



City of Richmond

Report to Committee

To: Finance Committee

Date: November 13, 2013

From: Jerry Chong
Director, Finance

File:

Re: Financial Information – 3rd Quarter September 30, 2013

Staff Recommendation

That the staff report titled Financial Information – 3rd Quarter September 30, 2013 from the Manager of Financial Reporting be received for information.

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

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

Staff Report

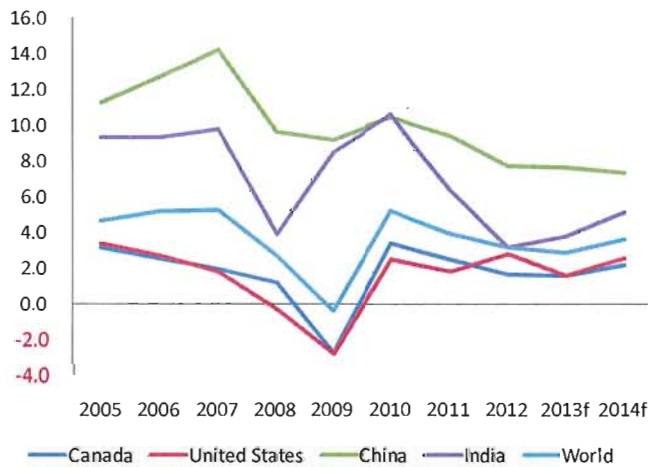
Origin

Financial information for the 3rd quarter ended September 30, 2013 is being provided to Council for review. The report provides details on the economic environment, financial results and other key indicator information.

Analysis

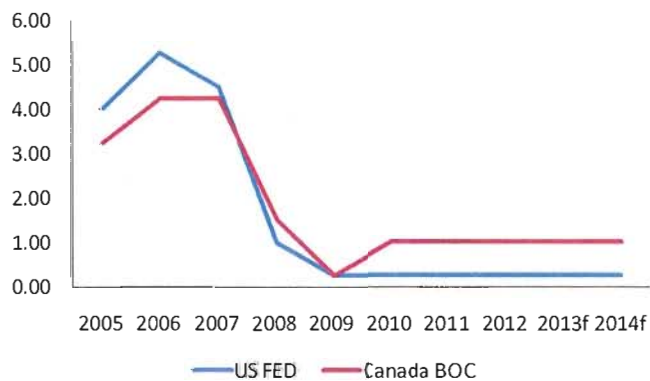
Macroeconomic Indicators & Forecast

1) Global Growth – Real GDP % Changeⁱ

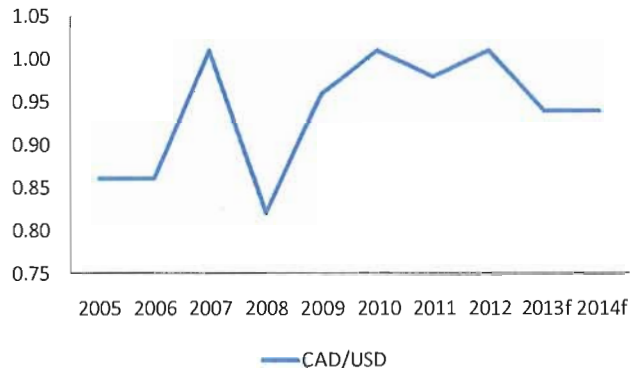


- Down to 2.9% in 2013 from 3.2% in 2012, global growth continues to be weak; risks to the forecast remain on the downside.
- In both the US and Canada, economic uncertainty continues to temper consumer and corporate spending, with a 2013 growth rate of 1.6%, lower than the 2012 Canadian rate of 1.7% and US rate of 2.8%.
- Growth in China continues its cyclical decline, falling to 7.6% in 2013 compared to 7.7% in 2012. Canada as a commodity exporter will be negatively impacted.

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

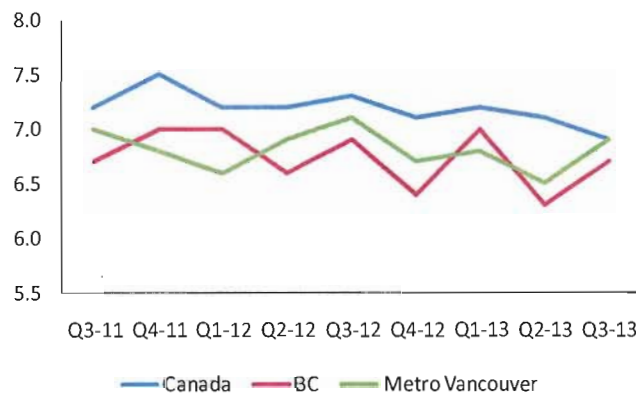


- Growing confidence in the US economy will begin exuding pressure on the Federal Reserve (FED) overnight rate; however, FED policymakers are awaiting further growth evidence into 2014 before tapering bond purchases and looking at the overnight rate.
- With a soft growth forecast for 2014, Canadian policymakers will likely await a move in the overnight rate in the US prior to changing the Bank of Canada rate.

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

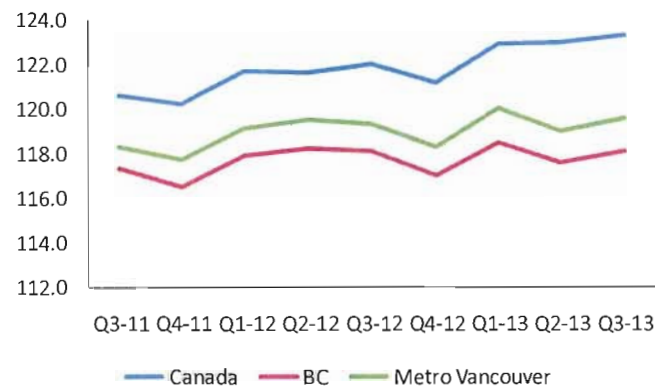
- The Canadian Dollar is expected to close out 2013 by continuing to slide against the US Dollar, having a positive impact on Canadian exporters.
- An upward trend forecast in some core commodity prices (such as oil, natural gas and lumber) is expected to cause the Loonie to gain some ground against the US Dollar but end 2014 far from parity at 0.94 US cents.

Regional & Local Economic Activity Indicators

4) Unemployment^{iv}

- While still under the national average, both BC-wide and Metro Vancouver unemployment rose, with the Metro Vancouver jobless rate catching up to the national average of 6.9% at the end of the last quarter.
- End of seasonal work may account for the rise in unemployment towards the end of Q3-2013.
- While the rate fluctuates from quarter to quarter, unemployment has been trending downwards in the last two years.

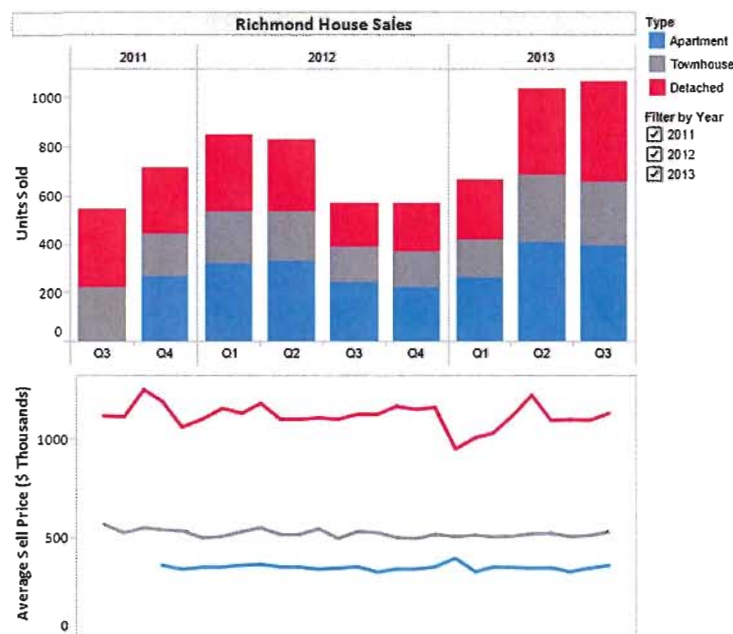
5) Consumer Price Index (CPI – 2002=100)



- A slow growth economy nationwide and in BC continues to maintain a relatively stable inflationary rate, despite recent fluctuations.
- The downward pressure on the CPI from re-introduction of the PST in Q2 has been completely absorbed in Q3 and the inflation rate has begun once again edging up following major commodity prices.

6) Housing Starts^v

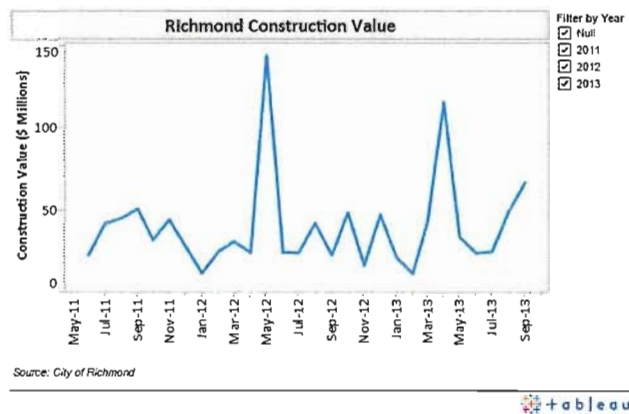
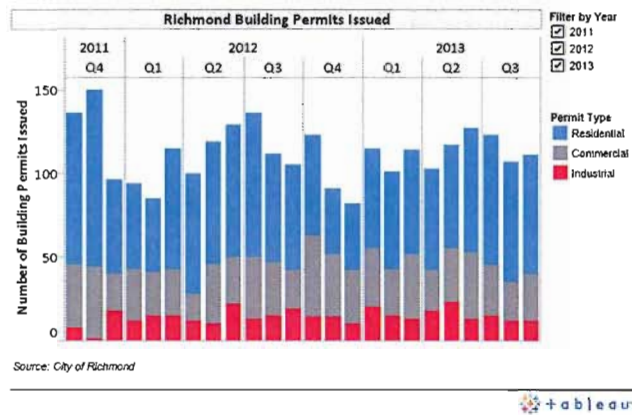
- In the third quarter of 2013, Richmond's housing starts rose 3%, while in Metro Vancouver housing starts rose by 10% in the same period.
- Year to date, a softening housing market and a slow recovery resulted in a 12% and 6% overall decline in housing starts for Richmond and Metro Vancouver, respectively.

7) House Sales & Prices – Richmond^{vi}

Source: CMHC

+ a b | e a u

- Total house sales remained strong in Q3-2013 at 1061 units sold and doubled compared to the 568 units sold in the same quarter last year.
- The recovery in detached sales in Q2 and Q3 of 2013 brought the average sales price back up, with the average detached sales price ending the quarter at \$1,130,000 compared to \$1,125,000 for Q2 of 2012. Apartments registered the highest annual price increase of 10% in Q3-2013, compared to Q3-2012.
- Upward sales activity across all types of properties and downward housing starts pressures kept overall housing prices in Richmond on an upward trend throughout 2013.

8) Building Permits – Richmond^{vii}

- The number of building permits issued in Q3 (341) remained even compared to the previous quarter (347) and slightly down from the same quarter last year (353).
- Year to date, the number of building permits issued in 2013 is slightly up compared to 2012, at 2%, due to increased activity in commercial and industrial permits earlier in the year.
- Residential permits issued in 2013 to date also rose compared to 2012, due to major developments going through – multi-unit proposals such as Mandarin Residences and Polygon-Kiwanis.
- The commercial value of all building permits was also on the rise in Q3-2013, compared to the same period last year, due to larger residential projects proceeding to the building permit stage.

9) Commercial Space^{viii}

a) Industrial Space Vacancy (%)



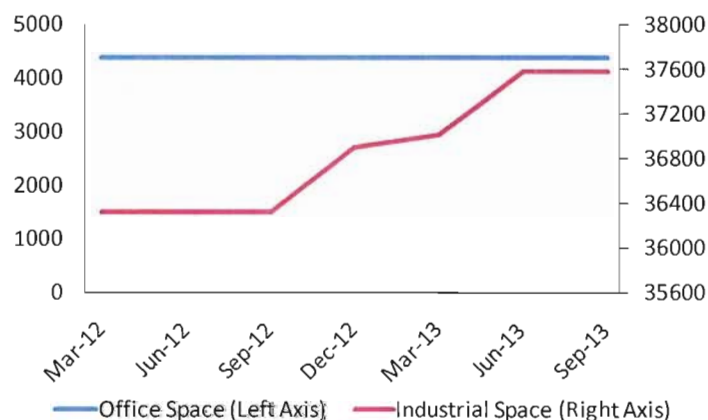
- For a second quarter in a row, Richmond industrial space vacancy rose modestly to end the quarter at 4.9%, due to large additions of industrial space in East Richmond. Activity in the local and regional markets remains high, with absorption rates catching up to offset the rise in vacancies.

b) Office Space Vacancy (%)



- Contrary to the regional trend, the vacancy rate in Richmond's office market continued to drop in Q3-2013, ending at 16.7%, compared to 20.1% the same quarter a year ago. Demand and leasing activity has been concentrated on properties located on public transit or with easy access to public transit.

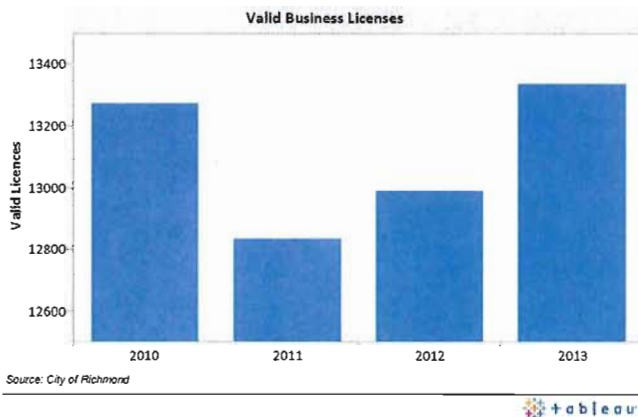
c) Commercial Space Inventory



- Despite the improvements in office space vacancies, Richmond's office space inventory remained unchanged in Q3-2013 and year to date, with no new product added to the market.
- A highly active industrial market has seen an increase in industrial space inventory, with a total of 1.3 million square feet of industrial space added since Q3-2012.

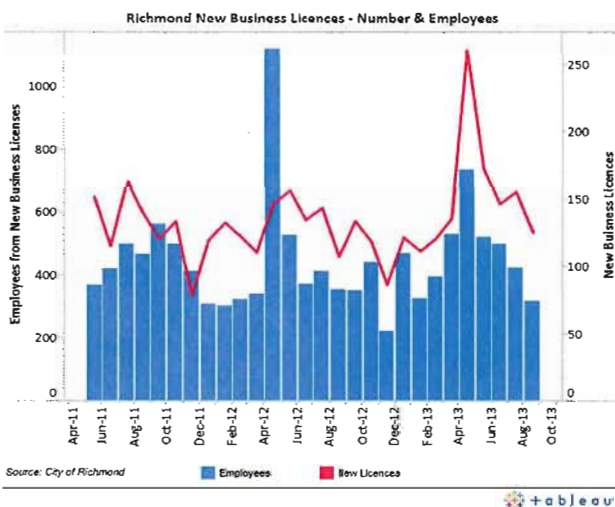
10) Business Growth – Richmond^{ix}

a) Total Valid Business Licenses

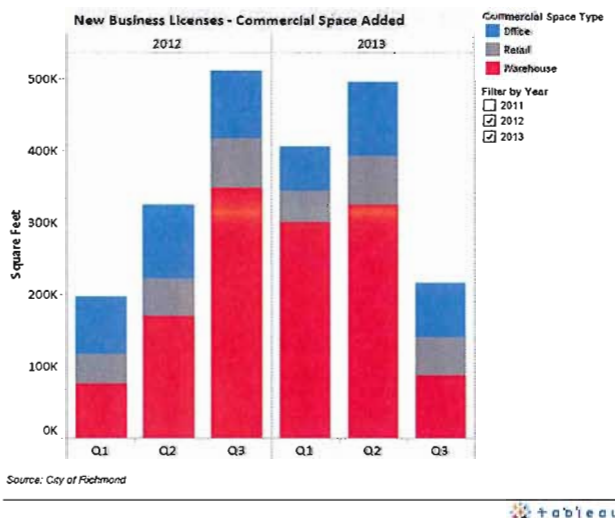


- Currently at 13,336 valid Richmond business licenses to date continue to exceed both 2012 and 2011 level, at 12,988 and 12,832, respectively.

b) New Business Licenses Issued

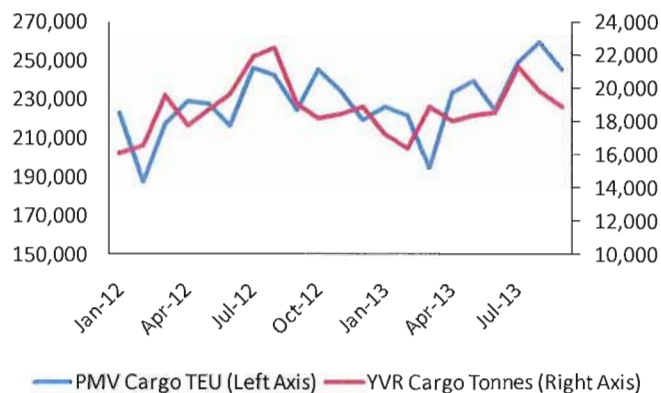


- At 426, the new business licenses issued in Q3-2013 are slightly down from Q2-2013 yet slightly up from the same quarter last year – 567 and 384, respectively. Year to date, 2013 has registered a 15% increase in new business licenses, which are currently at 1345 for 2013 and 1169 for 2012.
- At 1237, employees from new business licenses in Q3-2013 are down from Q2-2013 but slightly up from the same quarter last year – 1785 and 1135, respectively. Year to date, employment generated from new business licenses issued is 4% up, compared to last year, currently at 4211 employees for 2013 and 4050 employees for 2012.



- At 215,000 square feet, commercial space added from new business licenses issued is down in Q3-2013, compared to both Q2-2013 – 494,000 square feet – and Q3-2012 – 510,000 square feet. Year to date, however, commercial space added from new business licenses is slightly up, compared to the same period last year, with 2013 registering 1.1 million square feet of additions compared to 1.0 million square feet added in the first three quarters of 2012.

11) Goods and People Movement

a) Regional Cargo Movement^x

- Both the port and the airport continued registering an overall increase in cargo shipments in Q3-2013 (60,000 tonnes and 750,000 TEUs – twenty-foot-equivalent units, respectively), compared to the previous quarter, reaching similar levels as the same quarter last year.
- Year to date, YVR cargo tonnes shipments are slightly down from 171,644 in 2012 to 167,356 in 2013 and PMV TEUs are on par to last year at approximately 2 million.

b) Airport Passengers^{xi}

- In Q3-2013, YVR handled 5.2 million passengers, up from 4.5 million in the last quarter and from 5.0 million in the same quarter last year.
- Year to date, 13.7 million passengers went through YVR, up from 13.5 million for the same period in 2012.

c) Richmond Hotel Room Revenue^{xii}

- At \$92.1 million, Richmond hotel room revenue for 2013 for the first 7 months of 2013 is up from the \$74.4 million registered for the same 7-month period in 2012.
- Note: an error in the collection of the AHRT in 2013 has been identified by the Province of BC. It is therefore expected that spikes in individual months in 2013 will be offset through a correction in the remittances for the following months in 2013.

Details of the economic indicators are provided in Appendix 1.

Financial Indicators

There are several financial indicators that signal the viability of the City of Richmond including the operating activity, active capital projects, the cash, and investment portfolio. The operating activity shows the results of operations through the analysis of revenues and expenditures. The active capital projects details the current commitment of capital funding and future resource requirements. The cash and investment portfolio portrays the current investment mix and average yield.

Operating Activity

The anticipated surplus for December 31, 2013 is \$6.8M. This figure is forecast based on anticipated activity and may change with varying weather conditions, construction activity or other non-controllable events.

At the December 10, 2012 Council meeting, Council approved the establishment of the Rate Stabilization Account (RSA). Any arising surplus from the general fund will be transferred to the RSA to be used in future years to minimize any tax increases or to offset any one time expenditure requests.

Statement of (net revenues) expenditures

Operating Budget (000's) General Fund	Budget 2013*	Actuals September 30, 2013 **	Variance as at September 30, 2013	Projected Surplus for December 31, 2013
RCMP	\$28,948	\$25,007	\$3,941	\$2,701
Fire Rescue	22,818	21,372	1,446	1,166
Community Services	25,917	25,263	654	84
Engineering and Public Works	22,706	21,895	811	523
Finance and Corporate Services	12,556	11,292	1,264	586
Library	6,019	5,913	106	5
Planning and Development	4,555	2,344	2,211	729
Corporate Administration	5,426	4,340	1,086	417
Law and Community Safety	3,175	2,497	678	363
Fiscal	(132,120)	(148,060)	15,940	245
Total	(\$0)	(\$28,137)	\$28,137	\$6,819

* The 2013 Budget amount represents the prorated annual budget to September 30, 2013 adjusting for the timing of certain revenues and expenditures.

** The 2013 Actuals include, where applicable, accruals and estimates for revenues and expenditures.

The City of Richmond's projected 2013 surplus is \$6.8M, up from the 2012 surplus of \$3.7M. The majority of the year over year difference relates to changes within RCMP and Fire Rescue.

The following are the explanations for net expenditure variances at the departmental/divisional level:

- The RCMP is forecasted to be \$2.7M under budget mainly due to lower than expected police salaries and a reduction in the RCMP divisional administration.

- Richmond Fire Rescue is expected to have a surplus of \$1.17M due to 15 vacancies. Recruiting is currently on-going and positions are expected to be filled in the first quarter of 2014.
- Community Services was slightly under budget at the end of the 3rd quarter due to timing of contract and other operating expenditures and is expected to be on budget for year end.
- Engineering & Public Works are due to be on budget by the end of the year.
- Finance and Corporate Services has a favourable variance due to higher business licences revenue relative to budget, vacancies within the Finance Division and savings in maintenance and consulting contract costs in IT.
- Library is on budget for the 3rd quarter.
- Planning and Development has realized higher than anticipated Building Permit revenue for the 3rd quarter. The favourable variance is based on a stronger than anticipated housing market, particularly in the multi-residential applications. It is anticipated the construction activity will remain stable with the potential moderate increase in the housing market.

There is a favourable variance in development application revenue for the 3rd quarter due primarily to large servicing agreements associated with a number of substantial development applications. It is anticipated that development activity will remain relatively stable during the 4th quarter of 2013, although application submissions are anticipated to slow given the amount of new residential units that are currently being marketed for sale in the City.

- Corporate Administration has a favourable variance due mainly vacant positions.
- Law and Community Safety has a favourable variance for the 3rd quarter due to vacancies and parking program revenue exceeding budget.
- Fiscal is forecasting a moderate surplus, as better than expected results from gaming revenue and rental properties will be offset by transfers to reserves at the end of the year.

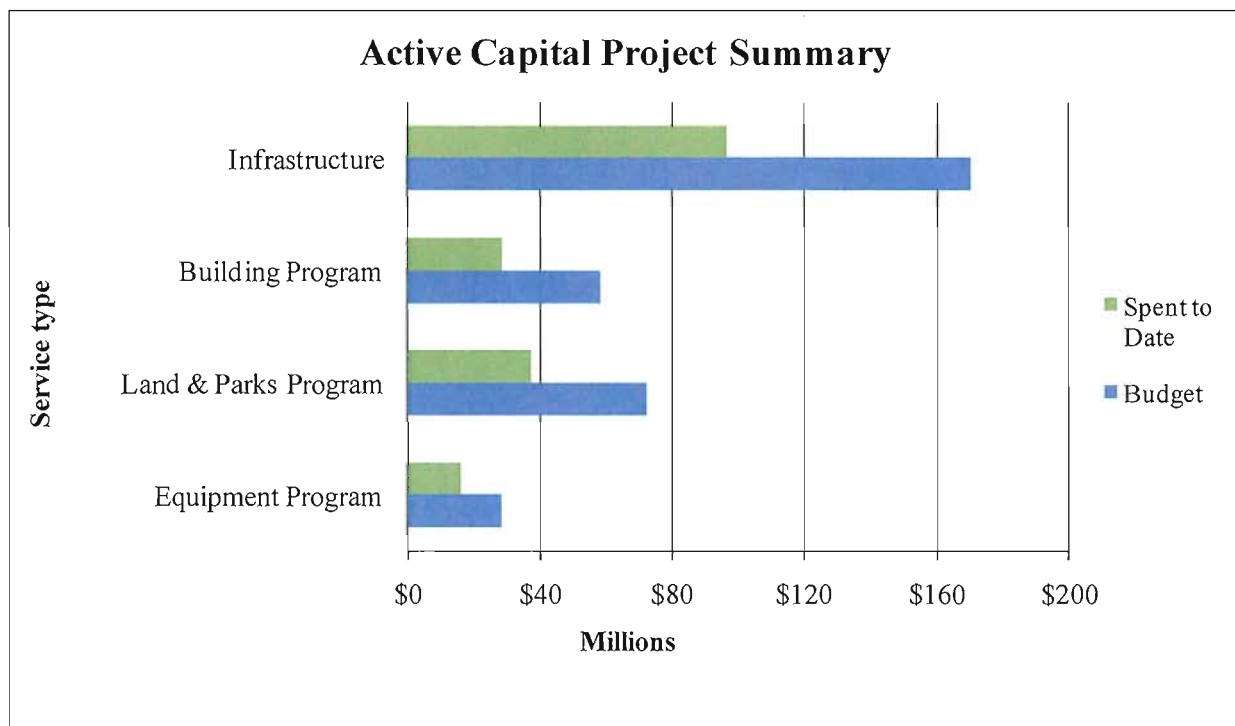
The net operating activity is the result of many revenue inputs and expenditure outputs. Key financial indicators that impact the net operating activity are provided in Appendix 2 as well as key statistical information.

Active Capital Project Summary

The 2013 Capital Budget of \$65.8M (excluding internal payment transfers and debt repayments) are included in the figures below as are amounts relating to capital projects from previous years' Capital Budgets that remain active. The current balance committed to active capital projects is \$151.5M.

Statement of Active Capital Project Expenditures in \$'000s

	Budget	Spent to Date	Committed
Infrastructure	170,474	96,491	73,983
Land & Parks Program	72,556	36,961	35,595
Building Program	58,086	28,427	29,659
Equipment Program	28,271	15,962	12,309
Grand Total	\$ 329,387	\$ 177,841	\$ 151,546



Highlights of key capital projects can be found in Appendix 3.

Cash and Investment Portfolio

The City's cash and investment portfolio on September 30, 2013 was \$744.4M, with an average yield on investment for the 3rd quarter of 1.73%. 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)

	September 30, 2013
3 Month Government of Canada T-Bills	0.98%
2 Years Government of Canada Bonds	1.21%
5 Year Government of Canada Bonds	1.89%
10 Year Government of Canada Bonds	2.57%

The global economic growth is expected to remain modest. U.S economic growth is softer than expected but is projected to pick up in 2014 and 2015. While China's economy is showing signs of momentum, a number of other emerging markets are seeing their economic growth slowing down as their financial conditions tightened. In Canada, uncertain global and domestic economic conditions led to lower economic activity than anticipated. Taking these and other factors into consideration, the Bank of Canada decided to maintain the benchmark overnight rate at 1.0% during its October 2013 interest rate announcement. It is anticipated that the interest rate environment will remain status quo for the rest of the year.

At the November 12, 2013 Council meeting, the Investment Policy (3703) was amended to enhance the portfolio distribution and investment flexibility. This will allow for the City's investment portfolio to carry a diversified investment mix with strong credit quality and at the same time 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 Committee members with information on the formal contracts awarded by the City during the 3rd quarter. During this period, 56 contracts greater than \$25,000 were awarded totalling over \$9.09M (Appendix 5).

Financial Impact

None.

Conclusion

The City of Richmond has maintained its strong financial position through the third quarter of 2013. Business activity remains strong, revenue collection is exceeding expectations and the building construction and development activity is consistent with previous years. There is a forecast surplus of \$6.8M that, once realized, will be transferred to the Rate Stabilization Account for future Council approval towards the minimization of the tax rate or one-time expenditures.



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

Economic Indicators**September 30, 2013****Macroeconomic Indicators & Forecast**

	2012	2013f	Change	2014f
1) Real GDP - % Change				
Canada	1.7	1.6	(5.9%)	2.2
United States	2.8	1.6	(42.9%)	1.6
China	7.7	7.6	(1.3%)	7.3
India	3.2	3.8	18.8%	5.1
World	3.2	2.9	(9.4%)	3.6
2) Interest Rates (at YE)				
Bank of Canada	1.00	1.00	0.00	1.00
US FED	0.25	0.25	0.00	0.25
3) Exchange Rate (at YE)				
CAD/US	1.01	0.94	(6.9%)	0.94

Regional and Local Market Indicators

4)	Unemployment (%)	Q3-2013	Q2-2013	Change	Q3-2012	Change	
	Canada	6.9	7.1	(2.8%)	7.3	(5.5%)	
	BC	6.7	6.3	6.3%	6.9	(2.9%)	
	Metro Vancouver	6.9	6.5	6.2%	7.1	(2.8%)	
5)	CPI (2002=100)	Q3-2013	Q2-2013	Change	Q3-2012	Change	
	Canada	123.3	123.0	0.2%	122.0	1.1%	
	BC	118.1	117.6	0.4%	118.1	0.0%	
	Metro Vancouver	119.6	119.0	0.5%	119.3	0.3%	
6)	Housing Starts (Units)	Q3-2013	Q3-2012	Change	YTD-2013	YTD-2012	Change
	Starts - Metro Vancouver	5,273	4,974	6.0%	13,951	14,881	(6.2%)
	Starts - Richmond	435	482	(9.8%)	1,085	1,230	(11.8%)
7)	Richmond Residential Activity	Q3-2013	Q3-2012	Change	YTD-2013	YTD-2012	Change
	Sales - Detached	408	174	134%	1,000	777	29%
	Sales - Townhouse	257	155	66%	694	581	19%
	Sales - Apartment	396	239	66%	1,064	881	21%
	Sales Total	1,061	568	87%	2,758	2,239	23%
	Average Price - Detached (\$ at QE)	1,130,000	1,125,000	0.4%	n/a	n/a	n/a
	Average Price - Townhouse (\$ at QE)	528,000	525,000	0.6%	n/a	n/a	n/a
	Average Price - Apartment (\$ at QE)	358,000	325,000	10.2%	n/a	n/a	n/a
8)	Richmond Building Permits	Q3-2013	Q3-2012	Change	YTD-2013	YTD-2012	Change
	Building Permits - Residential	221	214	3.3%	598	605	(1.2%)
	Building Permits - Commercial	81	92	(12.0%)	279	257	8.6%
	Building Permits - Industrial	39	47	(17.0%)	141	133	6.0%
	Building Permits Total	341	353	(3.4%)	1018	995	2.3%
	Construction Value (\$ million)	139.9	87.9	59.2%	387.0	345.9	11.9%

Regional and Local Market Indicators (continued)

9) Commercial Space (at QE)	Richmond			Metro Vancouver		
	Q3-2013	Q3-2012	Change	Q3-2013	Q3-2012	Change
Office Vacancy (%)	16.7	20.1	(16.9%)	8.0	7.7	3.9%
Office Inventory (000 sf)	4,359	4,359	0.0%	52,991	52,289	1.3%
Industrial Vacancy (%)	4.9	2.7	81.5%	4.2	3.5	20.0%
Industrial Inventory (000 sf)	37,564	36,307	3.5%	193,557	190,283	1.7%
10) Richmond Business Growth	Q3-2013	Q3-2012	Change	YTD-2013	YTD-2012	Change
Total Valid Business Licenses	n/a	n/a	n/a	13,336	12,988	2.7%
New Licenses - Number Issued	426	384	10.9%	1,345	1,169	15.1%
New Licenses - Employees	1,237	1,135	9.0%	4,211	4,050	4.0%
New Licenses - Office Added (sf)	75,212	93,355	(19.4%)	239,220	274,245	(12.8%)
New Licenses - Retail Added (sf)	53,122	69,596	(23.7%)	163,762	162,339	0.9%
New Licenses - Industrial Added (sf)	86,750	346,922	(75.0%)	710,763	592,325	20.0%
New Licenses Total Space Added (sf)	215,084	509,873	(57.8%)	1,113,745	1,028,909	8.2%
11) Goods & People Movement	Q3-2013	Q3-2012	Change	YTD-2013	YTD-2012	Change
YVR Air Cargo (tonnes)	60,008	63,337	(5.3%)	167,356	171,644	(2.5%)
PMV Container Movement (TEUs)	754,081	713,368	5.7%	2,093,954	2,014,098	4.0%
YVR Passengers (million)	5.2	5.0	4.0%	13.7	13.5	1.5%
Richmond Hotel Revenue (\$ million)	n/a	n/a	n/a	92.1	74.4	23.8%

Notes:

a) numbers in blue and black denote positive trends

b) numbers in red denote negative trends

c) QE indicates Quarter-End

d) YE indicates Year-End

List of Sources:

1) International Monetary Fund, World Economic Outlook (October, 2013)

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				September 30, 2013		
All \$ in 000s	Q3 2013 Jul - Sep 2013	Q3 2012 Jul - Sep 2013	% Change	Year to Date Jan-Sep 2013	Year to Date Jan-Sep 2012	% change
Development Cost Charges Income						
Roads, Water, Sewer DCC's Received	\$3,550	\$955	271.6%	\$8,814	\$6,951	26.8%
Parks DCC's Received	\$1,434	\$1,090	31.6%	\$8,152	\$9,719	(16.1%)
Total DCC Fees Received	\$4,984	\$2,046	143.7%	\$16,966	\$16,669	1.8%
Uncommitted Reserves						
DCC Reserves to date	\$47,468	\$24,279	95.5%	\$47,468	\$24,279	95.5%
Capital Funding Reserves to date	\$100,065	\$54,659	83.1%	\$100,065	\$54,659	83.1%
Affordable Housing Reserves to date	\$8,720	\$1,869	366.6%	\$8,720	\$1,869	366.6%
Other Reserves to date	\$121,071	\$78,954	53.3%	\$121,071	\$78,954	53.3%
Total Uncommitted Reserves to date	\$277,325	\$159,761	73.6%	\$277,325	\$159,761	73.6%
Taxes to date						
Taxes Collected	\$181,109	\$169,313	7.0%	\$345,281	\$330,790	4.4%
City Portion of Taxes Collected	\$88,743	\$82,963	7.0%	\$169,188	\$162,087	4.4%
Unpaid Taxes - Delinquent & Arrears	\$1,744	\$1,723	1.2%	\$1,744	\$1,723	1.2%
No. of Participants on PAWS (Pre authorized withdrawal)	6,231	6,019	3.5%	6,231	6,019	3.5%
PAWS	\$4,607	\$4,373	5.3%	\$15,695	\$14,626	7.3%
Interest Rate Paid to PAWS	1.00%	1.00%	0.0%	1.00%	1.00%	0.0%
<i>Sources: All data is from City of Richmond records</i>						
Investments						
Total Investments	\$744,441	\$632,886	17.6%	\$744,441	\$632,886	17.6%
Interest Earned on Investments						
Average City Rate of Return on Investments	1.73%	1.58%	0.15%	1.73%	1.58%	0.15%
Planning and Development						
Building Permit Fees Collected	\$1,605	\$1,347	19.1%	\$4,303	\$4,709	(8.6%)
Development Applications Received	59	54	9.3%	157	170	(7.6%)
Development Applications Fees	\$239	\$192	24.8%	\$651	\$675	(3.5%)
<i>Revenue reported for Development Applications reflects deferred revenue adjustments for 2012 & 2013</i>						
Business Licenses						
Revenue Received for Current Year Licenses	\$636	\$552	15.2%	\$3,045	\$2,900	5.0%
Revenue Received for Next Year (Deferred)	\$317	\$286	10.7%	\$567	\$512	10.7%
Total License Revenue	\$952	\$838	13.6%	\$3,612	\$3,412	5.8%
<i>Year to date valid licenses and revenue include current year licenses issued in the prior year.</i>						
Other Revenues						
Parking Program Revenue	\$505	\$454	11.3%	\$1,474	\$1,226	20.3%
Gaming Revenue	\$4,484	\$3,675	22.0%	\$13,640	\$11,980	13.9%
Traffic Fine Revenue to date	\$1,118	\$352	217.7%	\$1,512	\$1,534	(1.4%)

KEY INDICATORS				September 30, 2013		
All \$ in 000s	Q3 2013 Jul - Sep 2013	Q3 2012 Jul - Sep 2013	% Change	Year to Date Jan-Sep 2013	Year to Date Jan-Sep 2012	% change
Employees						
Number of City Employees (City and Library)	1,939	1,899	2.1%	1,939	1,899	2.1%
Fire Rescue Responses	2,554	2,534	0.8%	7,139	7,080	0.8%
RCMP - Calls for Service Handled	18,898	18,268	3.4%	52,476	53,432	(1.8%)
Affordable Housing						
Unspent Funds Allocated to Capital Projects to date	\$11,071	\$10,442	6.0%	\$11,071	\$10,448	6.0%
*Note that the reduction in units relates to Affordable Housing value transfers that were originally included in the inventory figure						
Sources: All data is from City of Richmond records						
Richmond Population Estimate Year End**	2013		205,133			
**Note: BC Stats Population figures	2012		201,471			

Capital Project Highlights

Infrastructure Highlights:

Westminster Hwy: Nelson Rd. to McMillan Way – Widening Westminster Hwy:

- Approved Budget: \$10.4M (2011)
- *25% Complete*
- Preload works are continuing. The main road construction contract has been awarded, and will commence once the preload settlement is complete.

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

- Approved Budget: \$4.1M (2011)
- *Design Complete*
- The main road construction contract has been awarded. Property approvals are being finalized, and the start of construction is expected in the November/December timeframe.

Asphalt Re-paving Program (MRN and Non-MRN):

- Approved Budget: \$3.9M (2013)
- *75% Complete*
- This project consists of the repaving of the City's roads in order to minimize the overall life cycle cost of the road network.

No. 1 Road Drainage Pump Station:

- Approved Budget: \$3.45M (2010)
- *99% Complete*
- The pump station is fully operational. The architectural feature panels are being finalized, with installation scheduled for December.

Steveston Drainage Area Replacement and Upgrades – Williams Road West Drainage Pump Station Upgrade:

- Approved Budget: \$2.0M (2011)
- *98% Complete*
- This project has been substantially completed, including installation of a water bottle filling station. The architectural screen panels are being fabricated, with installation scheduled for December.

No. 6 Road Widening:

- Approved Budget: \$1.7M (2011)
- *Design Complete*
- The construction tender is closing in November, with the start of construction scheduled for December.

Building Highlights:

Interurban Tram Structure:

- Approved Budget: \$1.9M (2010)
- *100% Complete*
- Construction of the new structure which will house the Interurban Tram Car in Steveston Park is complete as of March 2013. The Interurban Tram Car 1220 has been moved into the building. The building will permit the restoration of the Tram Car as well as viewing by the public.

Hamilton Childcare Centre:

- Approved Budget: \$1.8M (Land value \$480K) (2010)
- *30% Complete*
- As part of the development application by TransLink, land and funding was received to design and build a facility for childcare services. The Building Permit has been issued and the Contractor, Pro Can Construction Group, is currently working on site servicing and building foundations. There is a Servicing Agreement in process with TransLink to complete frontage improvements. Completion is scheduled for summer 2014 to accommodate the child care provider's needs.

Britannia Heritage Shipyards – Seine Net Loft:

- Approved Budget: \$1.2M (2010)
- *100% Complete*
- The Seine Net Loft design was finalized with the Building Advisory Committee. The heritage restoration and life safety upgrade project started in early 2013. Construction was substantially complete in September, 2013 and the City has already hosted several community events in the building.

Community Services / Parks Highlights:

Railway Greenway:

- Approved Budget: \$2.2M (2013)
- *90% Complete*
- The major trail construction work is completed. Work is proceeding on intersection improvements and the Branscombe House site with completion expected in December 2013.

Terra Nova Heritage Building Restorations:

- Approved Budget: \$2.0M (2005)
- *75% Complete*
- Construction in progress at the Cannery Store, Cannery House & the Edwardian Cottage.

Terra Nova Play Environment:

- Approved Budget: \$1.0M (2012)
- *50% Complete*
- Construction is underway with the play environment base preparations and play box installations. Play equipment have been ordered and will be installed later in the fall. Construction is expected to be complete by year end.

Oval West Waterfront Park:

- Approved Budget: \$850K (2012)
- *70% Complete*
- Tender process completed and awarded to Wilco Construction for development of the waterfront park adjacent to the Richmond Oval. Construction is underway and expected to be completed by December.

Britannia Heritage Shipyards, Boardwalks Restoration:

- Approved Budget: \$100K (2013)
- *75% Complete*
- Construction is underway for the replacement of the timber boardwalks along the main trail of the heritage shipyards site.

Garden City Community Park:

- Approved Budget: \$500K (2012)
- *20% Complete*
- Design Completed. Excavation and rough grading preparations are underway at this new bike park location.

The Gardens Agricultural Park:

- Approved Budget: \$316K (2012)
- *10% Complete*
- City construction of parks works for Phase 1 will be coordinated with works to be completed under a Servicing Agreement with Townline Homes. Construction of the Servicing Agreement works is scheduled to begin in November 2013 and completed by the end of the year.

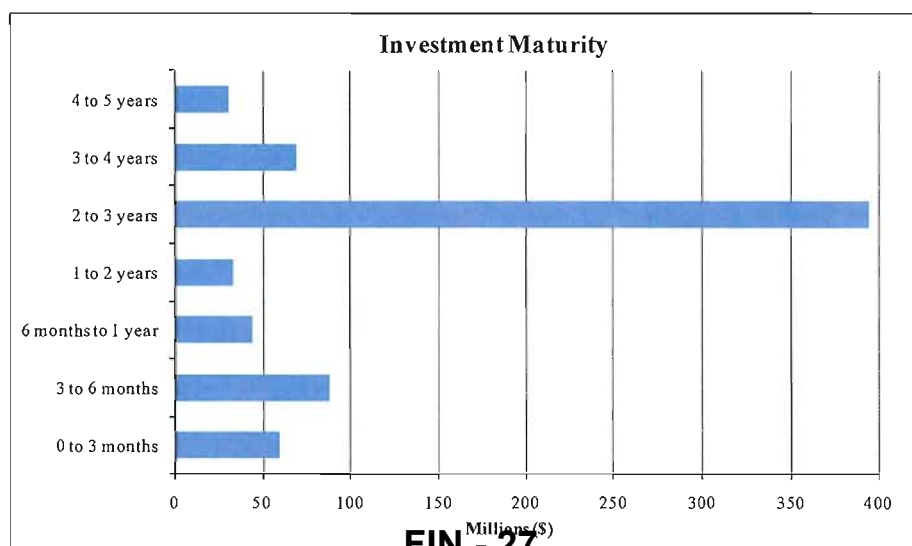
Thompson Youth Park, Phase 3:

- Approved Budget: \$300K (2013)
- *5% Complete*
- Design for the third phase began in October with construction expected to begin in the Spring of 2014.

Cash and Investment Portfolio

September 30, 2013 (in 000's)

Issuer	Amount	% of Portfolio
Federal Government and Federal Crown Corporations		
Canadian Mortgage and Housing Corporation	\$ 373,714	50.20%
Government of Canada	\$ 14,167	1.90%
Total	\$ 387,881	52.10%
Provincial Governments and Provincial Crown Corporations		
Province of Ontario	\$ 105,947	14.23%
Province of New Brunswick	\$ 23,995	3.22%
Financement Quebec	\$ 21,089	2.83%
Total	\$ 151,031	20.29%
Schedule I Banks		
TD Financial	\$ 23,614	3.17%
Scotia Bank	\$ 22,585	3.03%
Royal Bank	\$ 15,706	2.11%
Canadian Western Bank	\$ 10,000	1.34%
CIBC	\$ 8,991	1.21%
Bank of Montreal	\$ 5,135	0.69%
Total	\$ 86,031	11.56%
Credit Unions		
Vancity Savings Credit Union	\$ 29,765	4.00%
Gulf & Fraser Financial Group	\$ 29,099	3.91%
Coast Capital Savings	\$ 10,337	1.39%
Total	\$ 69,201	9.30%
Pooled Investments		
Municipal Finance Authority	\$ 21,904	2.94%
Total	\$ 21,904	0
Total Investments	\$ 716,048	
Total Cash & Cash Equivalents	\$ 28,392	3.81%
Total Reported Investments and Cash & Cash Equivalents	\$ 744,440	



Contract Awards > \$25,000
July 1st, 2013 to September 30th, 2013

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Department</i>
1.	4785 T - General Contractor for the construction of Hamilton Child Daycare Facility	Pro-Can Construction Group	\$1,330,000	Engineering & Public Works
2.	4790 P - Caretaker for Richmond Compost and Waterwise Demonstration Gardens and Workshop Instructor for Composting and Waterwise Gardening	Urban Agriculture Consulting Inc	\$122,949	Engineering & Public Works
3.	4792 Q - Security Services - City Hall	Premier Security Inc.	\$141,050	Engineering & Public Works
4.	4793 P - 2013 Sanitary Design Services for Bennett pump station, Acheson force main and Hazelbridge gravity sewer.	Opus Dayton Knight Consultants Ltd.	\$212,512	Engineering & Public Works
5.	4794 P - Bath Slough Drainage Pump Station Upgrade	Opus Dayton Knight Consultants Ltd.	\$346,505	Engineering & Public Works
6.	4804 Q - Supply and Delivery of Two (2) Portable Changeable Message Sign Trailers	Roadway Traffic Products	\$62,500	Engineering & Public Works
7.	4805 Q - Supply and delivery of Vacuum Street Sweeper	Vimar Equipment Ltd	\$247,951	Engineering & Public Works
8.	4821 T - Voyageur Way and Simpson Road Watermain Construction	Sandpiper Contracting LLP	\$471,149	Engineering & Public Works
9.	4839 Q - General Contractor for Watermania 2013 Capital Project	Smith Bros and Wilson	\$836,200	Engineering & Public Works
10.	4840 Q - Exterior Re-Painting of Facilities 2013	Combined Painting and Westcan Painting	\$46,764.91 Combined \$23,062 Westcan	Engineering & Public Works
11.	4852 P - Design Build Services for Playground Upgrades	Habitat Systems Inc	\$285,478	Community Services
12.	4859 P - Engineering Design Services for Multi-Family Water Metering	Delcan Corporation	\$100,000	Engineering & Public Works
13.	4868 Q - Supply and Delivery of One (1) Minivan	Dams Ford Lincoln Sales	\$26,355	Engineering & Public Works
14.	4869 Q - Supply and Delivery of one (1) 3/4 ton crew cab pick up	Carter Chevrolet Cadillac Buick GMC	\$31,065	Engineering & Public Works
15.	4871 Q - Supply and Delivery of one (1) Mobile Wheel Contact Lifting System	West Vac Industrial Ltd	\$62,250	Engineering & Public Works
16.	4872 Q - Supply and Delivery of One Mini Van	Dams Ford Lincoln Sales	\$29,720	Engineering & Public Works
17.	4877 EOI - Hansen Upgrade-Works Yard	Dexter Consultants	\$60,000	Engineering & Public Works
18.	4878 Q - Oval Way Road Widening RFQ	Hexcel Construction Ltd.	\$67,363	Engineering & Public Works

Contract Awards > \$25,000
July 1st, 2013 to September 30th, 2013

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Department</i>
19.	4881 P - Design-Build Services for Hamilton Community Park	RecTec Industries	\$104,185	Community Services
20.	4885 Q - Supply and Delivery of Four (4) 3/4 Ton Crew Cab Trucks	Dueck Richmond GM	\$177,419	Engineering & Public Works
21.	4889 Q - Replacement of Movable Partitions at Steveston Community Centre and Japanese Culture Centre	Richelieu Building Specialities	\$73,656	Engineering & Public Works
22.	4951 J - JOC PW2012.11.1 - Install 6" water meter in underground chamber at 8080 Bennett Rd, as part of Multi-Family Water Meter Program	Ashton Service Group	\$36,768	Engineering & Public Works
23.	4954 F - Remount the production known as 'Salmon Row' in the summer of 2013	Mortal Coil Performance Society	\$100,000	Community Services
24.	4955 F - Consulting services for the Lansdowne Village West Blocks Transformation Project	IBI Group	\$50,000	Community Services
25.	4958 EOI - Custom Design and build playground equipment for Terra Nova Rural Park Play Environment	LMN23	\$500,000	Community Services
26.	4959 F - Vertical wheelchair lift for 4033 Stolberg Road, West Cambie Childcare	Garaventa Lift Ltd.	\$27,950	Engineering & Public Works
27.	4964 Q - Supply and Installation of New Lighting Dimmer and Track System at the Richmond Art Gallery	PVL Projects	\$75,274	Engineering & Public Works
28.	4968 EOI - Delivery of advanced lifesaving, lifeguarding, instructional, first aid and re-certification courses, as well as staff in-service training components	LIT Aquatics	\$254,432	Community Services
29.	4969 F - West Rmd Community Centre building envelope repair - roof membrane	Stuart Olson Dominion Construction Ltd	\$254,432	Engineering & Public Works
30.	4970 F - West Richmond Community Centre Building improvement 2013- Gym Flooring	Stuart Olson Dominion Construction Ltd	\$56,975	Engineering & Public Works
31.	4971 F - West Richmond Community Centre Building Envelope Repair - scaffolding	Stuart Olson Dominion Construction Ltd	\$94,000	Engineering & Public Works
32.	4972 F - Design services for new bike terrain park at Garden City Community Park.	Hoots Bicycle Accessories	\$96,615	Community Services
33.	4975 Q - ROO Phase 3 - Mezzanine Infill - Glazing	Stuart Olson Dominion Construction Ltd	\$53,902	Engineering & Public Works
34.	4980 F - Britannia Heritage Shipyard - Life safety Upgrade including seismic upgrade, fire protection and monitoring	Penta Builders Group	\$72,000	Engineering & Public Works

Contract Awards > \$25,000
July 1st, 2013 to September 30th, 2013

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Department</i>
35.	4981 Q - ROO Phase 3 - Mezzanine Infill - Structural Steel	Stuart Olson Dominion Construction Ltd	\$289,788	Engineering & Public Works
36.	4982 Q - ROO Phase 3 - Mezzanine Infill - Scaffolding	Matakana Scaffolding	\$48,734	Engineering & Public Works
37.	4985 Q - West Richmond Community Centre Building Envelope Repair - stucco	Stuart Olson Dominion Construction Ltd	\$363,975	Engineering & Public Works
38.	4986 Q - West Richmond Community Centre Building Envelope Repair - External Windows/Doors	Stuart Olson Dominion Construction Ltd	\$363,975	Engineering & Public Works
39.	4987 Q - West Richmond Community Center - Building envelope repair	Stuart Olson Dominion Construction Ltd	\$112,463	Engineering & Public Works
40.	4988 EOI - PeopleSoft Financials and Supply Chain Management Release 9.0 functional Consultant	Beyond tech solutions	\$67,600	Finance and Corporate Services
41.	4989 F - SA10 - 542184 - 10266 and 10288 River Drive - New sanitary service connections to remove pot to pot connections	Performance Contracting Ltd.	\$26,030	Engineering & Public Works
42.	5003 F - ROO Phase 3 - Mezzanine Infill - Drywall	Stuart Olson Dominion Construction Ltd.	\$68,221	Engineering & Public Works
43.	5007 F - Minoru Chapel - Heritage Plan, Structural Assessment and Updated Statement of Significance	The Andrews Architects Inc.	\$25,000	Engineering & Public Works
44.	5008 F - Supply of lights and fixtures for exterior re-lamping project	Commercial Lighting Products	\$62,761	Engineering & Public Works
45.	5009 F - Labour for installation/replacement of lights and fixtures for City Hall re-lamping project including fixtures beyond repair	Sparky Electric	\$57,682	Engineering & Public Works
46.	5010 F - West Richmond Community Centre Building Envelope Repair - External Drywall	Stuart Olson Dominion Construction Ltd	\$330,281	Engineering & Public Works
47.	5011 F - ROO Phase 3 - Mezzanine Infill - Electrical	Stuart Olson Dominion Construction Ltd	\$133,034	Engineering & Public Works
48.	5012 F - Priority Management Working Smart with MS Outlook Training	Priority Management Systems (Canada)	\$30,000	Human Resources
49.	5014 F - Aquatic Centre/Older Adults Centre Sitting Feasibility and Analysis	Hughes Condon Marler	\$30,000	Engineering & Public Works
50.	5015 J - JOC PD2013.05 Emergency replacement of failed evaporative condenser at Richmond Ice Centre	Ashton Service Group	\$235,171	Engineering & Public Works

Contract Awards > \$25,000
July 1st, 2013 to September 30th, 2013

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Department</i>
51.	5016B F - Hydro Seeding	Terrasol Environment Inc.	\$39,350	Community Services
52.	5018 F - Performance Objects System Renewal	Performance Objects	\$28,500	Human Resources
53.	5019 F - Elevator hoist way construction	IDR Commercial Construction	\$37,302	Engineering & Public Works
54.	5020 F - Landscape Architectural Services for the Gardens Agricultural Park - Phase 1	R. Kim Perry & Associates Inc	\$34,565	Community Services
55.	5021 J - JOC PW2013.16.01 - install 6" water meter in underground chamber at 3031 Williams Rd, as part of Multi-Family Water Meter Program	Ashton Service Group	\$43,804	Engineering & Public Works
56.	5024 F - ROO Phase 3 - Mezzanine Infill - Mechanical	Stuart Olson Dominion Construction Ltd	\$132,063	Engineering & Public Works

ⁱ International Monetary Fund, World Economic Outlook (October, 2013)

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

ⁱⁱⁱ Bank of Canada

^{iv} Statistics Canada

^v CMHC

^{vi} Real Estate Board of Greater Vancouver

^{vii} City of Richmond Building Permits

^{viii} Cushman & Wakefield Office and Industrial Market Beat Reports

^{ix} City of Richmond Business Licenses

^x YVR & PMV Monthly Cargo Statistics

^{xi} YVR Monthly Statistics

^{xii} 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 to have a 2-month lag.