



## Finance Committee

Anderson Room, City Hall  
6911 No. 3 Road

Monday, December 12, 2011

Immediately Following the Open General Purposes Committee meeting

Pg. #      ITEM

### MINUTES

- FIN-5**      *Motion to adopt the minutes of the meeting of the Finance Committee held on Monday, October 3, 2011.*



### BUSINESS AND FINANCIAL SERVICES DEPARTMENT

- FIN-9**      1.    **TANGIBLE CAPITAL ASSETS**  
(File Ref. No.) (REDMS No. 3365168)

TO VIEW eREPORT CLICK HERE

See Page **FIN-09** of the Finance agenda for full hardcopy report

*Designated Speaker: Jerry Chong*

### STAFF RECOMMENDATION

*That the staff report entitled “Tangible Capital Assets” dated November 4, 2011 from the Director, Finance, be received for information.*



- FIN-13**      2.    **FINANCIAL INFORMATION – 3RD QUARTER 2011**  
(File Ref. No. 03-0970-09-01) (REDMS No. 3414750)

TO VIEW eREPORT CLICK HERE

See Page **FIN-13** of the Finance agenda for full hardcopy report

*Designated Speaker: Jerry Chong*

STAFF RECOMMENDATION

*That the staff report on Financial Information for the 3<sup>rd</sup> Quarter ended September 30, 2011 be received for information.*



**FIN-33      3.      3RD QUARTER 2011 - FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**

(File Ref. No.) (REDMS No. 3420069)

TO VIEW eREPORT CLICK HERE

See Page **FIN-33** of the Finance agenda for full hardcopy report

*Designated Speaker: Andrew Nazareth & John Mills*

STAFF RECOMMENDATION

*That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2011 from the Controller of the Richmond Olympic Oval Corporation be received for information.*



**FIN-41      4.      2012 UTILITY BUDGETS AND RATES**

(File Ref. No.) (REDMS No. 3398960)

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See Page **FIN-41** of the Finance agenda for full hardcopy report

*Designated Speaker: Jerry Chong*

STAFF RECOMMENDATION

*That the 2012 Utility Expenditure Budgets, as outlined under Options 1 for Water, Sewer, Solid Waste & Recycling, and Option 3 for Drainage & Diking as contained in the staff report dated December 1, 2011 from the General Managers of Business and Financial Services and Engineering & Public Works, be approved as the basis for establishing the 2012 Utility Rates.*



Pg. #      ITEM

- FIN-83**      5.      **2012 UTILITY RATE AMENDMENT BYLAWS**  
(File Ref. No. ) (REDMS No. 3423695)

[TO VIEW eREPORT CLICK HERE](#)

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See Page **FIN-83** of the Finance agenda for full hardcopy report

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*Designated Speaker: Jerry Chong*

STAFF RECOMMENDATION

*That the following bylaws be introduced and given first, second and third readings:*

- (1) *Solid Waste & Recycling Regulation Bylaw No. 6803, Amendment Bylaw No. 8847;*
- (2) *Drainage, Dyke and Sanitary Sewer System Bylaw No. 7551, Amendment Bylaw No. 8848;*
- (2) *Waterworks and Water Rates Bylaw No. 5637, Amendment Bylaw No. 8846.*

☐

ADJOURNMENT

☐

## Finance Committee Agenda – Monday, December 12, 2011

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Pg. #	ITEM
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## Finance Committee

Date: Monday, October 3, 2011

Place: Anderson Room  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Linda Barnes  
Councillor Derek Dang  
Councillor Evelina Halsey-Brandt  
Councillor Greg Halsey-Brandt  
Councillor Sue Halsey-Brandt  
Councillor Ken Johnston  
Councillor Bill McNulty  
Councillor Harold Steves

Call to Order: The Chair called the meeting to order at 4:00 p.m.

### MINUTES

It was moved and seconded

*That the minutes of the meeting of the Finance Committee held on Tuesday, September 6, 2011, be adopted as circulated.*

CARRIED

### BUSINESS AND FINANCIAL SERVICES DEPARTMENT

1. **2012 PERMISSIVE EXEMPTION BYLAW 8793**

(File Ref. No. 03-0925-02-01) (REDMS No. 3260855)

It was moved and seconded

*That the 2012 Permissive Exemption Bylaw 8793 be introduced and given first, second, and third readings.*

The question on the motion was not called as a discussion ensued between members of Committee and staff regarding the exemption of the leaseholder of the City-owned Scotch Pond, at 2220 Chatham Street.

Reference was made to the July, 2011 referral to staff, wherein the General Purposes Committee requested that staff report back on the status of Scotch Pond including future plans, community initiatives and an update on any activities.

**Finance Committee**  
**Monday, October 3, 2011**

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Staff was directed to provide a memorandum to Council, before the Tuesday, October 11, 2011 Council meeting, detailing: (i) the status of the Scotch Pond Heritage Society; (ii) the agreement between the City and Scotch Pond Heritage Society; and (iii) the Society's tax exemption.

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

**2. CONSOLIDATED FEES BYLAW NO. 8636, AMENDMENT BYLAW NO. 8798 BUSINESS LICENCE BYLAW NO. 7360, AMENDMENT BYLAW NO. 8799**

(File Ref. No.) (REDMS No. 3282872, 3280202, 3280163, 3279315)

It was moved and seconded

- (1) That Consolidated Fee Bylaw No. 8636, Amendment Bylaw No. 8798 which introduces a Business Licence Fee Schedule and increases all fees by 2% as detailed in the report from Director, Finance be introduced and given first, second and third readings; and*
- (2) That Business Licence Bylaw No. 7360, Amendment Bylaw No. 8799 that deletes the Business Licence Fee Schedule as described in the staff report dated September 12, 2011 from the Director, Finance be introduced and given first, second and third readings.*

The question on the motion was not called as staff responded to Committee queries regarding business licences for adult oriented uses, and attendance by City staff at false alarms generated by security systems. Staff then responded to a further query regarding building inspector fees.

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

**3. 2<sup>ND</sup> QUARTER 2011 – FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**

(File Ref. No.) (REDMS No. 3365025)

Committee requested that Oval staff provide Council with more detailed analysis regarding ice usage, track usage and court usage, beyond the overall percentage of use in the three separate zones.

In response to a query, John Mills, General Manager, Richmond Olympic Oval, advised that the Oval is attracting a new market of users, and is not drawing interest, or users, away from the City's community centres.

It was moved and seconded

*That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended June 30, 2011 from the Controller of the Richmond Olympic Oval Corporation be received for information.*

**CARRIED**

**Finance Committee**  
**Monday, October 3, 2011**

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4. **MANAGER'S REPORT**

Jerry Chong, Director of Finance, introduced Committee to the City's new Manager of Budgets and Accounting, Nashater Sanghera.

**ADJOURNMENT**

It was moved and seconded  
*That the meeting adjourn (4:12 p.m.).*

**CARRIED**

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, October 3, 2011.

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Mayor Malcolm D. Brodie  
Chair

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Sheila Johnston  
Committee Clerk





# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** November 4, 2011

**From:** Jerry Chong  
Director, Finance


**File:**

**Re:** Tangible Capital Assets

### Staff Recommendation

That the report on tangible capital assets from the Manager, Finance Systems Support, be received for information.

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

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Real Estate Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Community Social Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Information Technology	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Engineering	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Fire Rescue	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Parks	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Recreation	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Transportation	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Project Development	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Heritage and Culture	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<b>REVIEWED BY CAO</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

## Staff Report

### Origin

This report provides an update with respect to the accounting treatment and inventory on the City's Tangible Capital Assets (TCA). The purpose of financial statements is to provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide range of users in making economic decisions. Financial statements should be understandable, relevant, reliable and comparable. Reported assets, liabilities, equity, revenue and expenses are directly related to an organization's financial position and further information beyond financial statements is provided in order for users to make assessments and judgements concerning operations and management. This report deals specifically with Tangible Capital Assets.

### Analysis

Under generally accepted accounting principles (GAAP) expenses are the cost of the economic resources that are consumed in and identifiable with the operations of the accounting period. For example, salaries, utility charges and supplies are consumed during a given period. Whereas, assets are economic resources, which are controlled by an entity as a result of past transactions or events and from which future economic benefits are expected to be obtained. Tangible capital assets are a significant economic resource managed by the City and a key component in the delivery of many City programs.

Effective with the City of Richmond's 2009 audited financial statements was the change in accounting for Tangible Capital Assets (TCA). The City now capitalizes TCA and figures were restated to show the historical cost of the assets, amortization expense and remaining net book value (NBV) based on the useful life. Previously TCA were expensed in the year of acquisition. Current GAAP measures the consumption of resources through the amortization of the TCA during each accounting period, which is consistent with the practices of other governments and the private sector.

Historical cost is the actual cost of the asset or the estimated cost at the date of acquisition. This includes land assets from as early as the 1800's and infrastructure from the 1930's. Accounting standards require the use of Historical cost for financial statement presentation. Replacement cost is not utilized under GAAP in preparing financial statements due to the problems in establishing an accurate and reliable valuation of the asset. However, various departments could provide additional information with condition assessments and replacement costs in their own context. For water, sewer, drainage and road infrastructure, Engineering staff reported to Council on June 27, 2011, utilizing replacement value. For facility infrastructure, Project Development staff reported to Committee on September 21, 2011 utilizing replacement costs and the facility condition index.

The NBV of the assets, which is calculated based on the historical cost less accumulated amortization, represents the future balance of the asset. When reviewing the NBV it should be assessed in conjunction with the overall NBV ratio. This is calculated by taking the future

balance divided by the historical cost. The higher the ratio, the newer the assets, for example Building and Improvements have 74% of their useful life remaining. The City's tangible capital assets NBV at December 31, 2010 was \$1.71 billion, 70% of which is still not consumed.

For operational purposes various other City departments may utilize alternative valuation methods, however for purposes of financial accounting the City uses historical cost.

The following table summarizes asset data as at December 31, 2010:

### 2010 Tangible Capital Asset Data Summary

in (\$'000s)	Historical cost balance at Dec 31, 2010	2010 additions	2010 amortization expense	Net book value at Dec 31, 2010	2010 NBV%
<b>Land</b>	<b>543,098</b>	<b>95,333</b>	<b>-</b>	<b>543,098</b>	<b>100%</b>
<b>Work In Progress</b>	<b>34,379</b>	<b>15,502</b>	<b>-</b>	<b>34,379</b>	<b>100%</b>
<b>Total non-depreciable assets</b>	<b>577,477</b>	<b>110,835</b>	<b>-</b>	<b>577,477</b>	<b>100%</b>
<b>Infrastructure</b>	<b>1,455,639</b>	<b>34,573</b>	<b>29,338</b>	<b>864,378</b>	<b>59%</b>
Roads	490,024	8,797	12,437	256,504	52%
Storm Drainage	452,618	8,914	6,348	296,980	66%
Sanitary Sewer	210,754	620	3,243	128,107	61%
Water works	198,646	7,870	2,882	118,826	60%
Parkland Improvement	69,103	7,282	3,671	41,628	60%
Street Lights	34,495	1,089	756	22,333	65%
<b>Buildings and improvements</b>	<b>313,067</b>	<b>7,279</b>	<b>11,386</b>	<b>232,578</b>	<b>74%</b>
<b>Equipment</b>	<b>81,498</b>	<b>5,611</b>	<b>5,832</b>	<b>33,679</b>	<b>41%</b>
Traffic Signals	27,676	434	1,077	16,543	60%
Fleet	22,367	2,452	1,541	6,086	27%
Information Technology	17,551	2,256	1,833	5,738	33%
Law and Community Safety	11,758	338	802	4,235	36%
Oval Corporation	1,712	132	485	824	48%
General	434	-	94	253	58%
<b>Library</b>	<b>8,203</b>	<b>1,441</b>	<b>1,169</b>	<b>3,066</b>	<b>37%</b>
<b>Total depreciable assets</b>	<b>1,858,407</b>	<b>48,904</b>	<b>47,725</b>	<b>1,133,701</b>	<b>61%</b>
<b>Total</b>	<b>\$2,435,884</b>	<b>\$159,739</b>	<b>\$47,725</b>	<b>\$1,711,178</b>	<b>70%</b>

The Asset Management (AM) module in PeopleSoft has been implemented and serves as the central repository for the tracking and reporting of assets. Finance and various departments have incurred many hours to record asset information into the AM module. The database is extensive and made up of assets that are diverse and unique, such as aquatic centres, arenas, bridges, community centres, dykes, fire halls, libraries, parks, roads, vehicles and so on.

Consistent with the Long Term Financial Management Strategy, each respective department has established individual asset replacement plans in order to address assets with low ratios to ensure the City's aging assets are replaced on a proactive basis.

**Financial Impact**

None

**Conclusion**

That the report on tangible capital assets be received for information.

A handwritten signature in dark ink, appearing to read "Lisa Skippen". The signature is fluid and cursive, with the first name "Lisa" and last name "Skippen" clearly distinguishable.

Lisa Skippen  
Manager, Finance Systems Support  
(8660)



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** November 30, 2011

**From:** Jerry Chong  
Director, Finance

**File:** 03-0970-09-01/2010-  
Vol 01

**Re:** Financial Information - 3rd Quarter 2011

### Staff Recommendation

That the report of Financial Information for the 3<sup>rd</sup> Quarter ended September 30, 2011 be received for information.

Jerry Chong  
Director, Finance  
(4064)

### FOR ORIGINATING DEPARTMENT USE ONLY

ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Enterprise Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Information Technology	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Engineering	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Sewerage & Drainage	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Water Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Community Bylaws	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Fire Rescue	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
RCMP	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Parks and Recreation	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Building Approvals	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Development Applications	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Transportation	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Project Development	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<b>REVIEWED BY CAO</b>
		YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

## Staff Report

### Origin

Information for the 3rd quarter ended September 30, 2011 is being provided to Committee with economic updates with respect to Canada, the Province of BC, the City of Richmond, and the financial activity and position of the City.

### Analysis

#### Global Economic Overview

Further to the global issues occurring earlier this year, with the recent sovereign debt crisis in Europe and the political impasse over the U.S. debt ceiling, the global economy has deteriorated in recent months causing Real GDP (Gross Domestic Product) forecast for 2011 to be revised down to 3.2%, compared to 3.6% in June.

#### Canadian Economic Overview

The global trend is also reflected in Canada's economic forecast. According to TD Economics, the Canadian economic outlook is especially vulnerable to the slow growth in the U.S. triggering a trending down of Real GDP to 2.2% from 2.8% in June.

Certain factors are important when looking at Canada's economic outlook:

- Household debt-to-income ratio likely to climb above 150% causing personal consumption growth to be held to 2.5% (down from 3.7%);
- Business investment is key to economic growth driven by elevated commodity prices, strong corporate balance sheets, low interest rates and a supportive tax structure;
- Stronger than anticipated housing demand and non-residential construction fuelled by low interest rates is the exception to slow growth;
- Turmoil in financial markets causing commodity prices to come down but is forecasted to hold up at the elevated levels; and
- Interest rates not expected to increase until early 2013.

#### Province of BC Economic Overview

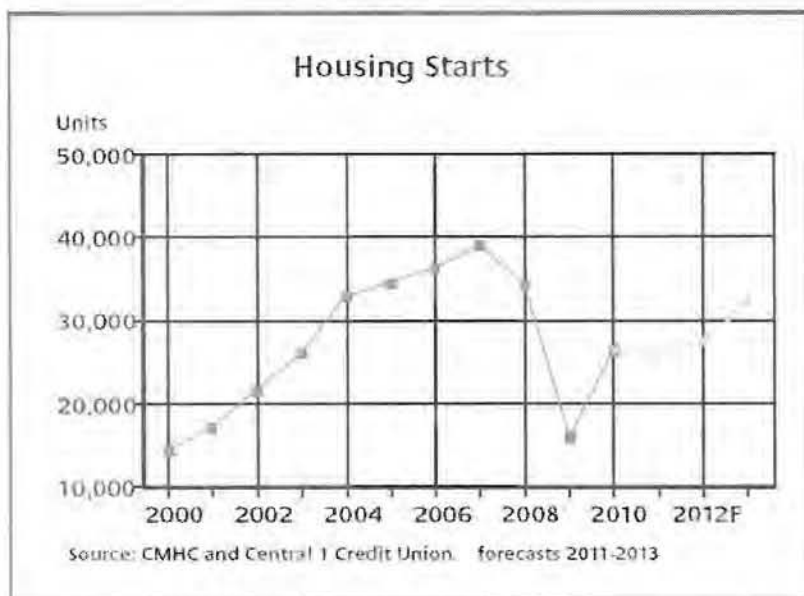
Central 1 Credit Union reports that the following trends from the quarter reflect BC's economy:

- Real GDP slows to 2.4% growth in 2011, from 3.8% in 2010;
- Employment levels have surged in September rising by 1.4% or 31,600 persons but the unemployment rate is forecasted to remain at 7.7% for 2011 compared to 7.6% in 2010;
- Provincial population is forecast to expand at 1.1% in 2011, dropping from growth levels of 1.7% and 1.6% for 2009 and 2010, respectively;
- Housing starts remain unchanged and will continue to trend upwardly due to the end of Harmonized Sales Tax (HST) in 2013;
- The Consumer Price Index (CPI) is forecasted to rise to 2.3% for 2011 from 1.4% in 2010;
- Housing prices have plateaued at elevated levels while the sales-to-inventory ratios have transitioned to a buyers' market; and

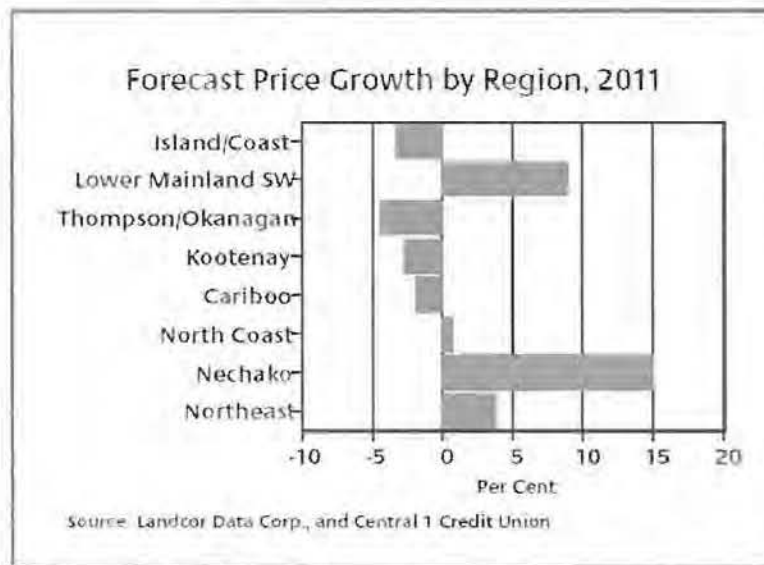
- Building permits in August rose up by 3.4% from July due to the increase from multiple-family permits as both single-detached and non-residential permits have decreased.

### City of Richmond Overview

There are similarities in the economic forecasts of the Canadian and BC outlook with economists all agreeing that the current economy is slow moving. Although this pertains to the City as well, historically the main factors that revolve around real estate market, i.e. housing starts, median selling prices, building permits and development applications, play an important role in determining the City's economic overview. From the statistics that the City gathers and produces, housing starts are significantly lower than prior periods, both for the quarter and year-to-date. The decreases equate to 59.5% for the same quarter and 42.2% cumulatively. The silver lining can be seen in the number of demolitions, which has increased annually by 60.9% from 2010 and 18.8% on a year-to-date basis. The year-to-date building permit revenues of 5.1M are also higher than the same point last year. From this, the City can potentially expect a rise in the future housing starts over the next year(s) as has been forecasted for BC on the graph below.



Economists have also realized from recent history that the Lower Mainland's real estate market does not perform and/or act similarly to other parts of Canada and BC as can be seen on the following chart.



This also holds true for Richmond, where the median selling prices have again increased from the previous year. The median selling prices have increased for a single family detached home to \$1.02M, a townhouse to \$0.56M and an apartment to \$0.35M. This equates to escalations of 23.0% for a single family detached home, 7.5% for a townhouse and 4.7% for an apartment.

It is suggested that these inflated prices might be affecting the number of sales in Richmond which has dropped by 8.4% for the current quarter as compared to the same period in 2010, but economists believe that with the elimination of the HST not being in effect until 2013 and with the heavy debt burden accumulated by individuals, it has caused potential home buyers to postpone their purchases. The number of sales for the current year compared to 2010 is relatively unchanged with a drop of 2.6%.

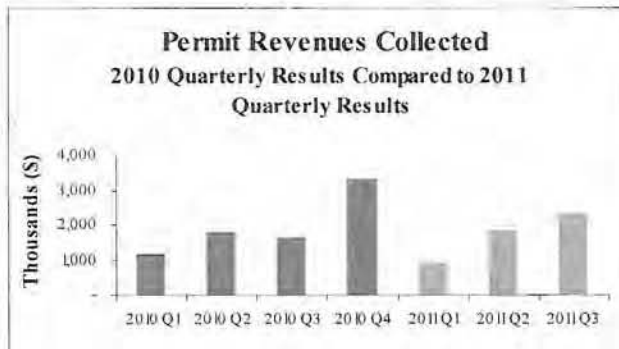
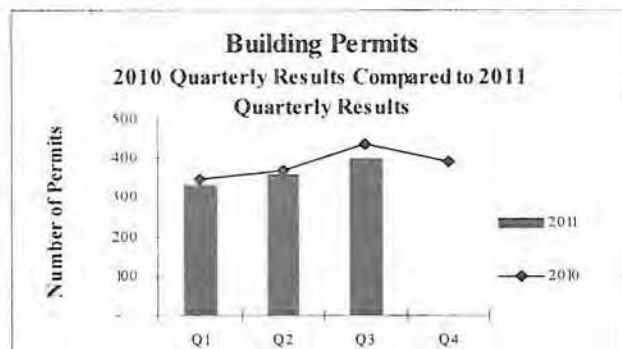
Richmond has again realized an increase in business activity especially for the industrial sector as the vacancy rates have decreased from a rate of 4.5% in 2010 to 4.2% in 2011. This vacancy rate decrease is still occurring while total new space available has increased by over 400,000 square feet, up from over 250,000 additional square feet in the previous quarter. Office space vacancy remains a challenge as the total square feet of vacant space has increased by 17.5% from the previous year.

### **Permit Revenues**

As much as there was a boom in the construction industry in 2010, in Richmond both the number of building permits and development applications have seen only a slight decline from the last year's record levels. The number of building permits has decreased by 8.0% and 5.0% for the comparative quarter and year-to-date, respectively.

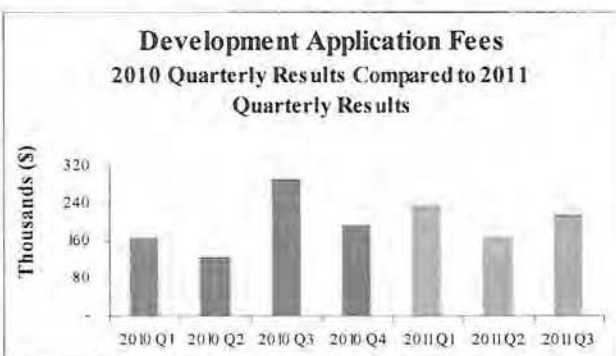
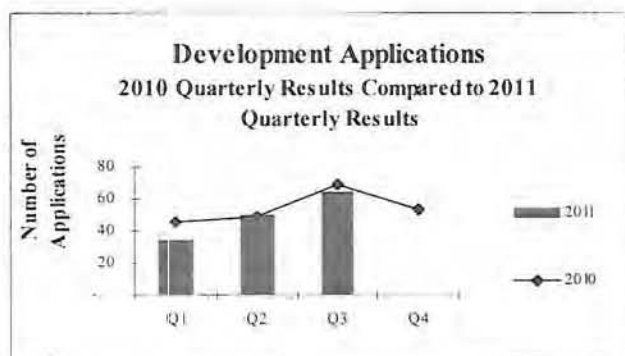
The revenues collected for permits issued during the 3rd quarter of 2011 were higher than the same period last year. This increase in the current quarter is due to the recognition of \$0.35M of revenues to offset service costs incurred in the current quarter related to on-going construction

projects. This has increased the year-to-date revenues by 18.0% as compared to 2010. The total construction value for 2011 of \$320.8M has dropped by 15.3% from \$378.7M for 2010. The provincial forecast for housing starts to trend upwardly as the end of HST approaches in 2013.



### Development Applications

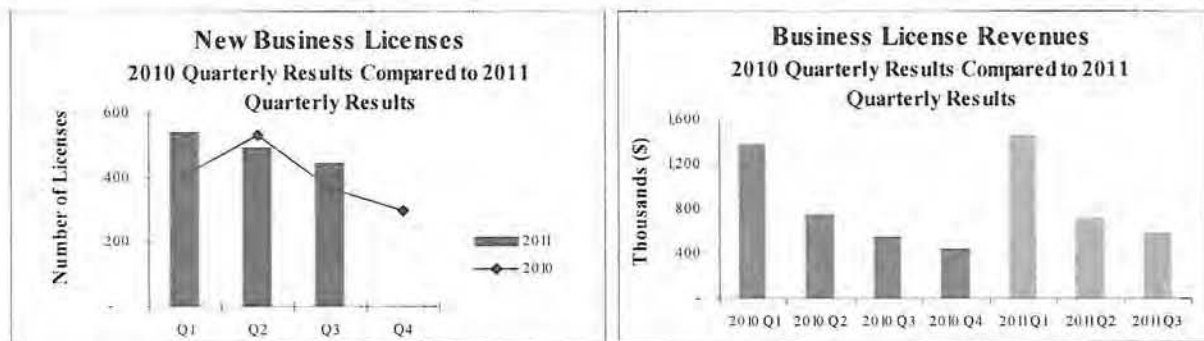
The number of development applications has decreased 7.2% and 15.3% for the comparative quarter and year-to-date periods respectively. Although the number of development applications received in the 3<sup>rd</sup> quarter and year-to-date in 2011 has decreased from the levels in 2010, related revenues show a small increase. Revenues collected to date in 2011 are 5.3% higher than in 2010, largely because of increased revenues associated with Administration Fees for projects that are now under construction.



## Other Revenues

### ➤ Business Licenses

The total number of business licences issued to date in 2011 are comparable to 2010, 13,107 to 12,888 licences, respectively. In the same quarter last year, there were a number of business licences discontinued. That trend has not continued into the current year. With the increased enforcement and collections of outstanding receivables during this year, the current year-to-date revenues of \$2.8M is 2.5% higher as compared to last year. The number of new licences in 2011 of 1,484 a 13.5% increase from 1,308 last year, is indicative of the growth that Richmond is experiencing.



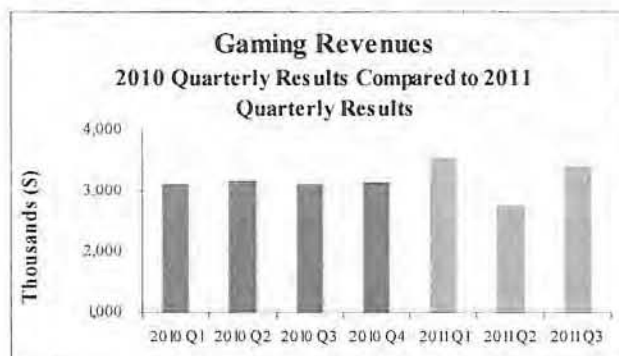
### ➤ Permits and Enforcement (Parking Program)

The permit and enforcement (Parking Program) revenues of \$0.4M and \$1.1M for the quarter and year-to-date, respectively are higher than the same periods last year due to full utilization of on-street pay parking resources near construction sites and an increase in the enforcement of traffic safety & liability issues around the Canada Line.



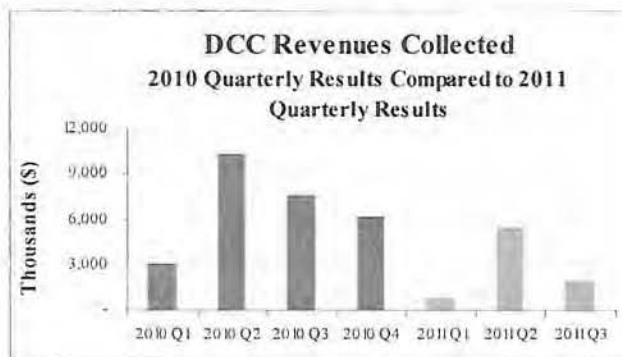
➤ Gaming Revenue

Gaming revenues of \$3.4M for the 3rd quarter and \$9.7M for the year have increased from the same periods in 2010, by 9.3% and 3.5%, respectively. The growth in gaming revenues can be primarily attributed to the continued benefit of the redevelopments, enhancements and associated increase in player demand at River Rock Casino.



➤ Development Cost Charges (DCC)

For the 3rd quarter, \$1.9M in DCC contributions were received when compared to last year's collection of \$7.6M for the same quarter. The year-to-date collection of \$8.2M is 60.8% lower than the \$21.0M collected in 2010. The decrease compared to last year can be attributed to the unusual circumstances surrounding DCC activities in 2010 as a result of major developments approved and the push by developers to move quickly before the anticipated increase in DCC rates that occurred in September 2010.



**Statement of Operations for  
Quarter ended September 30, 2011**

<b>Operating (in \$'000s)</b>	<b>Budget Year to Date September 30, 2011</b>	<b>Actual Year to Date September 30, 2011 (unaudited)</b>	<b>Variance</b>	<b>Forecast Surplus for December 31, 2011</b>
<b>RCMP</b>	27,613	26,548	1,065	639
<b>Fire Rescue</b>	22,229	20,830	1,399	650
<b>Parks &amp; Recreation</b>	18,502	17,255	1,247	51
<b>Engineering &amp; Public Works</b>	11,475	10,773	702	282
<b>Corporate Services</b>	11,364	10,925	439	51
<b>Project Development &amp; Facility Maintenance</b>	6,748	6,648	100	28
<b>Library</b>	5,741	5,638	103	25
<b>Planning &amp; Development Services</b>	4,427	3,873	554	355
<b>Community Services</b>	5,456	4,805	651	31
<b>Corporate Administration</b>	2,762	2,677	85	90
<b>Law &amp; Community Safety</b>	2,355	1,881	474	-
<b>Business and Financial Services</b>	2,247	842	1,405	285
<b>Fiscal &amp; Transfer to Reserves</b>	(120,919)	(140,355)	19,436	780
	<b>\$ -</b>	<b>\$ (27,660)</b>	<b>\$ 27,660</b>	<b>\$ 3,267</b>

The variances for Q3 are consistent with prior years and are mainly attributable to timing and seasonality.

The following are the explanations for net expenditure variances at the departmental level.

- RCMP continues to be favourable after the realized savings from the 2010/11 contract in Q1. Due to vacancies of administrative positions and lower contract costs, a surplus of \$0.64M is forecasted for the end of the year. This balance reflects the allocation of \$0.57M to the new City Centre Community Policing office. Any remaining surplus needs to be retained to cover a portion of anticipated RCMP retroactive pay.
- Fire Rescue has a favourable variance to budget due to delayed replacements which has resulted in surplus salary, fringe, and training costs. A surplus of \$0.65M is forecasted for the end of the year.
- Parks and Recreation has a favourable variance for Q3 due to the seasonal nature of operating expenditures (e.g. maintenance). Additional expenditures, for example, removal of summer plantings and planting of spring bulbs, late season mowing (still ongoing), clean up from winter storms (brush, trees, debris), trimming of brush and shrubs along walkways and response to snow or heavy wind/rain and associated damage will be incurred in Q4. At this time, Parks and Recreation expect to have a small surplus by the end of the year.

- Engineering and Public Works are due to be under budget by the end of the year. The favourable variance can be attributed to Engineering fees collected this year and deferred for work that will be completed in 2012.
- Corporate Services has a favourable variance in Q3 due to the timing of unspent operating expenses, such as Election costs. It is anticipated to have a small surplus by the end of the year.
- Project Development and Facility Maintenance is on budget and is anticipated to be on budget at the end of the year.
- Library is slightly favourable and is anticipated to have a small surplus by the end of the year.
- Planning and Development has recognized higher than budgeted building permit revenues and servicing agreement fees. Also contributing to the favourable variance are lower operating costs from the management of vacant positions, however, as the need to provide services associated with new building permit revenues arises, the current vacant positions are required to be filled. With the higher revenues and vacancies, a \$0.36M surplus is anticipated at the end of the year.
- Community Services has a favourable variance as at Q3 due to two vacant positions within Enterprise Services. The estimated unspent committed funding of \$0.29M will be reallocated back to provision in Q4. It is anticipated to have a surplus of \$0.03M at the end of the year.
- Corporate Administration has a favourable variance due to vacancies. It is anticipated to have a small surplus by the end of the year.
- Law and Community Safety has a favourable variance. The increase between Q2 and Q3 is a result of enhanced enforcement at construction zones freeing meters for public use. Q4 is anticipated to result in lower than budgeted parking revenue due to the unanticipated costs from vandalism of City meters which is decreasing parking revenue and increasing maintenance repair and replacement costs. In addition, there is one temporary full time position that is vacant and a lack of auxiliary officers which is affecting parking revenue at \$15,000 per month.
- Business and Financial Services has a favourable variance due to the majority of the Business Licences revenue having been received in Q1 and unfilled vacant positions within the Finance division. It is forecasted to have a surplus of \$0.29M by the end of the year.
- Fiscal is favourable for Q3 with anticipated expenditures incurred in the following quarter. It is anticipated to have a surplus of \$0.78M by the end of the year.

#### Utilities

- Water Utility is currently on budget with water consumption being on target through the high activity summer months. Also, increased receivable activity costs have been matched with

increased receivable income. It is anticipated to have a balanced budget at the end of the year.

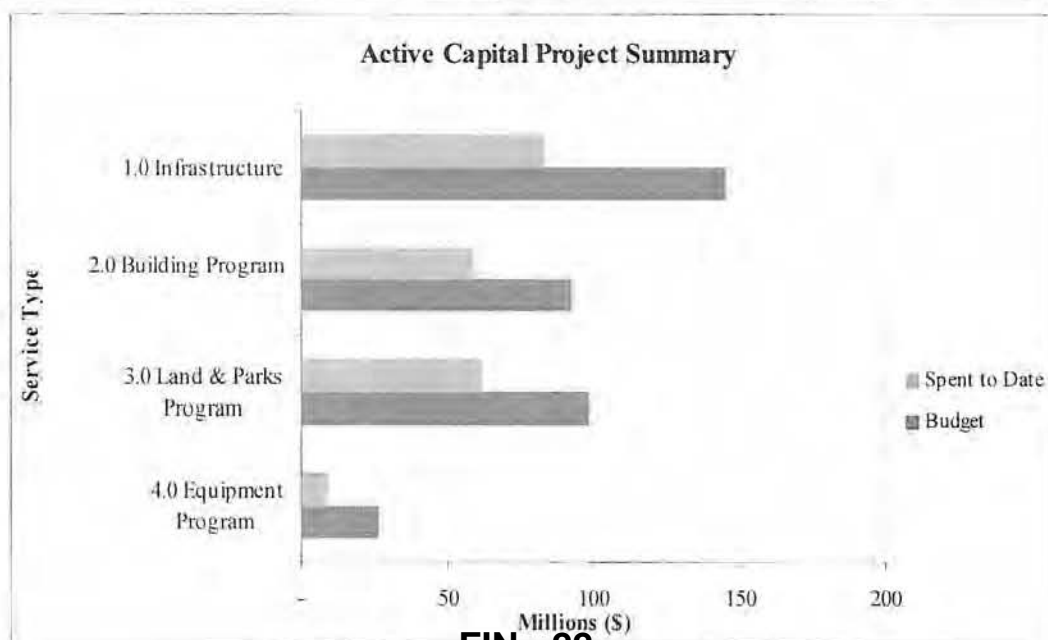
- Sanitation & Recycling Utility budget expenditures are as anticipated. This budget is expected to yield revenues above projections due to favourable market conditions for recycling commodities (i.e. sale of recycling materials).
- Sewer Utility is currently under budget, receivable income was lower than projected but billings for meter and flat rate were higher than anticipated, therefore net revenues were close to budget. The Public Works maintenance costs were less than anticipated as there was less receivable work incurred this year.

### Active Capital Project Summary

The 2011 Capital Budget was amended by Bylaw 8809 on September 26, 2011. The amended 2011 Capital Budget of \$75.2M (excluding internal payment transfers and debt repayments) are included in the figures below as are amounts relating to capital projects from previous years' Capital Budgets that remain active.

The projects within the Infrastructure, Building, Land & Parks and Equipment Programs are in progress.

<b>Statement of Active Capital Project Expenditures</b>				
<b>(\$'000s)</b>				
		<b>Budget</b>	<b>Spent to Date</b>	<b>Commitment</b>
1.0	Infrastructure	145,259	83,627	61,632
2.0	Building Program	92,867	59,598	33,269
3.0	Land & Parks Program	98,506	61,736	36,770
4.0	Equipment Program	26,387	8,930	17,457
<b>Grand Total</b>		<b>\$363,019</b>	<b>\$213,891</b>	<b>\$149,128</b>



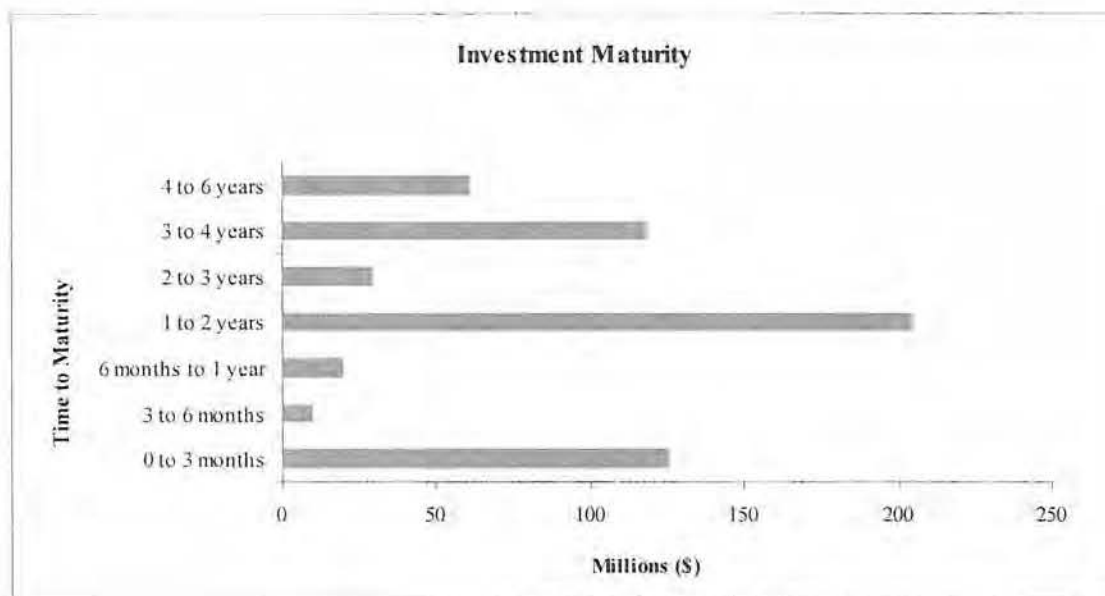
Cash and Investment Portfolio

The City's cash and investment portfolio at September 30, 2011 was \$592.6M, with an average actual return on investment for the 3rd quarter of 2.4%. The current low interest rate environment and the City's cash flow projections have influenced the terms and types of investments that the City holds, which is reflected in the return.

Investment \$'000s	Value	% of Portfolio
<b>Prov Gov and Prov Crown Corp</b>		
Province of Ontario	\$ 52,413	8.84%
Province of BC	\$ 30,713	5.18%
Province of Manitoba	\$ 21,189	3.58%
Total Prov Gov and Prov Crown Corp.	\$ 104,315	17.60%
<b>Fed Gov and Fed Crown Corp</b>		
Canadian Mortgage and Housing Corporation	\$ 182,520	30.80%
Government of Canada	\$ 100,570	16.97%
Canadian Wheat Board	\$ 8,921	1.51%
Total Fed Gov and Fed Crown Corp	\$ 292,011	49.28%
<b>Schedule I Banks</b>		
Royal Bank of Canada	\$ 25,195	4.25%
TD Financial	\$ 20,675	3.49%
CIBC	\$ 14,793	2.50%
Scotia Bank	\$ 7,879	1.33%
Bank of Montreal	\$ 6,287	1.06%
National Bank of Canada	\$ 413	0.07%
First Bank	\$ 401	0.07%
Total Schedule I Banks	\$ 75,642	12.77%
<b>Schedule II Banks</b>		
HSBC	\$ 299	0.05%
Total Schedule II Banks	\$ 299	0.05%
<b>Credit Unions</b>		
Vancity Savings Credit Union	\$ 29,534	4.98%
Gulf & Fraser Financial Group	\$ 25,345	4.28%
Coast Capital Savings	\$ 20,037	3.38%
Total Credit Unions	\$ 74,916	12.64%
<b>Pooled Investments</b>		
Municipal Finance Authority	\$ 21,201	3.58%
Total Pooled Investments	\$ 21,201	3.58%
Total Investments	\$ 568,384	95.92%
<b>Cash and cash equivalents</b>	\$ 24,199	4.08%
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 592,583</b>	<b>100.00%</b>

The financial market struggled with the possibility of a sovereign default scenario and also with the concern over the impact of a Greek default on the capital levels of European banks. Furthermore, economic conditions in both Europe and the U.S. continued to deteriorate, moderating already tempered consensus growth expectations and increasing the possibility of a return to recession. As a result, the Canadian yield curve fell during the quarter as investors exercised “flight to safety” in the fear of the market uncertainty. The Bank of Canada met in September and maintained the overnight target rate at 1.0%. Given the elevated level of risk in the growth outlook, not only is it projected that interest rates are not going to increase until early 2013, but the market is pricing in the likelihood that the Bank of Canada may even cut rates in the foreseeable future.

The City continues to be in compliance with Council’s Investment Policy (3702), where the City is required to carry a diversified investment mix with strong credit quality and at the same time meeting the objectives of managing its investment activities in a manner that seeks to preserve capital along and to realize a reasonable rate of return.



### **Key Indicators (Appendix 1)**

This appendix provides information with regard to various financial and market indicators for the year 2011 as compared to 2010.

**Contract Awards (Appendix 2)**

This report provides Committee members information with regard to all formal contracts >\$25,000 awarded by the City during the 3rd quarter. The contract awards will vary quarter-to-quarter based on project life cycles and timing of posting, receiving and selection of bids.

**Financial Impact**

None


**Conclusion**

The City of Richmond's 3rd quarter 2011 financial results continue to indicate that the City's revenues are trending favourably as evidenced by the development applications received and business licences issued when compared to the previous quarter. Although this increased activity has generated additional revenues it is mainly due to the costs that have not been incurred related to maintenance programs and major contracts as well as the vacant positions that have not been filled, that the City is currently in a surplus position. Staff will continue to monitor the results and update the Committee on a quarterly basis.



Lisa Skippen  
Manager, Finance System Support  
(8660)

## Key Indicators

 <b>City of Richmond</b> <b>Key Indicators - Sept 30, 2011</b>						
All \$ In 000s	Q3 2011 Jul-Sept 2011	Q3 2010 Jul-Sept 2010	% Change	Year to Date Jan-Sept 2011	Year to Date Jan-Sept 2010	Year to date % change
<b>Housing Starts</b>						
Number of Housing Starts (number of units)	451	1,114	(59.5%)	1,032	1,738	(40.6%)
Number of Demolitions	222	138	60.9%	531	447	18.8%
Net Housing Units Added	229	976	(76.5%)	501	1,291	(61.2%)
<b>Building Permits</b>						
Number of Building Permits Issued	402	437	(8.0%)	1,098	1,156	(5.0%)
Permit Revenues Collected (includes deferred revenue)	\$2,326	\$1,564	48.7%	\$5,111	\$4,331	18.0%
Value of Building Construction for Permits Issued	\$137,030	\$199,081	(31.2%)	\$320,829	\$378,718	(15.3%)
<b>Development Applications</b>						
Development Applications Received	64	69	(7.2%)	149	176	(15.3%)
Development Applications Revenue	\$216	\$293	(26.3%)	\$618	\$587	5.3%
<b>Business Licenses</b>						
Number of New Business Licenses Issued	446	368	21.2%	1,484	1,308	13.5%
Number of Employees Reported - New Licenses	1,459	1,072	36.1%	4,335	4,513	(3.9%)
Total Valid Licenses Renewed/(Discontinued)	507	(290)	(274.8%)	13,107	12,888	1.7%
Revenue Received for Current Year Licenses	\$581	\$558	4.1%	\$2,766	\$2,699	2.5%
Revenue Received for Next Year (Deferred)	\$119	\$131	(8.5%)	\$1,003	\$942	6.4%
Total License Revenue	\$700	\$689	1.7%	\$3,769	\$3,116	20.9%
<i>Year to date valid licenses and revenue include current year licenses issued in the prior year.</i>						
<b>Other Revenues</b>						
Parking Program Revenue	\$402	\$350	14.9%	\$1,073	\$997	7.6%
Gaming Revenue	\$3,412	\$3,123	9.3%	\$9,745	\$9,417	3.5%
Traffic Fine Revenue to date	\$544	\$289	88.3%	\$1,633	\$867	88.3%
<b>Development Cost Charges Income</b>						
Roads, Water, Sewer DCC's Received	\$1,329	\$4,567	(70.9%)	\$4,413	\$11,202	(60.6%)
Parks DCC's Received	\$615	\$3,002	(79.5%)	\$3,825	\$9,814	(61.0%)
Total DCC Fees Received	\$1,944	\$7,570	(74.3%)	\$8,238	\$21,015	(60.8%)
<b>Uncommitted Reserves</b>						
DCC Reserves to date	\$24,279	\$28,362	(14.4%)	\$24,279	\$28,362	(14.4%)
Capital Funding Reserves to date	\$54,659	\$35,082	55.8%	\$54,659	\$35,082	55.8%
Affordable Housing Reserves to date	\$1,869	\$1,241	50.6%	\$1,869	\$1,241	50.6%
Other Reserves to date	\$78,954	\$72,890	8.3%	\$78,954	\$72,890	8.3%
Total Uncommitted Reserves to date	\$159,760	\$137,575	16.1%	\$159,760	\$137,575	16.1%
<b>Taxes to date</b>						
Taxes Collected	\$172,672	\$175,375	(1.5%)	\$320,697	\$310,042	3.4%
City Portion of Taxes Collected	\$84,610	\$85,934	(1.5%)	\$157,142	\$151,921	3.4%
Unpaid Taxes - Delinquent & Arrears	\$1,696	\$1,518	11.7%	\$1,696	\$1,518	11.7%
No. of Participants on PAWS (Pre authorized withdrawal)	5,853	5,809	0.8%	5,853	5,809	0.8%
PAWS <sup>(1)</sup>	\$3,892	\$5,285	(26.4%)	\$12,588	\$10,650	18.2%
Interest Rate Paid to PAWS	1.00%	0.25%	0.75%	1.00%	0.25%	0.75%
<i>Sources: All data is from City of Richmond records</i>						
<i>(1) PAWS period changed from July - April in 2010 to August - May in 2011, which explains the differences and therefore is not comparable</i>						



## City of Richmond

## Key Indicators - Sept 30, 2011

All \$ in 000s	Q3 2011 Jul-Sept 2011	Q3 2010 Jul-Sept 2010	% Change	Year to Date Jan-Sept 2011	Year to Date Jan-Sept 2010	Year to date % change
<b>Employees</b>						
Number of City Employees (City and Library)	1,890	1,866	1.3%	1,890	1,866	1.3%
<b>Fire Rescue Responses</b>						
	2,381	2,463	(3.3%)	6,863	6,785	1.1%
<b>RCMP - Calls for Service Handled</b>						
	19,494	21,939	(11.1%)	55,027	63,639	(13.5%)
<b>Affordable Housing</b>						
Affordable Rental Units	7	10	(30.0%)	15	10	50.0%
Secondary Suite/Coach House Units	6	13	(53.8%)	17	25	(32.0%)
Market Rental Units	-	-	0.0%	1	26	(96.2%)
Unspent Funds Allocated to Capital Projects to date	\$9,189	\$9,198	(0.1%)	\$9,189	\$9,198	(0.1%)
<b>Investments</b>						
Total Investments	\$568,384	\$577,161	(1.5%)	\$568,384	\$577,161	(1.5%)
<b>Interest Earned on Investments</b>						
Average City Rate of Return on Investments	2.24%	2.68%	(0.44%)	2.64%	2.71%	(0.07%)
<i>Sources: All data is from City of Richmond records</i>						
<b>Market Indicators</b>						
<b>Median Residential Selling Prices - Richmond</b>						
Single Family Detached	\$1,020	\$829	23.0%	\$1,014	\$835	21.4%
Townhouse	\$559	\$520	7.5%	\$548	\$493	11.3%
Apartment	\$349	\$333	4.7%	\$351	\$333	5.3%
Number of Sales (all housing types)	882	963	(8.4%)	3,549	3,642	(2.6%)
<i>Source: Real Estate Board of Greater Vancouver</i>						
<b>Unemployment Rate-Greater Vancouver</b>						
	7.4%	7.3%	0.1%	7.6%	7.6%	0.0%
<i>Regional Unemployment Rate (3 month moving average)</i>						
<i>Source: Statistics Canada &amp; BC Stats (Data not available for Richmond)</i>						
<b>Economic Development</b>						
Total sq. ft space Office YTD	4,241,927	4,118,505	3.0%	4,241,927	4,365,067	(2.8%)
Total sq. ft vacant space: available Office YTD	856,041	728,611	17.5%	856,041	848,611	0.9%
Vacancy rate - Office (in %) YTD	20.18%	17.69%	14.1%	20.18%	19.44%	3.8%
Total sq. ft space Industrial YTD	36,306,863	35,905,233	1.1%	36,306,863	36,208,363	0.3%
Total sq. ft vacant space: available Industrial YTD	1,228,672	1,623,118	(24.3%)	1,228,672	1,890,955	(35.0%)
Vacancy rate - Industrial (in %) YTD	4.24%	4.52%	(6.2%)	4.24%	5.22%	(18.8%)
<i>Source: Cushman &amp; Wakefield Ltd. - Market Report</i>						
<b>Richmond Population Estimate Year End*</b>						
	2010:	196,858	2009:	193,505		
<i>*Note: These population estimates are published by BC Stats Amounts rounded to the nearest thousand.</i>						

**Contract Awards > \$ 25,000**  
**July 1, 2011 – September 30, 2011**

	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department or Division</b>
1.	4023P Development of an Emergency & Business Continuity Department Plan for Richmond Fire-Rescue	KPMG LLP	\$ 40,000	Project objectives are to develop a Business Continuity Department Plan for Richmond Fire-Rescue that is compatible with the City of Richmond's emergency plans.	Fire-Rescue
2.	4216 EOI Architectural Services for Firbridge Community Centre	CEI Architecture	\$307,079	Design services for the Tenant Improvements for the 30,000 sq ft community centre in the Quintet development	Project Development
3.	4237 Q Supply and Delivery of Stationwear for Richmond Fire-Rescue	Canadian Linen	\$60,037	Supply and delivery of uniform protective clothing for all Fire Department union employees as required by the collective agreement.	Fire-Rescue
4.	4250 Q Supply and Delivery of one (1) Small One Track Type Hydraulic Excavator (option to buy 2nd)	Brandt Tractor Ltd	\$287,720	Purchase of two John Deere 75D Zero-tail-swing excavators. This is part of the vehicle replacement plan to replace retired units 958 and 1006. These units support public works capital and maintenance infrastructure projects for digging in and around water/sewer lines, etc.	PW - Fleet
5.	4253 Q Supply and Delivery of one (1) Vacuum Street Sweeper	Vimar Equipment	\$228,566	Purchase of a new sweeper as part of the vehicle replacement plan to replace retired unit 928. Unit is used by the Roads Division for street sweeping.	PW - Fleet
6.	4272 P Williams Road West Drainage Pump Station Upgrade	Aplin & Martin Consultants Ltd	\$328,518	Engineering design and construction services for the Williams Rd drainage pump station replacement	PW - Engineering
7.	4273 Q Supply and Delivery of one (1) Backhoe	Finning Canada	\$122,186	Purchase of a new backhoe as part of the vehicle replacement plan to replace retired unit 913. This unit is used in the Works Yard for loading containers and managing waste and materials.	PW - Fleet
8.	4294 P Museum: Shelving for Museum Artefacts	Hi-Cube	\$75,100	Museum artefact storage shelving upgrade. New mobile shelving and mini racking will be provided. Two contractors with museum collection management experience will also be hired to assist with moving two thirds of the collection.	Community Services
9.	4345 F Supply and Install Lighting at City Hall	Light Power	\$36,500	This is a lighting retrofit project, and completes the lighting retrofit of City Hall which began in 2009. The project consists mostly of replacing compact fluorescent lighting for LED fixtures.	Community Services
10.	4346 F Tennis Court Asphalt Resurfacing @ Minoru Park	Columbia Bitulithic	\$75,879	Crack repairs and asphalt resurfacing of Minoru Tennis Courts	Parks Recreation
11.	4347 F RCMP CSB: Supply and Install of additional Video Surveillance Equipment	Citiloc	\$112,593	Install additional video surveillance equipment as per the new Federal requirements	Project Development and Facilities Services
12.	4348 F 2011 Watermania Project	Smith Brothers & Wilson	\$351,241	Main grate replacement, deck and change room resurfacing and	Project Development and

	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department or Division</b>
				preparation for play features and structures.	Facilities Services
13.	4349 F BC Hydro continuous optimization program report for the City Hall	Prism Engineering	\$31,000	This project is for the investigation of baseline energy use at City Hall and the development of recommendations for the optimization of City Hall's energy systems. This portion of the project is fully supported by BC Hydro, and the City will be fully reimbursed for this commitment.	Community Services
14.	4350 F RCMP CSB: Renovation Public Art Project "The Coat of Arms"	Glen Andersen dba Mosaic Plant	\$90,000	Award and installation of an art piece as per Council Policy at the new RCMP location.	Community Services
15.	4351 Q Boaters Row Stair & Plaza Guardrails	Impact Ironworks Ltd.	\$ 44,194	Supply & installation of guardrails and handrails for Boaters' Row Plaza and Stairs at UBC Boathouse on River Rd.	Parks and Recreation
16.	4352 F Aquacide hot water weed control system	AR Mower and Supply Ltd.	\$28,828	Hot water weeding machine for City wide weed removal maintenance.	Parks and Recreation
17.	4353 F Garratt Wellness Centre - Upgrades & Renovation	Ashton Mechanical	\$276,000	Asbestos abatement, flooring replacement, new windows, domestic hot water system, accessible ramp and front entrance. New hallway ceiling and grid. Washroom upgrades and water saving fixtures.	Project Development and Facilities Services
18.	4547 P Supply and install of an SCBA Filling Station	Guillevin International Inc. (Cylinders) and Jordair Compressors Inc. (Fill Station)	\$182,252 (Combined)	Compressed air filling station located at RFR Firehall No. 6 (Shellmont). This filling station would provide compressed air services for RFR personal self-contained breathing apparatus as well as compressed air for tools and rescue equipment. The	Fire-Rescue
19.	4548 T Thompson Youth Park Phase II	Wilco Civil Inc. (formerly Wilco Landscape Westcoast Inc.)	\$382,301	Construction of Phase II of Thompson Youth Park, including site preparation, asphalt, concrete, site furnishings, skatable elements, and soft landscape	Parks and Recreation
20.	4567 F Life Safety Upgrade - 10191 No. 2 Road (Group Home)	TEAM Projects Inc.	\$43,621	Life safety upgrade to facility at 10191 No. 2 Road. Includes demolition of suite, water service and life safety upgrades including the installation of smoke alarms, emergency lighting and fire extinguishers as well as fencing and provision of safety manuals to facility residents.	Community Services
21.	4571 Q Desktop Computers & Laptops	Island Key Computers	\$199,156	Purchase of laptop and desktop computers for annual Evergreening replacement of obsolete hardware units	Information Technology
22.	4573 F Supply and install of shelving and storage units	Heritage Office Furnishings	\$57,962	Install new storage units in the RCMP facility located on No. 5 road.	Project Development and Facilities Services
23.	4574 F Class maintenance and support renewal April 01, 2011 to May 31, 2012	The Active Network	\$88,380	Annual soft ware maintenance support costs for the recreation registration system.	Information Technology
24.	4575 F Supply and install play structure and umbrella falls at Watermania Aquatic Centre	Whitewater West Industries	\$161,436	Play structure, play features and theme.	Project Development and Facilities Services

	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department or Division</b>
25.	4576 T No 1 Rd / Moncton Intersection Improvements	Imperial Paving	\$355,892	Improvements to Intersection at No. 1 Road and Moncton Road which include raising the intersection at No. 1 Road and Moncton Street including sidewalks, tactile pads at the crossings, traffic signals, pavement markings and signage, new bollards, and custom artistic <i>DuraTherm</i> pavement markings.	PW - Engineering
26.	4577 F Supply and Delivery one (1) Toro Greensmaster 3150 three (3) Wheel Drive Kit Including ROPS	Oakcreek Golf and Turf Inc.	\$40,960	Supply of a reel mower for Parks Operations as part of the vehicle replacement plan. Replaces retired unit 667. The unit is used at golf courses for precision cutting.	PW - Fleet
27.	4011 P Richmond Olympic Oval - Climbing Wall	Walltopia Canada Inc	\$425,578	To supply and construct a climbing wall in the Richmond Olympic Oval	Project Development
28.	4578 EOF Preliminary Site Investigation	SNC Lavalin Inc	\$297,500	Stage 2 Preliminary Site Investigation.	Community Services
29.	4579 F Consulting contract for the City Centre transitional exemption bylaw	CMNR Holdings Ltd	\$44,643	Hired a consultant to help analyze City Centre properties and determine their eligibility for a transitional tax exemption.	Business and Financial Services
30.	4580 F Install 8" water meter at 7322 Heather St, as part of multi-family water meter program	PJB Mechanical	\$34,000	Water Meter Installation	PW - Engineering
31.	4581 F Install 3" water meter and re-plumb private water service at 7071 Bridge St, as part of multi-family water meter program	PJB Mechanical	\$29,605	Water Meter Installation	PW - Engineering
32.	4582 F Assemble and install key pieces of equipment for the Lubzinski Exhibit	Porteau Management Corporation	\$65,000	This is for the unpacking of 2 containers of equipment from the Lubzinski wheel manufacturing factory, removal of the key pieces of equipment to the Seine Net Loft, cleaning and preparation of those pieces and installation in the "At the Helm" exhibit opening June 3, 2011.	Britannia Heritage Shipyard
33.	4583 F Disposal, processing and marketing services for yard trimmings and organics collected under residential organics program	Fraser Richmond Soil and Fibre Ltd	\$ 55,050	This is the fee for composting the materials collected from the Green Can program at Fraser Richmond Soil and Fibre.	PW - Environmental Programs
34.	4584 F Water valve collection. Geo-automation mobile mapping system (shape files of all city, main line, hydrant and large service line valves. Dimensioned of existing hydrants)	McElhanney Consulting Services Ltd	\$150,000	Mobile Mapping System	PW - Engineering
35.	4586 F Supply and Install "Sport Impact" flooring at Minoru Arena	Fast Track Floors	\$90,279	New flooring in general public areas and team change rooms.	Project Development and Facilities Services
36.	4588 J Minoru Arena Silver Rink Building Improvements	RMT Contracting	\$132,240	Asbestos abatement, new showers, washroom accessories & vanity; Stadium Arena Building Improvements - Asbestos removal, painting, plumbing	Project Development and Facilities Services

	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department or Division</b>
				and washroom accessories.	
37.	4597 F RCMP CSB: Asphalt repair/re-seal work	Winvan Paving Ltd.	\$30,403	Asphalt Repairs - new RCMP location.	Project Development and Facilities Services
38.	4602 F Architectural Services for Hamilton Childcare Modular Building	Graham Hoffart Mathiasen Architects	\$35,000	Develop site plan and design drawings.	Project Development and Facilities Services
39.	4603 F Supply and Installation of 750MM Diameter Storm Sewer Upgrades along the south side of Cambie Road	Oris Development (Cambie) Corp	\$426,967	Supply and installation of 750mm diameter storm sewer upgrades along the south side of Cambie Road (from No. 4 Road to approx. 200m +/- west).	PW - Engineering
40.	4604 F Supply and Installation of Lighting Retrofit at Watermania	Earth-line SSL Inc	\$28,500	Lighting retrofit project at Watermania, replacing mostly CFL lighting for LED lights.	Community Services
41.	4605 Q Supply and Installation of Audio, Staging, Fencing, Tenting Equipment for the 2011 Maritime Festival	Purchase and Associates	\$44,554	The purpose of staging at the 2011 Maritime Festival was to provide a platform for performers at the festival to entertain the spectators at the event.	Community Services





# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** December 1, 2011

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

**File:**

Andrew Nazareth  
General Manager, Business and Financial Services  
& Chief Financial Officer, Richmond Olympic Oval

**Re:** 3rd Quarter 2011 - Financial Information for the Richmond Olympic Oval Corporation

### Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2011 from the Controller of the Richmond Olympic Oval Corporation be received for information.

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

Andrew Nazareth  
General Manager, Business and Financial Services  
& Chief Financial Officer,  
Richmond Olympic Oval

REVIEWED BY TAG

YES

NO



**DATE:** December 2, 2011

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

Andrew Nazareth  
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills  
General Manager, Richmond Olympic Oval Corporation

**FROM:** Rick Dusanj, CA  
Controller, Richmond Olympic Oval Corporation

**Re:** **Richmond Olympic Oval Corporation – 3<sup>rd</sup> Quarter 2011 Financial information**

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**Origin**

Section 7.3 of the Operating Agreement between the City of Richmond (the “City”) and the Richmond Olympic Oval Corporation (the “Corporation”) requires reporting with respect to business plans, budgets, audited financial statements, and quarterly comparisons of actual results to budget along with projections to fiscal year end. This staff report deals with the third quarter business plan and financial results for the 3 months ended September 30, 2011 (“Q3”).

**Business Plans and Planning**

Highlights of the activities undertaken by Oval staff during Q3 are described below.

Community Use

The Community Engagement Program, introduced in Q2 to develop greater interest and community involvement in the use of Oval facilities, has resulted in several initiatives in Q3.

Partnership discussions with DRIVE Basketball progressed well in Q3 and were formalized with an announcement in Q4. This partnership will deliver a comprehensive youth player development model supplementing high school coaching and competition, surrounding the passionate and talented basketball athlete with the best coaching, facility and ancillary services required by today’s top athletes, including: nutritional consulting, sports psychology, performance testing, sports rehabilitation, strength and conditioning equipment, and athlete education.

A cross-functional Richmond Health and Wellness Communications Committee was formed, at the initiation of the Oval, and includes representation from Oval Communications and Sport Hosting, City of Richmond Corporate Communications and Parks, Recreation and Culture, Tourism Richmond and the Community Centre Associations. The mandate of this committee is to look for areas of synergy between each communications department, raising awareness among Richmond residents that they have access to the best health and wellness network in the world. Additionally, to residents outside of the City, raising awareness that Richmond is a sport, health and wellness destination. The expected outcomes from this committee will be joint communications and sport hosting events that further the City's existing Sport for Life and Community Wellness strategies.

The Oval continues to provide facility access to the Richmond community. For those rentals that have already been confirmed for the fourth quarter of 2011, Richmond organizations and residents represent a majority of the usage of the ice, track and court areas during prime time, including: 73% of ice usage, 58% of track usage and 81% of court usage. In terms of Membership and Admissions, the Oval now has over 4,000 active members – 83% of which are Richmond residents – and currently attracts 43,000 visits per month. The Oval also recently surpassed 1.5 million visits since opening in December of 2008.

Summer Camp registrants increased 20% over same time last year with 923 registrants in 2011, including the successful addition of Volleyball specific Summer Camps. This is up from 512 and 770 registrants in our 2009 and 2010 Summer Camps respectively. In Q4 2011, the Oval will be adding new Fall Pro-D Day and Winter Break camps.

#### High Performance Sport

The Volleyball Centre of Excellence has shown solid growth from 2010, almost doubling its participant base from 94 to 177 in Q3 2011. The daytime program has also increased participation by 40% and one-third of athletes in Volleyball Centre of Excellence program were selected to provincial team programs. Additionally, the Volleyball Centre received funding from Volleyball Canada to open a boys program this fall. The Table Tennis Centre of Excellence is showing consistent growth in the number of lessons offered.

The third quarter of 2011 saw the hosting of an Athletes' Performance Phase 1 Mentorship workshop attracting 15 registrants, including two Oval Staff. The Richmond Olympic Oval is the only facility in Canada to offer Athletes Performance training.

The Oval began plans to meet the increasing demand for high performance training and for those who want to train like high performance athletes. High Performance Programming will be approached on an athlete by athlete basis and will include integrated sport services and strength and conditioning coaching for professional athletes and Canada's top provincial, national, and Olympic athletes who are at, or striving for, the podium. HighER Performance Programming is for aspiring youth athletes, adult recreationalists, and those looking to take their personal performance levels beyond traditional fitness.

The Oval continues to support the GymWorks™ carded athlete program with 15 national carded athletes active at the Oval in Q3 of 2011.

### Events

The Oval continues to host and secure local and national events. Some of the events that took place in Q3 included the following: Yonex Canada Open Badminton (which will become an annual event), World Senior Badminton Championships, Shoot for Hope basketball tournament, 2011 Canadian Grappling World Team Trials, U.S. College Basketball exhibition games (TWU vs Ball State and TWU vs Texas Arlington), Noah Yelizarov hockey tournament, the Westcoast Basketball Classic, and an Urban Rec Volleyball tournament.

### Leasing

LifeMark Sports Medicine officially opened operations in May 2011.

### Legacy Partners ("Sponsors")

Sponsorship revenue was earned during Q3.

### Governance

Meetings of the Corporation's Board of Directors took place on August 10, 2011 and September 14, 2011. In addition meetings of the Audit & Finance Committee and the Business & Budget Planning Committee took place during Q3.

### **Comments on the Financial Results for Q3**

**Basis of Accounting** – The unaudited financial statements and budget have been prepared in accordance with Public Sector Accounting Board ("PSAB") standards. The statements are prepared on the following basis:

- 1) The 2011 approved budget is based on fiscal 2011 having operating revenues and operating expenses at levels for a normal year's uninterrupted operations.
- 2) Both, the 2010 Annual Distributable Amount from the 2010 Games Operating Trust ("GOT") of \$2,739,000 and the contribution from the City of Richmond of \$3,022,500, are deferred and amortized to revenue at a rate of 1/12 per month.
- 3) Effective July 1, 2011, the Sport Hosting department from the City of Richmond was transferred over to the Oval Corporation along with funding that is received from Tourism Richmond. Tourism Richmond provides \$500,000 annually to support Sport Hosting activities. The funding is recognized as deferred revenue until it is spent at which time the

revenue and expense are both recognized. In Q3, \$63,000 of expenses pertaining to Sport Hosting were incurred.

**Analysis of Significant Variances of actual results compared to Budget for Q3 of Fiscal Year 2011:**

**Q3 result** was budgeted at a **net income** of \$152,000 and the actual results show a net income before transfers of \$395,000, a favorable variance of \$243,000.

**Memberships, admissions and programs** revenue of \$976,000 had a negative variance of \$36,000 (4%) when compared to budget. Memberships and admissions revenues was \$522,000 had a negative variance of \$46,000 when compared to the budget. Registered programs revenue was \$293,000 and had a positive variance of \$25,000 when compared to budget. Event and room rental revenue during Q3 was \$161,000 and had a negative variance of \$15,000 to budget.

**Sport Hosting** revenue of \$63,000 was recognized to offset the expenditures during Q3.

**Other Revenue** of \$202,000 was recorded during the quarter which mainly included sponsorships space leasing, parking and interest revenue

**Q3 Salaries and Benefits** were \$1,374,000 which was \$60,000 (4%) under budget. This is primarily attributable to savings in the casual labour budget as a result of fewer casual staff being utilized.

Aggregate **Member Care Services, Event Services, Fitness Services, and Facility Operations** costs over the third quarter of 2011 were \$1,177,000, which is \$120,000 (9%) under budget primarily due to salaries being under budget.

**Sports Services** costs for Q3 were \$314,000 which was \$24,000 (7%) under budget primarily due to savings in the supplies budget.

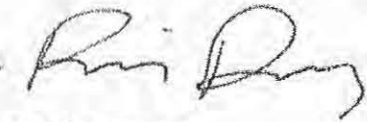
**Sport Hosting** expenses for Q3 were \$63,000 which included salaries and other expenditures pertaining to Sport Hosting related activities.

**Marketing** expenses for Q3 were \$109,000 and were \$45,000 (29%) under budget.

**Administration and Finance** expenses for Q3 were \$624,000 being \$49,000 (7%) under budget. This is primarily due to being under budget in the contingency account.

## Summary

The three month period ending September 30, 2011 was budgeted at a net income of \$152,000 and the actual results show a net income, before transfers of \$425,000 to the Capital Reserve, of \$395,000; a favorable variance of \$243,000. This is mainly due to favorable variances as discussed above. The approved budget for fiscal year 2011 is projected to have net income of \$601,000 before any transfers to the Capital Reserve and has not been revised based on the favorable variances in the first three quarters of 2011. If the trend continues, the Oval will perform substantially better than the budget.



Rick Dusanj, CA  
Controller, Richmond Olympic Oval Corporation

cc: Shana Turner  
Director, Administration & Corporate Services, Richmond Olympic Oval Corporation

# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Statement of Operations - PSAB**

**For the nine months ended September 30, 2011**

**Unaudited, prepared by management**

audited, prepared by management

	QTR 3 2011		\$ Variance	% Variance	9 months 2011		\$ Variance	% Variance	Approved Budget 2011
	BUDGET	ACTUALS	Fav/(Unfav)	Fav/(Unfav)	BUDGET	ACTUALS	Fav/(Unfav)	Fav/(Unfav)	2011
REVENUES									
2010 Games Operating Trust Fund	625,000	684,850	59,850	10%	1,875,000	2,054,549	179,549	10%	2,500,000
Contribution from City of Richmond	755,625	755,625	-	0%	2,266,875	2,266,875	-	0%	3,022,500
Memberships, admissions and programs	1,012,431	976,237	(36,194)	-4%	2,872,725	2,922,678	49,953	2%	4,151,554
Sport Hosting (Note 1)	-	63,286	63,286		-	63,286	63,286		-
Interest and other	219,834	201,504	(18,330)	-8%	639,013	636,817	(2,195)	0%	881,337
	2,612,890	2,681,501	68,612	3%	7,653,613	7,944,205	290,592	4%	10,555,391
EXPENSES									
Member care services	260,177	231,216	28,960	11%	782,435	591,664	190,771	24%	1,040,713
Event services	38,064	28,895	9,169	24%	114,190	108,154	6,036	5%	152,252
Sport services	337,170	313,641	23,528	7%	891,868	794,027	97,841	11%	1,185,405
Fitness services	143,736	129,143	14,593	10%	446,585	412,136	34,449	8%	598,011
Facility Operations	854,884	787,526	67,358	8%	2,665,604	2,276,292	389,312	15%	3,624,623
Marketing	153,741	108,697	45,043	29%	461,222	316,346	144,876	31%	614,960
Sport Hosting (Note 1)	-	63,286	(63,286)		-	63,286	(63,286)		-
Admin/Finance	672,654	624,015	48,639	7%	2,066,539	1,829,975	236,564	11%	2,738,464
	2,460,425	2,286,420	174,005	7%	7,428,442	6,391,879	1,036,563	14%	9,954,428
Annual Surplus	152,465	395,082	242,617		225,171	1,552,326	1,327,155		600,963
Accumulated Surplus, beginning of the period	136,617	1,221,155			63,911	63,911			63,911
Accumulated Surplus, end of the period (Note 2)	289,082	1,616,237			289,082	1,616,237			664,874

- Numbers may be off due to rounding.

- Also see attached comments on the results for the Third Quarter of Fiscal Year 2011.

**Note 1** - Effective July 1, 2011 the Sport Hosting department (along with the funding) was transferred over from the City of Richmond to the Oval Corporation. The funding is recognized as deferred revenue until spent at which time the revenue and expense are both recognized.

### **Note 2**

<b>Breakdown of accumulated surplus account as at September 30, 2011</b>	
Investment in capital assets	476,921
Reserves	1,275,000
Common Shares	1
Surplus (deficit)	(135,685)
	1,616,237





## City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Andrew Nazareth  
General Manager, Business and Financial  
Services

**Date:** December 1, 2011  
**File:** 03-0970-01/2011-Vol 01

Robert Gonzalez, P. Eng., General Manager,  
Engineering & Public Works

**Re:** 2012 Utility Budgets and Rates

### Staff Recommendation

That the 2012 Utility Expenditure Budgets, as outlined under Options 1 for Water, Sewer, Solid Waste & Recycling, and Option 3 for Drainage & Diking as contained in the staff report dated December 1, 2011 from the General Managers of Business and Financial Services and Engineering & Public Works, be approved as the basis for establishing the 2012 Utility Rates.

Andrew Nazareth  
General Manager, Business and  
Financial Services  
(4365)

Robert Gonzalez, P. Eng.  
General Manager, Engineering  
& Public Works  
(4150)

FOR ORIGINATING DEPARTMENT USE ONLY			
<b>ROUTED TO:</b>  Budgets	<b>CONCURRENCE</b>  Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
		<b>REVIEWED BY CAO</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

## Staff Report

### Origin

This report presents the recommended 2012 utility budgets and rates for Water, Sewer, Drainage and Solid Waste & Recycling. The utility rates need to be established by December 31, 2011 in order to facilitate charging from January 1, 2012.

### Analysis

Key factors contributing to changes in the utility budgets in 2012 include:

- GVWD (Greater Vancouver Water District) regional water rates have increased approximately 5.9% for costs relating to various projects including replacement of the Port Mann river crossing, construction of the Seymour/Capilano tunnels and construction of an ultra-violet water treatment system at Metro's Coquitlam plant.
- Reduced revenues associated with declining water consumption from reductions in commercial use and residential transition to metering.
- GVS&DD sewer operating and maintenance costs are increased by approximately 7.7% for costs relating to various projects including the Iona and Lions Gate Treatment Plant upgrades, twinning of the Gilbert/Brighthouse trunk and various pump station and seismic upgrade projects.
- GVS&DD debt costs are reduced 24.8% as a result of debt repayments (\$658,500). As debt costs are recovered through property taxes, utility rates will not be affected. However, these savings will be realized through property taxes.
- Metro Vancouver solid waste tipping fees have increased from \$97 to \$107 per tonne, i.e. 10.3%.

Long-term infrastructure planning to replace ageing/deteriorating municipal infrastructure will continue to impact budgets and rates until we are able to sustain the necessary level of funding required to replace infrastructure in the future. Council has adopted a staged program to increase water, sewer and drainage reserves to support infrastructure replacement. These cost impact rates to a lesser extent than regional costs outside of the City's control and are itemized separately in this report.

As noted in the "Ageing Infrastructure Planning – 2011 Update" report presented to Council on June 27, 2011 (Attachment 1), increases in the annual capital funding contributions for sanitary and drainage are required, whereas the required annual capital replacement funding contribution for water has been met. The annual required contribution for sanitary is \$6.2 million, whereas the current funding level is \$4.3 million. The annual required contribution for drainage is \$9.8 million, whereas the current funding level is \$6.1 million. The annual water reserve contribution is \$7.5 million and is sufficient at this time to meet reserve funding requirements. Therefore, no increase in the annual reserve contribution for water is proposed. The 2012 budget figures outlined represent options for infrastructure replacement increases in drainage only.

Recognizing the challenges of increasing costs outside of the City's control and those associated with maintaining City infrastructure, staff have presented various budget and rate options for 2012. The budgets and rates are presented under three different options. Option 1 presents the minimum increases necessary to meet those demands placed on the City by external or other factors outside of the City's direct control (e.g. regional or other agency increases, contractual obligations, plant growth, fuel, insurance, etc.) Options 2 and 3 present various actions the City can take to either lessen or increase the budget and rates depending on the varying circumstances and needs within each budget area. The various options are presented for each of the utility areas in the following charts:

- |                     |                          |
|---------------------|--------------------------|
| • Water             | • Sewer                  |
| • Drainage & Diking | • Sanitation & Recycling |

The concluding summary of proposed rates for 2012 is shown on pages 16/17.

## Water Services Section Chart

<b>2012 Water Budget – Options</b>				
<i>Key Budget Areas</i>	<i>2011 Base Level Budget</i>	<i>2012: Option 1 Recommended: Non-Discretionary Increases</i>	<i>2012: Option 2 Non-Discretionary Increases With Partial Reduced Allocation for Water Meter Program</i>	<i>2012: Option 3 Option 2 and Increased Contribution from Rate Stabilization Fund</i>
Operating Expenditures	\$7,340,237			
• Salary		\$158,800	\$158,800	\$158,800
• PW Maintenance/ Supplies/Tools/Equipment		\$46,700	\$46,700	\$46,700
• Monthly Vehicles		\$15,500	\$15,500	\$15,500
• Plant Growth/Power Costs		\$41,000	\$41,000	\$41,000
• Postage/Miscellaneous Costs		\$12,200	\$12,200	\$12,200
Toilet Rebate Program	\$50,000	\$50,000	\$50,000	\$50,000
GVRD Water Purchases (MV)	\$20,602,700	\$602,400	\$602,400	\$602,400
Capital Infrastructure Replacement Program	\$7,550,000	\$0	\$0	\$0
Firm Price/Receivable	\$1,748,200	\$0	\$0	\$0
Residential Water Metering Program/Appropriated Surplus	\$1,600,000	\$0	(\$200,000)	(\$200,000)
Overhead Allocation	\$864,900	(\$900)	(\$900)	(\$900)
<b>Total 2011 Base Level Budget</b>	<b>\$39,756,037</b>			
<b>Total Incremental Increase</b>		<b>\$925,700</b>	<b>\$725,700</b>	<b>\$725,700</b>
<i>Revenues:</i>				
<i>Apply Rate Stabilization Fund</i>	<i>(\$750,000)</i>	<i>\$0</i>	<i>\$0</i>	<i>(\$150,000)</i>
<i>Investment Income</i>	<i>(\$450,000)</i>	<i>\$23,000</i>	<i>\$23,000</i>	<i>\$23,000</i>
<i>Firm Price/Receivable Income</i>	<i>(\$1,748,200)</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<i>Meter Rental Income</i>	<i>(\$1,134,100)</i>	<i>(\$42,100)</i>	<i>(\$42,100)</i>	<i>(\$42,100)</i>
<i>Miscellaneous Revenue</i>	<i>(\$10,000)</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<i>Provision (Toilet Rebate)</i>	<i>(\$50,000)</i>	<i>(\$50,000)</i>	<i>(\$50,000)</i>	<i>(\$50,000)</i>
<b>Net Budget</b>	<b>\$35,613,737</b>			
<b>Net Difference over 2011 Base Level Budget</b>		<b>\$856,600</b>	<b>\$656,600</b>	<b>\$506,600</b>

A description explaining the increases and budget reductions in each of the areas outlined above is outlined below.

### *Operating Expenditures*

Salary costs are increased associated with anticipated wage settlements as well as staffing requirements for maintaining increased plant/infrastructure as part of the non-discretionary Option 1 costs. Public Works maintenance and related costs are increased as a result of external cost factors, such as vendor increases. Vehicle costs are increased associated with fuel, insurance and related costs. Plant growth and

power costs relate to maintenance of additional infrastructure and external supplier increases. Postage and miscellaneous costs are increased for the mail out of the annual utility bill and general related expenses.

### ***Toilet Rebate Program***

There is a \$50,000 increase for the toilet rebate program included due to higher-than-anticipated uptake in this program during 2011, taking the recommended program to \$100,000 annually. This program is one of the key markedly successful water conservation programs for existing apartments, townhomes and single-family homes. Current funding levels are not sufficient to keep pace with demand for the program. This program includes a rebate of \$100 per toilet, with a maximum allowable rebate of \$200 per household replacing a 13 litre per flush toilet with a 6 litre or lower per flush toilet. To date in 2011, approximately 1,045 toilet rebates have been issued, at a cost of approximately \$100,000. As this program is funded from the water provision account, there is no net impact to the water rate charged since there will be a corresponding increase in the amount of money applied from the provision account to fund this program.

### ***GVRD Water Purchases – Metro Vancouver***

Metro Vancouver has advised that water rates increase 5.9% for 2012. Increases in regional charges for water purchases represent the largest increase under all options at \$0.6 million above 2011 costs.

*Benefits of Water Metering & Conservation Initiatives:* The net increase to Richmond is lower than the regional rate increase due to water conservation initiatives in Richmond. These initiatives have resulted in an overall reduction in total water consumption, thereby mitigating the full impact of the regional water rate increases. This is a testament to the initiatives and strategies that have led to reduced residential water consumption.

### ***Capital Infrastructure Replacement Program***

There are no increases proposed under any of the options for contribution to water capital infrastructure replacement. This is due to the fact that the annual capital contribution for water-related infrastructure replacement has reached \$7.55 million, which meets and exceeds recommended funding levels. Per the June, 2011 “Ageing Infrastructure Planning – 2011 Update” report, the minimum required annual funding for Water is \$7 million. A reduction in the annual funding contribution is not recommended due to anticipated growth in water infrastructure over the next few years. Staff will continue to undertake further assessments to determine infrastructure replacement requirements going forward and identify any recommended changes to the annual contribution, if required.

### ***Residential Water Metering Program***

Currently, \$1.6 million is allocated annually to the residential water metering program. Expenses in 2010 were approximately \$1.4 million and to date in 2011 are approximately \$1.2 million. Option 1 maintains the current allocation at \$1.6 million. Options 2 and 3 include an option to reduce the annual allocation to \$1.4 million, or a reduction of \$200,000.

Staff are recommending Option 1 in order to maintain the metering allocation to further expand residential metering to the greatest extent possible. Currently, approximately 60% of single-family households have meters installed. Continued funding at the recommended level will allow for continued expansion of the program.

**Multi-Family Water Metering Program:** The City's multi-family water metering program has been very successful in helping to reduce water consumption. The City has received approval from 68 volunteer complexes (comprising 4,238 multi-family dwelling units) to install water meters. Of these, 40 complexes have been completed to date (2,418 units), including 15 apartment complexes (1,715 units) and 25 townhouse complexes (703 units). These voluntary installations will continue to be funded through the water metering program funding allocation, to a maximum of the funding level approved by Council.

### ***Meter Rate***

From inception, the water meter rate has included an incentive to encourage those on the flat rate to switch to meters. For example, the flat rate charge to residents in single-family homes with no meter reflects nearly double the consumption of a resident on a water meter (566 m<sup>3</sup> vs average 296 m<sup>3</sup>). In other words, the estimates of water consumption for flat rate customers is considerably higher than average metered customers as an incentive to move more residents toward metering. However, as more residents have switched to meters, this results in a higher than relative increase in the flat rate charge to compensate for the lost revenue. The proposed meter rates continue to offer that incentive over flat rate customers. Eventually, as more residents switch to meters and there are fewer flat rate customers, the meter rate will need to increase more substantially to pay for all programs (i.e. capital replacement). The charts presented in this report detail both the impact of the budget increases on meter and flat rate customers in 2012 for clarity and comparison between metered vs. flat rate customers.

### ***Rate Stabilization Contribution***

A rate stabilization fund was established a number of years ago by Council to help build a provision account to offset the significant spikes in regional water purchase costs. These increases were anticipated due to Metro Vancouver infrastructure upgrades associated with water treatment and filtration requirements.

The foresight in creating this fund presents Council the opportunity to apply a funding offset to reduce the overall budget and rates. Under Options 1 and 2, the 2012 base level budget reflects a \$750,000 application offset from the water rate stabilization fund. While this contribution assists in helping to reduce the overall rate, it cannot be continued indefinitely going forward since the water rate stabilization fund will eventually be depleted, leaving no funding to help stabilize rates in the future and lead to an eventual higher increase in rates. Council has the option to draw more from the rate stabilization fund to minimize the rate increase impact to ratepayers. Option 3 includes a further drawdown of \$150,000 (total of \$900,000) from the stabilization fund, should Council wish to use these funds to a greater extent to reduce the overall rate. This is not recommended by staff in order to allow the rate stabilization fund to be sustained for a longer period (approximately 8 years at the current amount) and to avoid the higher rate impact which will occur once the fund is depleted. In addition, Metro Vancouver projections are for an 18.6% increase in water rates in 2013 and it is likely that Council may wish to use the rate stabilization to a larger extent at that time to offset this significant projected increase.

As of October 31, 2011, the water stabilization account has a balance of \$7,638,813 and accumulates any funds that may be left over from water purchases.

### ***Regional Issues***

The Regional District increases are for the drinking water treatment program. There are several capital projects being undertaken by Metro Vancouver, including the Port Mann Main No. 2 Fraser River Crossing, Seymour/Capilano Tunnels construction, the Angus Drive Main and the Annacis Main No. 5 Marine Crossing -- as a few examples. Metro's current 5-year projections for the regional water rate are outlined as follows:

	2012	2013	2014	2015	2016
Projected Metro Vancouver Water Rate/m <sup>3</sup>	\$5.980	\$7.093	\$7.556	\$8.009	\$8.453
% Increase over Prior Year	5.9%	18.6%	6.5%	6%	5.5%

### ***Impact on 2012 Water Rates***

The impact of these various budget options on the water rates by customer class is as follows. The first chart shows the various options for meter rate customers. The second chart shows the options for flat rate customers. As noted in the “***Meter Rate***” section above, the impact to metered customers is considerably less overall than flat rate customers due to the incentive built into the meter rate.

The impact of the Water budget options on metered customers is as follows:

<b><i>2012 Water Net Meter Rate Options</i></b>				
		<b><i>2012 Rate Options which Include Increase Identified Below in Italics</i></b>		
<b><i>Customer Class</i></b>	<b><i>2011 Rates</i></b>	<b><i>Recommended: 2012 Option 1 Rate</i></b>	<b><i>2012 Option 2 Rate</i></b>	<b><i>2012 Option 3 Rate</i></b>
Single Family Dwelling (based on avg. 296 m <sup>3</sup> )	\$273.00	\$297.72 <i>\$24.72</i>	\$296.06 <i>\$23.06</i>	\$294.79 <i>\$21.79</i>
Townhouse (based on avg. 265 m <sup>3</sup> )	\$244.41	\$266.54 <i>\$22.13</i>	\$265.05 <i>\$20.64</i>	\$263.91 <i>\$19.50</i>
Apartment (based on avg. 181 m <sup>3</sup> )	\$166.94	\$182.05 <i>\$15.11</i>	\$181.04 <i>\$14.10</i>	\$180.26 <i>\$13.32</i>
Metered Rate (\$/m <sup>3</sup> )	\$0.9223	\$1.0058 <i>\$0.0835</i>	\$1.0002 <i>\$0.0779</i>	\$0.9959 <i>\$0.0736</i>

The impact of the Water budget options on the flat rate customers is as follows:

<b><i>2012 Water Net Flat Rate Options</i></b>				
		<b><i>2012 Rate Options which Include Increase Identified Below in Italics</i></b>		
<b><i>Customer Class</i></b>	<b><i>2011 Rates</i></b>	<b><i>Recommended: 2012 Option 1 Rate</i></b>	<b><i>2012 Option 2 Rate</i></b>	<b><i>2012 Option 3 Rate</i></b>
Single Family Dwelling	\$522.18	\$559.36 <i>\$37.18</i>	\$556.15 <i>\$33.97</i>	\$553.78 <i>\$31.60</i>
Townhouse	\$427.46	\$457.90 <i>\$30.44</i>	\$455.27 <i>\$27.81</i>	\$453.33 <i>\$25.87</i>
Apartment	\$275.45	\$295.06 <i>\$19.61</i>	\$293.37 <i>\$17.92</i>	\$292.12 <i>\$16.67</i>

The rates outlined in the above tables are net rates. Due to the bylaw provisions which provide for a 10% discount if utility bills are paid within a specified timeframe, the net rates shown will be increased by 10% in the supporting bylaws to provide for the discount incentive while ensuring cost recovery for the net budget requirement.

### ***Advantages/Disadvantages of Various Options***

#### ***Option 1***

- Represents the minimal increase necessary to sustain operations, while maintaining business as usual.
- Provides for a continued \$1.6 million annual contribution to the residential water metering program to continue expanding this program.

- Maintains the contribution from the rate stabilization fund in the amount of \$750,000 to partially offset the impact of regional water increases.

Option 2

- Represents a \$200,000 reduction in the residential water metering program, reducing the annual funding for this program from the current budget level of \$1.6 million to \$1.4 million. This reduction will reduce the funding available for this program.
- Maintains the contribution from the rate stabilization fund in the amount of \$750,000 to partially offset the impact of regional water increases.

Option 3

- Represents a \$200,000 reduction in the residential water metering program, reducing the annual funding for this program from the current budget level of \$1.6 million to \$1.4 million. This reduction will reduce the funding available for this program.
- Increases the contribution from the rate stabilization fund by \$150,000 (to \$900,000) to further offset the impact of rate increases. This would draw down the rate stabilization fund by this additional amount.

***Recommended Option***

Staff recommend the budgets and rates as outlined under Option 1 for Water Services.

## Sewer Services Section Chart

<b>2012 Sewer Budget – Options</b>				
<i>Key Budget Areas</i>	<i>2011 Base Level Budget</i>	<i>2012: Option 1 Recommended: Non-Discretionary Increases</i>	<i>2012: Option 2 Non-Discretionary with Partial (\$100,000) Draw Down from Rate Stabilization Fund</i>	<i>2012: Option 3 Non-Discretionary with Additional (\$200,000) Draw Down from Rate Stabilization Fund</i>
Operating Expenditures	\$4,479,337			
• Salary		\$64,800	\$64,800	\$64,800
• PW Maintenance/ Materials/ Equipment/Supplies		\$10,800	\$10,800	\$10,800
• Monthly Vehicles		(\$17,800)	(\$17,800)	(\$17,800)
• Power Costs		\$37,900	\$37,900	\$37,900
GVS&DD O&M (MV)	\$14,652,300	\$1,122,100	\$1,122,100	\$1,122,100
GVS&DD Debt (MV)	\$2,657,700	(\$658,500)	(\$658,500)	(\$658,500)
GVS&DD Sewer DCC's (MV)	\$1,000,000	\$0	\$0	\$0
Rate Stabilization Contribution	\$0	\$0	\$0	\$0
Capital Infrastructure Replacement Program	\$4,306,400	\$0	\$0	\$0
Firm Price/Receivable	\$576,400	\$0	\$0	\$0
Overhead Allocation	\$498,800	(\$600)	(\$600)	(\$600)
Operating Debt	\$154,300	\$3,500	\$3,500	\$3,500
<b>Total 2011 Base Level Budget</b>	<b>\$28,325,237</b>			
<b>Total Incremental Increase</b>		<b>\$562,200</b>	<b>\$562,200</b>	<b>\$562,200</b>
<i>Revenues:</i>				
Apply Rate Stabilization Fund	\$0	\$0	(\$100,000)	(\$200,000)
Debt Funding	(\$39,100)	(\$3,500)	(\$3,500)	(\$3,500)
Investment Income	(\$175,000)	\$9,000	\$9,000	\$9,000
Firm Price/Receivable Income	(\$576,400)			
Property Tax for DD Debt (MV)	(\$2,657,700)	\$658,500	\$658,500	\$658,500
GVS&DD Sewer DCC Levy to Developers (MV)	(\$1,000,000)	\$0	\$0	\$0
<b>Net Budget</b>	<b>\$23,877,037</b>			
<b>Net Difference Over 2011 Base Level Budget</b>		<b>\$1,226,200</b>	<b>\$1,126,200</b>	<b>\$1,026,200</b>

A description explaining the increases and budget reductions in each of the areas outlined above is outlined below.

### **Operating Expenditures**

Salary costs are increased associated with anticipated wage settlements as well as staffing requirements for maintaining increased plant/infrastructure. Public Works maintenance and material, etc. costs are increased as a result of external cost factors, such as inflationary increases. Monthly vehicle costs are decreased as a result of lease buy-outs. Increases in power costs are due to hydro increases to operate pump stations, and are outside of the City's control.

***GVS&DD O&M (Greater Vancouver Sewerage and Drainage District Operating and Maintenance Costs) – Metro Vancouver***

Greater Vancouver Sewerage and Drainage District operations and maintenance charges are increased by approximately \$1.12 million, or 7.7%. These costs relate principally to the operation of the Lulu Island Water Treatment Plant, since these costs are borne entirely by Richmond. Other projects of specific interest to Richmond include the Gilbert/Brighouse Trunk Pressure Sewer twinning project and the Lulu Island Wastewater Treatment Plant Digester.

***GVS&DD Debt (Greater Vancouver Sewerage and Drainage District Debt)***

GVS&DD debt costs are reduced 24.8% per Metro Vancouver in association with debt reduction. These costs are recovered from property taxes and, therefore, do not benefit the sewer utility rates charged. There will, however, be a corresponding reduction in the amount recovered from property taxes (\$658,500) for regional sewer debt.

***Rate Stabilization Contribution***

Option 1 – Non Discretionary - does not include a contribution or draw from rate stabilization funds, which, as of October 31, 2011, has a balance of \$4,977,582.

Option 2 includes an option to draw or apply \$100,000 from the rate stabilization fund to reduce the impact of the rate increase in 2012. Option 3 includes an option to draw \$200,000 from rate stabilization to further offset the rate increase in 2012.

Staff recommend Option 1 in order to maintain the sewer provision account to offset future anticipated increases in regional sewer operating costs.

***Capital Infrastructure Replacement Program***

Under all options outlined above, there is no increase proposed in the annual contribution to the sewer infrastructure capital replacement program. The “Ageing Infrastructure Planning – 2011 Update” report noted that the annual funding contribution for sewer to sustain the current infrastructure is \$6.2 million, a \$1.9 million shortfall. The funding strategy outlined in that report -- to increase the rates by \$10 each year for an additional 10 years -- is being integrated into the utility budgets and rates. In 2012, the increase is reflected in the drainage area (addressed later in this report).

***Operating Debt***

Operating debt relates to the sewer debt sinking fund and is based on costs provided by the Municipal Finance Authority. There is a small increase in 2012, but this has no impact on the rates charged since the amount is offset by a corresponding increase in revenues.

***Regional Issues***

The main budget drivers impacting the projected increase in Metro Vancouver costs include a variety of capital infrastructure projects, such as the Gilbert/Brighouse trunk pressure sewer and digester at the Lulu Island treatment plant; various treatment plant upgrades (Iona, Lions Gate, etc.); seismic sewer upgrades, and various infrastructure upgrades and capacity improvements. While Metro Vancouver projections indicate a 5% blended overall increase (combined debt reduction and operating cost increase), staff estimate the regional impact on rates to increase at approximately 8% per year in accordance with trends in regional operations and maintenance costs, which are recovered through utility rate charges.

***Impact on 2012 Sewer Rates***

The impact of these various budget options on the sewer rates by customer class is provided in the table which follows. The first chart shows the various options for meter rate customers. The second chart shows the options for flat rate customers. As noted previously in the "***Meter Rate***" discussion within the Water Services portion of this report, the impact to metered customers is considerably less than flat rate customers due in part to the incentive built into the meter rate.

The impact of the Sewer budget options on metered customers is as follows:

<b><i>2012 Sewer Net Meter Rate Options</i></b>				
		<b><i>2012 Rate Options which Include Increase Identified Below in Italics</i></b>		
<b><i>Customer Class</i></b>	<b><i>2011 Rates</i></b>	<b><i>Recommended: 2012 Option 1 Rate</i></b>	<b><i>2012 Option 2 Rate</i></b>	<b><i>2012 Option 3 Rate</i></b>
Single Family Dwelling (based on avg. 296 m <sup>3</sup> )	\$225.52	\$246.78 <i>\$21.26</i>	\$245.80 <i>\$20.28</i>	\$244.82 <i>\$19.30</i>
Townhouse (based on avg. 265 m <sup>3</sup> )	\$201.90	\$220.93 <i>\$19.03</i>	\$220.06 <i>\$18.16</i>	\$219.18 <i>\$17.28</i>
Apartment (based on avg. 181 m <sup>3</sup> )	\$137.90	\$150.90 <i>\$13.00</i>	\$150.30 <i>\$12.40</i>	\$149.71 <i>\$11.81</i>
Metered Rate (\$/m <sup>3</sup> )	\$0.7619	\$0.8337 <i>\$0.0718</i>	\$0.8304 <i>\$0.0685</i>	\$0.8271 <i>\$0.0652</i>

The impact of the Sewer budget options on the flat rate customers is as follows:

<b><i>2012 Sewer Net Flat Rates Options</i></b>				
		<b><i>2012 Rate Options which Include Increase Identified Below in Italics</i></b>		
<b><i>Customer Class</i></b>	<b><i>2011 Rates</i></b>	<b><i>Recommended: 2012 Option 1 Rate</i></b>	<b><i>2012 Option 2 Rate</i></b>	<b><i>2012 Option 3 Rate</i></b>
Single Family Dwelling	\$335.92	\$360.23 <i>\$24.31</i>	\$358.76 <i>\$22.84</i>	\$357.33 <i>\$21.41</i>
Townhouse	\$307.36	\$329.60 <i>\$22.24</i>	\$328.26 <i>\$20.90</i>	\$326.96 <i>\$19.60</i>
Apartment	\$255.98	\$274.51 <i>\$18.53</i>	\$273.40 <i>\$17.42</i>	\$272.30 <i>\$16.32</i>

The rates outlined in the above tables are net rates. Due to the bylaw provisions which provide for a 10% discount if utility bills are paid within a specified timeframe, the net rates shown will be increased by 10% in the supporting bylaws to provide for the discount incentive while ensuring cost recovery for the net budget requirement.

**Advantages/Disadvantages of Various Options****Option 1**

- Represents the minimal increase necessary to sustain operations, while maintaining business as usual.
- There is no collection of funds to contribute toward rate stabilization for future increases, i.e. the rate stabilization contribution remains at \$0 in 2012.
- Does not meet City's long-term infrastructure plan to increase the capital program for replacement of aging infrastructure. Capital replacement remains fixed at \$4.3 million for 2012. The objective is to build the annual infrastructure replacement for sewer to \$6.2 million, representing an annual \$1.9 million shortfall.

Option 2

- Represents the minimal increase necessary to sustain operations with \$100,000 being applied or drawn from the rate stabilization fund to reduce the impact of budget and rate increases..
- There is no collection of funds to contribute toward rate stabilization for future increases, i.e. the rate stabilization contribution remains at \$0 in 2012.
- Does not meet City's long-term infrastructure plan to increase the capital program for replacement of aging infrastructure. Capital replacement remains fixed at \$4.3 million for 2011. The objective is to build the annual infrastructure replacement for sewer to \$6.2 million, or an annual \$1.9 million shortfall.

Option 3

- Represents the minimal increase necessary to sustain operations with \$200,000 being applied or drawn from the rate stabilization fund to reduce the impact of budget and rate increases..
- There is no collection of funds to contribute toward rate stabilization for future increases, i.e. the rate stabilization contribution remains at \$0 in 2012.
- Does not meet City's long-term infrastructure plan to increase the capital program for replacement of aging infrastructure. Capital replacement remains fixed at \$4.3 million for 2011. The objective is to build the annual infrastructure replacement for sewer to \$6.2 million, or an annual \$1.9 million shortfall.

***Recommended Option***

Staff recommend the budgets and rates as outlined under Option 1 for Sewer Services.

**Drainage and Diking Section Chart**

<b><i>2012 Drainage and Diking Net Rate Options</i></b>				
		<b><i>2012 Rate Options which Include Increase Identified Below in Italics</i></b>		
<b><i>Utility Area</i></b>	<b><i>2011 Rates</i></b>	<b><i>2012 Option 1 Rate</i></b>	<b><i>2012 Option 2 Rate</i></b>	<b><i>Recommended: 2012 Option 3 Rate</i></b>
Drainage	\$90.31	\$90.31	\$95.31	\$100.31
Diking	\$10.00	\$10.00	\$10.00	\$10.00
Total Drainage & Diking	\$100.31	\$100.31	\$105.31	\$110.31
<b><i>Increase Over 2011</i></b>		<b><i>\$0</i></b>	<b><i>\$5.00</i></b>	<b><i>\$10.00</i></b>

As noted previously within the water and sewer sections, the above rates are net rates and will be increased by 10% in the rate amending bylaws in accordance with the bylaw early payment discount provisions.

**Background**

**Drainage** - In 2003, a drainage utility was created to begin developing a reserve fund for drainage infrastructure replacement costs. The objective as outlined in the "Ageing Infrastructure Planning – 2011 Update" report is to build the fund to an anticipated annual contribution of approximately \$9.8 million, subject to ongoing review of the drainage infrastructure replacement requirements.

As adopted by Council in 2003, the rate started at \$10.00 (net) per property and is increased an additional \$10.00 each year until such time as the \$9.8 million annual reserve requirement is reached – expected to take approximately 6 more years. The net rate in 2011 was \$90.31 resulting in approximately \$6.1 million being

collected towards drainage services. The options presented above represent no increase under Option 1, approximately one-half of the increase under Option 2, and the full increase of \$10.00 under Option 3 per prior Council approvals. The recommended increase under Option 3 will result in \$6.77 million in annual reserve contributions for drainage. A continued increase in capital contributions for drainage is recommended in light of the importance of drainage infrastructure in Richmond.

*Diking* – An annual budget amount of approximately \$600,000 was established in 2006 to undertake structural upgrades at key locations along the dike, which equated to a \$10.00 charge per property. Continued annual funding is required to facilitate continued studies and upgrades as identified through further seismic assessments of the dikes. No increase in the \$10.00 per property rate is proposed for 2012. This will result in revenues of approximately \$675,000 in 2012, based on total estimated properties.

### ***Recommended Option***

Staff recommend the budgets and rates as outlined under Option 3 for Drainage and Diking Services.

## Solid Waste & Recycling Section Chart

<b>2012 Solid Waste &amp; Recycling Budget - Options</b>				
<i>Key Budget Areas</i>	<i>2011 Base Level Budget</i>	<i>Option 1 Recommended: Non-Discretionary Increases</i>	<i>Option 2 Non-Discretionary Increases</i>	<i>Option 3 Non-Discretionary Increases</i>
Salaries	\$1,957,700	\$43,300	\$43,300	\$43,300
Contracts	\$4,780,900	\$142,000	\$142,000	\$142,000
Equipment/Materials/Vehicles	\$354,400	\$18,100	\$18,100	\$18,100
Metro Disposal Costs (MV)	\$1,756,200	\$59,700	\$59,700	\$59,700
Recycling Materials Processing	\$1,136,500	(\$15,400)	(\$15,400)	(\$15,400)
Container Rental/Collection	\$158,300	\$4,000	* \$4,000	\$4,000
Operating Expenditures	\$136,800	\$4,800	\$4,800	\$4,800
Program Costs	\$182,600	\$14,500	\$14,500	\$14,500
Agreements	\$163,200	\$4,200	\$4,200	\$4,200
Rate Stabilization	\$0	\$0	\$138,700	\$277,400
<b>Total 2011 Base Level Budget</b>	<b>\$10,626,600</b>			
<b>Total Incremental Increase</b>		<b>\$275,200</b>	<b>\$413,900</b>	<b>\$552,600</b>
<i>Revenues:</i>				
<i>Apply Rate Stabilization Fund</i>	<i>(\$250,000)</i>	<i>\$57,900</i>	<i>\$57,900</i>	<i>\$57,900</i>
<i>Recycling Material</i>	<i>(\$652,000)</i>	<i>(\$134,800)</i>	<i>(\$134,800)</i>	<i>(\$134,800)</i>
<i>Garbage Tags</i>	<i>(\$20,100)</i>	<i>\$2,600</i>	<i>\$2,600</i>	<i>\$2,600</i>
<b>Net Budget</b>	<b>\$9,704,500</b>			
<b>Net Difference Over 2011 Base Level Budget</b>		<b>\$200,900</b>	<b>\$339,600</b>	<b>\$478,300</b>

A description explaining the increases and budget reductions in each of the areas outlined above is outlined below.

### ***Salaries***

Salary costs are increased associated with anticipated wage settlements.

### ***Contracts***

Contract costs relate to non-discretionary increases for solid waste and recycling collection services as outlined in Council-approved agreements.

### ***Equipment/Materials/Vehicles***

Material, equipment and vehicle costs are increased associated with plant growth and increased fuel and insurance costs.

### ***Metro Vancouver Disposal Costs (MV)***

Disposal costs associated with the regional tipping fee increase from \$97 to \$107 per tonne. The City's Green Can program has helped in significantly reducing disposal tonnages, minimizing the impact of tipping fee increases. For example, had the Green Can/organics program not been introduced to divert more waste from garbage, the metro disposal costs noted in the budget table would have been approximately \$300,000 higher.

Regional tipping fees are expected to continue to rise sharply over the next several years to help create greater incentives for recycling alternatives and to meet the objectives as outlined in the new *Integrated Solid Waste and Resource Management Plan* which received provincial approval on July 22, 2011.

	2012	2013	2014	2015	2016
Projected Metro Vancouver Tipping Fee/Tonne	\$107	\$121	\$153	\$182	\$205
% Increase over Prior Year	10.3%	13%	26.4%	19%	12.6%

### ***Recycling Materials Processing***

Recycling materials processing costs are reduced associated with green waste volume adjustment reductions at the Ecowaste Landfill resulting from commercial use restrictions.

### ***Container Rental/Collection & Operating Expenditures***

Container rental and operating expenditures are increased associated with rates from re-tendered service contracts and printing costs.

### ***Program/Internal Costs & Agreements***

Program cost increases relate to increased resident uptake in the City's spring clean up program (garbage disposal voucher program). Agreement costs are increased slightly based on the consumer price index contractual increase with Vancouver Coastal Health Authority for the City's public health protection service agreement.

### ***Rate Stabilization***

Option 1 reflects a \$57,900 reduction in the application of the rate stabilization fund for solid waste and recycling. This reduction reflects the anticipated variance to equal the full offset of costs for the Green Cart Pilot program in accordance with prior approvals, pending an evaluation and report on that program in early 2012 (reference Green Cart Pilot Program section). Option 2 includes a partial contribution of \$138,700 to collect toward building the solid waste stabilization/provision fund, and Option 3 includes a contribution of \$277,400. Option 1 is recommended in light of significant increases in other utility areas. Any increase in the rate stabilization contribution outlined under Options 2 and 3 would allow funding levels to build in order to offset future significant regional tipping fee increases as outlined above. In addition, future funding will be needed to further develop significant recycling programs, such as a potential Eco Centre, introduction of carts for residential curbside collection, pilot initiatives, etc. The current balance in the solid waste provision is \$7,455,315.

### ***Recycling Material Revenues***

Revenues from the sale of recycling commodities are increased approximately 20% in 2012, or from \$652,000 to \$786,800. Under servicing contract terms, the City receives the full benefit of any increases

in the recycling commodity markets above an established base level. Similarly, the City bears the risk of any downturn in commodity markets. The increased revenue projection is based on estimates of market conditions as reflected over the past year. This amount can vary up or down, and is dependent in large part on economic conditions. Therefore, it is an estimate only. Note that revenues from the sale of recycling materials are applied against expenditures to help offset rates.

### ***Green Cart Pilot Program***

A pilot organics/food scraps recycling pilot program, involving approximately 3,200 townhome units, commenced in April and is currently underway. The pilot is intended to run to the end of 2011 and then be evaluated for potential broader scale implementation to all townhomes. Staff are currently evaluating the program and will present a report with recommendations early in 2012. The cost of this program is offset through the sanitation provision account. The budget/funding identified above allows the pilot program to continue in 2012 under these same funding conditions until such time as a Council decision is made on the future of organics recycling for townhomes.

A report regarding the pilot program is scheduled for the first quarter of 2012.

### ***Impact on 2012 Rates***

The impact of the budget options to ratepayers is provided in the table which follows.

<b><i>2012 Solid Waste &amp; Recycling Net Rates Options</i></b>				
		<b><i>2012 Rate Options which Include Increase Identified Below in Italics</i></b>		
<b><i>Customer Class</i></b>	<b><i>2011 Rates</i></b>	<b><i>Recommended: 2012 Option 1 Rate</i></b>	<b><i>2012 Option 2 Rate</i></b>	<b><i>2012 Option 3 Rate</i></b>
Single Family Dwelling	\$234.81	\$239.61 <i>\$4.80</i>	\$241.96 <i>\$7.15</i>	\$244.50 <i>\$9.69</i>
Townhouse	\$169.46	\$171.10 <i>\$1.64</i>	\$173.44 <i>\$3.98</i>	\$175.99 <i>\$6.53</i>
Apartment	\$52.14	\$51.40 <i>(\$0.74)</i>	\$52.25 <i>\$0.11</i>	\$53.24 <i>\$1.10</i>
Business Metered Rate	\$26.16	\$25.75 <i>(\$0.41)</i>	\$25.86 <i>(\$0.30)</i>	\$25.99 <i>(\$0.17)</i>

As noted previously within the water and sewer sections, the above rates are net rates and will be increased by 10% in the rate amending bylaws in accordance with the bylaw early payment discount provisions.

### ***Regional Issues***

As previously noted, the regional tipping fee has increased \$10, from \$97/tonne to \$107/tonne. The impact to Richmond is not as great as it would otherwise have been had the City not had the foresight to introduce the Green Can (food scraps/organics recycling) program. Overall, the region is continuing to experience declining waste flows and reduced revenues in light of recycling initiatives and poor economic conditions, which are contributing factors to the tipping fee increase. Costs for regional initiatives identified in the Integrated Solid Waste and Resource Management Plan are other factors driving the tipping fee increase. In addition to the impacts of the tipping fee increases, Richmond will also incur costs to implement the local government actions identified in the Integrated Solid Waste and Resource Management Plan. Council previously endorsed the plan, which establishes a new regional waste diversion target of 70% by 2015 (currently at 50%). These costs could amount to an additional \$4 million annually, depending on the level to which the municipal actions are pursued. These added programs will be brought to Council for approval in advance of incurring any additional expenditures.

## ***Recommended Option***

Staff recommend the budgets and rates as outlined under Option 1 for Solid Waste and Recycling as it meets the minimum funding requirement necessary to maintain existing programs, while minimizing the overall rate impact -- particularly in light of increases in other utility areas.

## **Total Recommended 2012 Utility Rate Option**

In light of the significant challenges associated with the impacts of regional costs and new programs in the City, staff are recommending a combination of various budget and rates options as follows:

- Option 1 is recommended for Water
- Option 1 is recommended for Sewer
- Option 3 is recommended for Drainage & Diking
- Option 1 is recommended for Solid Waste & Recycling

This results in the following 2012 recommended utility rates as summarized in the following tables. The first table provides a summary of the estimated meter rate charge, based on average water and sewer consumption. The second table provides a summary of the flat rate charge.

<b><i>2012 Total Annual Utility – Estimated Charges to Metered Customers based on Recommended Rates and Average Water/Sewer Consumption by Customer Class (Net Rates)</i></b>		
<i>Customer Class</i>	<b><i>2012 Recommended Rate (Increase Identified Below in Italics)</i></b>	
	<b><i>2011 Estimated Net Rates</i></b>	<b><i>Total 2012 Recommended Option – Estimated Net Rates</i></b>
Single-Family Dwelling (based on avg. 296 m <sup>3</sup> )	\$833.64	\$894.42 <i>\$60.78</i>
Townhouse (on City garbage service) (based on avg. 265 m <sup>3</sup> )	\$716.08	\$768.88 <i>\$52.80</i>
Townhouse (not on City garbage service) (based on avg. 265 m <sup>3</sup> )	\$609.37	\$659.88 <i>\$50.51</i>
Apartment (based on avg. 181 m <sup>3</sup> )	\$457.29	\$494.66 <i>\$37.37</i>
<b>General – Other/Business</b>		
Metered Water (\$/m <sup>3</sup> )	\$0.9223	\$1.0058 <i>\$0.0835</i>
Metered Sewer (\$/m <sup>3</sup> )	\$0.7619	\$0.8337 <i>\$0.0718</i>
Business: Garbage	\$26.16	\$25.75 <i>(\$0.41)</i>
Business: Drainage & Diking	\$100.31	\$110.31 <i>\$10.00</i>

<b>2012 Total Annual Utility – Recommended Flat Rates (Net Rates)</b>		
<i>Customer Class</i>	<b>2012 Recommended Rate (Increase Identified Below in Italics)</b>	
	<b>2011 Net Rates</b>	<b>Total 2012 Recommended Option – Net Rates</b>
Single-Family Dwelling	\$1,193.22	\$1,269.51 \$76.29
Townhouse (on City garbage service)	\$1,004.59	\$1,068.91 \$64.32
Townhouse (not on City garbage service)	\$897.88	\$959.91 \$62.03
Apartment	\$683.88	\$731.28 \$47.40
<b>General – Other/Business</b>		
Metered Water (\$/m <sup>3</sup> )	\$0.9223	\$1.0058 \$0.0835
Metered Sewer (\$/m <sup>3</sup> )	\$0.7619	\$0.8337 \$0.0718
Business: Garbage	\$26.16	\$25.75 (\$0.41)
Business: Drainage & Diking	\$100.31	\$110.31 \$10.00

As noted previously, the rates highlighted in this report reflect the net rates. This is the actual cost that property owners pay after the 10% discount incentive is applied as outlined in the rate bylaws. It also represents the minimum amount required to recover the net expenditure budgets for each utility area. The discount incentive provided in the bylaws is a very effective strategy in securing utility payments in a timely manner. To ensure full cost recovery while maintaining the payment incentive, the bylaw rates are inflated by the discount amount. The recommended rates outlined above result in the following gross rates to be reflected in the amending bylaws for each utility area, should they be approved by Council:

<b>2012 Total Annual Utility – Recommended Gross (Before Discount) Estimated Meter &amp; Actual Flat Rates per Bylaw (By Utility Area)</b>					
	<b>Water</b>	<b>Sewer</b>	<b>Drainage/ Diking</b>	<b>Garbage/ Recycling</b>	<b>Total</b>
<b>Meter (Based on Estimated Consumption–Water &amp; Sewer Rates will Vary According to Actual Consumption)</b>					
Single-Family Dwelling	\$330.78	\$274.18	\$122.57	\$266.23	\$993.76
Townhouse (on City garbage)	\$296.14	\$245.47	\$122.57	\$190.11	\$854.29
Townhouse (no City garbage)	\$296.14	\$245.47	\$122.57	\$69.00	\$733.18
Apartment	\$202.27	\$167.66	\$122.57	\$57.11	\$549.61
<b>Flat Rate (Actual)</b>					
Single-Family Dwelling	\$621.51	\$400.25	\$122.57	\$266.23	\$1,410.56
Townhouse (on City garbage)	\$508.77	\$366.22	\$122.57	\$190.11	\$1,187.67
Townhouse (no City garbage)	\$508.77	\$366.22	\$122.57	\$69.00	\$1,066.56
Apartment	\$327.85	\$305.01	\$122.57	\$57.11	\$812.54
<b>General – Other/Business</b>					
Metered Water (\$/m <sup>3</sup> )	\$1.1175				
Metered Sewer (\$/m <sup>3</sup> )		\$0.9263			
Business: Garbage				\$28.61	
Business: Drainage & Diking			\$122.57		

The number of units by customer class, including those on meters, is shown below for Council's information. The number of units will vary to some degree based on the type of service (e.g. some units are not on sewer service), therefore, the following is based on the water services unit count:

<i><b>Residential Unit Counts – Flat Rate and Metered Customers</b></i>		
Single-Family Residential	Flat Rate	10,635
	Metered	17,816
Townhouse	Flat Rate	14,308
	Metered	703
Apartment	Flat Rate	20,109
	Metered	1,715
Total Residential Units		65,286
Commercial Units	Metered	3,467
Farms	Metered	49

## Comparison of Recommended 2012 Utility Rate Option to Major Household Expenses

In relation to other common household expenses, City utility expenses represent good value when compared with other daily major household expenses such as telephone, cable, internet, electricity, transit and others. Water, sewer, garbage and drainage utility services are fundamental to a quality lifestyle for residents as well as necessary infrastructure to support the local economy. The following chart demonstrates the value of these services when compared to other common household expenses.

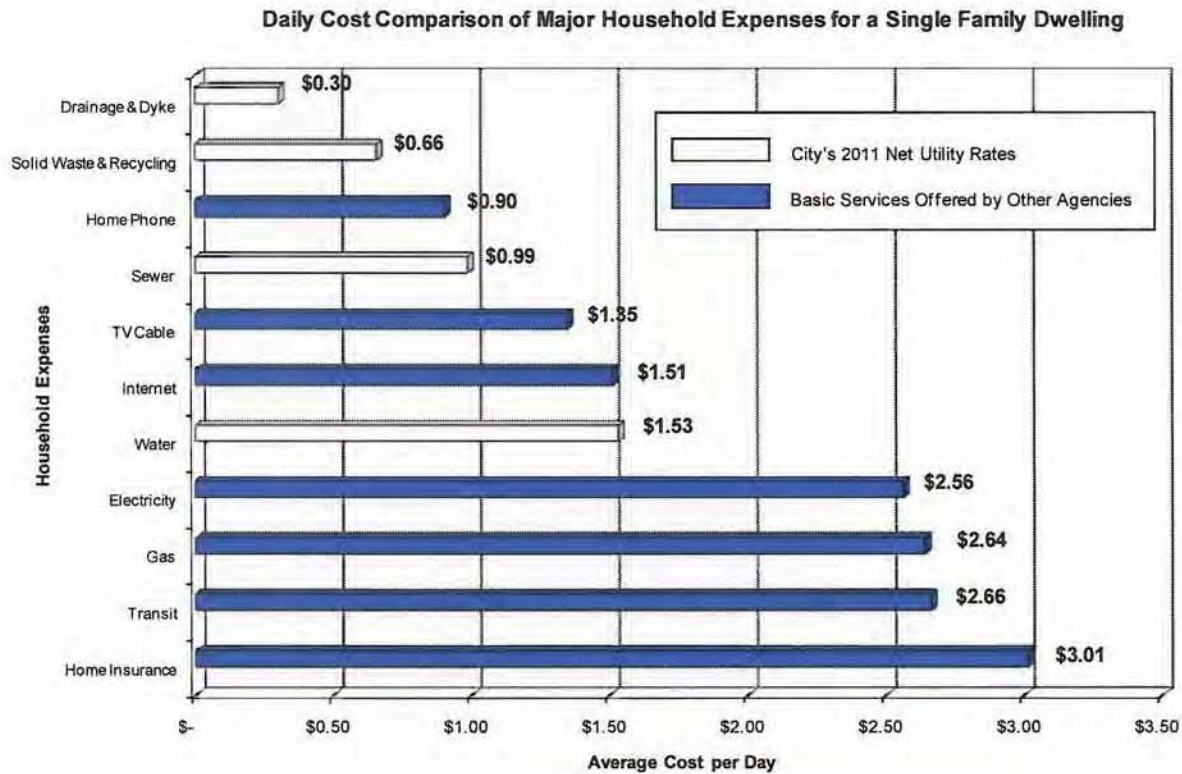


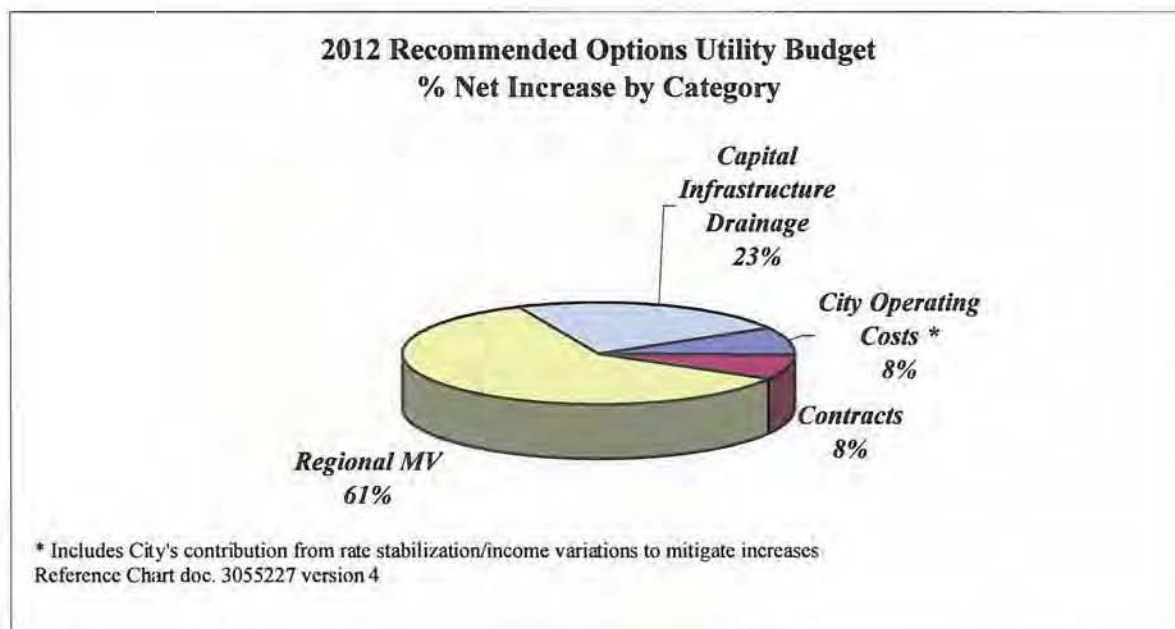
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## Financial Impact

The budgetary and rate impacts associated with each option are outlined in detail in this report. In all options, the budgets and rates represent full cost recovery for each respective area.

The key impacts to the recommended 2012 utility budgets and rates stem from increases in regional water purchases, sewer treatment and disposal costs. Contractual increases for tendered services and other external costs is also a factor, although to a much lesser degree. Option 1 is recommended for the Water, Sewer and Solid Waste/Recycling budgets and rates; whereas Option 3 is recommended for Drainage as per the strategy outlined in the “Ageing Infrastructure Planning – 2011 Update” report.

Considerable effort has been made to minimize City costs and other costs within our ability to influence in order to minimize the impact to property owners. The following graph demonstrates the principal factors in the 2012 budget in the area of regional costs, contract costs, net capital infrastructure contribution (drainage) and other City operating costs.



## Conclusion

The utility rate strategy represents a comprehensive approach to addressing current increases in regional charges for water purchases, water filtration, sewer treatment and disposal costs. City costs have been minimized as much as possible to reduce the impact to budgets and rates. Regional increases continue to represent a significant portion of the increases in utility rates. This trend will continue for the foreseeable future as the challenges associated with addressing growth and new demands for water and sewer treatment are managed.

Staff recommend that the budgets and rates as outlined in this report be approved and that the appropriate amending bylaws be brought forward to Council to bring these rates into effect.

A handwritten signature in black ink, appearing to read 'S. Bycraft', is positioned above the printed name.

Suzanne Bycraft  
Manager, Fleet & Environmental Programs  
(3338)



City of Richmond

## Report to Committee

**To:** Public Works and Transportation Committee      **Date:** June 7, 2011  
**From:** John Irving, MPA, P.Eng.      **File:** 10-6060-01/2011-Vol 01  
Director, Engineering  
**Re:** Ageing Infrastructure Planning – 2011 Update



### Staff Recommendation

That staff review the report dated June 7, 2011 from the Director, Engineering in conjunction with the Long Term Financial Management Strategy and bring forward recommendations to Finance Committee.

John King

John Irving, MPA, P.Eng.  
Director, Engineering  
(4140)

Ann. 6

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:		CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Budgets		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Roads and Construction		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Sewerage and Drainage		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Water Services		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Transportation		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
REVIEWED BY TAG		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
		REVIEWED BY CAO	
		YES 	NO <input type="checkbox"/>

June 7, 2011

- 2 -

**Staff Report****Origin**

In July 2001 and March 2006 the Engineering Department reported to Council the estimated long term capital requirements for age-related infrastructure renewal. This report updates those estimates to reflect current inventory, new thoughts on infrastructure service life and changing infrastructure replacement pricing. It also extends the report to comment on dikes and climate change.

**Background****Council Term Goals**

One of the strategic focus areas outlined in the currently adopted Council Term Goals is Financial Management. The goal is to ensure the City has the capacity to meet the financial challenges of today and the future, while maintaining current levels of service. This report outlines the current and long term financial requirements for maintaining and replacing the City's ageing infrastructure.

**Existing Infrastructure**

**Table 1** is a summary of the City's inventory of water, sanitary, drainage, and roads infrastructure. The replacement value assumes that infrastructure will be replaced "size-on-size"<sup>1</sup>.

**Table 1: Infrastructure Inventory**

Infrastructure	Total Length of Pipe or Road	Other Features	Funding Source	Replacement Value (2011 dollars)
Water	624 km	13 PRV Chambers 8 Sponge Vaults 60 Valve Chambers	Water Utility	\$514 M
Sanitary	562 km	151 Pump Stations	Sanitary Utility	\$436 M
Drainage	617 km	39 Pump Stations	Drainage Utility	\$933 M
Dike	49 km	-	Drainage Utility	\$200 M
Road Pavement (non-MRN)	1285 lane km	212,000 sq. m of Parking lot	General Revenue	\$561 M
<b>Total Replacement Value</b>				<b>\$2,644 M</b>

<sup>1</sup> Each asset will be replaced using the existing size.

June 7, 2011

- 3 -

Previous Staff Reports

Staff completed the City's first ageing infrastructure assessment and reported the results to Council in 2001. The assessment was based on the limited information available at that time. An updated ageing infrastructure report was presented to the Public Works and Transportation Committee (PWTC) in March 2006. Both reports identified that infrastructure replacement funding levels were insufficient and the 2006 report proposed several preliminary strategies to address the shortfalls that included the following:

1. Implement an immediate one-time increase to the rates to close the funding shortfall.
2. Implement a gradual increase to rates over a specified period to close the funding shortfall.
3. Borrow money to fund the necessary improvements.
4. Combination of the above strategies.

From the above strategies, the City implemented a variation of strategy 2 that did not include a specific date to close identified funding gaps. **Table 2** catalogues and compares 2006 capital infrastructure annual funding to that in 2011. It also tabulates current reserve levels.

**Table 2: Annual Capital Infrastructure Funding and Reserves**

Infrastructure Type	2006 Funding (2006 dollars)	2011 Funding (2011 dollars)	Funding Source	% Funding Increase	Reserve Balance (Dec 31, 2006)	Reserve Balance (Dec 31, 2010)
Water	\$6.5 M	\$7.5 M	Water Utility	15%	\$34.1 M	\$46.4 M
Sanitary	\$2.5 M	\$4.3 M	Sanitary Utility	75%	\$16.4 M	\$27.7 M
Drainage	\$3.1 M	\$6.1 M	Drainage Utility	97%	\$7.3 M	\$18.2 M
Road Paving (non MRN)	\$2.6 M	\$3.0 M	General Revenue	15%	N/A	N/A
<b>Total</b>	<b>\$14.7 M</b>	<b>\$20.9 M</b>		<b>42%</b>	<b>\$57.8</b>	<b>\$92.3 M</b>

As can be seen in **Table 2**, the City has substantially increased funding for infrastructure replacement over the last five years. Increases to the water, sewer and drainage capital funding were achieved through the annual utility rates review process where infrastructure replacement funding gaps were considered when establishing utility rates. The roadways are not part of a utility and the re-paving budget is included in the Roads operating budget. Road repaving increases were accomplished through the operating budgeting process.

Ageing Infrastructure Replaced From 2006 to 2010

Since March 2006 the City has replaced over 28 km of ageing watermain (approximately 4% of the system) and repaved 141 km of road lanes (approximately 11% of the non-MRN roadways) through its annual capital works programs. Various sanitary and drainage pump stations were

## Attachment 1 (Cont'd)

June 7, 2011

- 4 -

also rebuilt or improved during this time due to both ageing infrastructure and capacity based upgrade needs. These replacements and upgrades are planned utilizing water, sanitary, drainage and pavement management and capacity models developed for Richmond's infrastructure. Given the large catalogue of infrastructure assets within the City and the significant population increases predicted for Richmond, these models are essential for short and long term capital planning and for supporting broader City objectives such as the Official Community Plan. *Attachment 6* is a summary of infrastructure projects completed between 2006 and 2010 as part of the ongoing infrastructure replacement and upgrade program.

The replacement work to date has put Richmond in a much better position than the majority of Canadian municipalities. A report titled "Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure" was published by the Federation of Canadian Municipalities (FCM) in November 2007. The report stated that, across Canada, municipal infrastructure has reached the breaking point. The report recommended that long-term investment plans be created to manage infrastructure funding. Richmond has been pro-active in this regard and had long-term ageing infrastructure replacement strategy and reserve funding in place prior to the FCM report. As such, the City's infrastructure is in better condition than the average Canadian municipality and is far from the breaking point. However, the FCM report illustrates what can happen if the City's municipal infrastructure becomes a lower priority and funding levels do not continue to increase to close identified funding gaps.

### Analysis

#### Total Replacement Value and Schedule

*Charts 1 to 4* (attached) show estimated infrastructure replacement costs for the City's water, sanitary, drainage, and road infrastructure over the next 75 years. The charts also identify the estimated long term average annual funding levels that are required to perpetually replace assets and the current 2011 funding levels. The Funding Requirement Range represents the estimated level of uncertainty or variability in the long term annual funding levels. This uncertainty is due to a number of variables including:

- potential overlap between capacity based improvements due to development or climate change;
- uncertainty in the potential service life of the infrastructure;
- variability in the economy and the cost of infrastructure replacement; and
- unanticipated or emergency events that initiate early infrastructure replacement or repairs in excess of operating budget provisions.

#### Water

*Chart 1* predicts a long term annual water infrastructure funding requirement of \$7.0 million, which is \$0.5 million lower than previously estimated and currently funded. Over the past five years Engineering has gathered data that indicates asbestos cement pipelines last longer than the original analysis indicated. Asbestos cement pipelines are approximately 50% of the City's watermain inventory, therefore, this increase in expected asbestos cement pipeline service life has a significant effect on long term funding requirements and translates into the lower funding

## Attachment 1 (Cont'd)

June 7, 2011

- 5 -

requirement. However, staff recommends maintaining water utility funding at \$7.5 million noting that:

- there is a significant backlog of watermain replacement projects;
- there is significant variability in water infrastructure pricing; and
- inflation will consume this positive funding gap in the near to medium term.

As noted previously, approximately 50% of the City's watermains are asbestos cement and are predicted to require replacement within the next 30 years. During this period replacement costs will exceed the long term required funding level for a number of years, which will require utilization of reserves and borrowing. In the long term (75 year horizon), the required funding level will repay debts incurred and allow for continued water infrastructure renewal.

Engineering staff are currently reviewing new technologies to determine the condition of asbestos cement watermains in an effort to refine the watermain replacement schedule. Additionally, Engineering staff will review pressure management as a tool to increase the service life of the asbestos cement watermain inventory, which has potential to attenuate the predicted spike in watermain replacement between 2031 and 2041.

#### Sanitary

*Chart 2* predicts a long term annual funding requirements of \$5.4 million for the sanitary utility with no identified backlog of replacement needs. However, the fat, oil and grease (FOG) blockage in the Lansdowne forcemain this year is a prime example of an unanticipated event with significant capital cost that creates uncertainty or variability in the estimation of long term capital requirements. The Lansdowne forcemain emergency activities and replacement will total over \$1.3 million by project completion that was not anticipated but must be accommodated by the sanitary sewer utility.

#### Drainage

*Chart 3* predicts a long term annual funding requirement of \$9.8 million for the drainage utility. As indicated by the chart, large scale ageing drainage infrastructure replacement is estimated to be 30 years in the future with much smaller near term needs. One option to fund these future replacements is to build an adequate reserve during this period of lower needs, to avoid unnecessarily burdening future generations.

Modeling work is currently being performed to determine the impact of climate change on the drainage system. Capacity improvements due to climate change are not included in the present analysis and will be reported to Council when the information becomes available.

#### Roads

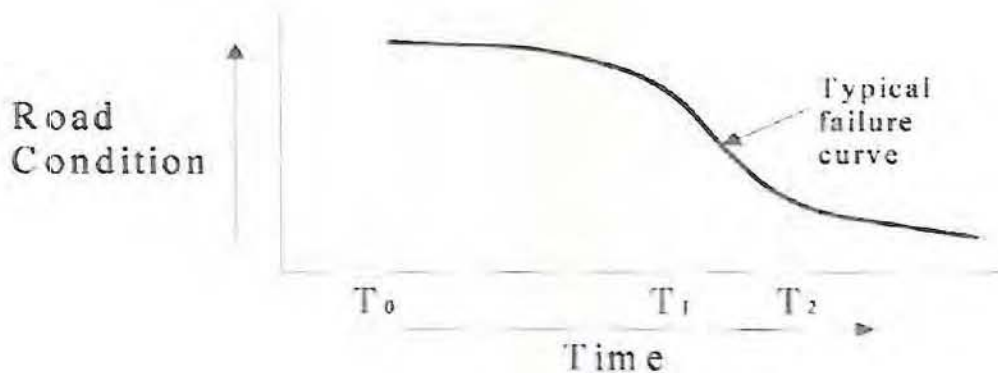
*Chart 4* predicts a non-MRN long term annual re-paving funding requirement of \$4.6 million. Higher uncertainty exists in this value than those for the utilities as road re-paving is heavily influenced by oil price, which has fluctuated widely in the past five years. *Chart 5* (attached) documents the fluctuating cost of asphalt paving between 2006 and 2010 demonstrating the high

June 7, 2011

- 6 -

variability in pricing. Based on paving prices over the last five years, re-paving annual funding requirements range between \$4.0 M and \$5.3 M. For long term planning purposes, we have assumed that the ebb and flow of asphalt pricing will average out in the long term and have utilized the average value of \$4.6 M as the long term funding requirement for re-paving.

As reported to Council in 1998, road structures fail according to the curve represented in *Figure 1*.



**Figure 1**

The time between  $T_0$  and  $T_1$  reflects period when roads structures perform well. At  $T_1$  the road structure begins to deteriorate and lose strength.  $T_2$  represents failure of the road structure. Once  $T_1$  is reached, failure occurs rapidly.

Road rehabilitation work performed at  $T_1$  can effectively restore the road structure to a "like new" condition represented by  $T_0$ . Failure to perform this rehabilitation work leads to the rapid deterioration and failure of the roadway. At  $T_2$ , a complete rebuild of the road structure is required. The cost of rebuilding a roadway at  $T_2$  is approximately 3 to 4 times the cost of rehabilitation at  $T_1$ , therefore, it is to the City's financial advantage to perform the rehabilitation at  $T_1$ .

For the purpose of estimating the long term re-paving funding requirement, it has been assumed that all roads are repaved at  $T_1$ . If this can not be achieved, the costs associated with road repair will increase due to more expensive road reconstruction being required.

### Dikes

The 2008-2031 Richmond Flood Protection Strategy identifies climate change induced sea level rise as a future threat to the City and requires further investigation. As presented to Council on January 10, 2011, long term funding for raising dikes to meet rising sea levels and upgrades to address seismic concerns will be in the order of \$100 million. Engineering staff are exploring options to initiate a Dike Master Plan that will identify upgrade timing and funding requirements.

## Attachment 1 (Cont'd)

June 7, 2011

- 7 -

Required Funding Levels

**Table 3** summarizes current and required annual infrastructure replacement funding levels, in 2011 dollars, as well as the current ageing infrastructure funding gaps.

**Table 3: Infrastructure Funding Levels**

Infrastructure Type	2011 Actual Annual Funding Level	Required Annual Funding Level	Funding Source	Estimated Additional Funding Required Based on Future Needs
Water	\$7.5 M	\$7.0	Water Utility	(\$0.5 M)
Sanitary	\$4.3 M	\$6.2 M	Sanitary Utility	\$1.9 M
Drainage	\$6.1 M	\$9.8 M	Drainage Utility	\$3.7 M
Road Paving (non MRN)	\$3.0 M	\$4.6 M	General Revenue	\$1.6 M
<b>Totals</b>	<b>\$20.9 M</b>	<b>\$27.6 M</b>		<b>\$6.7 M</b>

While the City has made significant increases to infrastructure funding since 2006, infrastructure funding gaps remain.

Funding Strategies

Adequate annual funding levels will allow the City to implement a proactive and sustainable infrastructure replacement program. The proactive replacement of infrastructure enables the City to smart sequence utility replacement and use competitive bidding to ensure the best value for money. Replacing infrastructure at its time of failure has proven to be considerably more expensive than proactive replacement and is more disruptive to residents, City services and programs.

Closing the current \$6.7 million funding gap<sup>2</sup> is achievable within the next decade or sooner. Putting this amount into rate payer terms, Richmond has approximately 70,000 businesses or households that pay utility rates. An annual increase of \$10 to the total utility rate<sup>3</sup> for each residence or business would generate an additional \$7 million by the 10<sup>th</sup> year and would close the gap if inflation is ignored. Similarly, a \$20 increase would close this gap in five years. To put these potential increases in perspective, \$10 is 0.85% of a typical residential utility bill and \$20 is 1.7%.

<sup>2</sup> This does not include future dike improvement funding which will be determined through the proposed dike master planning process.

<sup>3</sup> The comparison of utility rate increases is for illustrative purposes. Road paving is not funded through the utility rate, therefore, increases to accommodate the road paving funding gap will not be applied through the utility rate.

June 7, 2011

- 8 -

Staff have pursued available federal and provincial grants from programs such as the Building Canada Plan and BC's Flood Protection Program and will continue to do so. While grant funding has been helpful over the last year, as a funding source grants will always be unpredictable and therefore non-sustainable.

Staff will evaluate funding options and make a recommendation to Council as part of the annual utility rate review. Through the annual utility rate review, staff will continue to recommend that the foregoing gap be closed over an appropriate period of time. However, the strategy and annual amount will vary due to the implication of non-discretionary costs resulting from Metro Vancouver's Regional Solid and Liquid Waste Management Plans.

**Financial Impact**

None at this time.

**Conclusion**

Staff will continue to gather information to better predict infrastructure replacement schedules and funding peaks and will continue to explore new technologies and best. Staff will also continue to recommend that the utility funding gaps between current and required funding levels be closed over time through the annual budgeting process. The rate of increase and timeframe to close the funding gaps will be impacted by Metro Vancouver's regional Solid and Liquid Waste Management plans, which are a non-discretionary costs imposed on the City. The funding shortfalls outlined in this report should be considered in conjunction with the City's Long Term Financial Strategy.



Lloyd Bie, P.Eng  
Manager, Engineering Planning  
(4075)

LB:ab

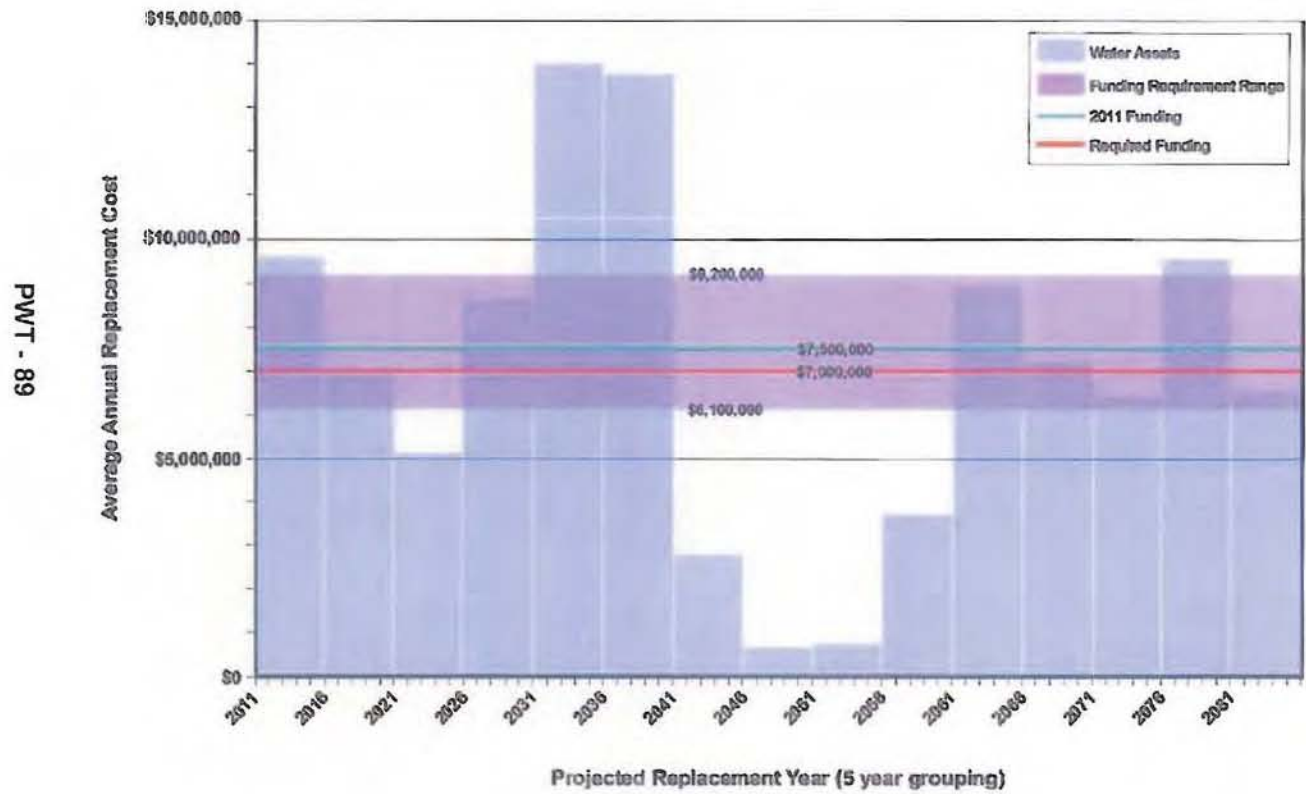


Andy Bell, P.Eng  
Project Engineer, Roads & Drainage  
(4656)

- Att.1: Chart 1: Ageing Infrastructure Report – Water Assets
- Att.2: Chart 2: Ageing Infrastructure Report – Sanitary Assets
- Att.3: Chart 3: Ageing Infrastructure Report – Drainage Assets
- Att.4: Chart 4: Ageing Infrastructure Report – Non MRN Road Assets
- Att.5: Chart 5: Historical Costs for Capital Paving Program (2006 – 2010)
- Att.6: Capital Infrastructure Projects Completed Since 2006

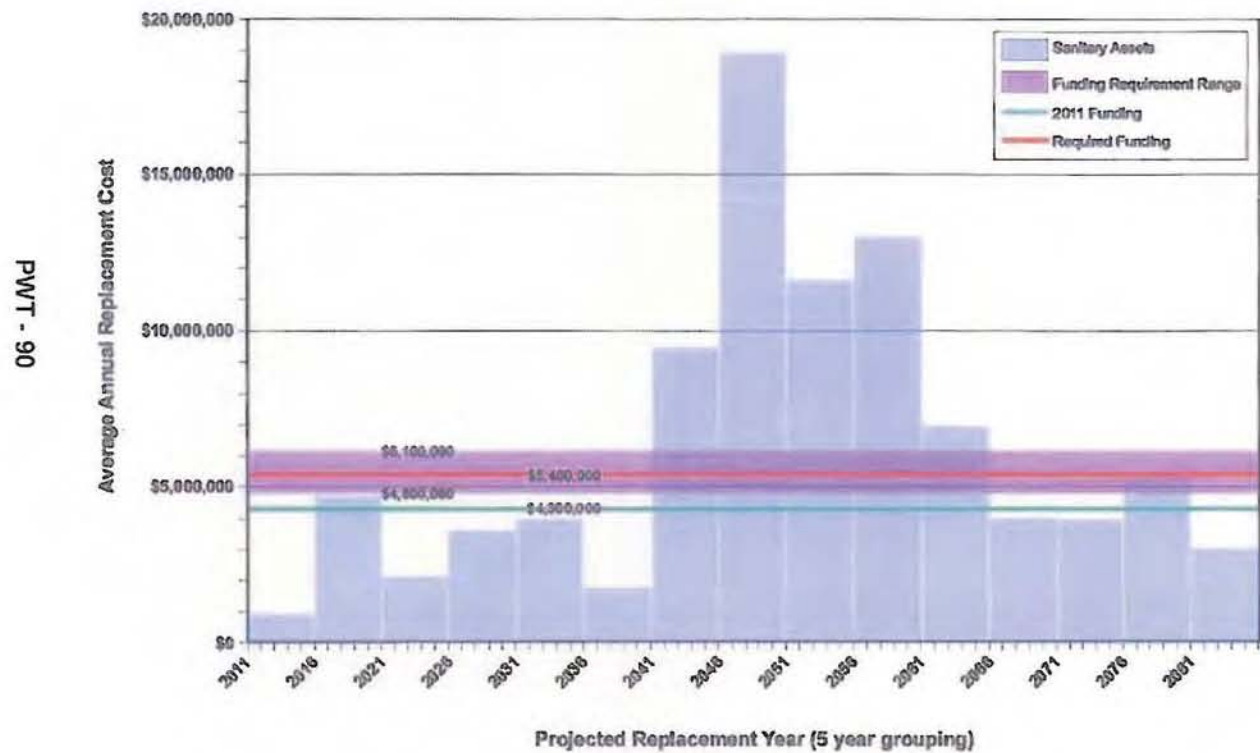
June 7, 2011

**Chart 1**  
**2011 Ageing Infrastructure Report - Water Assets**



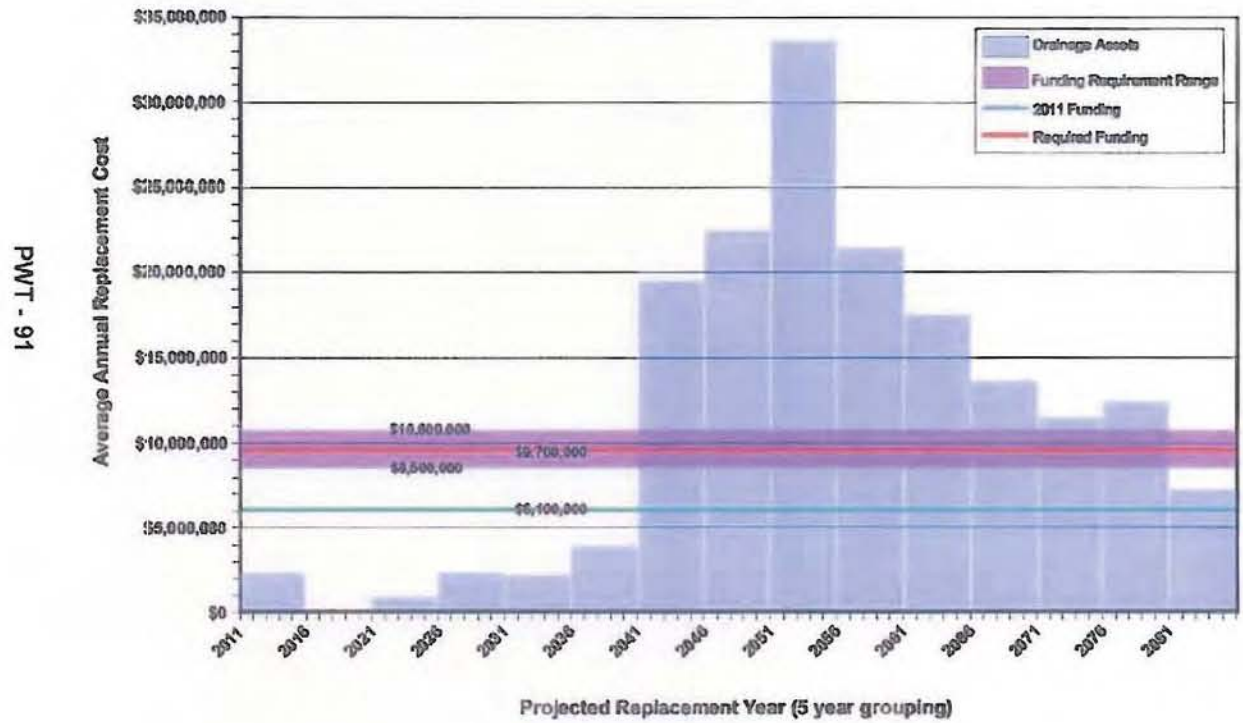
June 7, 2011

**Chart 2**  
**2011 Ageing Infrastructure Report - Sanitary Assets**



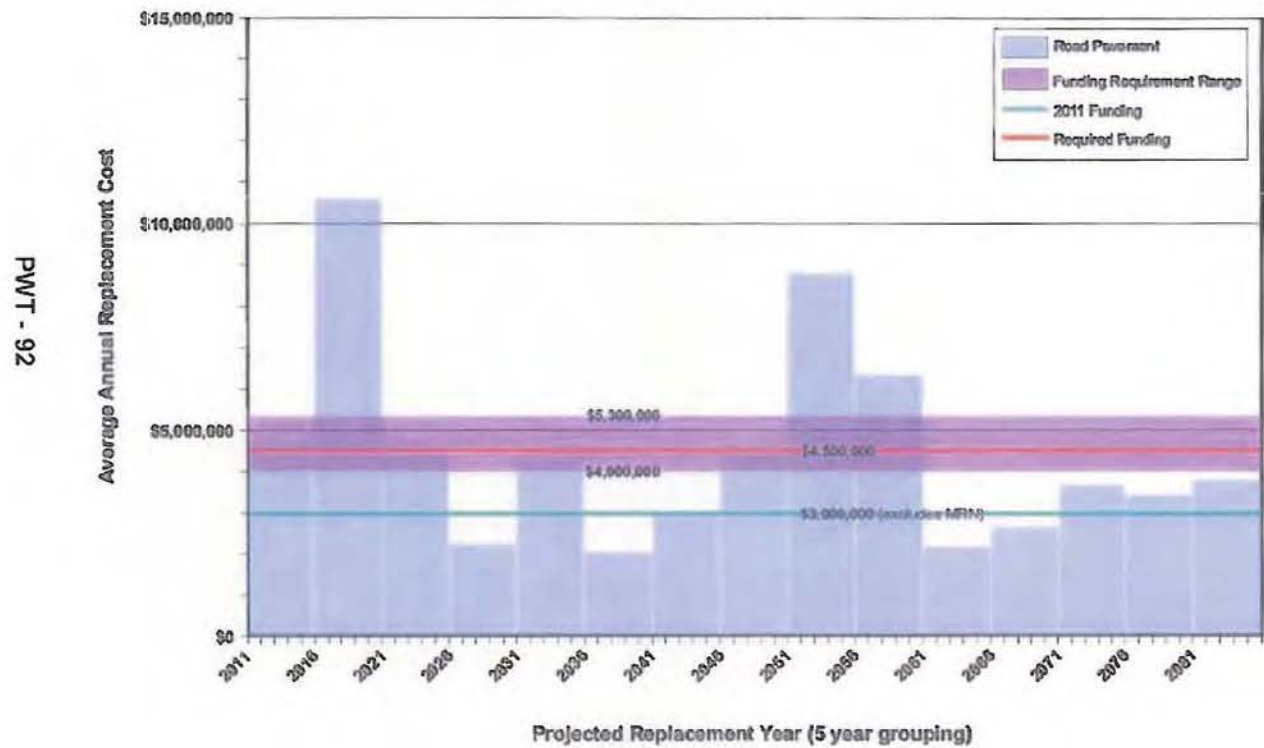
June 7, 2011

**Chart 3**  
**2011 Ageing Infrastructure Report - Drainage Assets**



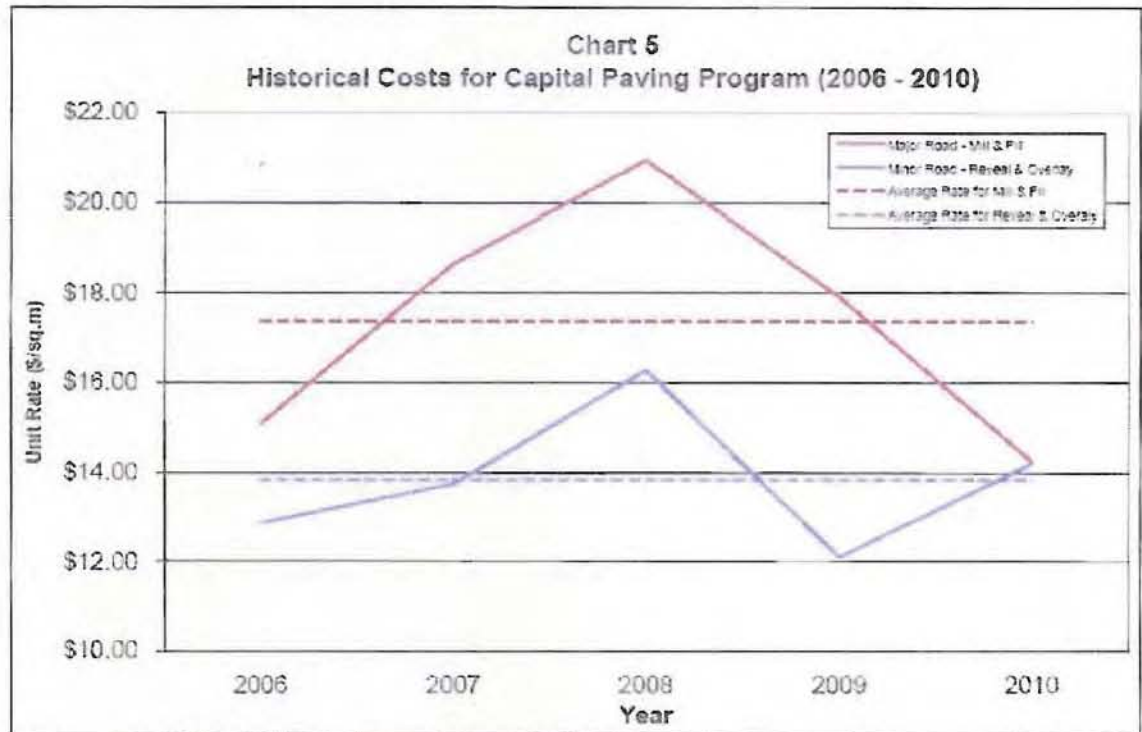
June 7, 2011

**Chart 4**  
**2011 Aging Infrastructure Report - Non-MRN Assets**



June 7, 2011

PWT - 93



## Attachment 1 (Cont'd)

**2010 Capital Construction Program Update**  
**Engineering Design and Construction**

Project No	Project Name	Scope of Work	Capital Funding(\$'000)	Proposed Tender Date	Scheduled Contract Start	Scheduled Contract Completion
P.09403	Lulu West Waterworks Area	Ash St, Glenscres Dr, Pendlebury Rd, Palmer Rd	\$1,377	City Forces	Completed	Completed
P.08306	Cambie Road Drainage Pump Station Upgrade	Replace Cambie Road PS to improve reliability and pumping capacity. Construct 55m box culvert on Cambie Road	\$2,847	Completed	Completed	Completed
P.08602	Bridgeport Sanitary Sewer Area	Van Horne, Brighthouse, Jones and Richmond Centre Upgrades	\$1,000	City Forces	Completed	Completed
P.06603	City Centre Sanitary Sewer Area	Upgrade Elmbridge Sanitary Pump Station	\$400	City Forces	Completed	Completed
P.08407	Lulu North Waterworks Area	No. 3 Road Water Main Replacement - Westminster Highway to Granville Avenue	\$1,850	February, 2011	March, 2011	June, 2011
P.07802	City Centre Sanitary Sewer Area	Upgrade Eckersley A, Construct Forcemain and Gravity Sewer on Anderson Rd. St. Albans Forcemain	\$3,407	Completed	Completed	March, 2011
P.10231	2010 Paving Program	Various Locations - City Wide	\$3,245	Completed	Completed	Completed
P.08304	Peace Arch Area Drainage Upgrades	Seahurst Lane Drainage Upgrades	\$575	City Forces	Completed	Completed
P.08307	No. 4 Road Drainage Pump Station Upgrade	Upgrade No. 4 Road Pump Station	\$4,810	Completed	Completed	February, 2011
P.07401	Sea Island Waterworks Area	Airport Road	\$700	City Forces	Completed	January, 2011
P.10402	Lulu West Waterworks Area	Mortfield Gate & Cooper Road	\$390	City Forces	Completed	Completed
P.08302	West Cambie Drainage Upgrades	Garden City Road - Alderbridge Way to Cambie Road	\$1,191	Completed	Completed	Completed
P.09402	Hamilton Waterworks Area	Gilley Road - Westminster Hwy to East end	\$601			
P.09405	Lulu West Waterworks Area	Seaham Crescent	\$336	Completed	Completed	January, 2011
P.09406	Hamilton Waterworks Area	6220 No. 8 Road to 460m South of Westminster Highway	\$330			
P.09207	Minoru Bicycle Lanes	Provide bicycle lane from Granville Avenue to Alderbridge Way	\$190	City Forces	Completed	Completed
P.10402	Lulu West Waterworks Area	St. Albans Area Watermain Replacement & Drainage Upgrades	\$3,851	Completed	Completed	March, 2011
P.10301	East Richmond Irrigation Improvements and Drainage Upgrades	Phase IV: Sidaway - Stundell Rd to Francis Rd, Francis - Sidaway to No. 6, Granville - Sidaway to No. 6	\$750	Completed	Completed	Completed
P.10404	Lulu West Waterworks Area	Lucas, Lunen, Lucamo, Lurgan & Lundy Watermain Replacement	\$889	Completed	Completed	February, 2011
P.10601	Fraser Sanitary Sewer Area	Hamilton Pump Station and Sewers	\$3,316	Completed	Completed	March, 2011

## Attachment 1 (Cont'd)

**2010 Capital Construction Program Update  
Engineering Design and Construction**

Project No.	Project Name	Scope of Work	Capital Funding (\$1000)	Proposed Tender Date	Scheduled Contract Start	Scheduled Contract Completion
P.10302	Canal Stabilization Program	No. 3 Road and No. 8 Road Canal Stabilization Program	\$80	City Forces	June, 2011	August, 2011
P.10304	No. 7 Road South Drainage Area	No. 7 Road South Pump Station Outfall Upgrade	\$40	City Forces	January, 2011	July, 2011
P.10303	Woodward Slough Drainage Area	No. 3 Road South Pump Station Intake Screen Upgrade	\$400	Completed	Completed	February, 2011
P.10603	Terra Nova Sanitary Sewer Area	Sanitary Sewer Rehabilitation Phase	\$800	August, 2011	September, 2010	December, 2011
P.10401	Lulu West Waterworks Area	Bonavista Area Watermain Replacement & Drainage Upgrades	\$3,730	Completed	Completed	March, 2011
P.10403	Hamilton Waterworks Area	23,000 Block Dyke Road Watermain	\$120	City Forces	April, 2011	June, 2011
P.10602	City Centre Sanitary Sewer Area	Van Horne Sanitary Sewer Upgrade	\$880	February, 2011	March, 2011	June, 2011
P.08310	Hamilton Drainage Area	20800 River Road Ditch Upgrades	\$75	City Forces	June, 2011	July, 2011
P.10201	No. 4 Road Rehabilitation	Rehabilitate No. 4 Road between Westminster Highway and Granville Avenue	\$574	Completed	Completed	Completed
P.10501	South Dike Seismic Upgrade	No. 4 Road to No. 5 Road	\$637	Pending subject to grant funding		
		<b>TOTAL</b>	<b>\$10,693</b>			

PWT - 95

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**2009 Capital Construction Program Update  
Engineering Design and Construction**

Project No.	Project Name	Scope of Work	Capital Funding(\$1000)	Proposed Tender Date	Scheduled Contract Start	Scheduled Contract Completion
P 05204	Lansdowne Road Undergrounding	Hydro, Telex, Shaw Undergrounding on Lansdowne Rd - No. 3 Rd to Cooney Rd	\$1,500	Completed	Completed	Completed
P 08402	Mendrose Area Watermain Replacement	Rosevale Rd, Rosehill Dr., Roselma Cr & Pl, Rosebrook Rd, Rosemary Ave, Rosebank Cr, Rosecroft Cr, Rosedene Cr & Cr, Rosewell Ave, Ruskin Rd & Pl, Leonard Rd & Pl	\$2,225	Completed	Completed	Completed
P 04301	Horseshoe Slough Drainage Upgrade	Shell & Steveston Irrigation Screens & Pump Removal, Intake Screen Upgrade at Horseshoe Slough Pump Station	\$500	Completed	Completed	Completed
P 07302	Gilbert North Drainage Area Assessment and Upgrade	Garden City Road - Westminster Highway to Lansdowne Rd	\$955	Completed	Completed	Completed
P 09202	2009 Paving Program	Various Locations - City Wide	\$3,250	Completed	In Progress	Completed
P 09301	East Richmond Irrigation Improvements and Drainage Upgrades	Phase 3 - Granville Ave from No. 7 Road to Nelson Road	\$2,000	Completed	Completed	Completed
F 05203	Transportation Bicycle Lane Program	Shell Road Bike Lanes & Parks Trail - Steveston Highway to Athabasca Drive	\$721	City Forces	Completed	Completed
P 06607	Terra Nova Sanitary Sewer Area	Blundell Road - 225m of 450mm Forcemain from No. 1 Road to Frobisher Drive	\$695	Completed	Completed	Completed
P 09205	Lansdowne Road Extension	Lansdowne Road Extensions complete with Utility Upgrades from Gilbert Road to Hollybridge Way	\$3,005	Completed	Completed	Completed
P 08204	Van Horne Pedestrian and Bicycle Path	Van Horne Way From Great Canadian Way to River Drive	\$255	Completed	Completed	Completed
P 06308	Gilbert North Drainage Area Assessment and Upgrade	Drainage Upgrades - Westminster Highway and No. 3 Road Intersection	\$250	City Forces	Completed	Completed
P 09201	4th Avenue Walkway	Steveston Highway to Chatham Street	\$110	City Forces	Completed	Completed
P 08303	Terra Nova Drainage Area Upgrades	Linfield Gate	\$111	Completed	Completed	Completed
P 06605	Shellmont Sanitary Sewer Area	Shell Road - 100m of 400mm Forcemain	\$140	Completed	Deferred	
P 06603	City Centre Sanitary Sewer Area	Upgrade Elmbridge Sanitary Pump Station	\$600	City Forces	In Progress	March, 2010
P 06401	Lulu East Waterworks Area	Old Westminster Highway, East of Overpass	\$650	Completed	Completed	Completed
P 08305	Cambie Road Drainage Pump Station Upgrade	Replace Cambie Road PS to improve reliability and pumping capacity. Construct 55m box culvert on Cambie Road	\$2,847	Completed	In Progress	January, 2010
P 06602	Bridgeport Sanitary Sewer Area	Van Horne, Brighthouse, Jones and Richmond Centre Upgrades	\$1,600	City Forces	In Progress	March, 2010
P 06401	Lulu East Waterworks Area	No. 8 Road	\$187	Completed	Completed	Completed
P 09404	Lulu North Waterworks Area	Sparwood Pl., Tuttle Ave, Patterson Rd., Bergen Dr.	\$725	Completed	In Progress	January, 2010
P 09403	Lulu North Waterworks Area	Cambie Road & No. 6 Road	\$1,530	Completed	Completed	Completed

2011 CAPITAL CONSTRUCTION PROGRAM UPDATE - Page 4 of 4

2011 Construction

## Attachment 1 (Cont'd)

**2009 Capital Construction Program Update**  
**Engineering Design and Construction**

Project No.	Project Name	Scope of Work	Capital Funding(x1000)	Proposed Tender Date	Scheduled Contract Start	Scheduled Contract Completion
P.09403	Lulu North Waterworks Area	Garden City from Westminster Hwy to Alberta Road	\$200	Completed	Completed	Completed
P.08403	Lulu West Waterworks Area	Barnberton Dr, Goldstream Dr, Malahat Ave, Manning Crt, Bromley PL, Forillon Pl, Waterton Dr.	\$1,295	Completed	Completed	Completed
P.08407	Lulu North Waterworks Area	No. 3 Road - Westminster Highway to Granville Avenue	\$4,550	In Progress	In Progress	July, 2010
P.08403	Lulu West Waterworks Area	Ash St, Glenacres Dr, Pendlebury Rd, Palmer Rd	\$1,377	City Forces	In Progress	January, 2010
P.07602	City Centre Sanitary Sewer Area	Upgrade Eckersly A, Construct Forcemain and Gravity Sewer on Anderson Rd. St. Albans Forcemain	\$3,407	Completed	March, 2010	August, 2010
P.08302	West Cambie Drainage Upgrades	Garden City Road - Alderbridge Way to Cambie Road	\$1,191	In Progress	June, 2010	September, 2010
P.08307	No. 4 Road Drainage Pump Station Upgrade	Upgrade No. 4 Road Pump Station	\$4,810	In Progress	In Progress	September, 2010
P.09406	Lulu North Waterworks Area	Minoru Park Watermain Replacement	\$250	City Forces	Completed	Completed
	Canada Line Restoration Project	No. 3 Road from Bridgeport Road to Granville Avenue	\$25,000	Completed	Completed	Completed
P.09207	Minoru Bicycle Lanes	Provide bicycle lane from Granville Avenue to Alderbridge Way	\$113	City Forces	April, 2010	May, 2010
P.08304	Peace Arch Area Drainage Upgrades	Seahurst Lane Drainage Upgrades	\$675	City Forces	April, 2010	June, 2010
P.09203	NIC Lane Improvements	North of Williams Road - No. 4 Rd to Shell Rd	\$1,311	January, 2010	March, 2010	July, 2010
P.09402	Hamilton Waterworks Area	Gilley Road - Westminster Hwy to East end	\$601	April, 2010	May, 2010	September, 2010
P.07401	Sea Island Waterworks Area	Airport Road	\$785			
P.09204	Park Road Extension	Park Road Extension from Cooney Road to Eckersly Road	\$1,920	Development Driven		
P.08606	City Centre Sanitary Sewer Area	Construction new Sanitary Pump Station c/w forcemain and gravity Sewers north of existing Elmbridge PS	\$3,300	Development Driven		
		TOTAL	\$73,963			

PWT - 97

## Attachment 1 (Cont'd)

2006 Capital Construction Program Update  
Engineering Design and Construction

Project No.	Project Name	Scope of Work	Eng.	Budget (x1000)	Projected Cost to Complete (x1000)	Proposed Tender Date	Scheduled Contract Start	Scheduled Contract Completion
P.07504	South Dike Upgrades	No. 7 Road to 970m East	JY	\$1,371	\$1,371	Completed	Completed	Completed
P.06601	City Centre/Bridgeport Sanitary Sewer Rehab	Trenchless and External Sewer Repairs	JY	\$600	\$600	Completed	Completed	Completed
P.07301	East Richmond Drainage Area Assessment and Upgrade (2007)	Drainage Sewer Assessment and Upgrade	JY	\$1,000	\$1,000	Completed	Completed	Completed
P.06402	Aztec Area Drainage and Watermain Upgrades	Watermain Replacement & Drainage Improvements - Dailyn Road	JY	\$1,700	\$1,700	Completed	Completed	Completed
P.07402	Lulu East Waterworks Area	Kartner Road & Fedanuk Road	JY	\$453	\$453	City Forces	Completed	Completed
P.08301	Aragon Lane Drainage	Install New Lane Drainage	JY	\$175	\$175	City Forces	Completed	Completed
P.07204	Elmbridge/Hollybridge/Gilbert Rd Intersection Improvements	Intersection Improvements & Signalization	JY	\$425	\$425	City Forces	Completed	Completed
P.07405	Lulu West Waterworks Area	Lancing Subdivision Miscellaneous Roads	JY	\$2,117	\$2,117	Completed	Completed	Completed
P.06405	Lulu West Waterworks Area	Mersey Drive, Rochdale Drive, Southport Road, Dennis Crescent, Swinton Crescent	JY	\$804	\$804	Completed	Completed	Completed
P.05405	2006 Maddocks Subdivision	Watermain Replacement	JY	\$473	\$473			
P.07306	Gilbert North Area Drainage Upgrades	Comstock Drainage PS	JY	\$150	\$150	City Forces	Completed	Completed
P.06604	Achroyd Road Sanitary Pump Station Upgrade	Sanitary Pump Station Reconstruction	JY	\$1,530	\$1,530	Completed	Completed	Completed
P.08201	2005 Asphalt Paving Program	Various Locations	JY	\$3,200	\$3,200	Completed	Completed	Completed
P.08309	Mid-Island Dike Study	Mid-Island Dike Study	JY	\$150	\$150	Completed	Study In Progress	
P.05204	Lansdowne Rd - No. 3 to Cooney	Hydro, Telus, Shaw Undergrounding/Beautification	JY	\$1,186	\$1,186	In Progress - Development Driven		
P.08202	Intersection Improvements	Garden City/Ferndale Intersection - Southbound to Eastbound left turn bay	JY	\$93	\$93	City Forces	Completed	Completed
P.08305	East Richmond Drainage Upgrades & Irrigation Improvements - Phase 2	Granville & Francis, Sideway - No. 6 Rd & Blundell Rd, No. 6 Rd - No. 7 Rd	JY	\$592	\$592	Completed	Completed	Completed
P.08402	Montrose Area Watermain Replacement	Rosevale Rd, Rosehill Dr., Roselea Cr & Pl, Rosebrook Rd, Rosemary Ave, Rosebank Cr, Rosacroft Cr, Rosedene Cr & Cr, Rosewall Ave, Ruskin Rd & Pl, Leonard Rd & Pl	JY	\$2,225	\$2,225	Completed	In Progress, November 2008	March, 2009
P.08312	No. 2 Road Box Culvert Replacement	South of Steveston Highway	JY	\$950	\$950	Completed	In Progress, November 2008	January, 2009
P.04301	Horseshoe Slough Drainage Upgrade	Shell & Steveston Irrigation Screens & Pump Removal	JY	\$500	\$500	Completed	February, 2009	June, 2009
P.08607	Terra Nova Sanitary Sewer Area	Blundell Road - 225m of 450mm Forcemain from No. 1 Road to Froebisher Drive	JY	\$425	\$425	In Progress	March, 2009	August, 2009
P.07302	Gilbert North Drainage Area Assessment and Upgrade	Garden City Road - Westminster to Lansdowne Rd	JY	\$2,189	\$2,189	Completed	March, 2009	August, 2009

PWT - 98

## Attachment 1(Cont'd)

P.05203	Shell Rd - Athabasca to Horseshoe Slough	Bike Lanes & Parks Trail	JY	\$1,109	\$1,109	January, 2009	March, 2009	October, 20
P.05404	Lulu North Waterworks Area	Spanwood Pl., Tuttle Ave., Patterson Rd., Bergen Dr.	JY	\$725	\$725	January, 2009	March, 2009	October, 20
P.06204	Van Horne Pedestrian and Bicycle Path	Van Horne Way From Great Canadian Way to River Drive	JY	\$255	\$255	February, 2009	April, 2009	August, 20
P.06306	Cambie Road Drainage Pump Station Upgrade	Replace Cambie Road PS to 4.2 cms. Construct 55m box culvert on Cambie Road	JY	\$2,847	\$2,847	March, 2009	May, 2009	March, 20
P.08403	Lulu West Waterworks Area	Ash St., Glenaces Dr., Pendlebury Rd., Palmer Rd.,	JY	\$1,283	\$1,283	City Forces	May, 2009	October, 20
P.07602	City Centre Sanitary Sewer Area	Upgrade Edderly A. Construct Forcemain and Gravity Sewer on Anderson Rd.	JY	\$2,000	\$2,000	May, 2009	June, 2009	March, 20
P.07602	Bennett West Sanitary Pump Station	Forcemain Upgrade	JY	\$700	\$700			
P.08307	No. 4 Road Drainage Pump Station Upgrade	Replace No. 4 Road PS to 7.0 cms.	JY	\$4,810	\$4,810	September, 2009	February, 2010	July, 201
P.06602	West Cambie Sanitary Sewer Area	Replace Van Horne Sanitary PS	JY	\$1,000	\$1,000	October, 2009	March, 2010	December, 2
P.08306	Gilbert North Drainage Area Assessment and Upgrade	Westminster Highway - No. 3 Road to Cooney Road	JY	\$1,700	\$1,700	Deferred until 2010		
P.07401	Sea Island Waterworks Area	Airport Road	JY	\$785	\$785	Deferred until Canada Line Construction is complete in this area		
TOTAL				\$39,612	\$39,612			

PWT - 99

## Attachment 1 (Cont'd)

2007 Construction Program Update

Engineering Design and Construction

Project No	Project Location	Scope of Work	Eng.	Budget (\$'000)	Projected Cost to Complete	Proposed Tender Date	Scheduled Contract Start	Scheduled Contract Completion
P 05605	Sanitary Sewer P.5. at Cook/Burwell	Pump Station, Sanitary Sewer and Force Main Rehabilitation	JY	\$1,481	\$1,200	Completed	Completed	Completed
P 06403	Construct Ave Watermain Replacement	Watermain Replacement at Various Locations	JY	\$1,131	\$950	Completed	Completed	Completed
P 05302	Steveston Highway Box Culvert	Box Culvert Installation	JY	\$400	\$300	Completed	Completed	Completed
P 07504	Dike Upgrade	Dike Upgrade Between No. 7 and No. 8 Roads	JY	\$1,271	\$1,271	Completed	Completed	Completed
P 04209	Westminster Hwy - Hwy 91 Interchange to McMillan	Road widening to 4 Lanes	JY	\$6,525	\$6,525	Completed	Completed	Completed
P 07403	Lulu West Waterworks Area	Pineview Crescent, Ash Street, Fairchild Crescent, Fairchild Place, Fairfax Place	JY	\$1,237	\$1,237	City Forces	Completed	Completed
P 07404	Alderbridge water main replacement	Replacement of Alderbridge Cement Water Main	JY	\$100	\$100	City Forces	Completed	Completed
P 07201	Westminster Hwy Bicycle Lanes - No. 8 Road to Nelson Road	Bicycle Lanes Construction	JY	\$232	\$200	Completed	Completed	Completed
P 07203	Peace Arch Drainage Area Assessment and Upgrade	Seabrook Crescent Drainage Upgrade	JY	\$125	\$125	Completed	Completed	Completed
P 05305	No. 1 Road Lennyway - Fennels to Williams	Lennyway Construction	JY	\$4,200	\$1,200	Completed	Completed	Completed
P 07305	Regent Street Drainage LASP	Ditch Infill - 3440 to 3640 Regent Street, 11333 2nd Avenue	JY	\$84	\$84	Completed	Completed	Completed
P 07306	City Centre/Hilltop Sanitary Sewer Rehab	Trenchless and External Sewer Repairs	JY	\$600	\$600	Completed	In Progress April, 2007	May, 2008
P 07307	Regent Street Drainage LASP	Ditch Infill - 3231 to 3251 Regent Street	JY	\$185	\$185	Completed	Completed	Completed
P 07308	2007 Asphalt Paving Program	Asphalt Paving	JY	\$2,590	\$2,590	Completed	Completed	Completed
P 07309	Francis Road Drainage Pump Station	Pump Station Renovation	JY	\$1,855	\$1,855	Completed	Completed	Completed
P 07310	Lucas Road Drainage Upgrade	Watermain replacement & Drainage Improvements	JY	\$600	\$600	Completed	Completed	Completed
P 07301	East Richmond Drainage Area Assessment and Upgrade	Drainage Sewer Assessment and Upgrade	JY	\$1,000	\$1,000	Completed	In Progress December, 2007	March, 2008
P 04301	Horseshoe Slough Drainage Upgrade	Irrigation Screens & Pump Removal	JY	\$579	\$579	City Forces	In Progress December, 2007	February, 2008
P 06405	Lulu West Waterworks Area	Mersey Drive, Rochdale Drive, Southport Road, Dennis Crescent, Swinton Crescent	JY	\$804	\$904	Completed	In Progress January, 2008	July, 2008
P 05405	2006 Madsen's Subdivision	Watermain Replacement	JY	\$473	\$473	Completed	In Progress January, 2008	July, 2008
P 07302	Gilbert North Drainage Area Assessment and Upgrade	Westminster Hwy - No. 3 Road to Cooney Road - Garden City Road - Westminster to Lansdowne, Comstock Area	JY	\$2,460	\$2,460	In Progress	February, 2008	June, 2008
P 05402	Active Area Drainage and Watermain Upgrades	Watermain Replacement & Drainage Improvements - Dailyn Road	JY	\$1,400	\$1,400	Completed	In Progress September, 2007	April, 2008
P 06604	Ackroyd Road Sanitary Pump Station Upgrade	Sanitary Pump Station Reconstruction	JY	\$1,400	\$1,400	Completed	In Progress January, 2007	April, 2008
P 07204	Embridge/Hilltop/Gilbert Rd Intersection Improvements	Intersection Improvements & Signalization (3 Phases)	JY	\$425	\$425	City Forces	In Progress November, 2007	May, 2008
P 07405	Lulu West Waterworks Area	Lansing Subdivision Miscellaneous Roads	JY	\$2,117	\$2,117	December, 2007	February, 2008	July, 2008
P 07402	Lulu West Waterworks Area	Karber Road & Fecoluk Road	JY	\$453	\$453	City Forces	February, 2008	May, 2009
P 05204	Lansdowne Rd - No. 3 to Cooney	Hydro, Telsis, Shaw Underground/Requalification	JY	\$1,148	\$1,148	December, 2007	February, 2008	May, 2009
P 07501	Dike Upgrades	Various Locations	JY	\$250	\$250	June, 2008	July, 2008	September, 2008
P 07401	Sea Island Waterworks Area	Airport Road	JY	\$766	\$766	TBD	Deferred until Canada Line Construction is completed in this area.	
P 06203	Shed Rd - Aldersbrook to Horseshoe Slough	Dike Lanes, Parks Trail, Canal Driveway	JY	\$1,300	\$1,300	TBD	City Property being sold	
TOTAL				\$54,111	\$33,577			

Continued on Page 4

Continued on Page 4

## Attachment 1 (Cont'd)

2006 Construction Program Year End Summary									
Engineering Design and Construction									
Project No.	Project Location	Scope of Work	Est.	Budget (Estimate)	Projected Cost to Complete	Proposed Tender Date	Scheduled Construction Start	Scheduled Construction Completion	
P 05301	Dyke Road Right-of-Way Upgrade	Dyke Upgrade South End of Gilbert	JY	\$130	\$130	Completed	Complete	Complete	
P 05251	Garden City Bike Lanes	Capstan to Cambie	JY	\$230	\$230	City Forces	Complete	Complete	
P 04331	Horseshoe Slough	Drainage Improvements	JY	\$2,776	\$2,776				
P 04465	Maddocks Subdivision (Phase I)	Watermain Replacement	JY	\$811	\$811		Complete	Complete	
P 06465	Maddocks Subdivision (Phase II)	Watermain Replacement	JY	\$1,061	\$1,061				
P 06502	Kwantlen Sanitary Foremain	Foremain Replacement	JY	\$100	\$89	Completed	Complete	Complete	
P 05692	Ash Sanitary Pump Station Rehabilitation	Sanitary	JY	\$240	\$250	City Forces	Complete	Complete	
P 05496	No. 2 Rd Watermain	Watermain Replacement	JY	\$880	\$460	Completed	Complete	Complete	
P 05210	No. 3 Rd Watermain	Gravel Sidewalk, Stoveston Hwy to Dyke Rd	JY	\$200	\$200	City Forces	Complete	Complete	
P 05231	2006 Paving Program	Asphalt Paving	JY	\$2,086	\$2,086	Completed	Complete	Complete	
P 06401	Breadmoor Phase III Watermain Replacement	Watermain Replacement at Various Locations	JY	\$812	\$912	City Forces	Complete	Complete	
P 05094	Arcadia Sanitary Pump Station Rehabilitation	Sanitary	JY	\$250	\$250	City Forces	In Progress August 22, 2006	December, 2006	
P 06601	City Centre/Bridgeport Sanitary Sewer Rehab	Trenchless and External Sewer Repairs	JY	\$600	\$600	Completed	In Progress April 15, 2006	March, 2007	
P 04408	Westminster Hwy - No. 3 Rd to Garden City	Watermain Replacement	JY	\$1,456	\$3,100	Completed	Complete	Complete	
P 04408	Westminster Hwy - No. 4 Rd to Shell Rd	Watermain Replacement	JY	\$1,481	\$1,481	Completed	In Progress July, 2006	December, 2006	
P 06605	Sanitary Sewer P.S. at Cook/Bugwell	Pump Station, Sanitary Sewer and Foremain Rehabilitation	JY	\$579	\$579	Completed	In Progress July, 2006	February, 2007	
P 04301	Horseshoe Slough Drainage Upgrade	Screens, Irrigation Control and Pipe Installation	JY	\$579	\$579	Completed	In Progress August, 2006	May, 2007	
P 04209	Westminster Hwy - Hwy 91 Interchange to McMillan	Road widening to 4 Lanes	JY	\$6,525	\$5,928	Completed	In Progress September, 2006	February, 2007	
P 05392	Stevenson Highway Box Culvert	Box Culvert Installation	JY	\$400	\$400	Completed	In Progress September, 2006	March, 2007	
P 05403	Cenestock Area Watermain Replacement	Watermain Replacement at Various Locations	JY	\$1,131	\$1,131	Completed	November, 2006	December, 2006	
P 05205	No. 1 Road Laneway - Francis to Williams	Laneway Construction	JY	\$1,200	\$1,200	Completed	December, 2006	May, 2007	
P 05405	2006 Maddocks Subdivision	Watermain Replacement	JY	\$473	\$473	December, 2006	January, 2007	July, 2007	
P 05204	Landsdowne Rd - No. 3 to Cooney	Hydro, Teles, Shaw Underpinning/Reinforcement	JY	\$1,148	\$1,148	February, 2007	April, 2007	September, 2007	
P 05203	Small Rd - Aldrich to Horseshoe Slough	Bike Lanes, Parks Trail, Canal Bending	JY	\$1,300	\$1,300	February, 2007	April, 2007	September, 2007	
P 05604	Ashley Road Sanitary Pump Station Upgrade	Sanitary Pump Station Reconstruction	JY	\$1,000	\$1,000	December, 2006	February, 2007	October, 2007	
P 06302	Lucas Road Drainage Upgrade	Drainage Improvements	JY	\$600	\$600	January, 2007	March, 2007	June, 2007	
P 06402	Ashley Area Drainage and Watermain Upgrade	Drainage Improvements	JY	\$500	\$500	February, 2007	March, 2007	July, 2007	
P 05308	Francis Road Drainage Pump Station	Pump Station Renovation	JY	\$800	\$800	January, 2007	February, 2007	September, 2007	
P 06003	Embridge Sanitary PS Upgrade	Upgrade of Existing Pump Station	JY	\$440	\$440	Await completion of City Centre West Gateway Servicing Requirements			
P 05004	No. 3 Road - Westminster Hwy to Granville Ave	Watermain Replacement	JY	\$700	\$700	Deferred due to Canada Line			
P 04604	Sanitary Sewer (Francislands) Pump station	Sanitary Pump Station Construction	JY	\$800	\$800	Development driven			
TOTAL				\$32,401	\$31,117				

PWT - 101



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** December 5, 2011

**From:** Andrew Nazareth  
General Manager, Business and Financial Services  
Robert Gonzalez, P.Eng.  
General Manager, Engineering and Public Works

**File:** 12-8060-02-01/2011-  
Vol 01

**Re:** 2012 Utility Rate Amendment Bylaws

### Staff Recommendation

That the following bylaws be introduced and given first, second and third readings:

- a) Solid Waste & Recycling Regulation Bylaw No. 6803, Amendment Bylaw No. 8847;
- b) Drainage, Dyke and Sanitary Sewer System Bylaw No. 7551, Amendment Bylaw No. 8848;
- c) Waterworks and Water Rates Bylaw No. 5637, Amendment Bylaw No. 8846.

Andrew Nazareth  
General Manager, Business &  
Financial Services  
(4365)

Robert Gonzalez, P. Eng.  
General Manager, Engineering  
& Public Works  
(4150)

Att. 3

FOR ORIGINATING DEPARTMENT USE ONLY			
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>		<b>CONCURRENCE OF GENERAL MANAGER</b>
Law	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	<b>REVIEWED BY CAO</b> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

## Staff Report

### Origin

The Finance Committee will be considering the 2012 utility budgets and rates at its December 12, 2011 meeting. The recommendations of that report are as follows:

1. That the 2012 Utility Expenditure Budgets, as outlined under Options 1 for Water, Sewer, Solid Waste & Recycling, and Option 3 for Drainage & Diking as contained in the staff report dated December 1, 2011 from the General Managers of Business and Financial Services and Engineering & Public Works, be approved as the basis for establishing the 2012 Utility Rates; and
2. That staff be directed to report directly to Council with the necessary amendment bylaws to bring into effect the 2012 utility rates option recommended by Committee for the Drainage, Dike and Sanitary Sewer System Bylaw, Waterworks and Water Rates Bylaw, and Solid Waste and Recycling Regulation Bylaw.

Subject to Finance Committee's approval of the above recommendations, this report presents the corresponding amendment bylaws for consideration, which, if approved, will give effect to the rates (upon adoption).

### Analysis

A summary of the proposed changes to each of the Solid Waste & Recycling Bylaw No. 6803, Drainage, Dyke and Sanitary Sewer System Bylaw No. 7551, and the Waterworks and Water Rates Bylaw No. 5637, as outlined in the "2012 Utility Budgets and Rates" report dated December 1, 2011, follows:

1. **Solid Waste & Recycling Regulation Bylaw No. 6803, Amendment Bylaw 8847**
  - Changes to implement the 2012 solid waste and recycling rates as outlined in Option 1 of the above-referenced report.
2. **Drainage, Dyke and Sanitary Sewer System Bylaw No. 7551, Amendment Bylaw No. 8848**
  - Changes to implement the 2012 drainage, dyke and sanitary sewer rates as outlined in Option 1 for sewer and Option 3 for drainage in the above-referenced report.
3. **Waterworks and Water Rates Bylaw No. 5637, Amendment Bylaw No. 8846**

In addition to changes to implement the 2012 water rates as outlined in Option 1 of the above-referenced report, the amending bylaw presented also include the following amendments:

- where a customer has taken steps to repair a leak within 96 hours, the customer will pay based on average usage only (for the previous and the current billing period); and

- provide the General Manager of Engineering & Public Works the ability to adjust a property owner's meter service billing to pay based on average usage in cases where a leak has gone undetected and the customer was not made aware of the leak by the City in a timely manner.

### **Financial Impact**

The rates outlined in the proposed amending bylaws represent full cost recovery for each respective area and ensure appropriate user fees are charged for services outside of the base level of service.

### **Conclusion**

The amendment bylaws presented with this report support Council's term goals in the areas of financial management and sustainability. The rates presented ensure a sound financial management approach to maintain and replace key infrastructure within the City, while at the same time managing the fiscal challenges presented by funding pressures from increases in regional costs.



Suzanne Bycraft  
Manager, Fleet & Environmental Programs  
(604-233-3338)

SJB:



**Solid Waste and Recycling Regulation Bylaw No. 6803, Amendment  
Bylaw No. 8847**

The Council of the City of Richmond enacts as follows:

1. The **Solid Waste and Recycling Regulation Bylaw No. 6803**, as amended, is further amended by deleting Schedules A through D and substituting Schedules A through D attached to and forming part of this Bylaw.
2. This Bylaw comes into force and effect on January 1, 2012.
3. This Bylaw is cited as "**Solid Waste And Recycling Regulation Bylaw No. 6803, Amendment Bylaw No. 8847**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER

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

**SCHEDULE A to BYLAW NO. 6803**

<b>FEES FOR CITY GARBAGE COLLECTION SERVICE</b>		
Annual City garbage collection service fee for each single-family dwelling, each unit in a duplex dwelling, and each unit in a townhouse development	\$	121.11
Fee for each excess garbage container tag	\$	2.00

**SCHEDULE B to BYLAW NO. 6803**

<b>FEES FOR CITY RECYCLING SERVICE</b>		
Annual City recycling service fee:		
(a) for residential properties, which receive blue box service (per unit)	\$	42.34
(b) for multi-family dwellings or townhouse developments which receive centralized collection service (per unit)	\$	30.45
Annual recycling service fee for yard and garden trimmings and food waste from single-family dwellings and from each unit in a duplex dwelling	\$	76.12
City recycling service fee for the Recycling Depot:		
		\$20.00 per cubic yard for the second and each subsequent cubic yard
(a) (i) for yard and garden trimmings from residential properties		
(ii) for recyclable material from residential properties		\$0
(b) for yard and garden trimmings from non-residential properties		\$20.00 per cubic yard
(c) for recycling materials from non-residential properties		\$0
Annual City recycling service fee for non-residential properties	\$	1.95

**SCHEDULE C to BYLAW 6803**

<b>FEES FOR CITY LITTER COLLECTION SERVICE</b>		
Annual City litter collection service fee for both residential properties and non-residential properties	\$	26.66

## SCHEDULE D TO BYLAW 6803

NEW RESIDENTIAL PROPERTY PAYMENT FEE SCHEDULE									
Month in Current Year in which Building Permit is Issued		GARBAGE, RECYCLING & LITTER COLLECTION FEE				RECYCLING & LITTER COLLECTION FEE PER STRATA LOT			
		Single-Family Dwellings & Each Unit in a Duplex Dwelling		Townhouse Development		Townhouse Development		Multi-Family Development	
		Prorated Fee Per Unit	Year in which Annual Fee Commences	Prorated Fee Per Unit	Year in which Annual Fee Commences	Prorated Fee Per Unit	Year in which Annual Fee Commences	Prorated Fee Per Unit	Year in which Annual Fee Commences
January	2012	\$ 120	2013	\$ -	2013	\$ -	2013	\$ 24	2014
February	2012	\$ 100	2013	\$ 160	2014	\$ 61	2014	\$ 20	2014
March	2012	\$ 80	2013	\$ 145	2014	\$ 55	2014	\$ 16	2014
April	2012	\$ 60	2013	\$ 131	2014	\$ 50	2014	\$ 12	2014
May	2012	\$ 40	2013	\$ 116	2014	\$ 44	2014	\$ 8	2014
June	2012	\$ 20	2013	\$ 102	2014	\$ 39	2014	\$ 4	2014
July	2012	\$ -	2013	\$ 87	2014	\$ 33	2014	\$ -	2014
August	2012	\$ 223	2014	\$ 73	2014	\$ 28	2014	\$ 39	2015
September	2012	\$ 203	2014	\$ 58	2014	\$ 22	2014	\$ 36	2015
October	2012	\$ 183	2014	\$ 44	2014	\$ 17	2014	\$ 32	2015
November	2012	\$ 162	2014	\$ 29	2014	\$ 11	2014	\$ 29	2015
December	2012	\$ 142	2014	\$ 15	2014	\$ 6	2014	\$ 25	2015

FIN - 88



**Drainage, Dyke and Sanitary Sewer System Bylaw No. 7551,  
Amendment Bylaw No. 8848**

The Council of the City of Richmond enacts as follows:

1. The **Drainage, Dyke and Sanitary Sewer System Bylaw No. 7551**, as amended, is further amended at Part Two by deleting section 2.1.2 and substituting the following:  
  
2.1.2 Every **property owner** whose property has been connected to the **City drainage system** must pay the **drainage system** infrastructure replacement fee of \$111.46 per property for the period January 1 to December 31 of each year.
2. The **Drainage, Dyke and Sanitary Sewer System Bylaw No. 7551**, as amended, is further amended by deleting Schedule B and substituting Schedule B attached to and forming part of this Bylaw.
3. This Bylaw comes into force and effect on January 1, 2012.
4. This Bylaw is cited as "**Drainage, Dyke And Sanitary Sewer System Bylaw No. 8848**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER

**SCHEDULE B to BYLAW NO. 7551****SANITARY SEWER USER FEES****1. FLAT RATES FOR NON-METERED PROPERTIES**

(a) Residential Dwellings	Annual Fee Per Unit
(i) One-Family Dwelling or Two-Family Dwelling with ¾-inch water service	\$ 400.25
(i) One-Family Dwelling or Two-Family Dwelling with 1-inch or greater water service	See metered rates
(iii) Multiple-Family Dwellings of less than 4 storeys in height	\$ 366.22
(iv) Multiple-Family Dwellings 4 or more storeys in height	\$ 305.01
(b) Public School (per classroom)	\$ 370.91
(c) Shops and Offices	\$ 313.23

**2. RATES FOR METERED PROPERTIES**

Regular rate per cubic metre of water delivered to the property:	\$ 0.9263
Underground leak rate per cubic metre of water exceeding average amount (as defined in Section 2.3A.2(a)):	\$ 0.7410

**3. RATES FOR COMMERCIAL, INDUSTRIAL, INSTITUTIONAL AND AGRICULTURAL**

Minimum charge in any quarter of a year:	\$ 73.75
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**SCHEDULE B to BYLAW NO. 7551****SANITARY SEWER USER FEES****4. CONSTRUCTION PERIOD – PER DWELLING UNIT**

<b>Month (2012)</b>	<b>Single-Family Dwellings &amp; Each Unit in a Duplex Dwelling  (Rate per unit)</b>	<b>Start Bill Year</b>	<b>Multiple- Family Dwelling (less than 4 storeys in height)  (Rate per unit)</b>	<b>Start Bill Year</b>	<b>Multiple- Family Dwelling (4 or more storeys in height)  (Rate per unit)</b>	<b>Start Bill Year</b>
January	\$ 400	2013	\$ 366	2013	\$ 641	2014
February	\$ 367	2013	\$ 739	2014	\$ 615	2014
March	\$ 334	2013	\$ 708	2014	\$ 590	2014
April	\$ 300	2013	\$ 678	2014	\$ 564	2014
May	\$ 267	2013	\$ 647	2014	\$ 539	2014
June	\$ 233	2013	\$ 616	2014	\$ 513	2014
July	\$ 200	2013	\$ 586	2014	\$ 488	2014
August	\$ 604	2014	\$ 555	2014	\$ 463	2015
September	\$ 567	2014	\$ 525	2014	\$ 437	2015
October	\$ 530	2014	\$ 494	2014	\$ 412	2015
November	\$ 494	2014	\$ 464	2014	\$ 386	2015
December	\$ 457	2014	\$ 433	2014	\$ 361	2015



**Waterworks and Water Rates Bylaw No. 5637,  
Amendment Bylaw No. 8846**

The Council of the City of Richmond enacts as follows:

1. The **Waterworks and Water Rates Bylaw No. 5637**, as amended, is further amended by deleting Schedules A through G and substituting Schedules A through G attached to and forming part of this Bylaw.
2. The **Waterworks and Water Rates Bylaw No. 5637**, as amended, is further amended by deleting section 25B(b) in its entirety and substituting the following:
  - (b) If the amount recorded by the **water meter** for the billing period in which the leak was discovered is greater than the **average amount**, or if the amount recorded by the **water meter** for the previous billing period is greater than the **average amount**, the **customer** will pay the regular rate per cubic metre (in Schedule B) for all amounts recorded up to the **average amount**.
  - (c) Where the **General Manager, Engineering & Public Works** is satisfied that a **customer** was not notified of a leak until more than 30 days after the **City** became aware of the leak, the **customer** will pay the regular rate per cubic metre (in Schedule B) for the period from the most recent billing until notification was provided, based on the **average amount** for that period.
3. This Bylaw comes into force and effect on January 1, 2012.
4. This Bylaw is cited as "**Waterworks And Water Rates Bylaw No. 5637, Amendment Bylaw 8846**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER

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

**SCHEDULE "A" to BYLAW NO. 5637****BYLAW YEAR - 2012****FLAT RATES FOR RESIDENTIAL, AGRICULTURAL, AND  
INSTITUTIONAL PURPOSES ONLY**

A.	Residential Dwellings per unit	
	Dwellings with 20 mm (¾") water service	\$621.51
	Dwellings with 25mm (1") water service or greater	See Metered Rates – Schedule B
	Townhouse	\$508.77
	Apartment	\$327.85
B.	Stable or Barn per unit	\$125.23
C.	Field Supply – each trough or water receptacle or tap	\$78.28
D.	Public Schools for each pupil based on registration January 1 <sup>st</sup>	\$7.41

**SCHEDULE "B" to BYLAW NO. 5637****BYLAW YEAR – 2012****METERED RATES**

(Page 1 of 2)

**METERED COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL PROPERTIES  
AND MULTIPLE-FAMILY AND STRATA TITLED PROPERTIES****1. RATES**

All consumption per cubic metre:	\$1.1175
Minimum charge in any 3-month period:	\$103.00
Undetected leak rate per cubic metre (per section 25B of this bylaw):	\$0.6644

**2. RENTS FOR EACH METER**Rent per **water meter** for each 3-month period:

For a 16mm (5/8") meter	\$11.50
For a 20mm (3/4") meter	\$14.65
For a 25mm (1") meter	\$16.20
For a 32mm (1 1/4") meter	\$28.25
For a 40mm (1 1/2") meter	\$28.25
For a 50mm (2") meter	\$32.00

**COMPOUND TYPE**

75mm (3")	\$108.00
100mm (4")	\$165.00
150mm (6")	\$275.00

**TURBINE TYPE**

50mm (2")	\$63.50
75mm (3")	\$81.50
100mm (4")	\$118.00
150mm (6")	\$225.50
200mm (8")	\$293.00

**FIRE LINE TYPE**

100mm (4")	\$283.75
150mm (6")	\$383.00
200mm (8")	\$497.25
250mm (10")	\$662.00

**SCHEDULE "B" to BYLAW NO. 5637****BYLAW YEAR – 2012****METERED RATES**

(Page 2 of 2)

**METERED RESIDENTIAL PROPERTIES****1. RATES**

All consumption per cubic metre:	\$1.1175
Minimum charge in any 3-month period:	\$20.00
Underground leak rate per cubic metre (per section 25B of this bylaw):	\$0.6644

**2. MAINTENANCE CHARGE FOR EACH METER**

Maintenance charge for <b>water meter</b> with connection up to 50mm (2") for each 3-month period:	\$10.00*
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\*For residential properties with a connection greater than 50mm (2"),  
the commercial and industrial properties rental rates apply.

**SCHEDULE "C" to BYLAW NO. 5637****BYLAW YEAR - 2012****METERED RATES****FARMS****1. RATES**

All consumption per cubic metre:	\$1.1175
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Minimum charge per 3-month period\*:

For 1 <sup>st</sup> quarter billing (January – March inclusive) for 90m <sup>3</sup> or less	\$96.00
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For 2 <sup>nd</sup> quarter billing (April – June inclusive) for 95m <sup>3</sup> or less	\$96.00
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For 3 <sup>rd</sup> quarter billing (July – September inclusive) for 140m <sup>3</sup> or less	\$96.00
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For 4 <sup>th</sup> quarter billing (October - December inclusive) for 90m <sup>3</sup> or less	\$96.00
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\*No minimum charge applies where there is no dwelling on the property.

**2. MAINTENANCE CHARGE FOR EACH METER**

Maintenance charge for meter up to 25mm (1") for each 3-month period	\$10.00*
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\*Applies only to properties with no dwelling.

**SCHEDULE "D" to BYLAW 5637****BYLAW YEAR - 2012****1. WATER CONNECTION CHARGE**

Single-Family, Multi-Family, Industrial, Commercial Water Connection Size	Connection Charge	
	Tie In Charge	Price Per Metre of Service Pipe
25mm (1") diameter	\$2,550	\$175.00
40mm (1 ½") diameter	\$3,500	\$175.00
50mm (2") diameter	\$3,650	\$175.00
100mm (4") diameter	\$6,900	\$350.00
150mm (6") diameter	\$7,100	\$350.00
200mm (8") diameter	\$7,300	\$350.00
larger than 200mm (8") diameter	by estimate	by estimate

**2. DESIGN PLAN PREPARED BY CITY**

Design plan prepared by City [s. 2(d)] \$1,000 each

**3. WATER METER INSTALLATION FEE**

Install water meter [s. 3A(a)] \$1,000 each

**SCHEDULE "E" to BYLAW 5637****BYLAW YEAR - 2012****CONSTRUCTION PERIOD WATER CONSUMPTION RATES –  
RESIDENTIAL**

<b>MONTH (2012)</b>	<b>SINGLE- FAMILY DWELLINGS &amp; EACH UNIT IN A DUPLEX DWELLING (rate per unit)</b>	<b>START BILL YEAR</b>	<b>MULTI-FAMILY APARTMENT LESS THAN 4 STOREYS (rate per unit)</b>	<b>START BILL YEAR</b>	<b>MULTI- FAMILY APARTMENT 4 STOREYS &amp; UP (rate per unit)</b>	<b>START BILL YEAR</b>
January	\$ 622	2013	\$ 509	2013	\$ 688	2014
February	\$ 570	2013	\$ 1,026	2014	\$ 661	2014
March	\$ 518	2013	\$ 984	2014	\$ 634	2014
April	\$ 466	2013	\$ 941	2014	\$ 607	2014
May	\$ 414	2013	\$ 899	2014	\$ 579	2014
June	\$ 363	2013	\$ 856	2014	\$ 552	2014
July	\$ 311	2013	\$ 814	2014	\$ 525	2014
August	\$ 937	2014	\$ 772	2014	\$ 497	2015
September	\$ 880	2014	\$ 729	2014	\$ 470	2015
October	\$ 823	2014	\$ 687	2014	\$ 443	2015
November	\$ 767	2014	\$ 644	2014	\$ 415	2015
December	\$ 710	2014	\$ 602	2014	\$ 388	2015

**CONSTRUCTION PERIOD WATER CONSUMPTION RATES –  
COMMERCIAL AND INDUSTRIAL**

<b>Water Connection Size</b>	<b>Consumption Charge</b>
20mm (3/4") diameter	\$135
25mm (1") diameter	\$270
40mm (1 ½") diameter	\$675
50mm (2") diameter	\$1,690

**SCHEDULE "F" to BYLAW 5637****BYLAW YEAR - 2012****MISCELLANEOUS CHARGES**

1.	For an inaccessible meter as set out in Section 7	\$155 per quarter
2.	For each turn on or turn off	\$65
3.	For each non-emergency service call outside regular hours	Actual Cost
4.	Fee for testing a water meter	\$350
5.	Water Service Disconnections:	
	(a) when the service pipe is temporarily disconnected at the property line for later use as service to a new building	\$165
	(b) when the service pipe is not needed for a future development and must be permanently disconnected at the watermain, up to and including 50mm	\$1,100
	(c) if the service pipe is larger than 50mm	Actual Cost
6.	Trouble Shooting on Private Property	Actual Cost
7.	Fire flow tests of a watermain:	
	First test	\$250
	Subsequent test	\$150
8.	Locate or repair of curb stop service box or meter box	Actual Cost
9.	Toilet rebate per replacement	\$100
10.	Fee for water meter verification request	\$50

**SCHEDULE "G" to BYLAW 5637****BYLAW YEAR - 2012****RATES FOR VANCOUVER INTERNATIONAL AIRPORT AUTHORITY (YVR)**

Applicable rate is \$0.6644 per cubic meter of water consumed, plus the following amounts:

- YVR's share of future water infrastructure capital replacement calculated at \$0.2668 per m<sup>3</sup>
- 50% of the actual cost of operations and maintenance activities on water infrastructure shared by the City and YVR, as shown outlined in red on the plan attached as Schedule H
- 100% of the actual cost of operations and maintenance activities on water infrastructure serving only YVR, as shown outlined in red on the plan attached as Schedule H
- 100% of the actual cost of operations and maintenance activities on a section of 1064 m water main, as shown outlined in green on the plan attached as Schedule H from the date of completion of the Canada Line public transportation line for a period of 5 years. After the 5 year period has expired, costs for this section will be equally shared between the City and YVR
- 76 m<sup>3</sup> of water per annum at rate of \$0.6644 per cubic meter for water used annually for testing and flushing of the tank cooling system at Storage Tank Farm TF2 (in lieu of metering the 200 mm diameter water connection to this facility)

(Note: water infrastructure includes water mains, pressure reducing valve stations, valves, hydrants, sponge vaults and appurtenances)