

City of Richmond

Consolidated

5 Year Financial Plan (2024-2028)



Purpose

- Section 165 of the *Community Charter* requires that Council adopt a 5 Year Financial Plan Bylaw each year prior to the adoption of the annual Property Tax Bylaw. Purpose of the 5 Year Financial Plan is to provide a budgetary framework for the City to plan the management of its resources, revenues and expenditures in order to best serve the community.
- The Consolidated 5 Year Financial Plan combines the Operating Budget, Capital Budget, Utility Budget and One-Time Expenditures for 2024. The plan is based on the City's current year budgets along with estimates developed from economic forecasts and other expected impacts on revenues and spending for the following four years. Each year, the rolling plan is reviewed and updated.
- It provides a 5 year summary of revenue and expenditures, planned capital projects, and projected tax increases.
- It presents a balanced budget for all 5 years of the plan, as required under the *Community Charter*.

Public Consultation

The public consultation period for the Consolidated 5 Year Financial Plan (2024-2028) is from Monday, January 8, 2024 until Sunday, January 21, 2024. Submit your comments through www.LetsTalkRichmond.ca or by email to finance@richmond.ca. All comments will be provided to Richmond City Council for consideration in advance of the final bylaw reading, which is expected to be on the agenda at the Council Meeting on Monday, January 29, 2024.

Consolidated 5 Year Financial Plan (2024-2028)

2024 Overall Tax Increase

5.62%

The 5.62% increase would result in an increase of \$116 in municipal taxes based on an average residential property with an assessment value of \$1.27M, which is about 32 cents per day (based on 2023 assessment values & tax rates).



32¢/day

50%

Over 50% of the 2024 Operating Budget increase is attributable to Police and Fire-Rescue.

External Senior Government Related Increases include:



- Community Safety Cost-Sharing (E-Comm, Integrated Teams and Real Time Intelligence Centre, Provincial Integrated Homicide Investigative Team RCMP)
- Provincial Workers Compensation
- Canada Pension Plan Enhancement

Community Safety Cost-Sharing

0.59%

WorkSafeBC Rate Increase

0.46%

CPP Enhancement

0.17%

Consolidated 5 Year Financial Plan (2024-2028)

Council’s Long Term Financial Management Strategy (LTFMS)

The Consolidated 5 Year Financial Plan is developed using the principles in Council’s Long Term Financial Management Strategy (LTFMS). Under the LTFMS the City’s goal is to maintain property tax increases at or below the annual increase in the cost of living for the Vancouver region for current and existing programs and services plus allowing for an additional 1.00% property tax increase annually to fund investment in community facilities infrastructure replacement needs.



LTFMS target exceeded:

Same level of service increase
3.10%



2024 CPI Target
3.62%

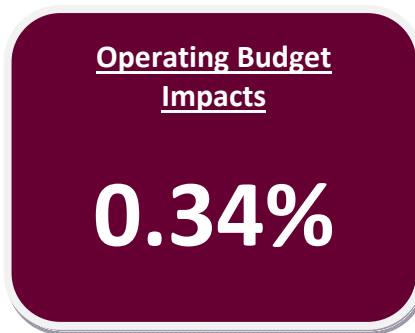


LTFMS target met:

1% transfer to reserves to fund investment in community facilities and infrastructure replacement needs

Vancouver’s 2024 CPI Target is based on Scotia Bank 2024 Forecast as of October 2023 and actual 12 month average CPI as of September 2023.

Other operating budget increases/decreases



Operating Budget Increases includes funding for:

- Operating budget impacts associated with new capital infrastructure
- The new and expanded Steveston Community Centre and Library anticipated to be completed by 2026.
- An overall tax decrease of 0.56% as Council has approved to use the Rate Stabilization Account.

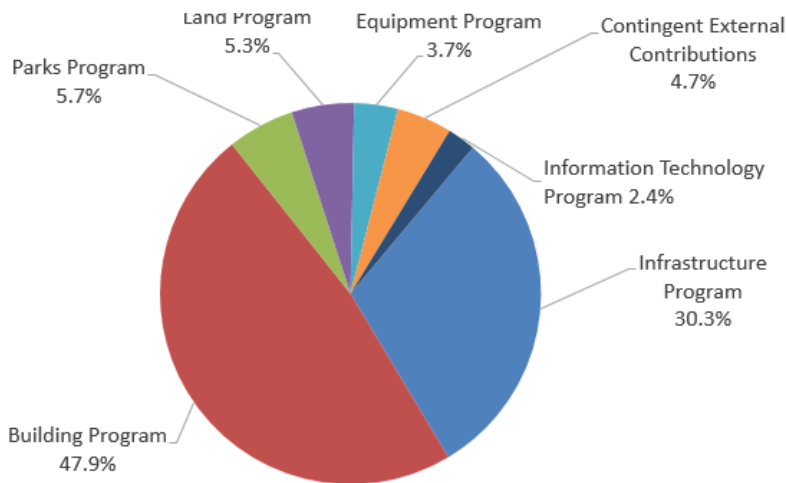
Please refer to the 2024 Proposed Operating Budget report for further details.

Consolidated 5 Year Financial Plan (2024-2028)

Capital Budget

Capital funds are directed towards infrastructure and asset management programs based on the highest priority projects to respond to Council direction and provide services to the citizens of Richmond.

2024 Recommended Projects by Program



\$210.9M
Capital Budget

\$20.6M
Flood Protection

2024 Capital Projects Highlights

Program	Capital Projects	Budget
Building	Works Yard Replacement - Phase 1	\$70,000,000
Flood Protection	Disaster Mitigation and Adaptation Fund Infrastructure Upgrades	\$10,000,000
Heritage	Britannia Shipyards – Britannia Shipyard Building Envelope and Structural Renewals	\$7,000,000
Water	Watermain Replacement Upgrades Program	\$6,668,274
Building	Steveston and South Arm Outdoor Pool Renewals	\$4,300,000
Roads	Gilbert Road Off-road Cycling Facility, Granville Avenue to Elmbridge Way	\$4,150,000
Flood Protection	Burkeville Utility Improvements	\$4,005,000
Parks	Minoru Lakes Renewal: Phase 2	\$2,500,000
Information Technology	MyPermits	\$2,176,085

Please refer to the 2024 Proposed Capital Budget report for further details.

Consolidated 5 Year Financial Plan (2024-2028)

Consolidated 5 Year Financial Plan (2024-2028) Overview (in \$000s)

	2023 Bylaw*	2024	2025	2026	2027	2028
Revenue	\$639,287	\$702,207	\$742,538	\$769,989	\$819,044	\$827,041
Less:						
Expenses	563,487	620,634	628,102	657,356	684,551	714,754
Transfers/Amortization Offset (Annual Surplus)	75,800	81,573	114,436	112,633	134,493	112,287
Balanced Budget	\$-	\$-	\$-	\$-	\$-	\$-
Tax Increase	5.89%	5.62%	6.05%	5.34%	4.32%	4.55%

*For comparative purposes, the 2023 Consolidated 5 Year Financial Plan is presented as approved by Council on January 24, 2023.

The Consolidated 5 Year Financial Plan is presented on the same basis as the City’s Consolidated Financial Statements, which follow Public Sector Accounting Standards (PSAS). Items which do not meet the PSAS definition of revenue or expenses are included under Transfers/Amortization Offset. The Annual Surplus is determined by taking the difference between revenue and expenses on the financial statements. The Consolidated 5 Year Financial Plan (2024-2028) Bylaw No. 10515 is included on pages 9-12.

2024 – 2028 Capital Budget

The Capital Budget funds investment in land, infrastructure, which includes roads, water and sewer works, dikes and buildings, vehicles, equipment, parks, trails and other physical property.

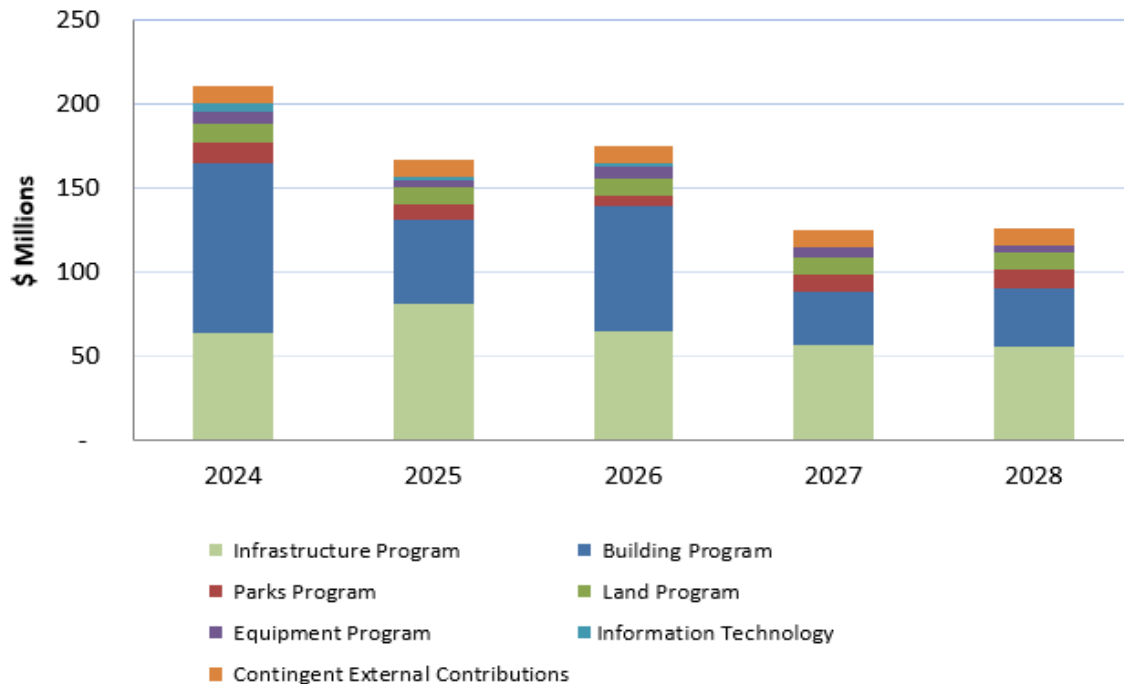
Capital Program (in \$000s)

	2023 Bylaw ¹	2024	2025	2026	2027	2028
Infrastructure Program	\$ 60,083	\$63,959	\$81,109	\$64,677	\$56,676	\$55,617
Building Program	25,755	101,148	50,300	74,350	31,500	35,500
Parks Program	8,850	11,925	8,870	6,650	10,270	10,400
Land Program	10,000	11,186	10,000	10,000	10,000	10,000
Equipment Program	9,395	7,716	4,985	7,644	6,361	4,341
Information Technology	3,757	4,966	1,621	1,301	543	671
Internal Transfers/Debt Payment	3,676	-	-	-	-	-
Contingent External Contributions	10,000	10,000	10,000	10,000	10,000	10,000
Total Capital Program	\$131,516	\$210,900	\$166,885	\$174,622	\$125,350	\$126,529

¹For comparative purposes, the 2023 Budget is presented as approved by Council on January 24, 2023.

Consolidated 5 Year Financial Plan (2024-2028)

Capital Budget by Program (2024 – 2028)



Consolidated 5 Year Financial Plan (2024-2028) Bylaw 10515 Summary

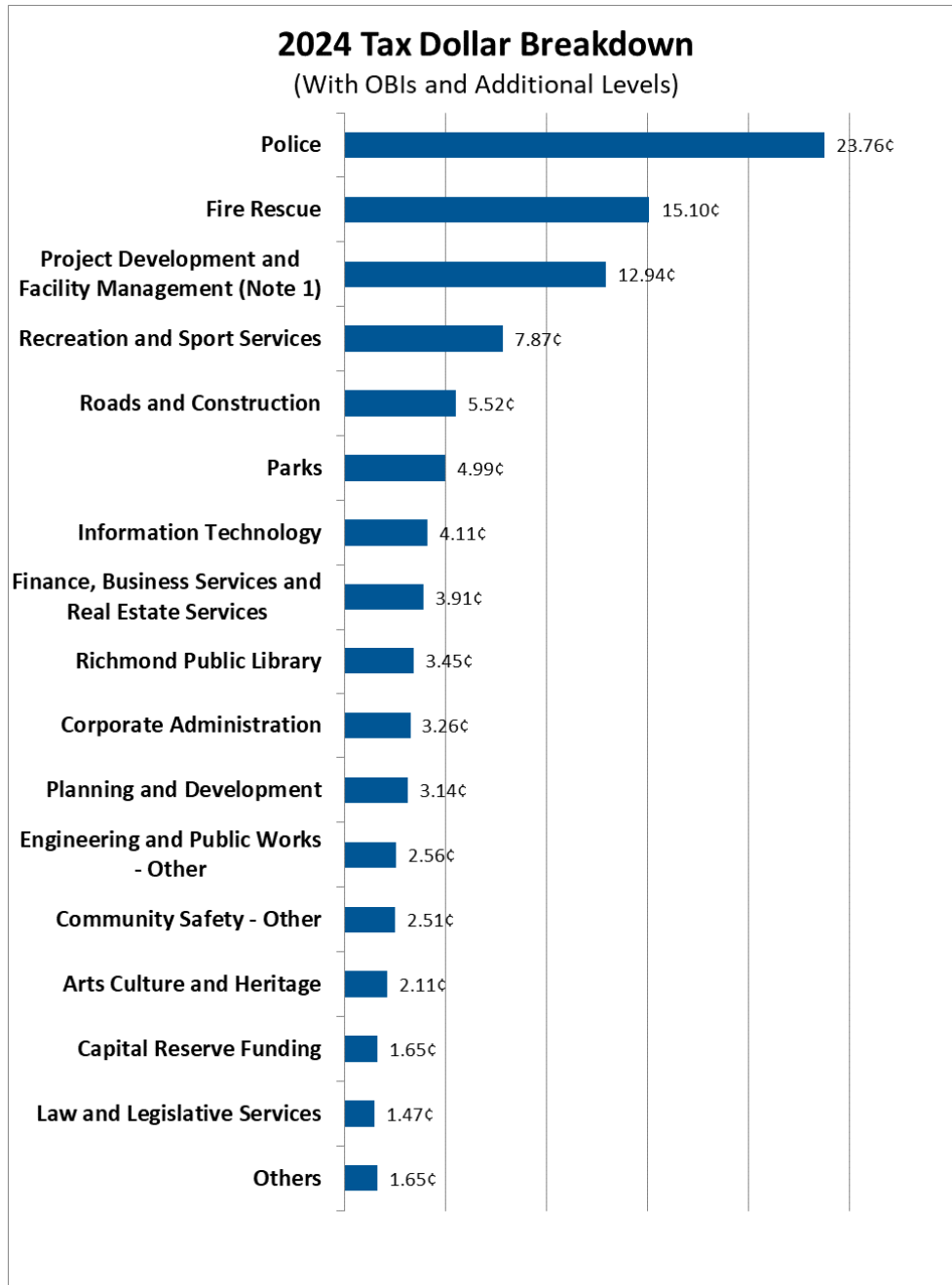
Proposed 5 Year Financial Plan	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan
Same Level of Service Increase Before Storm Reallocation to Utility Budget	3.12%	3.42%	2.82%	2.10%	2.38%
Less: Storm Reallocation to Utility Budget*	(0.63%)	0.00%	0.00%	0.00%	0.00%
Rate Stabilization - Prior Year	0.61%	0.53%	0.37%	0.23%	0.11%
Same Level of Service Increase	3.10%	3.95%	3.19%	2.33%	2.49%
Investment in Community Infrastructure	1.00%	1.00%	1.00%	1.00%	1.00%
External Senior Government Related Increases	1.22%	0.77%	0.73%	0.65%	0.62%
Emerging Organizational Additional Levels	0.52%	0.33%	0.30%	0.29%	0.27%
Operating Budget Impact from Capital Budget	0.34%	0.39%	0.37%	0.17%	0.17%
Rate Stabilization	(0.56%)	(0.39%)	(0.25%)	(0.12%)	0.00%
Proposed Operating Budget Increase	5.62%	6.05%	5.34%	4.32%	4.55%

*Up until the 2023 budget year, a portion of Storm Drainage operations and maintenance was funded by the operating budget. Starting in 2024, all operation and maintenance is funded by the Flood Protection Utility.

Consolidated 5 Year Financial Plan (2024-2028)

Where does your tax money go? How does it benefit your community?

In 2023, 49% of the property taxes include collections on behalf of other tax agencies. The portion of property tax dollars for City operations is allocated as shown in the following chart.



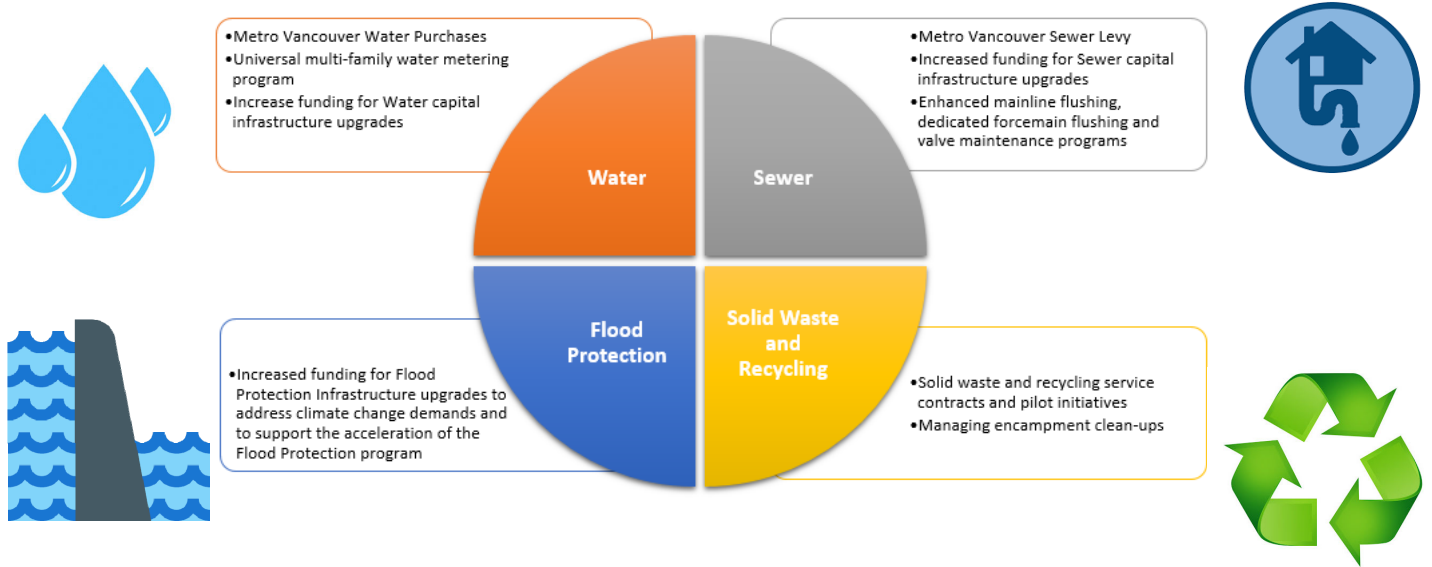
Note 1: Includes Investment in Community Facilities Infrastructure Replacement needs.

Consolidated 5 Year Financial Plan (2024-2028)

2024 Utility Budget

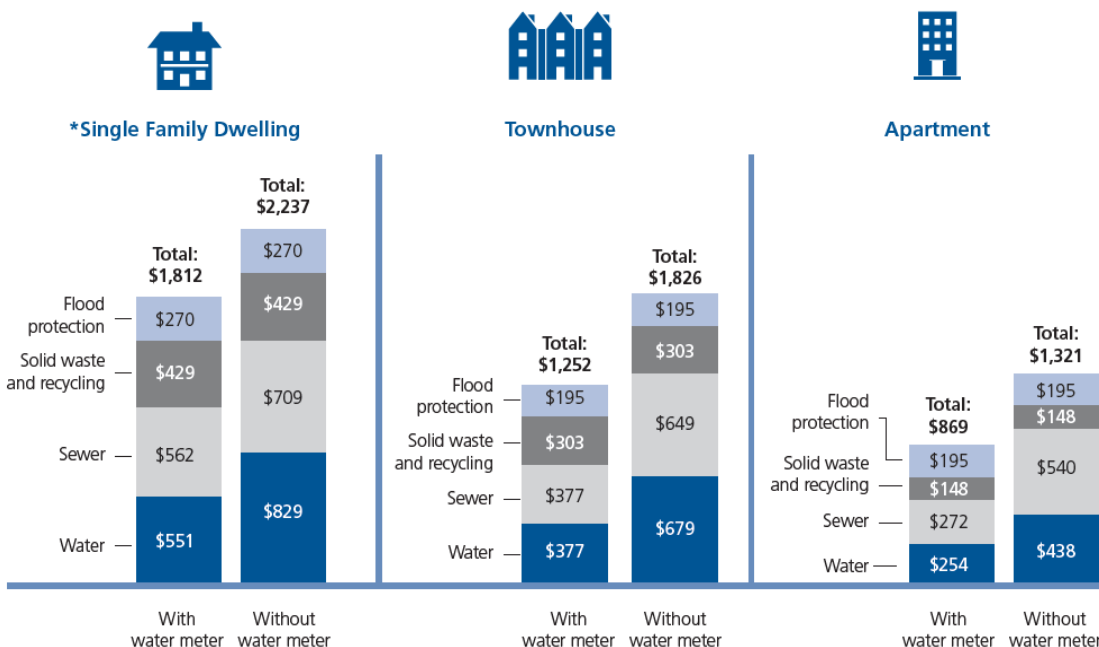
Richmond City Council approved the 2024 Utility Budget on November 14, 2023 totaling \$146.4M. A significant portion of the City’s costs relate to impacts outside of the City’s direct control, such as regional costs and contractual cost increases. Please refer to the 2024 Utility Budget and Rates report for further details

The primary cost drivers for the utility budget report are:



Utility bill breakdown

The discounted cost per year for a typical residence with a standard garbage cart is:



Consolidated 5 Year Financial Plan (2024-2028)

The City of Richmond annually approves a Consolidated 5 Year Financial Plan to project revenues and expenses for the current and future years. The plan consists of the City’s Operating, Capital and Utility Budgets for the current year and sets preliminary estimates for the following four years.

**City of Richmond
Consolidated 5 Year Financial Plan (2024-2028)
Revenue and Expenses (In \$000’s)**

	2023 Bylaw*	2024 Budget **	2025 Plan	2026 Plan	2027 Plan	2028 Plan
Revenue:						
Taxation and Levies	287,052	306,676	329,002	350,202	369,190	389,906
Utility Fees	133,609	148,459	161,525	174,620	188,412	203,477
Sales of Services	48,817	54,556	56,408	57,787	58,975	60,140
Provincial and Federal Grants	11,656	26,637	29,244	30,261	30,808	31,366
Investment Income	14,323	25,635	23,356	21,174	19,180	17,300
Other Revenue	16,464	15,537	13,442	13,645	13,884	14,129
Payments In Lieu of Taxes	14,650	14,650	15,095	15,547	16,016	16,499
Licenses and Permits	12,195	12,832	13,087	13,341	13,603	13,870
Gaming Revenue	14,500	12,500	12,500	12,500	12,500	12,500
Developer Contributed Assets	48,745	45,640	45,640	45,640	71,421	45,640
Development Cost Charges	20,323	16,607	18,145	20,117	13,655	10,814
Other Capital Funding Sources	16,953	22,478	25,094	15,155	11,400	11,400
	\$639,287	\$702,207	\$742,538	\$769,989	\$819,044	\$827,041
Expenses:						
Community Safety	141,537	155,060	160,705	167,567	173,528	179,691
Community Services	76,202	79,733	77,212	79,959	81,888	83,859
Engineering and Public Works	69,235	73,430	72,528	74,588	75,956	77,345
Planning and Development Services	33,080	45,183	42,251	43,389	44,377	46,615
Finance and Corporate Services	28,361	31,917	31,021	32,381	33,233	34,108
Corporate Administration	10,741	11,306	11,100	11,521	11,863	12,215
Law and Legislative Services	4,794	5,367	4,890	5,091	5,252	5,417
Fiscal	28,337	33,719	33,372	35,955	39,019	42,244
Debt Interest	5,603	4,769	3,926	3,926	3,926	3,926
Utility Budget						
Water Utility	50,256	53,276	57,997	63,033	68,419	74,415
Sanitary Sewer Utility	44,092	48,362	53,412	58,531	64,081	70,281
Sanitation and Recycling	24,532	25,517	25,681	26,338	26,962	27,601
Flood Protection	16,561	20,225	20,429	20,682	20,892	21,103
Richmond Olympic Oval Corporation	18,788	20,274	20,816	21,251	21,696	22,151
Richmond Public Library	11,368	12,496	12,762	13,144	13,459	13,783
	\$563,487	\$620,634	\$628,102	\$657,356	\$684,551	\$714,754
Annual Surplus	\$75,800	\$81,573	\$114,436	\$112,633	\$134,493	\$112,287

Consolidated 5 Year Financial Plan (2024-2028)

**City of Richmond
Consolidated 5 Year Financial Plan (2024-2028)
Transfers (in \$000s)**

	2023 Bylaw*	2024 Budget **	2025 Plan	2026 Plan	2027 Plan	2028 Plan
Transfers:						
Debt Principal	9,187	9,612	3,649	3,764	3,895	4,032
Transfer To Reserves	81,863	97,079	102,127	107,374	112,831	118,473
Transfer from Reserves to fund Operating Reserve Programs:						
Bylaw 8206	(400)	(450)	(400)	(400)	(400)	(400)
Bylaw 8877	(210)	(210)	(210)	(210)	(210)	(210)
Bylaw 7812 S. 1.1.1 (a)	(525)	(2,735)	(525)	(525)	(525)	(525)
Bylaw 7812 S. 1.1.1 (d)	(50)	(50)	(50)	(50)	(50)	(50)
Bylaw 7812 S. 1.1.1 (j)	(170)	(396)	(158)	(158)	(158)	(158)
Operating Reserves - Prior Years	(7,036)	(4,093)	-	-	-	-
Transfer To (From) Surplus	(7,225)	(13,137)	14,723	15,520	16,229	16,869
Capital Expenditures - Current Year	131,516	210,900	166,885	174,622	125,350	126,529
Capital Expenditures - Prior Years	220,276	231,528	290,271	310,273	318,715	307,435
Capital Expenditures - Developer Contributed Assets	48,745	45,640	45,640	45,640	71,421	45,640
Capital Expenditures - Richmond Public Library	1,050	610	610	610	610	610
Capital Funding	(401,221)	(492,725)	(508,126)	(543,827)	(513,215)	(505,958)
Transfers/Amortization offset:	\$75,800	\$81,573	\$114,436	\$112,633	\$134,493	\$112,287
Balanced Budget	\$-	\$-	\$-	\$-	\$-	\$-
Tax Increase	5.89%	5.62%	6.05%	5.34%	4.32%	4.55%

*For comparative purposes, the 2023 Consolidated 5 Year Financial Plan is presented as approved by Council on January 24, 2023.

** 2024 Budget includes approved one-time expenditures and prior year carryforwards. The projections for 2025 through 2028 are base budgets to deliver the same level of service and do not include estimates of carryforwards or one-time expenditures that may be approved in future years.

Consolidated 5 Year Financial Plan (2024-2028)

**City of Richmond
5 Year Capital Plan Summary (2024-2028)
(in \$000s)**

	2023 Bylaw*	2024	2025	2026	2027	2028
Infrastructure Program						
Roads	21,171	20,050	23,180	22,721	13,033	13,296
Flood Protection	20,026	20,561	36,956	20,529	21,301	21,016
Water	6,567	9,618	10,236	11,110	13,146	11,490
Sanitary Sewer	7,839	8,150	6,417	5,614	5,541	5,800
Infrastructure Advanced Design and Minor Public Works	4,480	5,580	4,320	4,703	3,655	4,015
Total Infrastructure Program	\$ 60,083	\$63,959	\$81,109	\$64,677	\$56,676	\$55,617
Building Program						
Building	20,755	87,648	34,500	57,900	31,500	35,500
Heritage	5,000	13,500	15,800	16,450	-	-
Total Building Program	\$ 25,755	\$101,148	\$50,300	\$74,350	\$31,500	\$35,500
Parks Program						
Parks	4,850	7,925	4,870	2,650	6,270	6,400
Parkland	4,000	4,000	4,000	4,000	4,000	4,000
Total Parks Program	\$ 8,850	\$11,925	\$8,870	\$6,650	\$10,270	\$10,400
Land Program	\$10,000	\$11,186	\$10,000	\$10,000	\$10,000	\$10,000
Equipment Program						
Vehicle	4,199	3,875	3,983	4,013	3,416	3,455
Community Safety Vehicle		1,815	-	-	-	-
Fire Vehicle	1,336	1,476	220	1,916	2,290	336
Equipment	3,860	550	782	1,715	655	550
Total Equipment Program	\$ 9,395	\$7,716	\$4,985	\$7,644	\$6,361	\$4,341
Information Technology Program	\$3,757	\$4,966	\$1,621	\$1,301	\$543	\$671
Internal Transfers/Debt Payment	\$3,676	-	-	-	-	-
Contingent External Contributions	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Capital Program	\$ 131,516	\$210,900	\$166,885	\$174,622	\$125,350	\$126,529

*For comparative purposes, the 2023 Consolidated 5 Year Financial Plan is presented as approved by Council on January 24, 2023.

Consolidated 5 Year Financial Plan (2024-2028)

2024–2028 Capital Funding Sources (in \$000s)

	2023 Bylaw*	2024	2025	2026	2027	2028
DCC Reserves						
Drainage DCC	-	1,139	2,723	3,906	1,609	328
Parks Acquisition DCC	5,964	4,703	3,762	3,762	3,762	3,762
Parks Development DCC	3,292	1,947	1,288	846	959	846
Roads DCC	11,067	7,277	8,559	9,828	5,878	5,878
Sanitary DCC	-	104	509	79	-	-
Water DCC	-	1,437	1,304	1,696	1,447	-
Total DCC	\$ 20,323	\$16,607	\$18,145	\$20,117	\$13,655	\$10,814
Statutory Reserves						
Capital Building and Infrastructure	20,657	56,734	29,300	45,800	27,500	15,500
Capital Reserve	15,001	30,881	15,851	22,553	15,921	21,163
Capstan Station	-	-	2,000	-	-	-
Drainage Improvement	18,932	12,746	-	-	-	-
Equipment Replacement	4,222	5,026	4,225	5,705	5,467	3,108
Flood Protection BL10403	-	3,238	23,456	17,440	20,715	22,203
Growing Communities Reserve Fund	-	3,354	17,000	-	-	-
Sanitary Sewer	6,535	8,464	6,912	6,321	3,823	550
Sanitary Sewer BL10401	-	8,443	-	6,675	2,800	10,789
Steveston Road Ends	119	-	-	-	-	-
Water Supply BL10402	-	11,807	-	9,325	2,324	17,465
Watermain Replacement	9,909	9,646	9,396	10,178	8,939	-
Total Statutory Reserves	\$ 75,375	\$150,339	\$108,140	\$123,997	\$87,489	\$90,778
Other Sources						
Enterprise Fund	650	490	-	-	-	-
Grant and Developer Contribution	16,953	22,478	25,094	15,155	11,400	11,400
Other Sources	15,472	15,775	13,010	12,627	10,875	11,268
Sewer Levy	555	350	513	215	65	221
Solid Waste and Recycling	300	600	300	300	300	300
Steveston Community Amenity Fund	-	2,600	-	550	-	-
Water Levy	1,888	1,661	1,683	1,661	1,566	1,748
Total Other Sources	\$35,818	\$43,954	\$40,600	\$30,508	\$24,206	\$24,937
Total Capital Program	\$ 131,516	\$210,900	\$166,885	\$174,622	\$125,350	\$126,529

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