



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** February 6, 2015

**From:** Jerry Chong  
Director, Finance

**File:**

**Re:** Financial Information – 4<sup>th</sup> Quarter December 31, 2014

### Staff Recommendation

That the staff report titled, Financial Information – 4<sup>th</sup> Quarter December 31, 2014, from the Director, Finance be received for information.

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

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
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 checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Recreation Services	<input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

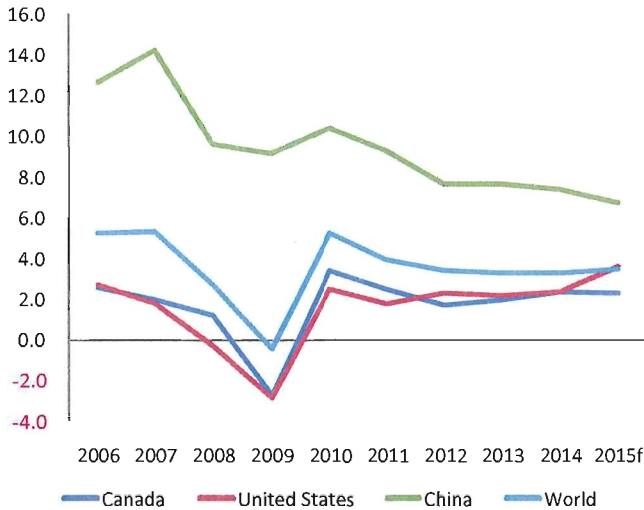
**Origin**

Financial information for the 4<sup>th</sup> quarter (ended on December 31, 2014) 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**

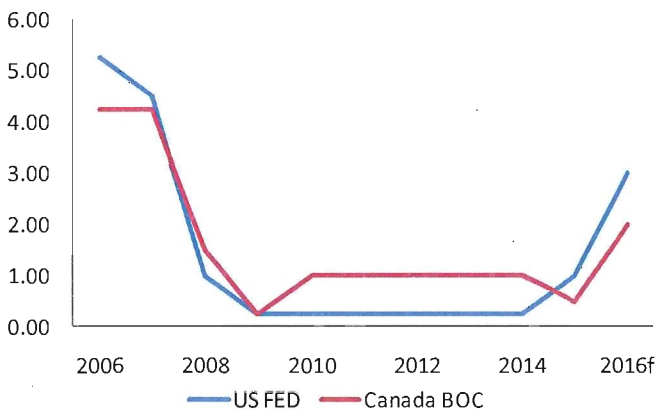
Macroeconomic Indicators & Forecast

1) Global Growth – Real GDP % Change <sup>1</sup>



- The global growth forecast for the next two years was revised slightly down in Q4-2014, to 3.5% in 2015 and 3.7% in 2016, as growth forecasts for developing economies and the Euro Zone were reassessed.
- Plummeting oil prices in the second half of 2014 resulted in boosts to the growth forecasts for advanced economies, with the US being the biggest beneficiary.
- Canadian growth projections were mostly unchanged, as non-energy exports and domestic consumption are expected to offset a slowdown in economic activity due to trouble in the tar sands.

2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year-End <sup>2</sup>

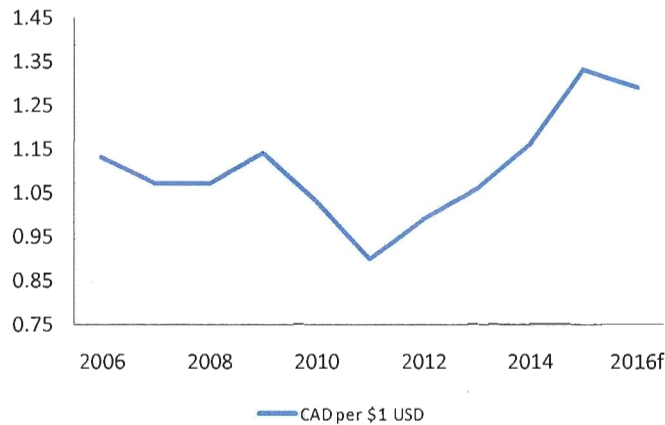


- In a surprise move in January 2015, the Bank of Canada dropped the overnight rate by 0.25 points and the forecast is for the rate to go further down in 2015 before a gradual adjustment back to 2% in 2016.
- As the US economy accelerates through 2015, the US overnight rate is also expected to climb through 2016.
- Both rates are projected to climb faster in 2016 than previously estimated to curb inflationary and currency pressures.

<sup>1</sup> International Monetary Fund, World Economic Outlook (January 2015)

<sup>2</sup> US Federal Reserve, Bank of Canada and Royal Bank Research

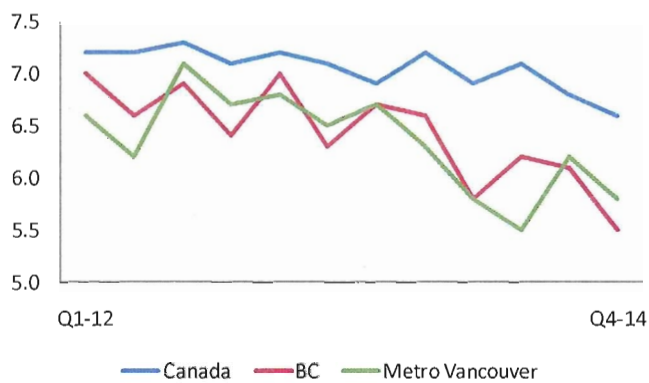
3) Exchange Rates – CAD/USD at Year-End <sup>3</sup>



- The sharp drop in oil prices and the Bank of Canada’s interest rate adjustment in January have sent the Loonie spiraling down against the US dollar.
- In January 2015, the Canadian dollar fell down to 75 cents and currently sits at 80 cents US. Some forecasts call for a Loonie as low as 60 cents US in 2015 before it begins to gradually appreciate in 2016, as US monetary policy tightens.

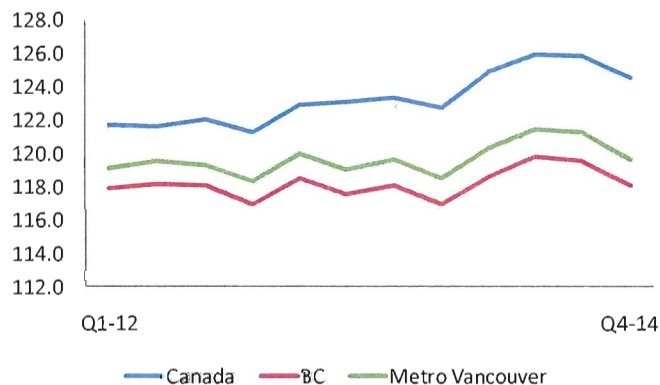
Regional & Local Economic Activity Indicators

4) Unemployment <sup>4</sup>



- At 6.6% in December 2014, the Canadian unemployment rate fell to its lowest level yet since December 2008.
- The BC labour market will also continue to drop, as inter-provincial in-migration is expected to send trades from Alberta back to BC.
- Metro Vancouver employment will also continue to grow, as local sectors are forecast to undergo an expansionary period.

5) Consumer Price Index (CPI – 2002=100) <sup>4</sup>

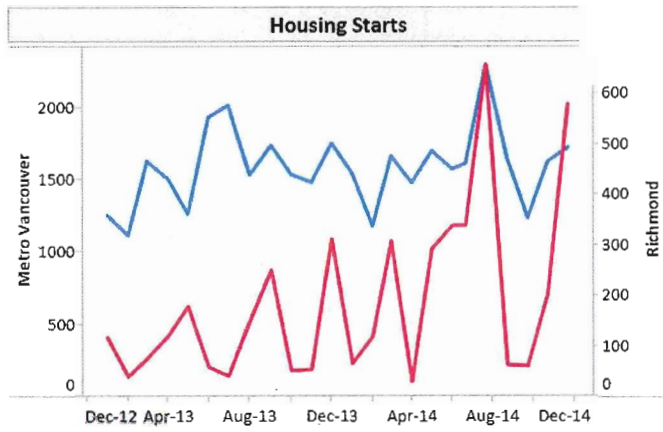


- All of the Canadian, BC and Metro Vancouver consumer price indices (CPI) fell even further in Q4 2014 due to the continued fall in world oil prices – a core driver of inflation.
- The Bank of Canada’s concerns over deflationary pressures led to a lowering of the overnight interest rate in January.

<sup>3</sup> Bank of Canada

<sup>4</sup> Statistics Canada

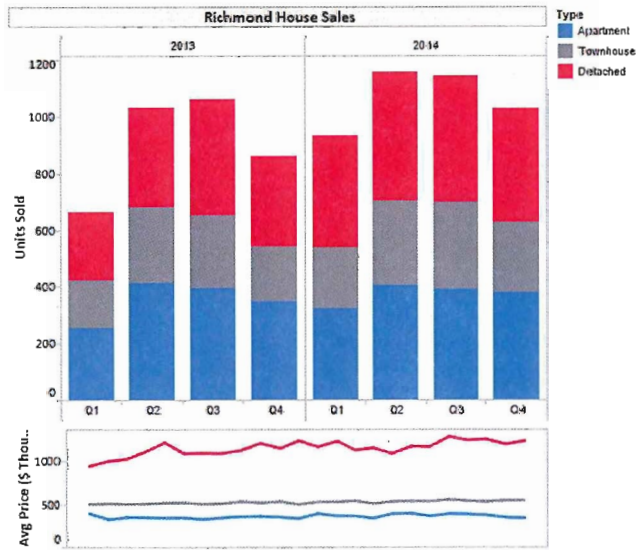
6) Housing Starts<sup>5</sup>



Source: CMHC

- For a second consecutive quarter, Richmond’s housing starts in Q4 2014 more than doubled, ending the quarter at 838 starts versus 412 in the same quarter last year.
- Unlike the rest of Metro Vancouver where housing starts for 2014 rose by 2.7% compared to 2013, Richmond housing starts more than doubled, ending 2014 at 112.8% higher than 2013.
- 2012 was a record year for development applications and projects approved then entered construction in 2014.

7) House Sales & Prices – Richmond<sup>6</sup>



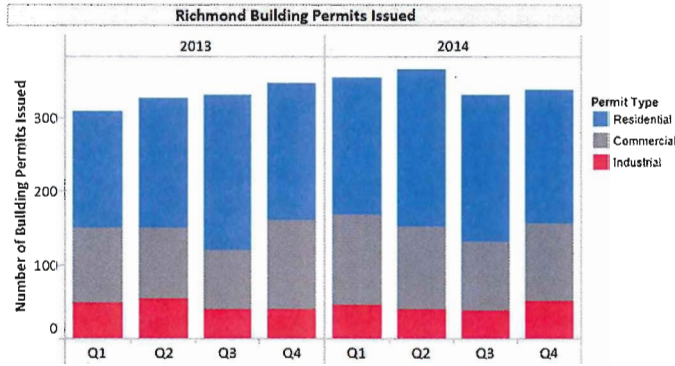
Source: CMHC & REBGV

- House sales in Q4 2014 continued to outperform over the same period in 2013. Notably, the trend of increasing sales of detached homes from the previous quarter continued, up by 28.5% in 2014 compared to 2013. Townhouse sales registered a 20.3% increase and apartment sales registered a 6.3% growth in sales in 2014 compared to last year.
- Prices of detached homes ended the year at the same levels as 2013. Townhouses were priced 9.8% up in 2014 and apartments were comparable to last year.

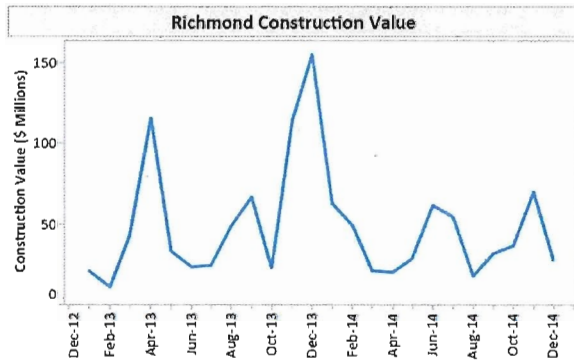
<sup>5</sup> CMHC

<sup>6</sup> Real Estate Board of Greater Vancouver  
4497471

8) Building Permits – Richmond <sup>7</sup>



Source: City of Richmond

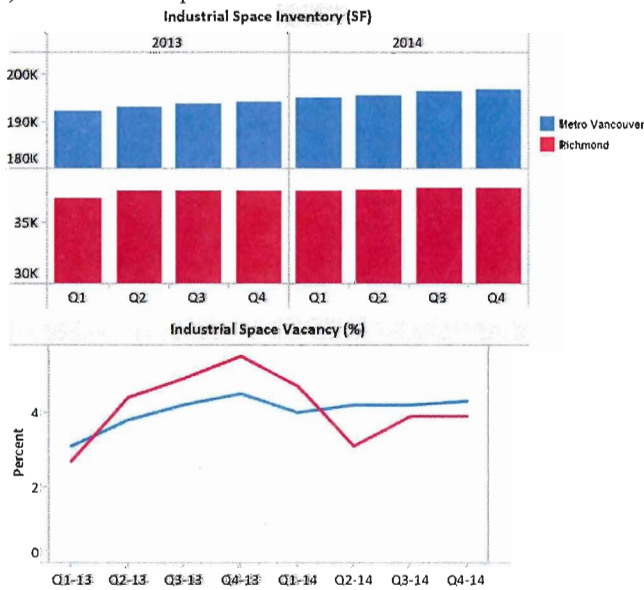


Source: City of Richmond

- Total building permits issued in Q4 2014 were 4.9% up compared to the same period in 2013, with industrial permits leading the trend.
- Overall for the year, residential permits grew by 6.8% and commercial permits were up by 8.2%. Industrial permits ended 2014 slightly down by 3.3% compared to 2013.
- Construction value dropped significantly by 54% in Q4 2014, compared to the same quarter last year.
- Overall, construction value of 2014 building permits was 29% down compared to 2013 – a sign of slowing development activity in Richmond compared to the previous year. However, the amount is comparable to 2012.

9) Commercial Space <sup>8</sup>

a) Industrial Space



Source: Cushman & Wakefield

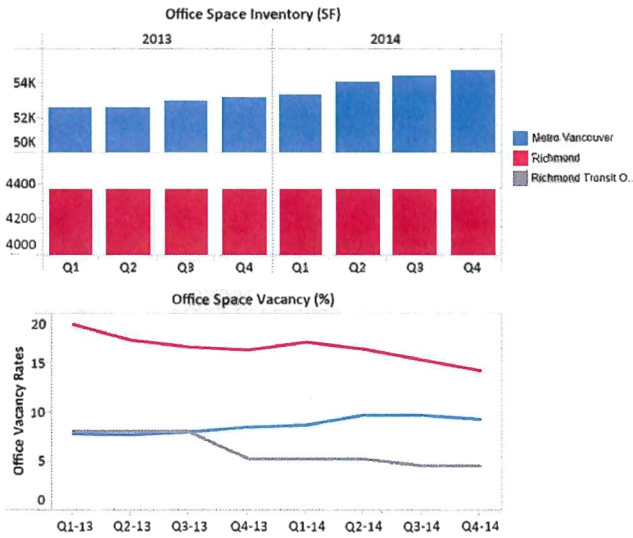
- Industrial space continues to be scarce in Richmond, with only a small growth in inventory since the end of 2013, at 0.6%. Total industrial inventory in Richmond remains at 37 million square feet – approximately 20% of all Metro Vancouver industrial inventory.
- Continued absorption resulted in a substantial decrease in the vacancy rate for industrial space from 5.5% at the end of 2013, down 30% for the year to 3.9% at the end of 2014.
- Industrial space continues to be in high demand and industrial space rental rates continue to be at a premium both in Richmond and in the region, with available space for development continuously shrinking.

<sup>7</sup> City of Richmond Building Permits

<sup>8</sup> Cushman & Wakefield Office and Industrial Market Beat Reports 4497471



b) Office Space

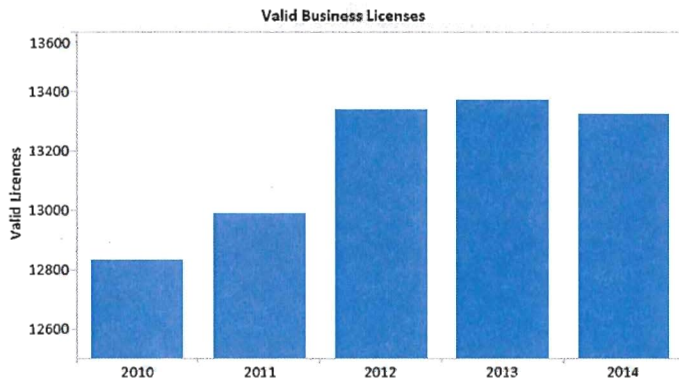


Source: Cushman & Wakefield

- Richmond’s overall office vacancy rate continued to drop in Q4 2014, ending at 14.3%, nearly 2 % down from the same time the previous year.
- At 4.6%, transit-oriented office space vacancy continued to be scarce and well below the overall Metro Vancouver rate which is 11.2%. It is down from 5.3% at the same time the previous year.
- 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 – Richmond<sup>9</sup>

a) Total Valid Business Licenses

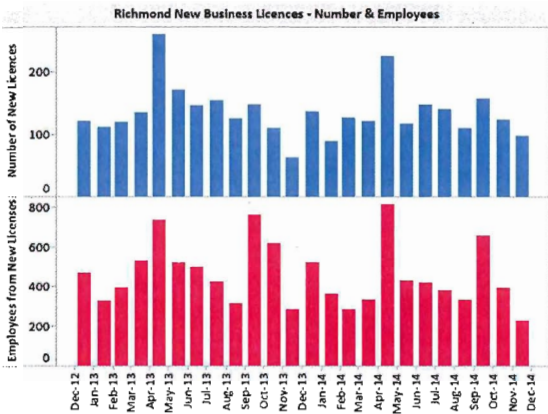


Source: City of Richmond

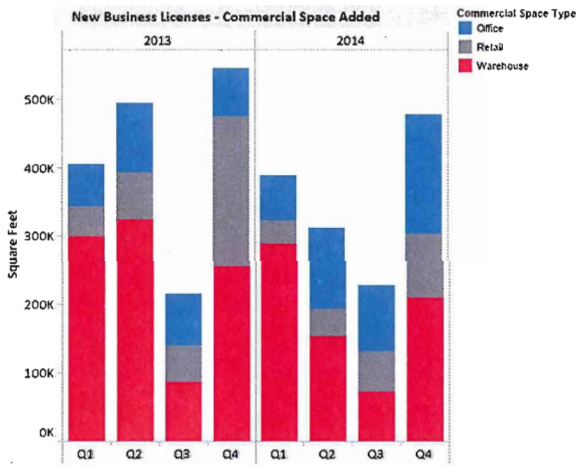
- Valid business licenses ended 2014 at 13,322, down a marginal 0.4% compared to 2013.
- The Inter-municipal Mobile Business License program is partially responsible for the reduction in 2014 licenses, with revenues registering an increase due to growing compliance by resident businesses.

<sup>9</sup> City of Richmond Business Licenses  
4497471

b) New Business Licenses Issued



Source: City of Richmond



Source: City of Richmond

- There were 379 licenses issued in Q4-2014, up 18% compared to the same period last year. For the year, new licenses were down by 4% in 2014 compared to 2013.

- New licenses registered 1,274 employees in Q4-2014, down 23% from the same quarter last year. Employment from new licenses in 2014 is 12% down compared to 2013.

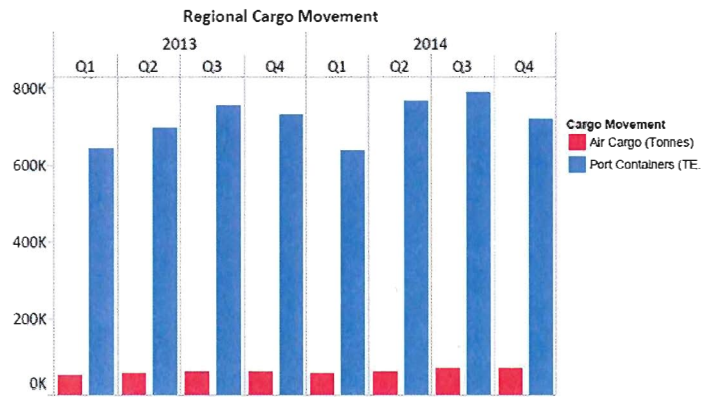
- Fewer new licensees occupied relatively larger amounts of commercial space, with commercial space added through new licenses growing by 24% in Q4 2014, compared to Q4 2013.

- Of note is the growth in office space use, with new licensees leasing 150% more office space compared to Q4 in 2013. For the year, new licenses reporting office space leased were up by 47% (this corresponds to the continued decrease in office space vacancies reported over the last year) while new licenses from commercial and industrial leases were down by 41% and 25%.

11) Goods and People Movement

a) Regional Cargo Movement<sup>10</sup>

<sup>10</sup> YVR & PMV Monthly Cargo Statistics  
4497471



Source: Vancouver Airport Authority, Port Metro Vancouver

- Airport cargo was up by nearly 16% and port cargo was slightly down by 1.5% in Q4 2014 compared to the same period the previous year.
- PMV cargo growth for 2014 was on par with the port’s annual long-term cargo growth estimates of approximately 4%.
- YVR cargo grew a remarkable 11.7% in 2014, compared to 2013 fuelled by continued growth of exports and airport operations in 2014.

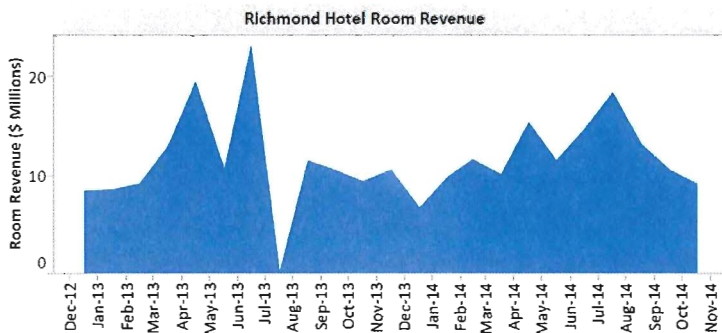
b) Airport Passengers <sup>11</sup>



Source: Vancouver Airport Authority

- Airport passenger volume registered 7.1% growth in Q4 2014 compared to the same quarter last year.
- An accelerating tourism sector contributed to an 8.4% growth in airport passengers in 2014, compared to the same period last year, with YVR registering 19.4 million passengers, well above the expected 18+ million.

c) Richmond Hotel Room Revenue <sup>12</sup>



Source: City of Richmond

- Richmond’s year to date revenue to November 2014 was 5.9% higher than the same period the previous year. The tourism sector is on schedule to finish 2014 strong and do well in 2015.
- (Note: the hotel room tax is used as the basis for calculating hotel revenues; there was an overpayment of hotel room tax to the city in July 2013 which was compensated for in August and September, indicated by the spike and dip on the graph.)

<sup>11</sup> YVR Monthly Statistics

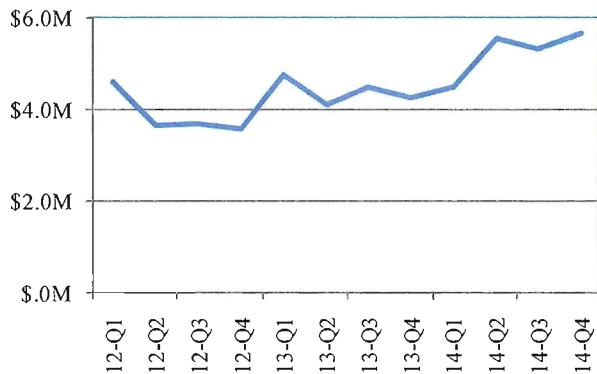
<sup>12</sup> City of Richmond Additional Hotel Room Tax Ledger; revenue reverse calculated based on AHRT receipts representing 2% of total hotel room revenue; AHRT remittances and payments to Richmond have a 4-month lag



Financial Indicators

There are several financial indicators that highlight the state of the City, including the operating activity, active capital projects, 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.

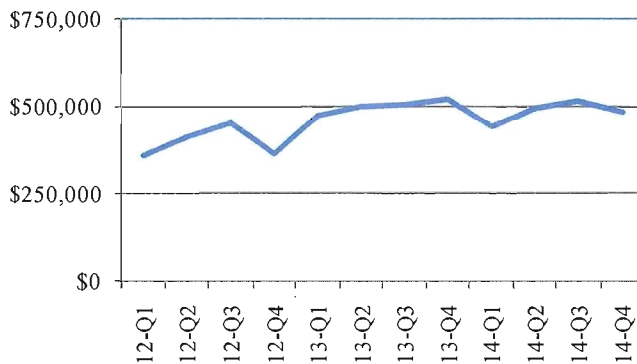
**Gaming Revenue**



Source: Finance

- Gaming revenue for Q4 was \$5.65M compared to \$4.29M for the same quarter in 2013.
- Overall, gaming revenue is 19.4% higher than 2013.
- The increase is partially attributed to a new high-limit table games room that opened in Q1 2014.<sup>13</sup>

**Parking Revenue**



Source: Community Bylaws

- Richmond’s parking revenue for Q4 was \$481K compared to \$520K for the same period last year.
- Overall, the parking revenue for the year was down slightly by 3.1%, however, the results remain above budget.
- Public compliance levels in 2014 have also increased significantly which further contributed to this variance.

Operating Activity

The following table represents unaudited actuals to December 31, 2014 and proposed transfers to provision accounts to meet current obligations that are expected to be completed in 2015. Included in the December 31, 2014 figures are estimates for revenues earned and expenses that have been incurred but not yet received or paid.

Approximately \$3.04M of the 2014 operating surplus is due to higher than budgeted revenues from building permits, parking revenue and business licenses, and other sales of service.

The City is required to have an annual balanced budget. The timing of actual expenditures may not coincide with the approved spending for the year. Staff ensure that any excess budget is not spent on unnecessary items. Therefore, the remaining surplus of \$2.67M is a result of savings in expense accounts realized from operational budgets across the City. This is largely a result of salary savings due to delayed filling of vacant positions.

The total projected surplus of \$5.7M represents 1.69% of the 2014 gross expenditure budget (excluding amortization) and will be transferred to the Rate Stabilization account which may be used to fund one-time initiatives that are approved annually by Council as part of the budget process.

<b>Operating Budget (\$ 000's) General Fund</b>	<b>Net Budget 2014</b>	<b>Unaudited Actuals Dec 31, 2014 *</b>	<b>Variance as at Dec 31, 2014</b>	<b>Transfers</b>	<b>2014 Operating Surplus</b>
Policing	\$39,886	\$39,654	\$232	(232)	\$0
Community Services	35,679	35,018	661	(346)	315
Fire Rescue	30,472	29,603	869	0	869
Engineering and Public Works	31,204	28,403	2,801	(2,172)	629
Finance and Corporate Services	17,366	15,435	1,931	(687)	1,244
Library	8,251	8,216	35	(35)	0
Corporate Administration	7,195	6,522	673	(489)	184
Planning and Development	6,310	4,904	1,406	0	1,406
Law and Community Safety	5,493	4,786	707	0	707
Fiscal	(181,856)	(182,578)	722	(367)	355
<b>Total</b>	<b>\$0</b>	<b>(\$10,037)</b>	<b>\$10,037</b>	<b>(\$4,328)</b>	<b>\$5,709</b>

\* The 2014 Actuals include, where applicable, accruals and estimates for revenues and expenditures.

- Policing has an estimated surplus of \$232k which will be used to fund the liability for the future settlement of the RCMP severance package and Integrated Teams.
- The Community Services Division has an estimated surplus of \$661k mainly due to favourability in facility revenue and other sales of services, as well as savings in salary and operating expenses. \$346k will be used to fund future operating costs of the major facilities which are being phased into the budget. The phase in plan approved by Council for the major facilities includes an estimate of \$3.7M in additional operating costs, to be phased in over several years to minimize the impact on property tax increases. The funding requirement in the initial years will exceed the amount that is available in the base budget, and therefore funding from surplus is required in these years.
- Richmond Fire Rescue has an estimated surplus of \$869k due to vacancies and retirements.
- Engineering and Public Works Division has an estimated surplus of \$2,801k. Approximately \$787k is due to timing of contract costs for project development and \$523k is due to road maintenance projects which are expected to be completed in 2015. The total of \$1,310k will be appropriated in order to complete the outstanding projects.

Fleet has an estimated surplus of \$407k which will be transferred to the Equipment Replacement Reserve. Alexandra District Energy Utility has an estimated surplus of \$455k which will be transferred to appropriated surplus to repay the initial capital investment.

The remaining variance of \$629k is mainly due to staff vacancies and savings from operations.

- Finance and Corporate Services has a favourable variance of \$1,931k due to higher business license revenue relative to budget, vacancies within Finance and IT and lower contract maintenance costs in IT. \$319k of the IT surplus will be appropriated to fund IT projects that are not expected to be completed until 2015. \$368k of the finance surplus will be appropriated to fund financial system enhancements in progress.
- Library has a surplus of \$35k which is transferred to the Library's appropriated surplus as the Richmond Public Library Board is a separate entity with their own financial statements.
- Corporate Administration has a favourable variance of \$673k mainly due to vacant positions. \$275k is appropriated to fund the Corporate Performance Measurement Program and \$214k for the approved training and development program which will be completed in 2015.

- Planning and Development has a favourable surplus of \$1,406k due to higher than anticipated building permit revenue throughout 2014. The favourable variance is based on a stronger than anticipated housing market in multi residential and single family applications.
- Law and Community Safety is estimated to have a surplus of \$707k due to a favourable variance to budget in parking revenue and operational savings.
- Fiscal has a favourable variance of \$722k. \$367k will be appropriated to fund projects that are expected to be completed in 2015.

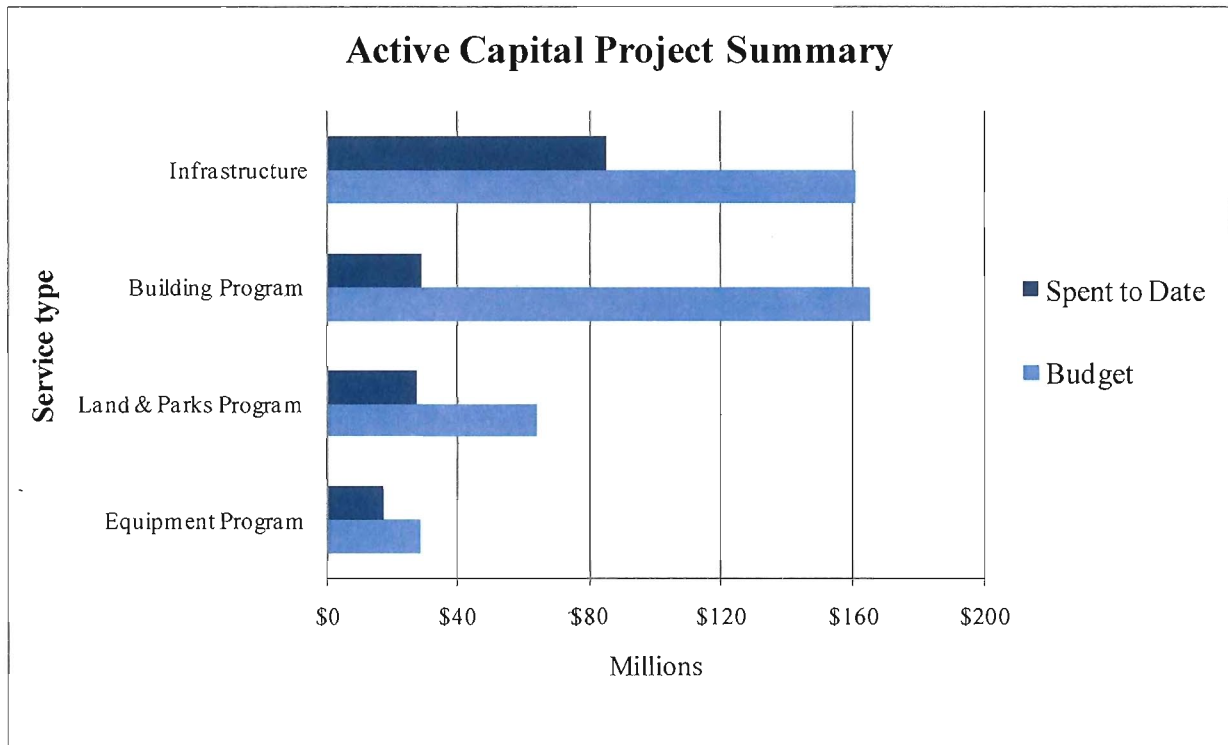
Active Capital Project Summary

The 2014 amended Capital Budget of \$193.3M (excluding internal payment transfers and debt repayments) are 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 \$259.2M.

**Statement of Active Capital Project Expenditures**

As at December 31, 2014 (in \$'000s)

	Budget	Spent to Date	Committed
Infrastructure Program	\$160,925	\$85,227	\$75,698
Building Program	\$165,116	\$28,647	\$136,469
Land & Parks Program	\$63,654	\$27,381	\$36,273
Equipment Program	\$28,125	\$17,389	\$10,736
<b>Grand Total</b>	<b>\$417,820</b>	<b>\$158,644</b>	<b>\$259,176</b>



Highlights of key capital projects are presented in Appendix 3.



Cash and Investment Portfolio

The City's cash and investment portfolio at December 31, 2014 was \$854.3M, with an average yield on investment of 2.00%. 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)

	December 31, 2014
3 Month Government of Canada T-Bills	0.91%
2 Year Government of Canada Bonds	1.01%
5 Year Government of Canada Bonds	1.34%
10 Year Government of Canada Bonds	1.79%

Source: Bank of Canada

While the sharp decline in global crude oil prices in the past six months is expected to encourage overall global economic growth, it will likely have a negative impact for Canadian growth and underlying inflation. Canada has been recently experiencing general growth outside of the energy sector through increased foreign demand, stronger exports, improved business confidence and investment and employment growth. However, there is considerable uncertainty about the possible slowing growth momentum and how it will be affected by the drop in oil prices. In addition, the oil price shock increases both downside risks to inflation and financial stability risks. With these and other factors taken into consideration, the Bank of Canada announced on January 21, 2015 that it was lowering its benchmark overnight rate by  $\frac{1}{4}$  of 1 per cent to  $\frac{3}{4}$  per cent.

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 3<sup>rd</sup> quarter. During this period, 26 contracts greater than \$25,000 were awarded totalling over \$9.58M (Appendix 5).

**Financial Impact**

None.

**Conclusion**

The City of Richmond has maintained its strong financial position throughout 2014. The City continues to ensure that there are positive results while maintaining programs and services. There is an unaudited surplus of \$5.7M that will be transferred to the Rate Stabilization Account.



Cindy Gilfillan, CPA, CMA  
Manager, Financial Reporting  
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- 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****December 31, 2014****Macroeconomic Indicators & Forecast**

	2013	2014	Change	2015f	2016f
<b>1) Real GDP - % Change</b>					
Canada	2.0	2.4	20.0%	2.3	2.1
United States	2.2	2.4	9.1%	3.6	3.3
China	7.8	7.4	(5.1%)	6.8	6.3
World	3.3	3.3	0.0%	3.5	3.7
<b>2) Interest Rates</b>					
Bank of Canada	1.00	1.00	0.00	0.50	2.00
US FED	0.25	0.25	0.00	1.00	3.00
<b>3) Exchange Rate</b>					
CAD per \$1 USD	1.06	1.16	9.4%	1.33	1.29

**Regional and Local Market Indicators**

	Q4-2014	Q3-2014	Change	Q4-2013	Change	
<b>4) Unemployment (%)</b>						
Canada	6.6	6.8	(2.9%)	7.2	(8.3%)	
BC	5.5	6.1	(9.8%)	6.6	(16.7%)	
Metro Vancouver	5.8	6.2	(6.5%)	6.3	(7.9%)	
<b>5) CPI (2002=100)</b>						
Canada	124.5	125.8	(1.0%)	122.7	1.5%	
BC	118.1	119.5	(1.2%)	117.0	0.9%	
Metro Vancouver	119.6	121.2	(1.3%)	118.5	0.9%	
<b>6) Housing Starts (Units)*</b>						
Starts - Metro Vancouver	4,571	4,757	(3.9%)	19,217	18,710	2.7%
Starts - Richmond	838	412	103.4%	3,036	1,427	112.8%
<b>7) Richmond Residential Activity</b>						
Sales - Detached	401	318	26.1%	1,694	1,318	28.5%
Sales - Townhouse	249	196	27.0%	1,071	890	20.3%
Sales - Apartment	380	347	9.5%	1,500	1,411	6.3%
<b>Sales Total/Average Change</b>	1,030	861	20.9%	4,265	3,619	18.4%
				<b>YTD-2014</b>	<b>YTD-2013</b>	<b>Change</b>
Average Price - Detached (\$ at QE)				1,240,000	1,242,000	(0.2%)
Average Price - Townhouse (\$ at QE)				548,000	499,000	9.8%
Average Price - Apartment (\$ at QE)				341,000	336,000	1.5%

**Economic Indicators****December 31, 2014****Regional and Local Market Indicators (continued)**

8)	Richmond Building Permits	Q4-2014	Q4-2013	Change	YTD-2014	YTD-2013	Change
		Building Permits - Residential	182	186	(2.2%)	780	730
	Building Permits - Commercial	105	122	(13.9%)	434	401	8.2%
	Building Permits - Industrial	51	39	30.8%	174	180	(3.3%)
	<b>Building Permits Total</b>	<b>338</b>	<b>347</b>	<b>4.9%</b>	<b>1,388</b>	<b>1,311</b>	<b>3.9%</b>
	<b>Construction Value (\$ million)</b>	<b>134.4</b>	<b>292.1</b>	<b>(54.0%)</b>	<b>481.8</b>	<b>679.1</b>	<b>(29.1%)</b>
9)	Commercial Space (at QE)	Richmond			Metro Vancouver		
		Q4-2014	Q4-2013	Change	Q4-2014	Q4-2013	Change
	Office Vacancy (%)	14.3	16.4	(12.8%)	9.3	8.5	9.4%
	Transit Oriented Office Vacancy (%)	4.6	5.3	(13.2%)	11.2	8.4	33.3%
	Office Inventory (000 sf)	4,359	4,359	0.0%	54,711	53,161	2.9%
	Industrial Vacancy (%)	3.9	5.5	(29.1%)	4.3	4.5	(4.4%)
	Industrial Inventory (000 sf)	37,828	37,587	0.6%	196,686	194,111	1.3%
10)	Richmond Business Growth	Q4-2014	Q4-2013	Change	YTD-2014	YTD-2013	Change
		Total Valid Business Licenses	n/a	n/a	n/a	13,322	13,371
	New Licenses - Number Issued	379	321	18.1%	1,592	1,666	(4.4%)
	New Licenses - Employees	1,274	1,658	(23.2%)	5,146	5,869	(12.3%)
	New Licenses - Office Added (sf)	174,070	70,429	147.2%	454,699	309,649	46.8%
	New Licenses - Retail Added (sf)	93,679	218,753	(57.2%)	225,934	382,515	(40.9%)
	New Licenses - Industrial Added (sf)	209,461	255,941	(18.2%)	724,598	966,704	(25.0%)
	<b>Total Space Added (sf)/Avg. Change</b>	<b>477,210</b>	<b>545,123</b>	<b>23.9%</b>	<b>1,405,231</b>	<b>1,658,868</b>	<b>(6.4%)</b>
11)	Goods & People Movement**	Q4-2014	Q4-2013	Change	YTD-2014	YTD-2013	Change
		YVR Air Cargo (tonnes)	70,134	60,631	15.7%	255,045	228,264
	PMV Container Movement (TEUs)	719,060	729,753	(1.5%)	2,192,931	2,823,707	3.2%
	YVR Passengers (million)	4.5	4.2	7.1%	19.4	17.9	8.4%
	Richmond Hotel Revenue (\$ million)	n/a	n/a	n/a	121.8	114.2	6.7%

\*\* Hotel Revenue and PMV Container Movement data available to August only

**Notes:**

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

**List of Sources:**

- 1) International Monetary Fund, *World Economic Outlook (October, 2014)*
- 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****December 31, 2014**

(All dollar amounts in \$000's)

	Q4-2014	Q4-2013	Change			
<b>1) Development Cost Charges Contributions</b>						
Roads, Water, Sewer DCC's Received	\$1,503	\$8,601	(82.5%)			
Parks DCC's Received	\$4,586	\$9,857	(53.5%)			
<b>Total DCC Fees Received</b>	<b>\$6,088</b>	<b>\$18,458</b>	<b>(67.0%)</b>			
DCC Reserves to date - Uncommitted	\$57,347	\$64,638	(11.3%)			
	<b>Q4-2014</b>	<b>Q4-2013</b>	<b>Change</b>			
<b>2) Uncommitted Reserves</b>						
Capital Funding Reserves	\$63,711	\$111,302	(42.8%)			
Affordable Housing Reserves	\$5,334	\$2,586	106.3%			
Other Reserves	\$141,807	\$125,563	12.8%			
<b>Total Uncommitted Reserves</b>	<b>\$210,852</b>	<b>\$239,452</b>	<b>(12.0%)</b>			
	<b>Q4-2014</b>	<b>Q4-2013</b>	<b>Change</b>	<b>YTD 2014</b>	<b>YTD 2013</b>	<b>Change</b>
<b>3) Taxes to date</b>						
Taxes Collected	\$ 9,280	\$ 9,497	(2.3%)	\$374,060	\$354,778	5.4%
City Portion of Taxes Collected	\$ 4,547	\$ 4,653	(2.3%)	\$183,289	\$173,841	5.4%
Unpaid Taxes - Delinquent & Arrears	\$1,766	\$1,628	8.5%	\$1,766	\$1,628	8.5%
No. of Participants on Pre-authorized withdrawal	6,278	6,202	1.2%	6,278	6,202	1.2%
Pre-authorized withdrawals monthly payments	\$7,236	\$6,907	4.8%	\$23,872	\$22,601	5.6%
Interest rate % paid	1.00%	1.00%	-	1.00%	1.00%	-
<i>Sources: All data is from City of Richmond records</i>						
	<b>Q4-2014</b>	<b>Q4-2013</b>	<b>Change</b>			
<b>4) Investments</b>						
Total Investments	\$854,370	\$743,842	14.9%			
Average City Rate of Return on Investments %	2.00%	1.80%	0.19			
	<b>Q4-2014</b>	<b>Q4-2013</b>	<b>Change</b>	<b>YTD 2014</b>	<b>YTD 2013</b>	<b>Change</b>
<b>5) Planning and Development</b>						
Building Permit Fees Collected	\$1,149	\$2,762	(58.4%)	\$5,914	\$7,118	(16.9%)
Development Applications Received	43	49	(12.2%)	199	206	(3.4%)
Development Applications Fees	\$110	\$206	(46.7%)	\$651	\$857	(24.1%)
	<b>Q4-2014</b>	<b>Q4-2013</b>	<b>Change</b>	<b>YTD 2014</b>	<b>YTD 2013</b>	<b>Change</b>
<b>6) Business Licenses</b>						
Revenue Received for Current Year Licenses	\$431	\$420	2.6%	\$3,748	\$3,465	8.2%
Revenue Received for Next Year (Deferred)	\$1,342	\$1,264	6.2%	\$1,935	\$1,994	5.7%
<b>Total License Revenue</b>	<b>\$1,733</b>	<b>\$1,684</b>	<b>5.3%</b>	<b>\$5,683</b>	<b>\$5,296</b>	<b>7.3%</b>
<i>Year to date valid licenses and revenue include current year licenses issued in the prior year.</i>						
	<b>Q4-2014</b>	<b>Q4-2013</b>	<b>Change</b>	<b>YTD 2014</b>	<b>YTD 2013</b>	<b>Change</b>
<b>7) Other Revenues</b>						
Parking Program Revenue	\$481	\$520	(7.5%)	\$1,932	\$1,994	(3.1%)
Gaming Revenue	\$5,652	\$4,292	31.7%	\$21,047	\$17,631	19.4%
Traffic Fine Revenue to date	\$ 0	\$ 0	0%	\$1,517	\$1,512	0.4%

**Notes:**

a) All figures presented above are unaudited



<b>Key Indicators</b>			<b>December 31, 2014</b>			
<b>8) Employees</b>	<b>Q4-2014</b>	<b>Q4-2013</b>	<b>Change</b>			
Full Time Equivalent (FTE) Employees (City and Library)	1,449	1,433	1.1%			
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results excluding overtime.</i>						
<b>9) Operating Indicators</b>	<b>Q4-2014</b>	<b>Q4-2013</b>	<b>Change</b>	<b>YTD 2014</b>	<b>YTD 2013</b>	<b>Change</b>
Fire Rescue Responses	2,524	2,574	(1.9%)	9,643	9,710	(0.7%)
RCMP - Calls for Service Handled	15,857	16,515	(4.0%)	67,118	68,484	(2.0%)
Public Works calls for Service	2,974	2,601	14.3%	12,225	11,342	7.8%
<b>10) Affordable Housing</b>	<b>2014</b>	<b>2013</b>	<b>Change</b>			
Subsidized Rental (units)	477	331	44.1%			
Affordable Rental (LEMR) (units)	272	238	14.3%			
Market Rental (units)	411	267	53.9%			
Entry Level Home ownership (units)	19	19	0.0%			
Secondary Suite / Coach House (units)	<u>127</u>	<u>118</u>	<u>7.6%</u>			
	1,306	973	34.8%			
	<b>Q4-2014</b>	<b>Q4-2013</b>	<b>Change</b>			
Unspent Affordable Housing Funds Allocated to Capital Projects to date (in \$ 000's)	\$7,266	\$11,071	(34.4%)			
Floor Space secured, unit mix & other (sq feet)	108,202	n/a				
<b>11) Richmond Population Estimate Year End *</b>	<b>2014F</b>	<b>2013</b>				
	209,338	205,133				
<i>*Estimated population figures provided by City of Richmond – Policy Planning</i>						

**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 March 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) 5% Complete

- This project expands the energy capacity and distribution network of the existing utility to meet the needs of development in the service area. Works are being procured through the City's Construction Manager, Stuart Olson Construction Ltd. Construction is ongoing.

*Colbeck Road Area Watermain Replacement:*

Approved Budget: \$2.8M (2014) 80% Complete

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

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

Approved Budget: \$2.9M (2014) Completed

- This project consists of the repaving of the City's roads in order to minimize the overall life cycle cost of the road network. Construction is completed.

**Capital Highlights****Buildings***Cranberry Children's Centre (Hamilton Childcare Centre):*

Approved Budget: \$1.8M (Land value \$480K) (2010) Completed

- As part of the development application by TransLink, land and funding were received to design and build a facility for childcare services. Provisional occupancy was achieved in July 2014.

*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. Preload for the site is in place. Development of the public engagement and communication plans are underway.

*Firehall No. 1:*

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

- On November 12, 2013, Council confirmed funding and the site location for the Firehall No. 1 replacement. Space programming for the facility was endorsed by council on July 28, 2014. Geotechnical investigations have been completed and schematic design is underway by HCMA. Construction processes to temporarily relocate Fire staff to City Hall West commenced. Development of options to maintain fire training and equipment maintenance programs is underway.

**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 spring 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.

## Terra Nova Play Environment:

Approved Budget: \$1.0M (2012)

Completed

- Construction is completed.

## Garden City Community Park: Bike Park &amp; Birch Park:

Approved Budget: \$500K (2012)

- Bike Park: 95% Complete  
Tree Planting to be completed.
- Birch Park: 90% Complete  
Basketball Construction near completion with only line painting and hoop installation outstanding.

**Capital Highlights****Community Services/Parks**

## The Gardens Agricultural Park:

Approved Budget: \$316K (2012)

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.

## Thompson Youth Park - Phase 3:

Approved Budget: \$300K (2013)

100% Complete

- The project was completed in summer, 2014.

## Minoru Sports Fields Redevelopment:

Approved Budget: \$5.7M (2014)

95% Complete

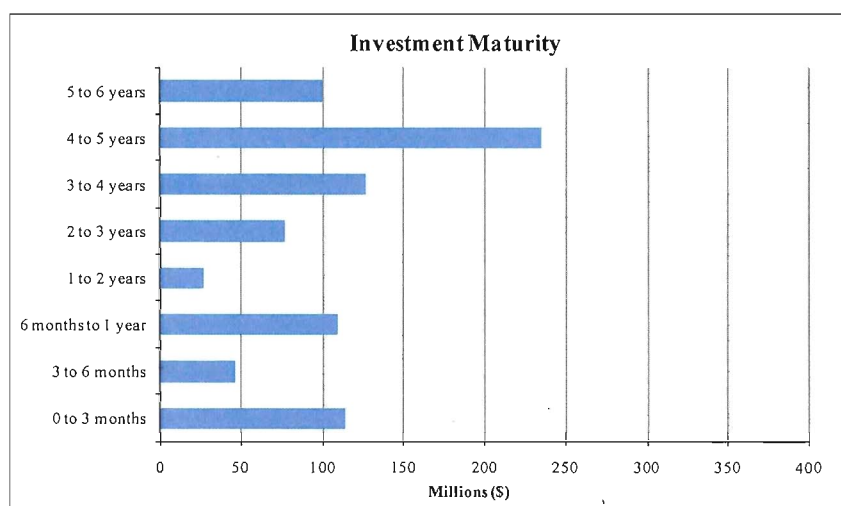
- Both Minoru 2 & Minoru 3/Latrace fields are now open to the public.
- Announcer's Booth to be installed in March.
- Tennis Courts sport surfacing to be installed in June.
- Deficiency repairs are underway for the field's perimeter pathways.



### Cash and Investment Portfolio

December 31, 2014 (in 000's)

Issuer	Amount	% of Portfolio
<b>Federal Government and Federal Crown Corporations</b>		
Government of Canada	14,440	1.73%
Canadian Mortgage and Housing Corporation	10,179	1.22%
<b>Total</b>	<b>\$ 24,619</b>	<b>2.95%</b>
<b>Provincial Governments and Provincial Crown Corporations</b>		
Province of Ontario	\$ 90,579	10.85%
Province of British Columbia	65,721	7.87%
Province of Alberta	48,253	5.78%
Financement Quebec	36,468	4.37%
Province of Manitoba	12,000	1.44%
<b>Total</b>	<b>\$ 253,021</b>	<b>30.30%</b>
<b>Schedule I Banks</b>		
Scotia Bank	\$ 52,809	6.32%
Royal Bank	43,999	5.27%
Bank of Montreal	38,642	4.63%
CIBC	38,565	4.62%
National Bank of Canada	32,325	3.87%
Canadian Western Bank	20,000	2.39%
TD Financial	19,295	2.31%
<b>Total</b>	<b>\$ 245,635</b>	<b>29.41%</b>
<b>Schedule II Banks</b>		
HSBC Bank of Canada	\$ 22,983	2.75%
<b>Total</b>	<b>\$ 22,983</b>	<b>2.75%</b>
<b>Schedule III Banks</b>		
Wells Fargo Canada	\$ 24,687	2.96%
<b>Total</b>	<b>\$ 24,687</b>	<b>2.96%</b>
<b>Credit Unions</b>		
Vancity Savings Credit Union	\$ 74,025	8.86%
Coast Capital Savings	73,035	8.75%
Gulf & Fraser Financial Group	49,192	5.89%
Westminster Savings Credit Union	45,367	5.43%
<b>Total</b>	<b>241,619</b>	<b>28.93%</b>
<b>Pooled Investments</b>		
Municipal Finance Authority	22,527	2.70%
<b>Total</b>	<b>22,527</b>	<b>2.70%</b>
<b>Total Investments</b>	<b>\$ 835,091</b>	<b>100.00%</b>
Less: Amount Held in Trust for Community Associations	(1,127)	
<b>Total Cash &amp; Cash Equivalents</b>	<b>\$ 20,406</b>	
<b>Total Reported Investments and Cash &amp; Cash Equivalents</b>	<b>\$ 854,370</b>	



**Contract Awards > \$25,000**  
October 1<sup>st</sup>, 2014 to December 31<sup>st</sup>, 2014

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Department</i>
1.	F-5311 Landscape Architecture Consulting Services	PWL Partnership Landscape Architects	\$32,900	Community Services
2.	5320Q Site Pre-Loading at Minoru Aquatic Centre and Older Adult Center	Stuart Olson Construction Ltd	\$1,062,638	Engineering and Public Works
3.	5323Q Supply and install of generator set at City Hall West	Total Power Limited	\$68,400	Engineering and Public Works
4.	5293Q City Hall direct digital control unit upgrade	ESC Automation	\$37,822	Engineering and Public Works
5.	F-5312 Japanese Fishermen's Benevolent Society Building - interior renovation construction services	Penta Builders Group	\$361,045	Engineering and Public Works
6.	F-5204 City Center Community Center- tenant improvements	Ledcor	\$3,936,700	Engineering and Public Works
7.	F-5318 Heat exchanger for energy transfer station in Alexandra District Energy Utility(ADEU) Service Area	Corix Utilities Inc.	\$60,991	Engineering and Public Works
8.	F-5311 Consulting services for PeopleSoft Financials system upgraded Version 9.2	Beyond Tech Solutions	\$90,180	Finance and Corporate Services
9.	F-5342 Renovation - City Hall West - Interior works	Stuart Olson Construction Ltd	\$298,268	Engineering and Public Works
10.	F-5341 Renovation - City Hall West - Exterior works	Stuart Olson Construction Ltd	\$378,339	Engineering and Public Works
11.	F-5331 Minoru Chapel - Architectural and Consulting Services	The Andrews Architects Inc.	\$68,310	Engineering and Public Works
12.	F-5330 Minoru Chapel - Phase 1 - Re-roofing	Penta Builders Group	\$116,205	Engineering and Public Works
13.	F-5329 Land Economist Consulting Services	GP Rollo & Associates	\$28,350	Engineering and Public Works
14.	F-5328 Rehabilitation of slipways at Britannia Heritage Shipyard Building	CWMM Consulting Engineers Ltd	\$70,935	Engineering and Public Works
15.	5326Q Cannery Store demolition	MWL Demolition	\$27,860	Engineering and Public Works

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Department</i>
16.	F-5343 Richmond Olympic Oval - retail electrical relocation	Stuart Olson Construction Ltd	\$29,422	Engineering and Public Works
17.	F-5334 Mill and pave locations not completed by Columbia Bitulithic	Imperial Paving Limited	\$270,000	Engineering and Public Works
18.	F-5345 ADEU Phase 3 - site preparation	Stuart Olson Construction Ltd	\$125,563	Engineering and Public Works
19.	F-5304 Dell server replacement and storage expansion	Dell Canada	\$62,484	Finance and Corporate Services
20.	F-5336 Fire engine with pump	WFR Wholesale Fire & Rescue Ltd	\$812,670	Law and Community Safety
21.	F- 5349 Production of Class C, B and A construction for the Minoru Aquatic Center/Older Adult Center project	BTY Group	\$49,300	Engineering and Public Works
22.	F- 5348 Delineation investigation on Gilbert Road for Fire Hall No 1	Stuart Olson Construction Ltd	\$49,944	Engineering and Public Works
23.	F-5359 Wireless mobile column lift	Stuart Olson Construction Ltd	\$78,333	Engineering and Public Works
24.	F-5354 ADEU Phase 3 expansion - distribution and cooling tower pumps	Corix Water Products LP	\$114,480	Engineering and Public Works
25.	F-5355 ADEU Phase 3 expansion HDPE piping and civil works	Stuart Olson Construction Ltd	\$1,205,737	Engineering and Public Works
26.	5333Q Supply and delivery of desktop computers	Island Key Computers	\$142,120	Finance and Corporate Services