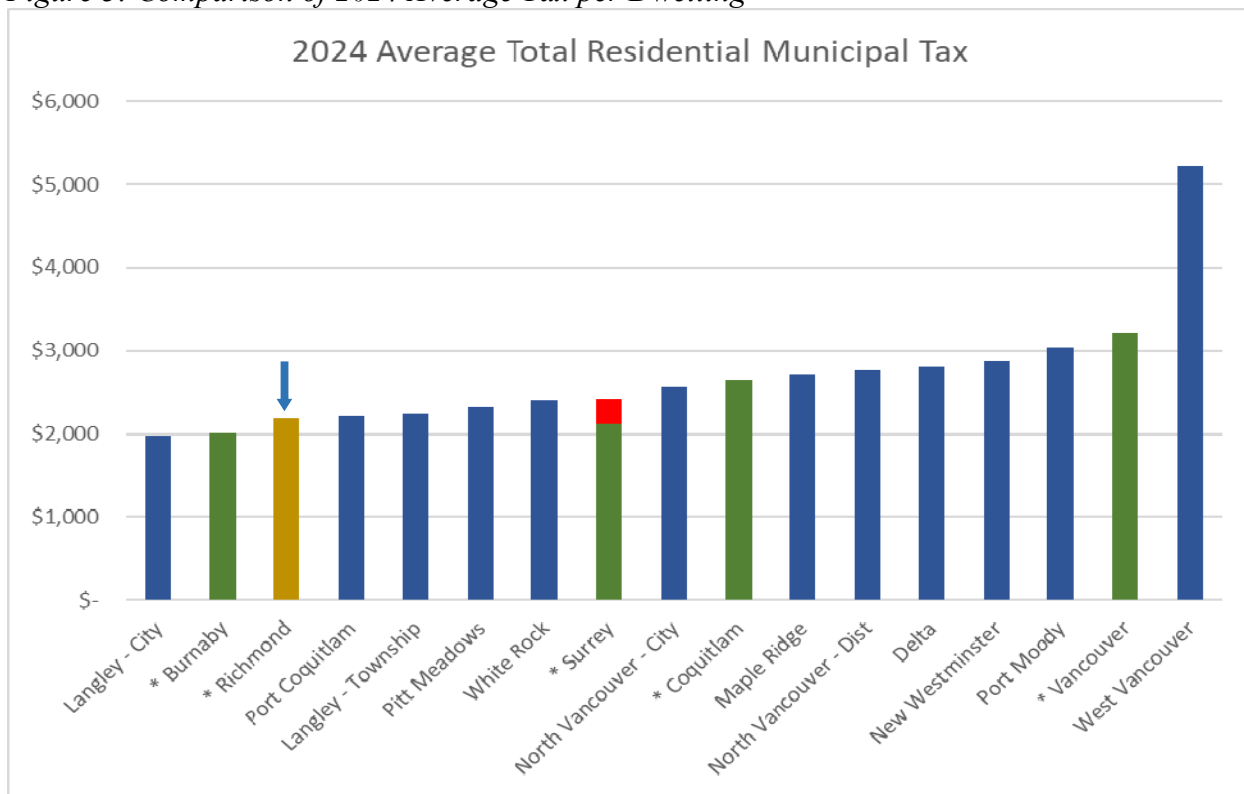
the RCMP, are also subject to cost increases outside of the City’s control. The factors discussed in this economic outlook were considered as part of the City’s 2025 budget preparation.

Please refer to Attachment 2 for further information on the Economic Outlook.

*Taxation*

The City has kept property taxes below the average amongst other Metro Vancouver municipalities. Compared to the 17 municipalities in Metro Vancouver, the 2024 average taxes per dwelling in Richmond ranks as the third lowest at \$2,189 annually. Within the comparator group of Vancouver, Coquitlam, Burnaby and Surrey, Richmond has the second lowest average tax per dwelling. *Figure 3* shows the comparison of all Metro Vancouver municipalities.

*Figure 3: Comparison of 2024 Average Tax per Dwelling*

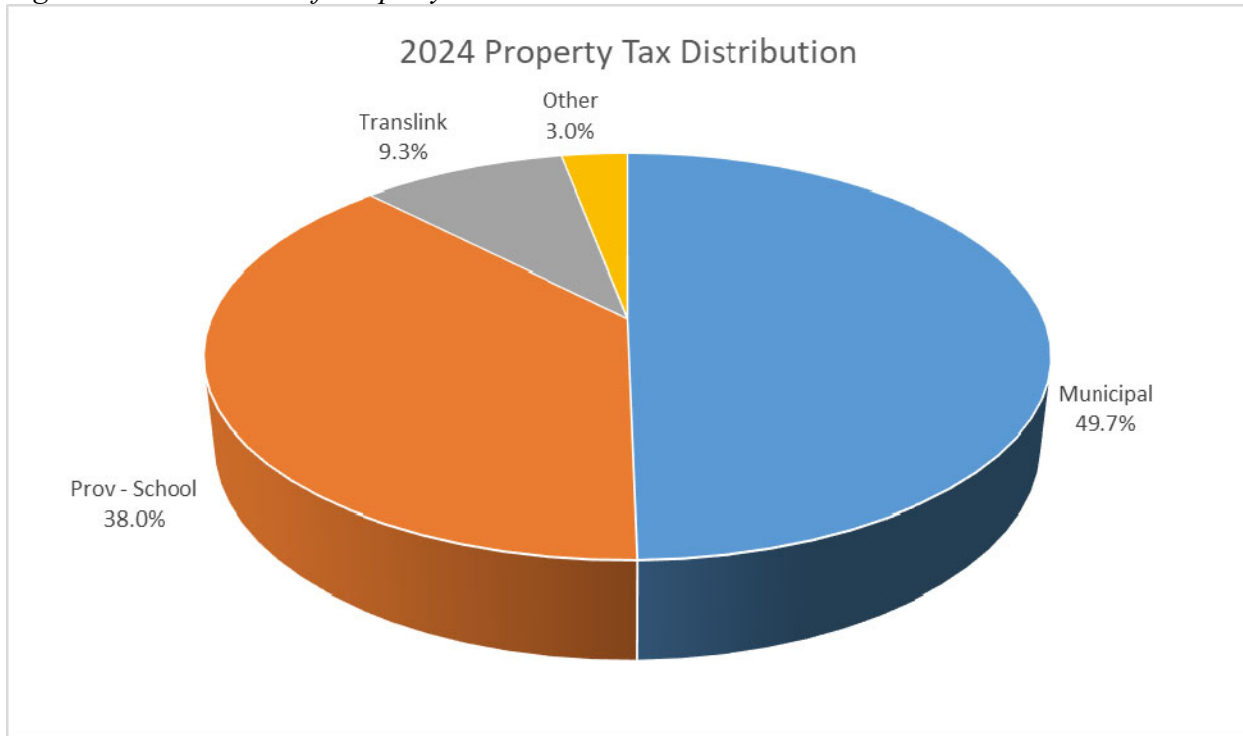


\* Denotes Comparator group

*Taxes Collected for Other Government Agencies*

Over half of the property tax bill that is collected is on behalf of other agencies. Council has no control over these levies; the City is obligated to collect these and remit directly to the taxing authorities. *Figure 4* shows that in 2024, 50.31% of the residential tax bill was comprised of levies collected for other taxing jurisdictions including TransLink, School Board, Metro Vancouver, BC Assessment and Municipal Finance Authority.

Figure 4: Distribution of Property Taxes



*Municipal Portion of Property Tax*

Just under half of the property tax bill goes toward programs and services that are directly delivered or contracted by the City. In 2024, 49.69% of the residential tax bill was for municipal costs. Attachment 4 provides a breakdown of the 2025 municipal tax dollar – same level of service (without 2025 proposed OBIs and additional levels, which are subject to Council approval). Community Safety continues to be the largest component of the budget with approximately 40 cents of every municipal tax dollar collected spent on Policing and Fire rescue services. Over 13 cents is allocated toward Project Development and Facility Services in order to ensure facilities are adequately maintained, including community facility infrastructure replacement needs (refer to Investment in Community Facilities Infrastructure on page 23). All services are fundamental to the residents’ quality of life and to support the local economy and vibrancy within the community.

*Transfer of Operations and Maintenance Costs to the Flood Protection Utility*

Council approved the 2025 Utility Budget on November 12, 2024, which includes the Water Utility, Sanitary Sewer Utility, Flood Protection Utility and Sanitation and Recycling Utility.

In 2024, the Dike Brushing and Repair Program was included in Roads operations and maintenance expenditures within the Operating Budget. With program activities directly related to maintaining flood protection infrastructure, it is appropriate that this program is reorganized under the Flood Protection operations and maintenance budget. As referenced in the 2025 Utility Budget, there is a corresponding reduction of \$831,000 to the City’s 2025 Operating Budget as a result of moving this program to the Flood Protection Utility.

## Long Term Financial Management Strategy (LTFMS)

### *External Debt*

At its meeting on May 9, 2022, Council approved the final step in the process to borrow \$96.0 million with an interest rate of 4.09% in order to provide funding for the Steveston Community Centre and Library replacement project, with payments amortized over 20 years. The loan proceeds were received in September 2022 and annual debt payments of \$7.3 million commenced in 2023.

The City previously borrowed \$50.0 million at an interest rate of 3.30%, amortized over a 10-year term, which was utilized to partially fund the Minoru Centre for Active Living. The final debt payment on this loan was made in 2024.

During the period of time that debt servicing payments were required on both loans, funding from surplus was utilized in order to avoid any additional tax impact related to servicing the annual payments of \$7.3 million. \$6.4 million of the annual debt payment is funded from an allocation gaming revenue with the remainder of \$0.9 million funded by property taxes.

### *Gaming Revenue*

As a host local government to the River Rock Casino, the City receives 10.00% of net casino revenue. The amount received is not within the City's control, however Council has full discretion over how to allocate these funds. In the 2024 Budget it was estimated that \$12.5 million revenue would be received. Actual receipts have trended slightly below this amount, therefore it is proposed to reduce the budget to \$11.5 million. *Table 3* summarizes the proposed allocation of gaming revenue in comparison to 2024, which continues to comply with Council's LTFMS.

*Table 3: Casino Funding Allocation (in \$000s)*

Casino Funding	Allocation	2025 Proposed Budget	2024 Budget	Change
Debt Servicing	Fixed	\$6,400	\$6,400	-
Grants	25.00%	2,875	3,125	(250)
Operating (RCMP)	4 Officers	979	914	65
Council Community Initiatives Account	2.00%	230	250	(20)
Capital Reserve	Remainder	1,016	1,811	(795)
<b>Total</b>		<b>\$11,500</b>	<b>\$12,500</b>	<b>(1,000)</b>

### *Grants*

After adjusting the estimated gaming revenue budget, holding the allocation toward grants at 25.00% still provides sufficient funding for all grant contributions and programs in 2025. As the majority of grants are indexed to inflation, based on current CPI projections, this allocation amount would provide partial funding for the grants program for 2026; the remaining balance would be funded by the Grants Provision which has a balance of \$5.9 million as of October 31,

2024. This funding source would be drawn upon to supplement funding for the grants program until 2038. Due to the uncertainty in the amount of casino revenue that will be received each year, the grants may need to be funded by taxation sources in the future. *Table 4* summarizes the contributions and grants funded by Gaming Revenue.

*Table 4: Grants Funded by Gaming Revenue (in \$000s)*

<b>Grants Funded by Gaming Revenue</b>	<b>Amount</b>
<b>Approved Contributions:</b>	
Gateway Theatre contribution	\$1,514
Richmond Centre for Disability contribution	204
Richmond Therapeutic Equestrian Society contribution	69
<b>Approved Contributions</b>	<b>\$1,787</b>
<b>City Grants Program:</b>	
Health, Social and Safety grants	698
Arts, Culture and Heritage grants	130
Parks and Recreation grants	126
Various Youth Grants	59
Community Environmental Enhancement	38
<b>City Grants Program</b>	<b>\$1,051</b>
<b>Grants Provision for Future Grants</b>	<b>37</b>
<b>Total</b>	<b>\$2,875</b>

### *RCMP*

Since 2007, a portion of gaming revenue has been allocated to contribute towards policing costs. At that time Council approved directing a portion of this new source of revenue toward the cost of policing within the City in order to reduce the tax impact. This allocation has remained fixed at funding the cost of four officers as originally approved, with the amount rising each year in accordance with the RCMP contract. There is no change to this portion of the allocation model; however, due to the uncertainty in the amount of casino revenue that will be received combined with rising RCMP contract costs, this may need to be funded by taxation sources in the future.

### *Council Community Initiatives*

The Council Community Initiatives Account provides funding for one-time expenditures that address social, environmental, recreation and sports, heritage, arts and culture, safety and security, or infrastructure needs. No change is proposed to this portion of the allocation model. The Council Community Initiatives Account Provision has a balance of \$1.2 million as of October 31, 2024.

### *Capital Reserve*

The remainder of casino revenue is allocated to the Capital Reserve. If the actual revenue received falls short of the budgeted estimate, or if the actual revenue exceeds the budget estimate, the transfer to the Capital Reserve will be adjusted accordingly.

### Budget Challenges

#### *Senior Government Downloading*

In recognition of Federal and Provincial government responsibility of social equity issues such as homelessness, housing affordability, poverty and addiction, temporary grant funding is provided from time to time. While the temporary funding is helpful to address initial impacts, the impacts are downloaded to the City leaving Council to decide whether to fund a longer-term strategy when the senior government funding ends. The drop-in centre shower program is an example that was initially supported through external funding and the Council approved funding to continue the program through property taxation in the 2024 Operating Budget.

Significant funding toward housing initiatives has been received from both the Federal and Provincial governments, which the City has utilized in combination with the Affordable Housing program that Council had previously approved. Together, these resources establish the Housing Office department under the direction of the Deputy Chief Administrative Officer. It is proposed to begin phasing-in ongoing funding to facilitate the continuation of this broadened initiative beyond the term of the temporary grant funding.

#### *Contractual Obligations*

There are a number of known non-discretionary cost pressures affecting the 2025 proposed operating budget including:

- Wage and fringe benefit impacts negotiated for collective bargaining agreements
- Contractual cost increases, driven by other organizations collective bargaining agreements (RCMP, E-Comm)
- External Senior Government agency increases
- Operating Budget Impacts (OBI) from the Capital Budget
- Funding for investment in Community Facilities, including ageing facilities, recently acquired facilities, and new facilities

Costs have risen due to collective bargaining agreements that were settled at higher rates than were provided for in budget estimates, this applies to the City, RCMP and E-Comm.

#### *Inflation*

In 2024, the projected Vancouver CPI increase was 2.41% but the actual 12-month average Vancouver CPI for September 2024 is trending higher. However, staff have not adjusted the base budget for the difference between the actual CPI, and under the projection of the forecasted CPI from 2024, non-discretionary increases are budgeted only as specified in agreements. Expenses

impacted by inflation include asphalt, vehicle/equipment operating and future replacement costs, supplies and delivery charges.

CPI measures the basket of goods purchased by households; however, the basket of goods that the City needs to fund are vastly different. In comparison, the Municipal Price Index which includes funding community safety services, a unionized workforce and a complex infrastructure network is estimated at 4.09%.

Council's Long Term Financial Management Strategy (LTFMS) policy is that the tax increase to maintain current programs and maintain existing infrastructure at the same level of service will be at Vancouver's CPI rate. Projected 2025 CPI forecasts for Vancouver are estimated at 2.10% by the Conference Board of Canada in their autumn forecast.

### Budget Process

The 2025 Proposed Operating Budget presents a same level of service budget and only non-discretionary increases that can be clearly identified and supported are included. Inflationary increases are not automatically included in the budget without adequate supporting documentation, such as contract renewals that are in compliance with purchasing policies and guidelines. Where such contract renewals have led to budget reductions, these savings are already reflected within the base budget.

Enhanced or new levels of service are identified separately as ongoing additional expenditure requests by the respective divisions for Council's consideration in accordance with Council's Budget & 5-Year Financial Plan Preparation Policy (Policy 3016). Please refer to Attachment 3 for the 2025 Budget Cycle.

### *Operational Efficiencies*

The City undergoes a continuous review of its programs and services in order to identify service improvements and cost reductions, and to ensure the fees we charge are in line with the current market. The City's operating expenditures are carefully managed, and considerable measures have been taken to minimize cost increases where possible. Staff continue to look for efficiencies and innovative ways to deliver services that streamline business processes, contain costs and leverage the increased use of technology. Below are examples of some of the efficiencies staff have achieved:

- Through data review and analysis, staff have increased asset utilization and improved route planning efficiencies. This is demonstrated by optimizing routes for sweeper operators, directing them to the nearest dump sites instead of returning to the Works Yard each time. Additionally, staff reviewed the Global Positioning System (GPS) data and determined parking a flail mower at Sidaway provides quicker access to operational routes in east Richmond thereby allowing more brush cutting to be completed.
- Automating traffic data collection which avoids having to send staff to capture traffic data information creating time efficiency for staff and enabling collection of broader set of data.
- The GPS /Automatic Vehicle Locating (AVL) system can notify staff about the battery capacity of plug-in hybrid electric vehicles. This functionality allows staff to better utilize the

electric system, reducing fuel consumption and primarily running the vehicle on battery power. For example, a vehicle previously consuming 10L per 100km can be reduced to 2L per 100km when properly charged.

- Standardizing forms for data requests by enhancing communication between requester and Geographic Information Systems Technicians as it minimizes numerous email exchanges.
- Researching fees charged by other municipalities for similar services to ensure rates are competitive; this resulted in a number of fees being increased in the Consolidated Fees Bylaw for 2025, some of which will be adjusted in a phased approach to gradually bring fees in alignment (e.g. Building record request fees).
- Introduction of new fees in line with other municipalities (e.g. Crane swing permit).
- Improved collection effort to reduce unpaid invoices and tickets.
- Bidders being requested to leverage channels that entitle the City to benefit from Federal or Provincial government approved discounts that limit the magnitude of price increases over the term of a contract. This strategy was recently highlighted in an award of contract for Data Encryption services.
- Negotiating long term contracts in return for more favourable pricing arrangements. Council have approved staff recommendations for long term agreements when appropriate (e.g. Contract 8054P - Telecommunications Services awarded to Telus for an initial 6-year agreement, which can be extended for a further 6 year term upon mutual agreement).
- Requiring bidders to agree to fixed prices over the initial term of a contract (typically 3 years).
- Ensuring future increases for renewal terms are in line with CPI per contractual agreements or at least negotiated whenever possible.
- Value engineering efforts – in cases where bids received are in excess of a Council approved budget the best value is negotiated to ensure projects remain within approved budgets. A recent example includes the contract for Steveston Community Playground Construction Services where reductions in scope were negotiated with the successful bidder through a value engineering effort to ensure the cost of the contract was within the pre-determined project budget. This was also the case when staff negotiated the contract for the re-construction of Minoru Lakes.
- Drafting bid and contract documents to ensure that the City can benefit from all available grants. City departments collaborate with suppliers to provide contract documents that are required to qualify for and obtain grant funding. This ensures an efficient audit of the grant expenditures can be completed when required.

### Budget Assumptions

*Table 5* summarizes the key financial indicators of the 2025 Operating Budget gathered as of November 2024. These rates are continuously monitored for any significant changes.

The City is subject to various contractual increases to deliver the same level of service. The majority of the contractual increases for 2025 are greater than the projected Consumer Price Index (CPI) of 2.10%, such as the RCMP Contract, collective agreements, E-Comm and natural gas and electricity.

*Table 5: Key Financial Drivers / Indicators*

Key Financial Drivers / Indicators	2025	2026	2027	2028	2029
Vancouver Consumer Price Index (CPI) <sup>1</sup>	2.10%	2.00%	2.00%	2.10%	2.10%
Richmond Municipal Price Index (MPI) <sup>2</sup>	4.09%	3.22%	3.22%	3.14%	3.25%
User Fees <sup>3</sup>	2.00%	2.00%	2.00%	2.10%	2.10%
E-Comm <sup>4</sup>	12.39%	18.16%	12.23%	11.33%	11.36%
RCMP Contract Increase <sup>5</sup>	7.40%	3.70%	3.30%	3.80%	3.50%
Collective Bargaining Agreements <sup>6</sup>	5.00%	3.50%	3.50%	TBD	TBD
Natural Gas <sup>7</sup>	3.00%	3.00%	3.00%	3.00%	3.00%
Electricity <sup>7</sup>	2.30%	2.30%	2.30%	2.30%	2.30%
Growth (Tax Base) <sup>8</sup>	1.18%	1.02%	1.07%	1.07%	1.04%

Sources:

<sup>1</sup> The Conference Board of Canada Major City Insights Autumn 2024; 2029 is projected based on 2028 forecasts;<sup>2</sup> Finance Department, City of Richmond;<sup>3</sup> User fees are based on CPI. 2025 is based on the CPI projections of Conference Board of Canada in September 2024 which was used as the basis for the Consolidated Fees Bylaw which was introduced on October 7, 2024 and adopted on November 12, 2024.<sup>4</sup> Based on estimates provided by E-Comm;<sup>5</sup> Based on Multi-Year Financial Plan from RCMP E Division;<sup>6</sup> Collective bargaining agreements only include CUPE 718 and 394. 2025 rate is inclusive of 1.00% rate differential from 2024 budget variance;<sup>7</sup> Climate & Environment Department, City of Richmond;<sup>8</sup> Finance Department, City of Richmond

The collecting bargaining process for CUPE 394 and 718 concluded in May 2024. The ratified agreement includes rates for 2024-2027. As the 2024 budget included only an estimate of the 2024 rates, the difference (1.00%) must be funded along with the 2025 rate increase of 4.00%.

The City's most recent collective agreement with the Richmond Firefighters' Association, Local 1286 covered the years 2020-2021. The Richmond Public Library's CUPE Local 3966 has merged with CUPE 718, with the most recent collective agreement covering the years 2020-2023. These collective agreements are under negotiation at the time of writing this report. *Table 6* provides a summary of the negotiated rate increases and those that are yet to be determined.

*Table 6: Summary of Collective Bargaining Agreements*

Collective Agreements	2024*	2025	2026	2027	2028
CUPE 718 (Inside Workers)	4.50%	4.00%	3.50%	3.50%	TBD
CUPE 394 (Outside Workers)	4.50%	4.00%	3.50%	3.50%	TBD
CUPE 718-05 (Library)	TBD	TBD	TBD	TBD	TBD
Firefighters (IAFF) 1286	TBD	TBD	TBD	TBD	TBD

\*General wage increase only, excluding one-time inflationary support and retention payment

The 2025 Operating Budget includes preliminary estimates for rates that are not finalized. If negotiated rates differ from the estimates, an adjustment will be required in future budgets.



## 2025 Proposed Operating Budget

This section of the report discusses each component of the 2025 Proposed Operating Budget.

### **1. Same Level of Service Increase**

To ensure effective delivery of all City programs and services, the Chief Administrative Officer has restructured the organization into the following divisions:

- Law and Community Safety
- Parks, Recreation and Culture
- Engineering and Public Works
- Finance and Corporate Services
- Corporate Administration
- Planning and Development

Attachment 5 presents the same level of service net budget by Division.

The All Divisions summary included in Attachment 6 shows the City's base operating budget to deliver the same level of service as last year, which totals \$439.2 million. Attachment 6 presents the net base budget by Division to deliver the same levels of service in 2025, before external senior government related increases and Council previously approved amounts.

Attachment 7 presents the same level of service budget for All Divisions by revenue and expense category. This includes programs funded by reserves for Affordable Housing, Child Care and Public Art programs, which are summarized in Attachment 8.

### *Main Cost Drivers*

Labour and fringe benefit impacts and contract services, including RCMP, represent approximately 80.66% of the City's operating expense budget in order to maintain the same level of service. Therefore, the impacts of the new collective agreement have a significant impact on the same level of service budget for 2025. As shown in *Table 5*, salaries increased by 5.00% for 2025, including the amount required for 2024 which settled at a higher rate than was estimated in the 2024 budget. In addition, the 2025 budget includes enhanced benefit coverage and step progression increases as outlined in the collective agreement.

The RCMP contract increase is mainly due to increases in labour costs for the unionized workforce, overall administration allocated to the Richmond Detachment, as well as policing vehicles, equipment, supplies, increased costs for training and user service fee of the PRIMECorp System.

Increases in IT contract costs include infrastructure service agreements as well as annual subscription licenses for various software utilized across the City. Leveraging technology results in efficiencies gained through more accurate and efficient data processing. These costs are necessary to ensure staff have the appropriate tools to support service delivery functions.

The proposed increase of \$518K in the municipal contribution to the Richmond Public Library has been included in the City's same level of service budget, driven by anticipated impacts of the Library's collective agreement negotiations, increased fringe benefit rates mandated by Provincial and Senior governments and increased IT contract costs. The annual contribution to the Lulu Island Energy Company will continue to be funded from appropriated surplus resulting in no additional tax impact.

The same level of service increase as shown in *Table 7* is 1.99%, which is below the CPI target of 2.10%, in compliance with Council's LTFMS. Further details can be found in *Table 8-Table 10*.

*Table 7: Same Level of Service Increase- Summary*

<b>Expense and Revenue Summary</b>	<b>Amount (in '000s)</b>	<b>Tax Impact</b>
Main Cost Drivers (Detailed in <i>Table 8</i> )	\$15,289	<b>4.99%</b>
Expenses decreases (Detailed in <i>Table 9</i> )	(1,896)	<b>(0.62%)</b>
Revenue increases (Detailed in <i>Table 10</i> )	(3,947)	<b>(1.29%)</b>
<b>Subtotal</b>	<b>\$9,446</b>	<b>3.08%</b>
Less: Transfer of Dike Maintenance to utility	(831)	<b>(0.27%)</b>
Less: Tax growth	(\$2,500)	<b>(0.82%)</b>
<b>Same Level of Service Increase after tax growth</b>	<b>\$6,115</b>	<b>1.99% tax impact</b>

*Table 8: Main Cost Drivers*

<b>Main Cost Drivers</b>	<b>Amount (in '000s)</b>	<b>% of total increase</b>
Labour and fringe benefit impacts associated with collective agreements (general wage increase of 4.00% for 2025 from <i>Table 6</i> )	\$8,008	52.38%
RCMP contract	4,326	28.29%
IT contracts	747	4.89%
Municipal contribution increase – Richmond Public Library	518	3.39%
Material and equipment	682	4.46%
Contract others	273	1.78%
Pool chemicals	247	1.61%
Property insurance increase	186	1.22%
Utilities increase (natural gas, electricity)	174	1.14%
Vehicle charges	128	0.84%
<b>Total Main Cost Drivers</b>	<b>\$15,289</b>	<b>100.00%</b>

In 2024, Council appointed new members to the Richmond Olympic Oval Corporation Board of Directors. An estimate for the municipal contribution to the Oval has been included totaling \$3.57 million which is a proposed reduction of \$0.43 million from the contribution approved in the 2024 Operating Budget. This amount is subject to Board and Council approval.

### *Expense Reductions*

Staff reviewed budgets for amounts that could be eliminated due to changes in service delivery methods such as increased use of technology, changes to specific agreements and operational changes. Traditional newspaper advertising has been eliminated and replaced by increased use of websites, social media platforms and public engagement tools. In addition, staff are increasing utilization of virtual meetings which has resulted in less office supplies, meeting expenses and reduced printing costs as materials are distributed through electronic means and less physical materials are printed.

*Table 9: Same Level of Service Expense Decreases*

<b>Expense Decreases</b>	<b>Amount (in '000s)</b>	<b>Mitigated Tax Impact %</b>
Decrease in expenses due to cost recovery	(442)	(0.14%)
Estimated decrease in municipal contribution to Oval	(431)	(0.14%)
Reduction in various maintenance programs due to more efficient utilization of resources	(288)	(0.09%)
Completion of enterprise fund repayments for various building retrofit projects	(183)	(0.06%)
Reduction in the budget for temporary staff which is not operationally required	(161)	(0.05%)
Reduction in expense estimate (tax appeals, professional fees)	(130)	(0.04%)
Reduction in consulting and external contracts	(80)	(0.03%)
Traditional advertising expenses replaced with increased utilization of website and social media accounts	(78)	(0.03%)
Less supplies and meeting expenses due to shift to virtual meetings and on screen review	(53)	(0.02%)
Reduction in unpaid invoice write-offs due to more efficient collection efforts	(50)	(0.02%)
<b>Total Expense Decreases</b>	<b>(\$1,896)</b>	<b>(0.62%)</b>

### *Revenue Increases*

In addition to increasing user fees by CPI wherever possible, staff conducted market reviews to ensure fees are in line with other municipalities and proposed bylaw fee changes were appropriate through the Consolidated Fees Bylaw. Staff also reviewed revenues for consistent trends where amounts could be more aggressively estimated. The following table summarizes the revenue increases that help to mitigate the tax impact of non-discretionary budget increases.

*Table 10: Same Level of Service Increase- Revenues*

<b>Revenue Increases</b>	<b>Amount (in '000s)</b>	<b>Mitigated Tax Impact %</b>
Increase in investment income due to adjustment in portfolio mix, term durations and interest rates	(1,000)	(0.33%)
Recreation revenue increase to align with increased participation and fee increases (Aquatics, arenas, etc.)	(829)	(0.27%)
Increase in penalties and interest on delinquent taxes due to increase in interest rates prescribed by the Provincial government and additional folios	(550)	(0.18%)
Building permit revenue to align with expected development activity	(500)	(0.16%)
Increase in other revenue estimates (Payment in lieu of taxes, School Tax Commission, ride-hailing, traffic management, Building Record request fees etc.)	(468)	(0.15%)
CPI increase for revenues	(448)	(0.15%)
Increase in revenue to offset revenue funded programs	(152)	(0.05%)
<b>Total Revenue Increases</b>	<b>(\$3,947)</b>	<b>(1.29%)</b>

*Tax Growth*

New tax growth projections are based on “non-market change” figures provided by BC Assessment Authority. Non-market change is the term BC Assessment Authority uses for changes to the municipal roll value that is not a result of market conditions. Non-market change could include changes in assessment class, exempt properties that become taxable in the following year or taxable properties that become exempt in the following year and developments under construction. Based on preliminary data from BC Assessment Authority, new tax growth for 2025 is estimated at \$2.5 million.

**2. Council Previously Approved Expenditures***Retroactive impacts of the CUPE 718 and 394 Collective Agreements*

The same level of service increase for labour and fringe benefits associated with the collective agreement presented in *Table 8* is for the 2025 rate increase of 4.00%. In addition to this, the new collective agreement includes retroactive increases that require ongoing funding.

Increase for 2024 Exceeded Estimates

When the 2024 budget was prepared, the estimated wage increase was 3.50%. Since the settled rate increase was 4.50%, the 2025 budget needs to be further increased to fund this 1.00% rate differential. In addition, changes to extended health benefits and other allowances (dirty pay, shift premiums, first aid attendants, tool allowance, etc.) were also approved as part of the new collective agreement. The total amount of these retroactive impacts is \$2.30 million.

### Auxiliary Rate Adjustment – Parks, Recreation and Culture

Another outcome of the CUPE Collective Bargaining Agreement Memorandum of Agreement was a commitment to review various auxiliary positions within Parks, Recreation and Culture through external market wage rate analysis, retroactive to January 1, 2024. Metro Vancouver has recently submitted information on the external review and the Human Resources department is in the process of reviewing the data. The estimated impact of these adjustments is \$1.5 million.

#### *Amounts Funded through Rate Stabilization in the 2024 Budget*

As part of the 2024 Operating Budget, Council approved \$1.61 million from the Rate Stabilization Account to reduce the overall tax impact. In order to ensure ongoing funding for all approved programs and services, this amount needs to be funded as part of the 2025 Operating Budget. Each year, staff recommend a reasonable amount to fund from Rate Stabilization taking into account funding available, projected funding needs and ensuring that the amount that will require funding in future years will not become a burden to future tax payers.

#### *Steveston Community Centre and Library OBI*

On October 4, 2022, a groundbreaking ceremony was held, officially marking the start of construction for the new building, which is anticipated to be complete by 2026. Among the features of the new three-storey 5,607 square metre (60,350 square feet) facility will be:

- A community centre with a double gymnasium, fitness centre, active studio, and multipurpose and meeting rooms
- Gathering spaces and a shared community living room
- A library with enhanced collections, children's and youth spaces, educational program rooms and space for silent study

Starting with the 2023 Operating Budget, staff recommended phasing-in funds for the new facility, and this will continue over the years 2025-2026. In October 2024 the OBI estimate was revised from \$1.10 million to \$1.09 million with the phase in plan revised accordingly. An increase of \$268K is required in 2025 and 2026, or an estimated tax impact of 0.09% per year.

The previously approved expenditures are summarized in *Table 11* totaling \$5,675,000 or a tax impact of 1.85%.

*Table 11: Previously Approved Expenditures*

Previously Approved Expenditures	Amount (in '000s)	Tax Impact
Retroactive impacts of the collective agreement for 2024 (Rate differential of 1.00% and additional benefits)	\$2,295	0.75%
Rate Stabilization for 2024 Budget	1,612	0.52%
Auxiliary Staff Adjustment - Parks, Recreation and Culture	1,500	0.49%
OBI from Major Facilities Replacement Projects – Steveston Community Centre and Library (Year 3 of 4)	268	0.09%
<b>Total Previously Approved Expenditures</b>	<b>\$5,675</b>	<b>1.85%</b>

### 3. Externally Funded Programs

City staff work collaboratively with senior levels of government and external agencies to identify opportunities to apply for grant funding. Staff have aggressively pursued external grant funding opportunities which helps to offset increases in the operating budget.

Attachment 9 summarizes the successful applications that the City has been awarded. In order to have the authority to incur any expenditure, including those funded by external organizations, the amounts must be included in the City's 5 Year Financial Plan.

### 4. Emerging Organizational Additional Level of Service Requests

For 2025, 30 requests to meet growing demands for new services were considered totaling \$8.7 million. The Senior Management Team (SMT) appointed a Review Team comprised of Directors across the City to review each request using established ranking criteria. The prioritized requests were also carefully reviewed by the CAO and SMT.

Following the rigorous review process, a total of 17 additional level submissions are recommended for funding by the CAO and SMT, of which nine have a tax impact, and eight are funded through incremental revenue sources or reallocation of existing budgets. Requests for ongoing funding where a temporary funding source could be identified were not included but will be reconsidered in future years.

Please refer to Attachments 10, 11 and 12 for a description of the recommended emerging organization additional levels, and Attachment 13 for the description of those that could not be recommended for funding in 2025 due to budget constraints. The recommended totals are also summarized in *Table 12*.

*Table 12: Emerging Organizational Additional Levels – Recommended for Funding in 2025*

<b>Emerging Organizational Additional Levels</b>	<b>Amount (in '000s)</b>	<b>Tax Impact</b>
Attachment 10: OBI from Previously Approved Capital Project (1 RFT)	130	0.04%
Attachment 11: No Tax Impact Positions – additional expenses - 7 RFTs are funded by revenue or reallocation of existing budgets - 2 TFTs are funded by external grants	1,166	0.38%
Attachment 11: No Tax Impact Positions – offset by revenue, grants and reduction of operating expenses	(1,166)	(0.38%)
Attachment 12: Emerging Organizational Additional Levels (includes 7 RFT and 6 RCMP Officer positions) - Includes 6 RCMP Officers and 2 Municipal Employees to support the RCMP Detachment - 4 RFTs associated with new Provincial Legislation - 1 RFT Manager, Indigenous Relations - Phase in of Housing Accelerator Fund to base budget (Year 1 of 4)	2,517	0.82%
<b>Total Emerging Organizational Additional Levels</b>	<b>\$2,647</b>	<b>0.86%</b>

The proposed 2025 Operating Budget presented in Budget Option 1 includes recommended additional level requests totaling \$2.6 million a 0.86% tax impact. The Finance Committee has the discretion to change the recommendation for funding any of the emerging organizational additional level requests, with resulting tax impacts.

## **5. Investment in Community Facilities (Transfer to Reserves)**

In September 2003, Council approved the Long Term Financial Management Strategy (LTFMS - Policy 3707) directing a one per cent increase in transfer to reserves for infrastructure replacement needs. Since the establishment of this policy, the City has funded a number of major facility projects such as:

- Fire Hall No. 1
- Fire Hall No. 3
- First Nations Bunkhouse Reconstruction and Exhibit Development
- Minoru Centre for Active Living
- Phoenix Net Loft deconstruction
- Richmond Animal Shelter
- Bowling Green Community Activity Centre
- West Richmond Pavilion (formerly named as Hugh Boyd Community Facility and Fieldhouse)
- Works Yard Replacement – Phase 1

The Works Yard replacement project was estimated to be \$247.0 million (2023 dollars), and the project will be phased over 10 years. \$100.0 million has been approved thus far and \$80.0 million is included in the Proposed 5 Year Capital Plan (2025-2029). Other major upcoming facility projects include Britannia Shipyard - Seine Net Loft – Roof, Envelope and Structural

Renewals, Japanese Duplex Restoration and Fit Out and Phoenix Net Loft Program Implementation.

Council's LTFMS policy is to transfer an additional 1.00% to reserves to fund community infrastructure replacement needs to ensure the safety and well-being of the community. As a result of this policy, the annual investment toward community infrastructure in 2024 was \$26.2 million. In particular, the Works Yard funding strategy is predicated on the continued implementation of this strategy. It is recommended to continue with Council's LTFMS and transfer an additional 1.00% into the Capital Building & Infrastructure reserve to fund the City's ageing building infrastructure program and future major building replacements.

The proposed 2025 Operating Budget includes \$3,066,765 in accordance with this Council policy, a 1.00% tax impact.

## 6. External Senior Government Related Increases

Council Policy 3707 item 2 states:

*“Any additional costs imposed on the City as a result of mandatory senior government policy changes should be identified and added to that particular year's taxes above and beyond the CPI and infrastructure percentage contribution.”*

Table 13 summarizes the items included in the 2025 budget increase that are mandated by the following senior government legislation:

- *Emergency Communications Corporations Act (Provincial)*
- *Police Act (Federal)*
- *Canada Pension Plan Act (Federal)*
- *Workers Compensation Act (Provincial)*

In accordance with Council policy, these items are identified and included in the tax increase above and beyond the CPI target.

### *Community Safety Cost Sharing Obligations*

#### *Emergency Communications 911:*

The City is a shareholder in E-Comm and is required to share in the costs of operating Emergency Communications 911. Richmond's estimated portion of the 2025 E-Comm increase is \$0.8 million to fund these essential operations, which is a 12.39% increase over the 2024 budget.

The primary driver of the 2025 increase relates to increases associated with the collective agreement for CUPE 8911 which was ratified in May 2023 and additional staffing required to address increasing call volumes. Further drivers of the preliminary cost increase relates to E-Comm's multi-year Transformation Plan which was approved by E-Comm's Board of Directors in November 2022 to strengthen and renew the business, which includes initiatives to enhance cyber security, data and analytics. These transformation costs are projected to continue through at least 2028.



E-Comm's budget is scheduled to be reviewed by their Board in November 2024. E-Comm has engaged an independent advisor to undertake a governance review as a response to the evolving complexities and challenges that E-Comm is facing in serving their stakeholders.

*Specialized RCMP Teams:*

In addition to the complement of RCMP officers contracted by the City, there are additional costs associated with regional and provincial specialized teams which are allocated to each City. Richmond's incremental allocation of these costs are summarized in *Table 13*.

*External Senior Government Impacts on Fringe Benefits*

Associated with labour, there are mandatory costs paid to external government agencies which the City has no control over. The City takes on higher costs associated with enhancements to the Canada Pension Plan as outlined by the Federal Government and is obligated to pay WorkSafeBC rates.

CPP continues to increase based on the enhancements made by the Federal Government which has introduced additional tiers that will provide higher benefits and greater financial stability to pensioners.

WorkSafeBC rates have increased due to the collective industry classification for local government as there has been an upward trend in claims for this sector.

The estimated impacts of these changes are also summarized in *Table 13*. The total impact of all external senior government increases is \$2,121,638 a tax impact of 0.69%.

*Table 13: External Senior Government Related Increases*

<b>External Senior Government Increases</b>	<b>Amount (in '000s)</b>	<b>Tax Impact</b>
E-Comm Enhancements	\$832	0.27%
Integrated Teams and Real Time Intelligence Centre	485	0.16%
Provincial Integrated Homicide Investigative Team RCMP	95	0.03%
<b>Community Safety Cost-Sharing Obligations</b>	<b>1,412</b>	<b>0.46%</b>
Canada Pension Plan (CPP) Enhancement	460	0.15%
WorkSafeBC Rate Increases	250	0.08%
<b>Total External Senior Government Increases</b>	<b>\$2,122</b>	<b>0.69%</b>

## 7. Operating Budget Impact (OBI)

Operating Budget Impacts (OBI) are ongoing additional operating and maintenance costs associated with new assets, which are approved by Council through the capital budget process. It is important that OBI funding is included in the operating budget when these capital projects or contributed assets become operational, as the level of service is dependent on this funding.

*Table 14: Operating Budget Impact*

OBI	OBI Amount (in '000s)	Tax Impact
OBI from 2025 Proposed Capital Budget	369	0.12%
<b>Total Operating Budget Impact</b>	<b>\$369</b>	<b>0.12%</b>

### *OBI from 2025 Proposed Capital Budget*

Table 14 presents the OBI impact from the 2025 Proposed Capital Budget recommended by staff, which is \$368,548, or an estimated tax impact of 0.12%. If Council approves additional projects or removes any of the recommended projects, this amount may change.

## 8. Rate Stabilization

The City’s Rate Stabilization Account (RSA) was approved by Council in 2013 in order to ensure that funding be available to help balance the budget for non-recurring items and smooth out tax increases. The establishment of an RSA for the operating budget was also based on past experience where external non-controllable events impacted the City’s operating budget and there was no funding available to offset this “temporary condition”.

The City has used RSA in a practical and effective manner, and staff are careful in managing the usage to ensure that the RSA is not carried forward on an indefinite basis. The risk and downside of utilizing RSA is that once it has been carried forward in this way, it must be maintained because the reduction or elimination of it will create pressure on the following year’s operating budget. The tax increase is not reduced but temporarily shifted.

In the 2024 Operating Budget, the Rate Stabilization Account was utilized to reduce the tax impact by \$1.6 million. This amount was deferred to 2025 resulting in a tax impact of 0.56%.

Staff recommends using rate stabilization funding of \$2.0 million in the 2025 budget. This will reduce the 2025 tax impact by 0.65% and will gradually be phased into the budget within the five-year financial plan.

Utilizing more rate stabilization would decrease the 2025 tax increase but will also result in a higher tax increase for the following years. Table 15 summarizes how the RSA balance is proposed to be utilized as a result of the 2025 Budget Process.

Table 15: Proposed RSA Utilization

<b>RSA Balance as of October 31, 2024</b>		<b>\$16,914,372</b>
<b><i>From 2025 One-Time Expenditures report:</i></b>		
2025 One-Time Expenditures	(2,690,457)	
<b><i>From 2025 Proposed Operating Budget report:</i></b>		
Proposed Rate Stabilization of the 2025 Operating Budget	(2,000,000)	
2025 Initial Capital Costs from Emerging Organizational Additional Levels – Recommended for Funding in 2025 <b>No Tax Impact Positions</b> (Attachment 12)	(126,688)	
2025 Initial Capital Costs from No Tax Impact Positions (Attachment 11)	(120,000)	
<b><i>From 2025 Proposed Capital Budget report:</i></b>		
2025 Capital Project funded by RSA	(2,339,500)	
<b>Total 2025 Proposed RSA Utilization</b>		<b>(7,276,645)</b>
<b>Balance After Proposed 2025 Utilization</b>		<b>\$9,637,727</b>

### 2025 Budget Options

Staff have prepared three budget options for Council’s consideration in order to provide resources for emerging organization needs.

All options include:

- Non-discretionary increases to maintain the same level of service, in compliance with Council’s LTFMS
- Investment in community facility infrastructure replacement needs, in accordance with Council’s LTFMS for planned capital projects
- Funding for the retroactive impacts of the Collective Bargaining Agreement for CUPE 718 and 394 including additional amounts for 2024, auxiliary rate adjustments for Parks, Recreation and Culture
- Mandatory Senior Government Increases
- Continued phase-in of OBI related to the new Steveston Community Centre and Library which is under construction
- Operating Budget Impacts from the Proposed Capital Budget

The options presented including varying amounts of:

- Recommended Emerging Operational Additional Levels
- Rate Stabilization Funding

### *Option 1 – Recommended Emerging Organizational Additional Levels with Rate Stabilization (Recommended)*

Option 1 includes the same level of service non-discretionary increases, which have been offset by expense decreases, revenue increases and a transfer to the Utility Budget. It includes external senior government mandatory increases and the retroactive impacts of the collective bargaining agreements which were ratified in 2024. It continues to phase-in funding for the new Steveston

Community Centre and Library which is anticipated to be completed in 2026 and includes the OBI impact of the 2025 Proposed Capital Budget.

Option 1 also fully complies with the LTFMS policy to increase investment in community infrastructure by 1.00%, providing funding for future phases of approved capital projects.

The emerging organizational additional levels recommended in Budget Option 1 (as presented in Attachments 10, 11 and 12) provides funding for a number of high priority requests submitted for consideration in the budget process. There were many other important requests that were also reviewed but could not be recommended for funding in 2025 due to budget constraints (Attachment 13). 53.95% of the proposed budget increase under Budget Option 1 is for Community Safety.

**Emerging Organizational Additional Levels (Budget Option 1)**

The emerging organizational additional levels in Budget Option 1 includes:

- Ongoing funding for pilot initiatives that achieved successful results, as the temporary funding source has been fully utilized (Manager, Indigenous Relations).
- 6 RCMP officers and 2 municipal employees to support the RCMP Detachment (see Table 16).
- Additional resources required to comply with new provincial legislation (Fire Safety Act, Bill 16, Bill 44).
- Phase in of Housing Accelerator Fund to base budget over 4 years.

*Table 16: Law and Community Safety Emerging Organizational Additional Levels (Budget Option 1)*

<b>Law and Community Safety Emerging Organizational Additional Levels (Budget Option 1)</b>					
<b>RCMP Officers</b>	<b>Municipal Employees to Support the RCMP Detachment</b>	<b>Fire Prevention Captains (Fire Safety Act)</b>	<b>Total Law and Community Safety Positions</b>	<b>Amount (in '000s)</b>	<b>Tax Impact</b>
6	2	2	<b>10</b>	\$1,763	0.57%
<b>Law and Community Safety Emerging Organizational Additional Levels (Budget Option 1) – 10 Community Safety Positions</b>				<b>\$1,763</b>	<b>0.57%</b>

Council approved the Utility Budget on November 12, 2024, which includes significant increases mainly due to the North Shore Wastewater Treatment Plan which increases the financial burden for households. Recognizing these significant increases from Metro Vancouver which could not be avoided, staff are recommending a reduced amount of emerging organizational additional levels than would have otherwise been the case had it not been for this situation.

Option 1 proposes to include \$2.0 million of Rate Stabilization funding to reduce the 2025 tax impact. This is an optimal amount of rate stabilization which does not place too much pressure on future budgets and preserves a sufficient amount of rate stabilization funding for unknown future impacts.

Option 1 results in an overall tax impact of 5.86% and is the recommended option, which amounts to an increase of \$128 for an average residential property with an assessment value of \$1,306,478. This option is recommended by staff.

*Option 2 – Increased Emerging Organizational Additional Levels*

Budget Option 2 includes everything in Option 1 with additional amounts in the emerging organizational additional levels.

Emerging Organizational Additional Levels (Budget Option 2)

The emerging organizational additional levels included in Budget Option 2 are the same as Budget Option 1, with incremental positions highlighted in yellow in *Table 17*. Budget Option 2 includes a total of 10 RCMP officers and 6 municipal employees to support the RCMP Detachment which represents the full request submitted by the Officer In Charge of the RCMP Detachment.

*Table 17: Law and Community Safety Emerging Organizational Additional Levels (Budget Option 2)*

<b>Law and Community Safety Emerging Organizational Additional Levels (Budget Option 2)</b>					
<b>RCMP Officers</b>	<b>Municipal Employees to Support the RCMP Detachment</b>	<b>Fire Prevention Captains (Fire Safety Act)</b>	<b>Total Law and Community Safety Positions</b>	<b>Amount (in '000s)</b>	<b>Tax Impact</b>
6	2	2	10	\$1,763	0.57%
<b>Law and Community Safety Emerging Organizational Additional Levels (Budget Option 1) – 10 Community Safety Positions</b>				<b>\$1,763</b>	<b>0.57%</b>
4	4	0	8	\$1,118	0.37%
10	6	2	18	\$2,881	0.94%
<b>Law and Community Safety Emerging Organizational Additional Levels (Budget Option 2) – 18 Community Safety Positions</b>				<b>\$2,881</b>	<b>0.94%</b>

There were many other important requests that were also reviewed but could not be recommended for funding in 2025 due to budget constraints (Attachment 13). 56.26% of the proposed budget increase under Budget Option 2 is for Community Safety.

Option 2 proposes to include \$2.0 million of Rate Stabilization funding to reduce the 2025 tax impact. This is an optimal amount of rate stabilization which does not place too much pressure on future budgets and preserves a sufficient amount of rate stabilization funding for unknown future impacts.

Option 2 results in an overall tax impact of 6.23%, which amounts to an increase of \$136 for an average residential property with an assessment value of \$1,306,478.

*Option 3 – Increased Emerging Organizational Additional Levels and Preserve Rate Stabilization*

Option 3 includes everything in Budget Option 2, however, it does not utilize any rate stabilization funding which recognizes the full impact of 2025 increases without deferral to future years. This allows preservation of the rate stabilization balance to fund future one-time initiatives and to offset future increases which are not fully known at this time.

Option 3 results in an overall tax impact of 6.88%, which amounts to an increase of \$150 for an average residential property with an assessment value of \$1,306,478.

*Table 18* summarizes all three options, with the varying amounts highlighted in yellow.

Table 18: Proposed Budget Options (in \$000s)

Budget Components	Option 1	Option 2	Option 3
	<i>Recommended</i>		
	Reduced Emerging Additional Levels with Rate Stabilization	Emerging Additional Levels with Rate Stabilization	Emerging Additional Levels with preservation of Rate Stabilization
Same Level of Service	2.81%	2.81%	2.81%
Less: 2025 Tax Growth	(0.82%)	(0.82%)	(0.82%)
<b>Same Level of Service after tax growth (below CPI target of 2.10%) - Table 7, page 18</b>	<b>1.99%</b>	<b>1.99%</b>	<b>1.99%</b>
Previously Approved Expenditures <i>Table 11, page 22</i>	1.85%	1.85%	1.85%
Law and Community Safety Emerging Organizational Additional Level Increases - Budget Option 1 (Attachment 12, page 75) - Budget Option 2 and 3 (Attachment 12 + Attachment 13 # 1-4, page 76)	0.57%	0.94%	0.94%
Citywide Emerging Organizational Additional Level Increases (Attachments 10, 11 and 12)	0.29%	0.29%	0.29%
Investment in Infrastructure Replacement Needs (Transfer to Reserves) <i>page 23</i>	1.00%	1.00%	1.00%
<b>LTFMS Policy: Same Level of Service + Previously Approved Expenditures + Emerging Organizational Additional Levels + 1.00% for Infrastructure Replacement Needs</b>	<b>5.70%</b>	<b>6.07%</b>	<b>6.07%</b>
Community Safety Cost-Sharing Obligations <i>Table 13 page 25</i>	0.46%	0.46%	0.46%
Canada Pension Plan Enhancements <i>Table 13 page 25</i>	0.15%	0.15%	0.15%
WorkSafeBC Rate Increases <i>Table 13 page 25</i>	0.08%	0.08%	0.08%
<b>Senior Government Increases</b>	<b>0.69%</b>	<b>0.69%</b>	<b>0.69%</b>
<i>Estimated OBI from 2025 Capital Budget Table 13 page 26</i>	0.12%	0.12%	0.12%
<b>Operating Budget Impacts</b>	<b>0.12%</b>	<b>0.12%</b>	<b>0.12%</b>
Rate Stabilization <i>page 27</i>	(0.65%)	(0.65%)	-
<b>Subtotal of Senior Government Increases, Operating Budget Impacts and Rate Stabilization</b>	<b>0.16%</b>	<b>0.16%</b>	<b>0.81%</b>
<b>Preliminary 2025 Operating Budget Increase</b>	<b>5.86%</b>	<b>6.23%</b>	<b>6.88%</b>
Annual equivalent tax increase for average residential property	\$128	\$136	\$150

## Financial Impact

The CAO and SMT have done considerable work including conducting significant reviews to achieve a combined same level of service budget of 1.99% which is below the CPI target of 2.10%. The Proposed Operating Budget Option 1 of 5.86% is recommended as presented in *Table 19*.

*Table 19: 2025 Proposed Operating Budget Increase*

Items	Total 2025 Operating Budget Increase (in \$000s)	Tax Impact	Equivalent for Average Residential Property
Same Level of Service before tax growth	\$8,615	2.81%	\$61
Less: 2025 Estimated Tax Growth	(2,500)	(0.82%)	(18)
<b>Same Level of Service after tax growth (below CPI target of 2.10%)</b>	<b>6,115</b>	<b>1.99%</b>	<b>43</b>
Previously Approved Expenditures	5,675	1.85%	40
Emerging Organizational Additional Level Increases	2,647	0.86%	19
Investment in Infrastructure Replacement Needs (Transfer to Reserves)	3,067	1.00%	22
<b>LTFMS Policy: Same Level of Service + Previously Approved Expenditures + Emerging Organizational Additional Levels + 1.00% for Infrastructure Replacement Needs</b>	<b>17,504</b>	<b>5.70%</b>	<b>124</b>
Community Safety Cost-Sharing Obligations	1,412	0.46%	10
Canada Pension Plan Enhancements	460	0.15%	3
WorkSafeBC Rate Increases	250	0.08%	2
External Senior Government Increases	<b>2,122</b>	<b>0.69%</b>	<b>15</b>
Operating Budget Impacts	369	0.12%	3
Less Proposed Rate Stabilization	(2,000)	(0.65%)	(14)
<b>Subtotal of Senior Government Increases, Operating Budget Impacts and Rate Stabilization</b>	<b>491</b>	<b>0.16%</b>	<b>4</b>
<b>Proposed 2025 Operating Budget Increase</b>	<b>\$17,995</b>	<b>5.86%</b>	
<b>Annual equivalent tax increase for average residential property</b>			<b>\$128</b>

## Conclusion

In keeping with Council's mandate as stipulated in the Long Term Financial Management Strategy policy, the 2025 recommended operating budget increase is 5.86%. The increase maintains the same level of service below CPI target and includes funding for emerging organizational additional levels, 1.00% transfer to reserves in support of funding for community facilities replacement needs, various senior government increases and operating budget impacts



from the Proposed Capital Budget and recommended One-Time Expenditures. Rate stabilization funding is utilized to partially offset the impacts.

The 2025 Operating Budget, as approved by Council, will form the basis of the Consolidated 5 Year Financial Plan, which is required under the *Community Charter*. Based on preliminary assumptions, *Table 20* provides estimated increases for the years 2026-2029. The Plan estimates for 2026-2029 are based on information currently available and will be revised with each respective budget year.

*Table 20: Proposed 5 Year Financial Plan (2025-2029)*

Proposed 5 Year Financial Plan	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Same Level of Service Before Transfer to Utility Budget	2.26%	2.00%	2.00%	2.10%	2.10%
Less: Transfer to Utility Budget	(0.27%)	-	-	-	-
<b>Same Level of Service Increase</b>	<b>1.99%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.10%</b>	<b>2.10%</b>
Investment in Community Infrastructure	1.00%	1.00%	1.00%	1.00%	1.00%
External Senior Government Related Increases	0.69%	0.55%	0.38%	0.40%	0.37%
Emerging Organizational Additional Levels	0.82%	0.51%	0.51%	0.50%	0.40%
Operating Budget Impact from Capital Budget	0.16%	0.20%	0.18%	0.18%	0.18%
Council Previously Approved Expenditures	1.85%	0.69%	0.55%	0.39%	0.12%
Less: Rate Stabilization	(0.65%)	(0.45%)	(0.30%)	(0.15%)	0.00%
<b>Proposed Operating Budget Increase</b>	<b>5.86%</b>	<b>4.50%</b>	<b>4.32%</b>	<b>4.42%</b>	<b>4.17%</b>



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MS:mp

**2025 Proposed Operating Budget**

**Index of Attachments**

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1. Council Strategic Plan (2022-2026)

# Council Strategic Plan 2022–2026



 <p><b>Proactive in Stakeholder and Civic Engagement</b></p> <p>Proactive stakeholder and civic engagement to foster understanding and involvement and advance Richmond's interests.</p>	 <p><b>Strategic and Sustainable Growth</b></p> <p>Strategic and sustainable growth that supports long-term community needs and a well-planned and prosperous city.</p>	 <p><b>A Safe and Prepared Community</b></p> <p>Community safety and preparedness through effective planning, strategic partnerships and proactive programs.</p>	 <p><b>Responsible Financial Management and Governance</b></p> <p>Responsible financial management and efficient use of public resources to meet the needs of the community.</p>	 <p><b>A Leader in Environmental Sustainability</b></p> <p>Leadership in environmental sustainability through innovative, sustainable and proactive solutions that mitigate climate change and other environmental impacts.</p>	 <p><b>A Vibrant, Resilient and Active Community</b></p> <p>Vibrant, resilient and active communities supported by a wide variety of opportunities to get involved, build relationships and access resources.</p>
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## 2. Economic Outlook

Richmond continues to be a major employment centre for the region, with a strong and diverse economic base that positions the City well to weather economic challenges. Local businesses contribute over 40%<sup>1</sup> of the City's property tax revenues, resulting in the ability to provide residents with exceptional levels of municipal services while ensuring a reasonable allocation of taxation among property classes. Richmond's economy is subject to continually evolving global, regional and local trends. As part of its budget planning process, the City examines the current economic context and available forecasts to manage short-term risks and advance long-term financial sustainability.

### Global, National and Provincial Forecasts

Global growth is slow and relatively steady, with the notable absence of a recession. The International Monetary Fund (IMF) is currently projecting a global growth rate of 3.2% in 2024 and 2025, with a five-year forecast of 3.1%. While the overall forecast has remained relatively similar since last spring, the outlook for various regions has shifted, with stronger growth observed in the U.S. and Asia, and downward revisions to the growth forecast for the Middle East, Central Asia and sub-Saharan Africa.<sup>2</sup>

A number of global shocks and ongoing uncertainty are impacting economic forecasts. Globally, the Russia-Ukraine war continues to weigh on the outlook, and as does the impact of ongoing violence in Israel and Gaza, and more broadly in the Middle East. Other factors impacting the global forecast include increasing geoeconomic fragmentation after decades of global integration, effects of monetary policy tightening required to reduce inflation, and extreme weather events. Weighing heavily on the forecast is the impact of the recent U.S. election and uncertainty related to global trade, depending on the policies implemented by the new administration.

In the context of the global forecast, Canada is aligned with the slowing growth observed and predicted to continue globally. That said, projections suggest an upward trend is in sight. Real GDP is expected to remain stable in 2024 before rising to 2.1% in 2025. Both headline and core consumer price inflation are also expected to stabilize around the 2% target in the medium term. A challenge over the short and medium term will be balancing the potential impact of pent-up consumer demand as interest rates fall to avoid a return to higher inflation. While there is some uncertainty in the shorter term, stabilization and growth are expected to slowly return in the longer term.

### 1. Global Forecast<sup>3</sup>

Global economic activity started to strengthen midway through 2024, driven notably by robust exports from Asia, particularly in the technology sector. The International Monetary Fund (IMF) is currently projecting a global growth rate of 3.2% in 2024 and 2025, with a five-year forecast of 3.1%.

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<sup>1</sup> [City of Richmond, 2023 Annual Report](#), p. 60

<sup>2</sup> [International Monetary Fund, World Economic Outlook October 2024](#).

<sup>3</sup> [International Monetary Fund, World Economic Outlook, July, 2024](#).

Notably, the U.S. growth forecast has strengthened, offsetting downgrades in other regions, including Europe. Downward revisions in the growth outlook for the Middle East, Central Asia and sub-Saharan Africa are related to production and shipping disruptions, as well as extreme weather events, civil unrest, and other conflicts. Yet in Asia, the picture is different, as significant global investments in artificial intelligence are driving strong demand for semiconductors and other electronics produced in the region.<sup>4</sup> There is uncertainty in the forecast regarding the impact of the recent U.S. election and potential global trade and other economic impacts, depending on the policies implemented by the new administration.

Globally, inflation is now projected to reach 3.5% by the end of 2025, down from a peak of 9.4% year-over-year in the third quarter of 2022, and below the average of 3.6% between 2000 and 2019.<sup>5</sup> Although inflation has generally decreased thanks to falling energy and goods prices, consistently high inflation in the services sector continues to pose challenges in reducing overall price pressures.

As global inflation returns to a more acceptable levels, central banks in advanced economies including the U.S. Federal Reserve have started to ease monetary policy. However, along with rising prices, prolonged high interest rates have put pressure on the economic outlook in many countries which has challenged policymakers seeking a balanced approach.

The IMF also points out the potential risk of escalating conflict in the Middle East, which could result in energy price shocks and increased global shipping costs, depending on a number of factors, including duration, continued severity, regional stability, and the broader geopolitical context of the conflict.

Current forecasts for economic growth and inflation reflect the continuing recovery from impacts of the COVID-19 pandemic, geopolitical tensions, and the cost-of-living crisis. Factors impacting the forecasts include increasing geoeconomic fragmentation after decades of global integration, uncertainty regarding trade following the recent U.S. election, effects of monetary policy tightening required to reduce inflation, withdrawal of fiscal supports, and extreme weather events.

## **2. Canadian Forecast<sup>6</sup>**

In the context of the global forecast, Canada is aligned with the slowing growth observed and predicted to continue across advanced economies. After a period of slowdown in 2023 and early 2024, the Canadian economy is anticipated to start recovering in the second half of 2024 with expected improvements in both exports and household spending. Real GDP growth rates are expected to be 1.2% in 2024, followed by 2.1% in 2025. A key unknown in the forecast is the impact of potential trade policy changes in the U.S., which is Canada's largest trading partner. Anticipated tariffs and similar protectionist policies could have ramifications across industries and for consumers, affecting both inflation and economic growth.

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<sup>4</sup> [International Monetary Fund, World Economic Outlook, October 2024.](#)

<sup>5</sup> [International Monetary Fund, World Economic Outlook, October 2024.](#)

<sup>6</sup> [Scotiabank Global Economics \(September 10, 2024\); Scotiabank Global Economics \(October 18, 2024\); TD Economics, Canadian Quarterly Economic Forecast \(September 19, 2024\)](#)

The current outlook for Canadian consumers suggests that spending may remain modest, though there is some uncertainty around consumer behaviour as interest rates fall. Real consumer spending grew by 0.6% in the second quarter of 2024, and the third quarter is expected to show similar trends. The slight improvement in consumer spending growth is largely due to stronger-than-expected population growth and back-to-back interest rate cuts by the Bank of Canada.<sup>7</sup>

Consumer Price Index inflation in Canada is approaching the 2% target as monetary policy aims to alleviate price pressures and drivers of core inflation have decreased significantly. CPI is predicted to grow by 2.4% in 2024 and 2.0% in 2025. Wage growth remains strong, and inflation in services is proving to be persistent. Inflation in shelter prices also continues to be elevated, driven by still high rent and mortgage interest costs.

Canada's labour market has cooled significantly over the past year, with the growth in the labour force nearly outpacing the rate of hiring. The unemployment rate is forecast to be 6.3% in 2024, rising to 6.5% in 2025. The job market is especially challenging for youth, who represent over 40% of the increase in unemployment over the past year, despite making up only 14% of the labour force. Population growth is also expected to taper off in the coming years after recent increases, which will impact labour market dynamics.

<b>Canadian Economic Indicators</b>	<b>2022</b>	<b>2023</b>	<b>2024f</b>	<b>2025f</b>	<b>2026f</b>
Real GDP (% change)	3.8	1.2	1.2	2.1	N/A
Consumer Price Index (% change)	6.8	3.9	2.4	2.0	N/A
Residential Investment (% change)	-12.0	-10.2	-0.4	5.2	N/A
Business Investment (% change)	4.3	-0.6	-0.4	4.3	N/A
Unemployment Rate (%)	5.3	5.4	6.3	6.5	N/A
Housing Starts (000s)	262	240	242	253	N/A

[Source: Scotiabank Global Economics \(October 18, 2024\)](#)

<sup>7</sup> Note: To date in 2024, the Bank of Canada (BoC) has announced three consecutive rate cuts of 25 basis points each, followed by a fourth cut of 50 basis points in October 2024. Inflation has been easing (from 8.1% in June 2022 to 2.7% in June 2024) in alignment with the Bank of Canada (BoC)'s interest rate decisions.

### 3. British Columbia Forecast<sup>8</sup>

B.C.'s economy is projected to grow at a rate below the national average this year, primarily due to the continued pressure on consumer spending from interest rate hikes in 2022-23.<sup>9</sup> Additional factors contributing to this outlook include declining retail sales and exports in the first half of 2024, and one of the highest average household debt burdens across the country. As interest rates decline and these pressures ease, economic growth is anticipated to rebound in 2025, driven by a rise in investment, stronger consumer spending, and a recovery in exports.

The primary downside risks to B.C.'s economic outlook include ongoing price pressures and challenges in the housing market. Additional risks involve weaker global demand, the effects of climate change, the economic impacts of international geopolitical conflicts, and volatility in commodity markets. Despite persistent global economic uncertainty, the province's diverse economy positions it well to navigate ongoing global, national, and local economic challenges. Economic growth in the province is forecast at 1% for 2024, and eventually increasing to 2% in 2025 and 2.3% in 2026. Inflation in B.C. is also following the national downward trajectory, with the Consumer Price Index expected to slow its growth to 2.7% year-over-year in 2024, 2.2% in 2025, and 2.0% in 2026.

Over the next 12 to 18 months, consumer spending and home sales may strengthen, aligned with interest rate reductions by the Bank of Canada. Residential construction activity is expected to ease slightly from the high levels observed in 2022 and 2023, but it is projected to strengthen in the medium term, driven by lower borrowing costs and government housing policies designed to expand supply.

Employment has exceeded expectations this year, as a recession was previously anticipated, and B.C.'s labour market is projected to experience strong growth in the near term, driven by high population growth. However, this growth is expected to slow in 2025 and 2026 as the population increases moderate following federal government policy changes. The unemployment rate is expected to increase from the historically low levels seen in 2022 to 5.4% in both 2024 and 2025, before starting to trend down to 5.3% in 2026.

<b>British Columbia Indicators</b>	<b>2022</b>	<b>2023</b>	<b>2024f</b>	<b>2025f</b>	<b>2026f</b>
Real GDP (% change)	3.8	1.5	1.0	2.0	2.3
Consumer Price Index (% change)	6.9	3.9	2.7	2.2	2.0
Population (% Change)	2.5	3	3	1.2	1.2
Retail Sales (% Change)	3.1	-0.1	1	2.5	3.5
Unemployment Rate (%)	4.6	5.2	5.4	5.4	5.3
Housing Starts (000s)	46.7	50.5	46.7	48.5	50.0

[Source: Government of BC. Taking Action For You, First Quarterly Report, September 2024.](#)

<sup>8</sup> [Government of BC. Taking Action For You, First Quarterly Report, September 2024.](#) (data)

<sup>9</sup> [TD Economics, Provincial Economic Forecast, September 19, 2024](#)

## Local Trends

### 1. Metro Vancouver<sup>10</sup>

Metro Vancouver's GDP is anticipated to grow by 1.1% in 2024, before increasing to 2.5% in 2025 and 2.7% in 2026. This marks the smallest annual increase in growth since the pandemic but reflects the fact that the local economy is on par with the Canadian and provincial estimates. Inflation growth in Metro Vancouver is also anticipated to closely mirror national and provincial trends. Price growth has been easing, approaching the Bank of Canada's target rate of 2.00%. CPI is expected to be 2.6% in 2024, and then stabilize to 2.1% in 2025 and 2.0% in 2026.

Metro Vancouver housing starts are expected to drop by 10.5% in 2024 and by 9.4% in 2025 before stabilizing at around 26,000 units in the coming years. Affordability concerns and higher-than-anticipated interest rates present two risks to this forecast. With fewer projects scheduled to begin this year and a projected decrease in housing starts, a decline in construction output for 2024 is anticipated. However, the construction sector is expected to show positive results in the next couple of years, although growth will likely remain modest in 2025 and 2026.

Total employment is expected to continue to climb steadily, and Metro Vancouver's unemployment rates are forecasted to be lower than those of B.C. and Canada, reflecting a still tight local labour market. Unemployment is anticipated to decrease to 5.3% in 2024, 4.9% in 2025 and dip further to 4.7% in 2026. Closely related to both consumer demand and labour market strength, Metro Vancouver's population grew by 4.8% in 2023, and this is expected to continue though start to moderate to 3.5% in 2024 and 2.0% in 2025.

Over the next couple of years, the Metro Vancouver region is expected to benefit from hosting several major sporting events, including the Grey Cup in November 2024, the Invictus Games in 2025, and seven FIFA World Cup matches in 2026. These events are anticipated to bring large numbers of visitors to the region, supporting local businesses and the regional economy.

<b>Metro Vancouver Economic Indicators</b>	<b>2022</b>	<b>2023</b>	<b>2024f</b>	<b>2025f</b>	<b>2026f</b>
Real GDP (% Change)	4.1	1.7	1.1	2.5	2.7
Consumer Price Index (% Change)	6.8	4.2	2.6	2.1	2.0
Population (% Change)	3.6	4.8	3.5	2.0	1.1
Retail Sales (% Change)	5.1	0.0	0.9	3.0	4.4
Unemployment Rate (%)	4.7	5.5	5.3	4.9	4.7
Housing Starts (000s)	26.0	33.2	29.8	27.0	26.8

[Source: Conference Board of Canada Major City Insights, Vancouver \(October 2024\)](#)

<sup>10</sup> [Conference Board of Canada Major City Insights, Vancouver \(October 2024\)](#)

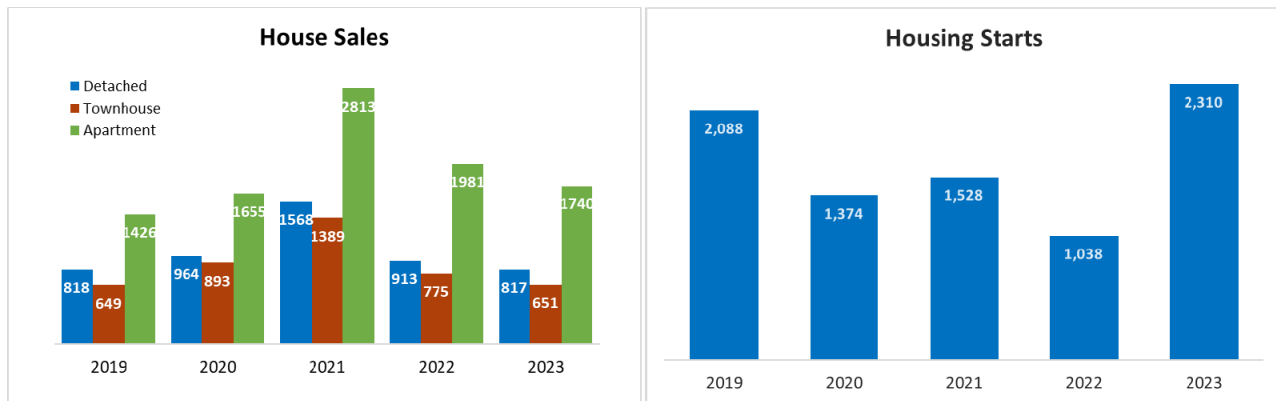


## 2. Richmond<sup>11</sup>

Richmond benefits from a well-diversified economy and has key strengths across its multiple sectors. A healthy share of Richmond's jobs are community-oriented, serving local residents and other businesses, as well as those jobs that are export-oriented, serving national and international markets. Nearly 70% of these economic base jobs are in sectors linked to the city's role as a people and goods movement gateway, including transportation, warehousing and logistics, manufacturing, wholesale, and tourism. Richmond has a regional advantage in these industries due to the presence of the port and airport.

That said, businesses are grappling with challenges from the overall economic slowdown and inflation. These challenges include securing financing for complex projects, labour shortages, and high input costs. Industrial vacancy rates have begun to ease following a prolonged period of record lows, while office vacancy rates are now closely aligned with the Metro Vancouver average. Slow but steady growth is expected in 2025, in line with global and regional economic trends.

## 3. Housing Market



In 2023, sales of all types of housing decreased in Richmond, following a similar decreasing trend in 2022. However, these declines have been less pronounced than those observed between 2021 and 2022. This is aligned with the beginning of interest rate increases by the Bank of Canada starting March 2022 in their efforts to curb inflation, which continued through mid-2024.

Between 2022 and 2023, sales of detached homes decreased by 10.5%, with townhome and apartment sales declining by around 16% and 12.2% respectively. Sales made during the first two quarters of 2024 relative to the same period last year reflect a similar declining trend across all three types of housing, with a decrease of 12.6% for detached home sales, 8.9% for townhomes, and 14.3% for apartments. As further interest rate cuts are expected later in 2024, these dynamics may start to shift in 2025 as the cost of financing is reduced.

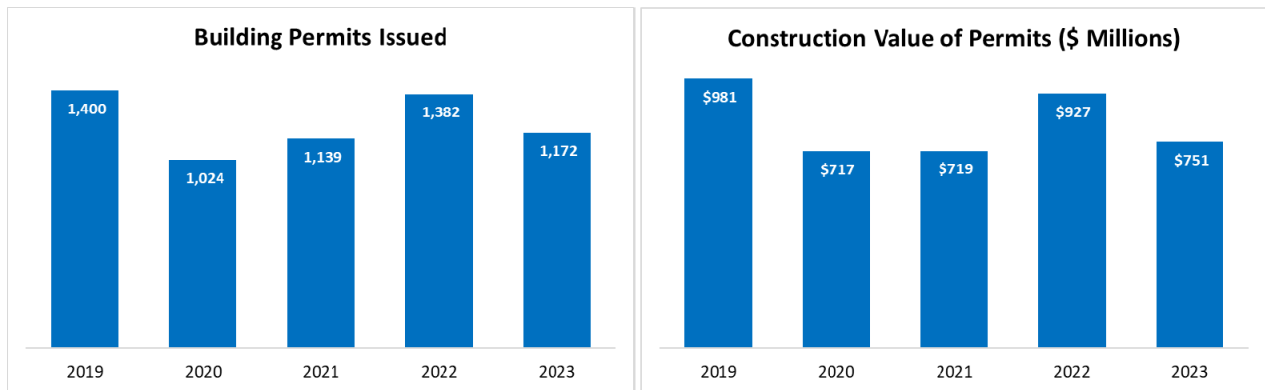
Housing starts in Richmond increased by 122.5% between 2022 and 2023 and further increased by 8.6% during the first two quarters of 2024 as compared to the same period in 2023. This recent trend in Richmond contrasts with the decline in housing starts across Metro Vancouver in 2024, although the overall direction may become more evident over a longer period. Multiple

<sup>11</sup> City of Richmond Interactive Data, <http://www.businessinrichmond.ca/data-centre/> (unless stated otherwise).

and complex dynamics are affecting housing starts, including population expansion leading to increased future demand, while at the same time, the high cost of capital and materials as well as labour shortages may be constraining factors.

<b>Housing Indicators</b>	<b>2024 to Q2</b>	<b>2023 to Q2</b>	<b>% Change</b>
Total Sales - Detached	415	475	-12.6%
Total Sales - Townhouse	339	372	-8.9%
Total Sales - Apartment	803	937	-14.3%
Housing Starts	934	860	8.6%

#### 4. Construction Activity

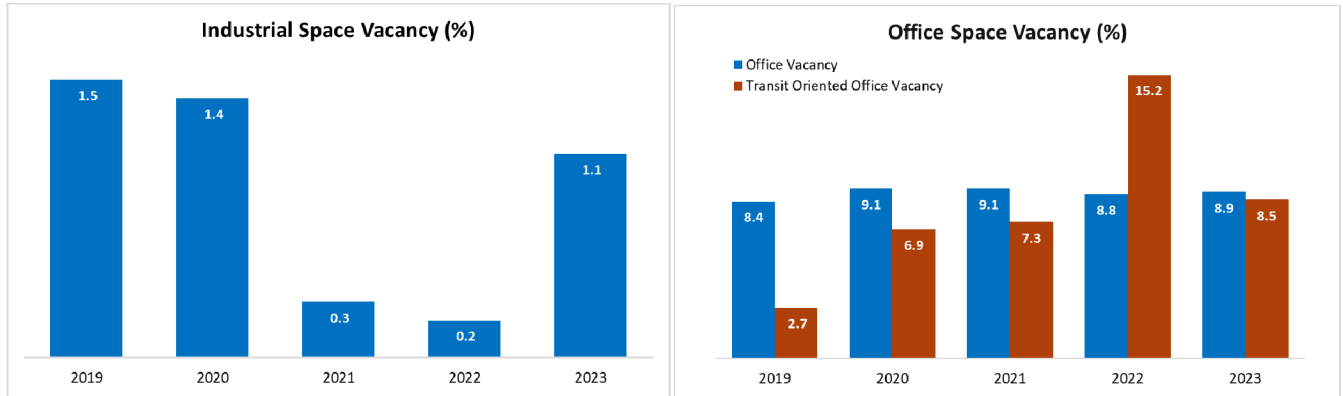


At the end of the second quarter of 2024, the construction value of building permits issued in Richmond had reached \$475 million, 13% higher than during the same period in 2023. At the same time, the number of building permits issued during the first six months of 2024 fell by 2% over the same period in 2023. Positive growth in the number of permits for commercial and institutional buildings partly offset the negative growth in the case of residential buildings, with industrial permits remaining unchanged.

An increase in construction value coupled with a decrease in the number of building permits issued can be attributed to fewer but larger and more complex developments with longer development cycles, including the multi-family developments taking place in the City Centre.

<b>Construction Indicators</b>	<b>2024 to Q2</b>	<b>2023 to Q2</b>	<b>% Change</b>
Building Permits Issued	619	633	-2.2%
Construction Value (\$ millions)	475	419	13%

## 5. Commercial Space<sup>12</sup>



Richmond has over 45 million square feet of industrial space, which is one of the largest shares of Metro Vancouver’s regional industrial inventory (by any one municipality/ jurisdiction). The city’s industrial space vacancy has reflected a declining trend since 2018, dropping to a highly constrained 0.2% in 2022, before rising to 1.1% in 2023. It then rose to 1.4% in the first six months of 2024, a 180% increase from the same period last year. That said, Richmond’s industrial vacancy rate at the end of Q2 2024 was lower than the 2.7% vacancy rate in Metro Vancouver, which is indicative of constraints across the region.

Average net asking rent prices for industrial space in Richmond (\$19.61/sq ft) were also slightly lower than the Metro Vancouver average (\$20.16/ sq ft) as of Q2 2024, both of which are slightly lower than net asking rent prices at the same time last year.

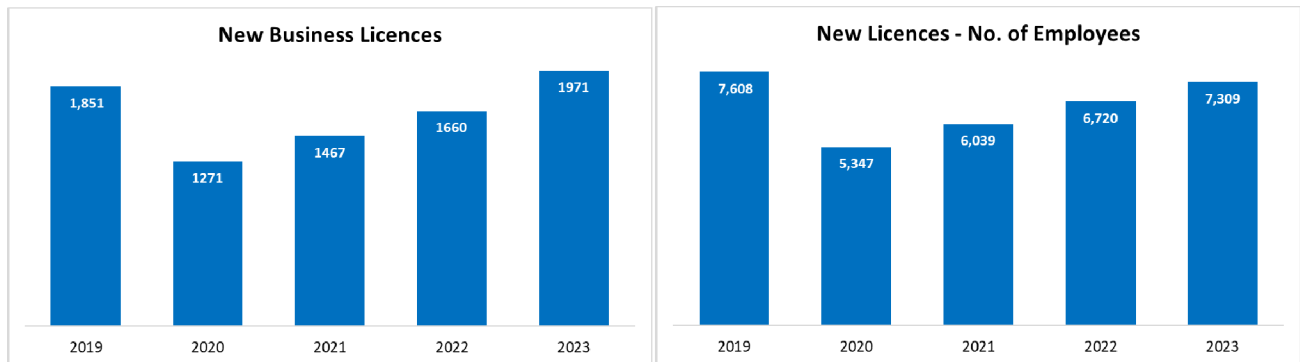
Office space vacancy has increased slightly in Richmond, though has remained relatively steady over the past several years. In 2021, the office vacancy rate was 9.1%, edging down to 8.8% in 2022 and then rising again to 8.9% in 2023. By the end of the second quarter in 2024, it had increased to 10.4%, similar to Metro Vancouver’s average of 10.3% and below downtown Vancouver’s 14.1% over the same period.

Due to limited financing availability and rising financing costs, along with the continuation of hybrid work and moderately improving economic conditions, tenant growth has remained limited with increasing construction costs as an additional factor. Sublease activity may continue as tenants reassess their real estate needs, capital expenditures, and occupancy costs.

<sup>12</sup> [Cushman & Wakefield Vancouver Office and Industrial Market Beat Reports \(Q2 2024\)](#). Note that the large increase in the transit-oriented office vacancy in 2022 was primarily driven by the Paramount development (6388 No. 3 Road) coming to market. Short-term fluctuations are expected as new supply is added. The definition of “transit-oriented office” is office space within 600 meters of a Skytrain station. As this definition includes a limited number of developments in the City Centre, any change (whether related to new inventory or absorption) may have a seemingly disproportionate impact on the data.

<b>Commercial Space Indicators</b>	<b>2024 to Q2</b>	<b>2023 to Q2</b>	<b>% Change</b>
Industrial Inventory (million sf)	46	45.43	1%
Industrial Vacancy Rate (%)	1.4	0.5	180%
Office Inventory (million sf)	5.09	5.04	1%
Office Vacancy Rate (%)	10.4%	9%	16%

## 6. Business Growth

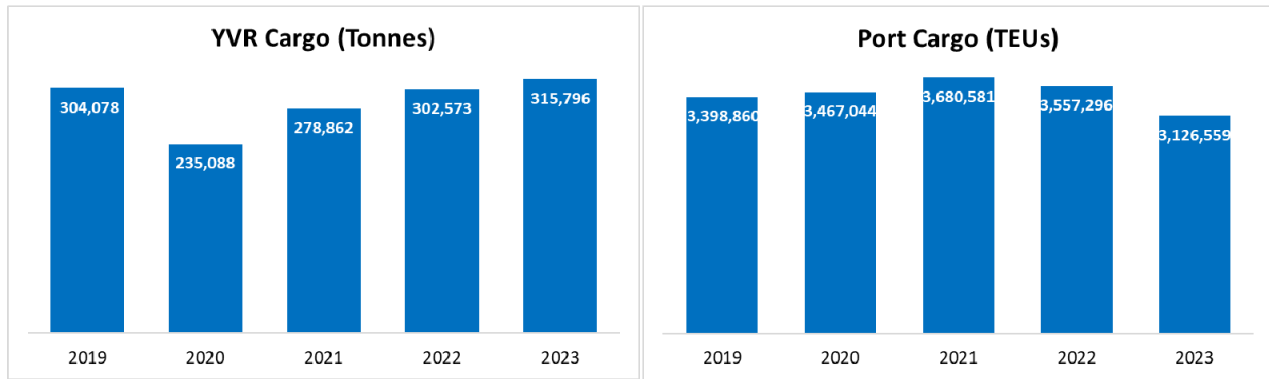


Economic activity in Richmond continues to be strong, and there has been a sustained increase in new business licenses and associated employment since 2020. The first half of 2024 saw a 17% rise in new business licenses compared to the same period in 2023, along with an 18% rise in employees associated with these new licenses.

At the end of the second quarter of 2024, the number of valid licenced businesses had increased by 6% as compared to the second quarter of 2023. The total number of valid business licences has remained relatively steady throughout the past 5+ years at between 13,000 and 14,500. This reflects a healthy balance in Richmond's business landscape, where the arrival of new businesses and the expansion of existing ones counterbalances closures and relocations.

<b>Local Business Activity</b>	<b>2024 to Q2</b>	<b>2023 to Q2</b>	<b>% Change</b>
Valid Business Licences	14,007	13,212	6%
New Business Licences	1,071	912	17%
New Licences – No. of Employees	4,023	3,405	18%

## 7. Trade



YVR continues to experience a steady recovery in cargo volumes following the sharp decline caused by the COVID-19 pandemic. With a noteworthy increase of 4.3% between 2022 and 2023, 2023 cargo volumes surpassed their 2019 counterparts. This positive trend continued into the first half of 2024, with a 7% rise compared to the same period in 2023. In early 2024, the Government of Canada announced a \$75 million investment, which will be matched by YVR, to increase overall cargo handling capacity by more than 50% at YVR by 2027.<sup>13</sup> This expansion is anticipated to further support cargo volumes in the medium to long term.

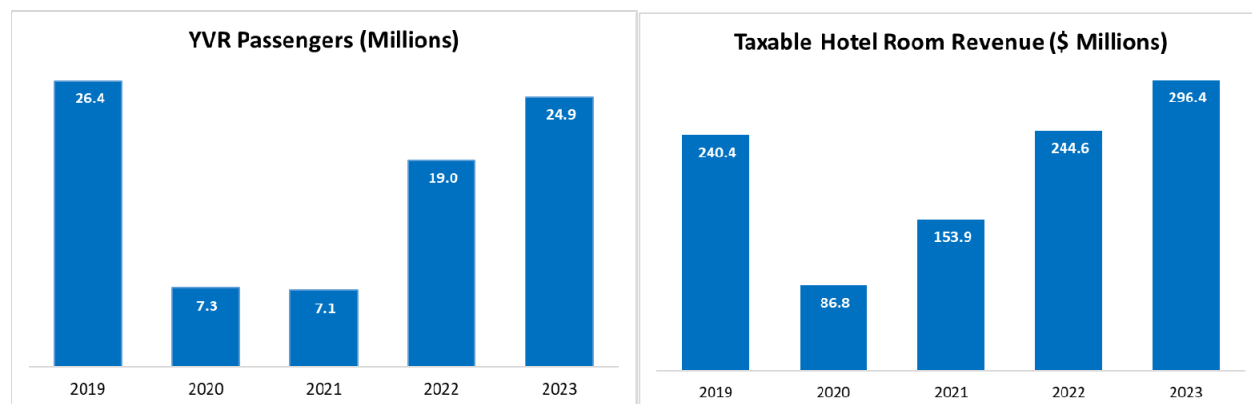
While cargo volumes moving through the Port of Vancouver have grown steadily in recent years, a decline of 12% was observed between 2022 and 2023. However, most recently, cargo volumes increased 14% in the first two quarters of 2024, relative to the same period in 2023. The previous decline in year-over-year container volumes is aligned with broader trends witnessed across the North American West Coast marked by slow global economic growth and the effect on imports by overstocked retailer inventories, following supply chain constraints in earlier years<sup>14</sup>.

Trade Indicators	2024 to Q2	2023 to Q2	% Change
YVR Cargo (tonnes)	156,797	146,662	7%
PMV Cargo (TEUs)	1,769,018	1,554,904	14%

<sup>13</sup> [YVR News, January 11, 2024.](#)

<sup>14</sup> [Port of Vancouver, March 22, 2024.](#)

## 8. Tourism



Following severe declines in the tourism sector due to the COVID-19 pandemic, there has been significant positive growth in the last several years. Between 2022 and 2023, the number of passengers moving through YVR increased by around 31%, and this growth trajectory continued in the first two quarters of 2024, with passenger volumes reaching 12.6 million. This figure marks an increase of 7.4% from passenger volumes witnessed in the first half of 2023, second only to the record of 12.68 million passengers set in the first half of 2019.

Similarly, hotel room revenues have also recovered strongly, with a 21.2% increase between 2022 and 2023, and a 9.2% increase in the first two quarters of 2024 as compared to the same period in 2023. While tourism and associated travel and accommodation demand from some international markets, including China, have not fully recovered, the sector is expected to benefit more broadly from upcoming sporting events in the next few years, including the Grey Cup in November 2024, the Invictus Games in 2025, and seven FIFA World Cup matches in 2026.<sup>15</sup> Projections from Destination Vancouver highlight hotel capacity challenges in Metro Vancouver, with demand expected to surpass supply by 2026.<sup>16</sup>

The Municipal and Regional District Tax (MRDT) partnership model between the City of Richmond, the Richmond Hotel Association, and Tourism Richmond is expected to generate between \$25-35 million in funding over a five-year period (2022 – 2027) to support tourism sector growth through destination marketing and development initiatives. MRDT revenue collected during the first half of 2024 was 9% higher than the first half of 2023, and the near-term forecast anticipates continued strong revenues.

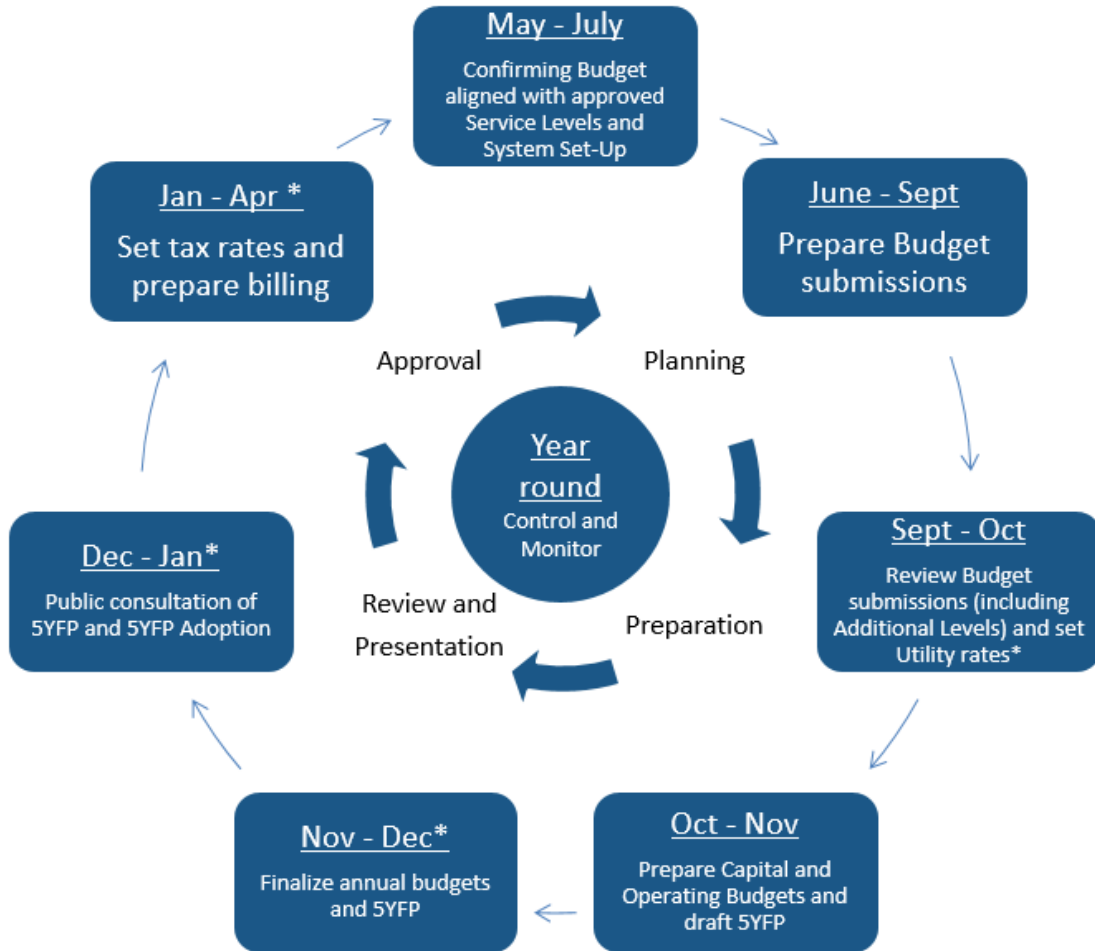
Tourism Indicators	2024 to Q2	2023 to Q2	% Change
YVR Passengers (millions)	12.6	11.7	7%
Hotel Room Revenue (\$ millions)	147.8	135.3	9%

<sup>15</sup> [Conference Board of Canada Major City Insights, Vancouver \(October 2024\)](#)

<sup>16</sup> Destination Vancouver, 2024 Economic and Tourism Outlook Forum (October 11, 2023); insights from YVR.

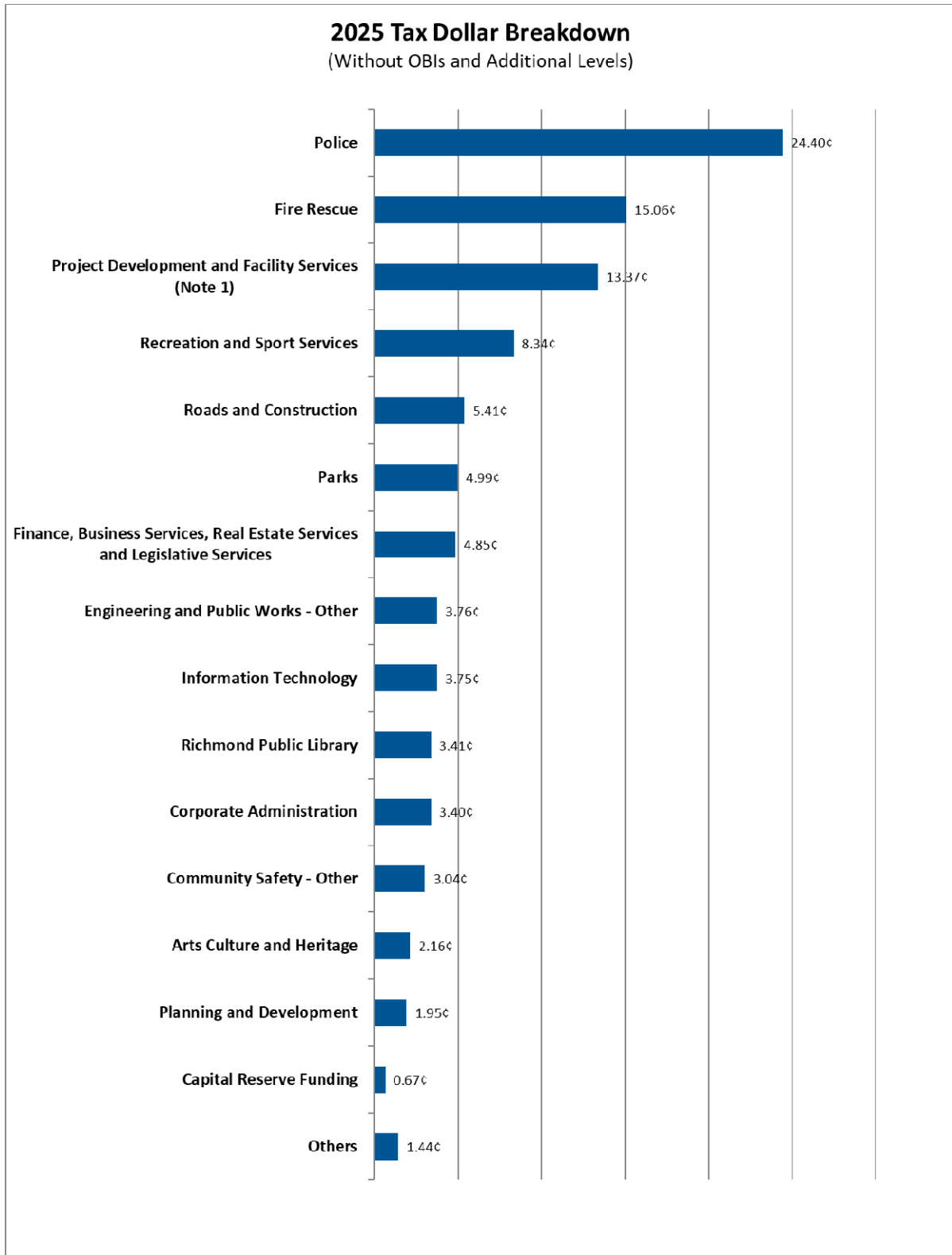
3. 2025 Budget Cycle

# 2025 Budget Cycle



\* Council Involvement

#### 4. 2025 Tax Dollar Breakdown



Note 1: Includes Investment in Community Facilities Infrastructure Replacement needs.



### 5. 2025 Same Level of Service Net Base Budget

Department/Division	2024 Adjusted Base Budget (in '000s) (Restated for Comparison)	2025 Proposed Net Base Budget (in '000s)	Amount Change (in '000s)	Percent Change	Tax Impact
Policing	\$78,094	\$82,912	\$4,818	6.17%	1.57%
Fire Rescue	\$49,469	\$51,255	\$1,786	3.61%	0.58%
Law and Community Safety - Other	\$5,570	\$5,666	\$96	1.72%	0.03%
<b>Law and Community Safety - Total</b>	<b>\$133,133</b>	<b>\$139,833</b>	<b>\$6,700</b>	<b>5.03%</b>	<b>2.18%</b>
Parks Recreation and Culture	\$49,457	\$51,091	\$1,634	3.30%	0.53%
Library	\$11,285	\$11,803	\$518	4.59%	0.17%
<b>Parks Recreation and Culture including Library</b>	<b>\$60,742</b>	<b>\$62,894</b>	<b>\$2,152</b>	<b>3.54%</b>	<b>0.70%</b>
<b>Engineering and Public Works</b>	<b>\$46,589</b>	<b>\$48,222</b>	<b>\$1,633</b>	<b>3.51%</b>	<b>0.53%</b>
<b>Finance and Corporate Services</b>	<b>\$27,832</b>	<b>\$29,379</b>	<b>\$1,547</b>	<b>5.56%</b>	<b>0.50%</b>
<b>Corporate Administration</b>	<b>\$11,020</b>	<b>\$11,603</b>	<b>\$583</b>	<b>5.29%</b>	<b>0.19%</b>
<b>Planning and Development</b>	<b>\$6,623</b>	<b>\$6,436</b>	<b>(\$187)</b>	<b>(2.82%)</b>	<b>(0.06%)</b>
<b>Fiscal</b>	<b>(\$285,939)</b>	<b>(\$288,921)</b>	<b>(\$2,982)</b>	<b>1.04%</b>	<b>(0.96%)</b>
<b>Same Level of Service Increase</b>	<b>\$0</b>	<b>\$9,446</b>	<b>\$9,446</b>		<b>3.08%</b>
Less: Estimated 2025 New Tax Growth		(\$2,500)	(\$2,500)		(0.82%)
Less: Transfer of Dike Maintenance to Utility		(\$831)	(\$831)		(0.27%)
<b>Same Level of Service Increase After Tax Growth</b>	<b>\$0</b>	<b>\$6,115</b>	<b>\$6,115</b>		<b>1.99%</b>

## 6. 2025 Same Level of Service Base Budget Details

### All Divisions

All Divisions includes Law and Community Safety, Parks, Recreation and Culture (including Library), Engineering and Public Works (excluding Utilities), Finance and Corporate Services, Corporate Administration, Planning and Development, and Fiscal.

	2024 Adjusted Base Budget (Restated for Comparison)	2025 Proposed Base Budget	Change 2025 \$	Change 2025 %
<b>Revenues</b>	<b>(420,590,200)</b>	<b>(429,720,400)</b>	<b>(9,130,200)</b>	<b>2.17%</b>
<b>Expenditures</b>				
Labour	192,764,600	201,240,600	8,476,000	4.40%
Contract Services	108,530,800	113,128,400	4,597,600	4.24%
Operating Expenses	45,623,200	45,604,600	(18,600)	(0.04%)
<b>Total Operating Expenses</b>	<b>346,918,600</b>	<b>359,973,600</b>	<b>13,055,000</b>	<b>3.76%</b>
<b>Fiscal Expenses</b>	<b>73,614,200</b>	<b>62,743,800</b>	<b>(10,870,400)</b>	<b>(14.77%)</b>
<b>Transfers</b>	<b>\$57,400</b>	<b>16,449,400</b>	<b>16,392,000</b>	<b>28,557.49%</b>
<b>Grand Total<sup>1</sup></b>	<b>-</b>	<b>9,446,400</b>	<b>9,446,400</b>	<b>-</b>

<sup>1</sup> 2025 Proposed Base Budget increase represents the same level of service before Tax Growth. Each line consolidates All Divisions together with the Richmond Public Library amounts.

### FTE

	2025 FTE
<b>Total</b>	<b>1,502.2</b>

The same level of service Full-Time Equivalent (FTE) for 2025 includes positions approved by Council in the 2024 budget process (additional levels, budget amendments, etc.) and reflects the current organizational structure. This does not include emerging organizational additional levels that are proposed in the 2025 operating budget as these are subject to Council approval.

### FTE – Library

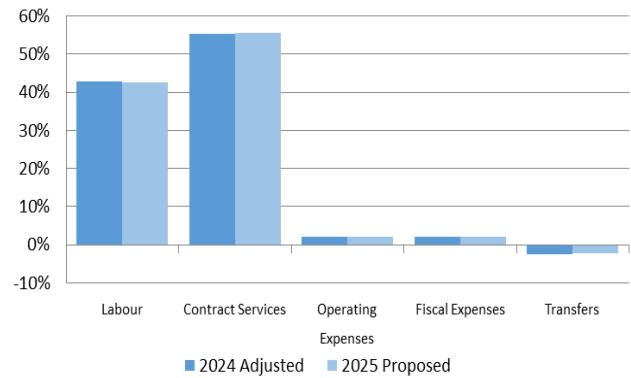
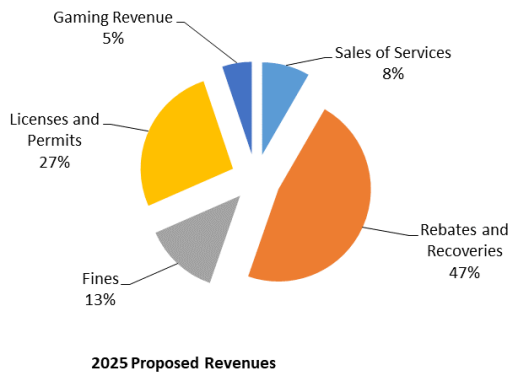
	2025 FTE
<b>Total</b>	<b>95.5</b>

**Law and Community Safety**

Subsequent to the approval of the 2024 budget, the CAO announced a reorganization of the Community Safety Division and the Finance & Corporate Services Division. The Law department was moved from the Law and Legislative Services division to the Law and Community Safety division and the Legislative Services department is moved from the Law and Legislative Services division to the Finance and Corporate Services division. Law and Legislation Services as a separate division is dissolved and the Community Safety Division was renamed as the Law and Community Safety Division.

The City’s primary community safety providers are Police (RCMP), Fire-Rescue, Emergency Programs, Business Licences, and Community Bylaws. The role of the Community Bylaws Department is to lead, assist or partner with others to ensure that the City’s various bylaws are complied with for the overall benefit of the community. The Law department is responsible for providing advice to City Council and staff regarding the City’s legal rights and obligations.

	2024 Adjusted Base Budget (Restated for Comparison)	2025 Proposed Base Budget	Change 2025 \$	Change 2025 %
<b>Revenues</b>	<b>(17,866,800)</b>	<b>(19,088,100)</b>	<b>(1,221,300)</b>	<b>6.84%</b>
<b>Expenditures</b>				
Labour	64,509,300	67,117,500	2,608,200	4.04%
Contract Services	83,530,400	88,706,000	5,175,600	6.20%
Operating Expenses	3,312,200	3,481,700	169,500	5.12%
<b>Total Expenditures</b>	<b>151,351,900</b>	<b>159,305,200</b>	<b>7,953,300</b>	<b>5.25%</b>
<b>Fiscal Expenses</b>	<b>3,244,300</b>	<b>3,294,500</b>	<b>50,200</b>	<b>1.55%</b>
<b>Transfers</b>	<b>(3,596,000)</b>	<b>(3,678,200)</b>	<b>(82,200)</b>	<b>2.29%</b>
<b>Grand Total</b>	<b>\$133,133,400</b>	<b>\$139,833,400</b>	<b>\$6,700,000</b>	<b>5.03%</b>



**FTE**

	2025 FTE
<b>Total</b>	<b>441.3</b>

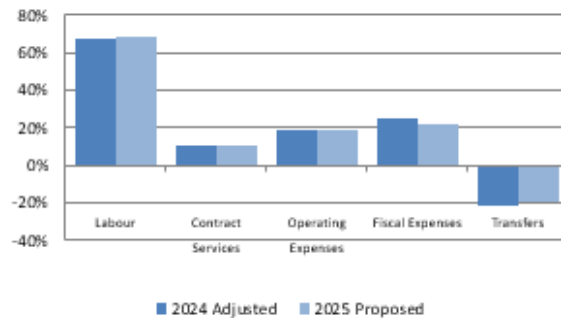
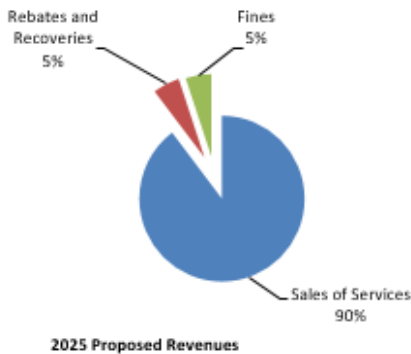
**RCMP Contract Complement (Funded)**

	<b>2025 FTE</b>
Officers	276.0
Less: Non-Budgeted	(11.0)
<b>Municipal Policing</b>	<b>265.0</b>
Specialized Police Operations and Integrated Homicide Investigation Team	15.1
<b>Total</b>	<b>280.1</b>

**Parks, Recreation and Culture**

Coordinates, supports and develops Richmond’s community services including recreation, library, arts, heritage and sports. Oversees City owned public facilities and the design, construction and maintenance of City parks, trails and green spaces. Works with community partners and coordinates events and filming in the City.

	<b>2024 Adjusted Base Budget (Restated for Comparison)</b>	<b>2025 Proposed Base Budget</b>	<b>Change 2025 \$</b>	<b>Change 2025 %</b>
<b>Revenues</b>	<b>(13,095,200)</b>	<b>(13,949,000)</b>	<b>(853,800)</b>	<b>6.52%</b>
<b>Expenditures</b>				
Labour	50,698,400	53,127,600	2,429,200	4.79%
Contract Services	7,274,200	7,608,500	334,300	4.60%
Operating Expenses	13,470,100	13,706,200	236,100	1.75%
<b>Total Expenditures</b>	<b>71,442,700</b>	<b>74,442,300</b>	<b>2,999,600</b>	<b>4.20%</b>
<b>Fiscal Expenses</b>	<b>16,202,600</b>	<b>15,059,000</b>	<b>(1,143,600)</b>	<b>(7.06%)</b>
<b>Transfers</b>	<b>(13,808,000)</b>	<b>(12,658,300)</b>	<b>1,149,700</b>	<b>(8.33%)</b>
<b>Grand Total</b>	<b>\$60,742,100</b>	<b>\$62,894,000</b>	<b>\$2,151,900</b>	<b>3.54%</b>



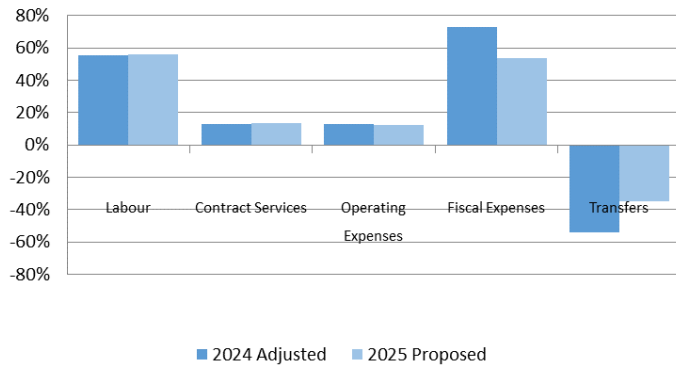
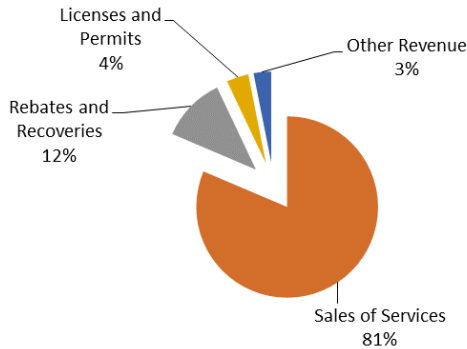
**FTE**

	<b>2025 FTE</b>
Parks, Recreation and Culture	429.5
Library	95.5
<b>Total</b>	<b>525.0</b>

**Engineering and Public Works (excluding Utilities)**

Comprises engineering planning, design, construction and maintenance services for all utilities and City building infrastructure. Responsible for roads and construction services, transportation, street lighting, climate, environment, corporate and community energy programs. This division includes Project Development and Facility Services.

	2024 Adjusted Base Budget (Restated for Comparison)	2025 Proposed Base Budget	Change 2025 \$	Change 2025 %
<b>Revenues</b>	<b>(4,203,900)</b>	<b>(4,970,700)</b>	<b>(766,800)</b>	<b>18.24%</b>
<b>Expenditures</b>				
Labour	27,978,000	29,469,100	1,491,100	5.33%
Contract Services	6,541,500	7,399,900	858,400	13.12%
Operating Expenses	6,749,400	6,500,000	(249,400)	(3.70%)
<b>Total Expenditures</b>	<b>41,268,900</b>	<b>43,369,000</b>	<b>2,100,100</b>	<b>5.09%</b>
<b>Fiscal Expenses</b>	<b>36,932,600</b>	<b>28,386,300</b>	<b>(8,546,300)</b>	<b>(23.14%)</b>
<b>Transfers</b>	<b>(27,409,000)</b>	<b>(18,562,600)</b>	<b>8,846,400</b>	<b>(32.28%)</b>
<b>Grand Total</b>	<b>\$46,588,600</b>	<b>\$48,222,000</b>	<b>\$1,633,400</b>	<b>3.51%</b>



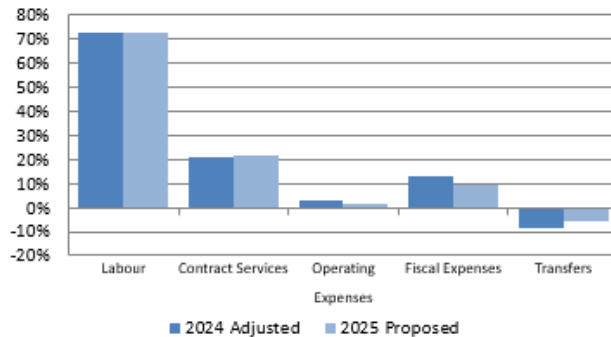
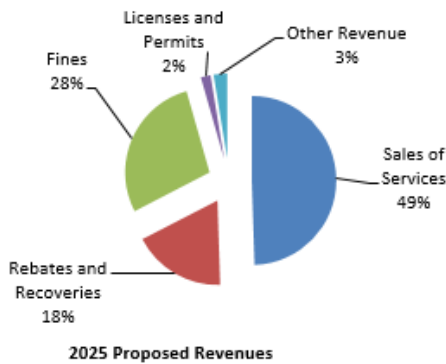
**FTE**

	2025 FTE
<b>Total</b>	<b>287.7</b>

**Finance and Corporate Services**

Responsible for the financial well-being of the City, through the provision of financial advice, services and information to Council, staff and the public, as well as through the support and fostering of a viable business community. This division includes customer service, information technology, finance, economic development, real estate services, and business services. Following a reorganization in 2024, this division includes the City Clerk’s Office which serves as a secretariat for Council and its Committees performing functions including agenda preparation, recording of minutes, processing and certifying bylaws, and record management.

	2024 Adjusted Base Budget (Restated for Comparison)	2025 Proposed Base Budget	Change 2025 \$	Change 2025 %
<b>Revenues</b>	<b>(721,700)</b>	<b>(806,100)</b>	<b>(84,400)</b>	<b>11.69%</b>
<b>Expenditures</b>				
Labour	20,762,400	21,898,900	1,136,500	5.47%
Contract Services	5,814,100	6,506,900	692,800	11.92%
Operating Expenses	737,200	539,300	(197,900)	(26.84%)
<b>Total Expenditures</b>	<b>27,313,700</b>	<b>28,945,100</b>	<b>1,631,400</b>	<b>5.97%</b>
<b>Fiscal Expenses</b>	<b>3,729,900</b>	<b>2,907,400</b>	<b>(822,500)</b>	<b>(22.05%)</b>
<b>Transfers</b>	<b>(2,489,900)</b>	<b>(1,667,300)</b>	<b>822,600</b>	<b>(33.04%)</b>
<b>Grand Total</b>	<b>\$27,832,000</b>	<b>\$29,379,100</b>	<b>\$1,547,100</b>	<b>5.56%</b>



**FTE**

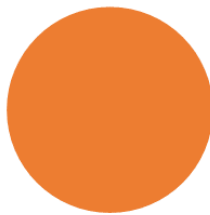
<b>Total</b>	<b>2025 FTE</b> <b>169.0</b>
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**Corporate Administration**

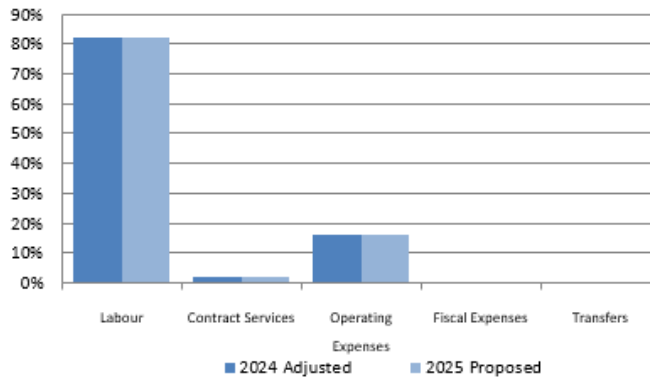
The CAO's Office oversees the overall administration of the corporate body (business units/operations) of the City and employees. Other departments and functions include, Deputy CAO Administration, human resources, corporate communications, production centre, intergovernmental relations, special projects and coordination of interdivisional projects and the Corporate Planning and Programs Management Group (CPMG). This is also where the budget for Mayor and Councillors resides.

	2024 Adjusted Base Budget (Restated for Comparison)	2025 Proposed Base Budget	Change 2025 \$	Change 2025 %
<b>Revenues</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>-</b>	<b>-%</b>
<b>Expenditures</b>				
Labour	9,030,900	9,512,500	481,600	5.33%
Contract Services	222,400	229,500	7,100	3.19%
Operating Expenses	1,765,700	1,859,500	93,800	5.31%
<b>Total Expenditures</b>	<b>11,019,000</b>	<b>11,601,500</b>	<b>582,500</b>	<b>5.29%</b>
<b>Fiscal</b>	<b>300</b>	<b>300</b>	<b>-</b>	<b>-%</b>
<b>Transfers</b>	<b>5,800</b>	<b>5,800</b>	<b>-</b>	<b>-%</b>
<b>Grand Total</b>	<b>\$11,020,100</b>	<b>\$11,602,600</b>	<b>\$582,500</b>	<b>5.29%</b>

Sales of Services  
100%



2025 Proposed Revenues



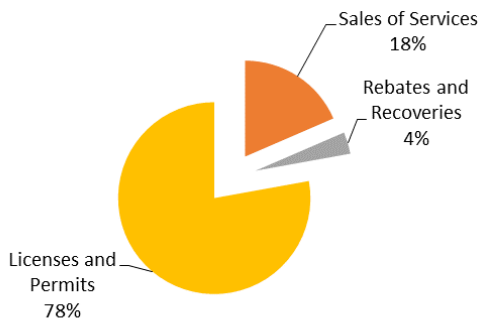
**FTE**

<b>Total</b>	<b>2025 FTE</b> <b>60.5</b>
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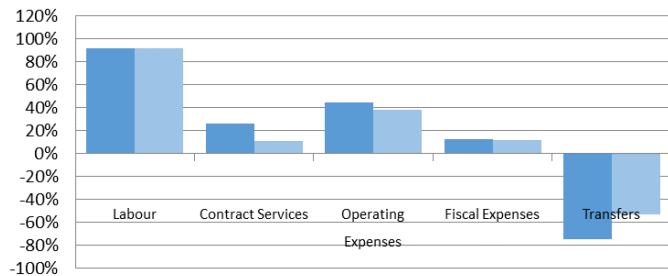
**Planning and Development**

Incorporates policy planning, development applications, building approvals, and community social development, which includes social planning, diversity, youth, childcare and older adult services. This division provides policy directions that guide growth and change in Richmond with emphasis on land use planning, development regulations, environmental protection, heritage and livability. These planning functions play a vital part in the City’s life cycle and involve the development of community plans and policies, zoning bylaws, as well as development related approvals and permits. The affordable housing program has moved to the newly established Housing Office which is overseen by the Deputy Chief Administrative Officer.

	2024 Adjusted Base Budget (Restated for Comparison)	2025 Proposed Base Budget	Change 2025 \$	Change 2025 %
<b>Revenues</b>	<b>(10,173,800)</b>	<b>(10,947,000)</b>	<b>(773,200)</b>	<b>7.60%</b>
<b>Expenditures</b>				
Labour	15,301,000	15,810,400	509,400	3.33%
Contract Services	4,417,500	1,859,900	(2,557,600)	(57.90%)
Operating Expenses	7,510,800	6,749,200	(761,600)	(10.14%)
<b>Total Expenditures</b>	<b>27,229,300</b>	<b>24,419,500</b>	<b>(2,809,800)</b>	<b>(10.32%)</b>
<b>Fiscal Expenses</b>	<b>2,118,400</b>	<b>2,049,400</b>	<b>(69,000)</b>	<b>(3.26%)</b>
<b>Transfers</b>	<b>(12,551,100)</b>	<b>(9,085,800)</b>	<b>3,465,300</b>	<b>(27.61%)</b>
<b>Grand Total</b>	<b>\$6,622,800</b>	<b>\$6,436,100</b>	<b>(\$186,700)</b>	<b>(2.82%)</b>



2025 Proposed Revenues



■ 2024 Adjusted ■ 2025 Proposed

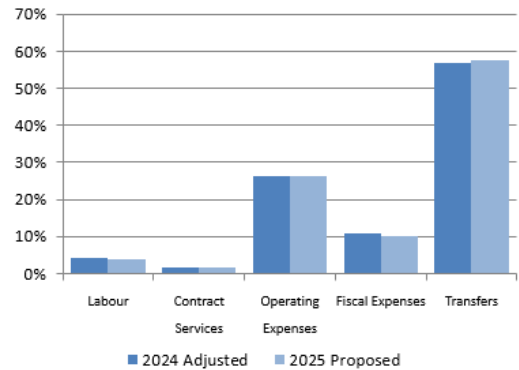
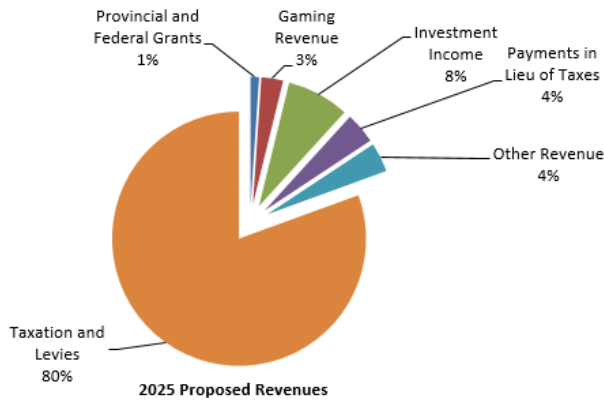
**FTE**

	2025 FTE
<b>Total</b>	<b>114.2</b>



**Fiscal**

	2024 Adjusted Base Budget (Restated for Comparison)	2025 Proposed Base Budget	Change 2025 \$	Change 2025 %
<b>Revenues</b>	<b>(374,523,800)</b>	<b>(379,954,500)</b>	<b>(5,430,700)</b>	<b>1.45%</b>
<b>Expenditures</b>				
Labour	4,484,500	4,304,600	(179,900)	(4.01%)
Contract Services	730,700	817,700	87,000	11.91%
Operating Expenses	12,077,800	12,768,700	690,900	5.72%
<b>Total Expenditures</b>	<b>17,293,000</b>	<b>17,891,000</b>	<b>598,000</b>	<b>3.46%</b>
<b>Fiscal Expenses</b>	<b>11,385,800</b>	<b>11,046,400</b>	<b>(339,400)</b>	<b>(2.98%)</b>
<b>Transfers</b>	<b>59,905,600</b>	<b>62,095,900</b>	<b>2,190,300</b>	<b>3.66%</b>
<b>Grand Total</b>	<b>(285,939,400)</b>	<b>(288,921,200)</b>	<b>(2,981,800)</b>	<b>1.04%</b>



## 7. 2025 Same Level of Service Base Budget by Category (in \$000s)

	2024 Adjusted Base Budget (Restated for Comparison)	2025 Proposed Base Budget	Change 2025 \$	Change 2025 %
<b>Revenues</b>				
Taxation and Levies	(\$306,677)	(\$306,677)	-	-%
Sales of Services	(39,488)	(44,445)	(4,957)	12.55%
Investment Income – Statutory Reserves (requirement pursuant to the <i>Community Charter</i> )	(17,999)	(22,000)	(4,001)	22.23%
Investment Income – General	(7,270)	(8,270)	(1,000)	13.76%
Payment in Lieu of Taxes	(14,650)	(15,000)	(350)	2.39%
Licenses and Permits	(12,832)	(13,683)	(851)	6.63%
Gaming Revenues	(12,500)	(11,500)	1,000	(8.00%)
Other Revenue	(9,174)	(8,145)	1,029	(11.22%)
<b>Total Revenues</b>	<b>(420,590)</b>	<b>(429,720)</b>	<b>(9,130)</b>	<b>2.17%</b>
<b>Operating Expenses</b>				
Wages and salaries	192,765	201,241	8,476	4.40%
RCMP Contract (City excluding YVR)	60,808	65,134	4,326	7.11%
Contract Services (RCMP YVR Contract, E- Comm and Integrated Teams, IT licenses, maintenance, etc.)	47,722	47,994	272	0.57%
Supplies and Materials	45,623	45,604	(19)	(0.04%)
<b>Total Operating Expenses</b>	<b>346,918</b>	<b>359,973</b>	<b>13,055</b>	<b>3.76%</b>
<b>Fiscal Expenses (Excluding Amortization and Transfers from Capital)</b>				
Interest and Financing (Interest on Long Term Debt and capital leases, bad debts)	5,169	4,281	(888)	(17.18%)
<b>Total Fiscal Expenses (Excluding Amortization and Transfers from Capital)</b>	<b>5,169</b>	<b>4,281</b>	<b>(888)</b>	<b>(17.18%)</b>
<b>Transfers (Excluding Equity Amortization and Transfers from Capital)</b>				
Repayment of Debt	9,610	3,707	(5,903)	(61.43%)
Transfers to Statutory Reserves and Provisions	58,893	71,205	12,312	20.91%
<b>Total Transfers (Excluding Equity Amortization and Transfers from Capital)</b>	<b>68,503</b>	<b>74,912</b>	<b>6,409</b>	<b>9.36%</b>
<b>Grand Total</b>	<b>-</b>	<b>\$9,446</b>	<b>\$9,446</b>	

Each line consolidates All Divisions together with the Richmond Public Library amounts. Amounts include estimates for fully recoverable expenses which have no tax impact. Base amounts include E-Comm. and integrated teams before external senior government increases. Base amounts exclude externally funded programs.

### 8. 2025 Program Expenditures Funded by Reserves

The Affordable Housing, Child Care, and Public Art programs are fully funded by their respective reserve funds, which receive contributions from development activity. The *Community Charter* requires that the funding source for all proposed expenditures be included in the City’s Consolidated 5 Year Financial Plan, and specifically those funded by statutory reserve funds. Accordingly, this attachment outlines the planned program expenditures and their specific reserve funding sources.

Summary of Operating Programs Funded by Reserves		
Project Name	Reserve Funding Source	2025
Affordable Housing Operating Initiatives	Affordable Housing Operating	\$400,000
12040 Horseshoe Way Repayment	Affordable Housing - City Wide	525,000
<b>Affordable Housing Total</b>		<b>925,000</b>
Child Care - Administration	Child Care Operating	100,000
Child Care Projects - City-wide (Capital Grants)	Child Care Development	50,000
Child Care Projects - City-wide (Non-Capital Grants)	Child Care Operating	10,000
<b>Child Care Total</b>		<b>160,000</b>
Public Art Program	Public Art Program	357,191
<b>Public Art Total</b>		<b>357,191</b>
		<b>\$1,442,191</b>

The proposed expenditures for 2025 and the planned expenditures for 2026-2029 are summarized in this attachment for each program.

#### **Affordable Housing Program 2025**

The City recognizes that a diverse range of housing choices for individuals and families of varying incomes is essential in creating a liveable community. In 2024, the City created a Housing Office to allow greater focus and resourcing to be dedicated to the delivery of housing options along a housing continuum. The purpose of the City’s Affordable Housing program is to support the creation of affordable housing in partnership with senior levels of government, non-profit organizations and the private sector. Through various programs and policies, the City has successfully secured over 1,700 affordable housing units since the City’s first Affordable Housing Strategy was adopted in 2007.

The following developments highlight the successes of the City in delivering housing to some of the most vulnerable members of the community:

- Kiwanis Towers, which provides 296 affordable rental units for low-income seniors.
- Storeys, which provides 129 affordable rental units for low-income households.
- Alderbridge Supportive Housing, which provides 40 units for residents experiencing homelessness.
- Aster Place (Bridgeport) Supportive Housing, which provides 40 units for residents experiencing homelessness.
- Forthcoming projects, including:

- Pathways development, which will provide 80 affordable rental units for low and moderate-income single people, families and seniors.
- Rapid Housing Initiative development, which will provide 25 affordable rental units for women and women with children who are homeless or at risk of becoming homeless.

Affordable Housing Program (in '000s)	2025	2026	2027	2028	2029
Affordable Housing Operating Initiatives	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
12040 Horseshoe Way (Shelter) Repayment	\$ 525	\$ 525	\$ 525	\$ 525	\$ 525
<b>Total Affordable Housing Program</b>	<b>\$ 925</b>	<b>\$ 925</b>	<b>\$ 925</b>	<b>\$ 925</b>	<b>\$ 925</b>
Affordable Housing Funding Sources (in '000s)					
Affordable Housing Operating Reserve	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
Affordable Housing City-Wide Reserve	\$ 525	\$ 525	\$ 525	\$ 525	\$ 525
<b>Total Affordable Housing Funding Sources</b>	<b>\$ 925</b>	<b>\$ 925</b>	<b>\$ 925</b>	<b>\$ 925</b>	<b>\$ 925</b>

Affordable Housing Operating Initiatives

The Council-adopted Affordable Housing Strategy 2017–2027 and Homelessness Strategy 2019–2029 guide the City’s actions regarding affordable housing and homelessness service provision. The Affordable Housing program provides staff with the necessary resources to advance the implementation of these strategies. Examples include staff salaries, administration costs, and consulting services related to research, public engagement and economic analysis.

Internal Debt Payment

On December 21, 2016, Council approved a transfer of \$7 million from the Capital Reserve – Industrial Use Fund to the Affordable Housing Reserve to purchase land at 12040 Horseshoe Way in order to partner with BC Housing to build a new emergency shelter. Under the *Community Charter*, these funds must be repaid to the source reserve fund with interest. Internal repayments from the Affordable Housing Reserve are being made over 15 years (payments commenced in 2018 and will end in 2032) in installments of \$525,000.

**Child Care Program 2025**

Child care is an important service for Richmond residents and an essential need for many parents. The Draft 2024-2034 Richmond Child Care Strategy, endorsed for public consultation by City Council on June 24, 2024, and the 2021–2031 Richmond Child Care Action Plan, adopted by City Council on April 12, 2021, outline the City’s commitment to child care. The identified priorities include creating and maintaining child care spaces, supporting quality, inclusivity and accessibility, advocacy, collaboration and providing access to education and information to support educators, families and the community.

The City supports the creation of child care spaces by accepting voluntary contributions from developers in the form of built child care facilities or cash-in-lieu contributions to the Child Care Statutory Reserves and other development related opportunities that may evolve over time. The

City manages and maintains 13 existing City-owned child care facilities including two Early Childhood Development Hubs.

Dedicated City staff resources help develop, maintain and support the child care system in Richmond. Child Care grants support the work of non-profit child care providers seeking to improve the quality or capacity of care in their facility, or non-profit societies supporting quality programming and/or providing professional development opportunities for the broader child care community in Richmond.

Child Care Program (in '000s)	2025	2026	2027	2028	2029
Child Care - Administration	\$ 100	\$-	\$-	\$-	\$-
Child Care - City-Wide (Capital Grants)	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Child Care - City-Wide (Non-Capital Grants)	\$ 10	\$ 10	\$ 10	\$-	\$-
<b>Total Child Care Program</b>	<b>\$ 160</b>	<b>\$ 60</b>	<b>\$ 60</b>	<b>\$ 50</b>	<b>\$ 50</b>
Child Care Funding Sources (in '000s)					
Child Care Operating Reserve	\$ 110	\$ 10	\$ 10	\$-	\$-
Child Care City-Wide Reserve	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
<b>Total Child Care Funding Sources</b>	<b>\$ 160</b>	<b>\$ 60</b>	<b>\$ 60</b>	<b>\$50</b>	<b>\$ 50</b>

Child Care - Administration

A source of funding is required to support the City's Child Care section and assist in implementing specific actions in the Council endorsed Draft 2024–2034 Richmond Child Care Strategy and the 2021–2031 Richmond Child Care Action Plan.

The Child Care Planner 2 position, which was created as an auxiliary position in 2017 and became a regular position in 2020, is funded through the Child Care Operating Reserve and plays an important role in supporting the ongoing collaboration with the operators of the 13 City-owned child care facilities and Early Childhood Development (ECD) Hubs, supporting the Richmond Child Care Grant Program and Child Care Development Advisory Committee and assisting with the planning, design and construction of new child care facilities secured as community amenity contributions. Specific job duties include working with developers, community members and child care operators to support the creation of new child care facilities and the stability, health and safety of existing child care facilities. Further work includes assisting with the planning and development of new child care facilities (including ECD Hubs), researching, developing and updating City publications and working documents, and responding to requests for information from the community, parents and child care providers.

In addition, any funds remaining after ensuring sufficient funding for the Child Care Planner 2 position may be used to pay for administrative costs related to: expenses to support the child care work program, research, production of reports, creation of developer resources, and to support the ongoing development of new amenities under development including ECD Hubs and child care facilities as necessary.

The Child Care Operating Reserve is an appropriate source of funding for such expenses. It was established to support grants, conduct research and fund expenses to support the development of

quality child care within the city. There is currently sufficient funding in the Child Care Operating Reserve to fund this request for 2025.

**Child Care - City-Wide (Capital Grants)**

Sufficient funding is required to administer the City's 2025 Child Care Capital Grants Program. These grants support non-profit child care operators with capital improvements to enhance their child care programs (e.g. minor renovations, outdoor playground upgrades and the purchase of equipment and furnishings). Grants will be advertised in September 2024 and with Council approval, be awarded in February or March 2025.

The Child Care City-Wide Reserve is an appropriate source of funding for this expense. It was established to fund capital expenses to support the development of quality child care within the city. There is currently sufficient funding in the Child Care City-Wide Reserve to fund this request for 2025.

**Child Care - City-Wide (Non-Capital Grants)**

Funding is required to enable the provision of the 2025 Child Care Professional and Program Development Grants (non-capital). These grants support non-profit organizations in Richmond to deliver professional development initiatives for Early Childhood Educators and child care providers. These grants may also support the purchase of toys, equipment and resources for lending libraries that are available to Richmond child care providers. Grants will be advertised in September 2024 and with Council approval, be awarded in February or March 2025.

The Child Care Operating Reserve is an appropriate source of funding for such expenses. It was established, in part, to fund grants to support the development of quality child care within the city. There is currently sufficient funding in the Child Care Operating Reserve to fund this request for 2025.

**Public Art Program 2025**

The Public Art Program is a self-sustaining project funded by private development contributions to the Public Art Reserve, guided by a Council-approved policy (Policy 8703 and supported by a Council-appointed Public Art Advisory Committee).

The Public Art Program contributes to Council’s Strategic Plan 2022 – 2026 *Vibrant, resilient and active communities supported by a wide variety of opportunities to get involved, build relationships and access resources*. The Public Art Program advances the Richmond Art Strategy 2019 - 2024, approved by Council in July 2019.

<b>Public Art Program (in '\$'000s)</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Public Art Program</b>	<b>357</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>
<b>Total Public Art Program</b>	<b>\$357</b>	<b>\$170</b>	<b>\$170</b>	<b>\$170</b>	<b>\$170</b>
<b>Funding Source:</b>					
<b>Public Art Program Reserve</b>	<b>\$357</b>	<b>\$170</b>	<b>\$170</b>	<b>\$170</b>	<b>\$170</b>
<b>Total Public Art Funding Source</b>	<b>\$357</b>	<b>\$170</b>	<b>\$170</b>	<b>\$170</b>	<b>\$170</b>

The scope of work consists of \$357,191 of developer-funded public art projects as detailed below.

<b>Proposed Public Arts Projects 2025</b>	<b>Estimated Costs</b>
Annual Community Public Art Programs - Urban Infrastructure Art Wrap Program, Engaging Artists in Community Program, Community Mural Program	\$90,000
Community Public Art Projects - No. 3 Road Art Columns	\$40,000
Community Education, Artists Professional Development and Mentorship, Public Art Bus Tours	\$10,000
Collaboration with other City Partners - Capture Photography Festival, Children's Art Festival, Culture Days	\$30,000
ORIS Development – 23200 Gilley Road – RZ49-754305	\$187,191
<b>Total</b>	<b>\$357,191</b>

## 9. Externally Funded Programs

City staff work collaboratively with senior levels of government and external agencies to identify opportunities to apply for grant funding. This attachment summarizes the successful applications that the City has been awarded. In order to have the authority to incur any expenditure, including those funded by external organizations, the amounts must be included in the City's 5 Year Financial Plan.

Each 5 Year Financial Plan is repealed upon adoption of the subsequent financial plan, and therefore external grants that have not been fully expended need to be included in the financial plan to retain expenditure authorization for unspent amounts. The amount included in the 2025 Budget is based on funding available from the external source and anticipated to be spent in 2025. If the funding remains unspent at the end of the year, it would be included again in the subsequent budget year, subject to the terms of the external agreement. There is no tax impact as a result of including these expenditures in the 5 Year Financial Plan.

Externally Funded Programs(in \$000s)	Full Award Amount / Annual Contribution	2025 Estimated Expenditures
Housing Accelerator Fund (page 65)	<b>\$35,932</b>	\$14,417
Rapid Housing Initiative (page 65)	<b>9,117</b>	207
Major Road Network Program ( page 66)*	<b>4,252</b>	4,252
Local Government Climate Action Program (page 67)	<b>2,791</b>	622
Richmond Building Safer Communities Fund (page 68)	<b>2,682</b>	637
Municipal and Regional District Tax*	<b>1,200</b>	1,200
Housing Capacity Funding (page 68)	<b>1,150</b>	400
Richmond Food Hub (page 69)	<b>1,000</b>	214
Japanese Canadian Legacies Society grant for Japanese Canadian Boat Building Exhibit	400	150
Richmond Boatbuilder Grant	226	100
City of Richmond GHG Reduction Pathways for City Owned Buildings	200	200
Municipal Insurance Association of British Columbia grant for Cybersecurity enhancements	150	150
Community Based FireSmart Education Grant	100	50
Richmond Circular City Strategy Material Flow Analysis Grant	88	88
Rick Hansen Foundation grant for accessibility upgrades of City Facilities	82	82
Richmond Youth Situation Table	50	50
Indigenous Engagement Grant	48	48
Next Gen 911 Grant	45	45



Externally Funded Programs(in \$000s)	Full Award Amount / Annual Contribution	2025 Estimated Expenditures
Other Grants	220	220
<b>Total Externally Funded Programs</b>	<b>\$59,733</b>	<b>\$23,132</b>
<b>Total Grants/External Funding</b>	<b>(\$59,733)</b>	<b>(\$23,132)</b>
<b>Tax Impact of Including Externally Funded Programs</b>	<b>\$-</b>	<b>\$-</b>

\*Estimated annual funding allocation

**Housing Accelerator Fund**

The City of Richmond was successful in its application for the Housing Accelerator Fund with the Canada Mortgage and Housing Corporation (CMHC).

The City of Richmond is working towards a number of new affordable housing initiatives for consideration in the coming months and through to 2025 and 2027. Initiatives will include a housing grant program, technology solutions to expedite the processing of permits, relaxed parking supply requirements, and enhanced opportunities to establish working partnerships with non-profit housing operators, housing cooperatives and other agencies engaged in delivering affordable housing.

Housing Accelerator Fund (in \$000's)	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	Total
<b>Contribution Disbursement</b>	<b>\$3,549</b>	<b>\$14,417</b>	<b>\$8,983</b>	<b>\$8,983</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,932</b>
<b>Total Housing Accelerator Fund (HAF)</b>	<b>\$3,549</b>	<b>\$14,417</b>	<b>\$8,983</b>	<b>\$8,983</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,932</b>
<b>Funding Source:</b>							
<b>Grant from Federal Government</b>	<b>\$3,549</b>	<b>\$14,417</b>	<b>\$8,983</b>	<b>\$8,983</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,932</b>
<b>Total HAF Funding Sources</b>	<b>\$3,549</b>	<b>\$14,417</b>	<b>\$8,983</b>	<b>\$8,983</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,932</b>

**Rapid Housing Initiative**

The City of Richmond received \$9.1 million in funding from the Government of Canada’s Rapid Housing Initiative’s (RHI) city stream in 2023.

The City of Richmond has partnered with BC Housing and Turning Point Housing Society on a new 25-unit affordable rental housing development located at 4831 Steveston Highway for residents in need of safe and secure housing.

The project is currently under construction and targeted for completion no later than March 2025. To date, \$8.9 million has been disbursed and the remaining \$0.2 million is to be disbursed in 2025 upon substantial completion of the project.

Rapid Housing Initiative (in \$000's)	2023/2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	Total
Contribution Disbursement	\$8,910	\$207	\$0	\$0	\$0	\$0	\$9,117
<b>Total Rapid Housing Initiative (RHI)</b>	<b>\$8,910</b>	<b>\$207</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,117</b>
<b>Funding Sources:</b>							
Grant from Federal Government	\$8,910	\$207	\$0	\$0	\$0	\$0	\$9,117
<b>Total RHI Funding Sources</b>	<b>\$8,910</b>	<b>\$207</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,117</b>

### **Municipal and Regional District Tax**

Enabled by regulation under Section 123 of the *Provincial Sales Tax Act*, the City applies to the Government of B.C. once every five years to be a designated recipient of the 3% Municipal and Regional District Tax (MRDT). The MRDT is applied to the sales of short-term accommodation, such as hotels, in participating areas of British Columbia. It is intended to help grow B.C. visitation and jobs and to amplify B.C.'s tourism marketing efforts in a competitive global marketplace. Applications are subject to provincial requirements including enacting a City bylaw, developing a 5-year strategic business plan, and obtaining the majority support of hoteliers who charge the tax on the purchase price of accommodation. The most recent application by the City of Richmond was approved for the period from July 1, 2022, to June 30, 2027.

MRDT funds are utilized in accordance with established strategic plans that are jointly developed by partners and approved by the Government of B.C., as well as legal agreements between the City, the Richmond Hotel Association and Tourism Richmond. The prescribed uses of the funds are as follows:

- Tourism marketing, programs and projects
- Sport hosting marketing, programs and projects
- Destination enhancement initiatives including investments in the operation of tourism attractions, major events, tourism product development and direct sales.

In addition, 100% of MRDT received from Online Accommodation Platforms (OAPs) is directed to the City's Affordable Housing Reserve Fund in accordance with the City bylaw. These amounts are not included in the below forecast.

MRDT revenue forecasts are highly variable and are subject to changing industry conditions, including major events that may attract visitors to the region as well as past situations such as travel restrictions related to the COVID-19 pandemic.

The following table summarizes the City's planned expenditures funded by MRDT, which may need to be revised should the actual amount received be different from current estimates. In particular, this provides funding for a temporary full-time Destination Development Coordinator position, a temporary full-time Tourism Development Liaison position and various auxiliary positions for enhanced hours. Any additional funds received are contributed toward Destination Enhancing Initiatives.

Although the current agreement ends in June 30, 2027, it is anticipated that the current program expenditure would continue to be funded through future agreements.

Programs Funded by Municipal and Regional District Tax (in \$000's)	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Enhanced Hours and Programming for Steveston Heritage Sites	\$400	\$400	\$400	\$400	\$400	\$400
Sport Hosting	\$400	\$400	\$400	\$400	\$400	\$400
Economic Development Tourism Liaison	\$135	\$135	\$135	\$135	\$135	\$135
Destination Enhancing Initiatives	\$264	\$264	\$264	\$264	\$264	\$264
<b>Total Programs Funded by Municipal and Regional District Tax (in \$000's)</b>	<b>\$1,200</b>	<b>\$1,200</b>	<b>\$1,200</b>	<b>\$1,200</b>	<b>\$1,200</b>	<b>\$1,200</b>

### Local Government Climate Action Program (LGCAP)

The Government of British Columbia (the Province) announced the Local Government Climate Action Program (LGCAP) in May 2022 as a replacement to the previous Climate Action Revenue Incentive Program (CARIP), which was discontinued in 2021. LGCAP uses a revised approach for allocating funding to local governments and Modern Treaty First Nations. Through this revised approach, the City of Richmond receives funding from the Province for five fiscal years (2022 to 2026). Per Council direction from November 14, 2022, LGCAP funding is being allocated strategically each year to support community-wide program actions by the City that are key to achieving the 50% citywide greenhouse gas emission reduction target by 2030, as noted in the Community Energy & Emissions Plan (CEEP) 2050 and to source three temporary full time Senior Climate Action Specialists and one temporary full time Corporate Energy Manager positions.

In March 2024 the Province advanced the equivalent of three years of program funding totaling \$1,658,659, accordingly there will be no further disbursements through March 2027.

Local Government Climate Action Program (LGCAP) (in \$000's)	2022 - 2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	Total
<b>Estimated spending</b>	<b>\$644</b>	<b>\$622</b>	<b>\$622</b>	<b>\$622</b>	<b>\$281</b>	<b>\$0</b>	<b>\$2,791</b>
Local Government Climate Action Program (LGCAP) funding (in \$000's)	2022 - 2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	Total
<b>Grant from Provincial Government</b>	<b>\$2,791</b>	<b>\$0</b>	<b>\$0</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>\$2,791</b>
<b>Total LGCAP Funding Sources</b>	<b>\$2,791</b>	<b>\$0</b>	<b>\$0</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>\$2,791</b>

### **Major Road Network Operation, Maintenance and Rehabilitation Program**

The City of Richmond received \$4.17 million in funding in 2024 from the South Coast British Columbia Transportation Authority (TransLink) for operating, maintaining and rehabilitating the Major Road Network (MRN). There is an estimated 174 lane kilometers of MRN in the City of Richmond. It is estimated to increase annually by CPI.

Major Road Network Program (in \$000's)	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan
Operations and Maintenance	\$2,432	\$2,480	\$2,530	\$2,581	\$2,633	\$2,685
Capital	\$1,737	\$1,772	\$1,807	\$1,843	\$1,880	\$1,918
<b>Total Major Road Network Program</b>	<b>\$4,169</b>	<b>\$4,252</b>	<b>\$4,337</b>	<b>\$4,424</b>	<b>\$4,513</b>	<b>\$4,603</b>
Grant from TransLink	\$4,169	\$4,252	\$4,337	\$4,424	\$4,513	\$4,603
<b>Total MRN Funding Sources</b>	<b>\$4,169</b>	<b>\$4,252</b>	<b>\$4,337</b>	<b>\$4,424</b>	<b>\$4,513</b>	<b>\$4,603</b>

### **Richmond Building Safer Communities Fund**

The City of Richmond was allocated a total of \$2.7 million from the Federal Building Safer Communities Fund (BSCF) over four years to implement prevention and intervention programming to address gun and gang violence among young people. The City will implement BSCF programs and initiatives that target at-risk youth. In 2025, the City will use the BSCF funds to establish a youth situation table, deliver targeted prevention and intervention programming, increase community awareness on youth gangs and violence, provide vocational training and job-related supports for at-risk youth, source a temporary full-time Coordinator position and provide professional development for staff. As the BSCF initiatives conclude in March 2026, evaluations will be conducted in the latter 2025 to assess their impact and effectiveness, and a sustainability plan will be developed for Council's consideration. There is a potential for an extension of BSCF programming if the federal government extends funding beyond March 31, 2026, or if new funding opportunities become available to the City.

Building Safer Communities Fund (in \$000's)	2023/2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	Total
Program implementation	\$1,911	\$637	\$134	\$0	\$0	\$0	\$2,682
<b>Total Building Safer Communities Fund</b>	<b>\$1,911</b>	<b>\$637</b>	<b>\$134</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,682</b>
<b>Funding Source:</b>							
Grant from Federal Government	\$1,911	\$637	\$134	\$0	\$0	\$0	\$2,682
<b>Total BSCF Funding Sources</b>	<b>\$1,911</b>	<b>\$637</b>	<b>\$134</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,682</b>

### **Housing Capacity Initiative**

The City of Richmond received \$1.15 million in funding from the Province of British Columbia for capacity funding for local government implementation of the legislative changes to support housing initiatives in 2024. To date, \$0.3 million is projected to be disbursed in 2024, and the balance is planned to be disbursed in the coming years as per table below to cover the costs of

hiring consultants and staff related to the implementation of the housing bills (e.g., growth projections, economic analysis, designers/architects).

Housing Capacity (in \$000's)	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	Total
<b>Contribution Disbursement</b>	<b>\$300</b>	<b>\$400</b>	<b>\$300</b>	<b>\$150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,150</b>
<b>Total Housing Capacity</b>	<b>\$300</b>	<b>\$400</b>	<b>\$300</b>	<b>\$150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,150</b>
<b>Funding Source:</b>							
<b>Grant from Federal Government</b>	<b>\$300</b>	<b>\$400</b>	<b>\$300</b>	<b>\$150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,150</b>
<b>Total Housing Capacity Funding Sources</b>	<b>\$300</b>	<b>\$400</b>	<b>\$300</b>	<b>\$150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,150</b>

**Richmond Food Hub**

Funded by a \$1 million grant from the Government of B.C., the City of Richmond is undertaking work to establish a commercially focused Richmond Food Hub as part of the B.C. Food Hub Network. Phase 1 of the initiative, which is currently in progress, is a gap analysis and needs assessment to better understand Richmond’s current strengths and identify how a Food Hub could respond to gaps and benefit the local economy through expanded access to key resources, information, equipment, tools and space.

Based on the results of Phase 1, and depending on Council direction and the ability to secure sufficient additional funding, the City could then proceed with Phases 2 and 3. This could include a competitive procurement approach to seek an entity (or partnering entities) to provide the location and/or facility to establish a Food Hub, and an associated business plan for its operations and governance structure. Phase 2 is anticipated to take place during spring 2026. Phase 3, the construction and/or redevelopment of the potential site with partners would follow, with a potential launch date in fall 2027.

Funds from the Government of B.C. are and will be used to support staff resourcing for a temporary full-time Project Lead-Economic Initiatives position, other resourcing costs, and Hub implementation costs related to advancing an identified site/facility toward launch. It is anticipated that approximately 34% of the grant will be spent in Phase 1 (spring 2024 – winter 2025-26), 2% in Phase 2 (spring 2026), and 64% in Phase 3 (summer 2026 – fall 2027).

Richmond Food Hub (in \$000's)	2024 Estimate	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	Total
<b>Feasibility and implementation</b>	<b>\$74</b>	<b>\$214</b>	<b>\$113</b>	<b>\$599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000</b>
<b>Total Richmond Food Hub</b>	<b>\$74</b>	<b>\$214</b>	<b>\$113</b>	<b>\$599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000</b>
<b>Funding Sources:</b>							
<b>Grant from Provincial Government</b>	<b>\$74</b>	<b>\$214</b>	<b>\$113</b>	<b>\$599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000</b>
<b>Total Richmond Food Hub Funding Sources</b>	<b>\$74</b>	<b>\$214</b>	<b>\$113</b>	<b>\$599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000</b>

**Contingent Grants**

An estimate of \$2.0 million has been included in the budget for operating grants the City has applied for or will apply for in the future as funding programs are announced. Spending will only be incurred against this estimated budget in accordance with the approved funding agreement for the specific initiative. Approved funding will be transferred to the appropriate division's budget through the financial plan amendment, which is typically presented to Council in the fall each year.

**10. OBI Previously Approved Capital Project**

<b>2025 OBI from Previously Approved Capital Project</b>				
<b>Ref</b>	<b>Requested By</b>	<b>Description</b>	<b>Amount</b>	<b>Tax Impact</b>
1	Engineering and Public Works	<b>Mini-Sweeper Operator (RFT)</b> Staff are seeking Council approval to establish a regular cleaning schedule for bike lanes. By implementing this initiative using specialized equipment and dedicated labour funding, we can foster a more user friendly and accessible environment for cyclists. This measure is vital for strengthening community support for active mobility and preventing costly disruptions and complaints. Effective maintenance of our cycling infrastructure is essential to promote active transportation.	\$129,759	0.04%
<b>2025 Total OBI from Previously Approved Capital Project</b>			<b>\$129,759</b>	<b>0.04%</b>

**11. No Tax Impact Positions**

2025 No Tax Impact Positions			Funding Source
Ref	Requested By	Description	
1	Law and Community Safety	<p><b>Conversion of Two Short Term Rental Inspectors from TFT to RFT (2 RFTs)</b>                      Conversion of two existing Temporary Full Time (TFT) Short Term Rental Inspector positions that were previously approved by Council to be funded by the Rate Stabilization Account to Regular Full Time (RFT) positions. These positions will be funded by rental and business licence revenue. This submission requires \$120,000 initial capital cost for the purchase of two vehicles.</p>	Revenue Funded
2	Law and Community Safety	<p><b>Conversion of Soil Bylaw Enforcement Officer from TFT to RFT</b>                      Conversion of an existing TFT Soil Bylaw Enforcement Officer position to a RFT. This position will be funded from volume fee and permit revenue.</p>	Revenue Funded
3	Law and Community Safety	<p><b>Conversion of Business License Inspector from TFT to RFT</b>                      The TFT Business Licence Inspector be converted to RFT to sustain improved compliance, fee collection and operational efficiency. This position will be funded from increased fines revenue and collection of overdue fees.</p>	Revenue Funded
4	Deputy CAO's Office	<p><b>GIS Analyst, Housing Data &amp; Analysis (TFT)</b>                      A GIS Analyst is requested to help compile housing-related datasets and prepare area mapping to support consistent and informed affordable housing policy and programs, including: analysis; accessing and developing new data assets; creating maps; and compiling information sets to support policy. This position can temporarily be funded by the Housing Accelerator Fund grant.</p>	Grant Revenue Funded
5	Deputy CAO's Office	<p><b>Planner 2, Housing Policy (TFT)</b>                      A Planner 2 is requested to develop consistent and informed policy, including detailed economic analysis, background research and engagement with interested parties. Current undertakings would progress initiatives related to Housing Accelerator Fund. This position can temporarily be funded by the Housing Accelerator Fund grant.</p>	Grant Revenue Funded
6	Law and Community Safety	<p><b>Coordinator - Business Licenses and Bylaw Enforcement (RFT)</b>                      Current workload (e.g. recording standard operation procedures, analytics, performance reporting, staff scheduling and coordination across various enforcement units) has reached a critical point where efficiency and effectiveness are paramount for maintaining regulatory compliance. This position will be funded from increase in revenues.</p>	Revenue Funded
7	Corporate Administration	<p><b>Mental Health &amp; Wellness Advisor (RFT)</b>                      A dedicated asset to increase the Mental Health &amp; Wellness of the organization that will mitigate existing risks, enhance service delivery, and support the department's long-term objectives. Growing staffing levels and new legislation continue to add layers and variables. This position will be funded by previously approved impacts from new infrastructure and growth.</p>	Reallocation of existing budgets



2025 No Tax Impact Positions			
Ref	Requested By	Description	Funding Source
8	Finance and Corporate Services	<b>Business Transformation Portfolio Manager (RFT)</b> This role leads business transformation initiatives related to customer experience, operational efficiency and risk mitigation. This includes process re-engineering and other activities to successfully implement strategies and programs like the Digital Strategy and Permitting Optimization Project.	Reallocation of existing budgets
2025 No Tax Impact Positions			Total
			\$1,166,038
Initial Capital Cost associated with No Tax Impact Position			\$120,000

**12. Emerging Organizational Additional Levels – Recommended for Funding in 2025**

Emerging Organizational Additional Levels - Recommended for Funding in 2025				
Ref	Requested By	Description	Amount	Tax Impact
1	Corporate Administration	<p><b>Manager, Indigenous Relations (RFT)</b>                      At the Council meeting on May 8, 2023, Council approved funding from the Rate Stabilization Account for a Manager, Indigenous Relations. This is a request to provide ongoing funding for the role.</p>	\$178,279	0.06%
2	Law and Community Safety	<p><b>RCMP Resource Plan Requests - 6 Additional Officers</b>                      The RCMP requests 10 additional RCMP officers for 2025, as a result of community priorities, population growth and increases in the complexity of files and disclosure. This submission requires \$80,016 initial capital cost.</p> <p>Due to the tax impact and other increases that will impact tax payers, it is recommended to provide funding for 6 out of the requested 10 additional officers.</p>	\$1,199,766	0.39%
3	Law and Community Safety	<p><b>RCMP Resource Plan Requests – Enhanced Digital Field Technician (RFT)</b>                      The RCMP requests an additional municipal employee to support the RCMP Detachment as a result of an increase in calls for service, population, police officer case load and increasing investigational complexities which also greatly affect municipal employee resources. This submission requires \$13,336 initial capital cost.</p> <p>Due to the tax impact and other increases that will impact tax payers, it is recommended to provide funding for a total of 2 out of the requested 6 additional municipal employees to support the RCMP Detachment.</p>	\$99,295	0.03%
4	Law and Community Safety	<p><b>RCMP Resource Plan Requests – Inventory Clerk (RFT)</b>                      The RCMP requests an additional municipal employee to support the RCMP Detachment as a result of an increase in calls for service, population, police officer case load and increasing investigational complexities which also greatly affect municipal employee resources. This submission requires \$13,336 initial capital cost.</p> <p>Due to the tax impact and other increases that will impact tax payers, it is recommended to provide funding for a total of 2 out of the requested 6 additional municipal employees to support the RCMP Detachment.</p>	\$77,929	0.02%

<b>Emerging Organizational Additional Levels - Recommended for Funding in 2025</b>				
<b>Ref</b>	<b>Requested By</b>	<b>Description</b>	<b>Amount</b>	<b>Tax Impact</b>
5	Law and Community Safety	<b>Fire Safety Act Implementation (Fire Prevention Captains 2 RFTs)</b> Due to the implementation of the new Fire Safety Act, Richmond Fire Rescue is requesting 2 additional Fire Prevention Captains to comply with the new legislation. In addition an increase of \$33,125 is requested to the RFR training budget to ensure ongoing compliance with the legislation for the department. This submission requires \$20,000 initial capital cost.	\$386,369	0.13%
6	Engineering and Public Works	<b>Traffic Technician 1 (RFT)</b> This position will support development application transportation review as recent provincial legislation changes (Bill 16) allows road dedication and frontage upgrades through Building Permit applications.	\$97,036	0.03%
7	Engineering and Public Works	<b>Engineering Technician (RFT)</b> This position will support development application reviews associated with the new small-scale multi-unit housing under the province's Bill 44, and review frontage upgrades that can be secured through Building Permit Applications under the province's Bill 16.	\$109,762	0.04%
8	Planning and Development / Deputy CAO Office	<b>Housing Accelerator Fund Phase In (Year 1 of 4)</b> The Federal Housing Accelerator Fund is currently funding 8 RFT staff to advance long term affordable housing projects: Low-End Market Rental program, partnerships with senior governments for built projects, develop informed policy and acceleration of rental housing development applications. This request is to provide ongoing funding for these positions when the federal funding agreement ends in 2027. It is proposed to phase in funding for these 8 positions over 4 years aligned with the term of the federal funding. Phasing in this funding over the years 2025-2028 will enable the grant funding to be utilized to further advance Housing initiatives.	\$368,940	0.12%
<b>2025 Total Emerging Organizational Additional Levels - Recommended</b>			<b>\$2,517,376</b>	<b>0.82%</b>
<b>Law and Community Safety Emerging Organizational Additional Levels</b>			<b>\$1,763,359</b>	<b>0.57%</b>
<b>Citywide Emerging Organizational Additional Levels</b>			<b>\$754,017</b>	<b>0.25%</b>
<b>Initial Capital Cost associated with Recommended Emerging Organizational Additional levels recommended to be Funded by Rate Stabilization Account</b>			<b>\$126,688</b>	

**13. Emerging Organizational Additional Levels – Not Recommended for Funding in 2025**

Emerging Organizational Additional Levels – Not Recommended for Funding in 2025				
Ref	Requested By	Description	Amount	Tax Impact
1	Law and Community Safety	<p><b>RCMP Resource Plan Requests – 4 additional officers</b>                      The RCMP requests additional RCMP officers for 2025. This request is supported by the Richmond RCMP Detachment 3-year Resource Plan 2025-2027 as a result of community priorities, population growth and increases in the complexity of files and disclosure. This submission requires \$53,344 initial capital cost.</p> <p>Due to the tax impact and other increases that will impact tax payers, it is recommended to provide funding for 6 out of the requested 10 additional officers.</p>	\$799,844	0.26%
2	Law and Community Safety	<p><b>RCMP Resource Plan Requests – Inventory Clerk (2 RFTs)</b>                      The RCMP requests additional municipal employees to support the RCMP Detachment as identified in the. Richmond RCMP Detachment 3-year Resource Plan 2025-2027, as a result of an increase in calls for service, population, police officer case load and increasing investigational complexities which also greatly affect municipal employee resources. This submission requires \$26,672 initial capital cost.</p> <p>Due to the tax impact and other increases that will impact tax payers, it is recommended to provide funding for a total of 2 out of the requested 6 additional municipal employees to support the RCMP Detachment.</p>	\$155,588	0.05%
3	Law and Community Safety	<p><b>RCMP Resource Plan Requests – Training Clerk (RFT)</b>                      The RCMP requests an additional municipal employee to support the RCMP Detachment as identified in the. Richmond RCMP Detachment 3-year Resource Plan 2025-2027, as a result of an increase in calls for service, population, police officer case load and increasing investigational complexities which also greatly affect municipal employee resources. This submission requires \$13,336 initial capital cost.</p> <p>Due to the tax impact and other increases that will impact tax payers, it is recommended to provide funding for a total of 2 out of the requested 6 additional municipal employees to support the RCMP Detachment.</p>	\$74,821	0.03%

Emerging Organizational Additional Levels – Not Recommended for Funding in 2025				
Ref	Requested By	Description	Amount	Tax Impact
4	Law and Community Safety	<p><b>RCMP Resource Plan Requests – Media Designer (RFT)</b>                      The RCMP requests an additional municipal employee to support the RCMP Detachment as identified in the. Richmond RCMP Detachment 3-year Resource Plan 2025-2027, as a result of an increase in calls for service, population, police officer case load and increasing investigational complexities which also greatly affect municipal employee resources. This submission requires \$13,336 initial capital cost.</p> <p>Due to the tax impact and other increases that will impact tax payers, it is recommended to provide funding for a total of 2 out of the requested 6 additional municipal employees to support the RCMP Detachment.</p>	\$87,978	0.03%
5	Law and Community Safety	<p><b>Fire Prevention Captains Staff Increase (2 RFTs)</b>                      The City of Richmond continues to grow in population and densification. Single family residential properties (non inspectable) are developed and expanded into developments that include multi family residential units/buildings, day cares, shops, parking garages and common areas (one inspectable property). This submission requires \$20,000 initial capital cost.</p>	\$353,244	0.12%
6	Parks Recreation and Culture	<p><b>Asset Management - Labourer 2 (RFT)</b>                      Council approved Parks Capital Projects completed in 2022 and 2023 resulted in a growth in parks asset inventory, and has increased the requirement for labour to conduct maintenance. With the completion of Parks Capital Projects in 2024, the total labour OBI allocated for Asset Management now amounts to one full time staff.</p>	\$156,062	0.05%
7	Parks Recreation and Culture	<p><b>Urban Forestry - Labourer 2 (RFT)</b>                      In 2022-2024, 3,787 new trees were planted through development, service agreements and compensation plantings. A new position is requested to provide all tree maintenance aspects such as: pruning, clearance, watering, health, mulching, infrastructure management, inspection and leaf control. This submission requires \$145,000 initial capital cost for vehicles.</p>	\$156,062	0.05%
8	Law and Community Safety	<p><b>Increase annual contribution to the Fire Vehicle and Equipment Reserve</b>                      At the General Purposes Committee meeting on November 18, 2024, the Committee endorsed increasing the annual transfer to the Fire Vehicle and Equipment Reserve by \$600,000 to ensure the reserve remains sustainable based on the current known market prices and conditions.</p> <p>Due to the tax impact and other increases that will impact tax payers, the request for ongoing funding was not recommended in 2025; however, staff recommend a one-time transfer from Rate Stabilization for 2025, which will provide additional time to analyze options to be brought forward in the 2026 budget process.</p>	\$600,000	0.20%

Emerging Organizational Additional Levels – Not Recommended for Funding in 2025				
Ref	Requested By	Description	Amount	Tax Impact
9	Finance and Corporate Services	<b>Microsoft Cloud Data Backup Solution</b> Implementation of a comprehensive Microsoft Cloud Data Backup solution is requested to ensure the security, compliance, and availability of the City's data stored within the Microsoft Cloud environment, which includes services like email, documents, and collaboration tools. This submission requires \$20,000 initial capital cost.	\$115,575	0.04%
10	Engineering and Public Works	<b>Roads and Construction: Program Manager (RFT)</b> Changes to accessibility and WorkSafeBC standards coupled with capital construction, increase resource demands impacting maintenance operations. Additional management support is requested to improve capacity for efficiency and performance.	\$174,598	0.06%
11	Parks, Recreation and Culture/ Engineering and Public Works	<b>Blackberry Management: Natural Areas Technician Position (RFT) Climate &amp; Environment Coordinator 2 (RFT) and Parks Labourer including a Truck</b> Natural areas in Richmond incorporate native plants, mini forests and pollinator pasture meadows. These new position will require specialized knowledge and skills to maintain these areas with a focus on invasive plant management initiatives.		
		This request includes funding for labour dedicated to the eradication of blackberry in Richmond parks. This submission requires \$145,000 initial capital cost.	\$534,431	0.17%
12	Corporate Administration	<b>Human Resources Advisor (RFT)</b> A Human Resources Advisor to support the specific hiring needs of the Public Works department is requested to provide a consistent resource and service level.	\$130,730	0.04%
13	Planning and Development	<b>Bill 46 - Benefit and Assist Factors – Transfer to Capital Reserve</b> Impacts of Bill 46 legislation will require local governments to fund a mandatory minimum contribution toward new community amenities funded by the forthcoming Amenity Cost Charges Bylaw, in the form of assist and benefit factors. This bylaw is anticipated to be adopted in 2025; providing funding would ensure proposed projects can be funded when development contributions are received.	\$1,533,383	0.50%
<b>Total Emerging Organizational Additional Levels – Not Recommended for Funding in 2025</b>			<b>\$4,872,316</b>	<b>1.60%</b>