



**Finance and Audit Committee
Electronic Meeting**

**Anderson Room, City Hall
6911 No. 3 Road**

**Monday, February 2, 2026
Immediately following the General Purposes Committee meeting**

Pg. # ITEM

MINUTES

FIN-3 *Motion to adopt the minutes of the meeting of the Finance and Audit Committee held on January 5, 2026.*



FINANCE AND CORPORATE SERVICES DIVISION

1. **2025 INVESTMENT REPORT**
(File Ref. No. 03-0900-01) (REDMS No. 8268210)

FIN-7 See Page FIN-7 for full report

Designated Speaker: Venus Ngan

STAFF RECOMMENDATION

That the report titled "2025 Investment Report" dated January 8, 2026 from the Director, Finance be received for information.



Finance and Audit Committee Agenda – Monday, February 2, 2026

Pg. # ITEM

2. **REVENUE ANTICIPATION BORROWING (2026) BYLAW NO. 10738**
(File Ref. No. 03-0900-01) (REDMS No. 8267465)

FIN-11

See Page **FIN-11** for full report

Designated Speaker: Venus Ngan

STAFF RECOMMENDATION

That Revenue Anticipation Borrowing (2026) Bylaw No. 10738 be introduced and given first, second and third readings.

ADJOURNMENT



Finance and Audit Committee

Date: Monday, January 5, 2026

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day
Councillor Laura Gillanders
Councillor Kash Heed
Councillor Andy Hobbs
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Michael Wolfe

Call to Order: The Chair called the meeting to order at 4:06 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance and Audit Committee held on December 1, 2025, be adopted as circulated.

CARRIED

DELEGATION

1. Aanu Adeleye, Engagement Partner, KPMG, presented the Audit Planning Report (Copy on File, City Clerk's Office).

1.

Finance and Audit Committee

Monday, January 5, 2026

FINANCE AND CORPORATE SERVICES DIVISION

2. FINANCIAL INFORMATION – 3RD QUARTER SEPTEMBER 30, 2025

(File Ref. No. 03-0905-01) (REDMS No. 8202805)

It was moved and seconded

That the report titled, “Financial Information – 3rd Quarter September 30, 2025”, dated November 28, 2025, from the Director, Finance, be received for information.

The question on the motion was not called as discussion ensued with respect to (i) unemployment rates holding steady from the second to the third quarter of 2025, (ii) what the overall economic indicators are, how risk assessment is done and what actions are being taken to mitigate and forecast for the future, (iii) recognizing deferred revenue as the development proceeds and the stages of development are completed, (vi) housing starts and vacancy rates, and (v) changes to the Development Cost Charges program.

Staff were directed to provide Council comparative data on housing starts in Richmond and other municipalities.

The question on the motion was then called and it was **CARRIED**.

3. ACTIVE CAPITAL PROJECTS FINANCIAL UPDATE – 3RD QUARTER SEPTEMBER 30, 2025

(File Ref. No. 03-0975-01) (REDMS No. 8229094)

In response to queries from Committee, staff advised that (i) contributed assets are measured based on their fair market value when issuing Servicing Agreements to developers, revenue is recorded when the item is completed, (ii) the Steveston Community Library project is on budget and on time, (iii) the West Richmond Pavilion design includes two offices, the operating model is currently being developed and will determine their use, with recommendations to be brought to Council for consideration, (iv) the West Richmond Community Association in collaboration with the sports community will be operating the building, (v) the Request for Proposal (RFP) process for the pickle ball facility is concluded, construction will start in Spring 2026, (vi) the Gilbert Road Multi-Use pathway is under construction and will be completed in early 2026, (vii) invasive species management program is a budgeted program of \$800,000, with total costs comprised of multiple capital projects, (viii) when a project completes, any remaining funding will return to its original source, and (ix) budget adjustments on a project are brought to the Finance Audit Committee for approval.

Councillor Loo left the meeting (4:46 p.m.)

Finance and Audit Committee

Monday, January 5, 2026

It was moved and seconded

That the report titled “Active Capital Projects Financial Update – 3rd Quarter September 30, 2025”, dated December 3, 2025, from the Director, Finance, be received for information.

CARRIED

4. FRAUD RISK MANAGEMENT UPDATE

(File Ref. No. 03-0950-02) (REDMS No. 8067109)

Discussion ensued with respect to the (i) Purchasing Card program including what it is utilized for, who holds a purchasing card, credit limits on the cards, and auditing and accountability of purchase cards, (ii) action item enhancements to the Fraud Risk Management Program, (iii) the addition of two confidential reporting channels to the Antifraud Policy to supplement existing mechanisms for reporting suspected fraudulent activity, and (iv) the fraud awareness survey results helping inform enhancements to training and awareness initiatives.

Councillor Loo returned to the meeting (4:56 p.m.)

In response to queries from Committee, staff advised that (i) on average the spending limit per cardholder is less than \$1000, (ii) the City continually reviews and enhances its risk management frameworks and controls, (iii) this report outlines policy enhancements to ensure the City remains at the forefront of risk management, and (iv) the City’s Antifraud Policy includes whistleblower protection.

It was moved and seconded

That the report titled “Fraud Risk Management Update”, dated December 15, 2025, from the Director, Business Services, be received for information.

CARRIED

LULU ISLAND ENERGY COMPANY

5. LULU ISLAND ENERGY COMPANY – 2025 3RD QUARTER FINANCIAL INFORMATION

(File Ref. No. 03-0950-01) (REDMS No. 8248211)

It was moved and seconded

That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 2025 3rd Quarter Financial Information”, dated November 20, 2025, from the Chief Executive Officer and Chief Financial Officer, be received for information.

CARRIED

Finance and Audit Committee

Monday, January 5, 2026

RICHMOND OLYMPIC OVAL CORPORATION

6. RICHMOND OLYMPIC OVAL CORPORATION 3RD QUARTER 2025 FINANCIAL INFORMATION

(File Ref. No. 03-1200-09) (REDMS No. 8263257)

In response to queries from Committee, staff advised that (i) the rental revenue is primarily related to events hosted at the Oval, and includes meeting room rentals, (ii) promotions include positioning the City as an attractive sports-hosting venue, targeted social media, increased awareness for FIFA and the Olympic year in 2026, and stronger engagement with business associations for meetings, (iii) deferred revenue reflects funds previously received for the Richmond Olympic project and will be recognized as revenue over time, and (v) \$24.6 million represents total accumulated surplus, with \$8 million of that amount already been spent on capital items.

It was moved and seconded

That the Richmond Olympic Oval Corporation 3rd Quarter 2025 Financial Information report from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:19 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Finance and Audit Committee of the Council of the City of Richmond held on Monday, January 5, 2026.

Mayor Malcolm D. Brodie
Chair

Raman Grewal
Legislative Services Associate



City of Richmond

Report to Committee

To: Finance and Audit Committee
From: Mike Ching, CPA, CMA
Director, Finance
Re: 2025 Investment Report

Date: January 8, 2026
File: 03-0900-01/2025-Vol
01

Staff Recommendation

That the report titled “2025 Investment Report” dated January 8, 2026 from the Director, Finance be received for information.

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

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER	
SENIOR STAFF REPORT REVIEW	INITIALS:
APPROVED BY CAO	

Staff Report

Origin

The purpose of this report is to provide Council with information on the City of Richmond's (the City's) cash and investment position and performance for fiscal year 2025 as required by the City's Investment Policy 3703.

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

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

4.1 Ensure effective financial planning to support a sustainable future for the City.

Analysis

Permitted Investments

The City is only permitted to invest in the following types of investments, as prescribed under section 183 of the *Community Charter*:

- securities of Canada or of a province;
- securities guaranteed for principal and interest by Canada or by a province;
- securities of a municipality, regional district or greater board;
- investments guaranteed by a chartered bank;
- deposits in a savings institution, or non-equity or membership shares of a credit union;
- securities of the Municipal Finance Authority (MFA); and
- MFA pooled investment funds.

City's Cash and Investment Balances

The City's cash and investment balance was approximately \$1.76 billion as at December 31, 2025. The balance was comprised of \$1.58 billion in investments and \$185 million in high interest savings cash accounts (Table 1). The City's overall weighted average investment yields for year 2025 was 4.00% (year 2024: 4.45%). The annual performance of the City's investment portfolio for fiscal year 2025 outperformed the FTSE Canada Provincial Bond Index.

Table 1: Cash and Investment Balance by Issuer and Investment Type

Issuer	Investment Type	Investment Net Book Value (unaudited)	% of Total
Chartered Banks	Bonds and Term Deposits	\$ 777 million	45%
Provinces	Bonds	\$ 720 million	41%
Chartered Banks	High Savings Cash Accounts	\$ 185 million	10%
Credit Unions	Term Deposits	\$ 58 million	3%
MFA	Bond and Pooled Investments	\$ 23 million	1%
Cash and Investment Balance (December 31, 2025)		\$ 1.76 billion	100%

The aggregate net impact of the financial activities are reflected in the City's assets (cash and investment), liabilities (deposits, restricted liabilities and working capital funds) and equity (reserve balances), as summarized in Table 2 below.

Table 2: Composition of the City's December 31, 2025 Cash and Investment Balance

Type	Nature of Balance	% of Total
Liabilities and Working Capital	Funds held by the City arising from operational or contractual requirements where the City has an obligation to fulfill.	15%
Development Cost Charges (DCC)	Funds collected from developments to pay for capital infrastructure in the City's approved DCC programs, including Roads, Water, Sewer, Sanitary, Park Acquisition and Park Development projects that are required to support growth.	15%
Committed Reserves and Provisions	Funds set aside for approved projects that are still in progress (i.e. when timing of capital approval does not coincide with cash outflow in the same fiscal period).	35%
Uncommitted Reserves and Provisions	Funds set aside for specific purposes where the use of funds must comply with the restrictions as set out in the reserve bylaw and usage must be approved by Council.	35%

The City's Investment Policy 3703 requires that the City's practices and procedures in the investment of public funds be conducted in compliance with statutory requirements of the *Community Charter*, while ensuring safety of capital, maintaining appropriate liquidity in meeting anticipated cash flow demands, and attaining a reasonable rate of return after taking into account the investment constraints and liquidity requirements.

All investment activities have been conducted in accordance with both the *Community Charter* and the City's Investment Policy 3703.

ESG Rating

The City continues to assess its investment portfolio's ESG rating on a quarterly basis using Morgan Stanley Capital International (MSCI). MSCI is one of the largest global investment research firms that provides benchmark indices and analytical services to investors. MSCI provides ESG Rating reports to measure a company's resilience to long-term industry-specific ESG risks. Issuers are rated on a scale from "AAA" to "CCC" according to their exposure to industry-specific ESG risks and their ability to manage those risks relative to their peers.

The City's fixed income investment portfolio continues to be rated with "AA" MSCI ESG rating for the 2025 fiscal year.

Interest Rate Outlook

The Bank of Canada engaged a modest easing cycle in 2025 with two interest rate cuts in the beginning of the year and two interest cuts towards the end of the year, for a total interest rate cut of 1.00%, ending the year with the overnight policy interest rate of 2.25%. The Governing Council indicated that the current policy interest rate is at the appropriate level to keep inflation close to the 2.00% target. Future monetary policy will be guided by economic indicators such as

inflation trends, job data, economic growth, and global economic and financial conditions. As long as inflation remains near target and the economy grows modestly, policy interest rate outlook is anticipated to remain stable in 2026.

Staff will continue to monitor the interest rate environment and will strategically deploy laddering investment approach to mitigate reinvestment risks and to maintain flexibility with the maturity profile of the City's investment portfolio. This will ensure that, amongst the City's investment policy objectives, capital preservation and liquidity continue to be the most critical considerations for all municipal investment decisions.

Financial Impact

None.

Conclusion

All investment activities have been conducted in compliance with the City's Investment Policy 3703. The City continues to hold and maintain a well-constructed and diversified portfolio with high credit quality in meeting the fundamental investment objectives of capital preservation, liquidity, diversification of credit risks and realizing reasonable yield on investments.



Venus Ngan, CPA, CA
Manager, Treasury and Financial Services
(604-276-4217)



City of Richmond

Report to Committee

To: Finance and Audit Committee **Date:** January 8, 2026
From: Mike Ching, CPA, CMA **File:** 03-0900-01/2025-Vol
Director, Finance 01
Re: Revenue Anticipation Borrowing (2026) Bylaw No. 10738

Staff Recommendation

That Revenue Anticipation Borrowing (2026) Bylaw No. 10738 be introduced and given first, second and third readings.

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

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Law	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS:	APPROVED BY CAO

Staff Report**Origin**

The City of Richmond (the City) maintains a credit facility agreement with its bank, which includes: (i) \$15,000,000 in standby letters of credit, demand promissory notes or bank overdraft; (ii) \$4,500,000 in leasing lines of credit; and (iii) \$2,000,000 in commercial card credit facility. The purpose of this report is to seek Council's approval and authorization of the proposed Revenue Anticipation Borrowing (2026) Bylaw No. 10738.

This bylaw requires annual review and adoption in accordance with Section 177 of the *Community Charter*.

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

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

4.1 Ensure effective financial planning to support a sustainable future for the City.

Analysis

The City continues to maintain a sound financial position with access to cash and liquid investments to meet its financial obligations. Consistent with ongoing practice, it is prudent for the City to maintain an adequate level of credit facility as a contingency plan in the event that the City requires bridge funding to meet current lawful expenditures and obligations.

The credit facilities were created only as safety measures and have never been utilized, except for the commercial credit card facility that is always repaid monthly without any interests.

The City's Credit Facility Agreement***\$15,000,000 Standby Letters of Credits/Demand Promissory Notes/Bank Overdraft***

- The purpose of the operating line of credit is to ensure that the City has a secondary source of credit in place to protect its bank accounts from the unlikely event of going into an overdraft position.
- Staff regularly monitor the City's cash flow position to prevent the possibility of having to draw down on the credit facility. The credit facility has never been utilized by the City since the original credit facility agreement was established in year 2000.

\$4,500,000 Leasing Lines of Credit

- The purpose of the leasing lines of credit is to ensure that a leasing facility is available in the event it is required.

\$2,000,000 Commercial Credit Card Facility

- The purpose of the commercial credit card facility is to provide a convenient and cost-effective method of procuring and paying for low value goods and services.

The credit facilities are offered to the City by its bank at no charge unless they are being drawn upon. The following table summarizes the interest rates under the City's existing credit facility agreement:

	Operating Lines of Credit	Leasing Lines of Credit	Commercial Credit Card
Interest Rate	Scotiabank's prime lending rate minus 0.50%	Scotiabank's leasing base rate plus 0.60%	Scotiabank's prime lending rate plus 12% on overdue balance

The current bank's prime lending rate at the time of this report is 4.45%.

Proposed Revenue Anticipation Borrowing (2026) Bylaw No.10738

The proposed Revenue Anticipation Borrowing (2026) Bylaw No.10738 does not automatically result in any borrowing upon adoption.

The purpose of maintaining these credit facilities is to ensure that they will be available in the event that funds are required to meet short-term operational cash flow needs. Should any of these credit facilities be utilized resulting in the City incurring interest charges for a consecutive period of more than two weeks, staff will inform Council of such financial activity.

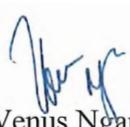
The Revenue Anticipation Borrowing Bylaw is required to be adopted annually by Council. Annually, the bank reviews the credit facility agreement with the City to evaluate the optimal level of credit facility balances to maintain. There was no change made to the credit facility agreement during the recent annual review process.

Financial Impact

None.

Conclusion

Staff recommend that the Revenue Anticipation Borrowing (2026) Bylaw No. 10738 be introduced and given first, second and third readings.



Venus Ngaru, CPA, CA
Manager, Treasury and Financial Services
(604-276-4217)



REVENUE ANTICIPATION BORROWING (2026) BYLAW NO. 10738

The Council of the City of Richmond enacts as follows:

1. Council shall be and is hereby empowered and authorized to borrow upon the credit of the City, from a financial institution, a sum not exceeding \$21,500,000 at such times as may be required.
2. The form of obligation to be given as acknowledgement of the liability shall be \$15,000,000 in the form of standby letters of credit, demand promissory notes or bank overdraft, \$4,500,000 in the form of leasing lines of credit, and \$2,000,000 in the form of commercial credit card facility.
3. All unpaid taxes and the taxes of the current year (2026) when levied or so much thereof as may be necessary shall, when collected, be used to repay the money so borrowed.
4. Revenue Anticipation Borrowing (2025) Bylaw No. 10632 is hereby repealed.
5. This Bylaw is cited as **“Revenue Anticipation Borrowing (2026) Bylaw No. 10738”**.

FIRST READING

CITY OF RICHMOND
APPROVED for content by originating dept.
VN
APPROVED for legality by Solicitor
BRB

SECOND READING

THIRD READING

ADOPTED

MAYOR

CORPORATE OFFICER