



City of Richmond

Report to Committee

To: Finance Committee

Date: May 8, 2015

From: Jerry Chong
Director, Finance

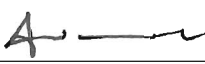

File:

Re: Financial Information – 1st Quarter March 31, 2015

Staff Recommendation

That the staff report titled, “Financial Information – 1st Quarter March 31, 2015”, dated May 8, 2015 from the Director, Finance be received for information.


Jerry Chong
Director, Finance
(604-276-4064)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Building Approvals	<input checked="" type="checkbox"/>	
Community Bylaws	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Economic Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Fire Rescue	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Project Development	<input type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
RCMP	<input type="checkbox"/>	
Recreation Services	<input type="checkbox"/>	
Library Services	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	

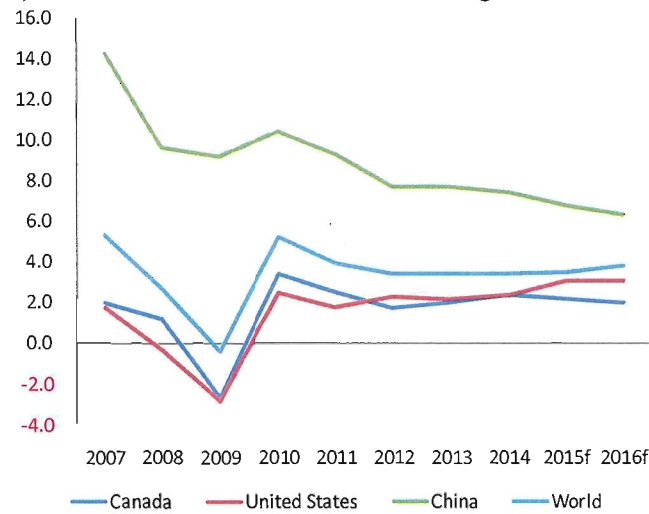
Origin

Financial information for the 1st quarter (ended on March 31, 2015) is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information.

Analysis

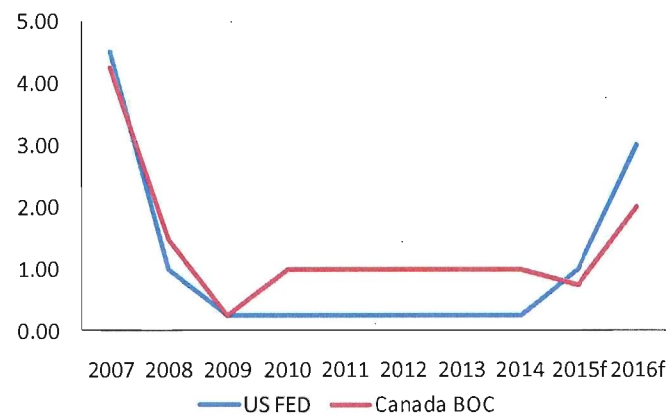
Macroeconomic Indicators & Forecast

1) Global Growth – Real GDP % Change ¹



- The global growth forecast for the next two years remained largely unchanged in Q1 2015, at 3.5% in 2015 and 3.8% in 2016, as the outlook for advanced economies has improved while growth in emerging and oil-exporting economies has weakened.
- Advanced economies are generally benefiting from low oil prices, with US growth projected to be above 3% through the next 2 years.
- Canadian growth projections were revised slightly down as the effects of slowing down oil exports are absorbed through the national economy.

2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year-End²

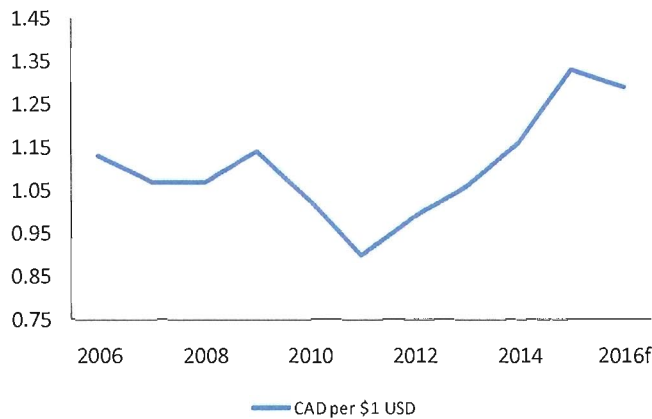


- In a surprise move in January 2015, the Bank of Canada dropped the overnight rate by 0.25 points and the forecast is for the rate to potentially drop further in 2015 prior to gradually adjusting to 1.75% in 2016.
- As the US economy accelerates through 2015, the US overnight rate is also expected to climb in 2015.
- Both rates are projected to climb faster in 2016 than previously estimated to curb inflationary and currency pressures.

¹ International Monetary Fund, World Economic Outlook (April 2015)

² US Federal Reserve, Bank of Canada and Royal Bank Research

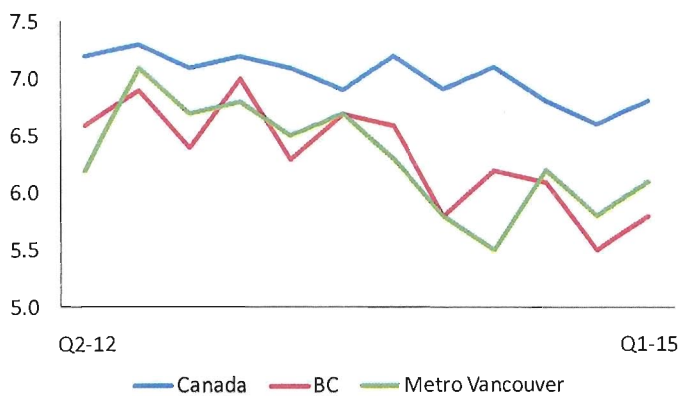
3) Exchange Rates – CAD/USD at Year-End ³



- The sharp drop in oil prices, the Bank of Canada’s interest rate adjustment in January and increased investor preference for US dollars have resulted in and will continue to depress the Canadian dollar against the US dollar through 2015.
- The Canadian currency is expected to recover in 2016 due to the market expectation of interest rate hikes in Canada and an assumption of oil prices settling at approximately \$77 a barrel.

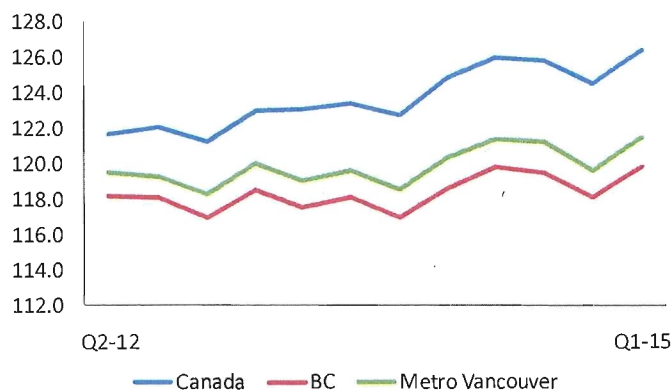
Regional & Local Economic Activity Indicators

4) Unemployment ⁴



- After falling to 6.6% at the end of 2014, its lowest level since 2008, Canadian unemployment edged up to 6.8% in Q1 2015, largely due to job losses in Alberta.
- 16,500 full-time job losses in the resource sector in February resulted in an increase of the unemployment rates in BC and Metro Vancouver, to 5.8% and 6.1%, respectively, in Q1 2015.

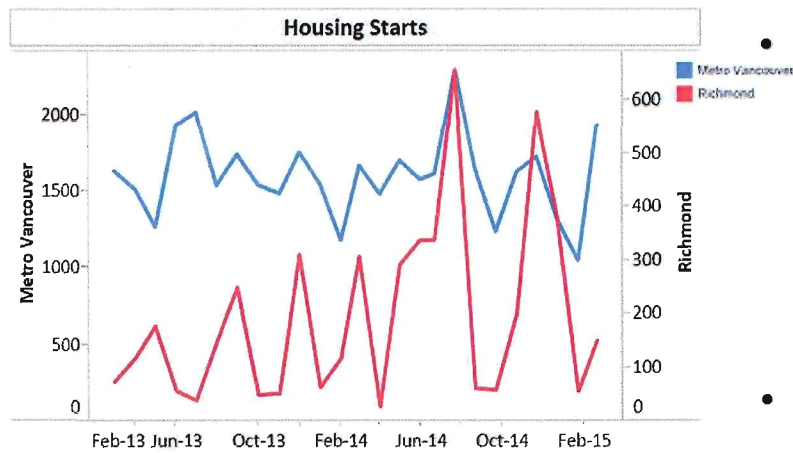
5) Consumer Price Index (CPI – 2002=100) ⁴



- After falling in Q4 2014, all of the Canadian, BC and Metro Vancouver consumer price indices (CPI) increased further in Q1 2015, due to an upward trend in world oil prices.
- The Bank of Canada’s lowering of the overnight interest rate in January as a result of deflationary concern also contributed to an increase in the CPI indices across the board.

³ Bank of Canada
⁴ Statistics Canada

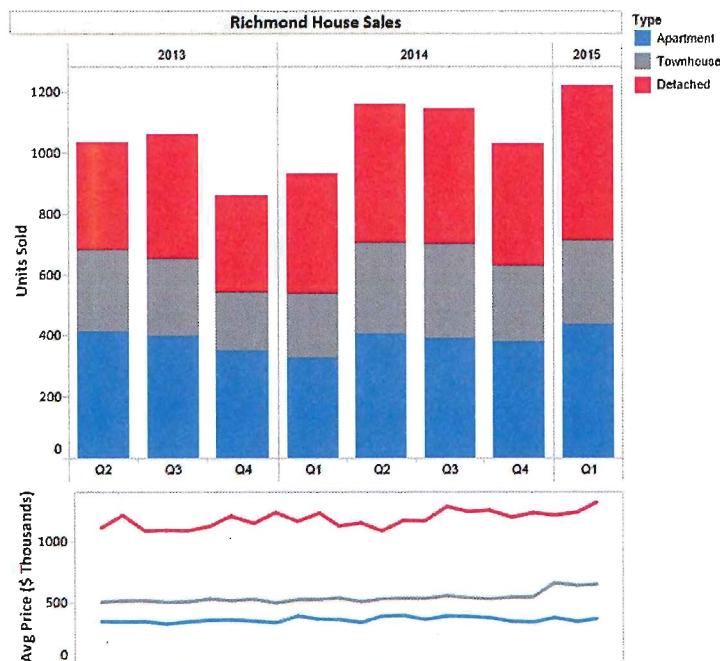
6) Housing Starts⁵



Source: CMHC

- After doubling in the second half of 2014, compared to the same period in 2013, Richmond’s housing starts were nearly 29.7% down in Q1 2015, compared to the same quarter last year. The decline signals depletion of construction projects started throughout 2014 as a result of the large number of development applications approved in 2012.
- In Metro Vancouver, housing starts fell a moderate 6.3%, contributable to the typical decline in this indicator during the winter.

7) House Sales & Prices – Richmond⁶



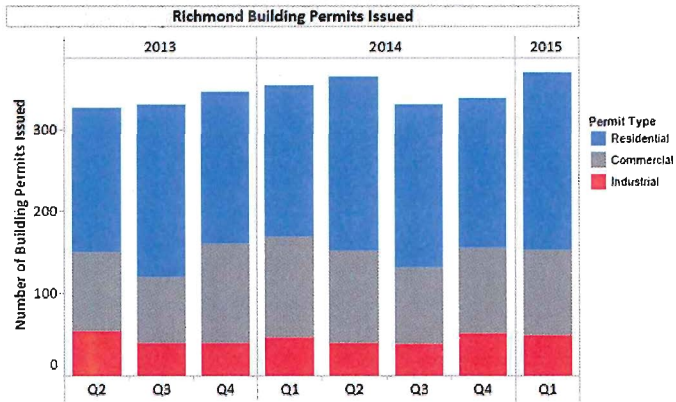
Source: CMHC & REBGV

- House sales in Q1 2015 marked the highest quarterly activity in the last two years. Driven by a falling Canadian dollar, sales in all residential categories were approximately 30% up from the same quarter last year and 20% up from Q4 in 2014.
- Prices of detached homes have reached \$1.32 million, up 17% from the same quarter last year. Townhouses were also priced substantially higher, at 20% up in Q1 2015 compared to Q1 2014. Apartments registered the smallest relative price increase, at 1.4% in Q1 2015, compared to the same quarter last year.

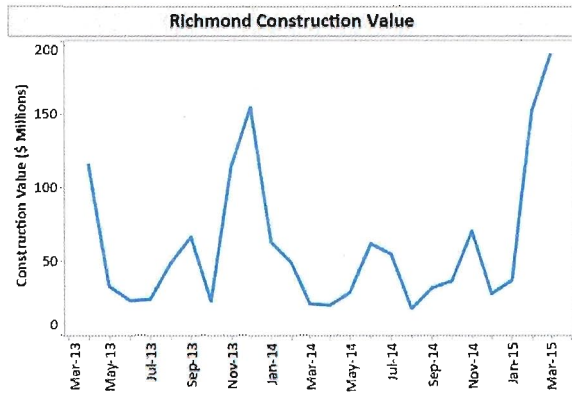
⁵ CMHC

⁶ Real Estate Board of Greater Vancouver
4572106

8) Building Permits – Richmond ⁷



Source: City of Richmond



Source: City of Richmond

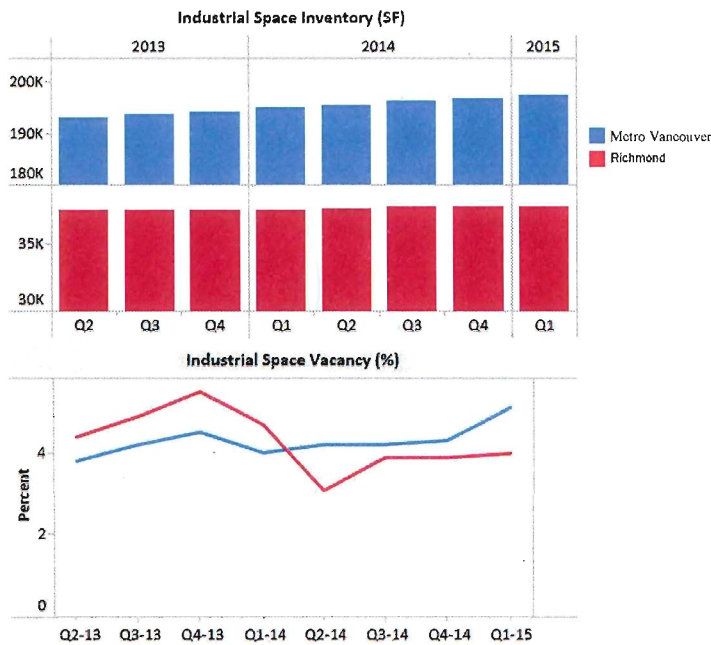
- Total building permits issued in Q1 2015 increased by 2.8% compared to the same period in 2014, with residential permits leading the trend with 16.7% more permits issued than in Q1 2014.
- The number of commercial permits was down 14.8% and the number of industrial permits was up by 6.5% in Q1 2015 compared to the same quarter in 2014.

- Of note is the substantial increase of construction value associated with building permits issued in Q1 2015, with total construction value growing 185% to \$379 million in Q1 2015, compared to the same quarter last year.
- Building permits issued for large residential projects in the Oval Village and West Cambie are behind the construction value trend.

⁷ City of Richmond Building Permits
4572106

9) Commercial Space⁸

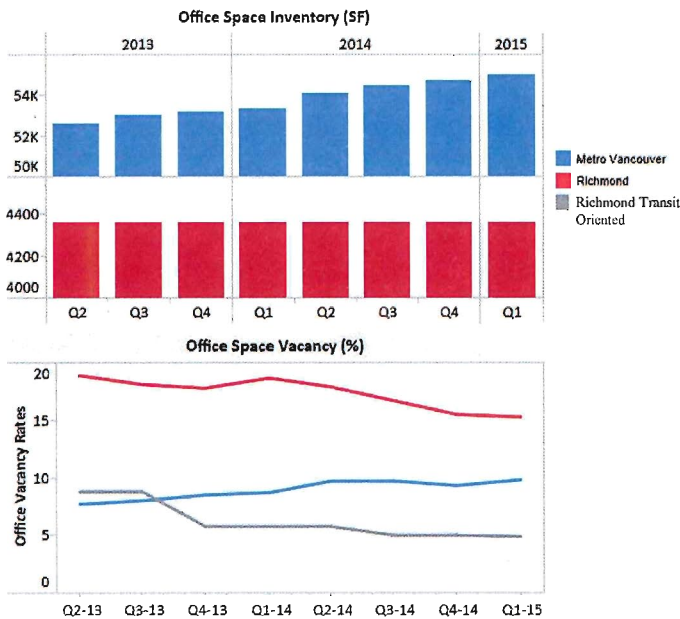
a) Industrial Space



Source: Cushman & Wakefield

- Industrial space continues to be scarce in Richmond, with no new inventory added since the same quarter last year.
- Ongoing demand and absorption of industrial space resulted in a decrease in the vacancy rate from 4.7% in Q1 2014 down to 4.0% in Q1 2015.
- Industrial space continues to be in high demand and rental rates continue to be at a premium both in Richmond and in the region.

b) Office Space

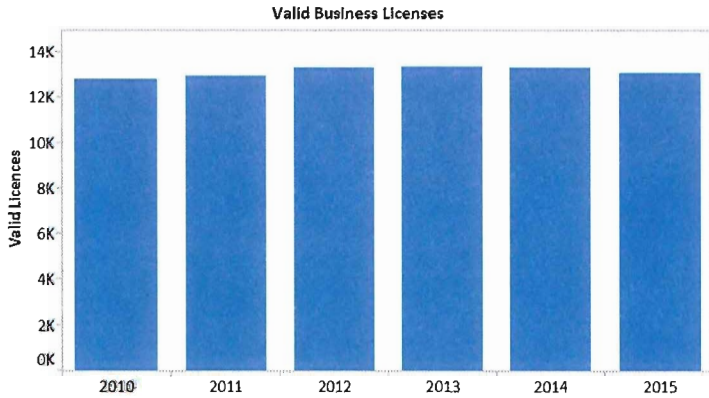


Source: Cushman & Wakefield

- Richmond’s office vacancies continued to be absorbed, as the overall office vacancy rate ended the quarter at 14.1%, down 18% from the same quarter the previous year.
- At 4.5%, transit-oriented office space vacancy continued to decline, 15% down from the same period last year and well below the overall Metro Vancouver rate which is at 11.2%.
- No new square footage of office space was added to the Richmond inventory, with the inventory remaining at 4.4 million square feet since the end of 2011.

10) Business Growth – Richmond⁹

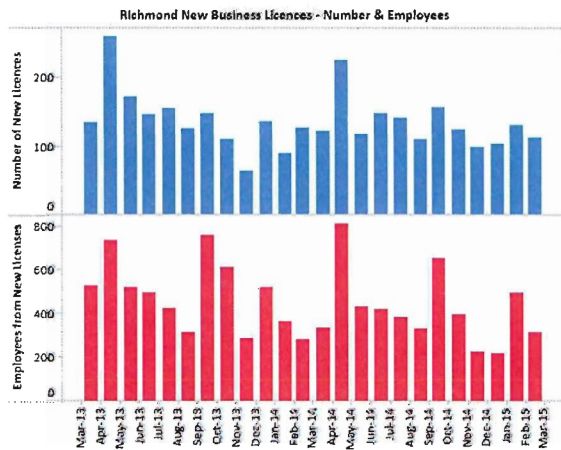
a) Total Valid Business Licenses



Source: City of Richmond

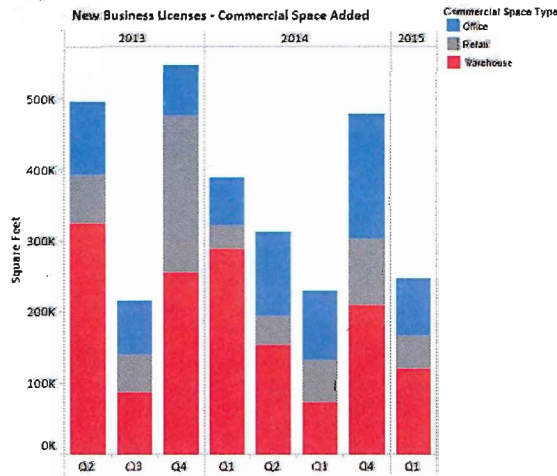
- Valid business licenses in 2015 are on track with 2014 levels, down only 1.5% compared to last year.
- Continued implementation of the Inter-municipal Mobile Business License program is partially responsible for the recent reduction in valid licenses, with revenues registering an increase due to growing compliance by resident businesses.

b) New Business Licenses Issued



Source: City of Richmond

- There were 348 new licenses issued in Q1 2015, on par with the previous quarter and the same quarter last year.
- New licenses registered 1,026 employees in Q1 2015, down 11% from the same quarter last year.



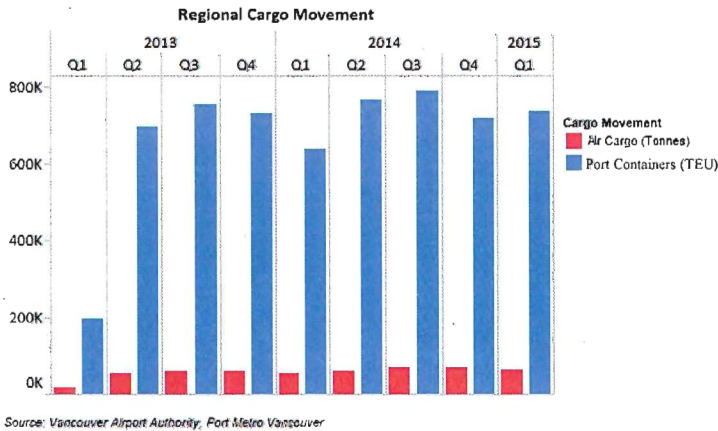
Source: City of Richmond

- There were fewer employees and less square feet of commercial space occupied due from new business licenses in Q1 2015 compared to Q1 2014.
- Office and retail space use from new licenses grew by 23% and 37% respectively in Q1 2015 compared the same quarter last year. Industrial space added through new licenses was half the amount of industrial space added in Q1 2014.

⁹ City of Richmond Business Licenses 4572106

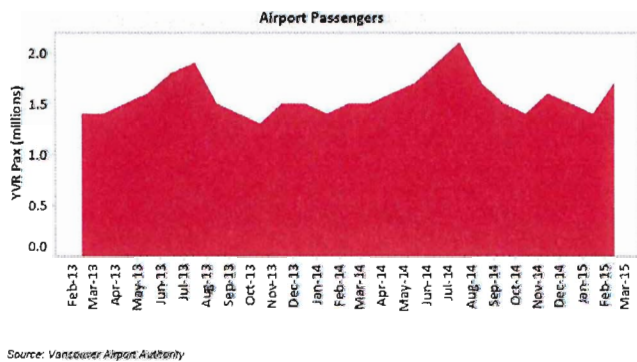
11) Goods and People Movement

a) Regional Cargo Movement ¹⁰



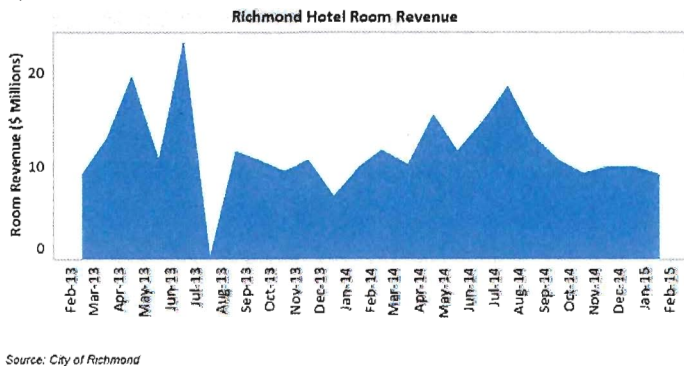
- Increased export activity resulted in substantial growth of both airport and port cargo movement in Q1 2015 compared to the same quarter last year.
- Port Metro Vancouver (PMV) twenty-foot equivalent unit (TEU) movement grew 15.2% in Q1 2015 compared to Q1 2014.
- YVR cargo grew 11.7% in Q1 2015, compared to Q1 2014

b) Airport Passengers ¹¹



- Airport passenger volume registered a 4.5% growth in Q1 2015 compared to the same quarter last year.
- An accelerating tourism sector and implementation of new routes to Asia and Europe are behind the continued growth of YVR passengers

c) Richmond Hotel Room Revenue ¹²



- After a strong 2014 with hotel room revenues climbing by 5% for the year compared to 2013, Richmond's tourism sector is on track for an even stronger 2015. Hotel room revenues to date are 5.9% up in 2015 compared to the same period last year and occupancy is at 80% - the highest in Canada.
- (Note: hotel room tax revenues are the basis for calculating hotel revenues; an overpayment of hotel room tax in July 2013 was compensated for in August 2013)

¹⁰ YVR & PMV Monthly Cargo Statistics

¹¹ YVR Monthly Statistics

¹² City of Richmond Additional Hotel Room Tax Ledger; revenue reverse calculated based on AHRT receipts representing 2% of total hotel room revenue; AHRT remittances and payments to Richmond have a 2-15th lag

Operating Activity

The following table presents budget, actual and commitment activity up to March 31, 2015. The net budget year-to-date (YTD) figure represents the first quarter budgeted activity accounting for seasonal demand. Actuals includes estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received. Commitments are contracts that have been entered into but services or goods have not been received.

January - March 2015 YTD in (\$'000s)						
Division/Department	Net Budget YTD ¹	Actuals	Commitments	Total Actuals and Commitments	Variance (\$)	Variance (%)
Community Services	\$8,400	\$7,276	\$1,022	\$8,298	\$102	1.2%
Corporate Administration	2,034	1,492	587	2,079	(45)	(2.2%)
Engineering and Public Works	4,427	2,758	1,884	4,642	(215)	(4.9%)
Finance and Corporate Services	3,683	3,118	476	3,594	89	2.4%
Fire Rescue	7,727	6,985	438	7,423	304	3.9%
Law and Community Safety	1,284	847	207	1,054	230	17.9%
Library	1,651	1,468	101	1,569	82	5.0%
Planning and Development	1,560	(1,176)	106	(1,070)	2,630	168.5%
Policing	9,867	9,178	140	9,318	549	5.6%
Fiscal and Transfers	(20,455)	(20,650)	320	(20,330)	(125)	0.6%
Total	\$20,178	\$11,296	\$5,281	\$16,577	\$3,601	

¹All transfers to reserves and provisions are included in the Fiscal and Transfers line. This presentation differs from the Operating Budget where the transfers for each Division/Department were included in the individual line.

- The Community Services Division is slightly under budget for the first quarter of 2015 due to vacancies and the on-boarding of the new City Centre.
- The Corporate Administration variance in the first quarter is due mainly to training and development programs that have been committed in the first quarter but will take place throughout the year.
- Engineering and Public Works has a variance in Q1 due to Project Development commitments that have been initiated in the first quarter that will be spent throughout 2015.
- Finance and Corporate Services is on budget for the first quarter due to IT contracts that are committed in Q1 for work to be performed throughout the year. Finance and Corporate Services is projected to have a surplus at year end due to unfilled vacant positions within Finance and IT, lower contract maintenance costs in IT and higher business licences revenue relative to budget.
- Richmond Fire Rescue is expected to be under budget at the end of the year due to vacancies. Recruitment for firefighters is currently underway and is expected to be filled in the fall of 2015.

- Law & Community Safety is expected to have a moderate surplus due to higher revenues relative to budget in Bylaws and operational savings.
- The Library is under budget for the first quarter due to vacant positions. Recruitment is currently underway and the library expects to be on budget for the year.
- Planning and Development has realized an increase in building permit revenue through the 1st quarter. The favourable variance is based on stronger multi-residential permits. It is anticipated the construction activity will remain stable through the 2nd quarter. Building permit revenue is recognized as earned and therefore the projected surplus includes an estimate of the amount that is earned in 2015 from amounts collected from previous years, offset by an estimate for the building permits received in 2015 that will be earned in future years.

The Development Applications Department has realized higher than budgeted development application revenues during Q1 of 2015. The total number of development applications submitted to the City year to date is in keeping with anticipated application volumes. It is anticipated the development activity and revenues will continue to be stable through the 2nd quarter.

- Policing is targeted to be on budget by the end of the year. The RCMP's year-end adjustment is expected to be reflected on the second quarter invoice.
- Fiscal and transfer to reserves and provisions are on budget for the year.

Gaming Revenue

- Gaming revenue for Q1 2015 was \$5.25M compared to \$4.48M for the same quarter in 2014, representing an increase of 17.3%. This amount represents 10% of net gaming income calculated as total gaming revenue less direct costs, facility operating expenses and corporate overhead and support.
- This increase is due to a 3% increase in total River Rock gaming revenues and a 9% reduction in total expenses. The decrease in expenses mainly relates to a reduction in corporate overhead and support for BC Lottery Corporation's administrative and operating costs compared to the same quarter in 2013.
- Gaming revenues at River Rock increased by 3% in the first quarter of 2015 when compared to the first quarter of 2014. This growth was primarily due to an 8% increase in slot win, partially offset by a 0.5 percentage point decrease in slot win percentage. Table hold increased by 1% partially attributable to the expansion of the VIP gaming area and additional tables added to the Phoenix room in the first quarter of 2015.¹³

¹³ Great Canadian Gaming Corporation: Management's Discussion and Analysis for the Three Month Period Ended March 31, 2015
4572106

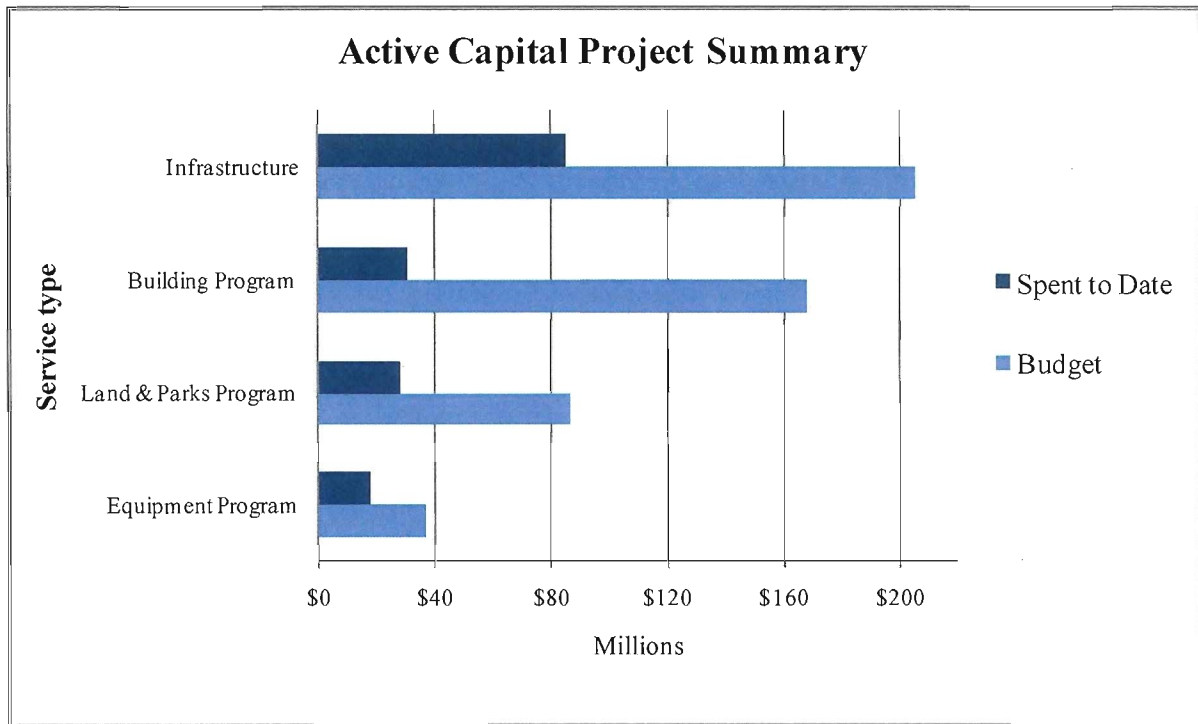
Active Capital Project Summary

The 2015 Capital Budget of \$86.5M (excluding internal transfers and debt repayments) is included in the figures below as are the amounts relating to capital projects from previous years' Capital Budgets which remain active. The current balance committed to active capital projects is \$333.4M.

Statement of Active Capital Project Expenditures

As at March 31, 2015 (in \$'000s)

	Budget	Spent to Date	Committed
Infrastructure Program	\$204,828	\$85,142	\$119,686
Building Program	167,500	30,854	136,646
Land & Parks Program	86,186	27,933	58,253
Equipment Program	38,582	17,815	18,767
Grand Total	\$495,096	\$161,744	\$333,352



Highlights of key capital projects are presented in Appendix 3.

Cash and Investment Portfolio

The City's cash and investment portfolio at March 31, 2015 was \$860.8M, with an average yield on investment of 1.97%. The current low interest rate environment and the City's cash flow projections have influenced the terms and types of investments that the City holds (Appendix 4)

Market Interest Rates (for analytical purposes only)

	March 31, 2015
3 Month Government of Canada T-Bills	0.54%
2 Year Government of Canada Bonds	0.49%
5 Year Government of Canada Bonds	0.75%
10 Year Government of Canada Bonds	1.33%

Source: Bank of Canada

The Canadian economy stalled in the first three months of 2015 primarily as a result of the oil price shock where the impact was more front-loaded than predicted in January by the Bank of Canada. However, some of the negative impact brought on by the sharp decline in energy prices was offset by stronger non-energy exports, increased investments and improved labour markets. The improvement to the Canadian economy is expected to continue due to exports and U.S. investment due to the weakened Canadian dollar. Although the Bank of Canada lowered its recent Canadian growth forecast due to a larger than anticipated drag on the economy, it felt that the current degree of monetary policy stimulus was appropriate and therefore maintained the benchmark overnight rate at 0.75 per cent at its April 15, 2015 interest rate announcement.

The City continues to comply with its Investment Policy (3703) by carrying a diversified investment portfolio with strong credit quality, meeting the objectives of managing its investment activities in a manner that seeks to preserve capital and to realize a reasonable rate of return.

Contract Awards

This report provides information on the formal contracts awarded by the City during the 1st quarter. During this period, 56 contracts greater than \$25,000 were awarded totalling over \$8.27M (Appendix 5).

Financial Impact

None.

Conclusion

The City of Richmond has begun 2015 on similar notes to that of 2014 with stable economic indicators. The City is maintaining its strong financial position through continued business retention, building construction and development activity, and revenue collection. It is expected that these trends will continue throughout 2015.



Cindy Gilfillan, CPA, CMA
Manager, Financial Reporting
(604) 276-4077

- Att. 1: Economic Indicators
- Att. 2: Financial and Key Indicators
- Att. 3: Capital Project Highlights
- Att. 4: Cash and Investment Portfolio
- Att. 5: Contract Awards

Economic Indicators**March 31, 2015****Macroeconomic Indicators & Forecast**

	2013	2014	Change	2015f	2016f
1) Real GDP - % Change					
Canada	2.0	2.5	25.0%	2.2	2.0
United States	2.2	2.4	9.1%	3.1	3.1
China	7.8	7.4	(5.1%)	6.8	6.3
World	3.4	3.4	0.0%	3.5	3.8
2) Interest Rates					
Bank of Canada	1.00	1.00	0.00	0.75	2.00
US FED	0.25	0.25	0.00	0.75	2.25
3) Exchange Rate					
CAD per \$1 USD	1.06	1.16	9.4%	1.33	1.29

Regional and Local Market Indicators

	Q1-2015	Q4-2014	Change	Q1-2014	Change
4) Unemployment (%)					
Canada	6.8	6.6	3.0%	6.9	(1.4%)
BC	5.8	5.5	5.5%	5.8	0.0%
Metro Vancouver	6.1	5.8	5.2%	5.8	5.2%
5) CPI (2002=100)					
Canada	126.3	124.5	1.4%	124.8	1.2%
BC	119.8	118.1	1.4%	118.6	1.0%
Metro Vancouver	121.5	119.6	1.6%	120.3	1.0%
6) Housing Starts (Units)					
Starts - Metro Vancouver	4,283	4,571	(6.3%)		
Starts - Richmond	589	838	(29.7%)		
7) Richmond Residential Activity					
Sales - Detached	511	395	29.4%		
Sales - Townhouse	277	208	33.2%		
Sales - Apartment	435	325	33.8%		
Sales Total/Average Change	1,223	928	32.1%		
	YTD-2015	YTD-2014	Change		
Average Price - Detached (\$ at QE)	1,324,000	1,132,000	17.0%		
Average Price - Townhouse (\$ at QE)	651,000	541,000	20.3%		
Average Price - Apartment (\$ at QE)	368,000	363,000	1.4%		

Economic Indicators**March 31, 2015****Regional and Local Market Indicators (continued)**

8)	Richmond Building Permits	Q1-2015	Q1-2014	Change			
	Building Permits - Residential	217	186	16.7%			
	Building Permits - Commercial	104	122	(14.8%)			
	Building Permits - Industrial	49	46	6.5%			
	Building Permits Total	338	354	2.8%			
	Construction Value (\$ million)	379.4	133.0	185.3%			
9)	Commercial Space (at QE)		Richmond			Metro Vancouver	
		Q1-2015	Q1-2014	Change	Q1-2015	Q1-2014	Change
	Office Vacancy (%)	14.1	17.2	(18.0%)	9.8	8.7	12.6%
	Transit Oriented Office Vacancy (%)	4.5	5.3	(15.1%)	11.2	8.4	33.3%
	Office Inventory (000 sf)	4,359	4,359	0.0%	54,974	53,329	3.1%
	Industrial Vacancy (%)	4.0	4.7	(14.9%)	5.1	4.0	27.5%
	Industrial Inventory (000 sf)	37,828	37,587	0.6%	197,402	194,877	1.3%
10)	Richmond Business Growth	Q1-2015	Q1-2014	Change			
	Total Valid Business Licenses (YTD)	13,118	13,332	(1.5%)			
	New Licenses - Number Issued	348	352	(1.1%)			
	New Licenses - Employees	1,026	1,164	(11.9%)			
	New Licenses - Office Added (sf)	80,962	65,744	23.1%			
	New Licenses - Retail Added (sf)	46,262	33,668	37.4%			
	New Licenses - Industrial Added (sf)	119,988	288,663	(58.4%)			
	Total Space Added (sf)/Avg. Change	247,212	388,075	(36.3%)			
11)	Goods & People Movement	Q1-2015	Q1-2014	Change			
	YVR Air Cargo (tonnes)	63,035	56,440	11.7%			
	PMV Container Movement (TEUs)	735,219	638,262	15.2%			
	YVR Passengers (million)	4.6	4.4	4.5%			
	Richmond Hotel Revenue (\$ million)*	8.5	6.7	26.9%			

* Hotel Revenue available to January only

Notes:

- a) *QE indicates quarter end*
b) *YTD indicates year to date*

List of Sources:

- 1) *International Monetary Fund, World Economic Outlook (April 2015)*
- 2) *US Federal Reserve, Bank of Canada and Royal Bank Research*
- 3) *Bank of Canada*
- 4)5) *Statistics Canada*
- 6) *CMHC*
- 7) *Real Estate Board of Greater Vancouver*
- 8) *City of Richmond Building Permits*
- 9) *Cushman & Wakefield Office and Industrial Market Beat Reports*
- 10) *City of Richmond Business Licenses*
- 11) *YVR & PMV Monthly Cargo Statistics; YVR monthly statistics; City of Richmond Additional Hotel Room Tax Ledger*

Financial Indicators**March 31, 2015**

(All dollar amounts in \$000's)

1) Development Cost Charges Contributions	Q1-2015	Q1-2014	Change
Roads, Water, Sewer DCC's Received	\$4,717	\$ 286	1550.8%
Parks DCC's Received	\$5,087	\$ 215	2669.4%
Total DCC Fees Received	\$ 9,804	\$ 500	1859.1%
DCC Reserves to date - Uncommitted	\$45,013	\$65,139	(30.9%)
2) Uncommitted Reserves	Q1-2015	Q1-2014	Change
Capital Funding Reserves	\$85,307	\$ 55,781	52.9%
Affordable Housing Reserves	\$3,108	\$3,452	(10.0%)
Other Reserves	\$140,884	\$109,113	29.1%
Total Uncommitted Reserves	\$229,299	\$ 168,346	36.2%
3) Taxes to date	Q1-2015	Q1-2014	Change
Taxes Collected	\$ 10,291	\$ 10,432	(1.3%)
City Portion of Taxes Collected	\$ 5,043	\$ 5,112	(1.3%)
Unpaid Taxes - Delinquent & Arrears	\$7,236	\$7,207	0.4%
No. of Participants on Pre-authorized withdrawal	6,454	6,164	4.7%
Pre-authorized withdrawals monthly payments	\$7,953	\$6,838	16.3%
Interest rate % paid	1.00%	1.00%	-
<i>Sources: All data is from City of Richmond records</i>			
4) Investments	Q1-2015	Q1-2014	Change
Total Investments	\$860,853	\$728,736	18.1%
Average City Rate of Return on Investments %	1.97%	1.97%	0.0
5) Planning and Development	Q1-2015	Q1-2014	Change
Building Permit Fees Collected	\$3,480	\$1,599	117.6%
Development Applications Received	60	39	53.8%
Development Applications Fees	\$338	\$123	174.2%
6) Business Licenses	Q1-2015	Q1-2014	Change
Revenue Received for Current Year Licenses	\$1,623	\$1,618	0.3%
Revenue Received for Next Year (Deferred)	\$ 72	\$ 68	6.1%
Total License Revenue	\$1,695	\$1,686	0.6%
<i>Year to date valid licenses and revenue include current year licenses issued in the prior year.</i>			
7) Other Revenues	Q1-2015	Q1-2014	Change
Parking Program Revenue	\$507	\$443	14.5%
Gaming Revenue	\$5,256	\$4,482	17.3%
Traffic Fine Revenue to date	\$ 787	\$ n/a	0%

Notes:

a) All figures presented above are unaudited

Key Indicators

March 31, 2015

8) Employees	Q1-2015	Q1-2014	Change
Full Time Equivalent (FTE) Employees <i>(City and Library)</i>	1,435	1,426	0.6%
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results excluding overtime.</i>			
9) Operating Indicators	Q1-2015	Q1-2014	Change
Fire Rescue Responses	2,374	2,328	2.0%
RCMP - Calls for Service Handled	15,846	16,245	(2.5%)
Public Works calls for Service	2,802	2,730	2.6%
10) Affordable Housing	2015	2014	Change
Subsidized Rental (units)	477	477	0.0%
Affordable Rental (LEMR) (units)	300	272	10.3%
Market Rental (units)	411	411	0.0%
Entry Level Home ownership (units)	19	19	0.0%
Secondary Suite / Coach House (units)	145	127	14.2%
Total Affordable Housing	1,352	1,306	3.4%
	Q1-2015	Q1-2014	Change
Unspent Affordable Housing Funds Allocated to Capital Projects to date (in \$ 000's)	\$8,344	\$16,496	(49.4%)
Floor Space secured, unit mix & other (sq feet)	119,069	70,857	68.0%
11) Richmond Population Estimate Year End *	2015F	2014	
	213,891	209,338	

**Estimated population figures provided by City of Richmond – Policy Planning*

Capital Highlights**Infrastructure***Westminster Hwy: Nelson Rd. to McMillan Way – Widening Westminster Highway:*

Approved Budget: \$10.4M (2011) 30% Complete

- Preload works are completed. The main road construction contract has been awarded and will commence in May 2015.

Nelson Road Improvements – Widening Nelson Road between Blundell Road and Westminster Highway:

Approved Budget: \$4.1M (2011) 75% Complete

- The main road construction contract has been awarded. Construction works on Nelson Road and Blundell Road are ongoing.

Alexandra District Energy Utility Expansion - Phase 3

Approved Budget: \$12.1M (2015) 40% Complete

- This project expands the energy capacity and distribution network of the existing utility to meet the needs of development in the service area.

Colbeck Road Area Watermain Replacement:

Approved Budget: \$2.8M (2014) 85% Complete

- This project consists of replacing ageing watermains that are at the end of their service life. Construction is ongoing.

Bath Slough Pump Station Upgrade:

Approved Budget: \$4.2M (2013) 15% Complete

- This project consists of the upgrading of the existing Bath Slough Drainage Pump Station, and is part of a larger strategy to increase the City's drainage capacity, increase pump station reliability and reduce flooding. The construction works are currently out for tender.

Capital Highlights**Buildings***Japanese Fishermen's Benevolent Society Building:*

Approved Budget: \$667,000 (2014) 90% Completed

- The exterior construction and interior renovation of the Japanese Building is substantially completed. Building operators are setting up exhibition lighting and displays for the opening in June 2015. Final occupancy of this project is tied to the completion of the Post Office Building Improvement Program, which began in mid-April; target for completion is June 2015.

Minoru Major Facility (Integrated Minoru Aquatic Centre/Older Adults Centre):

Approved Budget: \$79.6M (2014) 25% Complete

- On November 12, 2013, Council confirmed funding and site location for the new facility to be the Minoru 2 soccer pitch. Space programming for the facility was endorsed by Council on July 28, 2014 and preliminary form and character endorsed by Council on October 27, 2014. Preload for the site is in place, ground densification is underway and the design development phase is 95% complete. The public engagement process is continuing through to project completion

Fire Hall No. 1:

Approved Budget: \$21.5M (2014) 20% Complete

- On November 12, 2013, Council confirmed funding and the site location for the Fire Hall No. 1 replacement. Space programming for the facility was endorsed by Council on July 28, 2014 and the preliminary form and character endorsed by Council on October 27, 2014. The relocation of Fire Hall No.1 staff and operations to City Hall West is complete. The design development phase of the project is complete. Demolition of the existing fire hall is to commence at the end of May 2015.

Capital Highlights

Community Services/Parks

Railway Greenway:

Approved Budget: \$2.3M (2013) 95% Complete

- The major trail construction work is completed. Work is proceeding on intersection improvements with completion expected in the spring of 2015.

Terra Nova Heritage Building Restorations:

Approved Budget: \$2.0M (2005) 98% Complete

- The restoration of the Cannery Store is complete. The restoration of the Edwardian Cottage is complete.
- Perimeter landscaping remaining.

Garden City Community Park: Bike Park & Birch Park:

Approved Budget: \$500K (2012)

- Bike Park: 95% Complete
Tree Planting to be completed.
- Birch Park: 95% Complete
Basketball Construction near completion with only line painting and hoop installation outstanding.

Garden City Lands Phase 1:

Approved Budget: \$2.1M (2015) 2% Complete

- Request for proposal and design development is planned in May.

Lang Park Development:

Approved Budget: \$800K (2015) 5% Complete

- The design process has started.

Middle Arm/ Hollybridge Pier:

Approved Budget: \$1.0M (2015) 5% Complete

- The design process has started.

Capital Highlights

Community Services/Parks

The Gardens Agricultural Park:

Approved Budget: \$316K (2012) & \$1.1M (2015)

40% Complete

- City construction for Phase 1 has been partially completed along with Servicing Agreement works completed by Townline Homes in fall, 2014. Further Phase 1 works will be completed in fall, 2015.

Minoru Sports Fields Redevelopment:

Approved Budget: \$5.7M (2014)

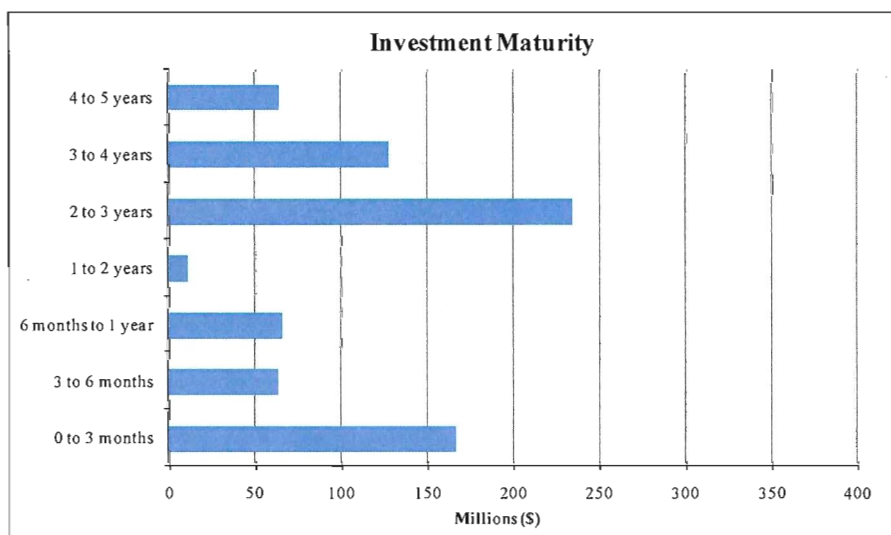
98% Complete

- Opening ceremonies for the fields were held on April 11th.
- Tennis Courts sport surfacing to be installed in May.
- Deficiency repairs are underway.

Cash and Investment Portfolio

March 31, 2015 (in 000's)

Asset Class	DBRS Long Term Rating	Issuer	Year of Maturity	Investment Cost	Weighted Average Yield to Maturity	% of Portfolio	Investment Limit (% of Portfolio)
Federal							
	AAA	Government of Canada T-Bill	< 1 year	\$ 18,641		2.23%	
	AAA	Canada Housing Trust	2016	10,149		1.22%	
		Total		\$ 28,791		3.45%	No Limit
Provincial							
	AA (low)	Ontario	2015-2017	\$ 101,651		12.18%	
	AA	British Columbia	2019	65,678		7.87%	
	AAA	Alberta	2016-2019	48,083		5.76%	
	A (high)	Quebec	2017	36,346		4.36%	
	A (high)	Manitoba	2016	12,000		1.44%	
		Total		\$ 263,758		31.61%	50%
Chartered Banks							
	AA (low)	National Bank of Canada	2018-2020	\$ 45,882		5.50%	
	AA	Royal Bank	2016-2018	43,926		5.26%	
	AA	Bank of Nova Scotia	2017	38,733		4.64%	
	AA	Bank of Montreal	2017	38,622		4.63%	
	AA	CIBC	2018	38,553		4.62%	
	AA	Wells Fargo Canada	2017	24,631		2.95%	
	AA (low)	HSBC Bank of Canada	2017	22,925		2.75%	
	A (low)	Canadian Western Bank	2016	20,000		2.40%	
	AA	TD Bank	2016	19,258		2.31%	
	AA	Scotiabank	2016	14,000		1.68%	
		Total		\$ 306,529		36.74%	50%
BC Credit Unions							
		Coast Capital Savings	< 1 Year	\$ 74,859		8.97%	
		Vancity	< 1 Year	67,856		8.13%	
		Gulf and Fraser	< 1 Year	49,689		5.96%	
		Westminster Savings	< 1 Year	20,000		2.40%	
		Total		\$ 212,404		25.46%	30%
Pooled Investments							
		MFA Pooled Investment Fund		\$ 22,856		2.74%	20%
Total Investment Portfolio Balance				\$ 834,337	1.97%	100.00%	
Total Cash & Cash Equivalents				26,516			
Total Reported Investments and Cash & Cash Equivalents				<u>\$ 860,853</u>			



Contract Awards > \$25,000
January 1st, 2015 to March 31st, 2015

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
1.	F5361 Project Management and Coordination Services for the Tempest System	Dynamic Management Solutions	\$44,000	Engineering and Public Works
2.	F5265 Hansen Licenses	Infor (Canada) Ltd	\$133,560	Engineering and Public Works
3.	5316P Supply and Install Mechanical Rooftop Units at Works Yard	Gateway Mechanical Services	\$107,351	Engineering and Public Works
4.	5363Q Alexandra District Energy Utility (ADEU) Phase 3 - Raft Slab for Building Expansion	Stuart Olson Construction Ltd	\$226,306	Engineering and Public Works
5.	5364Q ADEU Phase 3 - Mechanical Works for Interim Phase and the Polygon Building	Stuart Olson Construction Ltd	\$1,611,941	Engineering and Public Works
6.	5375Q Extreme Networks Support Renewal	Island Key Computer	\$52,680	Finance and Corporate Services
7.	5382S Annual Arc Pad Maintenance / Licence agreement	ESRI Canada	\$136,125	Finance and Corporate Services
8.	5376S Dell Server Extended Support Contract	Dell Canada	\$41,556	Finance and Corporate Services
9.	5377Q Commvault Backup Software Support Contract	CDW	\$25,400	Finance and Corporate Services
10.	5378Q Wmware ESX Vsphere Server Virtual Machine	Compugen Inc	\$31,230	Finance and Corporate Services
11.	5367S Oracle (PeopleSoft) Licence Contract Renewal	Oracle Canada ULC	\$299,102	Finance and Corporate Services
12.	5368S Open Text Licence Contract Renewal	Open Text Corporation	\$184,810	Finance and Corporate Services
13.	5369S Tempest License Contract Renewal	Tempest Development Group Inc	\$108,982	Finance and Corporate Services
14.	5319P Community Needs Assessment	City Spaces Consulting Ltd	\$75,410	Community Services
15.	5321Q Supply & Delivery of One Motor Grader with Front Bucket	PSE Equipment Ltd	\$156,141	Engineering and Public Works

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
16.	5149P Consulting service - Hansen Public Sector Asset and Work Management System V8.3 Upgrade	Infor (Canada) Ltd	\$454,630	Engineering and Public Works
17.	5298Q On Call "Boarding Up" Services for Fire-Rescue and Facilities Services	Genesis Restorations Ltd	\$40,000	Law and Community Safety
18.	5356P Pavement Management Model Update	Opus International Consultants Ltd	\$38,796	Engineering and Public Works
19.	F5365 Design and Construction Ongoing Consulting Services for ADEU Phase 3 Expansion	Corix Utilities Inc	\$61,608	Engineering and Public Works
20.	5370Q Cambie Fire Hall 3 - Preload Tender Package	Stuart Olson Construction Ltd	\$448,812	Engineering and Public Works
21.	5371Q Steveston Pool Bleacher Replacement	Colter Developments	\$27,673	Engineering and Public Works
22.	5372Q Security Services - City Centre Community Centre	Bridge (Pro-Sound) Via Ledcor Construction	\$77,872	Engineering and Public Works
23.	F5373 Supply and Delivery Portable Fences	SportaFence Marketing Enterprises LLC	\$45,900	Community Services
24.	F5374 Queen Canal Culvert Design	Kerr Wood Leidal Associates Ltd.	\$30,600	Engineering and Public Works
25.	5381S Oracle Annual Software Support Renewal	Oracle	\$37,606	Finance and Corporate Services
26.	5310 EOI - Hydro geological Consultant for the Garden City Lands	SNC-Lavalin Inc	\$47,305	Engineering and Public Works
27.	F5388 Museum Track Lighting at Japanese Fisherman's Benevolent Society Building	Norburn Lighting & Bath Via Penta Builders	\$ 37,209	Engineering and Public Works
28.	5397Q 2015 HVAC Upgrades - Design Services at Richmond Ice Centre	Bycar Engineering Ltd	\$30,250	Engineering and Public Works
29.	F5398 Chiller Overhaul at Watermania	Trane Building Services	\$ 58,676	Engineering and Public Works

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
30.	5353Q Supply and Installation at Richmond Courthouse Lighting	Energy Network Services	\$68,384	Engineering and Public Works
31.	5289P Site Remediation for 14940 Triangle Road	Golder Associates Ltd.	\$52,640	Finance and Corporate Services
32.	F5441 Flygt Submersible Pumps	Xylem Canada Company	\$53,352	Engineering and Public Works
33.	F5442 demolition of residential property at 9080 Williams Road	MWL Demolition Ltd	\$34,130	Finance and Corporate Services
34.	5413Q Soil Densification - Minoru Complex	Stuart Olson Construction Subcontract Vancouver Pile Driving	\$1,628,043	Engineering and Public Works
35.	5360Q Minoru Silver Arena Evaporative Condenser Replacement 2015	Cimco Refrigeration	\$127,680	Engineering and Public Works
36.	5248Q Supply and Delivery of 2 (Two) Mid Size Hybrid Sedans - *Only 1 unit awarded*	Metro Motors	\$26,896	Engineering and Public Works
37.	5399S Altiris Client Management Suite and support renewal	CDW	\$28,700	Finance and Corporate Services
38.	F5400 Training Services for the Corporate Performance Measurement Program (CPMP)	MNP LLP	\$60,000	Corporate Admin
39.	F5402 A Long Range Facility and Deployment plan for Richmond Fire and Richmond Police Services	University of the Fraser Valley	\$143,000	Law and Community Safety
40.	5404J Richmond Ice Centre Shower Re-Tiling	Ashton Service Group	\$26,984	Engineering and Public Works
41.	5405Q Ironwood Library - Interior Upgrades	MA Eng-Tech Construction	\$57,598	Engineering and Public Works
42.	5412Q ADEU Phase 3 - Electrical Works for Building Expansion	Stuart Olson Construction Ltd	\$54,896	Engineering and Public Works
43.	5417S Amanda Annual Support Contract Renewal	CSDC Systems Inc	\$68,608	Finance and Corporate Services
44.	5420J Works Yard Modular Site Office for the Sanitation and Recycling Department	Ashton Service Group	\$101,986	Engineering and Public Works
45.	5421J Richmond Ice Centre - Flooring Replacement - Phase 1	Ashton Service Group	\$86,072	Engineering and Public Works
46.	F5422 Design and Construction of a Concrete Stairway Adjacent to the Pacific Autism Centre	PC Urban Properties Corp	\$31,788	Engineering and Public Works
47.	F5423 Yearly Firefighter Assessment	Stefan, Fraser & Associates Inc	\$48,000	Law and Community Safety

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
48.	F5424 Logstor pre-insulated steel pipe for hot water distribution at Smart Centres site	Corix Utilities Inc	\$75,307	Engineering and Public Works
49.	5433Q South Arm Pool Showers Replacement Project	Core Plumbing and Heating Ltd.	\$26,641	Engineering and Public Works
50.	F5436 Design-build services for a children's playground feature	MacDonald & Lawrence Timber Framing Ltd	\$25,000	Community Services
51.	5437Q Steveston Net Shed - Front Entrance Upgrades - General Contracting Services	MA Eng-Tech Construction	\$54,630	Engineering and Public Works
52.	4989P Self Contained Breathing Apparatus	Guillevin International Co	\$549,523	Law and Community Safety
53.	F5450 Red Cross Lesson Supplies - Minoru Aquatic & Watermania	Canadian Red Cross	\$25,000	Law and Community Safety
54.	5451S MS Windows Server Data Centre License	SoftChoice	\$65,960	Finance and Corporate Services
55.	5452Q Proof Point Enterprise Protection - Support and Configuration	Ion Secured Networks Inc	\$28,613	Finance and Corporate Services
56.	5351P Advertising for Emergency Notification System	Flip Digital	\$50,000	Law and Community Safety