



## Finance Committee

Council Chambers, City Hall  
6911 No. 3 Road

Wednesday, January 5, 2022  
4:00 p.m.

Pg. #      ITEM

### MINUTES

**FIN-4**      *Motion to adopt the **minutes** of the meeting of the Special Finance Committee held on December 13, 2021.*



### DELEGATION

1. Representatives from KPMG to speak on the Audit Plan

### FINANCE AND CORPORATE SERVICES DIVISION

2. **ACTIVE CAPITAL PROJECTS INFORMATION - 3RD QUARTER  
SEPTEMBER 30, 2021**  
(File Ref. No. 03-0975-01) (REDMS No. 6761776)

**FIN-7**

**See Page FIN-7 for full report**

*Designated Speaker: Jenny Ho*

### STAFF RECOMMENDATION

*That the staff report titled, “Active Capital Projects Information – 3rd Quarter September 30, 2021”, dated December 1, 2021 from the Acting Director, Finance be received for information.*



## Finance Committee Agenda – Wednesday, January 5, 2022

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3.      **FINANCIAL INFORMATION – 3<sup>RD</sup> QUARTER SEPTEMBER 30, 2021**  
(File Ref. No.) (REDMS No. 6769302)

**FIN-36**

[See Page FIN-36 for full report](#)

*Designated Speaker: Cindy Gilfillan*

### STAFF RECOMMENDATION

*That the staff report titled, “Financial Information – 3rd Quarter September 30, 2021”, dated December 1, 2021 from the Acting Director, Finance be received for information.*



## RICHMOND OLYMPIC OVAL CORPORATION

4.      **RICHMOND OLYMPIC OVAL CORPORATION – 3RD QUARTER 2021 FINANCIAL INFORMATION**  
(File Ref. No.) (REDMS No. 6802739)

**FIN-64**

[See Page FIN-64 for full report](#)

*Designated Speaker: Rick Dusanj*

### STAFF RECOMMENDATION

*That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2021 from the Director, Finance, Richmond Olympic Oval Corporation be received for information.*



## LULU ISLAND ENERGY COMPANY

5.      **LULU ISLAND ENERGY COMPANY – 3RD QUARTER SEPTEMBER 30, 2021 FINANCIAL INFORMATION**  
(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 6799421)

**FIN-70**

[See Page FIN-70 for full report](#)

*Designated Speaker: Jerry Chong and Alen Postolka*

## Finance Committee Agenda – Wednesday, January 5, 2022

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ITEM

### STAFF RECOMMENDATION

*That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 3rd Quarter September 30, 2021 Financial Information”, dated December 13, 2021 from the Chief Executive Officer and Chief Financial Officer, be received for information.*

☐

### ADJOURNMENT

☐



## Finance Committee

Date: Monday, December 13, 2021

Place: Council Chambers  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Chak Au  
Councillor Carol Day  
Councillor Andy Hobbs  
Councillor Alexa Loo (by teleconference)  
Councillor Bill McNulty  
Councillor Linda McPhail  
Councillor Harold Steves (by teleconference)  
Councillor Michael Wolfe (by teleconference)

Call to Order: The Chair called the meeting to order at 4:16 p.m.

### MINUTES

It was moved and seconded

*That the minutes of the meeting of the Finance Committee held on November 1, 2021, be adopted as circulated.*

**CARRIED**

### FINANCE AND CORPORATE SERVICES DIVISION

1. **CONSOLIDATED 5 YEAR FINANCIAL PLAN (2022-2026) BYLAW NO. 10327**

(File Ref. No. 03-0970-25-2021-01)(REDMS No. 6782745)

In accordance with Section 100 of the *Community Charter*, Cllr. Au declared to be in a conflict of interest as his son works as a firefighter in Richmond Fire-Rescue, and Cllr. Au left the meeting – 4:16 p.m.

Staff corrected that the public consultation period for the Consolidated 5 Year Financial Plan will run until January 9, 2022.

**Finance Committee**  
**Monday, December 13, 2021**

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It was moved and seconded

- (1) *That the Consolidated 5 Year Financial Plan (2022-2026) Bylaw No. 10327 be introduced and given first, second, and third readings; and*
- (2) *That staff undertake a process of public consultation in accordance with Section 166 of the Community Charter.*

The question on the motion was not called as discussion ensued with regard to the annual 1% contribution to reserve funds.

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

2. **STEVESTON COMMUNITY CENTRE AND BRANCH LIBRARY  
LOAN AUTHORIZATION BYLAW NO. 10334**

(File Ref. No. 03-0900-01)(REDMS No. 679499)

Cllr. Au returned to the meeting – 4:19 p.m.

It was moved and seconded

*That the Steveston Community Centre and Branch Library Loan Authorization Bylaw No. 10334 be introduced and given first, second, and third readings.*

The question on the motion was not called as discussion ensued with regard to expediting the loan approval process. Staff added that the loan process along with site and construction planning can occur concurrently.

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

**ADJOURNMENT**

It was moved and seconded

*That the meeting adjourn (4:23 p.m.).*

**CARRIED**

**Finance Committee**  
**Monday, December 13, 2021**

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Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, December 13, 2021.

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Mayor Malcolm D. Brodie  
Chair

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Evangel Biason  
Legislative Services Associate



# City of Richmond

## Report to Committee

**To:** Finance Committee **Date:** December 1, 2021  
**From:** Ivy Wong, CPA, CMA **File:** 03-0975-01/2021-Vol  
Acting Director, Finance 01  
**Re:** **Active Capital Projects Information - 3rd Quarter September 30, 2021**

### Staff Recommendation

That the staff report titled, "Active Capital Projects Information – 3rd Quarter September 30, 2021", dated December 1, 2021 from the Acting Director, Finance be received for information.

Ivy Wong, CPA, CMA  
Acting Director, Finance  
(604-276-4046)

Att. 2

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	 Acting GM, F&CS
Community Social Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Facility Services & Project Development	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	
Recreation Services	<input checked="" type="checkbox"/>	
Roads & Construction	<input checked="" type="checkbox"/>	
Fleet & Environmental Programs	<input checked="" type="checkbox"/>	
Sewerage & Drainage	<input checked="" type="checkbox"/>	
Sustainability & District Energy	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
<b>SENIOR STAFF REPORT REVIEW</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

Active Capital Project Information for the 3rd Quarter (ended September 30, 2021) is provided to the Finance Committee for information purposes. This report includes the approved 2021 Capital Budget and other previously approved capital projects.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

*Accountable, transparent, and responsible financial management that supports the needs of the community into the future.*

*5.2 Clear accountability through transparent budgeting practices and effective public communication.*

### Analysis

#### **SUMMARY OF ACTIVE CAPITAL PROJECTS**

Active capital projects represent construction, non-construction and acquisition (e.g. equipment and land) capital projects previously approved by Council. A capital project is considered active for the purpose of this report if the project falls within one of the following project completion stages:

- Planning and Design – includes projects that were previously approved and are undergoing design specifications, design approvals, or public consultation.
- Contract Award – this includes preparing and issuing a request for proposal, evaluating proposals received, and finalizing contract award agreements.
- Construction – includes build out of the approved design either by City workforce or under executed agreements.
- Functional Completion – certain projects are completed in phases that allow for portions of the project to be functionally complete while the next phase is initiated.
- Project Completion – may include fully functional assets that are in their final inspection and acceptance stage, assets that may still require minor deficiencies to be addressed, as-built drawings to be received, collection of external funding and fulfillment of audit requirements, where applicable.

Capital projects also include amounts set aside for land acquisition, public art, child care and affordable housing which are dependent upon external factors such as market conditions, availability and external partners. Therefore, these projects are presented to Council prior to final approval.

The approved 2021 Capital Budget of \$100.3M (excluding internal transfers and debt repayments) and other previously approved active capital projects are summarized by program in Table 1. The current balance committed to active capital projects is \$370.8M.

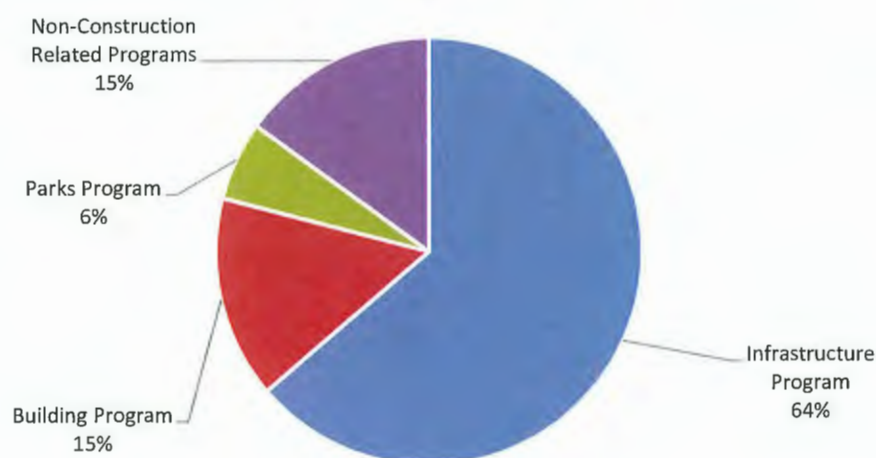
Table 1: Active Capital Projects by Program (in \$'000s)

Program	Plan Year	Budget	Actuals as at September 30, 2021	Expected Commitments / Work In Progress
Infrastructure Program	2021	\$47,454	\$3,901	\$43,553
	2020	68,550	26,214	42,336
	2019	33,015	19,538	13,477
	2018	80,105	61,249	18,856
	2017 & older	50,187	39,239	10,948
<b>Infrastructure Program Total</b>		<b>\$279,311</b>	<b>\$150,141</b>	<b>\$129,170</b>
Building Program	2021	11,440	396	11,044
	2020	19,493	3,587	15,906
	2019	20,713	8,268	12,445
	2018	50,607	18,157	32,450
	2017 & older	121,008	106,667	14,341
<b>Building Program Total</b>		<b>\$223,261</b>	<b>\$137,075</b>	<b>\$86,186</b>
Parks Program	2021	12,898	703	12,195
	2020	11,150	1,902	9,248
	2019	12,322	3,386	8,936
	2018	10,430	2,800	7,630
	2017 & older	30,456	21,730	8,726
<b>Parks Program Total</b>		<b>\$77,256</b>	<b>\$30,521</b>	<b>\$46,735</b>
<b>Construction Related Programs</b>		<b>\$579,828</b>	<b>\$317,737</b>	<b>\$262,091</b>
Affordable Housing Program	2021	650	-	650
	2020	400	28	372
	2019	425	-	425
	2018	400	-	400
	2017 & older	4,800	94	4,706
<b>Affordable Housing Program Total</b>		<b>\$6,675</b>	<b>\$122</b>	<b>\$6,553</b>
Child Care Program	2021	112	11	101
	2018	100	10	90
<b>Child Care Program Total</b>		<b>\$212</b>	<b>\$21</b>	<b>\$191</b>
Equipment Program	2021	7,704	1,269	6,435
	2020	5,470	1,840	3,630
	2019	14,386	4,072	10,314
	2018	8,333	6,356	1,977
	2017 & older	13,383	9,744	3,639
<b>Equipment Program Total</b>		<b>\$49,276</b>	<b>\$23,281</b>	<b>\$25,995</b>
Land Program	2021	10,000	-	10,000
	2020	10,000	1,760	8,240
	2019	10,000	-	10,000
	2018	10,000	-	10,000
	2017 & older	42,044	14,555	27,489
<b>Land Program Total</b>		<b>\$82,044</b>	<b>\$16,315</b>	<b>\$65,729</b>
Public Art Program	2021	185	120	65
	2020	745	493	252
	2019	563	144	419
	2018	725	203	522
	2017 & older	4,709	4,196	513
<b>Public Art Program Total</b>		<b>\$6,927</b>	<b>\$5,156</b>	<b>\$1,771</b>
Contingent External Contribution	2021	8,470	-	8,470
<b>Contingent External Contribution Total</b>		<b>\$8,470</b>	<b>\$-</b>	<b>\$8,470</b>
<b>Non-construction Related Programs</b>		<b>\$153,604</b>	<b>\$44,895</b>	<b>\$108,709</b>
<b>Grand Total</b>		<b>\$733,432</b>	<b>\$362,632</b>	<b>\$370,800</b>

An estimate of \$10M was included in the 2021 Capital Plan (2021-2025 Financial Plan Bylaw) for external grants or contributions that may be received throughout the year. Funding is transferred to the approved applicable projects only when funding is confirmed. As of September 30, 2021, \$1,530,000 was received and the budget for Contingent External Contribution was adjusted to \$8,470,000.

The following is an overview of the actual current year capital expenditures as at September 30, 2021.

**Figure 1 – Current Year Capital Expenditures as at September 30, 2021**



The following are capital projects with the highest current year capital expenditures (actuals on a cash-basis) as at September 30, 2021.

**Table 2: Capital projects expenditures (in \$'000s)**

Project Name	Current Year-to-Date Actuals
2016 Flood Protection Program (2016, 2020)	\$4,396
Advancement of Partial Funding for the Canada Line Capstan Station (2020)	3,013
Eckersley B Sanitary Pump Station (2020)	2,048
Animal Shelter Replacement (2018)	1,839
Annual Asphalt Re-Paving Program - Non-MRN (2020)	1,628
Watermain Replacement Upgrades Program (2020)	1,590
Burkeville Utility Improvements Drainage (2020)	1,402
Phoenix Net Loft Building Stabilization (2018, 2020)	1,221
Energy Management Projects (2017, 2018, 2020)	1,128
Closed Circuit Television for Signalized Intersections (2018)	1,071

**GRANT APPLICATIONS**

During the third quarter, the City received approval for the Investing in Canada Infrastructure Program – COVID-19 Resilience Infrastructure Stream for the Thompson Community Centre and Hall Infrastructure Renewals approved for a maximum available funding of \$900,000.

The City is currently awaiting results for the following grant applications:

- Investing in Canada Infrastructure Program - Community, Culture and Recreation (CCR) Intake Phase 2 for the Minoru Place Activity Centre Conversion to Arts Centre for a maximum available funding of \$2,400,000
- National Disaster Mitigation Program (NDMP) for Mitigation Planning – the Steveston Island Preliminary Dike Design submission for a maximum available funding of \$500,000
- ICBC 2021 Road Improvement Program for 2021 ICBC - City of Richmond Road Improvement Program partnership. Funding will be determined at the point of grant approval

**HIGHLIGHTS OF KEY CONSTRUCTION RELATED CAPITAL PROJECTS**

Information on key capital projects include the project budgets, transfers from other projects and budget amendments, actuals on a cash-basis, and remaining commitments as at September 30, 2021.

**INFRASTRUCTURE**

The City's Infrastructure program includes construction for roads, lanes, street systems, public walkways and paths, street lighting, water distribution networks, sanitary sewer systems, and drainage and flood protection systems. Many of the active infrastructure projects are in the design and permitting stages. With the current Provincial and Federal regulatory framework, the design and approval process for many drainage projects (including pump stations and dike upgrades) can take between one to two years.

There are continued upgrades for pump stations, dikes and roads throughout the City along with infrastructure improvements in the Burkeville area, Steveston area and various other locations.

Table 3 provides the highlights for the key infrastructure capital projects.

**Table 3: Key Infrastructure Capital Projects (in \$'000s)**

Program	Project Name	Budget	Actuals as at September 30, 2021	Expected Commitments / Work In Progress
Drainage	Drainage Pump Station & Diking Upgrades including Provincial Grant (2016, 2020)	\$28,302	\$22,870	\$5,432
Drainage	Drainage Pump Station and Diking Upgrades – Federal Grant (2020, 2021)	9,516	232	9,284
Drainage & Sanitary	Burkeville Area Drainage and Utility Improvements - Phase 2 (2019, 2020)	3,369	2,820	549
Drainage	Laneway Drainage Upgrades (2020)	1,460	1,379	81
Road & Drainage	No. 4 Road Reconstruction and Box Culvert Repair (2018, 2020)	4,286	1,072	3,214
Road	Annual Asphalt Re-Paving Program - MRN and Non MRN (2020)	4,842	2,951	1,891
Sanitary	Eckersley B Sanitary Pump Station Replacement and Spires Utility Servicing (2020)	5,100	3,179	1,921
Sanitary	Steveston Laneway Sanitary Sewer Rehabilitation (2018, 2020, 2021)	5,439	1,908	3,531
Sanitary	Hamilton Sanitary Pump Station (2020)	2,800	1,617	1,183
Water	Watermain Replacement Program (2020)	5,793	5,011	782
<b>Total Key Infrastructure Capital Projects</b>		<b>\$70,907</b>	<b>\$43,039</b>	<b>\$27,868</b>

## BUILDING

The Building Program includes major building construction and renovation projects as well as minor facility upgrades. Table 4 provides the highlights for the key building capital projects.

**Table 4: Key Building Capital Projects (in \$'000s)**

Project Name	Budget	Actuals as at September 30, 2021	Expected Commitments / Work In Progress
Animal Shelter Replacement (2018)	\$8,000	\$2,125	\$5,875
Bowling Green Community Activity Centre (2018)	5,300	8	5,292
Phoenix Net Loft (2018, 2020)	19,440	1,687	17,753
Minoru Place Activity Centre (2019)	3,326	195	3,131
Richmond Ice Centre Infrastructure Renewals - Phase 1 (2020)	6,850	1,063	5,787
Richmond Courthouse (2019, 2020)	1,932	41	1,891
Community Safety Building (2020)	1,420	28	1,392
City Hall Infrastructure Replacement (2020, 2021)	4,270	116	4,154
Works Yard Improvements (2018, 2019)	4,222	947	3,275
Minoru Arenas (2019, 2021)	4,580	873	3,707
<b>Total Key Building Capital Projects</b>	<b>\$59,340</b>	<b>\$7,083</b>	<b>\$52,257</b>

Attachment 1 includes the Q3 2021 Construction Update on Engineering and Public Works Capital Projects as well as the project budget and the scheduled construction completion.

## PARKS

The Parks program includes the development and replacement of parks, trails, community garden and natural areas in Richmond. Key Parks capital projects are summarized below with the project highlights being included in Attachment 2.

**Table 5: Key Parks Capital Projects (in \$'000s)**

Project Name	Budget	Actuals as at September 30, 2021	Expected Commitments / Work In Progress
Alexandra Park (formerly West Cambie Park) (2016, 2019)	\$2,554	\$653	\$1,901
Aberdeen Park Phase 2 and 3 (2018, 2019)	2,050	241	1,809
Railway Granville Bike Park (2020)	270	259	11
Garden City Lands Phase 2 and 3 (2016-2018)	5,995	2,890	3,105
Riverport and Cook Community Gardens (2020)	180	146	34
Minoru Lakes Renewal (2018-2021)	10,060	464	9,596
Safety and Environmental Enhancements to Richmond High Turf Field Warranty Repair (2021)	448	443	5
King George Park Rugby Field Upgrades (2013-2015, 2019)	374	195	179
Lang Park Completion (2020)	250	63	187
Dog Park Upgrades (2021)	200	1	199
The Gardens Agricultural Park (2015)	1,100	592	508
London / Steveston Park Enhancements (2017, 2019-2020)	950	669	281
Hollybridge Pier/Middle Arm (2010, 2012, 2015)	2,350	1,932	418
South Arm Park Renewal (2021)	300	-	300
Playground Improvement & Replacement (2018, 2020-2021)	1,500	654	846
Parks Aging Infrastructure (2018-2021)	2,190	1,682	508
Parks General Development (2020-2021)	950	240	710
Parks Identity Signage Program (2020-2021)	200	110	90
<b>Total Key Parks Capital Projects</b>	<b>\$31,921</b>	<b>\$11,234</b>	<b>\$20,687</b>

## TRANSPORTATION

The key transportation capital project is highlighted below. Top 20 Collision Prone Intersections – Short-term Improvements (2020) implements short-term improvements determined through the Network Screening Study to enhance intersection safety at the identified intersections. To date, the project is substantially completed with minor work remaining at some locations for lighting upgrade to Light Emitting Diode (LED) and enlargement of signal heads. Long-term Improvements at two intersections are being advanced through separate capital projects. Table 6 provides the highlight for the key transportation capital project.

**Table 6: Key Transportation Capital Project (in \$'000s)**

Project Name	Budget	Actuals as at September 30, 2021	Expected Commitments / Work In Progress
Top 20 Collision Prone Intersections- Short-term Improvements (2020)	\$500	\$307	\$193
<b>Total Key Transportation Capital Project</b>	<b>\$500</b>	<b>\$307</b>	<b>\$193</b>

## CAPITAL PROJECTS COMPLETED IN THE QUARTER

The following active capital projects were closed in the third quarter. Any unspent funding will be returned to the original source (e.g. Reserve Fund) for distribution toward future projects.

**Table 7: Projects Closed in the Quarter Ended September 30, 2021 (in \$'000s)**

Project Name	Budget	Actuals as at September 30, 2021	Remaining Budget*
Enhanced Community Centre Police Office (2018)	\$6,170	\$5,908	\$262
Network Refresh for City Facilities (Phase 1 of 3) (2020)	575	564	11
South Arm Boiler Replacement and Domestic Water Repiping (2018)	540	528	12
East Richmond Drainage & Irrigation Upgrades (2018)	466	435	31
Public Art Program (2018)	399	321	78
Annual Hardware Refresh (2020, 2021)**	384	371	13
Property Management System (Amanda) Upgrade (2018)	375	373	2
Network Infrastructure Core Refresh (2018)	362	333	29
Public Works Minor Capital - Sanitation & Recycling (2020)	350	350	-
West Richmond Sidewalk Rehabilitation Program - Phase 1 (2020)	350	347	3
Drainage Pump Station Rehabilitation (2018)	300	300	-
Manhole and Inspection Chamber Replacement Program (2018)	250	227	23
Citywide Connector Walkways Rehabilitation Program (2020)	250	250	-

\* Unspent funds will be returned to the original source of funding

\*\* Budget for Annual Hardware Refresh includes \$363K approved in 2020 and a budget transfer of \$21K reported in the Amendments to the Consolidated 5 Year Financial Plan (2021-2025) Bylaw No. 10239

**Table 7: Projects Closed in the Quarter Ended September 30, 2021 (in \$'000s) - continued**

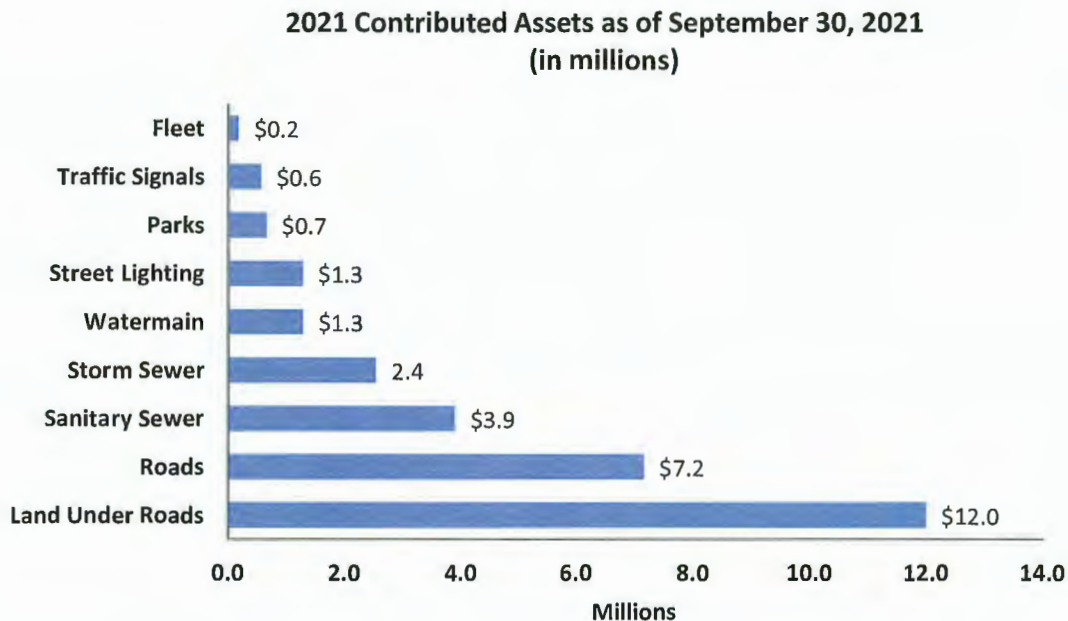
Project Name	Budget	Actuals as at September 30, 2021	Remaining Budget*
OpenText eDocs DM/RM (REDMS) Upgrade (2017)	178	161	17
Child Care - Administration (2020)	110	31	79
Child Care Projects - City-wide Non-Capital Grants (2021)***	4	-	4
<b>Total</b>	<b>\$11,063</b>	<b>\$10,499</b>	<b>\$564</b>

\* Unspent funds will be returned to the original source of funding

\*\*\* \$4K for Child Care Projects - City-wide Non-Capital Grants was approved by Council to support the 2021 Child Care Professional and Program Development Grants. In 2021, there were insufficient grant applications to award the grants.

### **CONTRIBUTED ASSETS**

Included in the Consolidated 5 Year Financial Plan (2021-2025) Bylaw was an estimated \$61.5M for assets that are transferred to the City by developers and third parties. Under the Public Sector Accounting Standards, these are recorded as revenue at the fair market value at the time of contribution. Any variance between the budgeted and the actual contributed assets received will be included in the annual surplus reported on the financial statements. The following assets totalling \$29.6M have been recorded as of September 30, 2021:

**Figure 2 – Current Year-To-Date Contributed Assets as at September 30, 2021**

Included in Land Under Roads are the road extensions of:

- The lane on the Lansdowne Road to the No. 3 Road as part of the rezoning application for the property at 5671 No. 3 Road recorded at the fair market value of \$9.0M; and
- Lansdowne Road to the No. 3 Road as part of the rezoning application for the property at 5500 No. 3 Road recorded at the fair market value of \$1.5M.

### **Financial Impact**

None.

### **Conclusion**

This report provides information on active capital projects that were previously approved by Council. All previously approved active capital projects are currently within budget.



Jenny Ho, CPA, CGA  
Acting Manager, Budgets  
(604-276-4223)

JH:sx

- Att. 1: Q3 2021 Construction Update on Engineering and Public Works Capital Projects  
2: Q3 2021 Construction Update on Parks Capital Projects

### **Q3 2021 Construction Update on Engineering and Public Works Capital Projects**

#### **Flood Protection**

##### **Drainage Pump Station and Diking Upgrades – Provincial Grant**

The City secured \$16.6 million from the Provincial Government under the Flood Protection Program. This project includes the upgrades of four drainage pump stations and diking upgrades. Construction for the South Dike upgrade (Gilbert Road to No. 3 Road), Horseshoe Slough drainage pump station, Shell Road North drainage pump station, and No. 7 Road South drainage pump station is substantially complete.

##### **Drainage Pump Station and Diking Upgrades – Federal Grant**

The City secured \$13.8 million from the Federal Government through the Disaster Mitigation and Adaptation Fund Grant to contribute towards the multi-year \$34.45M Flood Protection Program that are budgeted from 2020 to 2025. This project includes the upgrades of various drainage pump station and diking upgrades. The construction of the Steveston Highway and Gilbert Road drainage pump station and South Dike Upgrades from No. 3 Road to west of No. 4 Road is ongoing.

##### **Burkeville Area Drainage, Watermain and Sanitary Sewer Upgrades**

This project consists of upgrades to the City's storm sewer capacity. Aging watermain and sanitary sewers will also be upgraded at the same time to minimize ongoing disruption to residents and overall construction costs. This project will be performed in phases over 5 to 10 years. Phase 2 is ongoing with Phase 3 commencing in Q4 2021.

##### **Laneway Drainage Upgrades**

This project consists of upgrades to laneways in the Broadmoor area to reduce local flood risks by increasing the City's storm system capacity. Construction at Bates Road East laneway is complete, and construction at Reeder Road South laneway is ongoing.

#### **Roads**

##### **No. 4 Road Reconstruction and Box Culvert Repair from Blundell Road to Granville Avenue**

This project involves the reconstruction of the northbound lanes of No. 4 Road from Blundell Road to Granville Avenue. This section has undergone settlement over the years resulting in road surface deterioration. In addition, the joints in the drainage box culvert located on the west side of No. 4 Road are failing which will also be repaired through this project. Construction is ongoing.

##### **Paving Program – Various Locations – City-Wide**

The annual Paving Program works are ongoing. Locations completed include 11000 Block Railway Avenue, 10000 Block No. 4 Road, 8000 Block Lansdowne Road, 8000 Block Westminster Highway, 6000 Block Cooney Road, 11000 Block No. 3 Road, Alderbridge and Garden City Road, Bridgeport and No. 5 Road, and various spot repairs.

**Sanitary Sewers****Eckersley B Sanitary Pump Station**

This project includes the replacement of the existing sanitary pump station located at William Cook Elementary School and will connect to the existing sanitary system and recently completed Spires area upgrades. The project is substantially complete.

**Steveston Sanitary Sewer**

This project includes the rehabilitation and upgrades to the City's sanitary sewer in the Steveston catchment. This project will be performed in phases over 5 to 10 year. Ongoing work includes pipe condition assessment and preliminary field investigation.

**Water****Watermain Replacement Program**

This project replaces and upsizes aging watermain at the end of their service life with PVC pipe, in line with the City's Ageing Infrastructure Replacement Strategy. This will minimize unplanned maintenance and improve fire protection. Construction in the Bridgeport/Simpson/Olafson area and Bates area is complete. Construction in the Chatsworth/Chelmsford area is complete.

**Thompson Gate Pressure Reducing Valve (PRV) Station**

This project includes the construction of a new PRV station on Boundary Road and Thompson Gate to connect the neighbourhood's watermain system to Metro Vancouver's Annacis transmission main. Completion of the project is required to provide adequate flows to support upcoming development in the area. Construction is ongoing.

**Buildings****Animal Shelter**

The project scope includes upgrading the existing 4,580 sq. ft. facility and building a new 1,600 sq. ft. addition. This work will support the growing population of Richmond, while providing improved facilities, amenities and a high quality environment for animal care. Construction is well underway with completion anticipated in 2022. Following construction completion, transitioning the animals is anticipated to be complete in 2022.

**Bowling Green Community Activity Centre**

The current Richmond Lawn Bowling Clubhouse was constructed in 1963 and is located in the northeast corner of Minoru Park. This facility will be demolished and replaced with a modern 4,900 sq. ft. single-storey facility in the same location. Design and tendering for construction services is now complete. Construction is anticipated for completion by Q1 2023.

City Centre Community Centre North

The developer driven amenity will feature an indoor activity track, gymnasium, multi-purpose rooms and Children's Exploratorium. The 33,000 sq. ft. project is currently under detailed design by the developer and it is anticipated to be under construction in 2022, with an estimated completion by the end of 2023.

Richmond Ice Centre- Phase 1

Existing aging equipment and infrastructure will be replaced with new and more efficient alternatives. Three new compressors will use less ammonia, have more efficient power consumption and improved control operation. The equipment and infrastructure replacements will minimize unplanned maintenance and improve life and safety for the users and operators. The compressors replacement and the other upgrades to the refrigeration plant is complete, whereas the design for the remainder of the work is ongoing, with construction scheduled to start in Q1 2022.

Child Care Centres

A combined total of approximately 40,300 sq. ft. have been designed and are under construction to accommodate about 120 children in various licensed child care programs. Funding was collected through both the Development Cost Charges and Community Amenities Charges. Design and construction, which is the responsibility of the developer, continue for the following:

- Seedlings Early Childhood Development Hub - Keltic Canada Development Co. Ltd. (construction completion anticipated by Q4 2021)
- Hummingbird Child Care - Aspac Development Ltd. (construction completion anticipated by Q1 2022)

Richmond Courthouse

The two-storey, 64,000 sq. ft. building was originally built in 1975 and currently houses spaces for the Attorney General Office, Richmond Community Corrections, Richmond Family Justice Centre and RCMP Community Services. Existing aging equipment will be replaced with new and more efficient alternatives. Existing infrastructure will be improved to enhance life and safety for the users and operators. Staff have procured the consulting team and contractor, with anticipated completion for the design in Q4 2021 and construction start in Q2 2022.

Community Safety Building

The heat pump system has reached the end of its life expectancy. This is the last phase of the heat pump replacement works, which will prevent service disruption and potential closure for this building. The design has been completed and construction is planned to start in Q4 2021.

City Hall Infrastructure Replacement

Multiple building components and mechanical equipment at City Hall will be replaced with modern energy efficient systems, with construction completion anticipated by Q3 2022. In addition, the replacement of the Council Chamber roof is anticipated to be complete in Q4 2022.

Works Yard Improvements

Buildings in general at the Works Yard have aged beyond their expected lifespan. In advance of a broader rebuilding program being finalised and funded, there are many building components within each of the active Works Yard facilities that require replacement in order to maintain operability. Design for this phase is complete and construction tendering is in progress. Construction is estimated to be complete by Q1 2022.

Minoru Arenas

Building infrastructure renewals and replacements include mechanical and electrical upgrades, life and safety equipment upgrades and architectural improvements of the mezzanine viewing area and change rooms. Construction has commenced and anticipated for completion in Q3 2022.

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
<b>INFRASTRUCTURE - ENGINEERING</b>				
<b>ROADS</b>				
1	Garden City Road Pedestrian and Cyclist Enhancements, Westminster Highway to Lansdowne Road (2019)	Garden City Pedestrian and Cyclist Enhancements - Westminster Highway to Lansdowne Road	\$1,000	Complete
2	Arterial Roadway Improvement Program (2019)	Railway Greenway intersections	\$950	Q4 2021
	Neighbourhood Walkway Program (2019)			
3	River Parkway Road Extension - Gilbert Road to Cambie Road (2018)	River Parkway Road Extension - Gilbert Road to Cambie Road	\$13,200	Complete
	Cambie Road Improvement, River Road to No. 3 Road (2018)			
	Leslie Road Improvement, River Parkway to approximately 150m to the east (2018)			
4	Street Light LED Upgrade Program (2020)	Year 4 - Continuation of LED replacement program	\$400	Q4 2021
5	Cambie Overpass Rehabilitation Project (2020)	Rehabilitation of the Cambie Overpass approach at Knight Street	\$1,355	Q4 2021

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
6	No. 4 Road Reconstruction from Blundell Road to Granville Ave (2018)	Granville Avenue to Blundell Road	\$4,286	Q4 2021
	Box Culvert Repair (2018)			
	Box Culvert Repair (2020)			
7	Bridge Rehabilitation Program (2018)	Various locations Citywide including West Dikes Bridge and Bird Road Bridge	\$590	Q2 2022
	Bridge Rehabilitation Program (2019)			
8	Annual Asphalt Re-Paving Program - MRN (2020)	Annual asphalt re-paving	\$1,554	Q4 2021
9	Annual Asphalt Re-Paving Program - Non-MRN (2020)	Annual asphalt re-paving	\$3,288	Q4 2021
10	Annual Asphalt Re-Paving Program - MRN (2021)	Annual asphalt re-paving	\$1,589	Q3 2022

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
11	Annual Asphalt Re-Paving Program - Non-MRN (2021)	Annual asphalt re-paving	\$3,344	Q3 2022
12	Arterial Roadway Improvement Program (2018)	River Road Sidewalk - No. 6 Road to Burdette Street, Sidewalk Upgrades - Lucas at No. 3 Road	\$350	Q3 2022
13	Active Transportation Improvement Program (2018)	Odlin Road Bike Route, Westminster Highway MUP - 14600 block to No. 7 Road, and Charles Street MUP - Sexsmith to Bridgeport Canada Line Station	\$2,000	Q4 2021
	Active Transportation Improvement Program (2019)			
14	Alderbridge Way Multi-Use Pathway, No. 4 Road to Shell Road (2018)	Alderbridge Way MUP - Shell Road to No. 4 Road	\$1,200	Q1 2022
15	Steveston Highway Multi-Use Pathway, Shell Road to Mortfield Gate (2019)	Steveston Highway MUP - Shell Road to Mortfield Gate	\$2,000	Q3 2022

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
16	Cambie Road/No. 5 Road- Intersection Improvements (2020)	Intersection safety improvements at Cambie Road and No. 5 Road	\$2,760	Q3 2022
17	Neighbourhood Walkway Program (2020)	Viking Way Sidewalk - Cambie Road to Bridgeport Road and Westminster Highway Walkway - Muir Drive to 22411 Westminster Highway	\$750	Q4 2022
18	Transit-Related Roadway Improvement Program (2020)	Various locations Citywide including Westminster Hwy at No. 8 Road, Railway Avenue at Linfield Gate, Railway Avenue at Lancing Road, and Railway Avenue at Maple Road	\$500	Q3 2022
<b>DRAINAGE</b>				
19	Heather Street Improvement (2019)	Neighbourhood improvement on Heather Street, from Francis Road to Dayton Avenue	\$1,757	Complete
20	Burkeville Utility Improvements Drainage (2020)	Burkeville Drainage Upgrades (Second phase of construction)	\$3,369	Q4 2021
	Burkeville Utility Improvements - Sanitary (2019)			

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
21	Watercourse Crossing Rehabilitation & Replacement (2020)	Replacement of a failed culvert crossing that serves City's tree nursery, KPU incubator farm and Richmond Food Security Society's Community Farmers	\$300	Complete
22	2016 Flood Protection (2016)	South dike upgrades - No. 3 Road to Gilbert Road, Horseshoe Slough Pump Station, No. 7 Road South Drainage Pump Station, Shell North Drainage Pump Station	\$28,302	Complete
23	South Dike Repair - Gilbert Road Area (2021)	South Dike Repair - Gilbert Road Area	\$500	Complete
24	East Richmond Drainage & Irrigation Upgrades (2018) Canal Stabilization (2020) East Richmond Drainage & Irrigation Upgrades (2020) Canal Stabilization and Drainage & Irrigation Upgrades (2021)	Canal stabilization and drainage and irrigation upgrades throughout Richmond including Cambie and No. 7 Culvert Replacement, Westminster Hwy Cross Culvert, 11000-12000 Block No. 3 Road, and 9000 block No. 6 Road	\$3,266	Complete

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
25	Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2021)	Second phase of drainage pump station upgrades and perimeter dike raising design as per the awarded Disaster Mitigation and Adaptation Fund including dike upgrades from No. 3 Road to 400m west of No. 4 Road, and dike upgrades at No. 9 Road	\$5,000	Q4 2022
26	Laneway Drainage Upgrade (2020)	Laneway drainage upgrade in Greenlees Road east lane, Bates Road east lane, and Bates Road south lane.	\$1,460	Q4 2021
27	Storm Main Drainage Upgrade (2021)	Drainage improvements at the intersection of Gilbert Road	\$950	Q2 2022
28	Steveston Highway & No. 3 Road Pump Station Upgrade (2019)	Upgrade of the existing drainage pump station at Steveston Highway and No. 3 Road	\$2,439	Q2 2022
29	Burkeville Utility Improvements Drainage (2021)	Burkeville Drainage Upgrades (Third phase of construction)	\$2,026	Q3 2022
30	Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2020)	First phase of drainage pump station upgrades and perimeter dike raising design as per the awarded Disaster Mitigation and Adaptation Fund including upgrades at the existing drainage pump station at Steveston Highway and Gilbert Road	\$4,516	Q4 2022

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
31	Laneway Drainage Upgrade (2021)	Laneway drainage upgrade at Reeder Road south lane, and Railway Avenue East lane	\$800	Q4 2022
<b>SANITARY</b>				
32	Hamilton Area Sanitary Sewer and Pump Station (2020)	Sanitary Pump station located in Hamilton VLA Park	\$2,800	Q2 2022
33	Eckersley B Sanitary Pump Station (2020)	Eckersley B Sanitary Pump Station	\$5,100	Complete
34	Sanitary Sewer Tie-in and Restoration (2021)	Sanitary Sewer Tie-in and Restoration	\$150	Q2 2022
35	Steveston Gravity Sewer Replacement and Rehabilitation (2018)	Multi-year sanitary rehabilitation and upgrade program in the Steveston area	\$5,439	Q4 2022
	Steveston Gravity Sewer Replacement and Rehabilitation (2020)			
	Gravity Sewer Rehabilitation and Upgrades (2021)			

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
<b>WATER</b>				
36	Watermain Replacement Program (2019)	Watermain Replacement Program - McDonald Road Area, Colbeck Area, Palmberg Area and Gilhurst/Bates Area	\$5,395	Complete
37	Thompson Gate Pressure Reducing Valve Station (2020)	Water pressure reducing valve station to reduce Metro Vancouver's distribution pressure to local pressure to provide additional water service to the East Richmond area	\$1,500	Q2 2022
38	Watermain Replacement Upgrades Program (2020)	Watermain Replacement Program - No. 4 Rd, Chatsworth/Chelmsford Area, Bridgeport/Olafsen Area and Monteith Area	\$5,793	Q2 2022
39	Watermain Tie-in and Restoration (2021)	Watermain Tie-in and Restoration	\$200	Q2 2022
40	Water Metering Program (2021)	Upgrade touch pad meters to radio meters; volunteer multi-family dwelling meters	\$1,286	Q2 2022
41	Watermain Replacement Upgrades Program (2021)	Watermain Replacement Program - Danube/Minler Area, Nevis/Petts Area, Springfield Area, No. 3 Road, Terra Nova Park and Granville Avenue	\$6,196	Q4 2022

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
<b>BUILDINGS - PROJECT DEVELOPMENT</b>				
42	Minoru Arena System Renewals (2019)	Systems Renewal	\$3,300	Q4 2021
43	Community Safety Building - Mechanical Component Replacements and Associated Works (2020)	Components Replacement	\$1,420	Q4 2022
44	Works Yard Electrical Service Upgrade and EV Infrastructure (2020)	Electrical Upgrade and EV Infrastructure	\$1,688	Q3 2022
45	City Hall Upgrades and Repairs (2019)	Mechanical Upgrades and repairs	\$980	Q3 2022
46	Minoru Aquatics Centre Demolition (2021)	Demolition	\$2,700	Q4 2021
47	Minor Capital Buildings Project Development (2018)	62 projects (roof replacement, flooring, mechanical equipment, etc.)	\$4,334	Q4 2021
48	Works Yard Aging Mechanical and Building Envelope Infrastructure Replacement (2018)	Design of site wide infrastructure replacements	\$2,515	Q1 2022
49	Works Yard Mechanical Replacements (2019)	Mechanical Systems Replacement	\$1,707	Q1 2022

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
50	City Hall - Replacement of Mechanical, Life/Safety, and Envelope Components and Associated Works (2020)	Replacement Components	\$2,630	Q4 2022
51	Hamilton Community Centre - HVAC Replacement (2021)	HVAC Replacements	\$500	Q3 2022
52	Animal Shelter Replacement (2018)	Replacement	\$8,000	Q1 2022
53	Richmond Ice Centre Infrastructure Renewals - Phase 1 (2020)	Renewals	\$6,850	Q4 2022
54	City Hall Council Chamber Roof Replacement (2021)	Council Chamber Roof Replacement	\$1,640	Q4 2022
55	Watermania Aging Mechanical and Building Envelope Infrastructure Replacement Phase 2 (2019)	Mechanical and Envelope Replacement	\$1,341	Q4 2022

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
56	Richmond Courthouse - Mechanical Components Replacements, Envelope Renewals, Electrical Replacements, Structural Renewals and Associated Works (2020)	Infrastructure Replacements	\$1,932	Q4 2022
	Richmond Courthouse - Mechanical Components Replacements, Envelope Renewals, Electrical Replacements, Structural Renewals and Associated Works (2019)			
57	Bowling Green Community Activity Centre (2018)	Replacement of Clubhouse	\$5,300	Q1 2023
58	Thompson Community Centre & Hall Infrastructure Renewals (2021)	Infrastructure Upgrades	\$900	Q1 2022
59	Minoru Arenas - Mechanical & Life Safety System Renewals (2021)	Mechanical and Life Safety Renewals	\$1,280	Q3 2022
60	West Richmond Community Centre - HVAC and Mechanical renewals (2021)	HVAC Renewals	\$1,330	Q4 2023

### **Q3 2021 Construction Update on Parks Capital Projects**

#### **Alexandra Neighbourhood Park**

Alexandra Neighbourhood Park is located in the newly established Alexandra neighbourhood, at the intersection of Odlin Road and May Drive. In March 2019, Council approved the re-naming of this park from West Cambie Park to Alexandra Neighbourhood Park. Request for Proposals (RFPs) for the work were issued in **Q2 2020**, and the construction contract was awarded in **Q2 2021**. Park construction is now underway, and expected to be completed in **Q4 2021**.

#### **Aberdeen Neighbourhood Park – Phase 2**

Aberdeen Neighbourhood Park is located at the intersection of Cambie Road and Hazelbridge Way. In July 2017, Council approved the naming of this new park from Cambie City Centre to Aberdeen Neighbourhood Park. The RFP for Phase 2 works was issued in Q3 2020. Purchasing staff identified a lead proponent, and cost savings opportunities were finalized with the prospective contractor and consultant team. The construction contract was awarded in **Q2 2021**. Park construction is now underway, and expected to be completed in **Q1 2022**.

#### **Railway Granville Bike Park**

This project is now substantially complete and open for public use and enjoyment. Public feedback has been positive and the park is well used on a daily basis. Two benches were recently installed along the Railway Greenway and line painting was completed to guide riders on the direction of travel, and identify the ride line rating in the park. Several trees within the bike park will be planted this fall.

#### **Garden City Lands (GCL)**

Staff will be proceeding with construction of the community gardens on the site with an expected commencement in early **Q4 2021**. An extensive contaminated sites testing program will be proceeding in **Q4 2021** once a Qualified Environmental Professional (QEP) has been engaged. Staff will be installing park benches along the Perimeter Recreational Trail in **Q4 2021** and additional native tree and shrub plantings in late **Q4 2021** through **Q1 2022** along the same trail. The scale and extent of this planting effort will be similar to what was successfully completed in 2018. The Perimeter Recreational Trail will remain open to residents to enjoy the site during this time.

#### **City-wide Community Gardens**

Several new community gardens are being planned for construction throughout the City in **Q3/Q4 2021**. A public consultation on community gardens took place during **Q3 2021** via the LetsTalkRichmond platform. Based on the feedback received from the community, staff will bring a report to Council in **Q4 2021** to provide more details and seek Council's direction on preferred locations for future community gardens.

Minoru Lakes Renewal

Detailed design for the renewed Minoru Lakes District was completed and an RFP has been posted to market for a contractor to provide construction services. Public bidding shall continue into **Q4 2021** and a contract is expected to be awarded by end of **Q4 2021**. The project is on schedule for construction to start in 2022.

Safety and Environmental Enhancements to Richmond High Turf Field Warranty

Replacement of the artificial turf field was completed in 2016, however due to product defects, the vendor will be replacing the synthetic turf under warranty at no cost to the City. Staff have identified opportunities to improve the safety, performance and play experience of the field. The construction of this project was completed in **Q3 2021**, and it is now open for public use.

King George Park – Artificial Turf Field Replacement

Synthetic sports fields generally last 8 to 12 years depending on the usage and the maintenance of the fields. Installed in 2008, the King George field is at the end of its expected lifespan and is failing to meet minimum operating safety standards for shock attenuation (i.e., risk of injury). The RFP process has been completed and the contract has been awarded. This project is anticipated to start in **Q2 2022** as a result of scheduling demands from the user groups and delays with the availability of materials.

King George Community Park – Gathering Area

The construction phases of the social gathering area was completed in **Q2 2021**. The new gathering area features a community stage, a large harvest table, and additional site furnishings reflective of public feedback gathered as part of the King George Community Park Master Plan. Remaining works are scheduled for **fall 2021**. These works include tree planting, native shrub planting in bioretention areas, and temporary irrigation for plant establishment.

Lang Park Redevelopment Plan – Phase 3 Completion

The current construction phase of the Lang Park Redevelopment Plan includes an overhead shelter, table tennis tables and a community book exchange kiosk as part of the approved park program to address the needs of the community. The table tennis table installations and book exchange kiosk were completed in **Q1 2021**. Fabrication of the overhead shelter was completed in **Q3 2021** and installation on site is expected to be completed in **Q4 2021**.

Dog Park Upgrades

The existing Steveston Dogs Off-Leash Area is slated to be upgraded in 2021. Upgrades are expected to include improved surfacing, play features, tree planting, site furnishings, and a drinking fountain. Detailed design is anticipated to begin in **Q4 2021**.

### The Gardens Agricultural Park

Rehabilitation of the existing park features has been completed, including pathways, a bridge, planting and site furnishings. The northern section of the park was previously closed off to the public for safety reasons, and has now been reopened following completion of pathway and landscape improvements. As the Province has recently announced the approval of the George Massey Crossing Project, staff will study its impact to the implementation of the approved park concept.

### London/Steveston Neighbourhood Park

London/Steveston Neighbourhood Park enhancements are being implemented in phases. The first phase was completed in 2018 and included greenway connections to No. 2 Road. The second phase, completed in 2019, included a pathway loop, trees, landforms, and stormwater detention ponds. The third phase of the project includes a playground, half-court basketball plaza and park shelter. Construction of the playground was completed in July 2020 and the half-court basketball plaza was completed in December 2020. The park shelter was installed in February 2021. The fourth and final phase of enhancements include an off-leash dog park. The off-leash area will include a variety of surface treatments, fencing, play elements, tree planting, and site furnishings. Detailed design is anticipated to begin in **Q4 2021**.

### Hollybridge Pier/Middle Arm

This project is the continuation of the Oval West waterfront development as part of the Middle Arm waterfront with a new public pier at the end of Hollybridge Way. The project has been halted as the City has received a final decision letter from the Ministry of Forest, Lands, Natural Resources Operations and Rural Development (FLNRORD), stating that the City's application to construct a public pier has been rejected. **Further consultation is required for the potential next steps to move the project forward with design revisions.**

### South Arm Community Park Renewal

South Arm Community Park Renewal includes enhanced trail connections, a plaza with park shelter, expanded picnic areas, new furnishings and shade trees. Detailed design is currently underway with the playground improvement project, with construction anticipated to start after playground construction is complete in 2022.

### Playground Improvement and Replacement

- South Arm Community Park Playground – The request for proposals will be issued to market in **Q4 2021**. Construction is expected to start in **spring 2022**.
- Talmey Neighbourhood School Park and Garnet Tot Lot Playgrounds – Construction on both playgrounds was completed in **Q2 2021**.
- Steveston Community Park Playground Renewal – A staff report on the Steveston Community Park Playground Next Steps received Council support in Q1 2021. Preparation for a request for proposals for detailed design and costing services is underway and targeted to be issued in **Q4 2021**.
- Odlin Park Playground – Procurement and detailed design has been completed. Construction is underway and on schedule for completion in **Q4 2021**.

- Burkeville Park Playground – The existing zip line was removed and replaced with a new product to meet current safety standards and guidelines. The new zip line is approximately 30 meters in length and features an at-grade track system. Existing park swings have also been removed due to stability concerns. New swings have been ordered and are on schedule for delivery and installation in **Q4 2021**.

#### Parks Aging Infrastructure

- Thompson Burnett Tennis Courts – In May 2021, repairs to cracks on the courts and resurfacing of play areas was completed.
- South Arm Park Basketball Courts – improvements were completed in **Q1 2021** through replacement of the existing basketball hoops and backboards. The installation of a new sport surfacing system on the courts was completed in **August 2021**.
- Gibbons Park – Installation of new storm drainage system on the baseball diamond field was completed in **October 2021**.
- No. 3 Road Pier – A conditional assessment of the pier was completed in **March 2021**. Minor repairs to the piled foundation is anticipated to start in **Q4 2021** pending availability of materials and securing a marine contractor.
- No. 2 Road Pier – A Structural Conditional Assessment was completed in August 2018. Phase 1 repairs to the pile foundation were completed in July 2020. Replacement of the perimeter rail fence was completed in November 2020. Planning for Phase 2 of the pile foundation replacement is now anticipated for 2022-2023. A capital submission will be submitted for consideration in the future year's budget process.

#### Parks General Development

- Thompson Burnett School Park – New pathway alignments were installed in **Q2 2021** to improve pedestrian circulation throughout the site.
- London Heritage Farm – The implementation of the Master Plan has started in Q2 2021 following Council approval of the plan in Q1 2021. Works started include upgrades to the irrigation system, a new lavender garden, and site preparation for further works scheduled for **Q4 2021**, including renovations to an existing chicken run and upgrades to a bee apiary.

#### Parks Identity Signage Program

This project consists of the design and fabrication of various Park and Open Space signage including wayfinding and identity signs. Completed sites for the signage include various neighbourhood park locations in the Thompson area, e.g., Brighthouse, Dover, Gibbons, Thompson, McCallan, Terra Nova School, Terra Nova South and Quilchena.

Fabrication and installation of new bases and signs is currently underway for Birch, Blundell, General Currie, Gilmore, Grauer, Katsura, McKay, Morris, Palmer, and Paulik. Additional works are also in progress for Garden City Park Arboretum interpretation signage upgrade.



# City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Ivy Wong, CPA, CMA  
Acting Director, Finance

**Date:** December 1, 2021

**File:**

**Re:** Financial Information – 3<sup>rd</sup> Quarter September 30, 2021

### Staff Recommendation

That the staff report titled, "Financial Information – 3<sup>rd</sup> Quarter September 30, 2021", dated December 1, 2021 from the Acting Director, Finance be received for information.

Ivy Wong, CPA, CMA  
Acting Director, Finance  
(604-276-4046)

Att: 5

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	 Acting GM, F&CS
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"/>	
Facilities and Project Development	<input checked="" type="checkbox"/>	
Fire Rescue	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	
Recreation & Sport Services	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
Library Services	<input checked="" type="checkbox"/>	
<b>SENIOR STAFF REPORT REVIEW</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Origin

Pre-audited financial information for the 3<sup>rd</sup> quarter ended September 30, 2021 is provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information. The financial information provides Council with an overview of the City of Richmond's (the City) financial results throughout the year and before the annual audited financial statements are presented.

This report supports Council's Strategic Plan 2018-2022 Strategic Focus Area #5 Sound Financial Management and #8 An Engaged and Informed Community:

*5.1 Maintain a strong and robust financial position.*

*5.2 Clear accountability through transparent budgeting practices and effective public communication.*

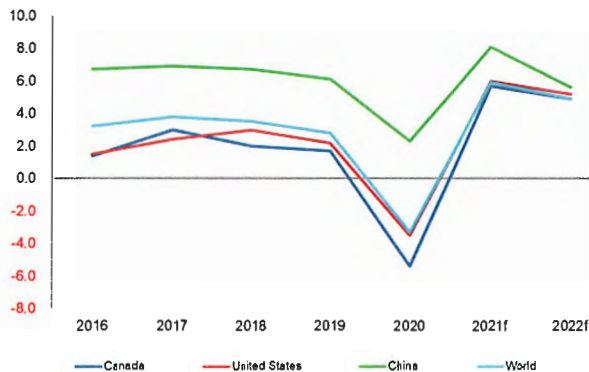
*8.2 Ensure citizens are well-informed with timely, accurate and easily accessible communication using a variety of methods and tools.*

## Analysis

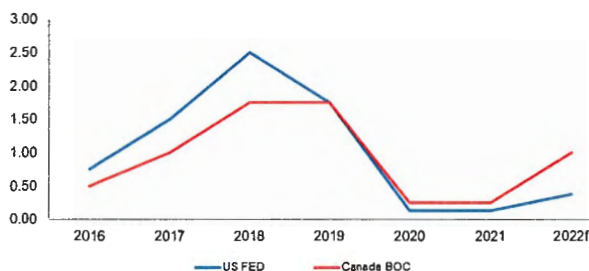
### Macroeconomic Indicators & Forecast

Economies at all levels continue to be impacted to varying degrees by COVID-19. While there has been measurable rebound activity, medium and long term growth prospects remain uncertain due to the unpredictability of virus mutations, inconsistencies in global vaccination rates, and uneven recovery across sectors.

In many countries including Canada, government aid measures have assisted, and in some cases boosted, liquidity and increased purchasing power for consumers whose spending options were limited during pandemic related lockdowns and other restrictions. Many businesses and individuals have demonstrated resiliency by quickly adapting to an online environment, accelerating the e-commerce and remote work trends. Tempering these strong demand fundamentals and constraining growth in some areas are supply chain challenges, labour shortages, and the resulting inflationary pressures that have been higher, more widespread and longer lasting than originally anticipated.

1) Global Growth – Real Gross Domestic Product (GDP) % Change<sup>1</sup>

- The International Monetary Fund (IMF) projects global Gross Domestic Product (GDP) will increase by 5.9% in 2021 and 4.9% in 2022.
- In 2021 Canadian GDP is forecasted to grow by 5.7%, and the U.S. GDP growth forecast is 6.0%.
- These growth forecasts have all been revised downward since the previous forecast, in part due to supply chain disruptions in advanced economies and worsening pandemic dynamics in developing countries.
- Canada, U.S. and China GDP growth forecasts are 4.9%, 5.2%, and 5.6% respectively, for 2022.

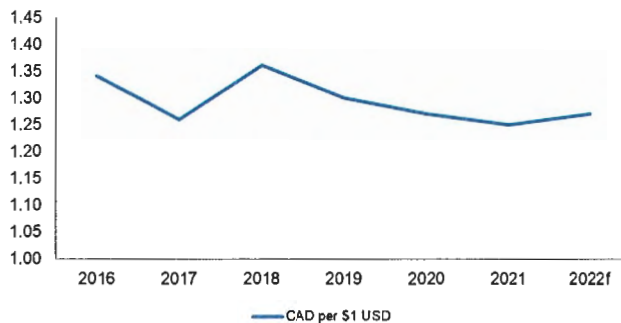
2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year-End<sup>2</sup>

- The Bank of Canada (BoC) has maintained the overnight lending rate at 0.25% throughout Q3 2021 to help stimulate economic recovery, but it is monitoring inflation closely.
- It is expected that this rate will be increased gradually beginning in the second half of 2022, ending next year at 0.75%.
- The U.S. Federal Reserve (US FED) rate remained at 0.13% where it is expected to remain through 2021, potentially rising to a forecasted 0.38% by the end of 2022.

<sup>1</sup> International Monetary Fund, World Economic Outlook (October 2021)

<sup>2</sup> US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (November 2021)

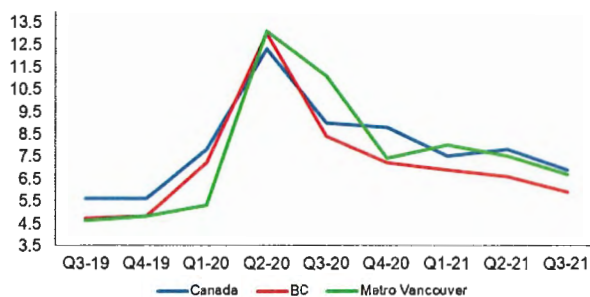
### 3) Exchange Rates – CAD/USD at Year-End<sup>3</sup>



- The Canadian dollar (CAD) is forecasted to end 2021 at \$1.25 CAD per \$1 USD and remain at around the same valuation through 2022.
- The value of the CAD against the USD will be dependent on the relative economic recovery in the two countries.
- A weaker Canadian dollar may benefit non-commodity export sectors, such as tourism and professional and technical services, as cross-border economic activity picks up.

### Regional & Local Economic Activity Indicators

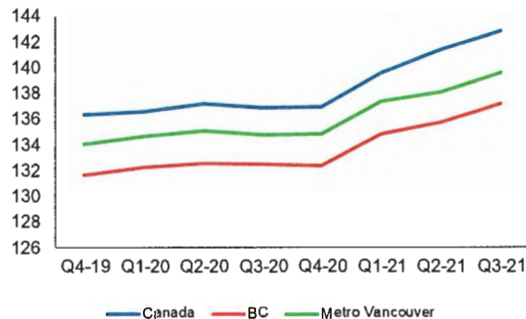
#### 4) Unemployment<sup>4</sup>



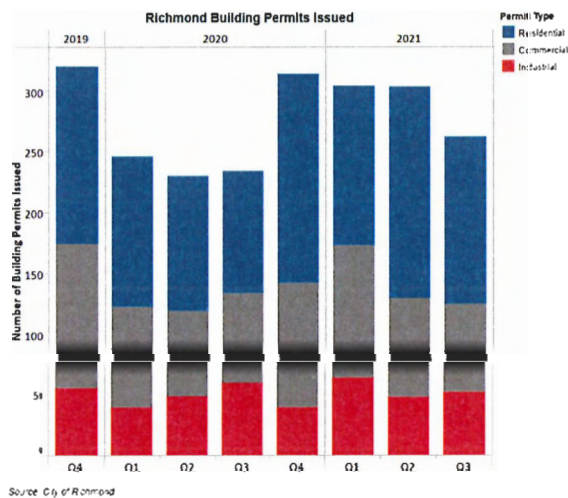
- According to the September 2021 Statistics Canada Labour Market Survey, total national employment has rebounded to pre-pandemic levels. The overall unemployment rate has also improved again this quarter but remains above pre-pandemic levels as new individuals enter the workforce.
- Employment in some sectors has proven to be highly resilient and has surpassed levels seen before the pandemic. Those sectors most affected by public health restrictions, such as hospitality, have seen restrictions eased. However, it is proving challenging finding staff for some segments of the hospitality industry as many found new sectors of employment during the pandemic.
- At the end of Q3 2021 the Canadian, B.C., and Metro Vancouver unemployment rates were 6.9%, 5.9% and 6.2%, respectively.

<sup>3</sup> Royal Bank Economic Research Forecast (November 2021)

<sup>4</sup> Statistics Canada

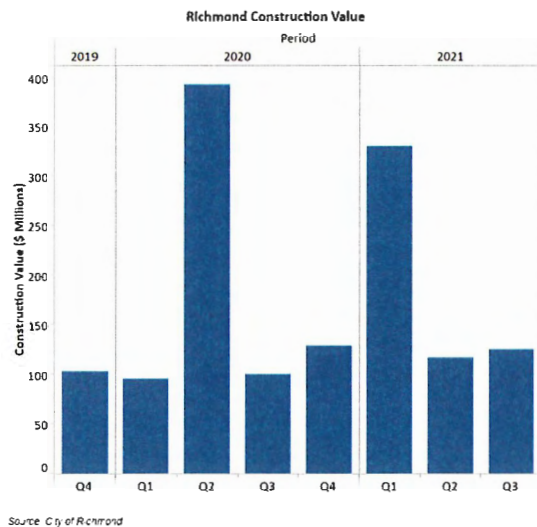
5) Consumer Price Index (CPI – 2002=100)<sup>5</sup>

- At the end of Q3 2021, the Consumer Price Index increased by 4.4% in Canada, 3.5% in British Columbia and 3.6% in Metro Vancouver, compared to the same period last year.
- This high level of inflation is in contrast to the dramatic slowdown in consumer spending experienced in 2020 but also due to ongoing and widespread supply chain disruptions and resulting price pressures on materials, labour, and other production inputs as well as finished goods and services.

6) Building Permits – Richmond<sup>6</sup>

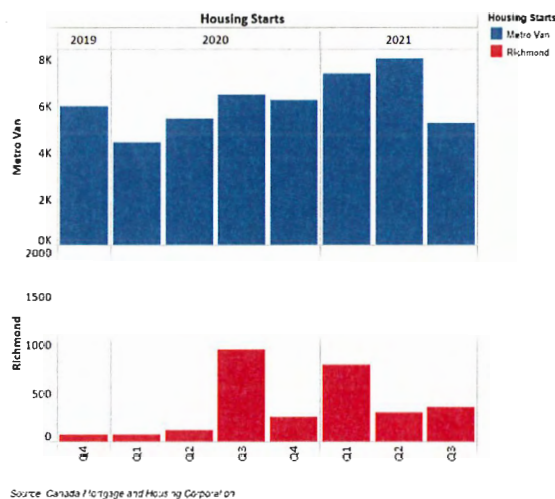
- During the first 9 months of 2021 there were 441 residential, 264 commercial, and 164 industrial building permits issued in Richmond.
- This represents an overall 22.4% increase in the total number of building permits issued over the same period in 2020.
- 88 new units are being added to the local housing supply through this new residential construction permitted in Q3 2021, and 937 so far in 2021. This represents a 16.5% decrease over the same period in 2020.
- The fluctuation in building permits and housing units can be attributed to the trend of fewer, but larger and more complex multi-family project applications that take significantly longer to process. These applications may result in lower permit issuances in certain periods, but will ultimately result in more housing units and higher construction value.

<sup>5</sup> Statistics Canada<sup>6</sup> City of Richmond Building Permits



- \$126 million in construction value was registered in Q3 2021, an increase of 23.8% over the same period last year.
- Year-to-date, the value of all new construction permitted in Richmond is \$572 million, a decrease of just 2.7% compared to the same nine months in 2020.
- While large multi-family developments, as well as increased construction and labour costs, generally contribute to an increase in construction value experienced, more complex multi-family project applications that take significantly longer to process means the construction value experienced will fluctuate over the course of any given year.

## 7) Housing Starts<sup>7</sup>



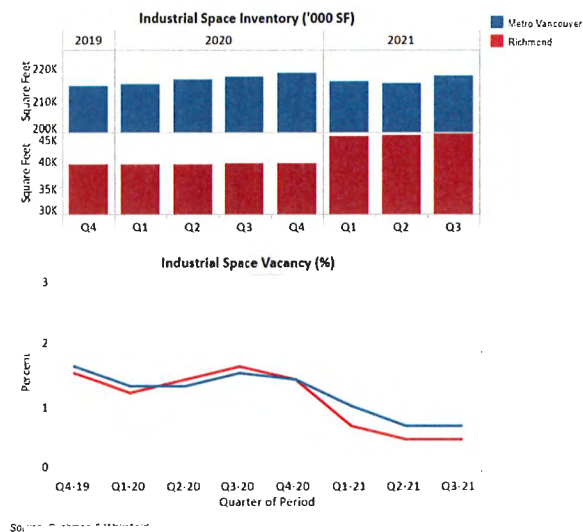
- In Q3 2021, there were 355 housing starts in Richmond and 5,192 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on verification that construction work has commenced<sup>8</sup>.
- Year to date housing starts increased in Richmond by 27.3% and in Metro Vancouver by 26.6% over the same nine-month period in 2020.
- The change in CHMC's housing start data for Richmond in Q3 2021 does not directly compare to the change in residential building permits issued by the City. This is mainly due to the varying timing between issuing a residential building permit and determining a housing start.

<sup>7</sup> Canada Mortgage and Housing Corporation

<sup>8</sup>Housing Start is defined as the beginning of construction work on a building, generally when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

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

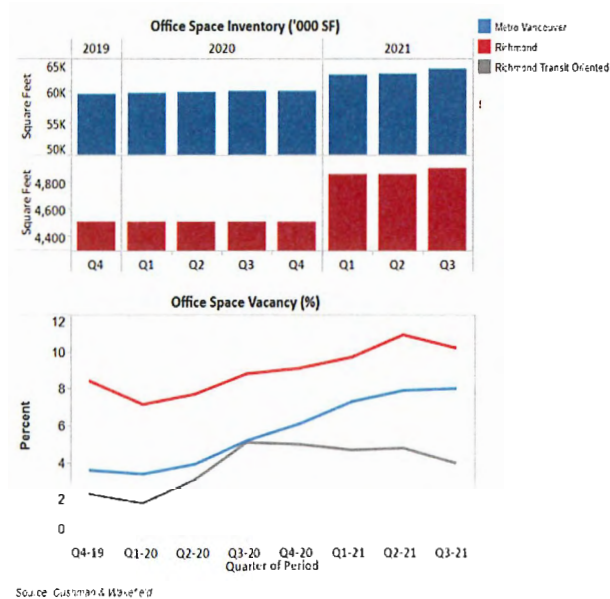
## a) Industrial Space



- Industrial sales and leasing activity in Metro Vancouver continued to be strong in Q3 2021, spurred by factors including the acceleration of e-commerce adoption and the resulting need for additional logistics space.
- 308,000 square feet of industrial space was added to Richmond's inventory during the third quarter of 2021.
- The industrial vacancy rate in Richmond remained steady – but extremely low - at 0.5% in Q3 2021.
- The region continues to face an acute shortage of industrial land and the industrial vacancy rate in Metro Vancouver was 0.7% at the end of Q3 2021. Large warehouses are particularly difficult to come by for businesses looking to expand or locate in the region.

<sup>9</sup> Cushman & Wakefield Office and Industrial Market Beat Reports

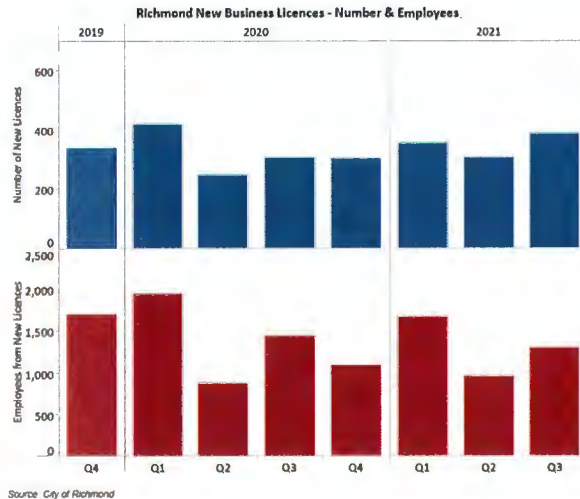
## b) Office Space



- At the end of Q3 2021 the office vacancy rate was 10.2% in Richmond and 8.0% in Metro Vancouver.
- Leasing activity continues to be strong in some sectors including the professional, scientific and technical industry where employment in B.C. has not only rebounded but increased by 15.8% compared to pre-pandemic levels.
- Compared to Q3 2020, office vacancy rates for Q3 2021 have increased by 15.9% in Richmond and 1.3% in Metro Vancouver where multiple notable new developments are coming online.
- Many office-based businesses continue to reconsider their real estate footprint amidst significant structural shifts in how and where people work. However, as vaccination rates have increased, there has been an increasing return to the office mandate, or a hybrid work-from-home/office mandate, for many businesses.

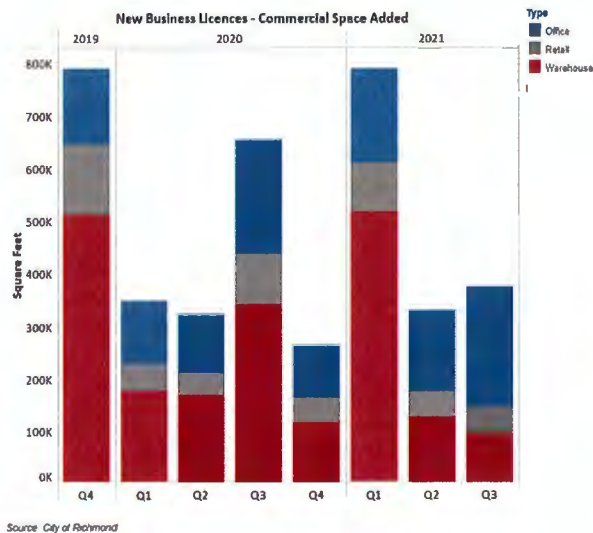
## 9) Business Growth – Richmond

## a) Total Valid Business Licences &amp; New Business Licences Issued



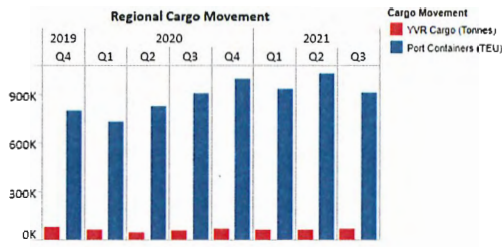
- 385 new business licenses (representing 1,294 jobs) were issued by the City of Richmond in Q3 2021, an increase of 35.6% over the previous quarter.
- The number of new business licenses issued year to date is also up, by 7.6%, over the same period in 2020.
- The number of total valid business licenses at the end of Q3 2021 was 15,108, 11.2% higher than the same period last year.
- This is also the first time that the number of valid business licenses has exceeded pre-COVID levels – by 4.3% compared to Q4 2019, signaling strong economic recovery is underway in Richmond in many sectors

## b) New Business Licences – Commercial Space

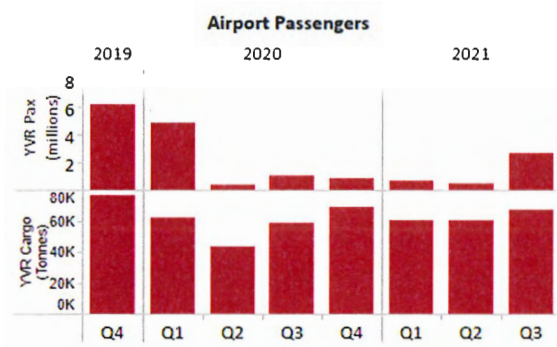


- 373,280 square feet of commercial space absorption was tied to the new business licenses issued from July through September 2021.
- Office space represented the largest share of absorption, at 233,153 square feet, followed by industrial (90,190 square feet), and retail (49,937 square feet).

## 10) Goods and People Movement

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

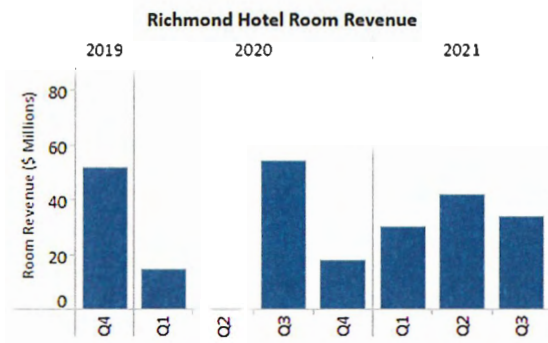
- Year-to-date, cargo volumes handled by the Port of Vancouver, as measured by Twenty Foot Equivalents (TEUs), increased by 15.7% over the same period in 2020.
- Existing supply chain disruptions are expected to be exacerbated as a result of the recent severe weather events that caused flooding and mudslides, severing many road and rail connections between Metro Vancouver and the rest of the country.
- At the Vancouver International Airport (YVR), 188,395 tonnes of air cargo was handled through the first nine months of 2021, an increase of 11.4% over the third quarter of 2020.

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

- The COVID-19 pandemic continues to severely impact air travel with many global travel and border restrictions still in place. While these restrictions are being lifted in many places, requirements for travel vary among geographies which is contributing to continued tempered demand.
- Quarter over quarter, air passenger traffic continues a slow rebound, but the volume of passengers year-to-date is still down by 80.1% compared to the same period in the baseline year 2019.

<sup>10</sup> Port of Vancouver Monthly Cargo Statistics

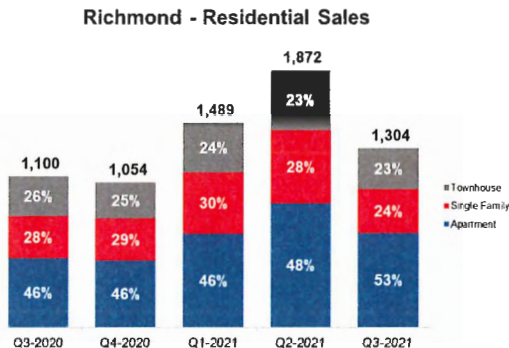
<sup>11</sup> YVR Monthly Statistics – Q3 2021 includes July, August and September data figures

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

- The accommodation sector continues to improve (as measured by hotel room revenue) as travel restrictions such as border closures are lifted.
- During the first eight months of 2021, Hotel Room Revenue as calculated through the receipt of Municipal & Regional District Tax (MRDT), increased by 68.2% over 2020, but was still down by 35.1% over 2019 levels.

Residential Real Estate<sup>13</sup>

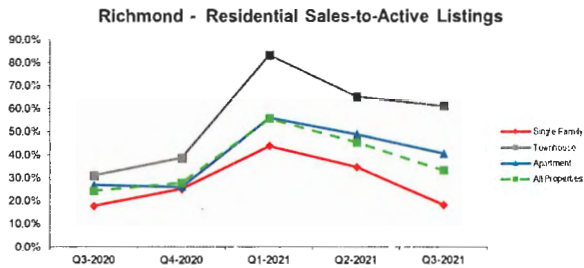
In the third quarter of 2021, home sales activity remained elevated in Richmond's housing market while the pace of homes being listed remains lower than necessary to meet the market demand. This scarcity limits peoples' purchasing options and ultimately adds upward pressure on home prices.



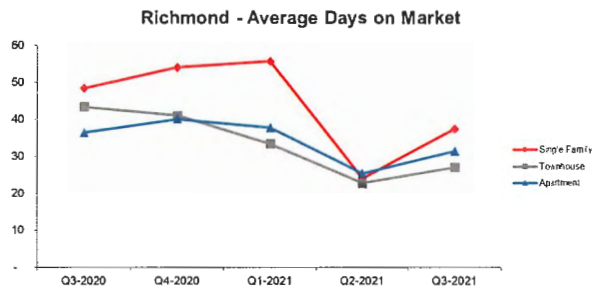
- Single family detached (SFD) home sales increased by 3.9% compared to Q3 2020.
- Townhouse and apartment sales have increased by 3.4% and 36.0%, respectively, compared to Q3 2020.
- Townhouse sales comprise 23% of the residential home sales in Richmond. SFD and apartment sales account for 24% and 53%, respectively, of home sales in Richmond.
- There were 1,304 residential home sales in Richmond in Q3 2021, an 18.5% increase compared to the same period last year.

<sup>12</sup> City of Richmond Additional Hotel Room Tax Ledger; Destination BC – Richmond Hotel Revenue for Q3 2021 includes July and August data only

<sup>13</sup> Real Estate Board of Greater Vancouver

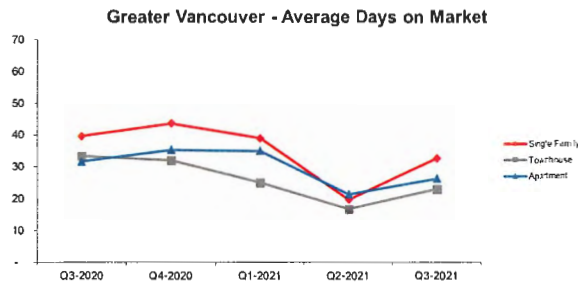


- Richmond residential properties had a sales-to-active listings ratio of 33% as at September 30, 2021 representing a sellers market.



- At Q3 2021, SFD properties in Richmond had an average of 37 days on the market, a 23% decrease compared to Q3 2020.

Townhouses and apartments had an average of 27 and 31 days on the market, respectively, representing a 37% decrease and a 14% decrease respectively over the same period last year.



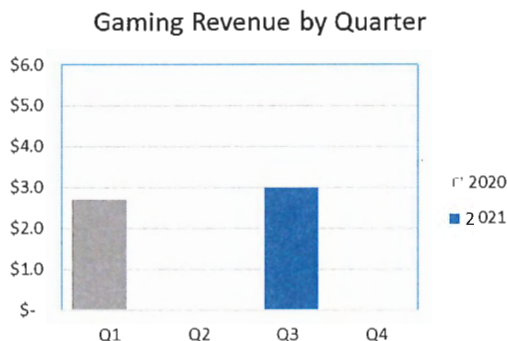
- At Q3 2021, SFD properties in GVRD had an average of 33 days on the market, which represents an 18% decrease compared to Q3 2020.
- Townhouses and apartments in GVRD had an average of 23 and 26 days on the market, which represents a decrease of 30% and 19% respectively, over the same period in 2020.



- The Home Price Index (HPI)<sup>14</sup> for SFD properties in Richmond at Q3 2021 was \$1,950,600, a 25% increase compared to Q3 2020. The GVRD housing market has also increased with SFD properties priced at \$1,828,200, which was a 21% increase compared to the same quarter last year.
- At Q3 2021, the HPI for townhouse properties in Richmond was \$950,900, an increase of 18% compared to Q3 2020. The HPI for townhome properties in GVRD was \$963,800, which represented a 19% increase compared to the same time last year.
- The HPI for apartments in Richmond was \$724,600, an increase of 11% compared to Q3 2020. GVRD's apartment prices increased to \$738,600, which was an 8.0% increase from Q3 2020.

### Gaming Revenue

In accordance with the Host Financial Assistance Agreement with the Province of BC, the Province pays 10% of net gaming income to the City. Net gaming revenue is calculated as net win from casino games less (i) fees payable by BC Lottery Corporation (BCLC) to the service provider and (ii) BCLC's administrative and operating costs. Distributions are subject to volatility due to fluctuations in net win from casino games, operating costs and accounting adjustments.



- The River Rock casino reopened July 1, 2021, the City received \$2,999,392 for Q3 2021.
- Gaming revenue for Q3 2020 was \$nil as the casino was closed effective March 16, 2020.
- The City amended the 2021 budget for 2021 Gaming revenues from \$nil to \$7,000,000 due to reopening of the casino for Q3 and Q4.

<sup>14</sup> Home Price Index is a tool to measure home prices trends in Metro Vancouver and other major markets in the country. It is an alternative measure of real estate prices that provides the market trends over traditional tools such as mean or median average prices

On March 16, 2020, the Attorney General ordered the temporary closure of all gambling facilities in British Columbia in consultation with and on the advice of the Provincial Health Officer. This action was taken in order to protect British Columbians and ensure the province was in the best position to effectively respond to the COVID-19 pandemic. The closure of gambling facilities has directly impacted casino revenue since March 2020.

On June 29, 2021, the provincial government announced that certain businesses can reopen, such as casinos. The Great Canadian Gaming Corporation reopened the River Rock Casino Resort on Thursday, July 1, 2021. The City received a payment for the 3<sup>rd</sup> quarter in October and will continue to monitor the impact of COVID-19 and the allocation of gaming revenue accordingly depending on the revenue received for the last half of 2021.

### **Operating Activity**

Table 1 compares budget to unaudited actual activity up to September 30, 2021. The net figure represents combined revenue and expense amounts. Actuals include estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received.

Table 1: *Net Operational Activity for the period January 1, 2021 to September 30, 2021 (in \$000 's)*

Division/Department <sup>1</sup>	Q3 YTD Net Budget <sup>2</sup>	Q3 YTD Actuals and Commitments	Q3 YTD Variance (\$)	Projected Surplus (Deficit) before Appropriation	Estimated Appropriation	Projected Surplus (Deficit) after Appropriation
Community Safety <sup>3</sup>	\$(408)	\$(627)	\$219	157	-	157
Community Services	33,165	29,476	3,689	4,700	-	4,700
Corporate Administration	7,775	6,535	1,240	900	-	900
Engineering and Public Works	34,598	32,293	2,305	4,772	(4,673)	99
Finance and Corporate Services	17,072	15,120	1,952	1,810	-	1,810
Fire Rescue	32,981	30,774	2,207	2,109	-	2,109
Library	7,632	6,620	1,012	965	(965)	-
Planning and Development	5,597	4,370	1,227	1,658	-	1,658
Policing	46,295	42,369	3,926	629	(7,000)	(6,371)
Fiscal	(161,082)	(167,046)	5,964	300	-	300
Law and Legislative Services	2,986	2,840	146	178	-	178
<b>Total</b>	<b>\$26,611</b>	<b>\$2,724</b>	<b>\$23,887</b>	<b>\$18,178</b>	<b>\$(12,638)</b>	<b>\$5,540</b>
Water Utility	3,315	2,990	325	762	(762)	-
Sanitary Sewer Utility	1,565	870	695	937	(937)	-
Sanitation and Recycling Utility	290	(683)	973	1,235	(1,235)	-
<b>Utilities Total</b>	<b>\$5,170</b>	<b>\$3,177</b>	<b>\$1,993</b>	<b>\$2,934</b>	<b>\$(2,934)</b>	<b>\$-</b>

<sup>1</sup>Net Operational Activity does not include amounts related to capital such as: contributed assets, developer contributions, amortization, etc. It does not represent Generally Accepted Accounting Principles, but is presented on a modified cash basis.

<sup>2</sup>The Net Budget is based on the budget approved by Council on March 22, 2021.

<sup>3</sup>Includes Community Safety Administration, Business Licences, Community Bylaws and Emergency Programs.

The following section provides an explanation on a Divisional/Departmental basis of year to date variances in relation to the 2021 Revised Financial Plan:

- Community Safety (excluding fire rescue and policing) has a favourable variance due to timing required to fill vacant positions offset by lower parking revenues due to the COVID-19 pandemic.
- Community Services' favourable variance is due to vacant positions and cost avoidance through reduced auxiliary staffing levels, which is in alignment with the lower revenues as a result of reductions in programs and services offered due to the COVID-19 pandemic.
- Corporate Administration's favourable variance is mainly due to savings due to delayed hiring and vacant positions.
- Engineering and Public Works favorable variance is mainly due to timing of Public Work maintenance expenses. Estimated appropriations at year end include the following:

\$1.761M for Fleet surplus estimated to be transferred to the Equipment Reserve in accordance with Policy 2020, \$981K for service fees related to Lulu Island Energy Company in accordance with the asset transfer agreement, \$900K for Project Development projects expected to be completed in 2022, \$468K for Major Roadwork to be completed in 2022, \$300K for continued repair work for Roads, \$163K for Snow & Ice to be transferred to provision in anticipation of the colder winter in 2022, \$100K for wet materials from ditching for Sidaway projects.

- Finance and Corporate Services' favourable variance is mainly due to cost avoidance through delayed hiring and vacant positions.
- Fire Rescue's favourable variance is due to the timing between the Council approval of the additional 12 Firefighter positions to the actual hiring and vacancies due to retirements.
- The Library's favourable variance is mainly due to vacant positions. Any surplus at year-end will be appropriated for future use within library operations.
- Planning and Development's favourable variance is primarily due to vacant positions. Ongoing recruitment is underway to fill vacant positions within the Planning and Development.
- Policing's variance is mainly due to appropriations at year end including estimated amounts for the RCMP unionization. The variance pre-appropriation is due to the timing between the Council approval of 16 RCMP Officers and 11 Municipal Employees to the actual hiring offset by estimated past financial obligations.
- Fiscal's favourable variance is mainly due to timing of expenditures.
- Law and Legislative Services' favourable variance is due to vacancies and lower than budgeted general operating expenses.
- Water Utility's favorable variance is mainly driven by unbudgeted construction revenue. Any surplus at year end will be transferred to the Water Levy Stabilization Provision.
- Sanitary Sewer Utility's favorable variance is mainly driven by unbudgeted construction revenue. Any surplus at year end will be transferred to the Sewer Stabilization Provision.
- Sanitation and Recycling Utility's favourable variance is mainly due to higher than budgeted Recycle BC revenue and garbage and recycling processing fees. Any surplus at year end will be transferred to the General Solid Waste and Recycling Provision.

2021 is an extraordinary year as the City continues to be impacted by the pandemic. Community facilities were partially closed during the year and limited programs were offered in the first half of the year. Parking revenue has also decreased as compared to the pre-pandemic level. Since the majority of the City's programs are only partially supported by external revenues, the reduction

in programming yielded cost savings. The CAO and SMT monitored the actual to budget variances to ensure that the City was fiscally prudent. This oversight included managing vacant positions in order to control the spending level while continuing to provide core services and comply with provincial health orders. Additional savings were generated from flexible work arrangements.

Other savings were due to the timing between the approvals and hiring of the additional positions for Firefighters and RCMP officers. All these factors contribute to the surplus projected for 2021, which as part of the 2022 budget is anticipated to be used to offset the tax impact from the RCMP unionization cost in 2022.

The presentation of the figures for the Financial Statement, Unaudited Statement of Operations is different from the Net Budget presentation above. The above presentation combines revenues and expenses and presents the net amount inclusive of transfers. The Unaudited Statement of Operations presents the revenues and expenses separately and prior to any appropriations and transfer to reserves. The Unaudited Statement of Operations for the Nine Month Period Ended September 30, 2021, with comparative figures for 2020 is included in Attachment 3.

#### Cash and Investment Portfolio

As of September 30, 2021, the City's total cash and investment balance totalled \$1.38 billion with a weighted average annualized yield of 1.37%. The overall cash and investment balance is comprised of \$653.7 million in investments and \$731.2 million in interest bearing cash account (Attachment 4).

The City holds a significant proportion of its cash and investment balance in short-term and cashable products for liquidity and yield enhancement purposes. The City integrates Environmental, Social and Governance (ESG) considerations in its investment approach by using negative screening to exclude any direct investments in environmentally-sensitive or fossil-fuel industries. Through the use of negative screening, the City is able to demonstrate responsible investing while complying with the restrictive nature of the City's permitted investments.

*Table 2: Market Interest Rates (for analytical purposes only)*

	September 30, 2021 (current quarter)	June 30, 2021 (previous quarter)
2 Year Government of Canada Bonds	0.53%	0.45%
5 Year Government of Canada Bonds	1.11%	0.97%
10 Year Government of Canada Bonds	1.51%	1.39%

Source: Bank of Canada

The global economic recovery from the COVID-19 pandemic is progressing. The Bank of Canada (the Bank) forecasts that Canada's economy will grow by 5% this year. Demand is expected to be supported by strong consumption and business investment, and a rebound in exports as the US economy continues to recover. Housing activity is expected to remain elevated.

During the latest interest rate announcement on October 27, 2021, the Bank continued to hold the policy interest rate at the effective lower bound of 0.25%. The monetary policy will continue to be in place until economic slack is absorbed so that the 2% inflation target is sustainably achieved. In the Bank's projection, the next interest rate hike cycles could happen sometime in the middle of 2022. In light of the progress made in the economic recovery, the Bank has also announced to end quantitative easing and keep its overall holdings of Government of Canada bonds roughly constant.

The City's overall credit risk exposure remains low because the City continues to maintain a diversified portfolio of strong credit quality investments. Staff will continue to monitor the interest rate movement and will strategically reposition its cash and investments to ensure that, amongst its investment policy objectives, capital preservation and liquidity continue to be the most critical considerations for all municipal investment decisions

### Contract Awards

In accordance with Policy 3104, this report provides information on new contract awards and aggregate contract extensions greater than \$75,000. During the third quarter, 23 contracts greater than \$75,000 were awarded totalling over \$13.4 million (Attachment 5).

### **Financial Impact**

None.

### **Conclusion**

At the end of the third quarter, the City continued with the Restoring Richmond Plan while maintaining public health protection protocols to minimize the spread of COVID-19. Staff are closely monitoring the situation and making adjustments where applicable to mitigate the impacts. The forecast operating surplus at the end of the third quarter is \$5.5M and following the year-end audit, the finalized surplus will be transferred to the Rate Stabilization Account for future tax rate stabilization or one time expenditures as authorized by Council.



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- Att. 1: Economic Indicators
- Att. 2: Financial and Key Indicators
- Att. 3: Unaudited Statement of Operations
- Att. 4: Cash and Investment Portfolio
- Att. 5: Contract Awards greater than \$75,000

**Economic Indicators****September 30, 2021****Macroeconomic Indicators & Forecast**

1) Real GDP (% at YE)	2019	2020	Change	2021f	2022f
Canada	1.9	(5.3)	(378.9%)	5.7	4.9
United States	2.3	(3.4)	(247.8%)	6.0	5.2
China	6.0	2.3	(61.7%)	8.0	5.6
World	2.8	(3.1)	(210.7%)	5.9	4.9
2) Interest Rates (at YE)	2019	2020	Change	2021f	2022f
Bank of Canada	1.75	0.25	(85.7%)	0.25	0.75
US FED	1.63	0.13	(92.0%)	0.13	0.38
3) Exchange Rate (at YE)	2019	2020	Change	2021f	2022f
CAD per \$1 USD	1.3	1.27	(2.3%)	1.25	1.27

**Regional and Local Market Indicators**

4)	Unemployment (%at QE)	Q3-2021	Q2-2021	Change	Q3-2020	Change	
	Canada	6.9	7.8	(11.5%)	9.2	(25.0%)	
	BC	5.9	6.6	(10.6%)	8.6	(31.4%)	
	Metro Vancouver	6.2	7.4	(16.2%)	9.3	(33.3%)	
5)	CPI (2002=100) (at QE)	Q3-2021	Q2-2021	Change	Q3-2020	Change	
	Canada	142.9	141.4	1.1%	136.9	4.4%	
	BC	137.2	135.8	1.0%	132.5	3.5%	
	Metro Vancouver	139.6	138.1	1.1%	134.8	3.6%	
6)	Richmond Building Permits	Q3-2021	Q3-2020	Change	YTD-2021	YTD-2020	Change
	Residential – New Construction^	77	40	92.5%	213	135	57.8%
	Residential – Alterations	60	60	0.0%	228	199	14.6%
	Residential Total	137	100	37.0%	441	334	32.0%
	^ Number of units from new residential construction	88	207	(57.5%)	937	1,122	(16.5%)
	Residential	137	100	37.0%	441	334	32.0%
	Commercial	73	74	(1.4%)	264	227	16.3%
	Industrial	52	60	(13.3%)	164	149	10.1%
	Building Permits Total	262	234	12.0%	869	710	22.4%
	Construction Value (\$ million)	126.0	100.5	25.4%	572.0	588.0	(2.7%)
7)	Housing Starts (Units)	Q3-2021	Q3-2020	Change	YTD-2021	YTD-2020	Change
	Starts - Metro Vancouver	5,192	6,415	(19.1%)	20,486	16,179	26.6%
	Starts – Richmond	355	939	(62.2%)	1,432	1,125	27.3%
8)	Richmond Residential Sales Activity	Q3-2021	Q3-2020	Change	YTD-2021	YTD-2020	Change
	Sales – Detached	317	305	3.9%	1,293	658	96.5%
	Sales – Tow nhouse	300	290	3.4%	1,100	632	74.1%
	Sales – Apartment	687	505	36.0%	2,272	1,168	94.5%
	Sales – Total	1,304	1,100	18.5%	4,665	2,458	89.8%

**Economic Indicators****September 30, 2021****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings**

Ratio (% at QE)	Q3-2021	Q3-2020	Change
Single Family Detached	18.3	17.5	2.8%
Townhouse	61.1	31.1	96.5%
Apartment	40.5	26.9	50.6%
Total	33.2	24.3	36.6%

**10) Average Days on Market**

Property Type	Richmond			Metro Vancouver		
	Q3-2021	Q3-2020	Change	Q3-2021	Q3-2020	Change
Single Family Detached	37	48	(22.9%)	33	40	(17.5%)
Townhouse	27	43	(37.2%)	23	33	(30.3%)
Apartment	31	36	(13.9%)	26	32	(18.8%)

**11) Home Price Index (\$000 at QE)**

Property Type	Richmond			Metro Vancouver		
	Q3-2021	Q3-2020	Change	Q3-2021	Q3-2020	Change
Single Family Detached	1,951	1,565	24.7%	1,828	1,508	21.2%
Townhouse	951	805	18.1%	964	810	19.0%
Apartment	725	655	10.7%	739	684	8.0%

**12) Commercial Space (at QE)**

	Richmond			Metro Vancouver		
	Q3-2021	Q3-2020	Change	Q3-2021	Q3-2020	Change
Office Vacancy (%)	10.2	8.8	15.9%	8.0	7.9	1.3%
Transit Oriented Office Vacancy (%)	4.0	5.1	(21.6%)	N/A	N/A	N/A
Office Inventory (000 sf)	4,903	4,517	8.5%	63,369	62,658	1.1%
Industrial Vacancy (%)	0.5	1.6	(68.8%)	0.7	0.7	0.0%
Industrial Inventory (000 sf)	44,762	39,389	13.6%	217,231	214,895	1.1%

**13) Richmond Business Growth**

	Q3-2021	Q3-2020	Change	YTD-2021	YTD-2020	Change
Total Valid Business Licences (at QE)	15,108	13,586	11.2%	15,108	13,586	10.5%
New Licences - Number Issued	385	306	25.8%	1,043	969	7.6%
New Licences - Employees	1,294	1,437	(10.0%)	3,922	4,257	(7.9%)
New Licences - Office Added (sf)	233,153	217,458	7.2%	569,934	449,171	26.9%
New Licences - Retail Added (sf)	49,937	96,068	(48.0%)	191,777	189,754	1.1%
New Licences - Industrial Added (sf)	90,190	339,588	(73.4%)	727,959	678,943	7.2%
Total Space Added (sf)/Avg. Change	373,280	653,114	(42.8%)	1,489,670	1,317,868	13.0%

**Economic Indicators****September 30, 2021****Regional and Local Market Indicators (continued)**

14) Goods & People Movement	Q3-2021	Q3-2020	Change	YTD-2021	YTD-2020	Change
YVR Air Cargo (tonnes)**	62,127	62,517	7.4%	188,395	169,075	11.4%
PMV Container Movement (TEUs)	914,143	906,158	0.9%	2,858,235	2,470,635	15.7%
YVR Passengers (million)**	2.69	1.1	144.5%	4.03	6.4	(37.0%)
Richmond Hotel Revenue (\$ million)***	34.0	N/A	N/A	106.0	63.2	68.2%

**Notes:**

- a) QE indicates quarter end; YE indicates year end
- b) f - forecast to year-end
- c) \* - Figures have been updated to reflect changes in source data.
- d) \*\* YVR data for Q3 includes July to September 2021 figures.
- e) \*\*\* Hotel Room Revenue for Q3 includes July and August 2021 data only

**List of Sources:**

- 1) International Monetary Fund, World Economic Outlook (November 2021)
- 2) & 3) US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (November 2021)
- 4) & 5) Statistics Canada
- 6) City of Richmond Building Permits
- 7) Canada Mortgage and Housing Corporation
- 8) to 11) Real Estate Board of Greater Vancouver
- 12) Cushman & Wakefield Office and Industrial Market Beat Reports
- 13) City of Richmond Business Licences
- Port of Vancouver Monthly Cargo Statistics
- 14) YVR monthly statistics
- City of Richmond Additional Hotel Room Tax Ledger, DestinationBC

**Financial and Key Indicators****September 30, 2021**

(All dollar amounts in \$000's)

<b>1) Development Cost Charges Contributions</b>	<b>Q3-2021</b>	<b>Q3-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Roads, Water, Sewer DCC's Received	\$1,844	\$7,068	(73.9%)	\$7,472	\$20,429	(63.4%)
Parks DCC's Received	\$361	\$3,343	(89.2%)	\$3,875	\$10,944	(64.6%)
Total DCC Fees Received	\$2,205	\$10,410	(78.7%)	\$9,141	\$20,963	(63.8%)
DCC Reserves – Uncommitted balance at QE	\$144,231	\$148,197	(2.7%)	n/a	n/a	n/a
<b>2) Uncommitted Reserves (at QE)</b>	<b>Q3-2021</b>	<b>Q3-2020</b>	<b>Change</b>			
Capital Funding Reserves	\$118,353	\$166,499	(28.9%)			
Utility Reserves	\$106,598	\$93,774	13.7%			
Affordable Housing Reserves	\$7,174	\$5,115	40.2%			
Other Reserves	\$69,474	\$64,045	8.5%			
Total Uncommitted Reserves	\$301,599	\$329,433	(8.4%)			
<b>3) Taxes to date</b>	<b>Q3-2021</b>	<b>Q3-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Taxes Collected	\$126,202	\$200,767	(37.1%)	\$460,067	\$394,941	16.5%
City Portion of Taxes Collected	\$61,839	\$98,376	(37.1%)	\$225,432	\$193,521	16.5%
Unpaid Taxes - Delinquent & Arrears (at QE)	\$3,504	\$2,520	39.1%	n/a	n/a	n/a
No. of Participants on Pre-authorized withdrawal (at QE)	6,400	6,488	(1.4%)	n/a	n/a	n/a
Pre-authorized withdrawals payments	\$7,963	\$5,548	43.5%	\$21,860	\$22,294	(1.9%)
Interest rate % paid	0.45%	0.45%	0.0%	0.45%	0.45%	0%
<i>Sources: All data is from City of Richmond records</i>						
<b>4) Cash and Investments</b>	<b>Q3-2021</b>	<b>Q3-2020</b>	<b>Change</b>			
Investments	\$653,653	\$769,542	2.3%			
Cash (includes high interest savings accounts)	\$731,152	\$517,615	2.0%			
Total Cash and Investments	\$1,384,805	\$1,287,157	2.1%			
Average City Rate of Return on Investments %	1.37%	1.92%	(28.6%)			

**Financial and Key Indicators****September 30, 2021**

(All dollar amounts in \$000's)

**Financial and Key Indicators (continued)**

<b>5) Planning and Development</b>	<b>Q3-2021</b>	<b>Q3-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Building Permit Fees Collected	\$1,615	\$1,729	(6.6%)	\$6,684	\$7,099	(5.8%)
Development Applications Received	32	29	10.3%	110	112	(1.8%)
Development Applications Fees	\$252	\$183	37.6%	\$714	\$597	19.6%
<b>6) Business Licences</b>	<b>Q3-2021</b>	<b>Q3-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Revenue Received for Current Year Licences	\$788	\$908	(13.2%)	\$3,761	\$3,888	(3.3%)
Revenue Received for Next Year (Deferred)	\$449	\$407	10.3%	\$786	\$728	8.4%
Total Licence Revenue	\$1,236	\$1,315	(5.9%)	\$4,547	\$4,615	(1.5%)
<i>Year to date valid licences and revenue include current year licences issued in the prior year.</i>						
<b>7) Other Revenues</b>	<b>Q3-2021</b>	<b>Q3-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Parking Program Revenue	\$365	\$269	36.0%	\$952	\$889	7.0%
Gaming Revenue	\$2,999	\$0	100%	\$2,999	\$2,705	10.9%
Traffic Fine Revenue	\$2,606	\$0	100%	\$2,606	\$2,508	3.9%
<b>8) Employees</b>	<b>Q3-2021</b>	<b>Q3-2020</b>	<b>Change</b>			
Full Time Equivalent (FTE) Employees (at QE) (City and Library)	1,450	1,454	(0.3%)			
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.</i>						
<b>9) Operating Indicators</b>	<b>Q3-2021</b>	<b>Q3-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
RCMP - Calls for Service Handled	14,859	13,456	10.4%	44,136	40,015	10.3%
Community Bylaws	1,208	1,282	(5.8%)	3,311	5,053	(34.5%)
Fire Incidents	2,580	1,298	98.8%	6,766	5,169	30.9%
Public Works calls for Service	3,737	3,862	(3.2%)	10,933	10,376	5.4%

**Financial and Key Indicators****September 30, 2021**

(All dollar amounts in \$000's)

**Financial and Key Indicators (continued)**

10) Housing Units Secured Since 2007 (at QE)	Q3-2021	Q3-2020	Change
<u>Affordable Housing</u>			
Non-Market Rental (units)	569	529	7.6%
Affordable Rental (LEMR**) (units)	906	798	13.5%
ARTS Rental (units)	37	37	0.0%
Entry Level Home Ownership (units)	25	25	0.0%
<u>Market Housing</u>			
Market Rental (units)	979	979	0.0%
Secondary Suite / Coach House (units)	303	294	3.1%
Total Housing Units	2,819*	2,662*	5.9%

\* Figures have been updated to reflect changes in source data and methodology.

\*\* LEMR units refer to Low End Market Rental units.

\*\*\* The floor space secured refers to square footage negotiated through phased developments. The number remains unchanged, as the development applications for subsequent phases have not come forward at this time with the unit breakdown and mix. LEMR units are still consistently secured through standard rezoning and development applications.

11) Richmond Population Estimate Year End	2021f	2020
	218,520	216,046

Population figures from BC Stats – 2021 forecasted population not available

**Notes:**

- a) All figures presented above are unaudited  
b) f - forecast to year-end

## Unaudited Statement of Operations<sup>1</sup>

For the Nine Month Period Ended September 30, 2021, with comparative figures for 2020.

(Expressed in thousands of dollars)

	Budget Sept 30 2021	Actuals Sept 30 2021	Actuals Sept 30 2020
<b>Revenue:</b>			
Taxes and levies	\$192,148	\$192,148	\$180,568
Utility fees	88,425	89,282	88,519
Sales of services	30,288	21,849	18,671
Payments-in-lieu of taxes	9,107	9,107	6,799
Provincial and federal grants	8,141	7,080	4,377
Development cost charges	18,502	9,872	10,901
Other capital funding sources	56,957	24,154	45,009
Other revenue:			
Investment income	9,964	11,249	13,164
Gaming revenue	5,250	2,999	2,705
Licences and permits	8,552	9,979	10,469
Other	12,355	15,748	16,514
Equity income	617	974	1,232
	<b>440,306</b>	<b>394,441</b>	<b>398,928</b>
<b>Expenses:</b>			
Community safety	95,331	84,097	80,162
Utilities: water, sewer and sanitation	82,340	81,262	76,595
Engineering, public works and project development	62,125	49,845	49,799
Community services	55,208	41,612	35,609
General government	51,035	42,743	39,364
Planning and development	18,307	16,635	12,904
Library services	8,320	7,167	6,869
	<b>372,666</b>	<b>323,361</b>	<b>301,302</b>
YTD Surplus (Annual Surplus) <sup>2</sup>	67,640	71,080	97,626
Accumulated surplus, beginning of year	3,303,791	3,303,791	3,239,341
Accumulated surplus, end of September 30 <sup>3</sup>	<b>\$3,371,431</b>	<b>\$3,374,871</b>	<b>\$3,336,967</b>

<sup>1</sup> Statement of Operations for City and Library after intercompany eliminations, includes investment in Lulu Island Energy Company but excludes Oval results.

<sup>2</sup> Annual Surplus is the difference between revenues and expenses and reflects the change in the accumulated surplus on the Statement of Financial Position. Annual Surplus is prior to transfer to reserves and surplus appropriations. The revenues include capital contributions, development cost charges and other items that impact the investment in tangible capital assets within the accumulated surplus. The expenses include amortization which impacts the investment in tangible capital assets in accumulated surplus.

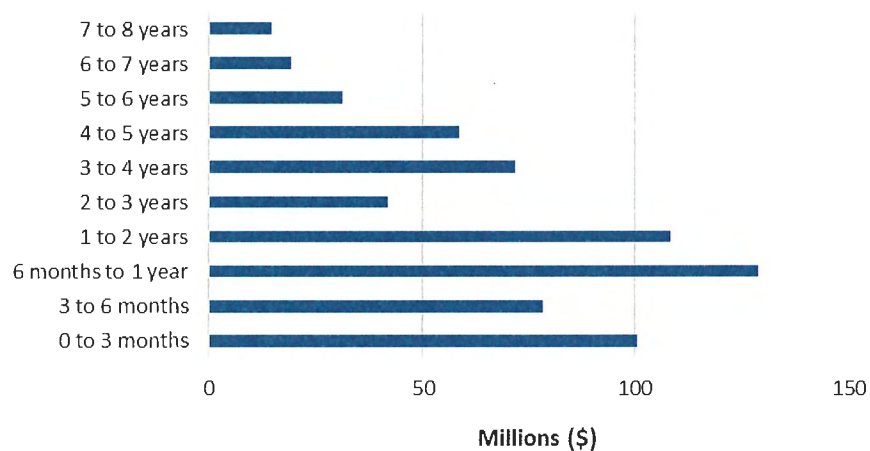
<sup>3</sup> Accumulated surplus is equivalent to the net worth of an organization and is comprised of investment in tangible capital assets, reserves, appropriated surplus, general surplus and other equity.

## Cash and Investment Portfolio

September 30, 2021 (in 000's)

Asset Class	DBRS Long Term Rating	Issuer	Term	Net Book Value	% of Total Portfolio	Investment Limit (% of Portfolio)
<b>Provincial</b>						
	AA (high)	British Columbia	2021-2028	\$ 56,451	8.7%	25%
	AA (low)	Alberta	2022-2023	50,389	7.7%	20%
	AA (low)	Ontario	2022-2026	44,889	6.9%	20%
	AA (low)	Quebec	2022-2025	40,681	6.3%	20%
	AA (low)	Saskatchewan	2025-2028	38,620	5.9%	20%
	A (high)	Manitoba	2021-2023	34,909	5.4%	10%
	A (high)	Nova Scotia	2021-2027	29,475	4.5%	10%
	A (high)	New Brunswick	2021-2027	27,733	4.3%	10%
		<b>Total</b>		<b>\$ 323,147</b>	<b>49.7%</b>	<b>50%</b>
<b>Chartered Banks</b>						
	AA	Bank of Nova Scotia	2021-2026	\$ 69,977	10.7%	15%
	AA (High)	Royal Bank	2022-2025	47,775	7.3%	15%
	AA (High)	TD Bank	2021-2023	40,981	6.3%	15%
	AA	CIBC	2022-2025	34,163	5.2%	15%
	A (low)	Canadian Western Bank	2021	16,904	2.6%	3%
	AA	Bank of Montreal	2022	14,988	2.3%	15%
	AA (low)	National Bank of Canada	2024-2025	11,546	1.5%	5%
	A (high)	HSBC Bank of Canada	2023	9,998	1.5%	10%
		<b>Total</b>		<b>\$ 246,332</b>	<b>37.4%</b>	<b>50%</b>
<b>BC Credit Unions</b>						
	BC	Vancity	2022	\$ 39,208	6.0%	10%
	BC	Gulf and Fraser	2021 - 2022	25,687	3.9%	5%
	Federal	Coast Capital Savings	2021 - 2022	19,278	2.9%	3%
		<b>Total</b>		<b>\$ 84,173</b>	<b>12.8%</b>	<b>30%</b>
<b>Total Investment Portfolio Balance</b>				<b>\$ 653,652</b>	<b>100.00%</b>	
<b>Cash Balance</b> (includes high interest saving products with terms less than 90 days)				<b>\$ 731,152</b>		
<b>Total Cash and Investment Balance</b>				<b>\$ 1,384,804</b>		

### Investment Maturity



**Contract Awards greater than \$75,000**July 1<sup>st</sup> to September 30<sup>th</sup>, 2021

Item	Description	Awarded Vendor	Awarded Amount	Division
1	Steveston Hwy and No. 3 Rd. & Steveston Hwy and Gilbert Rd. Drainage Pump Station Upgrades	GCL Contracting & Engineering Inc.	4,187,000	Engineering & Public Works
2	Supply and Delivery of Self Contained Breathing Apparatus (SCBA)	Guillevin International Inc.	165,066	Community Safety
3	Invasive Species Management Services	Green Admiral Nature Restoration	400,000	Engineering & Public Works
4	Construction Services for South Dike Upgrade - No. 3 Road to 400m West of No. 4 Road	RTR Terra Contracting Ltd.	2,369,628	Engineering & Public Works
5	Consulting Services for 2020 Bus Speed and Reliability Development Study	ISL Engineering & Land Services	134,580	Planning & Development
6	Engineering Consulting Services for South Dike Upgrades from No. 4 Road to No. 5 Road	Kerr Wood Leidal Associates Ltd.	682,962	Engineering & Public Works
7	Steveston Island Preliminary Dike Design Project	Kerr Wood Leidal Associates Ltd.	500,000	Engineering & Public Works
8	Supply and Delivery of Two (2) 3/4 Ton Crew Cab Pickup Trucks	Abbotsford Chrysler Dodge Jeep Ram Ltd.	103,424	Engineering & Public Works
9	RFID Self-Checkout Hardware, Software and Services	Bibliotheca Canada Inc.	160,849	Library
10	Garden City Lands Native Planting	Peel's Nurseries Ltd.	95,943	Community Services
11	Oracle PeopleSoft Financials License Expansion - 2021	Oracle Canada ULC	75,015	Finance & Corporate Services
12	Thompson Community Hall - HVAC Upgrades	Boston Construction Corp.	184,862	Engineering & Public Works
13	Construction Services for City Works Yard Improvements - Phase 1	Boston Construction Corp.	869,292	Engineering & Public Works
14	Seven (7) 2021 Ford Escape Plug In Hybrid	Metro Motors Ltd.	266,140	Engineering & Public Works
15	Community Safety Building Component Replacement - Heat Pump Replacement	Ashton Mechanical Ltd.	683,544	Engineering & Public Works
16	Pre-Construction and Design Services for the Richmond Curling Club Refrigeration System Replacement	Ashton Mechanical Ltd.	120,375	Engineering & Public Works
17	HVAC System Cleaning Services	Reddog Enterprises Ltd. & G.V.A. Power Vac	360,000	Engineering & Public Works

**Contract Awards greater than \$75,000 (continued)**July 1<sup>st</sup> to September 30<sup>th</sup>, 2021

Item	Description	Awarded Vendor	Awarded Amount	Division
18	Supply and Delivery of One (1) 6,500kg CVW Cutaway Van with Dual Rear Wheels	Metro Motors Ltd.	136,530	Engineering & Public Works
19	Civil Engineering Consulting Services for Steveston Highway Multi-Use Pathway Phase 2	R.F. Binnie and Associates Ltd.	346,865	Engineering & Public Works
20	Richmond Curling Club Ice Plant Replacement Construction Services	Ashton Mechanical Ltd.	1,056,524	Engineering & Public Works
21	Fire Hall No. 6 - Heating, Ventilation, and Air Conditioning (HVAC) System Replacement	Davidson Bros Mechanical Contractors Ltd.	215,600	Engineering & Public Works
22	City Hall Annex and City Hall Space Planning	Ashton Mechanical Ltd.	89,753	Engineering & Public Works
23	Consulting Services for the Flood Mitigation Plan Update	Kerr Wood Leidal Associates Limited	149,918	Engineering & Public Works
<b>Total contracts awarded greater than \$75,000</b>			<b>\$13,353,870</b>	



# City of Richmond

## Report to Committee

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**To:** Finance Committee

**Date:** December 14, 2021

**From:** George Duncan  
Chief Administrative Officer  
& President and CEO  
Richmond Olympic Oval

**File:**

Jerry Chong  
Acting General Manager, Finance and Corporate  
Services & Chief Financial Officer, Richmond  
Olympic Oval

**Re:** **Richmond Olympic Oval Corporation – 3rd Quarter 2021 Financial Information**

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### Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2021 from the Director, Finance, Richmond Olympic Oval Corporation be received for information.

George Duncan  
Chief Administrative Officer  
& President and CEO  
Richmond Olympic Oval

Jerry Chong  
Acting General Manager, Finance and Corporate  
Services & Chief Financial Officer  
Richmond Olympic Oval

**DATE:** December 6, 2021

**TO:** George Duncan  
Chief Executive Officer, Richmond Olympic Oval Corporation

Jerry Chong  
Chief Financial Officer, Richmond Olympic Oval Corporation

**FROM:** Rick Dusanj, CPA, CA  
Director, Finance, Richmond Olympic Oval Corporation

**Re:** **Richmond Olympic Oval Corporation – 3<sup>rd</sup> Quarter 2021 Financial information**

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## **Origin**

This staff report addresses the third quarter financial results for the 3 months ended September 30, 2021 ("Q3") which was endorsed by the Corporation's Board of Directors.

## **Highlights**

During Q3 the Corporation continued its gradual restoration of services approach to the COVID-19 pandemic. With safety and community health as our guiding principles, the Corporation remained agile and continued to make operational adjustments to adhere to evolving provincial health orders and province wide restrictions. Below are some of the highlights of the activities undertaken by the Corporation during Q3.

### Community Use

Q3 of 2021 saw numerous changes to the BC Provincial Health Order, allowing the Richmond Olympic Oval to further its progressive resumption of services. With changing requirements for sport, health and fitness facilities, in addition to loosening of restrictions for organized events, Q3 saw the Oval continue to trend positively in program registration, drop-in visitation and membership sales. The increased demand from our customers, coupled with health outcomes trending in the right direction allowed the Oval to increase capacity for group fitness, the fitness mezzanine, climbing wall, table tennis and drop-in basketball. In addition, enhancements to the value of membership were introduced in early Q3 by transitioning the OVALfit at Home program from live-streamed content to a library of over 60 enhanced OVALfit at Home workouts accessible through their membership login with new workout videos published weekly. The previously launched mobile app proved to be popular among members, with over 1,000 active users and over 100,000 sessions since its launch.

In Q3, numerous community groups utilized the Oval to operate their programs and services for ages ranging from tots to seniors. These programs and services include the following sports: aikido, basketball, figure skating, gymnastics, hockey, karate, soccer and more.

In accordance with the Richmond Oval Agreement between the City of Richmond ("City") and the Corporation, the funding that is received from the City on an annual basis is required for the Corporation to fulfill the operating objectives which include the Corporation providing facilities, programs and services for quality sport, fitness, recreational uses and wellness services for the Richmond community, neighbouring communities and the general public. Without the Oval and the annual contribution from the City, these facilities, programs and services would have to be provided elsewhere.

#### Sport Development and Events

Despite the changes in Q3 to loosen the restrictions outlined in the Provincial Health Order, events scheduled to take place in Q3 at the Oval were still limited, altered or postponed. The postponed events were rescheduled for 2022 and 2023. Some of the future new events secured in Q3 by Events and Sport Hosting include: City Shred, Korean Consul General Taekwondo Championships, and Western Canadian Powerlifting Championships.

Throughout Q3, national teams and athletes continued their preparations and training at the Oval ahead of the Tokyo Summer Olympic Games ("the Games"). Wheelchair Rugby Canada held their final staging camp from August 13 to 16. Additionally, the Oval hosted the final competition in a series of mock events for national team athletes, including Sean McColl and Alannah Yip in their preparations for the Games. Alannah Yip trained weekly on the Richmond Olympic Oval's speed and lead climbing walls throughout 2021. Bronze medals were won in Tokyo by Richmond Resident Evan Dunfee in the 50km racewalk, and the Canadian Women's National Softball Team who utilized the Oval facilities and services in the years leading up to the Games.

#### Governance

Meetings of the Corporation's Audit & Finance Committee and the Board of Directors took place during Q3.

#### Financial

Although the Oval's operations are trending in a positive direction, it is anticipated that the gross revenues from memberships, admissions, programs and services for 2021 will be approximately \$4 Million less than it was in 2019 during pre-pandemic times. For Q3, the Corporation continued to exceed conservative budget targets that were established during the pandemic. The results for the 3 months ended September 30, 2021 show income of \$314,000 after amortization compared to a budgeted loss of \$567,000, indicating a favorable variance of \$881,000 (please see page 4 for the Corporation's balance sheet as of September 30, 2021 and page 5 for the statement of operations). In Q3, \$741,000 was allocated to the reserves/equity.

## Comments on the Financial Results for Q3

### Revenues

The Q3 portion of the estimated 2021 Games Operating Trust Fund ("GOT") distribution of \$1,033,000 was recognized as revenue. Memberships, admissions and programs revenues were \$1,668,000 in Q3 and other revenue of \$279,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue. Overall, revenues were \$605,000 favorable to budget.

### Expenses

Memberships, admissions and program services costs for Q3 2021 were \$1,431,000, facility operations costs were \$1,001,000, marketing expenses were \$136,000, and administration and finance expenses were \$599,000. Overall, expenditures were \$275,000 favorable to budget.



Rick Dusanj, CPA, CA  
Director, Finance, Richmond Olympic Oval Corporation

**RICHMOND OLYMPIC OVAL CORPORATION****Balance sheet****As at Sept 30, 2021****Unaudited, prepared by management**

		<b>Sept 30, 2021</b>
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	\$	1,202,572
Investments		13,669,924
Inventory		159,882
Accounts receivable		380,368
		<u>15,412,747</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities		1,616,255
Deferred revenue		7,495,308
Rental deposits		7,373
		<u>9,118,935</u>
Net financial assets		6,293,812
<b>Non-Financial Assets</b>		
Tangible capital assets		12,262,586
Prepaid expenses and other deposits		203,555
		<u>12,466,140</u>
Accumulated Surplus (Note 1)	\$	18,759,952

**Note 1 - Breakdown of accumulated surplus account is as follows:**

Investment in capital assets	8,624,275
Reserves/Provisions	9,146,531
Common Shares	1
Surplus	989,144
	<u>18,759,952</u>

The Accumulated Surplus shown above represents the Corporation's Shareholder's Equity. The investment in capital assets represents funding that has already been spent on existing capital assets currently being depreciated. The reserves/provisions balance primarily includes committed funding for approved capital projects as well as funding required for future capital expenditures. In addition, at the end of each year, the majority of the surplus balance is transferred to the capital reserves to fund the Oval's future capital program, which has averaged \$2.10M annually over the past 5 years. The amount transferred each quarter varies and the final amount is determined by the Capital Works Committee in accordance with the operating agreement.

# **RICMOND OLYMPIC OVAL CORPORATION**

## **Statement of Operations**

**For the quarter ended September 30, 2021**

**Unaudited, prepared by management**

	QTR 3 2021			YTD ended September 30, 2021			2021 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	
REVENUES							
2010 Games Operating Trust Fund	931,250	1,032,833	11%	2,793,751	2,895,333	101,582	4%
Contribution from City of Richmond	917,471	917,471	0%	2,752,414	2,752,414	-	0%
Memberships, admissions and programs	1,111,698	1,687,861	52%	2,981,824	3,799,068	817,244	27%
Other	351,543	279,096	-21%	954,429	819,240	(135,189)	-14%
	3,311,962	3,917,261	18%	9,482,418	10,266,054	783,637	8%
EXPENSES							
Memberships, admissions and program services	1,317,142	1,430,925	-9%	3,557,736	3,714,133	(156,397)	-4%
Facility Operations	1,033,141	1,001,243	3%	3,021,619	2,921,930	99,689	3%
Marketing	150,686	136,192	10%	389,610	350,998	38,612	10%
Admin/Finance	849,297	599,006	29%	2,349,109	1,874,786	474,323	20%
Amortization	528,524	435,945	18%	1,462,593	1,297,282	165,312	11%
	3,878,790	3,603,311	7%	10,780,667	10,159,129	621,538	6%
Net Income/(Loss) (Note 1)	(566,828)	313,950	155%	(1,298,249)	106,925	1,405,174	108%
							(1,834,140)

Note 1 - In Q3, \$0.74M was transferred into reserves/equity mainly for future capital programs. The total transfers vary from quarter to quarter and will be finalized by the Capital Works Committee in accordance with the operating agreement. The Oval Corporation's capital program, which is primarily funded from the Capital Reserves, has averaged \$2.10M annually over the past 5 years.

Numbers may be off due to rounding.



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** December 13, 2021

**From:** John Irving, P.Eng., MPA  
General Manager, Engineering and Public Works  
Chief Executive Officer, Lulu Island Energy  
Company

**File:** 01-0060-20-LIEC1/2021-  
Vol 01

Jerry Chong, CPA, CA  
Acting General Manager, Finance  
Chief Financial Officer, Lulu Island Energy  
Company

**Re:** Lulu Island Energy Company – 3rd Quarter September 30, 2021 Financial  
Information

### Staff Recommendation

That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 3<sup>rd</sup> Quarter September 30, 2021 Financial Information”, dated December 13, 2021 from the Chief Executive Officer and Chief Financial Officer, be received for information.

John Irving, P.Eng., MPA  
General Manager, Engineering and Public Works  
& Chief Executive Officer,  
Lulu Island Energy Company  
(604-276-4140)

Jerry Chong, CPA, CA  
Acting General Manager, Finance  
& Chief Financial Officer,  
Lulu Island Energy Company  
(604-276-4064)

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY SMT	INITIALS: SL
APPROVED BY CAO 	



6911 NO. 3 ROAD  
RICHMOND, BC V6Y 2C1

## Report

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**DATE:** November 16, 2021

**TO:** Board of Directors

**FROM:** Jerry Chong, CPA, CA, Chief Financial Officer

**Re:** Lulu Island Energy Company – 2021 3<sup>rd</sup> Quarter Financial Information

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### Staff Recommendation

That the 3<sup>rd</sup> Quarter Financial Information as presented in the report titled “Lulu Island Energy Company – 2021 3<sup>rd</sup> Quarter Financial Information”, dated November 16, 2021, be approved.

### Background

Lulu Island Energy Company (LIEC), a corporation wholly-owned by the City of Richmond, was established to provide district energy services on behalf of the City. This report is prepared with the objective to provide pre-audited financial information to the Board of Directors and LIEC’s shareholder, represented by Richmond City Council.

### Analysis

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). LIEC’s pre-audited Q3 financial information consists of the interim statement of the financial position as of September 30, 2021 (Attachment 1) and the interim income statement for the period ended September 30, 2021 (Attachment 2).

### Financial Position

The interim statement of the financial position provides a summary of assets, liabilities and shareholder’s equity. Total assets are comprised of current assets (cash, investments and receivables) \$16,903,563 and non-current assets (plant and equipment) \$38,276,749. The total assets are \$55,180,312. The total liabilities of \$21,469,998 include outstanding invoices, deferred contributions and concession liabilities. The shareholder’s equity represents the net worth of the company. It is equal to the total assets minus its total liabilities and measures the company’s financial health. As of September 30, 2021, LIEC’s shareholder equity is \$33,710,314, showing good financial health of the company. Year-to-date budget to actual numbers are shown in Attachment 3.

### Revenues

The metered billing revenue is the total energy sales of both Alexandra District Energy Utility (ADEU) and Oval Village District Energy Utility (OVDEU) service areas. The year to date metered billings revenue is \$2,064,718 from the ADEU and \$1,885,832 from the OVDEU. Overall, the first nine months of metered billing revenue of \$3,950,550 increased by 21% over 2020. This reflects the addition of two new building connections, increased energy use from customers due to increased occupancy, and the approved annual increase for the 2021 rates. The year-to-date metered billings revenue is slightly below budget due to a delayed connection in the ADEU service area, expected to be in service by year-end.

### Cost of Sales

The cost of sales is the accumulated total of expenses attributable to the metered billing revenue, which includes contract services, utilities (electricity and natural gas), and amortization expenses. The contract expense increased by 5% over 2020 with more buildings being serviced, resulting in additional operations and maintenance work. The growth in energy demand, due to the addition of more buildings, resulted in an increased use of electricity and natural gas to run distribution pumps, geo-exchange heat pumps, auxiliary equipment and boilers, which are used to deliver energy to customers' buildings. This increased demand paired with electricity and gas rate increases caused the utility expense to rise by 15% compared to 2020. The amortization expense increased due to capital asset additions. The year-over-year cost of sales has increased by 14%. The gross margin as a percentage of revenue has increased from 51% to 52%, which is in line with last year.

### General and Administration Expenses

The general and administration (G&A) expenses are expenditures that LIEC incurs to engage in operating activities which include salaries and benefits, administration expenses, professional fees, etc., there is a 15% increase compared to Q3 2020 to align with Administrative Procedure 3001.01 in order to fairly reimburse the City for the cost of salaries and benefits for administrative and operational time that City management staff members incur while conducting LIEC business; however, salaries and benefits are in line with the budget. The administration expense includes the overhead allocation paid to the City of Richmond for the day-to-day support that LIEC receives from City staff. Insurance expense increased due to the general insurance rate increase and additional DEU assets being insured. The professional fees increased compared to 2020 due to additional costs as a result of the delayed completion of the year end third party audit. Overall, the G&A expenses as a percentage of revenues are at 17%, which is in line with last year's Q3 results.

### Contributions and Financing

The contributions and financing expense section represents other sources of income and costs for the business. The developer contributions are higher than 2020 due to additional onsite assets built.

The energy modeling review fee revenues are higher than 2020's due to more than anticipated building permit reviews. In August of 2021, the Board approved an amendment to LIEC budget to include 'Other expense' for the ADEU leak as reported in the 2020 financial statements. A leak was discovered in January 2021 in the ADEU service area as a result of a construction defect in the pipe. The accrual that was set up for 2020 has been fully spent and LIEC has incurred further spill mitigation costs as part of the 2021 budget. Spill clean up and remediation work is ongoing and will need to continue into 2022 in order to follow the Provincial Contaminated Sites Regulations. The net finance cost is the result of year-to-date finance costs on concession liabilities, offset by interest income. The net finance cost is higher than 2020 mainly due to the increase in the concession liability. The additional capital expenditure for OVDEU infrastructure has resulted in a higher balance of concession liability compared to the prior year, which also resulted in the additional assets on LIEC books.

LIEC's EBITA (earnings before interest, tax, and amortization), used as a proxy to measure the company's financial performance, increased by 6% compared to the first nine months of 2020. LIEC's EBITA before the other expense is 61% used as a proxy to measure LIEC's financial performance, which is higher than last year, which was 58%.

The year-to-date net income of \$973,369 has exceeded the budget by 58%, though, the net income as a percentage of revenue decreased to 21% for 2021 compared to 31% in 2020 due to additional expenses incurred to mitigate the ADEU spill. Consistent with the company's financial plan objectives, any net income will be maintained in LIEC's equity in order to fund future capital projects and infrastructure replacements.

### **Financial Impact**

None.

### **Conclusion**

The pre-audited financial information shows that LIEC's financial position is positive. This report will be presented to Council for information on January 5, 2022.



Johana Vuletin  
Senior Financial Accountant  
(604-204-8699)

- Att. 1: Interim Statement of Financial Position as of September 30, 2021 (unaudited)  
2: Interim Income Statement for the period ending September 30, 2021 (unaudited)  
3: Year-To-Date Budget vs. Actual Comparison (unaudited)  
4: LIEC Third Quarter Income Statement (unaudited)

**Interim Statement of Financial Position (Unaudited)**

	As of September 30 2021	As of December 31 2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 9,733,724	\$ 8,604,504
Accounts receivable	3,137,352	3,034,510
Other investments	4,032,487	4,014,336
	16,903,563	15,653,350
Non-current assets:		
Plant and equipment	38,276,749	37,359,845
	\$ 55,180,312	\$ 53,013,195
<b>Liabilities and Shareholder's Equity</b>		
Current and non-current liabilities:		
Accounts payable and accrued liabilities	\$ 587,850	\$ 1,790,919
Deferred developer contributions	7,857,057	7,352,360
Concession liability	13,025,091	11,133,416
	21,469,998	20,276,695
Shareholder's equity:		
Share capital and contributed surplus	27,397,115	27,397,115
Retained earnings	6,313,199	5,339,385
	33,710,314	32,736,500
	\$ 55,180,312	\$ 53,013,195

## Interim Income Statement (Unaudited)

	Restated*			
	September 30	September 30		
	2021	2020	\$ Changes	% Change
<b>Revenues</b>				
Metered Billings (Quarterly)	\$ 3,950,550	\$ 3,278,308	\$ 672,242	21%
Service fee	735,750	736,114	(364)	0%
	4,686,300	4,014,422	671,878	17%
<b>Cost of Sales</b>				
Contracts	532,575	508,058	24,517	5%
Utilities	692,803	603,727	89,076	15%
Amortization	1,025,745	869,204	156,541	18%
	2,251,123	1,980,989	270,134	14%
<b>Gross margin</b>	<b>2,435,177</b>	<b>2,033,433</b>	<b>401,744</b>	<b>20%</b>
<b>General and Administration Expenses</b>				
Salaries and benefits	634,740	553,186	81,554	15%
Administration expenses	60,197	61,892	(1,695)	(3%)
Insurance	88,007	78,421	9,586	12%
Professional Fees	28,718	24,111	4,607	19%
	811,662	717,610	94,052	13%
<b>Net income before other items</b>	<b>1,623,515</b>	<b>1,315,823</b>	<b>307,692</b>	<b>23%</b>
<b>Contributions and Financing expense</b>				
Developer contributions	177,139	111,307	65,832	59%
Energy modeling review fee	23,852	22,546	1,306	6%
Other expense	(388,431)	-	(388,431)	100%
Net financing cost	(462,261)	(217,542)	(244,719)	112%
	(649,701)	(83,689)	(566,012)	
<b>Net Income</b>	<b>\$973,814</b>	<b>\$1,232,134</b>	<b>(\$258,320)</b>	<b>(21%)</b>

\*Restated in accordance with Administrative Procedure 3001.01.

**Earnings before interest, taxes and amortization (EBITA)**

Net income per above	\$ 973,814	\$ 1,232,134	(\$ 258,320)	(21%)
Net Financing cost	462,261	217,542	244,719	112%
Amortization expense	1,025,745	869,204	156,541	18%
<b>EBITA</b>	<b>\$ 2,461,820</b>	<b>\$ 2,318,880</b>	<b>\$ 142,940</b>	<b>6%</b>

Notes:

	Ending September 30 2021	Ending September 30 2020
Percentage of Revenue		
Gross margin percentage	52%	51%
General and administration percentage	17%	18%
Net income percentage	21%	31%
EBITA percentage (before other expense)	61%	58%

## Year-To-Date Budget vs. Actual Comparison (Unaudited)

	Amended 2021 Q3 Budget	2021 Q3 Actual	\$ Variance	%Variance
<b>Revenues</b>				
Metered Billings (Quarterly)	\$ 4,103,763	\$ 3,950,550	(\$153,213)	(4%)
Service fee	736,114	735,750	(364)	0%
	4,839,877	4,686,300	(153,577)	(3%)
<b>Cost of Sales</b>				
Contracts	619,618	532,575	(87,043)	(14%)
Utilities	870,134	692,803	(177,331)	(20%)
Amortization	1,068,918	1,025,745	(43,173)	(4%)
	2,558,670	2,251,123	(307,547)	(12%)
<b>Gross margin</b>	<b>2,281,207</b>	<b>2,435,177</b>	<b>153,970</b>	<b>7%</b>
<b>General and Administration Expenses</b>				
Salaries and benefits	635,920	634,740	(1,180)	0%
Administration expenses	101,815	60,197	(41,618)	(41%)
Insurance	86,250	88,007	1,757	2%
Professional Fees	55,905	28,718	(27,187)	(49%)
	879,890	811,662	(68,228)	(8%)
<b>Net income before other items</b>	<b>1,401,317</b>	<b>1,623,515</b>	<b>222,198</b>	<b>16%</b>
<b>Contributions and Financing expense</b>				
Developer contributions	196,018	177,139	(18,879)	(10%)
Energy modeling review fee	29,250	23,852	(5,398)	(18%)
Other expense	(542,488)	(388,431)	154,057	(28%)
Net financing cost	(467,237)	(462,261)	4,976	(1%)
	(784,457)	(649,701)	134,756	(17%)
<b>Net Income</b>	<b>\$616,860</b>	<b>\$973,814</b>	<b>\$356,954</b>	<b>58%</b>
<b>Earnings before interest, taxes and amortization (EBITA)</b>				
Net income per above	\$ 616,860	\$ 973,814	\$ 356,954	58%
Net Financing cost	467,237	462,261	(4,976)	(1%)
Amortization expense	1,068,918	1,025,745	(43,173)	(4%)
<b>EBITA</b>	<b>\$ 2,153,015</b>	<b>\$ 2,461,820</b>	<b>\$ 308,805</b>	<b>14%</b>

## LIEC Third Quarter Income Statement

	2021 Q3 Actual	Restated 2020 Q3 Actual	\$ Variance	% Variance
<b>Revenues</b>				
Metered Billings (Quarterly)	\$ 1,292,969	\$ 1,064,383	228,586	21%
Service fee	245,250	245,371	(121)	0%
	1,538,219	1,309,754	228,465	17%
<b>Cost of Sales</b>				
Contracts	153,483	160,733	(7,250)	(5%)
Utilities	170,387	179,664	(9,277)	(5%)
Amortization	341,915	289,735	52,180	18%
	665,785	630,132	35,653	6%
<b>Gross margin</b>	<b>872,434</b>	<b>679,622</b>	<b>192,812</b>	<b>28%</b>
<b>General and Administration Expenses</b>				
Salaries and benefits	213,610	176,253	37,357	21%
Administration expenses	20,935	18,388	2,547	14%
Insurance	44,004	39,211	4,793	12%
Professional Fees	-	107	(107)	
	278,549	233,959	44,590	19%
<b>Net income before other items</b>	<b>593,885</b>	<b>445,663</b>	<b>148,222</b>	<b>33%</b>
<b>Contributions and Financing expense</b>				
Developer contributions	69,707	38,436	31,271	81%
Energy modeling review fee	39	12,410	(12,371)	(100%)
Other expense	(388,431)	-	(388,431)	100%
Net financing cost	(153,197)	(77,895)	(75,302)	97%
	(471,882)	(27,049)	(444,833)	
<b>Net Income</b>	<b>\$122,003</b>	<b>\$418,614</b>	<b>(\$296,611)</b>	<b>(71%)</b>
<b>Earnings before interest, taxes and amortization (EBITA)</b>				
Net income per above	\$ 122,003	\$ 418,614	\$ (296,611)	(71%)
Net Financing cost	153,197	77,895	75,302	97%
Amortization expense	341,915	289,735	52,180	18%
<b>EBITA</b>	<b>\$ 617,115</b>	<b>\$ 786,244</b>	<b>(\$ 169,129)</b>	<b>(22%)</b>