



Finance Committee

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

Monday, December 2, 2013

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, November 4, 2013.*



FINANCE AND CORPORATE SERVICES DEPARTMENT

1. **FINANCIAL INFORMATION – 3RD QUARTER SEPTEMBER 30, 2013**
(File Ref. No.) (REDMS No. 4033012)

FIN-7

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

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

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



2. **2013 AUDIT ENGAGEMENT**
(File Ref. No. 03-0950-03) (REDMS No. 4043208)

FIN-32

See Page **FIN-32** for full report

Designated Speaker: Cindy Gilfillan

STAFF RECOMMENDATION

That the 2013 Audit Engagement report dated November 15, 2013 be received for information.



3. **2014 CAPITAL BUDGET**
(File Ref. No.) (REDMS No. 4024687 v.3)

FIN-54

See Page **FIN-54** for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

- (1) *That the 2014 Capital Budget be approved and staff be authorized to commence the 2014 Capital Projects effective January 1, 2014; and*
- (2) *That the Five-Year Financial Plan (2014-2018) be prepared for presentation to Council incorporating the 2014 Capital Budget.*



4. **2014 OPERATING BUDGET**
(File Ref. No.) (REDMS No. 4016840 v.2)

FIN-182

See Page **FIN-182** for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

- (1) *That the 2014 Operating Budget, as presented under Budget Option 1 in the staff report dated November 29, 2013 from the Director Finance, be approved;*
- (2) *That the 2014 Richmond Public Library budget as presented in Attachment 3 of the staff report dated November 29, 2013 from the Director Finance be approved in accordance with the Library Act; and*
- (3) *That the Five-Year Financial Plan (2014-2018) be prepared for presentation to Council incorporating the 2014 Operating Budget.*



Pg. # ITEM

5. **2014 ONE-TIME EXPENDITURES**

(File Ref. No.) (REDMS No. 4034216)

FIN-204

See Page **FIN-204** for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

- (1) *That the recommended one-time expenditures in the amount of \$3.1M, as outlined in the staff report titled 2014 One-Time Expenditures, be approved; and*
- (2) *That the one-time expenditures be included in the City's Five-Year Financial Plan (2014-2018) Bylaw.*



RICHMOND OLYMPIC OVAL CORPORATION

6. **3RD QUARTER 2013 – FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**

(File Ref. No.) (REDMS No. 4048098)

FIN-211

See Page **FIN-211** for full report

Designated Speaker: Rick Dusanj

STAFF RECOMMENDATION

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended September 30, 2013 from the Controller of the Richmond Olympic Oval Corporation be received for information.



7. **2014 OPERATING AND CAPITAL BUDGETS FOR THE RICHMOND OLYMPIC OVAL CORPORATION**

(File Ref. No.) (REDMS No. 4048160)

FIN-216

See Page **FIN-216** for full report

Designated Speaker: Rick Dusanj

Pg. #

ITEM

STAFF RECOMMENDATION

That the report on the 2014 Operating and Capital Budgets for the Richmond Olympic Oval Corporation from the Controller of the Richmond Olympic Oval Corporation be received for information.

☐

ADJOURNMENT

☐



Finance Committee

Date: Monday, November 4, 2013

Place: Anderson Room
Richmond City Hall

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

Absent: Councillor Chak Au

Call to Order: The Chair called the meeting to order at 5:18 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, October 7, 2013, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DEPARTMENT

1. INVESTMENT POLICY AMENDMENT (File Ref. No. 03-0900-01) (REDMS No. 3987488 v.3)

Jerry Chong, Director, Finance, advised that the report is a request to change the current investment policy. The policy follows the rules and regulations under the Charter but provides additional flexibility to increase yield.

Finance Committee
Monday, November 4, 2013

It was moved and seconded

That Council Policy 3703 (Investment Policy) be amended as set out in Attachment C of the staff report titled Investment Policy Amendment dated October 17, 2013 from the Director, Finance.

CARRIED

2. AMENDMENTS TO THE 5 YEAR FINANCIAL PLAN (2013-2017)
BYLAW NO. 8990

(File Ref. No. 12-8060-20-8990/9060) (REDMS No. 3981154 v.4)

It was moved and seconded

That the 5 Year Financial Plan (2013-2017) Bylaw No. 8990, Amendment Bylaw No. 9060 which would incorporate and put into effect changes previously approved by Council and administrative changes to the 2013 Capital, Utility and Operating Budgets (as summarized in Attachment 1), be introduced and given first, second and third readings.

CARRIED

ADJOURNMENT

It was moved and seconded

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

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, November 4, 2013.

Mayor Malcolm D. Brodie
Chair

Heather Howey
Committee Clerk



City of Richmond

Report to Committee

To: Finance Committee

Date: November 13, 2013

From: Jerry Chong
Director, Finance

File:

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

Staff Recommendation

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

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

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

Staff Report

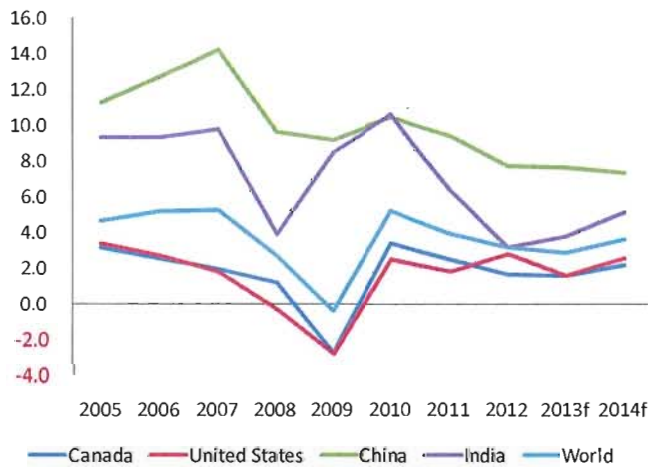
Origin

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

Analysis

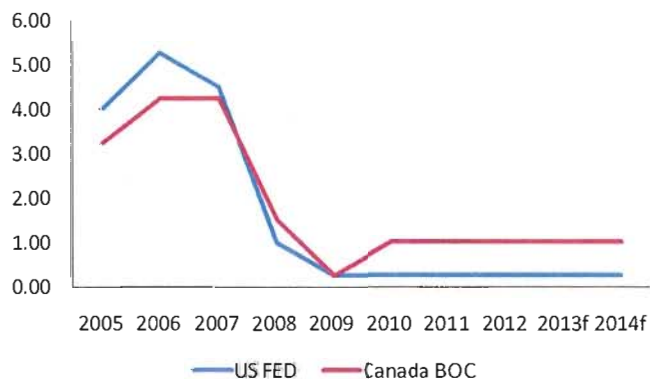
Macroeconomic Indicators & Forecast

1) Global Growth – Real GDP % Changeⁱ

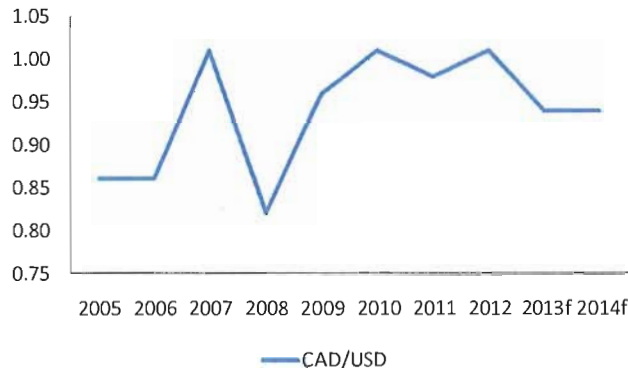


- Down to 2.9% in 2013 from 3.2% in 2012, global growth continues to be weak; risks to the forecast remain on the downside.
- In both the US and Canada, economic uncertainty continues to temper consumer and corporate spending, with a 2013 growth rate of 1.6%, lower than the 2012 Canadian rate of 1.7%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

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

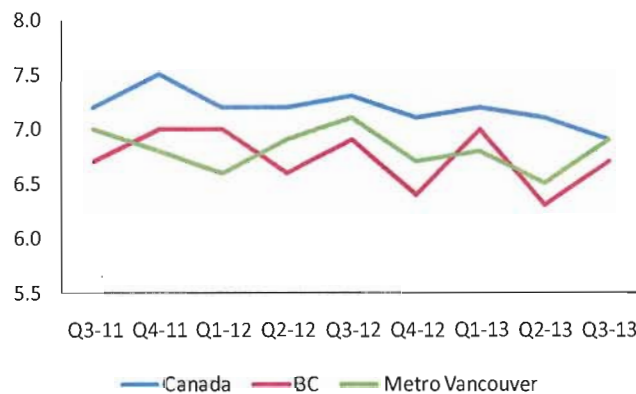


- Growing confidence in the US economy will begin exuding pressure on the Federal Reserve (FED) overnight rate; however, FED policymakers are awaiting further growth evidence into 2014 before tapering bond purchases and looking at the overnight rate.
- With a soft growth forecast for 2014, Canadian policymakers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

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

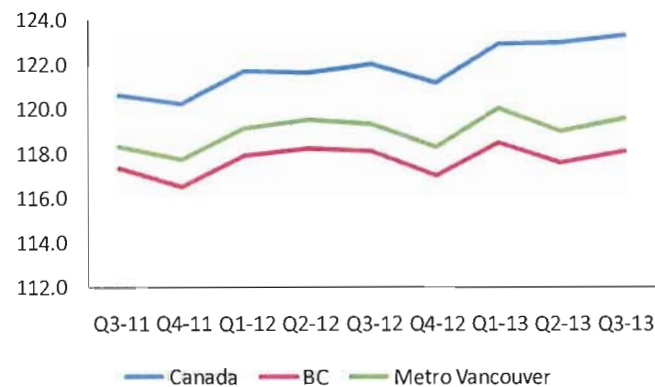
- The Canadian Dollar is expected to close out 2013 by continuing to slide against the US Dollar, having a positive impact on Canadian exporters.
- An upward trend forecast in some core commodity prices (such as oil, natural gas and lumber) is expected to cause the Loonie to gain some ground against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

Regional & Local Economic Activity Indicators

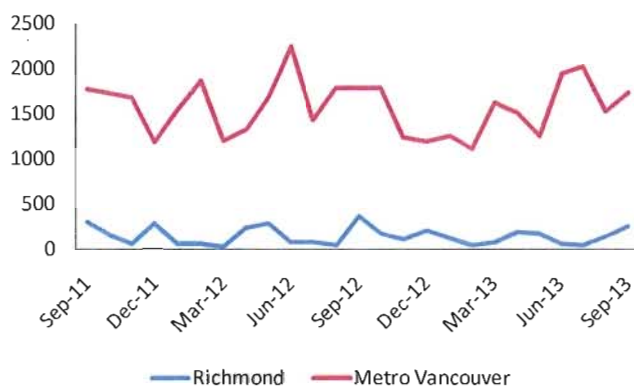
4) Unemployment^{iv}

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

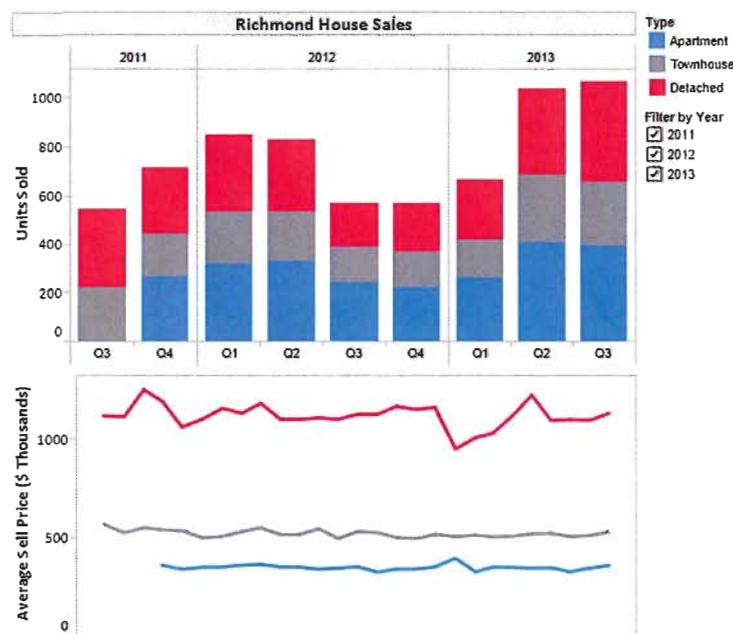
5) Consumer Price Index (CPI – 2002=100)



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

6) Housing Starts^v

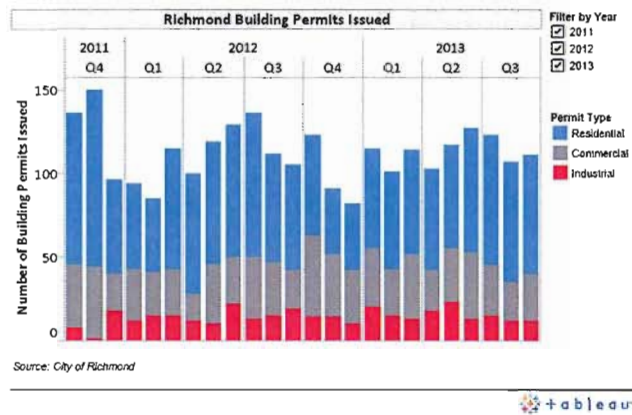
- In the third quarter of 2013, Richmond's housing starts rose 3%, while in Metro Vancouver housing starts rose by 10% in the same period.
- Year to date, a softening housing market and a slow recovery resulted in a 12% and 6% overall decline in housing starts for Richmond and Metro Vancouver, respectively.

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

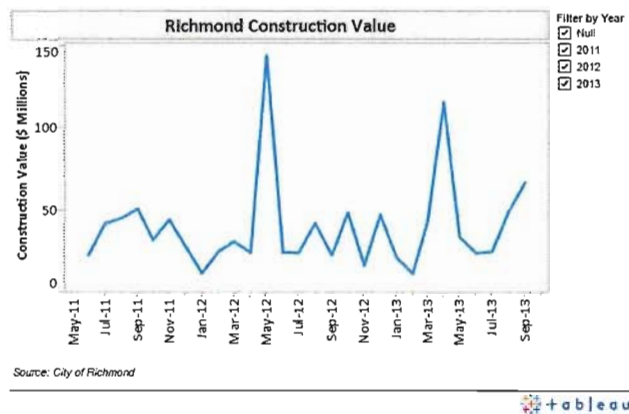
Source: CMHC

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

8) Building Permits – Richmond^{vii}

- The number of building permits issued in Q3 (341) remained even compared to the previous quarter (347) and slightly down from the same quarter last year (353).
- Year to date, the number of building permits issued in 2013 is slightly up compared to 2012, at 2%, due to increased activity in commercial and industrial permits earlier in the year.



- Residential permits issued in 2013 to date also rose compared to 2012, due to major developments going through – multi-unit proposals such as Mandarin Residences and Polygon-Kiwanis.
- The commercial value of all building permits was also on the rise in Q3-2013, compared to the same period last year, due to larger residential projects proceeding to the building permit stage.

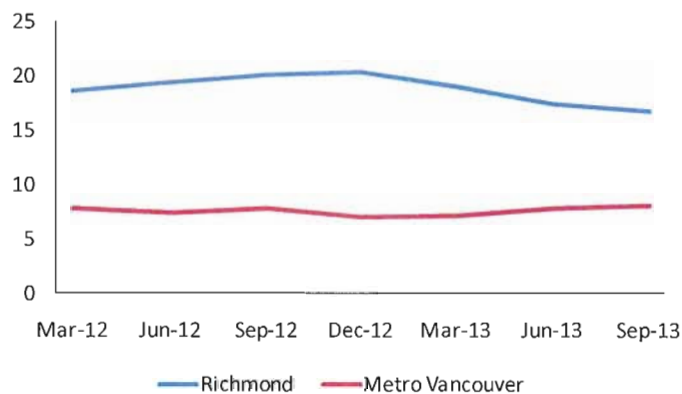
9) Commercial Space^{viii}

a) Industrial Space Vacancy (%)



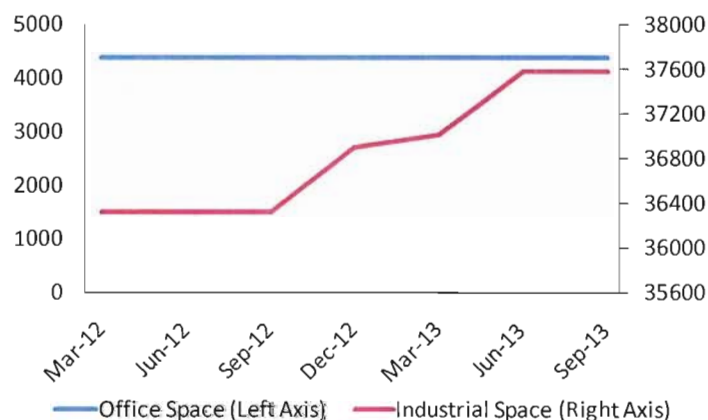
- For a second quarter in a row, Richmond industrial space vacancy rose modestly to end the quarter at 4.9%, due to large additions of industrial space in East Richmond. Activity in the local and regional markets remains high, with absorption rates catching up to offset the rise in vacancies.

b) Office Space Vacancy (%)



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

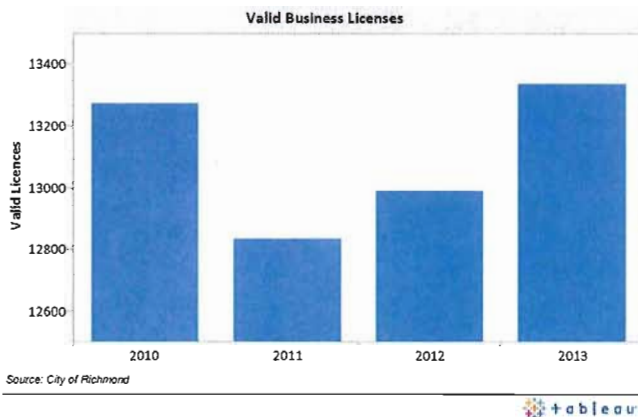
c) Commercial Space Inventory



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

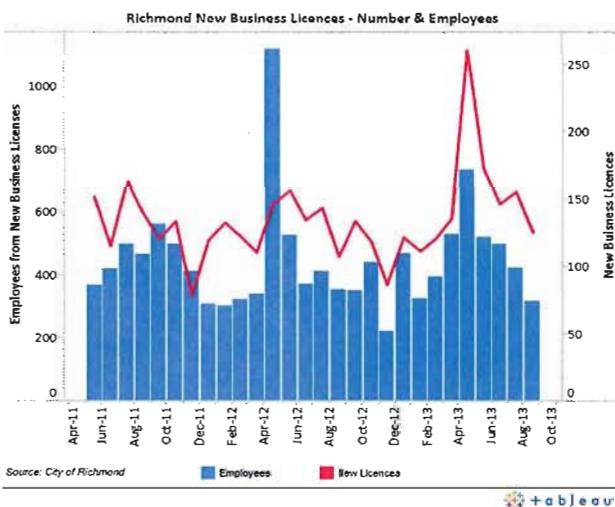
10) Business Growth – Richmond^{ix}

a) Total Valid Business Licenses

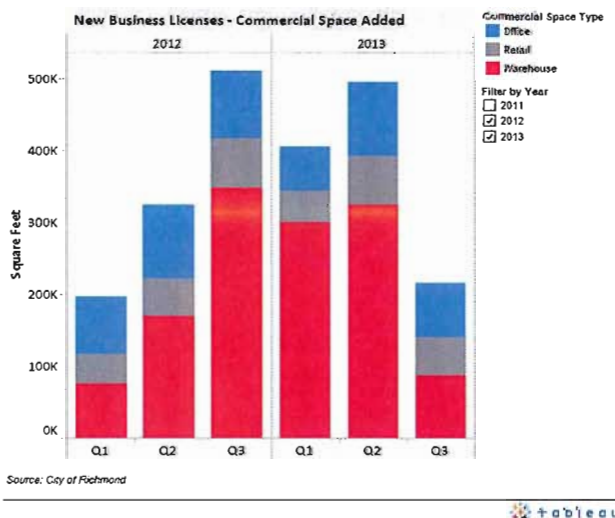


- Currently at 13,336 valid Richmond business licenses to date continue to exceed both 2012 and 2011 level, at 12,988 and 12,832, respectively.

b) New Business Licenses Issued

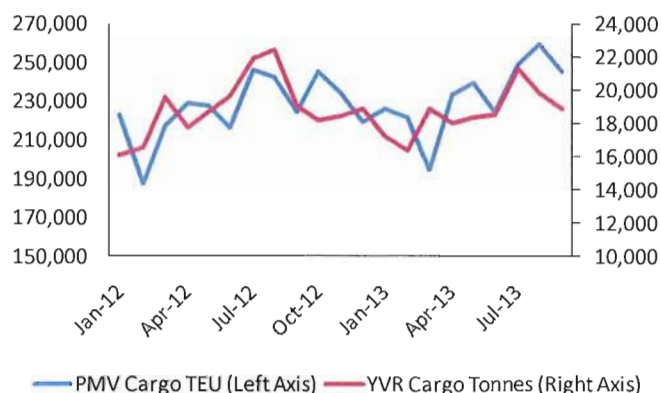


- At 426, the new business licenses issued in Q3-2013 are slightly down from Q2-2013 yet slightly up from the same quarter last year – 567 and 384, respectively. Year to date, 2013 has registered a 15% increase in new business licenses, which are currently at 1345 for 2013 and 1169 for 2012.
- At 1237,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



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

11) Goods and People Movement

a) Regional Cargo Movement^x

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

b) Airport Passengers^{xi}

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

c) Richmond Hotel Room Revenue^{xii}

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

Details of the economic indicators are provided in Appendix 1.

Financial Indicators

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

Operating Activity

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

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

Statement of (net revenues) expenditures

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

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

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

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

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

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

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

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

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

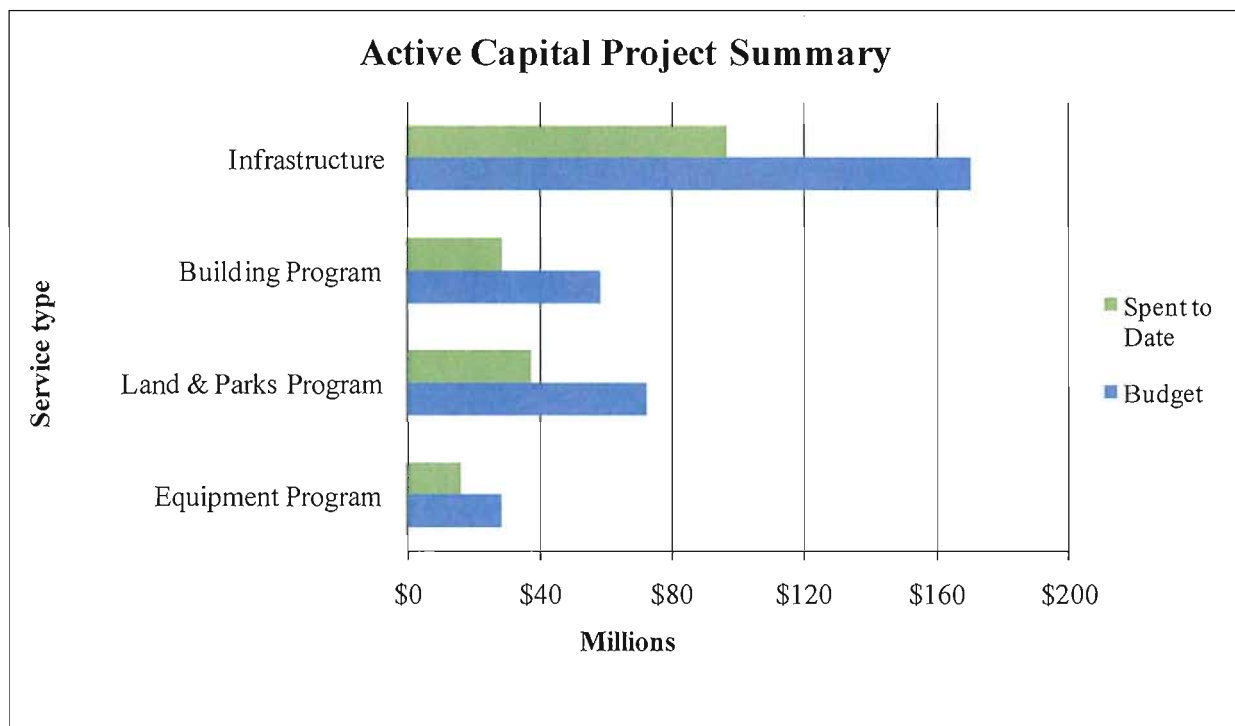
The net operating activity is the result of many revenue inputs and expenditure outputs. Key financial indicators that impact the net operating activity are provided in Appendix 2 as well as key statistical information.

Active Capital Project Summary

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

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

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



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

Cash and Investment Portfolio

The City's cash and investment portfolio on September 30, 2013 was \$744.4M, with an average yield on investment for the 3rd quarter of 1.73%. The current low interest rate environment and the City's cash flow projections have influenced the terms and types of investments that the City holds (Appendix 4).

Market Interest Rates (for analytical purposes only)

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

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

At the November 12, 2013 Council meeting, the Investment Policy (3703) was amended to enhance the portfolio distribution and investment flexibility. This will allow for the City's investment portfolio to carry a diversified investment mix with strong credit quality and at the same time meeting the objectives of managing its investment activities in a manner that seeks to preserve capital and to realize a reasonable rate of return.

Contract Awards

This report provides Committee members with information on the formal contracts awarded by the City during the 3rd quarter. During this period, 56 contracts greater than \$25,000 were awarded totalling over \$9.09M (Appendix 5).

Financial Impact

None.

Conclusion

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



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

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

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

Regional and Local Market Indicators

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

Regional and Local Market Indicators (continued)

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

Notes:

a) numbers in blue and black denote positive trends

b) numbers in red denote negative trends

c) QE indicates Quarter-End

d) YE indicates Year-End

List of Sources:

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

2) US Federal Reserve, Bank of Canada and Royal Bank Research

3) Bank of Canada

4) 5) Statistics Canada

6) CMHC

7) Real Estate Board of Greater Vancouver

8) City of Richmond Building Permits

9) Cushman & Wakefield Office and Industrial Market Beat Reports

10) City of Richmond Business Licenses

11) YVR & PMV Monthly Cargo Statistics

YVR Monthly Statistics

City of Richmond Additional Hotel Room Tax Ledger

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

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

Capital Project Highlights

Infrastructure Highlights:

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

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

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

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

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

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

No. 1 Road Drainage Pump Station:

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

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

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

No. 6 Road Widening:

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

Building Highlights:

Interurban Tram Structure:

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

Hamilton Childcare Centre:

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

Britannia Heritage Shipyards – Seine Net Loft:

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

Community Services / Parks Highlights:

Railway Greenway:

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

Terra Nova Heritage Building Restorations:

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

Terra Nova Play Environment:

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

Oval West Waterfront Park:

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

Britannia Heritage Shipyards, Boardwalks Restoration:

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

Garden City Community Park:

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

The Gardens Agricultural Park:

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

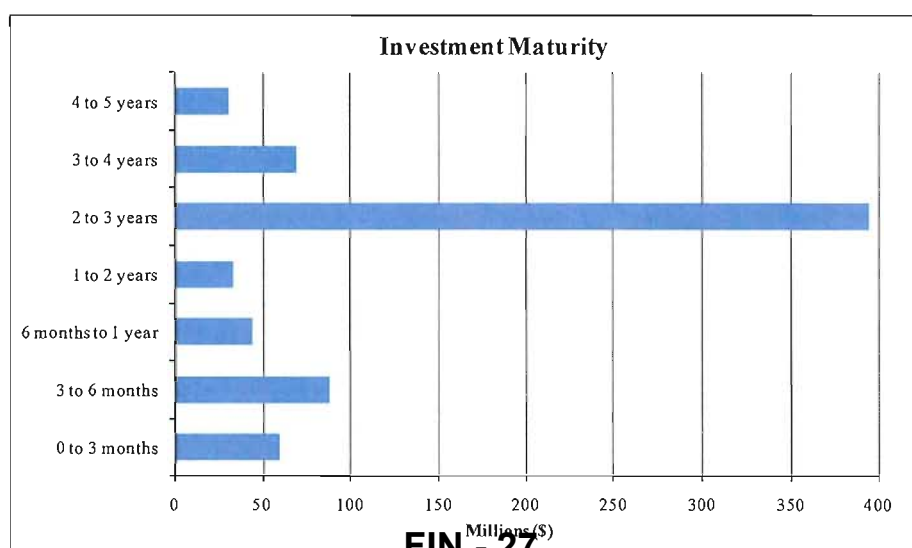
Thompson Youth Park, Phase 3:

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

Cash and Investment Portfolio

September 30, 2013 (in 000's)

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



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

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

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

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

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

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

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

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

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

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

ⁱⁱⁱ Bank of Canada

^{iv} Statistics Canada

^v CMHC

^{vi} Real Estate Board of Greater Vancouver

^{vii} City of Richmond Building Permits

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

^{ix} City of Richmond Business Licenses

^x YVR & PMV Monthly Cargo Statistics

^{xi} YVR Monthly Statistics

^{xii} City of Richmond Additional Hotel Room Tax Ledger; revenue reverse calculated based on AHRT receipts representing 2% of total hotel room revenue; AHRT remittances and payments to Richmond to have a 2-month lag.



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong
Director, Finance
Re: 2013 Audit Engagement

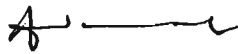

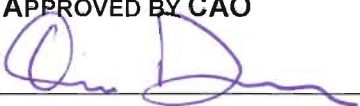
Date: November 15, 2013
File: 03-0950-03/2013-Vol
01

Staff Recommendation

That the 2013 Audit Engagement report dated November 15, 2013 be received for information.



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

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 
APPROVED BY CAO 	

Staff Report

Origin

Pursuant to Sub-section 169 (1) of the Community Charter, a Council must appoint an auditor for the municipality (municipal auditor). Under Sub-section 169 (3), a municipal auditor has the power and duty to conduct the examinations necessary to prepare the required reports.

Section 171 of the Community Charter directs that, the municipal auditor must report to council on the annual financial statements of the municipality. The report must be in accordance with the form and the reporting standards recommended by the Canadian Institute of Chartered Accountants.

The following report outlines the terms of the audit engagement for the period ending December 31, 2013.

Analysis

At the November 13, 2012 Council meeting, KPMG, LLP (KPMG) was re-appointed as the City's auditor for the years 2012 to 2017. The annual contract fee for the audit services is \$74,500 plus applicable taxes. The fee distribution is as follows:

City's consolidated financial statements	\$68,000
Library's financial statements	\$6,500
	<hr/>
	\$74,500

The engagement is subject to a satisfactory annual performance evaluation and an inflationary adjustment to the annual fee over subsequent years, if applicable.

KPMG's audit approach and scope of the audit work for the City of Richmond and the Library for the 2013 fiscal year is provided in their communication on Audit Planning for the year ended December 31, 2013 (Attachment 1).

The scope of the audit engagement includes:

- Audit of the City's consolidated financial statements
- Audit of the Library's financial statements
- Audit of the Home Owner Grant
- Audit of the City's compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act

The Auditor's responsibilities regarding the audit of the financial statements include:

- To express an opinion on whether the financial statements are, in all material respects, in accordance with the Canadian public sector accounting standards.
- To report on the City's consolidated financial statements and the Library's financial statements.

KPMG plans and performs the audit to:

- Identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the City and its environment, including internal control.
- Obtain sufficient appropriate audit evidence about whether material misstatement exists, through designing and implementing appropriate responses to the assessed risks.
- Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.
- Communicate matters required by professional standards to the appropriate level of management, those charged with governance and/or the board of directors.

The audit year-end field work is scheduled for February 24 to March 7, 2014. The audit findings will be presented to Committee prior to the May 15th deadline.

Financial Impact

There is no financial impact. The audit fee is provided for within the City's Operating Budget.

Conclusion

KPMG has been engaged to perform the audit for the year ended December 31, 2013. Their Audit Plan communicates KPMG's overall audit responsibilities and audit approach in accordance with Canadian generally accepted auditing standards. The 2013 audit standards continue to focus the audit on areas where there is greater risk of misstatement.



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

CG:cg



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AUDIT PLANNING LETTER

PRIVATE & CONFIDENTIAL

Chair and Members of the Finance Committee
City of Richmond
6911 No. 3 Road
Richmond BC V6Y 2C1

November 12, 2013

To the Chair and Members of the Finance Committee of the City of Richmond

We are pleased to provide for your review the following information relating to the planned scope and timing for the audit of the consolidated financial statements of the City of Richmond (the "City") for the year ended December 31, 2013.

We would be pleased to receive any comments or suggestions you may have with respect to the planned audit scope or timing. If you have any specific areas of concerns or other issues you would like addressed in the audit, please contact us. We appreciate the opportunity to serve you and look forward to our continuing relationship.

This letter is for the use of the Finance Committee for the purposes of carrying out and discharging its responsibilities and should not be used for any other purpose. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this document has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly

C.J. James, CA
Engagement Partner
604-527-3635

Archie G. Johnston, MBA, FCA, CA-CIA
Client Relationship and Quality Review Partner
604-527-3757

cc: Mr. George Duncan, Chief Administrative Officer
Mr. Andrew Nazareth, General Manager, Finance & Corporate Services
Mr. Jerry Chong, Director of Finance

Enclosures:

Appendix 1 – Engagement letter



SCOPE AND TIMING OF THE AUDIT

Our responsibilities are described in our engagement letter in Appendix 1.

Materiality

We determine materiality in order to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The determination of materiality requires judgment and is based on a combination of quantitative and qualitative assessments, including the nature of account balances and financial statement disclosures.

For the current period, the materiality is \$6,300,000.

We will reassess materiality based on period-end results or new information to confirm whether it remains appropriate for evaluating the effects of uncorrected misstatements on the financial statements.

Identification of significant risks

As part of our audit planning, we identify the significant financial reporting risks that, by their nature, require special audit consideration. By focusing on these risks, we establish an overall audit strategy and effectively target our audit procedures.

Significant unusual transactions

There are no significant unusual transactions noted.

Risk of management override of controls

Although the level of risk of management override of controls will vary from entity to entity, professional standards presume the risk of management override of controls is nevertheless present in all entities and requires the performance of specific procedures to address this presumed risk. We plan to perform the required procedures under professional standards which includes testing the design of controls surrounding journal entries and substantively testing various journal entries.

Timing of audit and deliverables

<i>Topic:</i>	<i>Date(s):</i>
Conduct interim field work	November 25 – 29, 2013
Conduct year-end field work	February 24 – March 7, 2014
Present the audit findings to Finance Committee	Date to be determined
Provide audit opinion on financial statements	Upon acceptance by Council of the financial statements

OVERVIEW OF FRAUD RISKS

Council has responded to us last year regarding the oversight of management's process for identifying and responding to fraud risks, including programs and controls to prevent, detect and deter fraud and/or ensure compliance with regulatory requirements. If there have been any changes, please contact us.

CURRENT DEVELOPMENTS

The following is a summary of the key financial reporting framework developments that may impact the City:

Liability for Contaminated Sites

- New Accounting Standard, PS3260 *Liability for Contaminated Sites* has been approved by PSAB and is effective for years commencing on or after April 1, 2014. Early adoption is encouraged.
- Governments will be required to recognize a liability for contaminated sites when the government is responsible for, or accepts responsibility for, the contamination, and the contamination exceeds existing environmental standards. The amount recorded as a liability must be reasonably estimable and would include costs directly related to the remediation activities and post-remediation costs that are an integral part of the remediation strategy. Costs related to asset purchases to be used in remediation would be included in the liability to the extent that the assets have no alternative use.

Related Party Transactions

The PSA Handbook currently has no specific accounting standards relating to Related Party Transactions. PSAB has issued an exposure draft for a new standard on related party transactions. The proposals would require disclosure of sufficient information about transactions between related parties to help users assess their effect on the financial position and financial performance. The exposure draft identifies:

- which parties are related;
- the extent to which related party transactions would be recognized in the financial statements of both the provider and recipient organizations;
- the appropriate basis of measurement for recognized transactions; and
- disclosure requirements for transactions including those that have not been given accounting recognition.

The exposure draft also proposes the following:

- related party transactions other than contributed goods and services should be recognized by both parties;
- when there is a policy of allocating costs for the provision of goods and services, the revenues and expenses should be reported on a gross basis;
- related party transactions should be recorded at the exchange amount, which could be the carrying amount; the consideration paid or received, or fair value;
- if the exchange amount differs from the carrying amount, the gain or loss should be recognized; and
- contributed goods and services may be recognized or disclosed.

We will monitor and keep management informed of any potential significant impact that this standard will have on the City's financial reporting.



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APPENDIX 1 - ENGAGEMENT LETTER

Mr. Andrew Nazareth
General Manager, Finance and Corporate Services
City of Richmond
6911 No. 3 Road
Richmond BC V6Y 2C1

November 4, 2013

Dear Mr. Nazareth:

The purpose of this letter is to outline the terms of the following audit engagements for the City of Richmond ("the City") commencing for the period ending December 31, 2013:

- audit engagement for the consolidated financial statements
- audit of the Home Owner Grant
- audit of the City's compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act

This letter supersedes our previous letter to the City dated November 20, 2012. The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated in writing. The attached Terms and Conditions form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the "Engagement Letter").

FINANCIAL REPORTING FRAMEWORK FOR THE FINANCIAL STATEMENTS

The financial statements will be prepared and presented in accordance with Canadian public sector accounting standards (hereinafter referred to as the "financial reporting framework").

The financial statements will include an adequate description of the financial reporting framework.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management acknowledges and understands that they are responsible for:

- (a) the preparation and fair presentation of the financial statements in accordance with the financial reporting framework referred to above
- (b) ensuring that all transactions have been recorded and are reflected in the financial statements
- (c) such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud



- (d) providing us with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
- (e) providing us with additional information that we may request from management for the purpose of the audit
- (f) providing us with unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence
- (g) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that professional standards require that we disclaim an audit opinion when management does not provide certain written representations required

An audit does not relieve management or those charged with governance of their responsibilities.

AUDITORS' RESPONSIBILITIES REGARDING THE AUDIT OF THE FINANCIAL STATEMENTS

Our function as auditors of the City is:

- to express an opinion on whether the City's consolidated financial statements, prepared by management with the oversight of those charged with governance, are, in all material respects, in accordance with the financial reporting framework referred to above and
- to report on the consolidated financial statements.

We will conduct the audit of the City's consolidated financial statements in accordance with Canadian generally accepted auditing and relevant ethical requirements, including those pertaining to independence (hereinafter referred to as applicable "professional standards").

We will plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error. Accordingly, we will, among other things:

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the City and its environment, including the City's internal control.
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- form an opinion on the City's consolidated financial statements based on conclusions drawn from the audit evidence obtained.
- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance and/or the board of directors.



**AUDITORS' RESPONSIBILITIES REGARDING THE AUDIT OF THE HOME OWNER GRANT:
TREASURER/AUDITOR CERTIFICATE**

We will also perform audit procedures with respect to the Home Owner Grant: Treasurer/Auditor Certificate (the "Certificate") in accordance with Canadian generally accepted auditing standards with the objective of expressing an opinion on whether the financial information in the Certificate presents fairly, in all material respects, in accordance with Section 12 of the Home Owner Grant Act. However, we cannot provide assurance that an opinion without reservation will be rendered. Circumstances may arise in which it is necessary for us to modify our audit report or withdraw from the audit engagement. In such circumstances, our findings or reasons for withdrawal will be communicated to management and the Finance Committee.

The report will indicate that it is intended solely for the information and use of the City and the Ministry of Community, Sport and Cultural Development and that it is not intended to be and should not be used by anyone other than these specified parties.

**AUDITORS' RESPONSIBILITIES REGARDING THE COMPLIANCE WITH SUBSECTIONS 2 AND 3 OF
SECTION 124 OF PART 8 OF THE SCHOOL ACT**

We will also perform audit procedures with respect to the City's compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act in accordance with Canadian generally accepted auditing standards with the objective of expressing an opinion on whether the City is in compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act. However, we cannot provide assurance that an opinion without reservation will be rendered. Circumstances may arise in which it is necessary for us to modify our audit report or withdraw from the audit engagement. In such circumstances, our findings or reasons for withdrawal will be communicated to management and the Finance Committee.

The report will indicate that it is intended solely for the information and use of the City and the Ministry of Community, Sport and Cultural Development and that it is not intended to be and should not be used by anyone other than these specified parties.

AUDITORS' DELIVERABLES

The expected form and content of our audit reports is provided in Appendix B – Expected Form of Report. However, there may be circumstances in which a report may differ from its expected form and content.

**AUDITORS' AND MANAGEMENT'S RESPONSIBILITIES REGARDING CONTINUOUS DISCLOSURE
DOCUMENTS**

When the City intends to file an annual report and we are requested to consent to the use of the audit report on the City's consolidated financial statements, professional standards require that we read the information contained in the annual report and consider whether such information is materially inconsistent with the related consolidated financial statements.



Management is responsible for providing us with adequate notice of the preparation of the annual report and providing us with copy, prior to their issuance, of the annual report. Furthermore, management has the responsibility for identifying subsequent events and providing appropriate disclosure in, or adjustment of, the consolidated financial statements as a result of such events as required by the financial reporting framework and for providing updated written representations to the date of our consent.

INCOME TAX ADVISORY SERVICES

This letter details the general tax advisory services to be provided to the City of Richmond for the 2013 calendar year. If there are tax services to be delivered outside the scope of those described in this letter, we will require a separate engagement letter for those services.

Our advice generally falls under one of the following situations:

- 1) On an ongoing basis, we will provide advisory services of a general nature relating to various income, capital, payroll and indirect tax matters as they arise. This type of service generally arises on a periodic basis as a result of preliminary inquiries made by you. In rendering these services, it is important to recognize that the advice provided is dependent on the detail of the information provided and the environment in which it is rendered. When professional judgment suggests written confirmation of the facts and advice is necessary, we will draft the appropriate correspondence to ensure the appropriate standard of care is met by all parties.
- 2) Periodically, you will seek detailed advice from us in connection with a specific transaction or undertaking you are contemplating. In such a situation, our advice will be based on the information provided to us. It is the responsibility of the City to ensure we are provided with all the information necessary in order for us to render the advice sought. Our tax advice will most likely be communicated to you, or your designate, in writing.

Our tax advisory services, both written and oral, will be based on the facts and assumptions submitted to us. We will not independently verify this information. Inaccuracy or incompleteness of the information could have a material effect on our conclusions.

To be of greatest assistance to the City, we should be advised in advance of any proposed transactions. If such matters exceed the scope of this engagement letter, we will issue additional engagement letters to confirm the particular scope and terms.

FEES

Appendix A – Fees for Professional Services to this letter lists our fees for professional services to be performed under this Engagement Letter.

We are available to provide a wide range of services beyond those outlined above. Additional services are subject to separate terms and arrangements.



City of Richmond
November 4, 2013

We are proud to provide you with the services outlined above and we appreciate your confidence in our work. We shall be pleased to discuss this letter with you at any time. If the arrangements and terms are acceptable, please sign the duplicate of this letter in the space provided and return it to us.

Yours very truly,

KPMG LLP

C.J. James, CA

Partner responsible for the engagement and its performance, and for the report that is issued on behalf of KPMG LLP, and who, where required, has the appropriate authority from a professional, legal or regulatory body
(604) 527-3635

CJ/BH

Enclosure

cc: Mr. Jerry Chong, Director of Finance
Finance Committee

The terms of the engagement set out are as agreed:

Name and Title

[Signature]

ANDREW NAZARETH, GM FINANCE : CORPORATE SVCS

Date (dd/mm/yy)

10/11/13



City of Richmond
November 4, 2013

Appendix – Fees for Professional Services

The estimated fee for the services described in this letter is in accordance with the Request for Expressions of Interest – Provision of Municipal Audit Services dated August 7, 2012. Routine administrative expenses such as long distance telephone calls, photocopies, fax charges, printing of statements and reports, postage and delivery and secretarial and report department assistance are included in the estimated fee.

Where matters arise and require research, consultation and work beyond that include in the estimated fee, the City and KPMG will discuss revision of the estimated fee.



Appendix – Expected Form of Report
INDEPENDENT AUDITORS' REPORT

To the Mayor and Council

We have audited the accompanying consolidated financial statements of the City of Richmond, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2013, and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.



INDEPENDENT AUDITORS' REPORT

To the City of Richmond and the Ministry of Community, Sport and Cultural Development

We have audited the accompanying financial information in the Form C2 - Home Owner Grant: Treasurer/Auditor Certificate comprised of total Home Owner Grants of \$xxx, total reimbursement by Province of \$xxx and balance due from Province of \$xxx for the City of Richmond, for the year ended December 31, 2013 and notes, comprising a summary of significant accounting policies (together "the Certificate"). The Certificate has been prepared by management in accordance with the financial reporting provisions of Section 12(1) of the Home Owner Grant Act.

Management's Responsibility for the Certificate

Management is responsible for the preparation of the Certificate in accordance with the financial reporting provisions of Section 12(1) of the Home Owner Grant Act, and for such internal control as management determines is necessary to enable the preparation of the Certificate that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Certificate based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Certificate is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Certificate. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Certificate, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the Certificate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Certificate.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the Form C2 - Home Owner Grant: Treasurer/Auditor Certificate comprised of total Home Owner Grants of \$xxx, total reimbursement by Province of \$xxx and balance due from Province of \$xxx for the City of Richmond, for the year ended December 31, 2013, is prepared, in all material respects, in accordance with the financial reporting provisions of Section 12(1) of the Home Owner Grant Act.



City of Richmond
November 4, 2013

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the Certificate, which describes the basis of accounting. The Certificate is prepared to meet the requirements of Section 12(1) of the Home Owner Grant Act. As a result, the Certificate may not be suitable for another purpose. Our report is intended solely for the City of Richmond and the Ministry of Community, Sport and Cultural Development and should not be used by parties other than the City of Richmond and the Ministry of Community, Sport and Cultural Development.



City of Richmond
November 4, 2013

AUDITORS' REPORT ON SUBSECTIONS 2 AND 3 OF SECTION 124 OF PART 8 OF THE SCHOOL ACT

To the Ministry of Community, Sport and Cultural Development

We have audited the City of Richmond's (the "City") compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act for the year ended December 31, 2013. Compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act is the responsibility of the City's management. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the City complied with subsections 2 and 3 of section 124 of Part 8 of the School Act. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act and, where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, the City has complied, in all material respects, with subsections 2 and 3 of section 124 of Part 8 of the School Act for the year ended December 31, 2013.

Our report is intended solely for the City and the Ministry of Community, Sport and Cultural Development and should not be used by parties other than the City or the Ministry of Community, Sport and Cultural Development.



TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS

The Terms and Conditions are an integral part of the accompanying engagement letter from KPMG that identifies the engagement to which they relate (and collectively form the "Engagement Letter"). The Engagement Letter supersedes all written or oral representations on this matter.

1. SEVERABILITY.

If any of the provisions of this Engagement Letter are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and be binding on the parties to the fullest extent permitted by law.

2. GOVERNING LAW.

This Engagement Letter shall be subject to and governed by the laws of the province where KPMG's principal office performing this engagement is located (without regard to such province's rules on conflicts of law) and all disputes arising hereunder or related thereto shall be subject to the exclusive jurisdiction of the courts of such province of Canada.

3. LLP STATUS.

KPMG LLP is a registered limited liability Partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial legislation. KPMG is a partnership, but its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of the LLP that arise from a negligent act or omission by another partner or by any other person under that other partner's direct supervision or control. The legislation relating to limited liability partnerships does not, however, reduce or limit the liability of the firm. The firm's insurance exceeds the mandatory professional indemnity insurance requirements established by the relevant professional bodies. Subject to the other provisions hereof, all partners of the LLP remain personally liable for their own actions and/or actions of those they directly supervise or control.

4. DOCUMENTS AND INFORMATION.

Management's cooperation in providing us with documents and related information and agreed-upon assistance on a timely basis is an important factor in being able to issue our report. KPMG shall be entitled to share all information provided by the Entity with all other member firms of KPMG International Cooperative ("KPMG International") performing services hereunder. All work papers, files and other internal materials created or produced by KPMG during the engagement and all copyright and intellectual property rights in our work papers are the property of KPMG.

5. INFORMATION PROCESSING OUTSIDE OF CANADA.

In some circumstances, information entered into KPMG's time and billing system regarding the Entity and the services performed by KPMG hereunder will be stored in the United States of America by KPMG or a third party processor, and such information may be subject to disclosure in accordance with the laws applicable in the United States of America. KPMG acknowledges and represents to the Entity that only the name of the Entity, time incurred and description of the time incurred will be entered into KPMG's time and billing system regarding the Entity. Under no circumstances will KPMG's time descriptions include any information that would be covered by privacy legislation in effect in British Columbia and no other information related to the Entity will be stored outside British Columbia or made available to any person or entity without the consent of the Entity unless ordered pursuant to a competent court in British Columbia or professional regulatory body KPMG is subject to.

6. PERSONAL INFORMATION CONSENTS AND NOTICES.

Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at www.kpmg.ca. KPMG may be required to collect, use and disclose personal information about individuals during the course of this engagement.

The Entity represents and warrants that: (i) it will obtain any consents reasonably required to allow KPMG to collect, use and disclose personal information in the course of the engagement, and (ii) it has provided notice of the potential processing of such personal information outside of Canada (as described in paragraph 5 above). KPMG's Privacy Officer noted in KPMG's Privacy Policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.

The Entity consents to KPMG sending to the Entity, its officers, directors and employees, as applicable, electronic messages (including emails)

relating to KPMG products and services and other matters of interest to the Entity. The Entity, its officers, directors or employees may withdraw such consent by contacting KPMG's National Office located at Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2S5, Attention: [Unsubscribe](mailto:Unsubscribe@kpmg.ca); or info@kpmg.ca.

7. OFFERS OF EMPLOYMENT.

In order to allow issues of independence to be addressed, management agrees that prior to extending an offer of employment to any KPMG partner, employee or contractor, the matter is communicated to the engagement partner or associate partner.

8. OFFERING DOCUMENTS.

If the Entity wishes to include or incorporate by reference the financial statements and our report thereon in an offering document, we will consider consenting to the use of our report and the terms thereof at that time. Nothing in this Engagement Letter shall be construed as consent and KPMG expressly does not consent to the use of our audit report(s) in offering documents. If the Entity wishes to obtain KPMG's written consent to the use of our audit report(s) in an offering document, or wishes us to provide a comfort or advice letter, we will be required to perform procedures as required by professional standards; any agreement to perform such procedures will be documented in a separate engagement letter. Management agrees to provide us with adequate notice of the preparation of such documents.

9. FEE AND OTHER ARRANGEMENTS.

KPMG's estimated fee is based on the quality of the Entity's accounting records, the agreed-upon level of preparation and assistance from the Entity's personnel, and adherence to the agreed-upon timetable. KPMG's estimated fee also assumes that the Entity's financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues, or financial reporting, internal control over financial reporting or other reporting issues. KPMG will inform the Entity on a timely basis if these factors are not in place.

Additional time may be incurred for such matters as significant issues, significant unusual and/or complex transactions, informing management about new professional standards, and any related accounting advice. Where these matters arise and require research, consultation and work beyond that included in the estimated fee, the Entity and KPMG agree to revise the estimated fee. No significant additional work will proceed without management's concurrence, and, if applicable, without the concurrence of those charged with governance. Upon completion of these services KPMG will review with the Entity any fees and expenses incurred in excess of KPMG's estimate, following which KPMG will render the final billing. Routine administrative expenses such as long distance telephone calls, photocopies, fax charges, printing of statements and reports, postage and delivery and secretarial and report department assistance will be charged on the basis of a percentage of KPMG's professional costs. Other disbursements for items such as travel, accommodation and meals will be charged based on KPMG's actual disbursements.

KPMG's invoices are due and payable upon receipt. Amounts overdue are subject to interest. In order to avoid the possible implication that unpaid fees might be viewed as creating a threat to KPMG's independence, it is important that KPMG's bills be paid promptly when rendered. If a situation arises in which it may appear that KPMG's independence is threatened because of significant unpaid bills, KPMG may be prohibited from signing the report and, if applicable, any consent.

Fees for any other services will be billed separately from the services described in this engagement letter and may be subject to written terms and conditions supplemental to those in this letter.

Canadian Public Accountability Board (CPAB) participation fees, when applicable, are charged to the Entity based on the annual fees levied by CPAB.

To the extent that KPMG partners and employees are on the Entity's premises, the Entity will take all reasonable precautions for the safety of KPMG partners and employees at the Entity's premises.

10. LEGAL PROCESSES.

The Entity on its own behalf hereby acknowledges and agrees to cause its subsidiaries and affiliates to hereby acknowledge that KPMG may from time to time receive requests or orders from the Canadian Public



TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS

Accountability Board or from professional, securities or other regulatory, judicial or governmental authorities (both in Canada and abroad) to provide them with information and copies of documents in KPMG's files including working papers and other work-product relating to the affairs of the Entity, its subsidiaries and affiliates. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of KPMG's audit of the Entity, KPMG will advise the Entity of the request or order. The Entity hereby acknowledges that KPMG will provide these documents and information without further reference to, or authority from, the Entity, its subsidiaries and affiliates.

When such an authority requests access to KPMG's working papers and other work-product relating to the Entity's affairs, KPMG will, on a reasonable efforts basis, refuse access to any document over which the Entity has expressly informed KPMG at the time of delivery that the Entity asserts privilege, except where disclosure of documents is required by law. The Entity must mark any document over which it asserts privilege as "privileged". If and only if the authority requires such access to privileged documents pursuant to the laws of a jurisdiction in which express consent is required for such disclosure, then the Entity hereby provides its consent. Where privileged Entity documents are disclosed, KPMG is directed to advise the authority that the Entity is permitting disclosure only to the extent required by law and for the limited purpose of the authority's exercise of statutory authority. KPMG is directed to advise the authority that the Entity does not intend to waive privilege for any other purpose and that the Entity expects its documents to be held by the authority as privileged and confidential material (held securely, limited distribution, etc.). For greater certainty, the Entity and KPMG hereby agree that this acknowledgement (and, if required, consent) does not negate or constitute a waiver of privilege for any purpose and the Entity expressly relies upon the privilege protections afforded under statute and otherwise under law.

The Entity agrees to reimburse KPMG, upon request, at standard billing rates for KPMG's professional time and expenses, including reasonable legal fees, incurred in dealing with the matters described above.

11. KPMG INTERNATIONAL MEMBER FIRMS.

The Entity agrees that any claims that may arise out of this engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International Cooperative ("KPMG International") member firms participating in this engagement or such third party service providers referred to in Section 5 above.

12. CONNECTING TO THE ENTITY'S IT NETWORK.

KPMG personnel are authorized to connect their computers to the Entity's IT Network, subject to any restrictions communicated to KPMG from time to time. Connection to the Entity's IT Network or the Internet via the Network, while at the Entity's premises, will be for the express purpose of conducting normal business activities, primarily relating to facilitating the completion of work referred to in this letter.

13. DELIVERABLES OR COMMUNICATIONS.

KPMG may issue other deliverables or communications as part of the services described in this Engagement Letter. Such deliverables or communications may not be included in, summarized in, quoted from or otherwise used or referred to, in whole or in part, in any documents or public oral statement.

KPMG expressly does not consent to the use of any communication, report, statement or opinion prepared by us on the interim financial statements and such communication, report, statement or opinion may not be included in, summarized in, quoted from or otherwise used in any document or public oral statement.

14. ALTERNATIVE DISPUTE RESOLUTION.

The parties hereby agree that they will first attempt to settle any dispute arising out of or relating to this Engagement Letter or the services provided hereunder through good faith negotiations in the spirit of mutual cooperation between representatives of each of the parties with authority to resolve the dispute. In the event that the parties are unable to settle or resolve their dispute through negotiation within 30 days of the dispute first arising or such longer period as the parties may mutually agree upon, such dispute shall, as promptly as is reasonably practicable, be subject to mediation pursuant to the National Mediation Rules of the ADR Institute of Canada, Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as

the parties may mutually agree upon shall, as promptly as is reasonably practicable, be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada, Inc. (the "Arbitration Rules"). Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the Arbitration Rules. The place of mediation and arbitration shall be the city in Canada in which the principal KPMG office that performed the engagement is located. The language of the mediation and arbitration shall be English.



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

1. TERMS AND CONDITIONS.

- a. The Terms and Conditions are an integral part of the accompanying Proposal or Engagement Letter from KPMG that identifies the engagement to which they relate.
- b. In the event of conflict between the Proposal or Engagement Letter and the Terms and Conditions, the Terms and Conditions shall prevail unless specific reference to a provision of the Terms and Conditions being varied is made in the Proposal or Engagement Letter. Other capitalized words in the Terms and Conditions shall have the meanings given to them in the Proposal or Engagement Letter.

2. SERVICES.

KPMG will use reasonable efforts to complete the performance of the services within any agreed-upon time-frame. It is understood and agreed that KPMG's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations, shall be the responsibility of, and made by, Client. KPMG will not perform management functions or make management decisions for Client. Nothing in the Terms and Conditions shall be construed as precluding or limiting in any way the right of KPMG to provide services of any kind or nature whatsoever to any person or entity as KPMG in its sole discretion deems appropriate.

3. CLIENT RESPONSIBILITIES.

- a. Client agrees to cooperate with KPMG in the performance of the services under the Engagement Letter and shall provide or arrange to provide KPMG with timely access to and use of the personnel, facilities, equipment, data and information necessary for KPMG to perform the services under the Engagement Letter. To the extent that KPMG personnel are on Client premises, Client will take all reasonable precautions for the safety of KPMG partners and employees at Client premises. Client shall be responsible for the performance of its employees and agents and for the accuracy and completeness of all data and information provided to KPMG for purposes of the performance by KPMG of its services hereunder. The Proposal or Engagement Letter may set forth additional responsibilities of Client in connection with the engagement. Client acknowledges that Client's failure to perform these obligations could adversely impact KPMG's ability to perform its services.
- b. Client agrees that Client, and not KPMG, shall perform the following functions: (i) make all management decisions and perform all management functions; (ii) designate an individual who possesses suitable skill, knowledge and experience, preferably within senior management, to oversee the performance of the services under the Engagement Letter, and to evaluate the adequacy and results of such services; (iii) accept responsibility for the results of such services; and (iv) establish and maintain internal controls over the processes with which such services are concerned, including, without limitation, monitoring ongoing activities.
- c. Client acknowledges and agrees that KPMG will, in performing the services, base its conclusions on the facts and assumptions that Client furnishes and that KPMG may use data, material, and other information furnished by or at the request or direction of Client without any independent investigation or verification and that KPMG shall be entitled to rely upon the accuracy and completeness of such data, material and other information. Inaccuracy or incompleteness of such data, material and other information furnished to KPMG could have a material effect on KPMG's conclusions.
- d. Client acknowledges that information made available by it, or by others on Client's behalf, or otherwise known to partners or staff of KPMG who are not engaged in the provision of the services hereunder shall not be deemed to have been made available to the individuals within KPMG who are engaged in the provision of the services hereunder. Client undertakes that, if anything occurs after information is provided by Client to KPMG to render such information untrue, unfair or misleading, Client shall promptly notify KPMG.

4. REPORTING.

- a. During the performance of the services, KPMG may supply oral, draft or interim advice, reports or presentations but in such circumstances KPMG's written advice or final written report shall take precedence. No reliance should be placed by Client on any oral, draft or interim advice, reports or presentations. Where Client wishes to rely on oral advice or oral presentation, Client shall inform KPMG and KPMG will provide documentary confirmation of the advice concerned.

- b. Subsequent to the completion of the engagement, KPMG will not update its advice, recommendations or work product for changes or modification to the law and regulations, or to the judicial and administrative interpretations thereof, or for subsequent events or transactions, unless Client separately engages KPMG to do so in writing after such changes or modifications, interpretations, events or transactions occur.

5. WORKING PAPERS AND USE OF REPORTS.

KPMG retains all rights in all methodologies, know-how, knowledge, applications and software developed by KPMG either prior to or during the engagement. KPMG also retains all rights (including copyright) in all reports, written advice and other working papers and materials developed by KPMG during the engagement. Unless contemplated by the Engagement Letter, all reports and written advice are intended solely for Client's internal use and, where applicable, government taxation authorities, and may not be edited, distributed, published, made available or relied upon by any other person without KPMG's express written permission. If such permission is given, Client shall not publish any extract or excerpt of KPMG's written advice or report or refer to KPMG without providing the entire advice or report at the same time. Subject to the restrictions of Section 6, KPMG is entitled to use or develop the knowledge, experience and skills of general application gained through performing the engagement.

6. CONFIDENTIALITY.

- a. Except as described in section 5 above, Client will treat in confidence any KPMG methodologies, know-how, knowledge, application or software identified by KPMG as confidential information of KPMG, and will not use or disclose such confidential information of KPMG to others.
- b. KPMG will treat as confidential all proprietary information and personal information obtained from Client in the course of the engagement.
- c. The above restrictions shall not apply to any information that: (i) is required by law or professional standards applicable to KPMG to be disclosed; (ii) that is in or hereafter enters the public domain; (iii) that is or hereafter becomes known to Client or KPMG, as the case may be, without breach of any confidentiality obligation; or (iv) that is independently developed by KPMG.
- d. KPMG shall be entitled to include a description of the services rendered in the course of the engagement in marketing and research materials and disclose such information to third parties, provided that all such information will be rendered anonymous and not subject to association with Client.
- e. KPMG shall be entitled to share all information with all other member firms of KPMG International Cooperative ("KPMG International"). KPMG may also use such information to offer services that may be of interest to Client. KPMG may retain and may disclose to other member firms of KPMG International, subject to terms of this section, such information required for compliance with applicable professional standards or internal policies or for quality reviews or to share best practices.
- f. Professional standards require KPMG personnel performing any audit or assurance services for clients to discuss or have available to them all information and materials that may affect the audit or assurance engagement. Client authorizes, if Client is or becomes an assurance Client, KPMG personnel performing services under the engagement to make available to the KPMG assurance engagement team and other KPMG personnel, the findings, observations and recommendations from the engagement and agrees that KPMG may use all such findings, observations and recommendations in KPMG's assurance engagement.

7. PERSONAL INFORMATION CONSENTS AND NOTICES.

Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at www.kpmg.ca. KPMG may be required to collect, use and disclose personal information about individuals during the course of this engagement. Client represents and warrants that: (i) it will obtain from individuals all consents required by law to permit KPMG to collect, use and disclose all personal information reasonably required in the course of the engagement, and (ii) it has provided notice of KPMG's potential processing of information outside of Canada (as described in paragraph 8 below) to all individuals whose personal information is disclosed to KPMG. Client consents to KPMG sending to Client, its officers, directors and employees, as applicable, electronic messages (including emails) relating to KPMG products and services and



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other matters of interest to Client. Client, its officers, directors or employees may withdraw such consent by contacting KPMG's National Office located at Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2S5, Attention: Unsubscribe; or info@kpmg.ca.

8. USE OF MEMBER FIRMS AND THIRD PARTY SERVICE PROVIDERS.

Personal and/or confidential information collected by KPMG during the course of this engagement (e.g. entries into KPMG's time and billing system and into KPMG's conflicts database) may be used, processed and stored outside of Canada by KPMG, KPMG International member firms providing services hereunder or third party service providers. KPMG represents to Client that each KPMG International member firm and third party service provider providing services hereunder has agreed or shall agree to conditions of confidentiality with respect to Client's information to the same or similar extent as KPMG has agreed pursuant to Section 6. Further, KPMG is responsible to Client for causing third party service providers to comply with such conditions of confidentiality, and KPMG shall be responsible to Client for their failure to comply and failure of each KPMG International member firm providing services hereunder to comply with its obligations of confidentiality owed to KPMG. Any services performed by third party service providers shall be performed in accordance with the terms of this Engagement Letter, including Section 6, but KPMG shall remain responsible to Client for the performance of such services and services performed by each KPMG International member firm providing services hereunder. Such personal and/or confidential information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG's Privacy Officer noted in KPMG's Privacy Policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.

9. TAXES/BILLING/EXPENSES/FEES.

- a. All fees and other charges do not include any applicable federal, provincial, or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future. Any such taxes or duties shall be assumed and paid by Client without deduction from the fees and charges hereunder.
- b. Bills, including, without limitation, a charge on account of all reasonable expenses, including travel, meals, accommodations, long distance, telecommunications, photocopying, delivery, postage, clerical assistance and database research will be rendered on a regular basis as the engagement progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice.
- c. Without limiting its rights or remedies, KPMG shall have the right to halt or terminate entirely its services until payment is received on past due invoices.
- d. In the event that the engagement is terminated and Client proceeds to complete the transaction or financing within 18 months from the termination date, then the full amount of any Completion Fee shall be payable on closing of the transaction or the completion of financing, regardless of whether KPMG provided further service.

10. LIMITATION ON WARRANTIES.

THIS IS A SERVICES ENGAGEMENT. KPMG WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH WITH QUALIFIED PERSONNEL IN A COMPETENT AND WORKMANLIKE MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. KPMG DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

11. LIMITATION ON LIABILITY.

- a. Client agrees that KPMG shall not be liable to Client for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of the fees paid by Client to KPMG under the engagement. On a multi-phase engagement, KPMG's liability shall be

based on the amount actually paid to KPMG for the particular phase that gives rise to the liability.

- b. In the event of a claim by any third party against KPMG that arises out of or relates to the services performed hereunder, Client will indemnify KPMG from all such claims, liabilities, damages, costs and expenses, including, without limitation, reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of KPMG.

- c. In no event shall KPMG be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). In any action, claim, loss or damages arising out of the engagement, Client agrees that KPMG's liability will be several and not joint and several. Client may only claim payment from KPMG of KPMG's proportionate share of the total liability based on degree of fault.

- d. For purposes of this section, the term KPMG shall include its associated and affiliated entities and their respective partners, directors, officers and employees. The provisions of this section shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

12. LEGAL PROCEEDINGS.

- a. Client agrees to notify KPMG promptly of any request received by Client from any court or applicable regulatory authority with respect to the services hereunder, KPMG's advice or report or any related document.

- b. If KPMG is required by law, pursuant to government regulation, subpoena or other legal process or requested by Client to produce documents or personnel as witnesses arising out of the engagement and KPMG is not a party to such proceedings, Client shall reimburse KPMG at standard billing rates for professional time and expenses, including, without limitation, reasonable legal fees, incurred in responding to such requests.

- c. Client acknowledges that KPMG may from time to time receive requests or orders from professional, securities or other regulatory, judicial or governmental authorities (both in Canada and abroad) to provide them with information and copies of documents in KPMG's files including working papers and other work-product relating to Client. Except where prohibited by law, KPMG will advise Client of the request or order. Client hereby acknowledges that KPMG will provide these documents and information without further reference to, or authority from Client.

When such an authority requests access to KPMG's working papers and other work-product relating to Client's affairs, KPMG will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed KPMG at the time of delivery that the Client asserts privilege, except where disclosure of documents is required by law. Client must mark any document over which it asserts privilege as "privileged". If and only if the authority requires such access to privileged documents pursuant to the laws of a jurisdiction in which express consent is required for such disclosure, then Client hereby provides its consent.

Where privileged Client documents are disclosed, KPMG is directed to advise the authority that Client is permitting disclosure only to the extent required by law and for the limited purpose of the authority's exercise of statutory authority. KPMG is directed to advise the authority that Client does not intend to waive privilege for any other purpose and that Client expects its documents to be held by the authority as privileged and confidential material (held securely, limited distribution, etc.). For greater certainty, Client and KPMG hereby agree that this acknowledgement (and, if required, consent) does not negate or constitute a waiver of privilege for any purpose and Client expressly relies upon the privilege protections afforded under statute and otherwise under law.

13. LIMITATION PERIOD.

No alternative dispute resolution proceeding arising under or relating to the engagement, may be brought by either party more than one year after the cause of action has accrued or in any event not more than five years after completion of the engagement in the case of an advisory services engagement and not more than eight years after completion of the engagement in the case of a tax services engagement, except that an alternative dispute resolution proceeding for non-payment may be brought by a party not later than one year following the date of the last payment due to such party hereunder. For purposes of this section, the term KPMG



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shall include its associated and affiliated entities and their respective partners, directors, officers and employees.

14. TERMINATION.

Unless terminated sooner in accordance with its terms, the engagement shall terminate on the completion of KPMG's services hereunder, which completion shall be evidenced by the delivery by KPMG to Client of the final invoice in respect of the services performed hereunder. Should Client not fulfill its obligations set out herein or in the Engagement Letter and in the absence of rectification by Client within 10 days, KPMG may, upon written notice, terminate its performance and will not be responsible for any loss, cost or expense resulting. The engagement may be terminated by either party at any time by giving written notice to the other party not less than 30 calendar days before the effective date of termination. Upon early termination of the engagement, Client shall be responsible for the payment to KPMG for KPMG's time and expenses incurred up to the termination date, as well as reasonable time and expenses to bring the engagement to a close in a prompt and orderly manner.

15. E-MAIL COMMUNICATION.

Client recognizes and accepts the risks associated with communicating by Internet e-mail, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless Client requests in writing that KPMG does not communicate by Internet e-mail, Client assumes all responsibility or liability in respect of risk associated with its use.

16. POTENTIAL CONFLICTS OF INTEREST.

Except as otherwise set out herein, Client should be aware that it is not uncommon for KPMG to be auditors and/or advisors of more than one of the parties involved in a transaction. In such situations, KPMG takes appropriate measures to ensure that strict confidentiality is maintained in all respects. If these circumstances are identified, KPMG will advise Client of that fact, subject to confidentiality requirements, and will consider with Client what further measures, if any, are appropriate. Client further acknowledges that at some point KPMG may act contrary to Client's interest on unrelated matters.

17. FORCE MAJEURE.

Neither Client nor KPMG shall be liable for any delays resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

18. INDEPENDENT CONTRACTOR.

It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, distributor or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

19. SURVIVAL.

Sections 1 to 16 and 19, 20, 24, 25 and 29 to 31 hereof shall survive the expiration or termination of the engagement.

20. SUCCESSORS AND ASSIGNS.

The Terms and Conditions and the accompanying Proposal or Engagement Letter shall be binding upon the parties hereto and their respective associated and affiliated entities and their respective partners, directors, officers and employees and successors and permitted assigns. Except as provided below, neither party may assign, transfer or delegate any of the rights or obligations hereunder without the prior written consent of the other party. KPMG may assign its rights and obligations hereunder to any affiliate or successor in interest to all or substantially all of the assets or business of the relevant KPMG practice, without the consent of Client. In addition, KPMG may engage independent contractors and member firms of KPMG International to assist KPMG in performing the services hereunder.

21. SEVERABILITY.

The provisions of the Terms and Conditions and the accompanying Proposal or Engagement Letter shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law. If any of these

provisions shall be held to be invalid, void or unenforceable, then the remainder of the Terms and Conditions and the attached Proposal or Engagement Letter, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall be valid and enforceable to the fullest extent permitted by law.

22. ENTIRE AGREEMENT.

The Terms and Conditions and the accompanying Proposal or Engagement Letter including, without limitation, Exhibits, constitute the entire agreement between KPMG and Client with respect to the engagement and supersede all other oral and written representation, understandings or agreements relating to the engagement.

23. GOVERNING LAW.

The Terms and Conditions and the accompanying Proposal or Engagement Letter shall be subject to and governed by the laws of the province in which KPMG's principal Canadian office performing the engagement is located (without regard to such province's rules on conflicts of law).

24. PUBLICITY.

Upon the closing of a transaction, KPMG will have the right (but shall not be obliged), at its expense, to publicize its association with the transaction by way of public announcement in "tombstone" or similar format, subject to prior review of the wording for any such announcement with Client.

25. KPMG INTERNATIONAL MEMBER FIRMS.

In the case of multi-firm engagements, all member firms of KPMG International performing services hereunder shall be entitled to the benefits of the Terms and Conditions. Client agrees that any claims that may arise out of the engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International member firms or such third party service providers referred to in Section 8 above.

26. SARBANES-OXLEY ACT.

Except as set forth in the Engagement Letter, Client acknowledges that completion of the engagement or acceptance of KPMG's reports, advice, recommendations and other deliverables resulting from the engagement will not constitute a basis for Client's assessment of internal control over financial reporting or Client's evaluation of disclosure controls and procedures, or its compliance with its principal officer certification requirements under Section 302 of the *Sarbanes-Oxley Act of 2002* (the "Act"). The engagement shall not be construed to support Client's responsibilities under Section 404 of the Act requiring each annual report filed under Section 13(a) or 15(d) of the *Securities Exchange Act of 1934* to contain an internal control report from management.

27. NATIONAL INSTRUMENT 52-109.

Except as set forth in the Engagement Letter, Client acknowledges that completion of the engagement or acceptance of KPMG's reports, advice, recommendations and other deliverables resulting from the engagement will not constitute a basis for Client's evaluation of disclosure controls and procedures, or its compliance with its CEO/CFO certification requirements under *National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings*, including those related to the design of internal control over financial reporting.

28. SPECIFIC ACCOUNTING AND OTHER ADVICE.

Except as set forth in the Engagement Letter, the engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and facts and circumstances of Client. Such services, if requested, would be provided pursuant to a separate engagement. Client should consult with and/or engage legal counsel for the purpose of advising on legal aspects of matters on which KPMG provides its advice and drafting any legal documents and/or agreements that may be required. To the extent legal counsel or other professional service providers are required, Client is exclusively responsible for engaging and paying such service providers.

29. TAX SERVICES.

a. If tax work is specifically requested by Client, KPMG will perform the procedures in accordance with this section. KPMG will base its findings exclusively on the facts and assumptions provided to KPMG by Client and Client's personnel and advisors. KPMG will consider the applicable



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provisions of the relevant taxing statutes, the regulations thereunder, applicable tax treaties and judicial and administrative interpretations thereof. KPMG will also take into account all specific proposals to amend such statutes, regulations and treaties publicly announced prior to the date of KPMG's reports, based on the assumption that these amendments will be enacted substantially as proposed. These authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of KPMG's findings and may result in incremental taxes, interest or penalties. KPMG's findings will not otherwise take into account or anticipate any changes in law or practice, by way of judicial, governmental or legislative action or interpretation. Unless Client specifically requests otherwise, KPMG will not update tax work to take any such changes into account.

b. KPMG will use professional judgment in providing advice, and will, unless Client instructs otherwise, take the position most favourable to Client whenever reasonable. All returns are subject to examination by tax authorities, and KPMG's advice may be audited and challenged by a tax authority. Client understands that KPMG's conclusions are not binding on tax authorities or the courts and should not be construed as a representation, warranty or guarantee that the tax authorities or courts will agree with KPMG's conclusion.

c. Client is also responsible for ensuring that KPMG's advice is implemented strictly in accordance with KPMG's recommendations. KPMG is not responsible for any penalties or interest assessed against Client as a result of a failure by Client to provide KPMG with accurate and complete information.

d. Unless expressly provided for, KPMG's services do not include representing Client in the event of a challenge by the Canada Revenue Agency or other tax or revenue authorities.

30. LLP.

KPMG LLP is a registered limited liability partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial LLP legislation. KPMG is a partnership, but its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of the LLP that arise from a negligent act or omission by another partner or any person under that other partner's direct supervision or control. The legislation relating to limited liability partnerships does not, however, reduce or limit the liability of the firm. The firm's insurance exceeds the mandatory professional indemnity insurance requirements established by the relevant professional bodies. Subject to the other provisions hereof, all partners of the LLP remain personally liable for their own actions and/or actions of those they directly supervise or control.

31. ALTERNATIVE DISPUTE RESOLUTION.

The parties hereby agree that they will first attempt to settle any dispute arising out of or relating to this Engagement Letter or the services provided hereunder through good faith negotiations in the spirit of mutual cooperation between representatives of each of the parties with authority to resolve the dispute. In the event that the parties are unable to settle or resolve their dispute through negotiation within 30 days of the dispute first arising or such longer period as the parties may mutually agree upon, such dispute shall, as promptly as is reasonably practicable, be subject to mediation pursuant to the National Mediation Rules of the ADR Institute of Canada, Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties may mutually agree upon shall, as promptly as is reasonably practicable, be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada, Inc. (the "Arbitration Rules"). Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the Arbitration Rules. The place of mediation and arbitration shall be the city in Canada in which the principal KPMG office that performed the engagement is located. The language of the mediation and arbitration shall be English.



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong, CA
Director, Finance
Re: 2014 Capital Budget

Date: November 29, 2013
File:



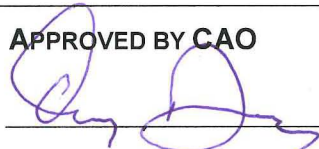
Staff Recommendation

That:

1. The 2014 Capital Budget be approved and staff authorized to commence the 2014 Capital Projects effective January 1, 2014; and
2. The Five-Year Financial Plan (2014-2018) be prepared for presentation to Council incorporating the 2014 Capital Budget.


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

Att. 6

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

Staff Report

Origin

Subsection 165(1) of the Community Charter requires the City to adopt a Five-Year Financial Plan (5YFP) Bylaw on or before May 15th of each year. The 5YFP Bylaw includes operating, utility and capital budgets for the current year (2014) and provides estimates for the remaining years of the five-year program. The 5YFP (2014-2018) Bylaw provides the City with the authority to proceed with spending as outlined in the Bylaw.

The Capital Budget (the “budget”) is one of the main components in preparing the 5YFP. The budget includes all expenditures that improve, replace and extend the useful life of the City’s asset inventory, which has a net book value greater than \$1.8 billion. The Capital budget allows the City to sustain existing civic infrastructure, while also adding new facilities and services to serve the growing community. Over the past decade, for example, Council has used the capital budget to fund construction of three new fire halls, acquisition and retrofitting of the new Community Safety building, purchase of the Garden City Lands, purchase of environmentally sensitive lands at Grauer Road and Northeast Bog Forest, completion of a major expansion of Hamilton Community Centre, Highway 91/Nelson Road Interchange, 20 pump stations, and building the Richmond Olympic Oval.

This budget acts as a tool where capital projects (e.g. parks, trails, facilities, roads, etc.) are prioritized and capital resources evaluated over a 5-year time horizon. The Long Term Financial Management Strategy (LTFMS) is a set of principles created by Council to guide the financial planning process. It is Council policy and a key component of the LTFMS to ensure that sufficient long term capital funding for infrastructure replacement and renewal is in place in order to maintain community viability and generate economic development.

The budget also authorizes the use of certain funding sources such as Development Cost Charges (DCCs) and Statutory Reserves for internal transfers, transfers to the operating budget for non-tangible capital assets and debt re-payments.

Analysis

This report presents the proposed 2014 Capital Budget and seeks Council review and approval on 2014 recommended projects and related expenditures. The proposed Capital Budget for 2014 is \$185.9 million.

2014 Capital Overview

Capital funds will be directed towards the most critical infrastructure and asset management programs and the highest priority projects to meet Council direction and the needs of the citizens of Richmond. The priorities are aligned with Council Term Goals such as “Continued implementation and significant progress towards achieving the City’s Sustainability Framework and associated targets.”

The City's capital budget ensures appropriate planning for required projects and their related funding to demonstrate the complete impact of major multi-year projects. Capital requirements are driven by many factors including growth, maintenance of current aging infrastructure and ensuring that the City is consistently meeting industry standards as well as legislated and regulatory requirements.

The proposed Capital Budget for 2014 is \$185.9 million. \$120.1 million or sixty-five percent of the proposed Capital Budget is related to the Corporate Facilities Implementation Plan – Phase 1 (CFIP - Phase 1) endorsed by Council on November 12, 2013 to build a co-located Older Adults Centre and Minoru Aquatic Centre at Minoru 2 Field in Minoru Park, build a new Fire Hall No. 1 and new City Centre Community Centre. The total amount approved by Council for Phase 1 is \$123.7 million. These projects are funded by a combination of internal City funding sources and \$50 million debt financing from Municipal Finance Authority.

The difference between the approved amount and the amount included in the 2014 budget is \$3.6 million and is explained by two factors:

\$4 million was included in the 2013-2017 Five-Year Financial Plan Amendment for advanced design (\$3.5 million) and advanced construction of the tenant improvements for City Centre Community Centre (\$0.5 million) and is therefore not included as part of the 2014 Capital Budget. The project total should therefore be \$119.7 million.

At the time that Council approved this project, there was uncertainty whether the HVAC would be provided by the developer. Typically a developer would not provide the HVAC but as this item was still under negotiation at the time, staff did not want to relieve the developer of this responsibility prematurely. It has now been confirmed that the City is responsible for this cost, which was not included in the project scope for the aforementioned reason. This system is required to meet LEED standards. In addition, in response to feedback from the Disability Resource Committee an elevator instead of a lift was requested and will be more functional. Therefore, an additional \$400,000 is added to the City Centre Community Centre project. The final project total included in the 2014 budget is \$120.1 million.

The following is an overview of the major program areas funded through the capital budget with selected highlights of proposed 2014 initiatives being recommended to Council. A more detailed breakdown of each project is included in the appendices to this report:

Buildings – \$122.1M



The building program funds major building construction and renovation projects as well as minor facility upgrades.

For 2014 the building program includes the Corporate Facilities Implementation Plan – Phase 1 for major facilities including Older Adults Centre, Minoru Aquatic Centre, and Fire Hall No. 1.

Infrastructure – \$32.1M:

The City's Infrastructure Program funds assets that include: road, drainage and sanitary pump stations, drainage, water, and sanitary mains. For 2014 it encompasses investing \$32 million on improving the City's civic infrastructure.

The 2014 program includes No.2 Road North Pump Station upgrade, watermain replacements, residential water metering, and pavement upgrades.

Equipment – \$8.1M:

The 2014 equipment program includes a computer software upgrade for public works, library material purchases and fire vehicle replacement purchases.

Parks – \$6.6M:

Richmond is renowned for its high quality parks and recreation facilities, with over 90 parks totaling approximately 1,400 acres. In addition to the City's parks, Richmond also has a 200-acre recreational trail system.

The 2014 program includes work on Cambie Mueller Park, Terra Nova Park and Minoru's artificial turf field.

Land – \$5.0M:

The 2014 land acquisition program relates to the acquisition of real property for the City, as approved by Council.

Affordable Housing – \$0.9M:



Affordable Housing is responsible for coordinating the implementation of the Richmond Affordable Housing Strategy adopted in 2007.

The 2014 program includes a City-owned site designated for affordable housing to support the development of affordable housing.

Child Care – \$50K:



To address child care needs, the City's 2014 Child Care program will provide ongoing capital maintenance costs for facilities such as the Cressey Child Care Facility and Bridgeport Child Care Facility.

2014 Project Highlights

Some of the 2014 highlights and their benefits are summarized below. These projects have been prioritized based on Council Term Goals as follows:

Community Safety:

- Continued drainage improvements including an upgrade of the No.2 Road North pump station to provide greater pumping capacity

Community Social Services:

- Funding for affordable housing projects and initiatives to ensure affordable rents to Richmond residents

Facility Development:

- New co-located Older Adults Centre and Minoru Aquatic Centre for the enjoyment of City residents

Financial Management:

- Funding has been put in place to ensure the City can adhere to the land acquisition strategy to meet the long term needs

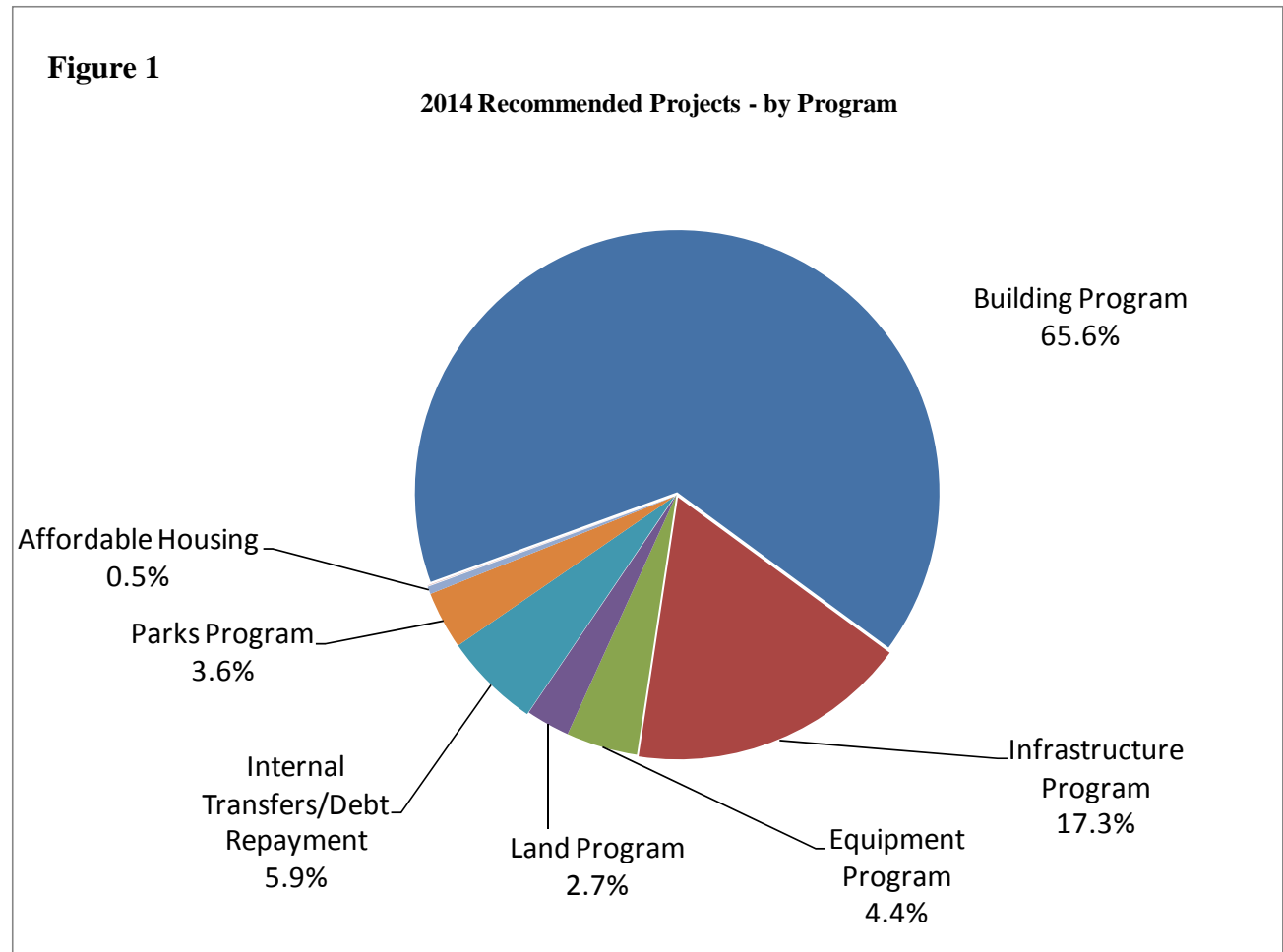
Managing Growth and Development:

- Addition of the Cambie Mueller Park

Arts and Culture:

- Restoration and rehabilitation of the Minoru Chapel to ensure the longevity of this iconic Heritage building for the continued use of City residents

The 2014 recommended capital projects by program are summarized in Figure 1.

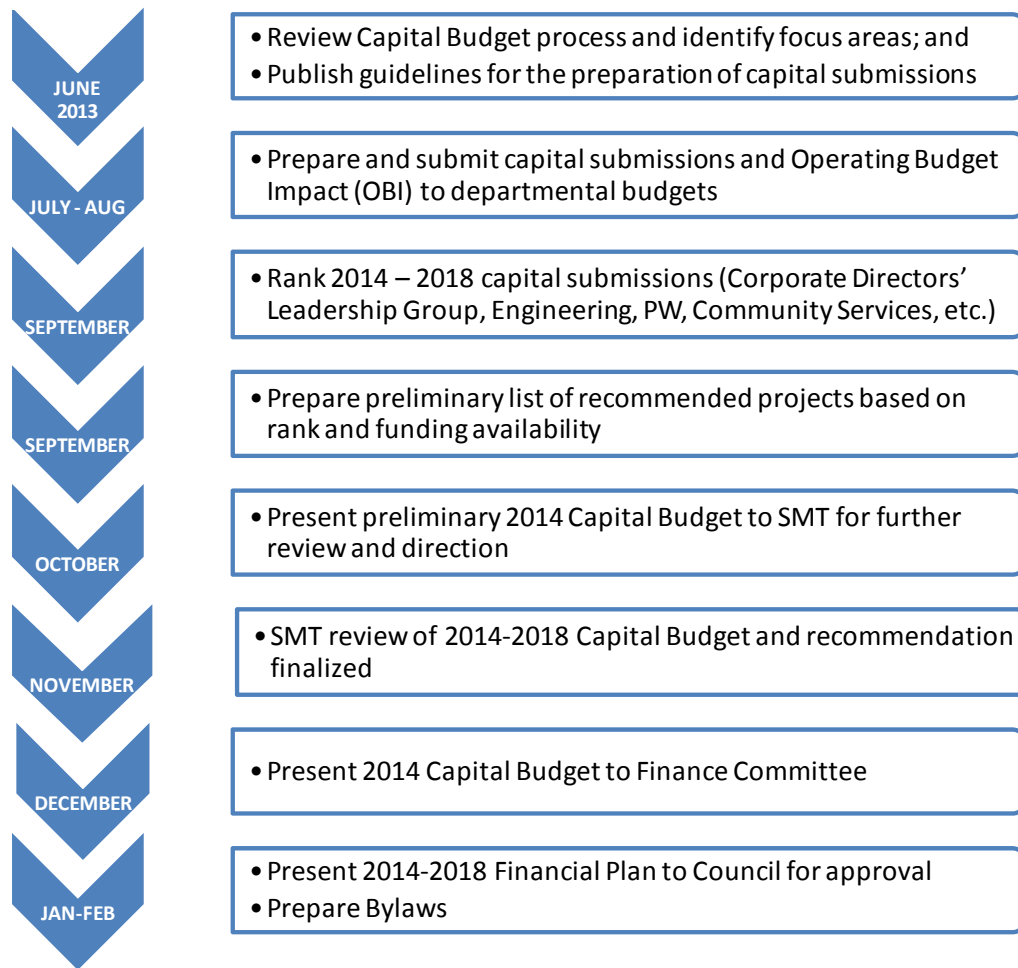


For a complete listing of 2014 projects see Appendix 1.

2014 Capital Process

As part of the budget process, the Corporate Directors' Leadership Group (the “CDLG”) which is comprised of Directors from all departments considered strategic and master plans, policies such as the LTFMS and Council priorities. The CDLG completed a ranking process for each capital submission proposed to be funded from the Revolving Fund and Gaming Fund based on the established criteria. Individual departments with reserve funds established by Council rank their own projects which are proposed to be funded from the specific reserves which allow the department to set priorities specific to their area of expertise.

Figure 2 outlines the process behind the 2014-2018 Capital Budget.

Figure 2

The CDLG and Departments utilized a ranking system that is contained within the Capital Planning Model (the “model”). This model has proven to be an effective mechanism for prioritizing capital funding requests to ensure that infrastructure needs are managed. The team ranked every capital submission out of a score of 100 based on the established evaluation criteria outlined in figure 3.

Figure 3

The ranked projects are consolidated and the projects are recommended based on the funding availability.

Starting with the 2014 budget year process, Information Technology projects were ranked by a separate team using a separate set of criteria. Each IT capital submission was scored out of 70 based on the evaluation criteria outlined in Figure 4.

Figure 4



The ranked IT projects are summarized and recommended based on funding availability. All recommended projects are consolidated to form the basis for the 2014-2018 Capital Budget. The budget is then brought forward and reviewed by the Senior Management Team (SMT) and then presented to Council for review and approval.

2014 Capital Budget Overview

Capital budgets include:

- Land acquisition, construction and infrastructure (i.e. Roads, recreation centres, etc.)
- Procurement of items used for one-time costs with a life expectancy of more than one year
- Projects funded through government grants, debts and reserves

Table 1 is a breakdown of the 2014 recommended projects by program and the associated Operating Budget Impact (OBI):

Table 1: Total 2014 Funding by Program

(in millions)		
Program	Amount	OBI
Infrastructure	\$32.1	\$0.15
Parks	\$6.6	\$0.12
Land	\$5.0	\$0.00
Internal Transfers/Debt Repayment	\$11.0	\$0.00
Equipment	\$8.1	\$0.11
Buildings	\$122.1	\$3.57
Affordable Housing	\$0.9	\$0.00
Child Care	\$0.1	\$0.00
Total 2014 Funding & OBI	\$185.9	\$3.95

*The detail of each recommended project is attached in Appendix 3.

2014 Operating Budget Impact

Upon completion of capital projects or upon receipt of developer contributions, new assets are added to the City's inventory. There are costs associated with maintaining these new assets, for example a new car added to the City's fleet will require insurance and maintenance costs while a new building will require janitorial, gas and hydro utility costs. This ongoing maintenance cost is the OBI associated with the new asset which is added to the operating budget.

The total OBI relating to the 2014 recommended projects is \$3.95 million. \$3.56 million of this relates to the estimated OBI for the Corporate Facilities Implementation Plan – Phase 1. The OBI for all other recommended projects is \$387k. \$20K of the OBI is associated with water and sewer utility projects and will be addressed through the 2014 utility budget process.

The net impact on the operating budget of \$3.93 million in OBI would result in a property tax impact of 2.25% if this entire amount had to be included in the 2014 Budget. However, the completion of construction of these new facilities will be in 2015 and 2017; therefore, the OBI requirements are staggered over that period of time. An OBI phase-in plan which corresponds with the timing of funding requirements and meets Council policies will be implemented to maintain a modest tax increase. For 2014, an OBI of \$600,000 is proposed to be included in the budget, or a tax impact of 0.34%.

As mentioned above, \$3.56 million of the OBI relates to the CFIP Phase 1. These amounts are preliminary estimates and will be subject to further review and analysis before they are presented to Council for approval. The details of the programming and service levels for these facilities will be the subject of a future Council report to be submitted by Community Services staff. The CAO has requested that this significant OBI request and all future OBI requests be scrutinized by an Operational Review Committee to verify the appropriateness of the service levels and amounts

requested. The CAO also requested that the Operational Review Committee enlist an independent external technical resource should such assistance prove necessary.

\$1.61 million of the estimated \$3.56 million OBI for Phase 1 relates to the new City Centre Community Centre which is scheduled to be completed in 2015. \$1.74 million OBI is for the integrated Older Adults Centre and Minoru Aquatic Centre which is scheduled to be completed by the end of 2017.

Staff recommend commencing the phase-in plan in 2014 based on these estimates and will adjust the plan accordingly once the programming and service level decisions are made. Staff prepared three options for Council's review which are shown in Appendix 6 and summarized in Table 2. Under all options presented, the proposed 2014 OBI increment exceeds the funding requirement as a significant portion of the funding requirements begin in 2015. This surplus will be carried forward and applied towards the 2015 funding requirements.

Table 2: OBI Phase-In Options

	Option 1	Option 2 (Recommended)	Option 3
OBI Increment	\$500,000	\$600,000	\$700,000
Year Phase-in Completed	2021	2020	2019
Annual Tax Impact	0.29%	0.34%	0.40%

OBI Phase-in Option 1:

Option 1 has an incremental OBI impact of \$500,000 each year until the 2014 OBI of \$3.93 million is complete in 2021. This results in an annual tax impact of 0.29%.

Surplus funding from 2014 will be carried forward to fund the 2015 requirement. For years 2015 through 2020 the funding requirement exceeds the amount of OBI phased-in for each year, this difference is proposed to be funded from appropriated surplus to minimize the tax impact until the full OBI amount is phased-in.

Option 1 has the lowest tax impact for each year; however the annual increment does not keep up with the timing of the funding requirement as services are provided. A significant contribution from appropriated surplus would be required to meet Council's policy of keeping the tax increase at Vancouver's CPI rate. Option 1 is not recommended.

OBI Phase-in Option 2 (Recommended):

Option 2 has an incremental OBI impact of \$600,000 each year until the 2014 OBI of \$3.93 million is complete in 2020. This results in an annual tax impact of 0.34%.

Surplus funding from 2014 will be carried forward to fund the 2015 requirement. For years 2015 through 2019 the funding requirement exceeds the amount of OBI phased-in, this difference is proposed to be funded from appropriated surplus to minimize the tax impact until the full OBI amount is phased-in.

Option 2 utilizes appropriated surplus to minimize the tax impact, but the amount is less than Option 1 and more than Option 3. This option commits a 0.34% tax impact each year until 2019. This option is recommended as the tax impact is modest and supports Council's policy of keeping the tax increase to Vancouver's CPI rate.

OBI Phase-in Option 3:

Option 3 has an incremental OBI impact of \$700,000 each year until the 2014 OBI of \$3.93 million is complete in 2019. This results in an annual tax impact of 0.40%.

Surplus funding from 2014 and 2015 will be carried forward to fund the 2015 and 2016 requirements, respectively. For 2016 through 2018, the funding requirement exceeds the amount of OBI phased-in; this difference is proposed to be funded from appropriated surplus.

Option 3 utilizes appropriated surplus to minimize the tax impact, but the amount is less than Option 2. This option commits a 0.40% tax impact each year until 2018 and a 0.24% tax impact in 2019. This commitment could result in budget challenges for future years making it difficult to meet Council's policy of keeping tax increases at Vancouver's CPI rate. This option is not recommended as Option 2 has a lower annual tax impact with similar timing to phase-in the OBI.

2014 New Versus Replacement Capital Construction Costs

The new Capital Construction costs totals \$23.20 million including highlights such as \$6.70 million for City Centre Community Centre, \$4.23 million for Major Parks, \$3.71 million for Sanitary Sewer, \$2.33 million for Roads, and \$1.92 million for Water. The Replacement Construction costs totals \$151.68 million of which \$113.40 million is due to the Corporate Facilities Implementation Plan for the Older Adults Centre, Minoru Aquatics Centre, and Fire Hall No.1. Other Replacement Construction costs include Water Main replacement for \$7.73 million and Drainage replacement for \$8.54 million.

2014 Capital Budget Funding Sources

The 2014 capital budget uses a variety of funding sources which include:

- Development Cost Charges (DCCs) – These contributions are made through development and are used for growth related projects.
- External Sources – These include debt borrowings, grants awarded from Provincial and Federal Governments, developer cash contributions (other than DCCs) and other non-City related sources.
- Utilities – These are funds collected through utility bills and are specified for waterworks, sanitary sewer and drainage.
- City Sources – This includes all other sources of City funding such as statutory reserves, appropriated surplus (provisions) and accumulated surplus.

The funding of the recommended projects has been allocated while maintaining the long-term strategy of building reserve balances to fund future infrastructure replacement and improvements. Generally, projects are funded up to the annual amount transferred into each available reserve.

Council endorsed the funding strategy for the Major Capital Facilities Program Phase 1 to use a mix of internal funding and \$50 million external financing from Municipal Finance Authority (MFA). As outlined in the report to Council on June 24, 2013 there is no tax impact as a result of this debt borrowing.

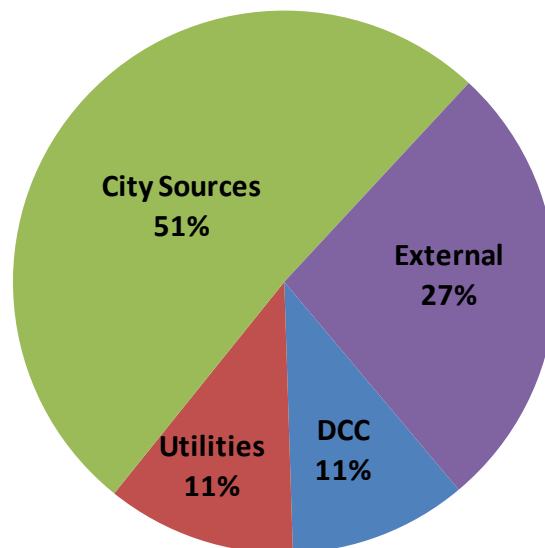
The funding sources of the 2014 recommended projects are summarized in Table 3 and Figure 5.

Table 3: 2014 Funding Sources

(in millions)	
Funding Sources	Amount
City Sources	\$93.2
DCC	\$19.7
Utilities	\$22.9
External Sources	<u>\$50.1</u>
Total 2014 Funding	\$185.9

Figure 5

2014 Recommended Projects - By Funding Source



Recommended 2014 Versus Historical (2010 to 2014) Capital Budget Analysis

Figures 6 and 7 provide analysis of the funding sources and the program types of the capital budget for the past four years compared to the 2014 recommended capital plan.

As is evident by these charts, capital expenditures have decreased to normal levels around \$70 million annually after adjusting for the RCMP building, Garden City Lands acquisition and Oval

legacy programs in 2010 and 2011. If the major facilities are adjusted from the 2014 capital plan, the capital expenditures are in line with normal levels.

Figure 6 Capital Budget by Funding Sources
2010 to 2014

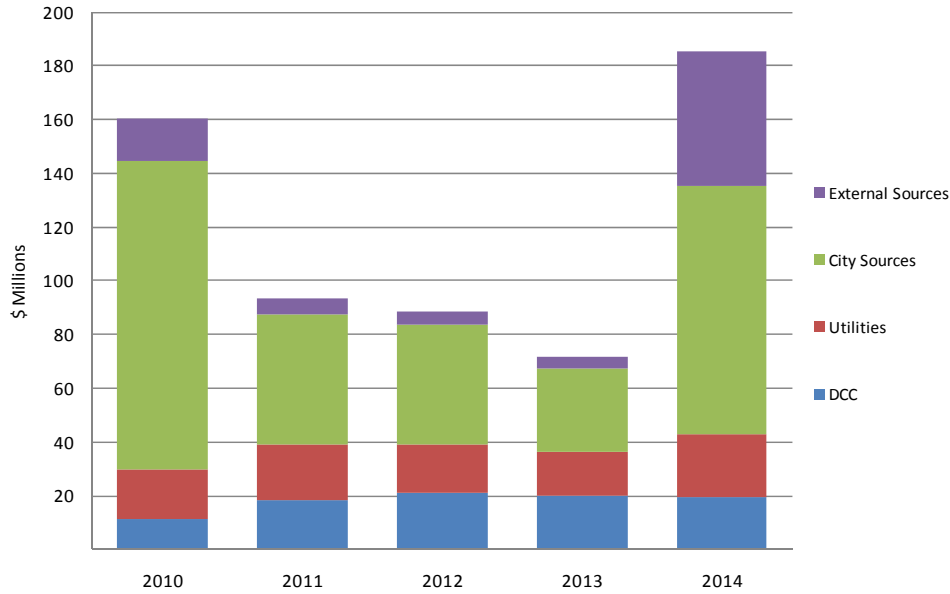


Figure 7 Capital Budget by Program
2010 to 2014

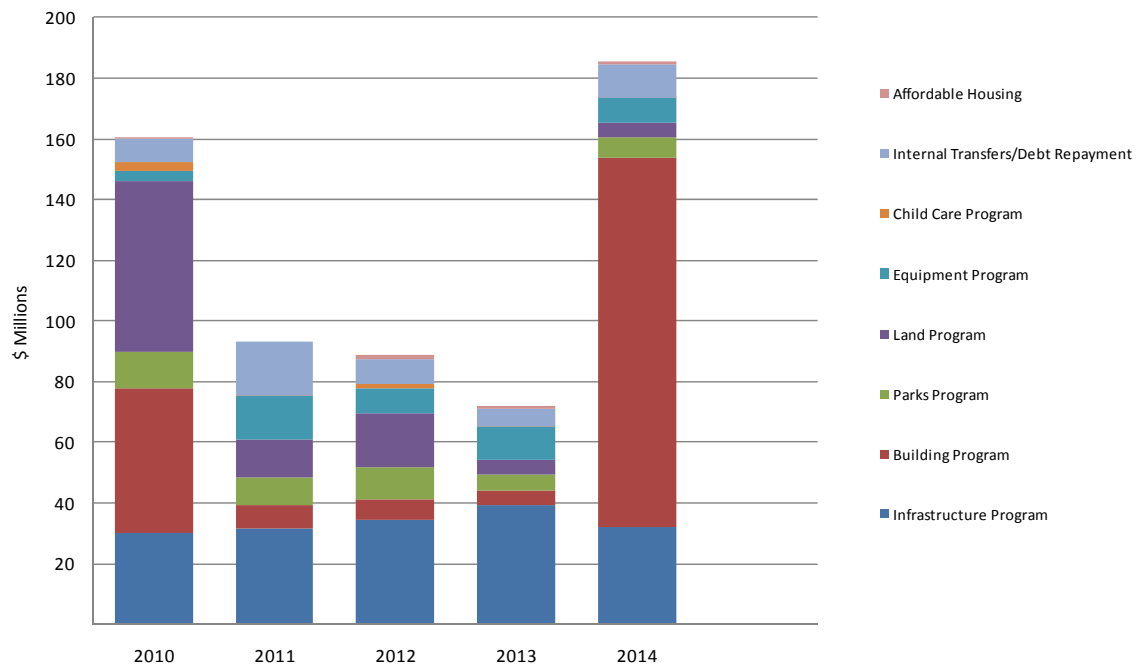
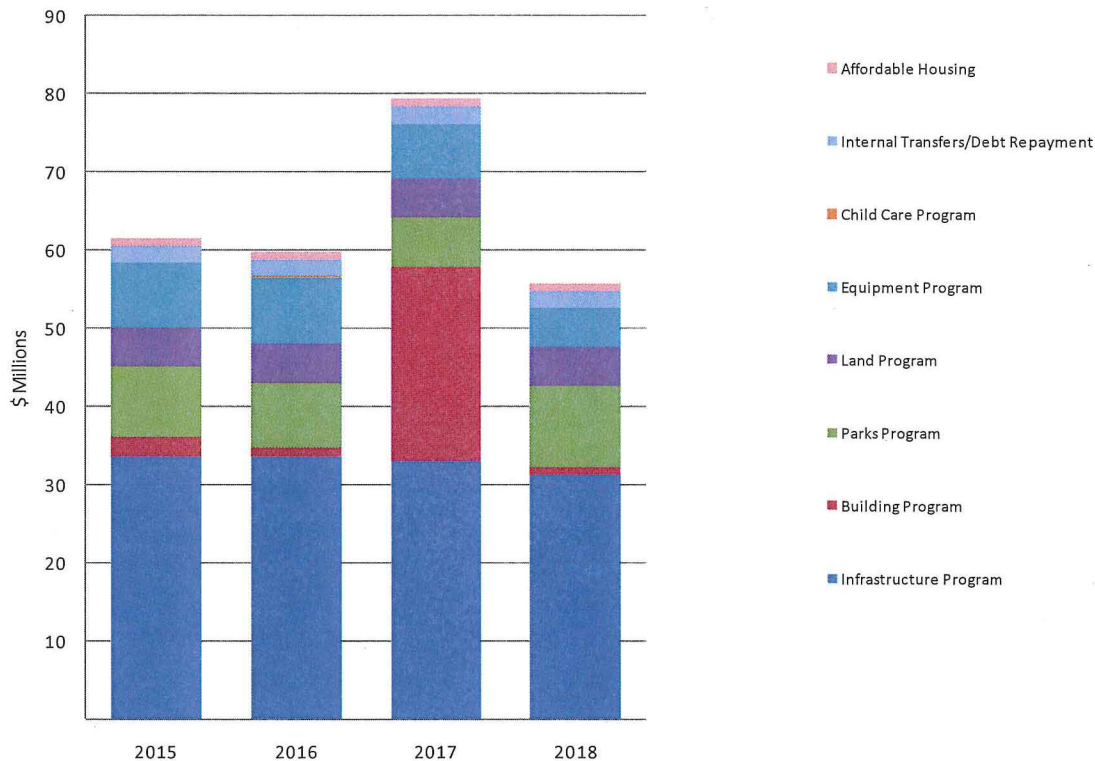


Figure 8 shows the 5 Year Capital Plan will continue to invest an average of over \$60M each year in the City's assets.

Figure 8

**Capital Budget by Program
2015 to 2018**



Financial Impact

The 2014 Capital Budget with a total value of \$185.9 million will enable the City to maintain and advance the asset inventory and provide necessities and benefits to the community. The OBI associated with these projects is \$3.95 million and once approved will be incorporated into the 2014-2018 5YFP.

Conclusion

The Corporate Director's Leadership Group worked closely with the Finance Division, the CAO and SMT to represent the interests of all stakeholders to ensure that the capital program addresses Council Term Goals and meets the needs of the community while effectively utilizing available funding.

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MS:ms

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Project Name	Total Investment	Total OBI	Ref
A. INFRASTRUCTURE PROGRAM			
Roads			
Active Transportation Improvement Program	\$325,000	\$11,160	24
Annual Asphalt Re-Paving Program - MRN	831,000	-	25
Annual Asphalt Re-Paving Program - Non-MRN	2,105,460	-	26
Crosswalk Improvement Program	250,000	13,100	27
Functional and Preliminary Design (Transportation)	25,000	-	28
Neighbourhood Traffic Safety Program	550,000	35,662	29
New Traffic Signal Installation at Cambie Road / Stolberg Street	175,000	5,500	30
Pedestrian and Roadway Program	400,000	12,896	31
Roads Minor Capital	250,000	-	32
Traffic Signal Program	600,000	18,200	33
Total Roads	\$5,511,460	\$96,518	
Drainage			
ALR Drainage System Upgrades - South Sidaway Area Phase 1 of 3	300,000	2,000	35
Canal Stabilization - No. 3 Road and No. 8 Road Phase 3 of 5	300,000	(1,000)	36
Development Coordinated Works in Capital	400,000	-	37
Dike Upgrades	1,000,000	-	38
Drainage Pump Station Generator Upgrade - No 8 Road North	120,000	3,000	39
Drainage Pump Station Upgrade - No 2 Road North	4,400,000	13,000	40
Laneway Drainage and Asphalt Upgrade - 11000 Blk Williams Rd	270,000	-	41
Laneway Drainage and Asphalt Upgrade - Dennis Crescent (East)	550,000	-	42
Williams Rd Storm Sewer Upgrades	1,200,000	-	43
Total Drainage	\$8,540,000	\$17,000	
Waterworks			
Bulk Water Meter Installations - Boundary Road Area	400,000	-	45
Development Coordinated Works in Capital	500,000	-	46
Lockhart Road Watermain, Drainage and Neighbourhood Improvement	1,950,000	8,000	47
Minor Capital Waterworks Program	300,000	-	48
Residential Water Metering	1,920,000	-	49
Watermain Replacement - Colbeck Road Area	2,810,000	-	50
Watermain Replacement - Ledway Area	960,000	-	51
Watermain Replacement - Ryan Road Area	810,000	-	52
Total Waterworks	\$9,650,000	\$8,000	

Project Name	Total Investment	Total OBI	Ref
A. INFRASTRUCTURE PROGRAM			
<i>Sanitary Sewer</i>			
Buswell St. Gravity Sewer Installation	2,190,000	-	54
Development Coordinated Works in Capital	100,000	-	55
Eckersley B Pump Station Replacement	1,350,000	3,000	56
Hamilton Sanitary Sewer Phase 2	1,520,000	17,000	57
Leslie Pump Station Forcemain Replacement	560,000	-	58
Public Works Minor Capital - Sanitary	300,000	-	59
Sanitary Sewer Assessment	410,000	-	60
Total Sanitary Sewer	\$6,430,000	\$20,000	
<i>Minor Public Works</i>			
PW Minor Capital - Traffic	225,000	6,100	62
Total Minor Public Works	\$225,000	\$6,100	
<i>Infrastructure Advanced Design</i>			
City Centre District Energy Utility	300,000	-	64
PW Infrastructure Advanced Design	1,442,000	-	65
Total Infrastructure Advanced Design	\$1,742,000	\$0	
TOTAL INFRASTRUCTURE PROGRAM	\$32,098,460	\$147,618	
B. BUILDING PROGRAM			
<i>Minor Building</i>			
	105,500	3,720	67
Total Minor Building	\$105,500	\$3,720	
<i>Major Building</i>			
City Centre Community Centre	6,700,000	1,608,184	68
Fire Hall No. 1	21,500,000	209,366	69
Japanese FBS Building Exhibit Development	171,000	-	70
Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency	15,000,000	-	71
Middle Arm Gathering Place Design	150,000	-	72
Minoru Aquatic Centre/Older Adults Centre	76,900,000	1,743,665	73
Minoru Chapel Restoration and Rehabilitation	625,000	-	74
Richmond Ice Centre - Chiller Replacements	550,000	-	75
Richmond Ice Centre - HVAC/Refrigeration Equipment	440,000	-	76
Total Major Building	\$122,036,000	\$3,561,215	
TOTAL BUILDING PROGRAM	\$122,141,500	\$3,564,935	

Project Name	Total Investment	Total OBI	Ref
C. PARKS PROGRAM			
<i>Minor Parks</i>			
Parks Ageing Infrastructure Retrofit Program	75,000	-	78
Parks General Development	250,000	3,000	79
Playground Improvement Program	300,000	4,300	80
Total Minor Parks	\$625,000	\$7,300	
<i>Major Parks/Streetscapes</i>			
Cambie Mueller Park	1,500,000	9,660	81
City Tree Planting Program	150,000	15,080	82
Minoru Artificial Turf Retrofit - Minoru 2 field	600,000	-	83
Minoru Park - Track Resurfacing	450,000	-	84
ORA Development - Park OBI	1	10,240	85
Parks Advance Planning & Design	350,000	-	86
Railway Greenway Phase 2	330,000	32,358	87
Railway Greenway Washrooms at Branscombe House - OBI	1	19,870	88
Terra Nova Play Environment Washroom & Landscaping	650,000	15,000	89
The Gardens Agricultural Park	850,000	-	90
Trails	250,000	3,074	91
Tree Planting/Urban Forest Advance Design Program	150,000	-	92
Total Major Parks/Streetscapes	\$5,280,002	\$105,282	
<i>Public Art</i>			
Public Art Program	690,324	10,000	93
Total Public Art	\$690,324	\$10,000	
TOTAL PARKS PROGRAM	\$6,595,326	\$122,582	
D. LAND PROGRAM			
<i>Land Acquisition</i>			
Strategic Land Acquisition	5,000,000	-	95
TOTAL LAND PROGRAM	\$5,000,000	\$0	
E. AFFORDABLE HOUSING PROGRAM			
<i>Affordable Housing</i>			
Affordable Housing Projects - City Wide	857,000	-	97
TOTAL AFFORDABLE HOUSING PROGRAM	\$857,000	\$0	

Project Name	Total Investment	Total OBI	Ref
F. EQUIPMENT PROGRAM			
<i>Vehicle Equipment</i>			
Vehicles for RCMP Detachment Leadership Team	105,000	33,920	100
Total Annual Fleet Replacement	\$105,000	\$33,920	
<i>Technology</i>			
2014 Server Replacements	232,000	-	101
Amanda Mobile 6.0 Upgrade Implementation	97,555	12,400	102
Energy Management - 2014 Projects	645,000	-	103
Existing Operational Desktop Computer Hardware	330,000	-	
Funding			104
Fibre Optic Cabling to City Facilities - Phase 8b	120,000	-	105
Fibre Optic Cabling to City Facilities - Phase 9/10	130,000	-	106
Mobile Middleware Framework	200,000	-	107
PeopleSoft 9.2 Enhancements and Business Intelligence	450,000	-	
Tools			108
Richmond Fire Mobile In Apparatus Computers	150,000	-	
(Evergreen)			109
WorkSafeBC Claims/Incident Management System	151,200	22,800	110
Total Technology	\$2,505,755	\$35,200	
<i>Annual Fleet Replacement</i>			
Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet) (Submission #1 of #2)	1,980,000	-	111
Total Annual Fleet Replacement	\$1,980,000	\$0	
<i>Fire Dept. Vehicles</i>			
Fire Equipment Replacement	318,182	-	112
Fire Vehicle Replacement Reserve Purchases	886,641	-	113
Total Fire Dept. Vehicles	\$1,204,823	\$0	
<i>Computer Capital/Software</i>			
Hansen Upgrade	1,175,500	44,100	114
Total Computer Capital/Software	\$1,175,500	\$44,100	
<i>Miscellaneous Equipment</i>			
Library Material Purchases	1,162,900	-	115
Total Miscellaneous Equipment	\$1,162,900	\$0	
TOTAL EQUIPMENT PROGRAM	\$8,133,978	\$113,220	

Project Name	Total Investment	Total OBI	Ref
G. CHILD CARE PROGRAM			
<i>Child Care</i>			
Child Care Projects- City Wide	50,000	-	117
TOTAL CHILD CARE PROGRAM	\$50,000	\$0	
H. INTERNAL TRANSFERS/DEBT REPAYMENT			
<i>Internal Transfers/Debt Repayment</i>			
Nelson Road Interchange Repayment	385,098	-	119
Parkland Acquisition City Wide	8,000,000	-	120
Parkland Acquisition West Cambie	1,200,000	-	121
River Rd/North Loop (2005) Repayment	1,317,000	-	122
Shovel - Ready Grant (2009) Repayment Lansdowne	77,263	-	
Rd Extension			123
TOTAL INTERNAL TRANSFERS/DEBT REPAYMENT	\$10,979,361	\$0	
Total 2014 Capital Program	\$185,855,625	\$3,948,355	

Project Name	Total Investment	Total OBI	Ref
Project Development Advanced Design	200,000	-	124
Inter-agency Emergency Command Vehicle	992,000	60,828	125
Total 2014 Capital Program	\$ 1,192,000	\$ 60,828	

Note: Certain Unfunded Capital Projects were moved to the One-Time Expenditures Requests List.

Project Name	Total Investment	Total OBI	Ref
<i>Roads</i>			
Roads Minor Capital	\$250,000	\$0	32
<i>Total Roads</i>	<i>\$250,000</i>	<i>\$0</i>	
<i>Major Building</i>			
City Centre Community Centre	400,000	1,608,184	68
Minoru Chapel Restoration and Rehabilitation	625,000	-	74
Richmond Ice Centre - HVAC/Refrigeration Equipment	440,000	-	76
Richmond Ice Centre - Chiller Replacements	550,000	-	75
Middle Arm Gathering Place Design	150,000	-	72
<i>Total Major Building</i>	<i>\$2,165,000</i>	<i>\$1,608,184</i>	
<i>Major Parks/Streetscapes</i>			
Minoru Park - Track Resurfacing	450,000	-	84
<i>Total Major Building</i>	<i>\$450,000</i>	<i>\$0</i>	
Total 2014 Funded by the Revolving Fund	\$2,865,000	\$1,608,184	

Note: The amount shown for City Centre Community Centre represents only the portion funded by the Revolving Fund.


Infrastructure Program 2014-2018

The City's Infrastructure Program assets include: road, drainage and sanitary pump stations, drainage, water, and sanitary mains.

2014 Recommended Infrastructure Road Program

Project Name	Total Investment	Total OBI	Ref
A. INFRASTRUCTURE PROGRAM			
Roads			
Active Transportation Improvement Program	\$325,000	\$11,160	24
Annual Asphalt Re-Paving Program - MRN	831,000	-	25
Annual Asphalt Re-Paving Program - Non-MRN	2,105,460	-	26
Crosswalk Improvement Program	250,000	13,100	27
Functional and Preliminary Design (Transportation)	25,000	-	28
Neighbourhood Traffic Safety Program	550,000	35,662	29
New Traffic Signal Installation at Cambie Road / Stolberg Street	175,000	5,500	30
Pedestrian and Roadway Program	400,000	12,896	31
Roads Minor Capital	250,000	-	32
Traffic Signal Program	600,000	18,200	33
Total Roads	\$5,511,460	\$96,518	


Infrastructure – Roads

Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Active Transportation Improvement Program		Submission ID:	3884
Location:	Various Locations			
Cost:	\$325,000		OBI:	\$11,160
Funding Sources:	Roads DCC: \$305,500 Roads City Assist: \$19,500 Grant: N/A			
Scope:	<p>The general scope of this program involves implementing cycling and rolling improvements included as part of the Council-approved Cycling Network Plan by supporting: 1) the expansion of various on-street cycling routes and off-street multi-use pathways; and 2) cycling and rolling initiatives and on-going enhancements to existing cycling and rolling infrastructure.</p> <p>Typical elements of the program include the construction of new on-street cycling facilities, off-street multi-use pathways primarily for transportation purposes, installation of bike racks, new signage, pavement markings, associated minor road geometric improvements, and other supplementary cycling and rolling amenity improvements required to facilitate the safe and efficient movement of cyclists and users of personal mobility devices such as mopeds, wheelchairs and motorized scooters.</p> <p>The following list of improvements are currently being planned for 2014 (subject to factors such as the completion of the detailed design, confirmation of external funding approval, etc):</p> <p>Parkside Neighbourhood Bikeway (Ash Street)</p> <ul style="list-style-type: none">- upgrade of special crosswalk to a pedestrian signal at Ash St-Blundell Rd- intersection improvements at Ash St-Williams Rd to facilitate EB to NB left-turn for cyclists <p>Cross town Neighbourhood Bikeway (new east-west route between Blundell Rd & Francis Rd connecting Railway to Parkside Bikeway (Ash Street)):</p> <ul style="list-style-type: none">- upgrade of off-street pathway (connects Dorval Rd & Lucas Rd)- upgrade of connecting sidewalks at off-set intersections to accommodate cyclists <p>This program is proposed to be funded by the DCC program funding and may be eligible for funding from external agencies such as the provincial government, TransLink and/or ICBC.</p>			
				

2014 Details of Recommended Projects by Program

Appendix 4


Infrastructure – Roads

Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Annual Asphalt Re-Paving Program – MRN	Submission ID:	4645
Location:	City Wide		
Cost:	\$831,000	OBI:	\$ 0
Funding Sources:	Roads – Asphalt Capping: \$831,000		
Scope:	<p>To re-pave MRN roads. Project list to be determined by the end year 2013. The project does not include the cost of essential ancillary work typically completed by City crews such as curb and gutter repairs, road base repair and manhole and valve box adjustments.</p> <p>The project runs during the summer of every year.</p> <p>The project can relate to a number of water, sanitary and drainage upgrades that are co-ordinated by the Engineering Planning and Engineering Construction Section.</p>		
			


2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Roads

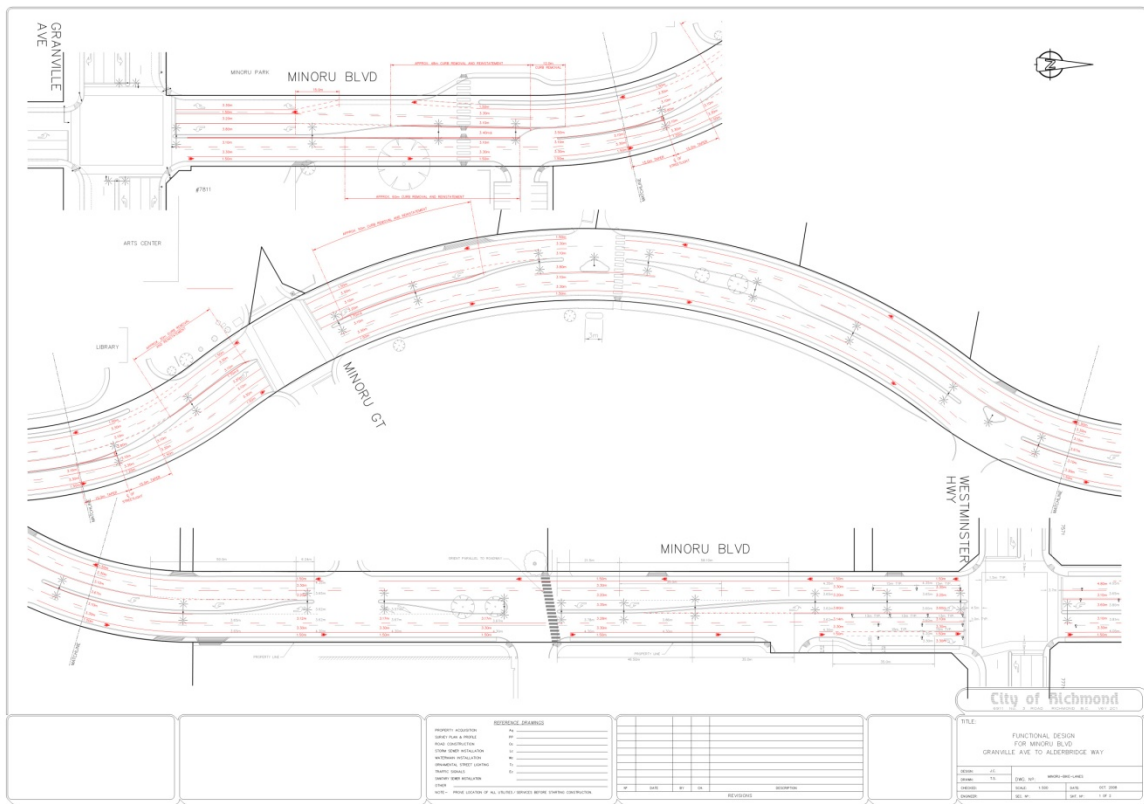
Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Annual Asphalt Re-Paving Program - Non-MRN	Submission ID:	4851
Location:	City Wide		
Cost:	\$2,105,460	OBI:	\$ 0
Funding Sources:	Roads – Asphalt Capping: \$2,105,460		
Scope:	<p>To re-pave City owned Non-MRN roads (major & minor roads and lanes). In alignment with the City's Ageing Infrastructure Strategy. Project list to be determined by the end of 2013. The project does not include the cost of essential ancillary work typically completed by City crews such as curb and gutter repairs, road base repair and manhole and valve box adjustments</p> <p>The project runs during the summer of every year.</p>		
			

Infrastructure – Roads


Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Crosswalk Improvement Program		Submission ID:	3886
Location:	City Wide			
Cost:	\$250,000		OBI:	\$ 13,100
Funding Sources:	Roads DCC:	\$235,000		
	Roads City Assist:	\$15,000		
Scope:	<p>1) Enhanced Crosswalks:</p> <p>The general scope of work involves the upgrade of existing crosswalks on arterial roads (typically four-lane arterials) to "special crosswalks" with overhead illuminated signs, amber flashers and pedestrian-controlled push buttons. Where appropriate (e.g., two-lane arterials), the upgrade involves side-mounted amber flashers at a significantly lower cost. The upgrade would include hardware such as poles, bases, junction boxes, underground/ communication conduits, controller, enhanced accessible devices, related wiring, pavement markings, illuminated crosswalk signs, amber flashers, push buttons, etc. The following locations are planned for 2014:</p> <ul style="list-style-type: none">- 8000-block No. 5 Road (south of Blundell Road)- 7400-block River Road (Navy League site)- No 4 Road & Dayton Avenue <p>2) Enhanced Accessible Traffic Signals:</p> <p>The general scope of work includes the installation of accessible devices at signalized intersections, special crosswalks and pedestrian signals. For 2014/2015, the preliminary list of potential locations includes existing signalized intersections along Railway Avenue and within the City Centre along roads such as Minoru Boulevard, No. 3 Road and Gilbert Road.</p> <p>The exact scope of improvements may be refined due to factors such as priority review, availability of external funding from senior government and/or opportunity to pursue these improvements as part of development frontage improvements, etc. Any surplus funding will be used to fund additional locations based on priority review.</p> <p>The program is proposed to be funded by the DCC program funding and may be eligible for external funding contributions from ICBC. Proposed preliminary funding breakdown between enhanced crosswalks and enhanced accessible traffic signals are approximately \$175,000 and \$75,000, respectively.</p>			
				

Infrastructure – Roads


Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Functional and Preliminary Design (Transportation)		Submission ID:	5070
Location:	Various locations			
Cost:	\$25,000	OBI:	\$ 0	
Funding Sources:	Roads DCC:	\$23,500		
	Roads City Assist:	\$1,500		
Scope:	<p>Project scope includes preparing the functional and preliminary designs required for various transportation capital projects identified within the Five-Year Capital Program. Specifically, with this project, the necessary functional road elements in horizontal alignment, cross-section, property impacts, etc. would be determined to carry out further detailed engineering design.</p> <p>The project would be funded solely by the DCC program funding. A major cost component of the project is design consultant fees. Note: The cost estimate is based on 2% of capital projects that require functional designs.</p>			




Infrastructure – Roads

Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Neighbourhood Traffic Safety Program		Submission ID:	3900
Location:	Citywide			
Cost:	\$550,000		OBI:	\$35,662
Funding Sources:	Roads DCC: \$517,000 Roads City Assist: \$33,000			
Scope:	<p>1) Traffic Calming Measures: The general scope involves retrofitting existing streets with traffic calming measures to address traffic safety concerns and maintain neighbourhood livability. The major cost component of the program is the installation of traffic calming related improvements including the construction of curb extensions, centre medians, installation of delineated walkways, extruded curbs, traffic circles, etc. In addition, projects contained in this program may also include supplementary streetscape improvements (i.e., planting of trees and other landscaping) to enhance the local pedestrian environment and overall street appearance. The exact scope of work would be refined depending on requests that may be received by members of public and Council.</p> <p>2) Neighbourhood Walkways/Sidewalks: The general scope includes the construction of new and/or enhancement of existing neighbourhood walkways/sidewalks in the city. Priority would be given to walkways/sidewalks connecting locations with high pedestrian activities, such as schools, neighbourhood service centres, bus stops, recreational services centres, shopping/retail centres, etc., that are along key roads, particularly roads with high traffic volumes. The major cost component of the program is the construction/upgrade of new/existing sidewalks, pathways, wheelchair ramps, minor curb cuts, boulevard modifications, and other supplementary improvements.</p> <p>The program is proposed to be funded by the DCC program funding and may be eligible for external funding contributions from ICBC. Proposed preliminary funding for this year are approximately as follows:</p> <p>1) Traffic Calming Measures: \$100,000 (various locations) 2) Walkways: \$450,000 (Belair Drive: Gilbert Rd-Broadmoor Blvd)</p>			
				

Infrastructure – Roads

Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	New Traffic Signal Installation at Cambie Road / Stolberg Street		Submission ID:	5204
Location:	Cambie Road / Stolberg Street			
Cost:	\$175,000		OBI:	\$5,500
Funding Sources:	Roads DCC (West Cambie): \$164,500 Roads City Assist: \$10,500			
Scope:	<p>The general scope of this project involves the installation of new traffic signal hardware, including traffic controllers/cabinets, poles, bases, junction boxes, underground conduits, controller, detector loops, enhanced accessible devices, related wiring and pavement markings, and communications conduit and cable.</p> <p>The project is proposed to be funded by the West Cambie Area Roads DCC funding and may be eligible for external funding contributions from ICBC.</p>			
				


Infrastructure – Roads

Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Pedestrian and Roadway Program		Submission ID:	3898
Location:	Various			
Cost:	\$400,000		OBI:	\$12,896
Funding Sources:	Roads DCC: \$329,000 Roads City Assist: \$21,000 Grant: \$50,000			
Scope:	<p>1) Sidewalks/Walkways along Arterial Roads (\$150,000) The general scope includes the construction of new and/or enhancement of existing walkways/sidewalks along arterial roads in the City. Priority would be given to walkways/sidewalks connecting locations with high pedestrian activities that are along arterial roads with high traffic volumes. For 2014, a new sidewalk/walkway along the east side of Railway Avenue, from Linfield Gate to Blundell Road, has been identified as the potential location.</p> <p>2) Miscellaneous Intersection Improvements (\$150,000): The general scope includes: - construction of a turn lane; - improved channelization; - traffic signage; and/or - installation of safety enhancements at intersections. For 2014, a new southbound-to-eastbound left-turn lane at Garden City Rd/Odlin Rd has been identified as a potential project.</p> <p>3) Transit-Related Infrastructures (\$100,000): The general scope includes municipal road and traffic improvements that are required to support the introduction of various transit service improvements. The major cost components are expected to include the installation of new bus stop pads, minor road geometric improvements (e.g. Intersection corner improvements), minor sidewalk construction, wheelchair ramps, upgrade of existing bus stops to accessible standards, bus shelters, and other supplementary pedestrian improvements required to facilitate pedestrian traffic generated by transit passengers.</p> <p>Nine bus stops on the west side of Railway Ave have been identified as potential locations for bus landing pad improvements starting in 2014. These improvements would be implemented over time.</p> <p>The program is proposed to be funded by the DCC program funding and may be eligible for external funding contributions from TransLink and ICBC. The exact scope of 2014 improvements may be refined subject to factors such as priority review, availability of external funding and/or opportunity to pursue these improvements as part of development frontage improvements.</p>			
				

2014 Details of Recommended Projects by Program


Appendix 4

Infrastructure – Roads

Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Roads Minor Capital	Submission ID:	4893
Location:	Citywide		
Cost:	\$250,000	OBI:	\$0
Funding Sources:	Capital Reserve - Revolving: \$250,000		
Scope:	These are road related minor infrastructure upgrades and the capital replacement of failing infrastructure that include, but are not limited to, the installation of wheel chair ramps, the replacement of uneven sidewalks, curbs and small road sections (e.g. that are damaged through tree root ingress or settlement), street light repair, and the response to resident service requests that require site specific repairs.		
			

Infrastructure – Roads

Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Traffic Signal Program		Submission ID:	3901
Location:	Various Locations			
Cost:	\$600,000		OBI:	\$18,200
Funding Sources:	Roads DCC:	\$564,000		
	Roads City Assist:	\$36,000		
Scope:	<p>The major cost component of the program is the installation of traffic controllers/cabinets, poles, bases, junction boxes, underground conduits, controller, detector loops, enhanced accessible devices, related wiring and pavement markings, traffic signal communications infrastructure (fibre optic cable network and wireless communications upgrades), minor corner property acquisitions. In addition, projects contained in this program may also include minor curb cuts and boulevard modifications. The locations for new traffic signal installations are determined based on public requests, development patterns, traffic safety, opportunities for improved efficiency, and capacity requirements.</p> <p>For 2014, a new traffic signal at Park Road / Buswell Street as well as various upgrades of existing traffic signals, including the provision of left-turn arrows, have been identified as potential projects. The exact scope of improvements may be refined subject to factors such as the completion of detailed design, priority review and availability of external funding.</p> <p>Approximately one to two complete video detection systems would also be installed, each utilizing four detection cameras, software, mounting hardware and wiring to controller cabinet, and communications cable or wireless systems and related electronics. Several corridors have been identified for improvements starting in 2014 and continue into the future, including select intersections along Granville Avenue (Minoru Boulevard to St. Albans Road), and Steveston Highway (Gilbert Road to Coppersmith Pl). The exact scope of improvements may be refined subject to factors such as the completion of detailed design, priority review and availability of external funding.</p> <p>The program is proposed to be funded by the DCC program funding and may be eligible for external funding contributions from ICBC. Proposed preliminary funding breakdowns between traffic signals and traffic detector video systems improvements are approximately \$475,000 and \$125,000, respectively.</p>			



2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Drainage


2014 Recommended Infrastructure Drainage Program

Project Name	Total Investment	Total OBI	Ref
A. INFRASTRUCTURE PROGRAM			
Drainage			
ALR Drainage System Upgrades - South Sidaway Area Phase 1 of 3	300,000	2,000	35
Canal Stabilization - No. 3 Road and No. 8 Road Phase 3 of 5	300,000	(1,000)	36
Development Coordinated Works in Capital	400,000	-	37
Dike Upgrades	1,000,000	-	38
Drainage Pump Station Generator Upgrade - No 8 Road North	120,000	3,000	39
Drainage Pump Station Upgrade - No 2 Road North	4,400,000	13,000	40
Laneway Drainage and Asphalt Upgrade - 11000 Blk Williams Rd	270,000	-	41
Laneway Drainage and Asphalt Upgrade - Dennis Crescent (East)	550,000	-	42
Williams Rd Storm Sewer Upgrades	1,200,000	-	43
Total Drainage	\$8,540,000	\$17,000	

2014 Details of Recommended Projects by Program

Appendix 4


Infrastructure – Drainage

Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	ALR Drainage System Upgrades - South Sidaway Area Phase 1 of 3	Submission ID:	5136
Location:	Sidaway Road and Steveston Highway		
Cost:	\$300,000	OBI:	\$2,000
Funding Sources:	Drainage Utility: \$300,000		
Scope:	Lower culvert watercourse crossings and reprofile watercourses along Steveston Highway between Sidaway Road and Palmberg Road and on Sidaway Road between Steveston Highway and the Francis Road Right-of-Way. Install two automated irrigation control structures on Steveston Highway and Palmberg Road. The work will be undertaken in 3 phases to balance other drainage funding priorities.		
			

2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Drainage

Program:	Infrastructure Program		Sub-program:	Drainage
Project Name:	Canal Stabilization - No. 3 Road and No. 8 Road Phase 3 of 5		Submission ID:	4785
Location:	No. 3 Road and No. 8 Road Canals			
Cost:	\$300,000		OBI:	(\$1,000)
Funding Sources:	Drainage Utility: \$300,000			
Scope:	<p>Implement one or more canal bank stabilization solutions at various locations south of Steveston Highway. This will include partial re-profiling of the canal plus construction of a retaining wall or similar stabilisation structure.</p> <p>This is a 5 year program that will be used to deal with canal and ditch wall stabilisation issues in Richmond.</p>			
				

2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Drainage

Program:	Infrastructure Program		Sub-program:	Drainage
Project Name:	Development Coordinated Works in Capital		Submission ID:	5304
Location:	Citywide			
Cost:	\$400,000		OBI:	\$0
Funding Sources:	Drainage Utility: \$400,000			
Scope:	<p>This project will enable the City to leverage City and private development over the next year to design and construct drainage infrastructure works that are currently not identified in the Capital program but will benefit the City.</p> <p>These are upgrades and replacement of infrastructure that the City would complete separately but economic and engineering efficiencies can be achieved by completing this work at the same time the development takes place.</p>			


2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Drainage

Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	Dike Upgrades	Submission ID:	4977
Location:	Fraser River North and South Arms		
Cost:	\$1,000,000	OBI:	\$ 0
Funding Sources:	Drainage Utility: \$1,000,000		
Scope:	Implement dike improvements along the Fraser River's North and South Arm. Projects will address current infrastructure deficiencies and meet medium to long-term needs. Projects will accommodate local areas needs such as the provision of basic recreational trails.		
			

Infrastructure – Drainage

Program:	Infrastructure Program		Sub-program:	Drainage						
Project Name:	Drainage Pump Station Generator Upgrade - No 8 Road North		Submission ID:	4803						
Location:	North end of No 8 Road									
Cost:	\$120,000		OBI:	\$3,000						
Funding Sources:	Drainage Utility: \$120,000									
Scope:	<p>Construct a concrete pad with fenced surround. Purchase and install a 200 KW generator and connect via a new transfer switch.</p> <p>The project is estimated to take 1 month and be completed before 2014 year end.</p> <p>Cost breakdown:</p> <table><tr><td>Civil</td><td>\$15,000</td></tr><tr><td>Equipment</td><td>\$85,000</td></tr><tr><td>Installation</td><td>\$20,000</td></tr></table>				Civil	\$15,000	Equipment	\$85,000	Installation	\$20,000
Civil	\$15,000									
Equipment	\$85,000									
Installation	\$20,000									
										


Infrastructure – Drainage

Program:	Infrastructure Program		Sub-program:	Drainage
Project Name:	Drainage Pump Station Upgrade - No 2 Road North		Submission ID:	4827
Location:	No 2 Road North			
Cost:	\$4,400,000		OBI:	\$13,000
Funding Sources:	Drainage Utility:	\$4,238,417		
	Drainage DCC:	\$161,583		
Scope:	Demolish the existing pump station and rebuild it to a modern standard. Increase pumping capacity by 151% and lower the low water pumping elevation. Make local dike upgrades. Landscape the construction area.			
	The project is estimated to take 6 months. Construction will be scheduled for spring/summer 2014.			
	This is a single year project that is part of a larger strategy to increase the City's drainage capacity, increase pump station reliability and reduce flooding.			
	Major Cost Components:			
	Civil (65%) - \$2,860,000			
	Mechanical (19%) - \$840,000			
	Electrical (16%) - \$700,000			
				

2014 Details of Recommended Projects by Program

Appendix 4


Infrastructure – Drainage

Program:	Infrastructure Program		Sub-program:	Drainage
Project Name:	Laneway Drainage and Asphalt Upgrade - 11000 Blk Williams Rd		Submission ID:	4794
Location:	11020 Williams Road to Seacote Road			
Cost:	\$270,000		OBI:	\$0
Funding Sources:	Drainage Utility: \$150,000			
	Roads – Asphalt Capping: \$103,140			
	NIC: \$16,860			
Scope:	<p>Install drainage and upgrade 202m of pavement. Does not include the addition of street lighting, curbs or gutters.</p> <p>The project is estimated to take 2-3 months and be complete by October 2014.</p> <p>Funding is requested from the Drainage Utility. Paving will be completed through a combination of NIC funding and the City Paving Program.</p> <p>Costs will be recovered through City Bylaw 8752 as development occurs.</p>			
				

2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Drainage

Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	Laneway Drainage and Asphalt Upgrade - Dennis Crescent (East)	Submission ID:	4792
Location:	Dennis Crescent (East) between Maddocks Road and Williams Road		
Cost:	\$550,000	OBI:	\$ 0
Funding Sources:	Drainage Utility: \$300,000 Roads – Asphalt Capping: \$250,000		
Scope:	Install drainage and upgrade 417m of pavement. Does not include the addition of street lighting, curbs or gutters.		
The project is estimated to take 2-3 months and be complete by October 2014.			
Funding is requested from the Drainage Utility. Paving will be completed through the City Paving Program.			
Costs will be recovered through City Bylaw 8752 as development occurs.			
			

2014 Details of Recommended Projects by Program

Appendix 4


Infrastructure – Drainage


Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	Williams Rd Storm Sewer Upgrades	Submission ID:	4983
Location:	Gilbert Rd South from 6391 Williams Road between Gilbert Road and No.2 Road		
Cost:	\$1,200,000	OBI:	\$ 0
Funding Sources:	Drainage Utility: \$1,200,000		
Scope:	This project will upgrade 450m of storm sewer along Williams Road (north side) between Sheridan Rd and Parsons Rd and abandon existing pipe work.		


2014 Recommended Infrastructure Water Main Replacement Program


Project Name	Total Investment	Total OBI	Ref
A. INFRASTRUCTURE PROGRAM			
<i>Waterworks</i>			
Bulk Water Meter Installations - Boundary Road Area	400,000	-	45
Development Coordinated Works in Capital	500,000	-	46
Lockhart Road Watermain, Drainage and Neighbourhood Improvement	1,950,000	8,000	47
Minor Capital Waterworks Program	300,000	-	48
Residential Water Metering	1,920,000	-	49
Watermain Replacement - Colbeck Road Area	2,810,000	-	50
Watermain Replacement - Ledway Area	960,000	-	51
Watermain Replacement - Ryan Road Area	810,000	-	52
Total Waterworks	\$9,650,000	\$8,000	

Infrastructure – Water

Program:	Infrastructure Program		Sub-program:	Watermain Replacement
Project Name:	Bulk Water Meter Installations – Boundary Road Area		Submission ID:	5188
Location:	City Wide			
Cost:	\$400,000		OBI:	\$ 0
Funding Sources:	Water Utility: \$400,000			
Scope:	<p>The proposed flow meters installed at Boundary Road will measure water supplied by Metro Vancouver’s Annacis main No. 4</p> <p>This project consists of two flow meter installations on Boundary Road:</p> <ul style="list-style-type: none">- at Thompson Gate and <p>The Dike Road.</p>			
				

Program:	Infrastructure Program	Sub-program:	Watermain Replacement
Project Name:	Development Coordinated Works in Capital	Submission ID:	5154
Location:	City Wide		
Cost:	\$500,000	OBI:	\$ 0
Funding Sources:	Water Utility: \$500,000		
Scope:	<p>This project will enable the City to leverage City and private development over the next year to design and construct water infrastructure works that are currently not identified in the Capital program but will benefit the City.</p> <p>These are upgrades and replacement of infrastructure that the City would complete separately but economic and engineering efficiencies can be achieved by completing this work at the same time the development takes place.</p>		
			

Program:	Infrastructure Program		Sub-program:	Watermain Replacement
Project Name:	Lockhart Road Watermain, Drainage and Neighbourhood Improvement		Submission ID:	5156
Location:	Lockhart Road			
Cost:	\$1,950,000		OBI:	\$8,000
Funding Sources:	Water Utility: \$940,000 Drainage Utility: \$510,000 NIC: \$250,000 Roads DCC: \$235,000 Roads City Assist: \$15,000			
Scope:	<p>The scope generally consists of watermain replacement, drainage upgrades and widening of Lockhart Road. This includes:</p> <ul style="list-style-type: none">- replacement of approx 525m of existing AC watermain- surface drainage improvements including new catch basins, drainage pipe work, curb & gutter, and adjustment of existing lawn basins and IC's- widening Lockhart Road in accordance with the NIC charges collected for this roadway			
				

Program:	Infrastructure Program	Sub-program:	Watermain Replacement
Project Name:	Minor Capital Waterworks Program	Submission ID:	4818
Location:	See Scope		
Cost:	\$300,000	OBI:	\$0
Funding Sources:	Water Utility: \$300,000		
Scope:	These are upgrades to our water infrastructure that are typically less than \$100,000 per project. They include but are not limited to minor watermain replacements, improved operational efficiencies, changes to safety requirements, minor repairs, testing of new technologies and response to resident complaints that require small upgrades.		
			


2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Water

Program:	Infrastructure Program		Sub-program:	Watermain Replacement
Project Name:	Residential Water Metering		Submission ID:	4812
Location:	Citywide			
Cost:	\$1,920,000		OBI:	\$0
Funding Sources:	Water Utility:		\$600,000	
	Water Meter Stabilization:		\$1,320,000	
Scope:	This project consists of a five-year universal metering program for single-family dwellings, and a volunteer metering program for multi-family dwellings.			
				


Infrastructure – Water


Project Name:		Watermain Replacement - Colbeck Road Area		Submission ID: 4793	
Location:		See scope.			
Cost:		\$2,810,000		OBI: \$0	
Funding Sources:		Water Utility: \$2,413,739			
		Water DCC: \$396,261			
Scope:		<p>This project includes installation of 3,020 lineal meters of 200mm diameter watermain, and 110 lineal meters of 300mm diameter watermain to replace the existing ageing infrastructure.</p> <p>The Waterworks Capital Program is based on watermain age, material, break history and the proposed road-paving program.</p> <p>Please refer to document #3154073 for specific locations, cost estimates and further details on the scope of work.</p>			
					

2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Water

Program:	Infrastructure Program		Sub-program:	Watermain Replacement
Project Name:	Watermain Replacement - Ledway Area		Submission ID:	5145
Location:	See scope			
Cost:	\$960,000		OBI:	\$ 0
Funding Sources:	Water Utility: \$862,989 Water DCC: \$97,011			
Scope:	<p>This project includes installation of 1040 lineal meters of 200mm diameter watermain to replace the existing ageing infrastructure.</p> <p>The Waterworks Capital Program is based on watermain age, material, break history and the proposed road-paving program.</p>			
				

Program:	Infrastructure Program	Sub-program:	Watermain Replacement
Project Name:	Watermain Replacement - Ryan Road Area	Submission ID:	5146
Location:	See scope		
Cost:	\$810,000	OBI:	\$0
Funding Sources:	Water Utilities: \$725,698 Water DCC: \$84,302		
Scope:	<p>This project includes installation of 880 lineal meters of 200mm diameter watermain to replace the existing ageing infrastructure.</p> <p>The Waterworks Capital Program is based on watermain age, material, break history and the proposed road-paving program.</p> <p>Please refer to document #3154073 for specific locations, cost estimates and further details on the scope of work.</p>		
			


2014 Details of Recommended Projects by Program**Appendix 4**

Infrastructure – Sewer

2014 Recommended Infrastructure Sanitary Sewer Program

Project Name	Total Investment	Total OBI	Ref
A. INFRASTRUCTURE PROGRAM			
<i>Sanitary Sewer</i>			
Buswell St. Gravity Sewer Installation	2,190,000	-	54
Development Coordinated Works in Capital	100,000	-	55
Eckersley B Pump Station Replacement	1,350,000	3,000	56
Hamilton Sanitary Sewer Phase 2	1,520,000	17,000	57
Leslie Pump Station Forcemain Replacement	560,000	-	58
Public Works Minor Capital - Sanitary	300,000	-	59
Sanitary Sewer Assessment	410,000	-	60
<i>Total Sanitary Sewer</i>	<i>\$6,430,000</i>	<i>\$20,000</i>	


Program:	Infrastructure Program		Sub-program:	Sanitary Sewer
Project Name:	Buswell St. Gravity Sewer Installation		Submission ID:	5024
Location:	Buswell Street from Granville Avenue to Buswell PS			
Cost:	\$2,190,000		OBI:	\$ 0
Funding Sources:	Sanitary Utility:		\$2,190,000	
Scope:	This project includes construction of 480m of 300mm diameter gravity pipe on Buswell Street from Granville Avenue to the Buswell pump station.			



2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Sewer


Program:	Infrastructure Program		Sub-program:	Sanitary Sewer
Project Name:	Development Coordinated Works in Capital		Submission ID:	5314
Location:	Citywide			
Cost:	\$100,000		OBI:	\$0
Funding Sources:	Sanitary Utility: \$100,000			
Scope:	<p>This project will enable the City to leverage City and private development over the next year to design and construct sanitary infrastructure works that are currently not identified in the Capital program but will benefit the City.</p> <p>These are upgrades and replacement of infrastructure that the City would complete separately but economic and engineering efficiencies can be achieved by completing this work at the same time the development takes place.</p>			
				

2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Sewer


Program:	Infrastructure Program		Sub-program:	Sanitary Sewer
Project Name:	Eckersley B Pump Station Replacement		Submission ID:	5183
Location:	8600-Cook Road			
Cost:	\$1,350,000		OBI:	\$ 3,000
Funding Sources:	Sanitary Utility: \$695,802			
	Sanitary DCC: \$654,198			
Scope:	Eckersley B Sanitary Pump Station includes construction of a new wet well, VFD pumps, electrical kiosk and 75 meters of gravity sewer along Cook Gate. This project will not require land acquisition.			



2014 Details of Recommended Projects by Program

Appendix 4


Infrastructure – Sewer

Program:	Infrastructure Program	Sub-program:	Sanitary Sewer
Project Name:	Hamilton Sanitary Sewer Phase 2	Submission ID:	5015
Location:	Area between Westminster Hwy and Hwy 91A to the north of Gilley Rd.		
Cost:	\$1,520,000	OBI:	\$ 17,000
Funding Sources:	Sanitary Utility:	\$95,000	
	Sanitary DCC:	\$1,425,000	
Scope:	This project includes construction of a new pump station including wet well, VFD pumps, electrical kiosk, 25 meters of 300mm diameter gravity pipe and 150 meters of 200mm forcemain. This project does not require land acquisition, as it will be constructed on City owned land.		
			

2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Sewer


Program:	Infrastructure Program		Sub-program:	Sanitary Sewer
Project Name:	Leslie Pump Station Forcemain Replacement		Submission ID:	5182
Location:	Leslie Road from No.3 Road to CPR corridor			
Cost:	\$560,000		OBI:	\$ 0
Funding Sources:	Sanitary Utility:		\$189,127	
	Sanitary DCC:		\$370,873	
Scope:	This project includes:			
	-Construction of 270 meters of 350mm diameter forcemain;			
	-Decommissioning of the 42 year old AC forcemain which has a history of breaks;			
				

2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Sewer


Program:	Infrastructure Program	Sub-program:	Sanitary Sewer
Project Name:	Public Works Minor Capital - Sanitary	Submission ID:	4824
Location:	Various		
Cost:	\$300,000	OBI:	\$0
Funding Sources:	Sanitary Utility:	\$300,000	
Scope:	These are minor upgrades to the City's sewerage infrastructure that include, but are not limited to: minor upgrades to pump stations, changes to improve operational efficiencies or meet safety requirements, minor repairs to manholes and valve boxes, testing of new technologies to improve efficiencies, minor forcemain repairs and response to resident complaints that require site specific repairs.		



2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Sewer

Program:	Infrastructure Program	Sub-program:	Sanitary Sewer
Project Name:	Sanitary Sewer Assessment	Submission ID:	5184
Location:	Ferndale, Alberta, Heather, Aspin, Dolphin, Temple North, Riverside East, Fraser, Mitchell Island		
Cost:	\$410,000	OBI:	\$0
Funding Sources:	Sanitary Utility: \$410,000		
Scope:	An assessment will be done for 26.5km of sanitary sewer system in the following catchment areas: Ferndale, Alberta, Heather, Aspin, Dolphin, Temple North, Riverside East, Fraser, Mitchell Island.		
			

2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Minor Capital Traffic

2014 Recommended Infrastructure Minor Capital - Traffic Program

Project Name	Total Investment	Total OBI	Ref
A. INFRASTRUCTURE PROGRAM			
<i>Minor Public Works</i>			
PW Minor Capital - Traffic	225,000	6,100	62
<i>Total Minor Public Works</i>	<i>\$225,000</i>	<i>\$6,100</i>	

Program:	Infrastructure Program	Sub-program:	Minor Public Works
Project Name:	PW Minor Capital - Traffic	Submission ID:	4257
Location:	Various		
Cost:	\$225,000	OBI:	\$6,100
Funding Sources:	Gaming:	\$225,000	
Scope:	<p>The general scope of this program includes various improvements to traffic systems as required. The program includes the following major components:</p> <p>A. Traffic Improvements: including minor crosswalks, bus stop improvements, wheelchair ramps and signage/safety improvements.</p> <p>B. Traffic Signal/Communications Network: infrastructure renewal, physical plant upgrading, ongoing infrastructure development testing and communications network conduit/cable.</p> <p>This program is an annual recurring program funded by the revenues from non-DCC sources such as general revenue. Funding assistance from ICBC and TransLink's MRN sources for some of these projects may be available and applications would be submitted to the appropriate agency.</p>		
			


2014 Recommended Infrastructure Advanced Design

Project Name	Total Investment	Total OBI	Ref
A. INFRASTRUCTURE PROGRAM			
<i>Infrastructure Advanced Design</i>			
City Centre District Energy Utility	300,000	-	64
PW Infrastructure Advanced Design	1,442,000	-	65
<i>Total Infrastructure Advanced Design</i>	<i>\$1,742,000</i>	<i>\$0</i>	
TOTAL INFRASTRUCTURE PROGRAM	\$32,098,460	\$147,618	

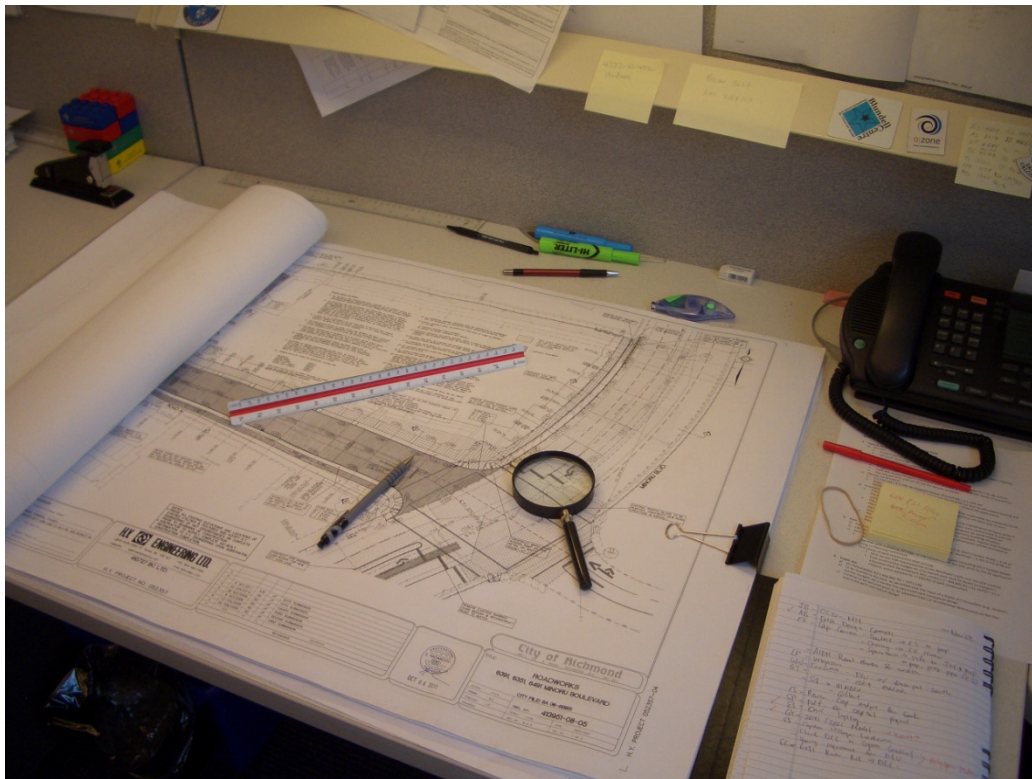
2014 Details of Recommended Projects by Program

Appendix 4

Infrastructure – Advanced Design

Program:	Infrastructure Program		Sub-program:	Infrastructure Advanced Design & Land
Project Name:	City Centre District Energy Utility		Submission ID:	5292
Location:	City Centre Area			
Cost:	\$300,000		OBI:	\$ 0
Funding Sources:	Water Utility: \$300,000			
Scope:	Advanced design of the district energy ready (DE-ready) developments in the City Centre neighbourhoods outside of the Phase 1 River Green DEU, including DEU corridors. Coordinating design with the incoming new developments. Legal fees for negotiation, development and registration of DE-ready covenants. Design of the strategy to provide interim district energy services outside of the Phase 1 River Green DEU area. Coordinating negotiation of DEU servicing agreements, and implementation of City Centre DEU.			
				

Program:	Infrastructure Program		Sub-program:	Infrastructure Advanced Design & Land
Project Name:	PW Infrastructure Advanced Design		Submission ID:	5039
Location:	Citywide			
Cost:	\$1,442,000		OBI:	\$ 0
Funding Sources:	Drainage Utility: \$680,000 Water Utility: \$430,000 Sanitary Utility: \$270,000 Roads DCC: \$58,280 Roads City Assist: \$3,720			
Scope:	The scope of work includes hiring consultants and contractors to plan and design the 2015 capital plan and deliver reports that define long-term infrastructure upgrades. Sanitary Project Design and Planning \$220,000 Sanitary System Modelling \$50,000 Water Project Design and Planning \$380,000 Water System Modelling \$50,000 Drainage Project Design and Planning \$430,000 Drainage System Modelling \$50,000 Dike Master Plan Phase 2 \$200,000 Roads \$62,000 Total \$1,442,000			



Building Program 2014-2018

The building program includes major building construction and renovation projects as well as minor facility upgrades and repairs. The City's building assets include: arenas, pools, community centres, libraries, heritage buildings, police stations, fire halls and other government facilities.

2014 Recommended Building Program

Project Name	Total Investment	Total OBI	Ref
B. BUILDING PROGRAM			
<i>Minor Building</i>	105,500	3,720	67
<i>Total Minor Building</i>	<i>\$105,500</i>	<i>\$3,720</i>	
<i>Major Building</i>			
City Centre Community Centre	6,700,000	1,608,184	68
Fire Hall No. 1	21,500,000	209,366	69
Japanese FBS Building Exhibit Development	171,000	-	70
Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency	15,000,000	-	71
Middle Arm Gathering Place Design	150,000	-	72
Minoru Aquatic Centre/Older Adults Centre	76,900,000	1,743,665	73
Minoru Chapel Restoration and Rehabilitation	625,000	-	74
Richmond Ice Centre - Chiller Replacements	550,000	-	75
Richmond Ice Centre - HVAC/Refrigeration Equipment	440,000	-	76
<i>Total Major Building</i>	<i>\$122,036,000</i>	<i>\$3,561,215</i>	
TOTAL BUILDING PROGRAM	\$122,141,500	\$3,564,935	

Building

Program:	Building Program	Sub-program:	Major Building
Project Name:	Branscombe House Phase 2	Submission ID:	5222


Location:	4900 Steveston Hwy																												
Cost:	\$105,500	OBI:	\$3,720																										
Funding Sources:	Arts, Culture, & Heritage Capital Rsrv: \$105,500																												
Scope:	<p>In July 2012, Council authorized the execution of an agreement with a local business consortium for the stabilization and restoration of Branscombe House. The exterior and lower floor restoration has been completed. At the October 15, 2013 Council meeting, in response to a report titled, "Branscombe House – Future Uses", Council passed a resolution that staff: consider the feasibility of an artist in residence upon completion of the Branscombe House; and obtain Expressions of Interest for other possible uses. Resolution R13/17-4 Phase 2 will convert the second floor of the rehabilitated house to a 2-bedroom dwelling unit and complete the catering kitchen (roughed in) on the publicly accessible ground floor.</p> <table><tr><td>General Contractor</td><td>\$30,000</td></tr><tr><td>Architect</td><td>3,000</td></tr><tr><td>Carpentry</td><td>8,000</td></tr><tr><td>Doors</td><td>4,000</td></tr><tr><td>Finishes</td><td>5,565</td></tr><tr><td>Appliances</td><td>2,400</td></tr><tr><td>Kitchen finishes</td><td>21,700</td></tr><tr><td>Plumbing</td><td>6,000</td></tr><tr><td>Electrical</td><td>9,000</td></tr><tr><td>Telus hook-up</td><td>500</td></tr><tr><td>Security</td><td>1,500</td></tr><tr><td>15% Contingency</td><td>13,775</td></tr><tr><td>TOTAL</td><td>\$ 105,440</td></tr></table>			General Contractor	\$30,000	Architect	3,000	Carpentry	8,000	Doors	4,000	Finishes	5,565	Appliances	2,400	Kitchen finishes	21,700	Plumbing	6,000	Electrical	9,000	Telus hook-up	500	Security	1,500	15% Contingency	13,775	TOTAL	\$ 105,440
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Electrical	9,000																												
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Security	1,500																												
15% Contingency	13,775																												
TOTAL	\$ 105,440																												




Program:	Building Program	Sub-program:	Major Building
Project Name:	City Centre Community Centre	Submission ID:	5324

Location:	Minoru at Elmbridge		
Cost:	\$ 6,700,000	OBI:	\$1,608,184
Funding Sources:	Other Funding: \$6,300,000 Capital Reserve - Revolving: \$400,000		
Scope:	Scope of work is to complete tenant improvements to the developer built City Centre Community Centre shell building.		


The developer's work is anticipated to be complete by August 2014 at which time the shell building will be turned-over to the City to complete the interior tenant improvements. The interior design concept was previously adopted by Council and detailed designs have commenced.



Building

Program:	Building Program	Sub-program:	Major Building
Project Name:	Fire Hall No.1	Submission ID:	5327
Location:	Minoru at Gilbert		
Cost:	\$21,500,000	OBI:	\$209,366
Funding Sources:	Other Funding: \$21,500,000		
Scope:	<p>Replace the Fire Suppression and Administration components of the Fire Hall No. 1. Relocate Fire Education and Prevention offices for Richmond Fire Rescue to one site at Gilbert and Granville. Work includes design and construction of a new 27,500 sq. ft. facility to be located on the current site of Fire Hall No. 1.</p> <p>Training and EVT will be relocated to the new Cambie Fire Hall No. 3.</p> <p>The building programming study and baseline parameters by Process 4, July 2007, indicates a separate facility in this location for a total cost of \$21.5 million.</p> <p>March 24/09 Project scope was increased in order to include the Traffic Control Centre.</p> <p>The Sustainable High Performance Building Policy ensures economic, social and environmental benefits in replacing Fire Hall #1. Building replacement strategy includes plans to replace 3 Fire Halls from 2008 to 2012. This is the final building to be replaced. This replacement project supports the Vision statement and is a priority in the Community Safety and Ageing Infrastructure Strategy.</p> <p>Facility Major Capital was approved by Council at GP November 4, 2013 meeting and November 12, 2013 Council (pending at time of writing this submission).</p> <p>Phasing per June 24, 2013 Council adopted report, Page CNCL - 62, showing construction commencing 2016. FH # 1 plan is to delay start of construction until FH #3 is built and FH#1 training/mechanical systems can be temporarily located at FH#3 while FH#1 is being constructed.</p>		
			

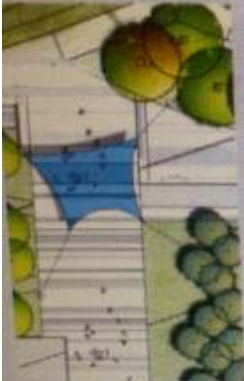
Program:	Building Program	Sub-program:	Major Building
Project Name:	Japanese FBS Building Exhibit Development	Submission ID:	5228
Location:	Steveston Museum Site		
Cost:	\$171,000	OBI:	\$0
Funding Sources:	Leisure Facilities Reserve: \$171,000		
Scope:	<p>The conceptual design for the exhibits has been completed and cost estimates established. Two cases will be retrofitted for the Steveston Museum exhibit upgrade and 5 new flexible modular cases with movable shelves with attached panels will be purchased for the JFBS building. 71 linear feet of graphic panel substrate approximately 4'6" wide will be purchased. The movable reception desk/work station and 2 interactive A/V units will be custom built to meet the needs of the small space. A/V content software will need to be developed and purchased externally.</p> <p>City staff are developing exhibit content for the Steveston Museum exhibit upgrade and coordinating the content being developed for the JFBS building by the Japanese Nikkei National Museum and Archives.</p>		




Program:	Building Program	Sub-program:	Major Building
Project Name:	Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency	Submission ID:	5328
Location:	Various		
Cost:	\$15,000,000	OBI:	\$0
Funding Sources:	Other Funding: \$15,000,000		
Scope:	The Major Facilities Multi-Project and Construction Escalation Contingency is an allowance to cover potential cost escalation during the 3-year design and construction process.		


Program:	Building Program	Sub-program:	Major Building
Project Name:	Middle Arm Gathering Place Design	Submission ID:	5227
Location:	Oval Precinct		
Cost:	\$150,000	OBI:	\$0
Funding Sources:	Capital Reserve - Revolving: \$150,000		
Scope:	<p>The Middle Arm Plazas were envisioned to be unique destinations and Olympic gathering places. To create welcoming, vibrant and animated environments, successful integration of design and programming elements is necessary.</p> <p>Preliminary concepts were developed in 2012. This phase will refine the concepts and start the detailed planning and design, refine the costing, explore viable options for shelters and infrastructure development phasing options</p>		

SHELTERS




Entry Shelter







- Outdoor Performance
- Weather Protection
- Tai Chi
- Integrated events and activities
- Food
- Olympic headquarters as back shop and supporting street life


Event Shelter





Precedents








Program:	Building Program	Sub-program:	Major Building
Project Name:	Minoru Aquatic Centre/Older Adults Centre	Submission ID:	5325
Location:	Minoru Park, Minoru 2 Soccer Pitch		
Cost:	\$ 76,900,000	OBI:	\$1,743,665
Funding Sources:	Debt Funding: \$50,000,000 Other Funding:\$26,900,000		
Scope:	<p>On November 12, 2013 Council approved site selection for the new Minoru Aquatic centre/Older Adults Centre (MAC/OAC). Scope of work will include design and construction of a ±68,000 ft² aquatic facility and a ±33,000 ft² Older Adults Centre.</p> <p>As the site of this new facility is on Minoru 2 soccer pitch, delivery of the new MAC/OAC will include relocation of the soccer pitch, LaTrace Baseball Diamond, and the throwing area which are currently located in the green space. MAC/OAC siting also impacts the existing ±50-year old Minoru Pavillion which will be replaced as part of this project.</p>		
<div></div>			

Building

Program:	Building Program	Sub-program:	Major Building
Project Name:	Minoru Chapel Restoration and Rehabilitation	Submission ID:	5266
Location:	6540 Gilbert Road		
Cost:	\$625,000	OBI:	\$0
Funding Sources:	Capital Reserve - Revolving: \$625,000		
Scope:	<p>Renewal and replacement of the following components. Each component renewal will correct multiple deficiencies resulting from deferred maintenance.</p> <p>Superstructure</p> <ul style="list-style-type: none">-Upgrade accessible ramp-Repair/replace perimeter drainage system that is cracked and obstructed <p>Structure</p> <ul style="list-style-type: none">- Structural upgrade of Roof, Steeple and Wall/Foundation Assembly to meet seismic requirements- Renewal of railings and handrails <p>Building Envelope</p> <ul style="list-style-type: none">- Repair/replace existing cedar roofing- Replace and/or repaint damaged trim- Replace failing gutters and downspouts- Repair/replace damaged siding and skirting <p>Interior</p> <ul style="list-style-type: none">- Review functional planning to meet program of uses.- Repair/replace failing floor boards to meet occupant load requirements. Current floor is unsafe as the old tongue and groove connections have dried out and split, causing gaps in the floor.- Replace wainscoting below the windows that is in poor condition- Update existing fixtures in the universal toilet room <p>Electrical</p> <ul style="list-style-type: none">- Replace existing fire alarm and security alarm devices for assembly spaces. Provide visual strobe lights, emergency lighting and exit signs.		
			


2014 Details of Recommended Projects by Program

Appendix 4

Building

Program:	Building Program	Sub-program:	Major Building
Project Name:	Richmond Ice Centre - Chiller Replacements	Submission ID:	5264
Location:	14140 Triangle Road		
Cost:	\$550,000	OBI:	\$0
Funding Sources:	Capital Reserve - Revolving: \$550,000		
Scope:	<p>Replacement of two chillers.</p> <p>For each of the above listed action items, achieving further energy efficiency gains will be examined through higher efficiency upgrades, including researching external funding sources, in conjunction with the City's Energy Management Program.</p>		
			

Building

Program:	Building Program	Sub-program:	Major Building
Project Name:	Richmond Ice Centre - HVAC/Refrigeration Equipment	Submission ID:	5293
Location:	Richmond Ice Centre		
Cost:	\$440,000	OBI:	\$0
Funding Sources:	Capital Reserve - Revolving: \$440,000		
Scope:	<p>Work to include Replace Humidifier Units; Upgrade of Refrigeration Compressors; Replace Roof-top Air Conditioning Units.</p> <p>For each of the above listed action items, achieving further energy efficiency gains will be examined through higher efficiency upgrades, including researching external funding sources, in conjunction with the City's Energy Management Program.</p>		
			

Parks Program 2014-2018

Richmond is renowned for its high quality parks and recreation facilities. The City's park system has over 90 parks that total approximately 1,400 acres. Parks are unique places designed and developed for the enjoyment of all city residents as well as visitors to Richmond. These sites usually contain a wide variety of recreational and sports facilities, play equipment and other specialized facilities. In addition to parks, Richmond has a 200-acre recreational trail system.


2014 Recommended Parks Program

Project Name	Total Investment	Total OBI	Ref
C. PARKS PROGRAM			
Minor Parks			
Parks Ageing Infrastructure Retrofit Program	75,000	-	78
Parks General Development	250,000	3,000	79
Playground Improvement Program	300,000	4,300	80
Total Minor Parks	\$625,000	\$7,300	
Major Parks/Streetscapes			
Cambie Mueller Park	1,500,000	9,660	81
City Tree Planting Program	150,000	15,080	82
Minoru Artificial Turf Retrofit - Minoru 2 field	600,000	-	83
Minoru Park - Track Resurfacing	450,000	-	84
ORA Development - Park OBI	1	10,240	85
Parks Advance Planning & Design	350,000	-	86
Railway Greenway Phase 2	330,000	32,358	87
Railway Greenway Washrooms at Branscombe House - OBI	1	19,870	88
Terra Nova Play Environment Washroom & Landscaping	650,000	15,000	89
The Gardens Agricultural Park	850,000	-	90
Trails	250,000	3,074	91
Tree Planting/Urban Forest Advance Design Program	150,000	-	92
Total Major Parks/Streetscapes	\$5,280,002	\$105,282	
Public Art			
Public Art Program	690,324	10,000	93
Total Public Art	\$690,324	\$10,000	
TOTAL PARKS PROGRAM	\$6,595,326	\$122,582	

2014 Details of Recommended Projects by Program

Appendix 4

Parks

Program:	Parks Program		Sub-program:	Minor Parks
Project Name:	Parks Ageing Infrastructure Retrofit Program		Submission ID:	4698
Location:	Various			
Cost:	\$75,000		OBI:	\$ 0
Funding Sources:	Gaming: \$75,000			
Scope:	<p>This is a multi-year, phased program to replace failed hard surfaces, and parks and open space infrastructure. The replacement program includes: outdoor tennis, basketball, lacrosse, and hockey courts; baseball backstops; sports lighting fixtures; and other amenities that cannot be funded through Parks DCCs because of the DCC Bylaw Restrictions for capital construction eligibility.</p> <p>There is no Operational Budget Impact associated with this submission since it involves the replacement of existing assets for which there are already OBI's in place.</p>			
				

2014 Details of Recommended Projects by Program

Appendix 4

Parks


Program:	Parks Program	Sub-program:	Minor Parks
Project Name:	Parks General Development	Submission ID:	3839
Location:	Various		
Cost:	\$250,000	OBI:	\$3,000
Funding Sources:	Parks Development DCC: \$235,125 Parks Development City Assist: \$14,875		
Scope:	This ongoing program addresses special opportunities, emergency requests, and safety driven concerns from the public towards the installation of various park amenities that are not part of any larger park program. This includes: construction, fabrication, and installation of park components (e.g., community gardens, landscaping, pathways, benches, picnic tables, fencing, sportsfields upgrades, drainage & irrigation, gathering areas, signage and way-finding).		
			

2014 Details of Recommended Projects by Program


Appendix 4

Parks


Program:	Parks Program	Sub-program:	Minor Parks
Project Name:	Playground Improvement Program	Submission ID:	349
Location:	Various locations		
Cost:	\$300,000	OBI:	\$4,300
Funding Sources:	Gaming: \$300,000		
Scope:	<p>Work will focus on fixing or replacing individual components of play equipment; removing or replacing outdated equipment; and/or upgrading the surfaces under play equipment.</p> <p>The preliminary list of projects for 2014 includes:</p> <p>Hamilton Community Park Playground: Replacement and expansion of the existing playground. Staff is working with the Hamilton Community Association which has raised approximately \$27,000 in capital funding to augment the budget. Once all Association funds have been determined this project's funding total will be amended.</p> <p>King George Community Park Playground (near McNeely School): Replacement of the existing playground.</p> <p>Steveston Community Park Playground: Accessibility improvements to improve wheelchair access.</p>		




Parks

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	Cambie Mueller Park	Submission ID:	5086
Location:	Cambie Road & Hazelbridge		
Cost:	\$1,500,000	OBI:	\$9,660
Funding Sources:	Parks Development DCC: \$1,410,750 Parks Development City Assist: \$89,250		
Scope:	<p>The creation of a new neighbourhood park in the City Centre's Capstan Village area is the result of residential development to the north of the park by Polygon Homes. The Cambie Mueller Park plan was approved by Council in October 2013. The total cost of the park construction is estimated at \$4.2 million. As a condition of rezoning, the developer is responsible for constructing a portion of the first phase of the project, valued at \$1.2 million. The City will fund the remainder at \$1.5 million. Phase 1 is proposed to include: a plaza; landforming; lighting; tree planting and other landscaping; and infrastructure and related features to ensure that the park will be immediately attractive to and usable by local residents, workers, and visitors. Park development will begin in 2014 with completion anticipated in late 2015/early 2016.</p> <p>The Operating Budget Impact submission for 2014 reflects a minimum of maintenance effort while the park is under construction (e.g., litter pick-up, vandalism response, safety inspections).</p>		
			


Parks

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	City Tree Planting Program	Submission ID:	5233
Location:	Various Locations		
Cost:	\$150,000	OBI:	\$15,080
Funding Sources:	Tree Compensation: \$150,000		
Scope:	<p>This program will allow for the planting of trees in various sites within the City and providing a tree inventory for the City Nursery. Approximately 700 to 800 trees are purchased and planted annually on streets and within public open spaces throughout the City by the Parks Dept and/or by developers, according to their development permits. Funding for ongoing maintenance for the life of the tree is required for all new trees (not including replacement trees).</p> <p>The OBI cost per tree for annual maintenance is approximately \$20 per tree, which includes watering, pruning, and assessment. The cost per tree is derived from the total cost of maintenance of the existing urban forest. The annual cost is in excess of \$1.3 million for maintenance of more than 60,000 trees, at a per tree cost of \$21.60. The OBI is for the labour and maintenance of the 700 to 800 trees, that are planted on an annual basis.</p> <p>The capital program includes: planting of trees at various parks, open spaces, and streets within the City; and purchasing of tree "whips" (young unbranched trees) and growing them in the City's nursery. The result is significant cost savings compared to purchasing more mature trees from commercial suppliers.</p>		
			

Parks

Program:	Parks Program		Sub-program:	Major Parks/Streetscapes
Project Name:	Minoru Artificial Turf Retrofit - Minoru 2 field		Submission ID:	5044
Location:	Minoru Park - Granville Ave			
Cost:	\$600,000		OBI:	\$0
Funding Sources:	Special Sports Reserve: \$600,000			
Scope:	<p>Replacement of the existing artificial turf carpet and infill material at Minoru Field 2. The field was originally constructed in 2002, and was the first artificial turf multi-use sports field in Richmond. The life span of these fields are generally between 8 – 10 years, depending on the level of play and maintenance of the facility.</p> <p>The total estimated cost of construction for 2014 is \$600,000 including:</p> <ol style="list-style-type: none">1) Removal and disposal of the artificial turf carpet, rubber infill and synthetic sand. (50K)2) Material Testing: sand base, drainage and aggregate (20K)3) Prepare, level, and laser grade the aggregate surfacing (80K)4) Replacement and installation of a new synthetic turf layer and infill (400K)5) Upgrade fencing sections that require replacement of chainlink mesh (50K) <p>Proposed funding source:</p> <p>\$500,000 - from Sports Reserve (User Fees) for removal, disposal, and replacement of artificial turf. (These funds were collected from sports user groups that, since 2002, have paid to use the field in anticipation of the turf replacement).</p> <p>\$100,000 - from Parks DCCs for the preparation of the sub-base and installation of drainage and fencing.</p>			
				

Parks

Program:	Parks Program		Sub-program:	Major Parks/Streetscapes
Project Name:	Minoru Park - Track Resurfacing		Submission ID:	4205
Location:	Minoru Park			
Cost:	\$450,000		OBI:	\$0
Funding Sources:	Capital Reserve - Revolving: \$450,000			
Scope:	<p>Scope of work includes:</p> <p>1) Removal and disposal of existing rubber track layers</p> <p>2) Apply and install a new track surface</p> <p>The estimate of \$450,000 was provided by a local track re-surfacer and is based on installation costs in 2010 in other lower mainland cities.</p> <p>Minoru Track is home to annual elementary school, high school, and regional and provincial track and field competitions. Minoru Track enjoys heavy, daily community use year-round.</p>			
				

Parks

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	ORA Development - Park OBI	Submission ID:	5029
Location:	Middle Arm Area		
Cost:	\$1	OBI:	\$10,240
Funding Sources:	Other Funding: \$1		
Scope:	<p>Council approved the Servicing Agreement with Onni Development in 2013 for the construction of a new park within the Hollybridge Way ROW, adjacent to the ORA development. This unique and innovative City Centre park features sustainable specialized plants and a rain garden that utilizes water from nearby rooftop run-off.</p> <p>This submission is for the Operating Budget Impact of the new park once it is completed by the developer in 2014. The park was developed based on unit pricing costs for maintenance of park assets and constructed according to the approved park plan.</p> <p>After the park is constructed and transferred to the City's Park Operations, ongoing maintenance will be required for various items, such as the rain garden; hard surfaces; irrigation system; grass cutting and weed control; and litter and waste management.</p>		
			


Parks

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	Parks Advance Planning & Design	Submission ID:	833
Location:	Various		
Cost:	\$350,000	OBI:	\$0
Funding Sources:	Parks Development DCC: \$329,175 Parks Development City Assist: \$20,825		
Scope:	Advanced planning and design informs city planning processes, Community Services strategies and plans and future capital projects. The planning and design process includes: <ul style="list-style-type: none">• Research, eg: alternative hard surfaces• Feasibility Studies, eg: Steveston Harbour Long-term vision• Public Consultation (e.g., public open houses, on-line communications, public meetings with stakeholder groups)• Development of strategic plans, preliminary design concepts and park resource management plans, eg: Parks and Open Space Strategy		
2014 Projects include:			
<ul style="list-style-type: none">- Conceptual Park & Open Space Planning for various sites: The Gardens; Cambie Mueller Neighbourhood Park- Topographical Surveys (engineering site survey pick-up)- Waterfront & Trails Strategy Implementation project- Park Characterization projects, eg: 2015 Playground Improvements			
<div><div>4</div><div><h2>WHAT WE LEARNED</h2><p>Word play revealed that play occurs in common themes...</p><p>...around which we created a design framework...</p><p>Recognize that edges, heights and hollow spaces are potent places of prospect and refuge.</p><p>Provide local natural materials for endless manipulation and assembled parts for creative decomposition.</p><p>Equip for open-ended physical play that challenges children to go beyond what they previously thought possible.</p><p>Invite a fun-loving response to environment as vital sensory.</p><p>Engage risk-taking, skill seeking, fun, and adventure.</p><p>Accommodate both solitary and socially engaged activities, as well as different play preferences across gender, age, ability and inclination.</p><p>Appreciate the potential for profound discovery in play and foster an enduring sense of discovery into adulthood.</p><p>...which we used to audit the site for play value in order to locate the play area within the park to take advantage of existing natural and cultural features...</p><p>TERRA NOVA PLAY ENVIRONMENT</p></div></div>			

Parks

Program:	Parks Program		Sub-program:	Major Parks/Streetscapes
Project Name:	Railway Greenway Phase 2		Submission ID:	5193
Location:	Railway Ave. From Garry St. To Westminster Hwy.			
Cost:	\$ 330,000		OBI:	\$32,358
Funding Sources:	Tree Compensation: \$330,000			
Scope:	<p>Scope of work will include the planting of 600 trees along the newly developed Railway Corridor Greenway trail. The corridor currently has a fragmented tree canopy and one dominant tree species. Phase 2 is intended to satisfy the project principles by filling in the gaps in the canopy and diversifying the tree species (Note: diversity in the urban forest provides insurance against periodic species die-back caused by disease or insect infestation). Tree planting and vegetation control will be implemented to enhance tree health, provide a buffer between the trails and Railway Ave, and improve the ecological health of the corridor.</p> <p>The scope of the Operation Budget Impact submission is for maintenance of the newly constructed (in 2013) section of the Railway Greenway, and includes: maintenance of paved and gravel surfaces; pedestrian bridges; site furnishings; formal mowing and vegetation management; and tree planting (these are not included in the tree Planting Program submission).</p>			
				

Parks

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes				
Project Name:	Branscombe House - OBI	Submission ID:	5208				
Location:	Railway Avenue - Steveston						
Cost:	\$ 1	OBI:	\$19,870				
Funding Sources:	Capital Reserve - Revolving: \$1						
Scope:	<p>The recently restored Branscombe House includes a public washroom that is accessible from the outside of the building so that it will function as a trail washroom.</p> <p>This submission is for the Operating Budget Impact for operation, maintenance of the washroom and also for maintenance of the newly developed landscape surrounding the house.</p> <p>The OBI breakdown is as follows:</p> <table><tr><td>Washroom Maintenance:</td><td>\$15,000</td></tr><tr><td>Landscaping Maintenance:</td><td>\$ 4,870</td></tr></table> <p>Note: If the proposal to install a caretaker in the house proceeds in the future, then maintenance costs for the washroom would be reduced.</p>			Washroom Maintenance:	\$15,000	Landscaping Maintenance:	\$ 4,870
Washroom Maintenance:	\$15,000						
Landscaping Maintenance:	\$ 4,870						
							

Parks

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	Terra Nova Play Environment Washroom & Landscaping	Submission ID:	5206
Location:	Terra Nova Rural Park		
Cost:	\$650,000	OBI:	\$15,000
Funding Sources:	Parks DCC: \$611,325 Parks Development City Assist: \$38,675		
Scope:	In 2012, Council approved the concept for the Terra Nova Rural Park Play Environment. Construction of the playground began in 2013.		
	Scope of Work in 2014 includes:		
	1) Design and construction of a universally accessible, two (2) stall washroom adjacent to the Paddock and Homestead play areas. Estimate Cost \$400,000		
	2) Redevelopment of the landscape around the Edwardian Cottage to provide walking trails, outdoor gathering areas, landscaped areas, a driveway and parking. Estimated cost \$250,000		
	OBI estimate of \$15,000 is for the maintenance of the washroom (labour, materials, equipment). The Edwardian Cottage landscape OBI has already been funded through the Terra Nova Parks Operational Resource Management Plan.		

PLAY CONCEPT PLAN

PLAY EXPERIENCE THEMES

HISTORY AND HERITAGE

NATURAL ELEMENTS

IMAGINATION

THRILL AND MOVEMENT

HEIGHT AND PROSPECT

SUPPORTING FEATURES

Parks

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	The Gardens Agricultural Park	Submission ID:	4706
Location:	No. 5 Road & Steveston Hwy		
Cost:	\$850,000	OBI:	\$0 (Year 2015 OBI)
Funding Sources:	Parks DCC: \$799,425 Parks Development City Assist: \$50,575		
Scope:	In 2011, the Gardens Park Plan was endorsed. The total estimate cost for development of the plan is approx. \$5 to \$7 million.		

Phase 3 of the park plan will be developed including:

1. Restoration of the existing botanical garden areas, including: reconstruction of pedestrian walkways and garden structures; supplementary planting; new drainage, irrigation and electrical supply; and new site furnishings.
2. Development of the community garden, including: installation of irrigation; vehicular and pedestrian access; new drainage, irrigation and electrical supply; soil; composting and garbage facilities; site furnishing; and surrounding soft landscape improvements.

There is no additional Operational Budget Impact submission required for 2014 since all park construction occurring in 2013 is developer constructed works that will be maintained under a 1 year warranty period before being turned over to the City.



ILLUSTRATED SITE PLAN

NOVEMBER 12TH, 2010


P+A
Parks & Amenities
Landscape Architecture
and Planning

THE GARDEN


2014 Details of Recommended Projects by Program

Appendix 4


Parks

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	Trails	Submission ID:	332
Location:	Various		
Cost:	\$250,000	OBI:	\$3,074
Funding Sources:	Parks DCC: \$235,125 Parks Development City Assist: \$14,875		
Scope:	The design and construction of various trails projects including both soft (gravel, limestone, etc.) and hard landscapes (concrete, asphalt, etc.), and landscape features.		
	For 2014, projects will include trail improvement and wayfinding signage connecting the Imperial Landing to Britannia Heritage Shipyards trail, and an interpretation plan and signage for the South & West Dyke trail systems.		
			

Parks

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	Tree Planting/Urban Forest Advance Design Program	Submission ID:	5202
Location:	Various Park Sites		
Cost:	\$150,000	OBI:	\$0
Funding Sources:	Tree Compensation: \$150,000		
Scope:	<p>In 2001, City Council adopted the Urban Forestry Strategy. As per the Parks and Open Space Strategy approved in September 2013, the Urban Forest Strategy will be updated and expanded to address the changes that occurred since 2001 (e.g., the introduction of the Tree Protection Bylaw and rapid expansion of the urban forest due to urban development).</p> <p>This project will be funded from the Tree Development Fund. It will involve planning and design for the planting of trees at various parks, open space, and streets within the City.</p>		
			

Parks

Program:	Parks Program	Sub-program:	Public Art
Project Name:	Public Art Program	Submission ID:	3899
Location:	Various City of Richmond Installations		
Cost:	\$690,324	OBI:	\$10,000
Funding Sources:	Public Art Program Reserve: \$690,324		
Scope:	<p>The scope of work consists of a variety of public art projects. The following are proposed projects (with estimated costs) which may change during the project's duration based on the Public Art Program's consideration of public art opportunities and priorities and private development funding.</p> <p>For Community Public Art Projects, with funds from previously received contributions by private developers deposited to the Public Art Reserve, \$100,000 Total, as follows:</p> <ul style="list-style-type: none">- City streets, parks and buildings: \$10,000 (additional funding for public works and facilities public art included with Capital Submissions for these works)- Community public art artist-in-residence project: \$50,000- Community education and promotion of the public art program: \$10,000- Collaboration on educational opportunities with the Richmond Art Gallery, Media Lab, Cultural Centre and Richmond Museum: \$20,000- Pursuing community public art partnerships as they arrive: \$10,000 <p>For the Private Development Program, from Developer Contributions received and deposited to the Public Art Reserve for implementation of projects integrated with new development, on either private lands or City controlled land, with the expectation that the majority will be on City controlled sites (parks, streets, greenways) with a majority located in the City Centre (Canada Line Terminus Project, Lansdowne Greenway Art Walk, Alexandra Park Art Program), cost to be determined based on contributions received in 2012-2013, as follows (budgets reflect actual developer contribution less 15% of funds deposited to Public Art Provision for Program Administration):</p> <p>Pinnacle Phase 1, 3391 Sexsmith Road: \$90,733 Polygon Kiwanis, 6251 Minour Blvd.: \$241,248 Townline, 8288 Granville Avenue: \$67,937 Mandarin, for Canada Line Terminus: \$45,000 Am-Pri, 7028 Ash Street: \$13,610 Amacon, 7680 Alderbridge Way: \$131,796</p> <p>Total Private Development Contributions: \$590,324</p>		
			

Land


Land Program 2014-2018

The land acquisition program relates to the acquisition and disposition of real property for the City, as approved by Council.

2014 Recommended Land Program

Project Name	Total Investment	Total OBI	Ref
D. LAND PROGRAM			
<i>Land Acquisition</i>			
Strategic Land Acquisition	5,000,000	-	95
TOTAL LAND PROGRAM	\$5,000,000	\$0	

Land


Program:	Land Program	Sub-program:	Land Acquisition
Project Name:	Strategic Land Acquisition	Submission ID:	4920
Location:	Various		
Cost:	\$5,000,000	OBI:	\$ 0
Funding Sources:	Industrial Use: \$5,000,000		
Scope:	Funds for land acquisition to meet City needs, other than DCC and other special reserve funded projects, are set aside in the Capital Reserve under the Industrial Use Fund. This capital budget submission is to use land acquisition monies from this fund well as additional general funds approved by Council, for a variety of Council approved acquisitions.		
			

Affordable Housing Program 2014-2018

Affordable Housing is responsible for coordinating the implementation of the Richmond Affordable Housing Strategy – a Strategy that was adopted in 2007 which contains recommendations, policies, directions, priorities, definitions and annual targets for affordable housing in the city. The City is working with other levels of government, the non-profit sector, the private sector, local groups and the community in pursuit of the Strategy's goals.

2014 Recommended Affordable Housing Program

Project Name	Total Investment	Total OBI	Ref
E. AFFORDABLE HOUSING PROGRAM			
<i>Affordable Housing</i>			
Affordable Housing Projects - City Wide	857,000	-	97
TOTAL AFFORDABLE HOUSING PROGRAM	\$857,000	\$0	

Program:	Affordable Housing Project		Sub-program:	Affordable Housing Project
Project Name:	Affordable Housing Projects- City Wide		Submission ID:	5313
Location:	Various			
Cost:	\$857,000		OBI:	\$ 0
Funding Sources:	Affordable Housing Reserve (City Wide): \$857,000			
Scope:	<p>This is to fund the City's commitment for interim funding for an Affordable Housing initiative in the City of Richmond as approved by Council in May 2013. The provision of these City contributions will assist the project to achieve financial viability and deliver tenant rents below the affordable housing strategy rates.</p>			
				

Equipment Program 2014-2018

The equipment program includes machinery and vehicles for Public Works and Fire Rescue Services, computer hardware, software, library collections, and other miscellaneous equipment.


2014 Recommended Equipment Program

Project Name	Total Investment	Total OBI	Ref
F. EQUIPMENT PROGRAM			
<i>Vehicle Equipment</i>			
Vehicles for RCMP Detachment Leadership Team	105,000	33,920	100
<i>Total Annual Fleet Replacement</i>	<i>\$105,000</i>	<i>\$33,920</i>	
<i>Technology</i>			
2014 Server Replacements	232,000	-	101
Amanda Mobile 6.0 Upgrade Implementation	97,555	12,400	102
Energy Management - 2014 Projects	645,000	-	103
Existing Operational Desktop Computer Hardware	330,000	-	
Funding			104
Fibre Optic Cabling to City Facilities - Phase 8b	120,000	-	105
Fibre Optic Cabling to City Facilities - Phase 9/10	130,000	-	106
Mobile Middleware Framework	200,000	-	107
PeopleSoft 9.2 Enhancements and Business Intelligence	450,000	-	
Tools			108
Richmond Fire Mobile In Apparatus Computers	150,000	-	
(Evergreen)			109
WorkSafeBC Claims/Incident Management System	151,200	22,800	110
<i>Total Technology</i>	<i>\$2,505,755</i>	<i>\$35,200</i>	
<i>Annual Fleet Replacement</i>			
Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet) (Submission #1 of #2)	1,980,000	-	111
<i>Total Annual Fleet Replacement</i>	<i>\$1,980,000</i>	<i>\$0</i>	
<i>Fire Dept. Vehicles</i>			
Fire Equipment Replacement	318,182	-	112
Fire Vehicle Replacement Reserve Purchases	886,641	-	113
<i>Total Fire Dept. Vehicles</i>	<i>\$1,204,823</i>	<i>\$0</i>	

2014 Details of Recommended Projects by Program
Equipment

Appendix 4

Project Name	Total Investment	Total OBI	Ref
F. EQUIPMENT PROGRAM			
<i>Computer Capital/Software</i>			
Hansen Upgrade	1,175,500	44,100	114
Total Computer Capital/Software	\$1,175,500	\$44,100	
<i>Miscellaneous Equipment</i>			
Library Material Purchases	1,162,900	-	115
Total Miscellaneous Equipment	\$1,162,900	\$0	
TOTAL EQUIPMENT PROGRAM	\$8,133,978	\$113,220	

Program:	Equipment Program		Sub-program:	Vehicle Equipment
Project Name:	Vehicles for RCMP Detachment Leadership Team		Submission ID:	5326
Location:	No. 5 Rd Richmond Detachment			
Cost:	\$105,000		OBI:	\$33,920
Funding Sources:	Other Funding: \$105,000			
Scope:	<p>This request is to procure four (4) City of Richmond vehicles to be funded from a one-time reduction of the RCMP Contract Policing Account. The cars will be owned by the City of Richmond and operated by the Richmond RCMP Department Leadership Team. The OBI will be funded by an ongoing reduction in the RCMP contract Policing Account. The existing RCMP police vehicles for the Leadership Team will be reallocated to the Serious Crime Unit.</p> <p>The Richmond RCMP Detachment Leadership Team is on-call 24/7 to respond to emerging situations. Due to a change in RCMP vehicle use policy, overnight custody of RCMP police vehicles is no longer permitted. In order to respond to after-hour incidents, Officers would need to travel to and from the Richmond Detachment to obtain transportation rather than going directly to the incident.</p> <p>As well, the RCMP Detachment Leadership Team are also required after regular hours to conduct meetings, attend community service groups, charity events, cadet functions and other administrative meetings throughout the Lower Mainland and the Province (i.e. Chiefs of Police) to represent the City of Richmond.</p>			
				

2014 Details of Recommended Projects by Program

Appendix 4

Equipment

Program:	Equipment Program	Sub-program:	Technology
Project Name:	2014 Server Replacements	Submission ID:	5139
Location:	City Hall		
Cost:	\$232,000	OBI:	\$ 0
Funding Sources:	Lease Provision:		\$232,000
Scope:	The servers supporting the GIS system have experienced a number of failures over the past year. They have reached their end of life and as per the data centre evergreening plan, are scheduled for replacement in 2014.		
	ATLAS GIS database replacement server (RC) \$10,000 METIS GIS database replacement server (RC) \$21,000 DATA4 SQL server & licenses (RC) \$45,000 SAN Storage Additional Capacity \$36,000		
			

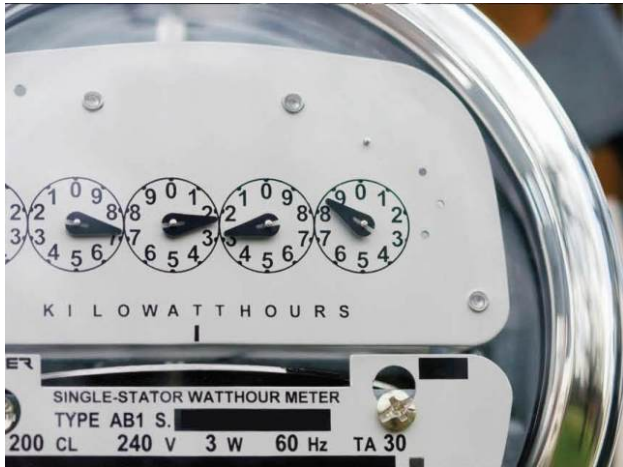
Equipment

Program:	Equipment Program	Sub-program:	Technology
Project Name:	Amanda Mobile 6.0 Upgrade Implementation	Submission ID:	5289
Location:	Building Approvals Division		
Cost:	\$97,555	OBI:	\$12,400
Funding Sources:	Rate stabilization: \$97,555		
Scope:	We are proposing implementation of a pilot program comprising 6 mobile units, software upgrade, individual licenses, staff training, maintenance and associated mobile hardware to the Amanda system to equip Building Inspections staff. We anticipate that analysis of the operational improvements to performance during the pilot period will become the basis of a wider implementation of the Mobile Amanda System for the overall Inspections Staff in future.		



Equipment


Program:	Equipment Program	Sub-program:	Technology
Project Name:	Energy Management - 2014 Projects	Submission ID:	5290
Location:	Various Locations		
Cost:	\$645,000	OBI:	\$0
Funding Sources:	Enterprise Provision: \$645,000		
Scope:	<p>1.City Hall occupancy sensor and temperature control upgrade - Install dual technology occupancy sensors in select rooms of City Hall. Estimated Capital: \$50,000 Anticipated Cost Avoidance: \$12,000</p> <p>2.Minoru tennis court lighting upgrade - Replace inefficient lighting at the Minoru Park public tennis courts. Estimated Capital: \$45,000 Anticipated Cost Avoidance: \$5,000</p> <p>3.Steveston pool and complex heating system upgrade and optimization. - Optimize the existing heating system at the Steveston Pool and Community Centre. Estimated Capital: \$125,000 Anticipated Cost Avoidance: \$3,000-\$10,000</p> <p>4.Direct digital control upgrades. - Upgrade the direct digital controls systems at five existing buildings (City Hall, Works Yard, Thompson Community Centre, Library Cultural Centre, and Steveston Community Centre). Estimated Capital: \$275,000 Anticipated Cost Avoidance: \$45,000</p> <p>5.Lighting retrofits - Conduct 3-5 lighting retrofit and upgrade projects at existing facilities. Estimated Capital: \$150,000 Anticipated Cost Avoidance: \$20,000</p>		



2014 Details of Recommended Projects by Program

Appendix 4

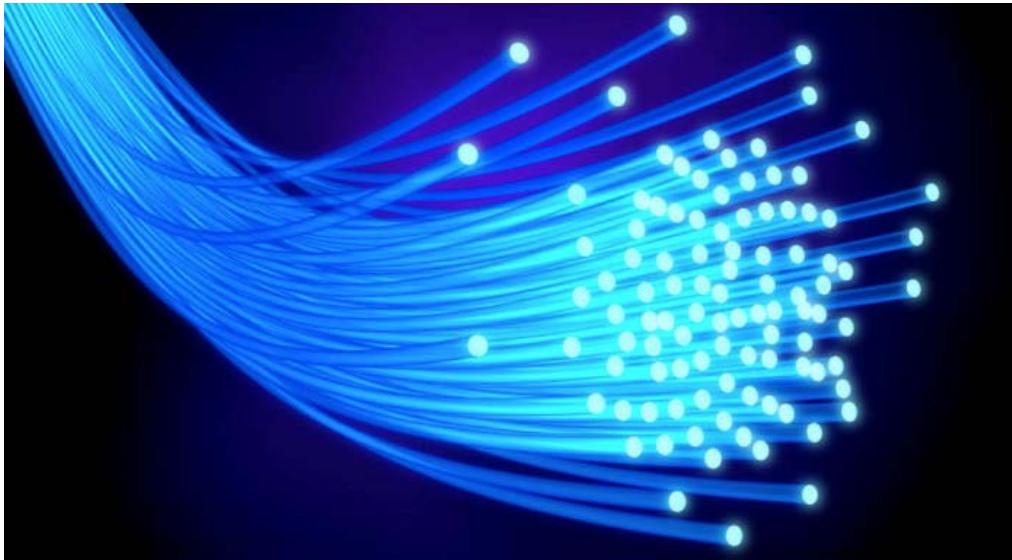
Equipment

Program:	Equipment Program	Sub-program:	Technology
Project Name:	Existing Operational Desktop Computer Hardware Funding	Submission ID:	4898
Location:	City Hall		
Cost:	\$330,000	OBI:	\$ 0
Funding Sources:	Hardware Upgrade Provision: \$330,000		
Scope:	<p>This is operational enterprise computer desktop hardware used by all City departments to carry out their day-to-day operations. Replacement of the following desktop hardware to ensure continued service levels:</p> <p>Desktops (Evergreen): 250 units = \$229,600.00</p> <p>Desktops (Replacement):50 units = \$45,920.00</p> <p>Workstations: 5 units = \$7,280.00</p> <p>Laptops: 25 units = \$25,200.00</p> <p>Monitors: 100 units = \$24,640.00</p> <p>Printers: 15 units = \$19,320.00</p> <p>Ipad/Mobile Devices: 20 units = \$17,920.00</p> <p>TOTAL \$369,880.00</p>		
			


2014 Details of Recommended Projects by Program

Appendix 4

Equipment

Program:	Equipment Program	Sub-program:	Technology
Project Name:	Fibre Optic Cabling to City Facilities - Phase 8b	Submission ID:	5140
Location:	Various Locations		
Cost:	\$120,000	OBI:	\$ 0
Funding Sources:	Enterprise Provision: \$120,000		
Scope:	<p>Replace the Telus Munilink services that currently run to Nature Park and Cambie. Total project cost: \$320,000 Funded to-date: \$200,000 This portion of project Start date: 2014 end date 2015 Design, remediation of existing conduit, laying of new conduit, pulling of fibre cables, termination, and requisite electronic components. Nature Park: \$110,000 (not yet funded) Cambie: \$85,000 (partially funded)- project submission 5045 Britannia: \$125,000 (already funded)- project submission 5045</p> 		

Equipment

Program:	Equipment Program		Sub-program:	Technology
Project Name:	Fibre Optic Cabling to City Facilities - Phase 9/10		Submission ID:	5142
Location:	Richmond Ice Centre, Watermania, Fire Hall # 7			
Cost:	\$130,000		OBI:	\$ 0
Funding Sources:	Enterprise Provision: \$130,000			
Scope:	<p>Replace the Shaw Internet services currently provided to Fire Hall #7</p> <p>Replace the Telus Munilink services that currently run to Richmond Ice Centre and Watermania.</p> <p>Upgrade telecommunications equipment.</p> <p>Design, remediation of existing conduit, laying of new conduit, pulling of fibre cables, termination, and requisite electronic components.</p> <p>Current & anticipated operating expenditures (if unfunded):</p> <p>Refer to document #3905197 for additional details</p>			
				

Equipment

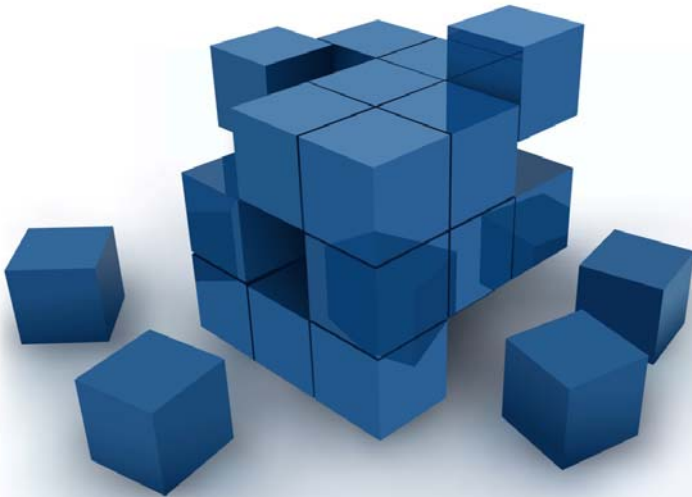
Program:	Equipment Program		Sub-program:	Technology
Project Name:	Mobile Middleware Framework		Submission ID:	5238
Location:	City Hall			
Cost:	\$200,000		OBI:	\$ 0
Funding Sources:	Software Provision: \$200,000			
Scope:	To develop an ongoing mobile middleware framework and to pilot one business unit mobile application demand/requirement using the following strategy:			
Strategy				
1. Identify mobile application demand/requirements				
2. Inventory types of mobiles solutions required to meet demand				
3. Determine anticipated ROI of each mobile solution				
4. Identify which mobile solutions can be purchased “off the shelf” 1 and which requires development				
5. Identify technology required and costs associated				
6. Determine estimated implementation efforts/costs including development and deployment				
7. Determine funding requirements (current/future) and indentify funding sources				
8. Prioritize mobile application projects and support departments				
9. Develop and test new technology				
10. Develop support procedures				
11. Implement new technology				
				

2014 Details of Recommended Projects by Program


Appendix 4

Equipment


Program:	Equipment Program	Sub-program:	Technology
Project Name:	PeopleSoft 9.2 Enhancements and Business Intelligence Tools	Submission ID:	3631
Location:	City Hall		
Cost:	\$450,000	OBI:	\$ 0
Funding Sources:	Software Provision: \$450,000		
Scope:	<p>There are two (2) components of this project: PeopleSoft enhancements and Business Intelligence (BI) tool assessment.</p> <p>PeopleSoft will be upgraded from version 9.0 to 9.2 during 2014. Enhancements during the upgrade include: reconfiguration of the general ledger and conversion of data, business process enhancements and improved functionality, enhanced financial reporting and technical improvements.</p> <p>These enhancements will prepare the financial system for use of a BI tool by providing data in a consistent and comparable format reducing the requirement for manual preparation of reports. A BI tool will facilitate reporting in an accessible, understandable and dynamic format. The assessment will define the corporate reporting needs, format and delivery preferences as well as a review of available products.</p>		



Equipment


Program:	Equipment Program		Sub-program:	Technology
Project Name:	Richmond Fire Mobile In Apparatus Computers (Evergreen)		Submission ID:	5020
Location:	Richmond Firehalls			
Cost:	\$150,000		OBI:	\$ 0
Funding Sources:	Rate stabilization: \$150,000			
Scope:	Replacement of all the mobile computer system in Emergency Response Vehicles for 15 units (13 front line and 2 reserve vehicles) at \$10,000 each. The total cost is \$150,000.			
<p>Richmond Fire Rescue has equipped all of the front line emergency response vehicles with mobile computer equipment. These units were placed into service in Nov 2008 and are coming to the end of their life cycle in Quarter 4, 2013. The current computer equipment would need to be replaced in 2014. This equipment is used to dispatch and to provide critical information to crews in the field. The installation consists of a computer, keyboard, monitor, modem (for data and GPS), antennas (for data and GPS) and cabling.</p> <p>The computer upgrades is used to enable new software releases by E-COMM to facilitate the integration of enhanced mutual communication of emergency services with neighbouring Fire Departments, BC Ambulance, and the RCMP. The upgrade would also be able to provide real-time information that may include live audio and video feed for site commanders and responding units. The upgraded computer system would also be able to utilize the full capacity of the public sector broadband communication, resulting in faster and more reliable transmission (less dropped signals). In all, new software and technology currently available would provide enhanced incident management and risk assessment, to save lives and to minimize property damage.</p>				
				

Equipment

Program:	Equipment Program		Sub-program:	Technology
Project Name:	WorkSafeBC Claims/Incident Management System		Submission ID:	5273
Location:	Human Resources			
Cost:	\$151,200		OBI:	\$ 22,800
Funding Sources:	Rate stabilization: \$151,200			
Scope:	<p>To source, purchase and implement a method to record, track and trend incident data in a centralized on-line system with configurable security for individual users or groups of users to ensure incidents are quickly responded to investigated and closed.</p> <p>Initiation of a Request for Information to located available software solution: Fall 2013 Request for Proposal, review, select and award: 1st quarter of 2014 Implementation: 3 to 6 months from purchase date</p> <p>Shared project: Departments included: IT, HR, with internal stakeholder of Richmond Fire-Rescue, Public Works, and Community Services</p>			
				


Equipment

Program:	Equipment Program	Sub-program:	Annual Fleet Replacement Program
Project Name:	Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	Submission ID:	605
Location:	Works Yard and Various City Departments		
Cost:	\$1,980,000	OBI:	\$0
Funding Sources:	Vehicles–PW Equipment Replacement: \$1,675,000 Utility Levy: \$305,000		
Scope:	<p>The work involves meeting with user groups to establish needs and develop specifications for vehicle/equipment replacements. Bid documentation is then issued to the marketplace, with purchases combined, where possible, to achieve best value. Submissions are evaluated with user input, and awards are made accordingly. Scope also includes vehicle outfitting. The work commences upon receiving council approval, with timing dependent on delivery timeframes/availability of product from successful vendors.</p> <p>This project includes the following items:</p> <p>Fleet Reserve:</p> <ul style="list-style-type: none"> - 879, 880 1995 U-Built Trailer - 932: 1997 Ingersoll Rand Compressor - 1046: 2003 Chevrolet Cavalier - 1055: 2001 Ford E-250 Cargo Van - 1056, 1057: 2001 Ford F-250 Pick Up Truck - 1058, 1059, 1060, 1061: 2001 F-250 Supercab Pick Up - 1062, 1063: 2001 F-250 Pick Up Truck - 1065, 1066, 1067: 2001 F-250 Regular Cab Pick Up Truck - 1068: 2001 Ford Regular Cab Pick Up Truck - 1069, 1070, 1071, 1072, 1073: 2001 Ford F-250 Super Cab - 1078: 2000 U-Built Flat Deck Trailer - 1088: 2001 GMC Safari Van - 1093: 2001 Ford F-450 Crew Cab - 1112, 1116, 1152, 1154: 2001 Grumman Workhorse Van - 1121 - 2001 Ford F-450 Crew Cab - 1123 - 2001 GMC Safari Cargo Van - 1144: 2001 GMC Savana Van - 1151: 2001 Ford F-150 Super Cab - 1161: 2002 F-550 Regular Cab Dump Crane - 1166: 2001 Ford Standard Cab Dump - 1170: 2002 Ford F-250 Super Cab - 1218: 2003 New Holland Tractor - 1235: 2003 Chevrolet Cavalier - 1236: 2003 John Deere Mower - 1632 Bobcat -1414/6004/875 Aerial Tree Trimmer - Brine Mixer - Unallocated <p>Water Utility Reserve:</p> <ul style="list-style-type: none"> - 941: 1997 Chevrolet 2 WD Pick-Up Truck - 1064: 2001 Ford F250 Pick-Up Truck - 1119: 2001 Grumman Workhorse Van - 1192: 2003 Ford Cargo Van Raised Roof 		

Program:	Equipment Program	Sub-program:	Technology
Project Name:	Fire Equipment Replacement	Submission ID:	4667
Location:	Fire-Rescue		
Cost:	\$318,182	OBI:	\$ 0
Funding Sources:	Fire Equipment - Replacement Reserve: \$318,182		
Scope:	<p>The following equipment to due for evergreen replacement:</p> <ol style="list-style-type: none">1. 55 units of Self-Contained Breathing Apparatus at 5,500 each – total is \$302,5002. 30 units of fire fighting hose at \$300-\$500 per unit depending on the diameter - total is \$15,682 <p>Firefighters rely upon their protective equipment to operate effectively and reduce the risk of injury or death. The Self-Contained Breathing Apparatus (SCBA) unit includes an air cylinder and breathing pak.</p> <p>The change in the industry standard requires the replacement of 180 SCBA units. In 2012, 70 SCBA units were replaced; In 2013, 55 SCBA units were replaced leaving the balance to be replaced in 2014 is 55 SCBA units.</p> <p>Fire hose is to be replaced based on the age, usage and testing to determine operational readiness. Based on the assessment conducted, Richmond Fire Rescue requires the evergreening of 30 units of fire fighting hose.</p>		
			

Equipment


Program:	Equipment Program	Sub-program:	Technology
Project Name:	Fire Vehicle Replacement Reserve Purchases	Submission ID:	852
Location:	Fire-Rescue		
Cost:	\$886,641	OBI:	\$ 0
Funding Sources:	Fire Equipment - Replacement Reserve: \$886,641		
Scope:	<p>For 2014 a Fire Pumper is scheduled for replacement. (23 years old in 2014 - 140,000 kms). A Fire Pumper will take approximately 10 months from date of order to deployment. The estimated replacement cost of the front-line apparatus is \$812,670 CDN.</p> <p>In addition, three support vehicles that support Fire Prevention Branch are scheduled for replacement due to age and mileage (vehicles are over 13 years old and more than 95,000 km). The cost of each vehicle is estimated to be approximately \$24,657 for a total of \$73,971.</p> <p>In 2011 a report was prepared for Council on the status of the Fire Vehicle Replacement Reserve and put forward a replacement schedule for all fire vehicles and specific equipment. The replacements requested are aligned with this life cycle replacement plan.</p> <p>The regular replacement of front line fire apparatus follows a life cycle replacement schedule based on the industry standards. A condition inspection is conducted annually to evaluate the mechanical status of the vehicle to determine replacement need.</p>		



Equipment

Program:	Equipment Program	Sub-program:	Computer Capital/Software
Project Name:	Hansen Upgrade	Submission ID:	5258
Location:	Works Yard and various City Departments		
Cost:	\$1,175,500	OBI:	\$44,100
Funding Sources:	Computer Equipment Replacement: \$1,175,500		
Scope:	<p>The project involves a 3 phase approach:</p> <p>Phase 1 - a comprehensive review to establish baseline foundations for business units and determine "as-is" processes. The project roadmap will realize and leverage knowledge gained from in-depth analysis and reporting during the current state assessments. Recommendations to include the vision, strategies, tactics and actionable items that close the gap between the current situation and the target state.</p> <p>Phase 2 - system implementation, configuration and the re-engineering of Hansen work processes. The hardware and software components will be installed and configured as per the business requirements in phase 1. This phase also encompasses the design and build of the integrations between Hansen and the other software systems, such as Peoplesoft and Amanda</p> <p>Phase 3 - system refinements. The core system and functions will be available to all business units upon "go-live". Encompasses the continuous improvement, enhancement of system setup and refinement of work processes post go-live.</p> <p>It is anticipated that this three phase approach will take approximately 30 months, commencing March 2014 and concluding October 2016.</p> <p>OBI of \$44,100 has been included to support the annual maintenance of new licences for new Hansen modules for Electronic Call Centre and Mobile Solutions.</p> <p>There is no other capital projects that this upgrade is associated with.</p> <p>Business units/departments and stakeholders include:</p> <ul style="list-style-type: none"> - Public Works Administration - Water Services - Sanitation, Sewer and Storm - Roads and Construction - Fleet Operations - Engineering Planning - Engineering Design and Construction - Facilities Management - Project Development - Parks and Recreation - Finance/Payroll - IT - Bylaws <p>The largest components of this project would be phase 1, which is the comprehensive business process reviews and phase 2 will be the system implementation, configuration and the re-engineering of Hansen work processes.</p>		

Program:	Equipment Program		Sub-program:	Miscellaneous Equipment
Project Name:	Library Material Purchases		Submission ID:	4926
Location:	Library			
Cost:	\$1,162,900		OBI:	\$ 0
Funding Sources:	Library Provision: \$1,162,900			
Scope:	<p>This project includes the purchasing, cataloguing and processing of books, DVDs and CDs. It covers the cost of acquiring the materials and getting them prepared for customer check-out. Conversion of these budgets from operating to capital started in 2012 and continue annually. Components of this project include: purchase of the material, including freight costs; and the cost of cataloging, processing and reinforcing of book bindings, as necessary.</p>			



Child Care

Child Care Program 2014-2018

To address child care needs, the City plans the development of and partners with organizations to support a range of quality and affordable child care facilities.

2014 Recommended Child Care Program

Project Name	Total Investment	Total OBI	Ref
G. CHILD CARE PROGRAM			
<i>Child Care</i>			
Child Care Projects- City Wide	50,000	-	117
TOTAL CHILD CARE PROGRAM	\$50,000	\$0	

2014 Details of Recommended Projects by Program

Appendix 4

Child Care

Program:	Child Care Program	Sub-program:	Child Care Program
Project Name:	Child Care Projects- City Wide	Submission ID:	4886
Location:	Various		
Cost:	\$ 50,000	OBI:	\$0
Funding Sources:	Child Care Development (City Wide): \$50,000		
Scope:	Funding for the City's 2014 City's Child Care grant program.		
			

Internal Transfers/Debt Program 2014-2018

The internal transfers/debt program relates to the use of capital funding for items that do not result in tangible capital assets. This includes: the repayment of capital funds borrowed from other internal sources of funding, external debt repayment and transfers to the operating budget for items that do not meet the asset capitalization criteria.

2014 Recommended Internal Transfer/Debt Program

Project Name	Total Investment	Total OBI	Ref
H. INTERNAL TRANSFERS/DEBT REPAYMENT			
<i>Internal Transfers/Debt Repayment</i>			
Nelson Road Interchange Repayment	385,098	-	119
Parkland Acquisition City Wide	8,000,000	-	120
Parkland Acquisition West Cambie	1,200,000	-	121
River Rd/North Loop (2005) Repayment	1,317,000	-	122
Shovel - Ready Grant (2009) Repayment Lansdowne	77,263	-	
Rd Extension			123
TOTAL INTERNAL TRANSFERS/DEBT REPAYM	\$10,979,361	\$0	
Total 2014 Capital Program	\$185,855,625	\$3,948,355	

2014 Details of Recommended Projects by Program

Appendix 4

Internal Transfers / Debt Repayment

Program:	Internal Transfers/Debt Repayment			Sub-program:	Internal Transfers/Debt Repayments	
Project Name:	Nelson Road Interchange Repayment			Submission ID:	5296	
Location:	Finance					
Cost:	\$385,098			OBI:	\$0	
Funding Sources:	Roads DCC: \$385,098					
Scope:	A total of \$2.54M is to be repaid from Roads DCC to Surplus over 8 years.					
The loan amortization schedule is:						
Payment	Year	Balance	Payment	Interest	Principal	
1	2014	\$2,540,065	\$(385,098)	114,303	270,795	
2	2015	\$2,269,270	\$(385,098)	102,117	282,981	
3	2016	\$1,986,289	\$(385,098)	89,383	295,715	
4	2017	\$1,690,574	\$(385,098)	76,076	309,022	
5	2018	\$1,381,552	\$(385,098)	62,170	322,928	
6	2019	\$1,058,624	\$(385,098)	47,638	337,460	
7	2020	\$ 721,164	\$(385,098)	32,452	352,646	
8	2021	\$ 368,518	\$(385,098)	16,583	368,515	
*Picture is not available						

2014 Details of Recommended Projects by Program

Appendix 4

Internal Transfers / Debt Repayment

Program:	Internal Transfers/Debt Repayment	Sub-program:	Internal Transfers/Debt Repayments
Project Name:	Parkland Acquisition City Wide	Submission ID:	5331
Location:	Finance		
Cost:	\$8,000,000	OBI:	\$0
Funding Sources:	Park DCC: \$7,524,000 Parks Development City Assist: \$476,000		
Scope:	To repay the Industrial Use Reserve for parkland property acquisitions in the West Cambie area that used general funding because the West Cambie DCC's were not sufficient at the time of acquisition.		

2014 Details of Recommended Projects by Program**Appendix 4****Internal Transfers / Debt Repayment**


Program:	Internal Transfers/Debt Repayment		Sub-program:	Internal Transfers/Debt Repayments
Project Name:	Parkland Acquisition West Cambie		Submission ID:	5330
Location:	Finance			
Cost:	\$1,200,000		OBI:	\$0
Funding Sources:	Park DCC: \$1,128,601 Parks Development City Assist: \$71,399			
Scope:	To repay the Industrial Use Reserve for parkland property acquisitions in the West Cambie area that used general funding because the West Cambie DCC's were not sufficient at the time of acquisition.			

2014 Details of Recommended Projects by Program

Appendix 4

Internal Transfers / Debt Repayment

Program:	Internal Transfers/Debt Payment		Sub-program:	Internal Transfers/Debt Payment		
Project Name:	River Rd/North Loop (2005) Repayment		Submission ID:	2303		
Location:	Finance					
Cost:	\$1,317,000		OBI:	\$ 0		
Funding Sources:	Roads DCC: \$1,317,000					
Scope:	A total of \$18M is to be repaid from Roads DCCs to Surplus over 18 years. The loan amortization schedule is:					
	Payments	Year	Balance	Payment	Interest	Principal
	1	2006	17,100,000	(1,769,576)	598,500	1,171,076
	2	2007	15,928,924	(1,200,000)	557,512	642,488
	3	2008	16,236,436	(1,867,000)	568,275	1,298,725
	4	2009	14,937,712	(1,867,000)	522,820	1,344,180
	5	2010	13,593,532	(468,210)	475,774	(7,564)
	6	2011	13,601,095	(300,000)	476,038	(176,038)
	7	2012	13,777,133	(200,000)	482,200	(282,200)
	8	2013	14,059,333	(1,939,202)	492,077	1,477,125
	9	2014	12,612,208	(1,317,000)	441,427	875,573
	10	2015	11,736,635	(1,685,056)	410,782	1,274,274
	11	2016	10,462,361	(1,685,056)	366,183	1,318,873
	12	2017	9,143,488	(1,685,056)	320,022	1,365,034
	13	2018	7,778,454	(1,685,056)	272,246	1,412,810
	14	2019	6,365,644	(1,685,056)	222,798	1,462,258
	15	2020	4,903,386	(1,586,746)	171,618	1,415,128
	16	2021	3,488,258	(1,586,746)	122,089	1,464,657
	17	2022	2,023,601	(1,586,746)	70,826	1,515,920
	18	2023	507,681	(1,586,746)	17,769	507,681





2014 Details of Recommended Projects by Program


Appendix 4

Internal Transfers / Debt Repayment

Program:	Internal Transfers/Debt Payment		Sub-program:	Internal Transfers/Debt Payment		
Project Name:	Shovel - Ready Grant (2009) Repayment		Submission ID:	3779		
Location:	Finance					
Cost:	\$77,263		OBI:	\$ 0		
Funding Sources:	Roads DCC: \$77,263					
Scope:	The total amount borrowed in 2009 was \$626,666 and is to be repaid over 10 years beginning in 2010.					
	The 2014 payment of \$77,263 is the 5th of 10 equal payments					
	The loan amortization schedule is:					
	<u>Payment</u>	<u>Year</u>	<u>Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
	1	2010	626,666	\$(77,263)	25,067	52,196
	2	2011	574,470	\$(77,263)	22,979	54,284
	3	2012	520,185	\$(77,263)	20,807	56,456
	4	2013	463,730	\$(77,263)	18,549	58,714
	5	2014	405,016	\$(77,263)	16,201	61,062
	6	2015	343,954	\$(77,263)	13,758	63,505
	7	2016	280,449	\$(77,263)	11,218	66,045
	8	2017	214,404	\$(77,263)	8,576	68,687
	9	2018	145,717	\$(77,263)	5,829	71,434
	10	2019	74,283	\$(77,254)	2,971	74,283

2014 Details of Unfunded Projects**Appendix 5**

Program:	Building Program	Sub-program:	Major Building
Project Name:	Project Development Advanced Design	Submission ID:	5254
Location:	Citywide		
Cost:	\$200,000	OBI:	\$0
Funding Sources:	Capital Reserve - Revolving: \$200,000		
Scope:	Engage services for a variety of proposed facility projects to determine the feasibility of each project. Services to include the development of conceptual and detailed design plans and cost estimates and schedule for each proposed project.		
Unfunded 2014			

Program:	Equipment Program	Sub-program:	Vehicle Equipment
Project Name:	Inter-agency Emergency Command Vehicle	Submission ID:	5192
Location:	Various locations		
Cost:	\$992,000	OBI:	\$60,828
Funding Sources:	Capital Reserve - Revolving: \$992,000		
Scope:	<p>This emergency command vehicle is intended as an Incident Command Post for emergency response by Richmond Fire Rescue, RCMP, BC Ambulance Service, Public Works, Coast Guard and Emergency Programs for the inter-agency coordination of command and control of tactical operations and centralized decision-making at an emergency.</p> <p>The present 1995 command unit is now beyond the end of its current life cycle, causing maintenance and repair costs to increase significantly as the aging vehicle and its communication equipment fails. To date the City has spent \$31,800 on maintenance of the current vehicle, \$19,100 of that in the past 2.5 years.</p> <p>Replacement of this vehicle will enhance the City's response capabilities by ensuring emergency responders have access to a reliable vehicle and operational equipment with up to date technology, and an effective workspace in which to establish a command centre at an emergency. It may also be used at a large scale community event.</p> <p>Total unit cost is estimated at \$992,000</p> <p>Vehicle replacement reserves - \$9,000 Vehicle purchase - \$655,000 Completion - \$328,000</p> <p>Acquisition of this vehicle will be over a two-year period with \$664,000 required in the first year and \$328,000 required in the second year.</p> <p>This unit can be utilized by Richmond Fire Rescue, RCMP, BC Ambulance Service, Public Works, Coast Guard and Emergency Programs during emergencies and large scale public events.</p>		
			
Unfunded 2014			

OBI Phase-in Option 1 (in \$000s)

	2014	2015	2016	2017	2018	2019	2020	2021	Total
OBI-Other	\$183	\$367	\$367	\$367	\$367	\$367	\$367	\$367	
City Centre Community Centre	86	1,278	1,608	1,608	1,608	1,608	1,608	1,608	
Older Adults Centre	-	-	290	725	725	725	725	725	
Minoru Aquatic Centre	-	-	480	1,018	1,018	1,018	1,018	1,018	
Fire Hall 1	-	-	209	209	209	209	209	209	
OBI funding requirement	270	1,645	2,955	3,928	3,928	3,928	3,928	3,928	
Incremental OBI	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000	\$3,500	\$3,928	
Base Budget OBI (surplus) deficit	(230)	645	1,455	1,928	1,428	928	428	-	
Carryforward prior year surplus		(230)	-	-	-	-	-	-	
Funding from Provision	-	(414)	(1,455)	(1,928)	(1,428)	(928)	(428)	-	(5,225)
Surplus to carryforward	(230)	-	-	-	-	-	-	-	
Annual Tax impact	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.24%	2.25%

OBI Phase-in Option 2 (in \$000s) - Recommended

	2014	2015	2016	2017	2018	2019	2020	Total
OBI-Other	\$183	\$367	\$367	\$367	\$367	\$367	\$367	
City Centre Community Centre	86	1,278	1,608	1,608	1,608	1,608	1,608	
Older Adults Centre	-	-	290	725	725	725	725	
Minoru Aquatic Centre	-	-	480	1,018	1,018	1,018	1,018	
Fire Hall 1	-	-	209	209	209	209	209	
OBI funding requirement	270	1,645	2,955	3,928	3,928	3,928	3,928	
Incremental OBI	\$600	\$1,200	\$1,800	\$2,400	\$3,000	\$3,600	\$3,928	
Base Budget OBI (surplus) deficit	(330)	445	1,155	1,528	928	328	-	
Carryforward prior year surplus		(330)	-	-	-	-	-	
Funding from Provision	-	(114)	(1,155)	(1,528)	(928)	(328)	-	(3,725)
Surplus to carryforward	(330)	-	-	-	-	-	-	
Annual Tax impact	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.19%	2.25%

OBI Phase-in Option 3 (in \$000s)

	2014	2015	2016	2017	2018	2019	Total
OBI-Other	\$183	\$367	\$367	\$367	\$367	\$367	
City Centre Community Centre	86	1,278	1,608	1,608	1,608	1,608	
Older Adults Centre	-	-	290	725	725	725	
Minoru Aquatic Centre	-	-	480	1,018	1,018	1,018	
Fire Hall 1	-	-	209	209	209	209	
	270	1,645	2,955	3,928	3,928	3,928	
Incremental OBI	\$700	\$1,400	\$2,100	\$2,800	\$3,500	\$3,928	
Base Budget OBI (surplus) deficit	(430)	245	855	1,128	428	-	
Carryforward prior year surplus		(430)	(186)	-	-	-	
Funding from Provision	-	-	(669)	(1,128)	(428)	-	(2,225)
Surplus to carryforward	(430)	(186)	-	-	-	-	
Annual Tax impact	0.40%	0.40%	0.40%	0.40%	0.40%	0.24%	2.25%



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong, CA
Director, Finance
Re: 2014 Operating Budget

Date: November 29, 2013

File:

Staff Recommendation

That:

1. The 2014 Operating Budget as presented under Budget Option 1 in the staff report dated October 18, 2013 from the Acting Manager, Financial Planning and Analysis be approved.
2. The 2014 Richmond Public Library budget as presented in Attachment 3 be approved in accordance with the Library Act.
3. The Five-Year Financial Plan (2014-2018) be prepared for presentation to Council incorporating the 2014 Operating Budget.

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

Att. 3

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

Staff Report

Origin

Subsection 165(1) of the Community Charter requires the City to adopt a Five-Year Financial Plan (5YFP) Bylaw on or before May 15th of each year. The 2014 Operating Budget as presented in this report forms the basis of the City's 5YFP. Under the Community Charter, the City is prohibited from incurring any expenditure unless the expenditures have been included for that year in its financial plan, and the City is required to provide a balanced budget, with no projection of a deficit.

The proposed 2014 Operating Budget ("Budget") has been prepared to reflect Council's focus on meeting the needs of the community, while ensuring both current and long term financial needs are met and that taxpayers receive good value for their investment in the City.

A strong focus of the Budget is on completing or furthering Council's 2011-2014 Term Goals. In particular, the budget reflects Council Term Goal 5: Financial Management, which is *"To develop and implement effective and innovative financial policies and strategies that help the City to successfully manage the challenges of tough economic times, while taking advantage of financial opportunities, and balance current and long term financial needs."*

The proposed Budget applies the principles of Council's Long Term Financial Management Strategy (LTFMS) (Policy 3707), which was originally adopted in 2003, *"Tax increases will be at Vancouver CPI rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1% towards infrastructure replacement needs."*

Since the implementation of the LTFMS, the City has made significant strides in improving its financial health. The City's reserve balances have increased as there have been additional transfers to reserves post-LTFMS implementation to meet future needs for infrastructure replacement and capital repairs.

The proposed Budget also follows Council's Budget & 5-Year Financial Plan Preparation Policy (Policy 3016) which requires that a same level of service budget be brought forward, with only non-discretionary increases that can be clearly identified and supported. Therefore, the 2013 service levels form the basis of the 2014 base budget. Any enhanced or new levels of service will be identified as an ongoing additional expenditure request by the respective departments for Council's consideration.

Council's policies have allowed the City to weather several years of global economic instability, including fluctuations in the City's development-related revenues, with minimal service level impacts to the community. Council's LTFMS has ensured that Richmond residents receive an enviable level of service and public amenities that also provide sound value for their cost.

Analysis

The LTFMS sets guidelines for tax increases to ensure that municipal spending growth is carefully regulated and that resulting municipal property tax increases are modest and closely

reflect regional increases in the Consumer Price Index (CPI). The rigour that has been applied in limiting tax increases has ensured that Richmond property taxes remain comparable within the Metro Vancouver region.

Budget Challenges

There are a number of challenges in meeting the objectives outlined in the LTFMS for tax increases. The costs of providing programs while maintaining the same level of service has increased as the City and community grow. Municipal expenditures have increased at a rate that exceeds CPI due to a number of non-discretionary items such as policing contracts and asphalt capping. Unlike the CPI basket of goods which includes consumer products, the municipal basket of goods contains groups of goods or services such as compensation for a unionized workforce, costs of raw materials and supplies, and costs of energy etc.

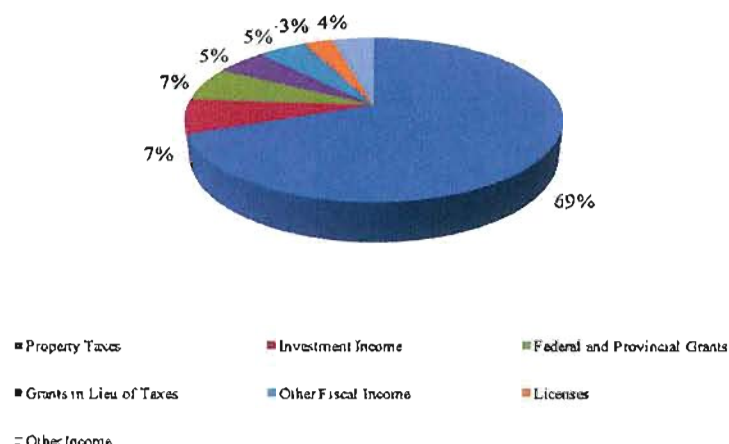
A significant portion of City revenue will not increase at the same rate as expenditures. The combination of these factors results in a challenging budget process and staff looked for efficiencies and innovative ways to deliver services.

To address some of these challenges, the City undergoes a continuous review of its programs and services in order to identify further efficiencies, service improvement and cost reductions. These resulting changes will include streamlining business processes, use of alternative service delivery and the increased use of technology.

In 2012, the CAO, with Council approval, undertook a corporate reorganization that enabled the City to focus on improving compliance and organizational performance. The CAO also introduced an extensive corporate wide operational review program. The reorganization, amongst numerous other changes and benefits, established an Administration and Compliance Division and provided for the reallocation of approximately 2.5 senior staff positions which were used to support the new Performance and Compliance, and Sustainability functions. The operational review program provides an in depth review of resource allocations in direct relation to service levels. Staffing the Sustainability function enabled the City to better manage the BC Hydro rate through our Energy Management Program.

2014 City Funding Sources

As indicated in Figure 1, property tax, which represents the largest share of the revenue, amounts to 69% or \$182.0 million of the City's operating budget. Payment in lieu of taxes, gaming revenue, investment income, licenses and user fees account for the remaining 31%.

Figure 1**2014 Operating Budget Funding Source**

There are limited opportunities to increase the other revenues other than the current practice of increasing user fees by CPI. City staff manage these challenges through cost containment, and implementing various efficiency initiatives in order to comply with the direction of the LTFMS and the Budget Preparation Policy.

Staff are aware of the tax burden that is faced by the average Canadian household. Based on information obtained from the Fraser Institute in their “2012 Canadian Consumer Tax Index” published in April 2013 (summarized in Table 1), the average household incurs 42.66% of their average income on taxes. Figure 2 illustrates the distribution of average household taxes.

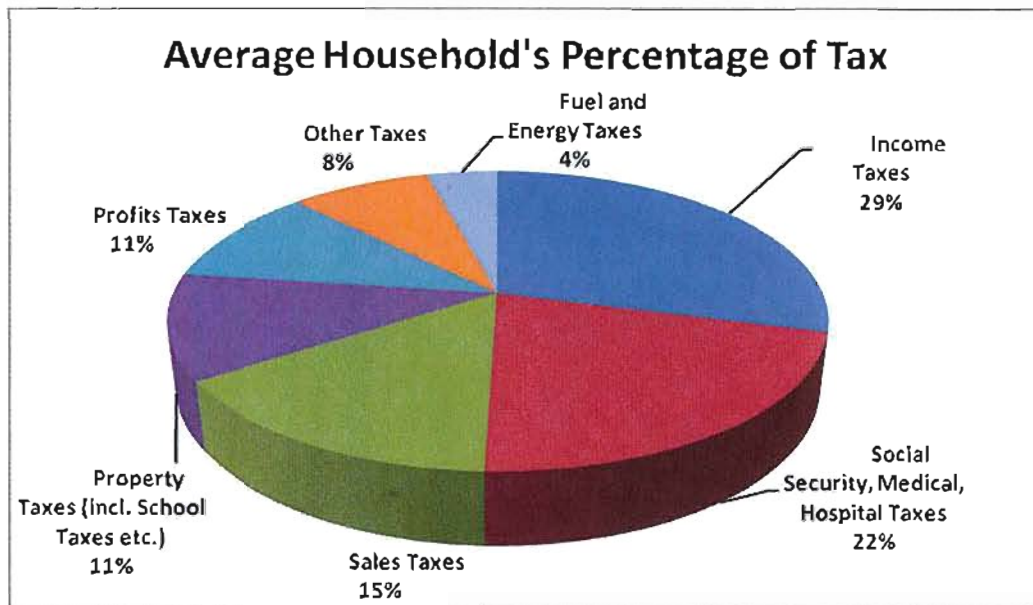
However, it should be noted that only 4.87% of this is for property taxes, of which approximately half (47%) is for taxes collected on behalf of the Province including school taxes and TransLink taxes as shown in Figure 3.

Table 1 – Taxes as a Proportion of Average Total Income

Income/Taxes	Amount	% of Income	% of Tax
Total Cash Income	\$74,113	100.00%	-
Income Taxes	9,195	12.41%	29.08%
Social Security, Medical, Hospital Taxes	6,769	9.13%	21.41%
Sales Taxes	4,812	6.49%	15.22%
Property Taxes (incl. School Taxes etc.)	3,607	4.87%	11.41%
Profits Taxes	3,302	4.46%	10.44%
Other Taxes	2,627	3.54%	8.31%
Fuel and Energy Taxes	1,303	1.76%	4.12%
Total Taxes	\$31,615	42.66%	100.00%

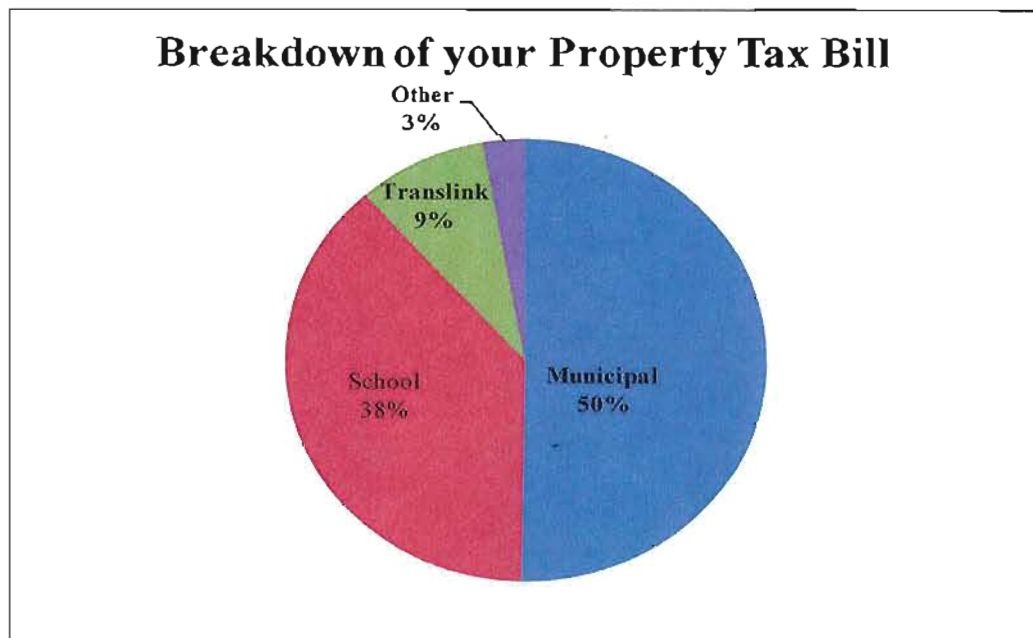
Source: The Fraser Institute's Canadian Tax Simulator 2012

Figure 2



Source: The Fraser Institute's Canadian Tax Simulator 2012

Figure 3



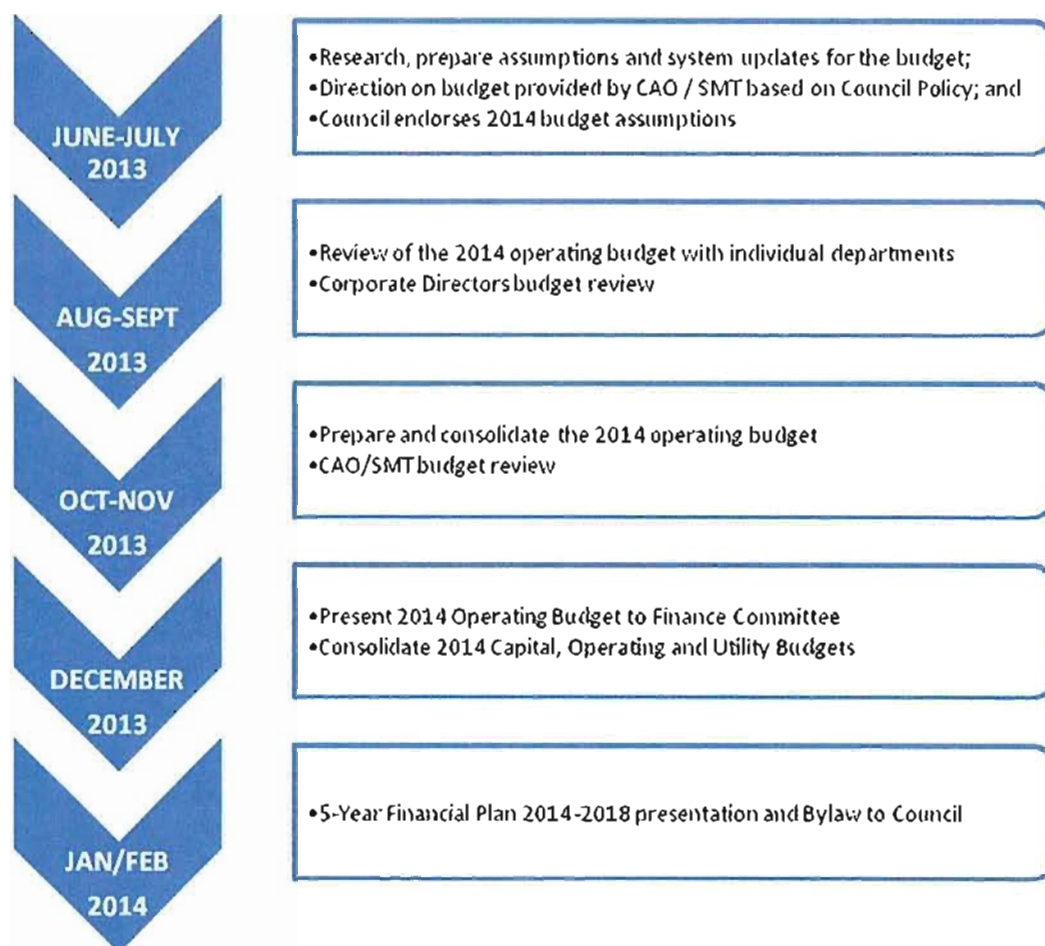
Source: City of Richmond

2014 Budget Process

The proposed 2014 budget is a same level of service budget that meets Council's policy, i.e. that any tax increase would not exceed Vancouver's CPI rate. In addition, 1% transfer to reserves is included that will be used towards infrastructure replacement and capital repairs.

Figure 4 illustrates the 2014 budget process:

Figure 4



2014 Budget Assumptions

The base budget has been prepared using existing programs and service levels in order to maintain the current standard services provided to the community. This budget contains the projected cost increases to labour, contracts, energy costs and is offset by expected increased revenues from growth and various user fees.

Table 2 summarizes the budget assumptions used based on information contained in contracts, agreements and external economic publications.

Table 2 – 2014 Budget Assumptions

Key Financial Drivers/Indicators	2014 Budget Assumptions
Consumer Price Index (CPI) annual average forecast 2014 ¹	2.00%
Municipal Price Index (MPI) ²	2.86%
Electricity ³	3.00%
Natural Gas ³	0.00%
RCMP Contract Increase ⁴	2.91%
Increase in User fees ⁵	2.00%
Return on Investment ⁶	1.75%
Growth (Tax Base) ⁷	1.32%

Source: ¹Based on TD Quarterly Economic Forecast September 25, 2013; ²City of Richmond; ³Energy Manager City Richmond; ⁴Federal Government; ⁵Council Approved; ⁶Treasury Department Estimate; ⁷BC Assessment Authority

Salaries and fringe benefits are the largest component of costs and are stipulated in the collective agreements. For 2014, an increase of 1.75% plus step increases has been allocated to the departments for CUPE 718 and CUPE 394. Negotiations are ongoing for International Association of Fire Fighters (IAFF) 1286. The demand for City services has increased annually and this is reflected in Table 3:

Table 3 – Demand for City Services

Demand for City Services	2009	2010	2011	2012	2013 *
Population Growth (per annum) ¹	2.30%	1.70%	1.10%	1.20%	1.80%
Budgeted Capital Construction Costs (\$mil) ²	63,901	148,136	75,536	80,287	71,768
Registration ³	113,396	128,622	122,784	129,526	135,000
Fire Rescue Responses ⁴	9,240	9,048	9,141	9,164	9,700
Public Works Calls for Services ⁵	12,554	13,664	13,332	13,800	14,200

Source: ¹ BC Statistics, ² City of Richmond Capital Model, ³ Registration Summary Report

⁴ Fire Rescue, ⁵ City of Richmond Hansen System

*2013 figures include forecasts to the end of the year

2014 Proposed Budget Highlights

For the 2014 budget year, staff recommend a tax increase of 1.53% for the same level of service, which is in accordance with Council policy. A further 0.09% is recommended for ongoing additional expenditures. Before adding the Operating Budget Impact (OBI) of the 2014 recommended Capital program, the tax impact is 1.62% as shown in Table 4.

Table 4 – Tax Impact Before OBI

Tax Impact Component	Tax Impact %
Same Level of Service Increase (%)	1.53
Additional Expenditures (%)	0.09
Tax Impact Before OBI (%)	1.62

The total OBI from the 2014 recommended Capital program is \$3.95 million. Including this full amount in the proposed 2014 budget would result in a tax impact of 2.25% for a total tax impact of 3.87% if this entire amount had to be included in the 2014 Budget. As discussed in the 2014 Capital Budget report, the 2014 OBI includes a preliminary estimate of \$3.56 million for the Corporate Facilities Implementation Plan – Phase 1. This estimate will be subject to further review and analysis before it is presented to Council for approval. The details of the programming and service levels for these facilities will be the subject of a future Council report to be submitted by Community Services staff. Furthermore, the CAO has requested that this OBI request and all future OBI requests be scrutinized by an Operational Review Committee to verify the appropriateness of the service levels and amounts requested. The CAO also requested that the Operational Review Committee enlist an independent external technical resource should such assistance prove necessary.

The timing of the OBI funding requirement is staggered over the next few years as construction is completed and therefore this OBI will be phased-in to align with the timing of services provided. Staff presented three options in the 2014 Capital Budget report to phase-in this OBI, which are summarized in Table 5. Staff are recommending OBI Phase-in Option 2 to include \$600,000 in the proposed 2014 budget. This results in a 0.34% tax impact. If Council approves Phase-in Option 2, as recommended, the total tax increase is 1.96%.

Table 5 – Summary of OBI Phase-in Options with Corresponding Tax Impact

OBI Phase-in Options	OBI Phase-in Option 1	OBI Phase-in Option 2 (Recommended)	Phase-in Option 3
OBI Phase-in Increment	\$500,000	\$600,000	\$700,000
OBI Phase-In Completion Year	2021	2020	2019
Tax Impact Before OBI (%)	1.62	1.62	1.62
OBI Phase-in (%)	0.29	0.34	0.40
2014 Tax Impact (%)	1.91	1.96	2.02

Should Council wish to Phase-in the OBI at a faster rate, using Phase-in Option 3, Table 6 presents alternative budget options. Out of the options presented, only Option 1 fully complies with Council policies. Options 2 and 3 propose a tax impact that slightly exceeds the CPI increase. In order to adhere to Council's LTFMS Policy, each option includes a transfer to reserves to fund future infrastructure and capital repairs. Options 1 and 3 fully comply with the 1% transfer and Option 2 proposes a slight reduction in order to keep the overall tax impact after transfer to reserves under 3%.

Table 6 – Proposed 2014 Budget Options

Tax Impact Component	Budget Option 1 (Recommended)	Budget Option 2	Budget Option 3
Same Level of Service Increase (%)	1.53	1.53	1.53
OBI Phase-in (%)	0.34 ¹	0.40 ²	0.40 ²
Additional Expenditures (%)	0.09	0.09	0.09
Tax Impact (%)	1.96	2.02	2.02

Transfer to Reserves

Transfer to Reserves (%)	1.00	0.96	1.00
Total Tax Impact & Transfer to Reserves	2.96	2.98	3.02

¹Budget Option 1 assumes OBI Phase-in Option 2

²Budget Options 2 and 3 assume OBI Phase-in Option 3

Budget Option 1 (Recommended)

This option includes the full 1% transfer to reserves as per Council's LTFMS Policy and the OBI Phase-in Option 2 using an increment of \$600,000 per year until the 2014 OBI is phased-in completely in 2020. The tax impact of 1.96% meets Council's policy of Vancouver's CPI rate plus 1% transfer to reserves and is the recommended option.

Budget Option 2

This budget option uses the OBI Phase-in Option 3 to bring in the OBI at an increment of \$700,000 per year until the 2014 OBI is phased-in completely in 2019. This option includes a tax impact of 2.02% which is not in accordance with Council policy. The transfer to reserves is reduced to 0.96% which is not in accordance with Council's LTFMS to transfer 1% to reserves. This option is not recommended as transfers to reserves are crucial to ensuring the City's long term financial needs can be met.

Budget Option 3

This option is the same as Budget Option 2 using the OBI Phase-in Option 3 to bring in the OBI at an increment of \$700,000 per year until the 2014 OBI is phased-in completely in 2019. However, the transfer to reserve is maintained at Council policy of 1%. This results in an overall tax impact of 3.02%. Although this meets Council's LTFMS, the tax increase exceeds Vancouver's CPI rate and is therefore not recommended as it does not meet Council's policy.

The remainder of this report is prepared based on the staff recommendation of Budget Option 1.

Trend of Tax Increases

Table 7 represents the total City's operating budget and the tax increase from 2011 to 2014. The proposed tax increase for 2014 of 1.96% is the lowest in five years before including the transfer to reserves.

Table 7 – City's Operating Budget 2011-2014

Millions (\$)*	2010	2011	2012	2013	2014 ¹
City Operating Budget (\$)	243.7	304.0	308.9	317.2	319.1
Same Level of Service Increase (%)	3.34	2.62	1.70	1.39	1.53
OBI (%) ²	0.11	0.32	0.16	0.36	0.34
Additional Expenditures	0.00	0.00	0.12	0.23	0.09
Tax Increase (%)	3.45	2.94	1.98	1.98	1.96
Transfer to Reserves (%)	0.00	0.00	1.00	1.00	1.00
Total Tax Increase with Transfer to Reserves (%)	3.45	2.94	2.98	2.98	2.96

¹ Subject to Council approval

² Includes the operating budget impact (OBI) as a result of the capital projects. 2014 is based on OBI Phase-In Option 2, which is subject to Council approval.

*Does not include amortization expense (non-cash)

Richmond's average tax increase over the past five years remains comparable to other cities in Metro Vancouver as shown in Charts 1-3. The 2014 Operating Budget is expected to maintain this record of providing sound value to local taxpayers.

Chart 1 - Annual Metro Vancouver Tax Increase (2009-2013)

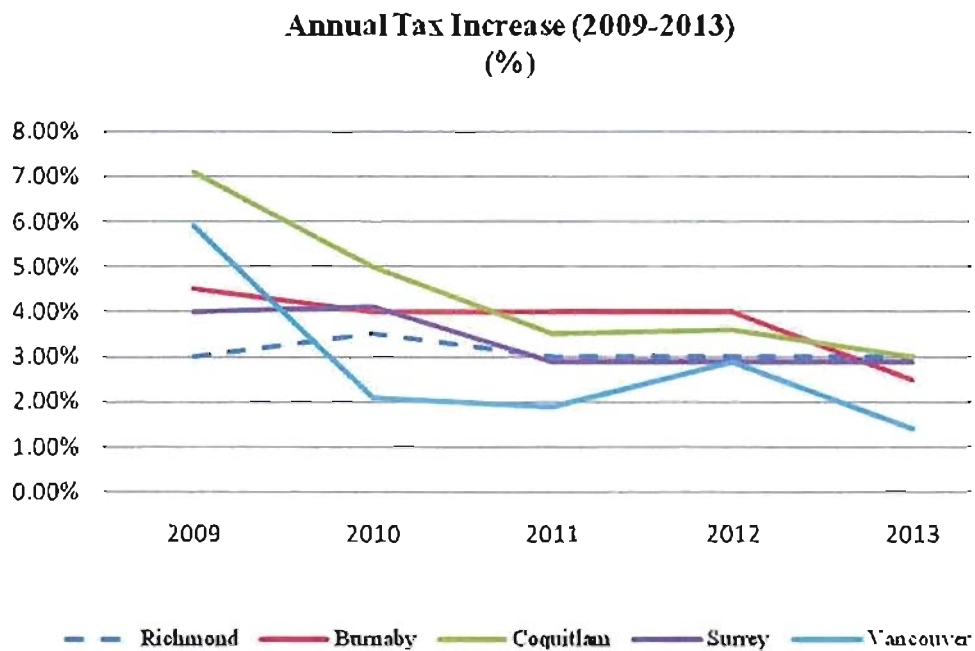


Chart 2 – 5-year Average Metro Vancouver Tax Increase (2009-2013)

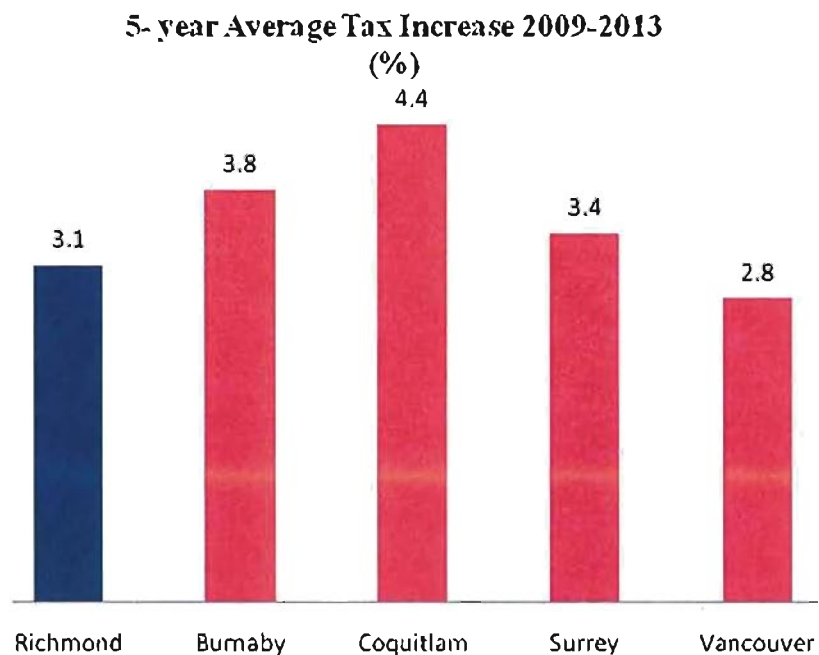
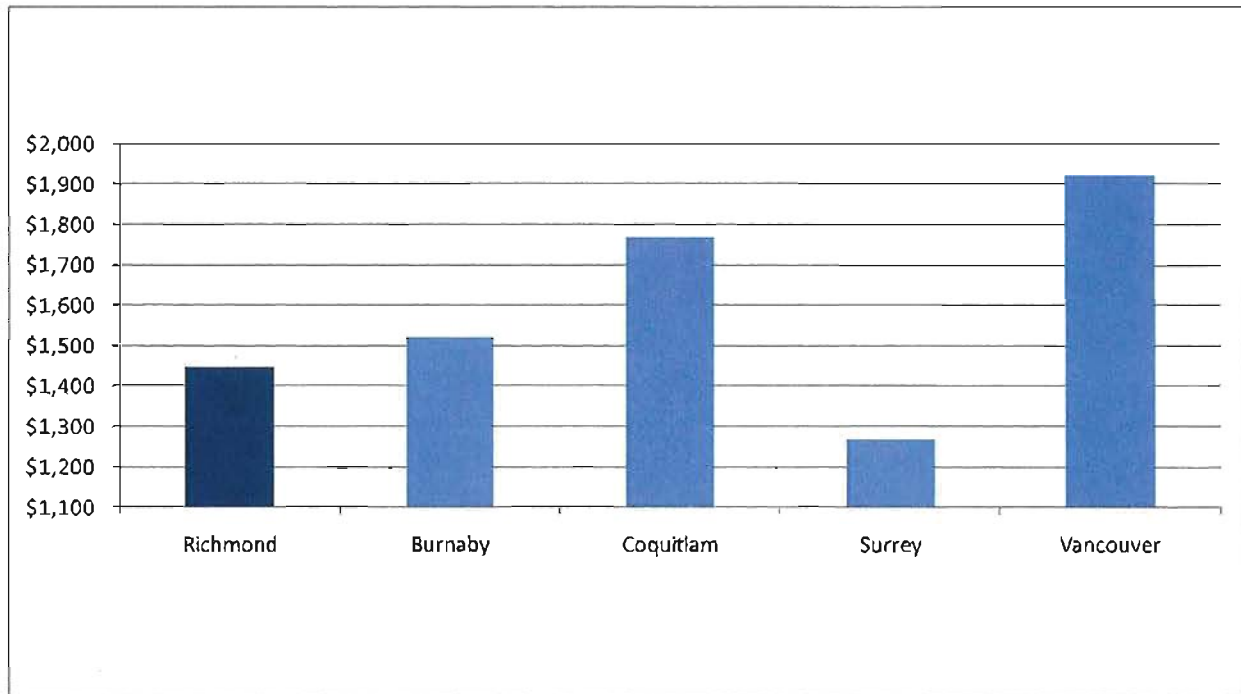


Chart 3 – 2013 Average Residential Tax Per Dwelling



2014 Operating Budget by Department

While the 2014 Operating Budget primarily focuses on maintaining existing service levels, in order to meet Council's financial objectives, it also supports continued service enhancement in a number of areas highlighted by Council's Term Goals, including Community Safety, Community Social Services, Sustainability, Arts and Culture and Community Wellness.

Council continues its investment in Community Safety, with over one-third of every tax dollar going to fund police, fire, bylaw, law and emergency services. For 2014, this Budget will continue to ensure Richmond remains a safe community with outstanding public safety services and a strong focus on community outreach through community policing, public safety awareness initiatives, crime and fire prevention programs, bylaw education and enforcement and emergency planning and preparedness programs.

Community Services, which includes Parks and Recreation and Community Social Services, is another core budget area. The Budget will continue the City's expanded focus on social services, particularly in the areas of affordable housing, child care, seniors and youth services and diversity services. The Budget will also fund operation of new parks and recreation amenities and services including the new Railway Greenway, Terra Nova Rural Park playground and enhanced arts, cultural and heritage services and programs that promote community wellness, and access to recreation for all.

Included in the Community Services budget is a contribution of \$8,250,800 for the Library. Per the Library Act, the Library Board must prepare and submit to council its annual budget for

November 29, 2013

providing library services to the municipality. The Richmond Public Library proposed 2014 budget is included in Attachment 3.

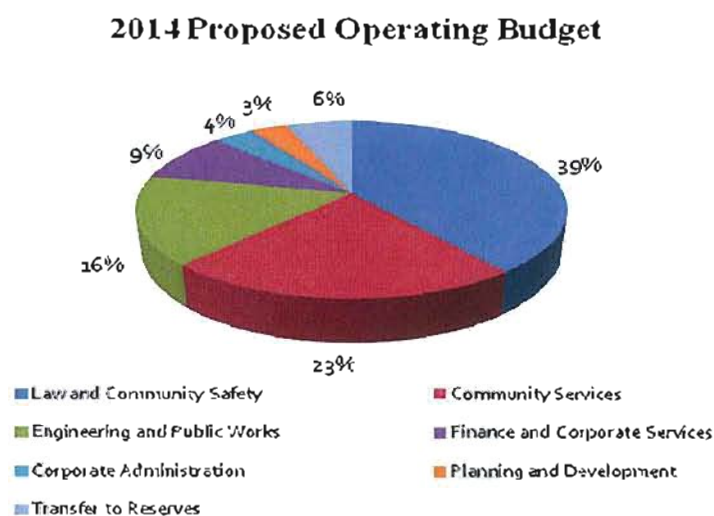
Sustainability is another key Council Term goal. The Budget will support Richmond's continued implementation of its Sustainability Framework with a focus on combating climate change, reducing our environmental footprint and engaging our citizens and businesses in supporting sustainability initiatives.

The proposed same level of service tax increase for 2014 is 1.53%, or an additional \$2.68 million is required to balance the budget as shown in Table 8.

The growth figure of \$2.3M represents new tax growth estimates based on "non-market change" figures provided by BC Assessment Authority. Non-market change is the term BC Assessment uses for changes to the municipal roll value that is not a result of market conditions. Non-market change could include: changes in assessment class, exempt properties that become taxable in the following year or taxable properties that become exempt in the following year and developments under construction. With respect to developments under construction, assessors at BC Assessment Authority determine the value of all new developments under construction by the percentage of completion as of November 30th each calendar year. Increases in a property's market value are not included in the non-market change figure. Therefore the development applications received during the year should have no impact on new growth for the coming year as actual construction on the property would not have taken place. The reported project value of the development may take up to three years to be fully reflected in the municipality's assessment roll.

The current practice entails utilizing growth to fund the existing levels of service budget; however, some portion of the funding generated through growth should be used to fund the associated necessary growth in administrative resources that will be needed to keep up with the increased demand. The CAO has recommended that staff review whether a percentage of growth should be allocated for administrative need and this will be addressed by the Operational Review Committee.

Chart 4 presents the 2014 departmental breakdown of the 2014 Budget. Table 8 presents the comparative net budget and Attachment 1 summarizes the gross budget by department. Figure 5 illustrates the 2014 \$1 tax breakdown by services.

Chart 4 - 2014 Proposed Operating Budget by Department (Excluding Fiscal)**Table 8 – 2014 Comparative Budget by Department**

Department	2013 Adjusted Net Budget (In 000's)	2014 Proposed Bylaw Budget (In 000's)	Change \$ (In 000's)	Change %*	Tax Impact
Law and Community Safety	73,226	75,678	2,452	3.35%	1.40%
Community Services	42,713	43,736	1,023	2.40%	0.59%
Engineering and Public Works	30,421	31,162	741	2.44%	0.42%
Finance and Corporate Services	17,062	17,413	351	2.06%	0.20%
Corporate Administration	6,795	6,979	184	2.71%	0.11%
Planning and Development	6,092	6,209	117	1.92%	0.07%
Fiscal	(187,650)	(187,534)	116	0.06%	0.07%
Transfer to Reserves	11,340	11,340	-	0.00%	0.00%
Proposed Net Budget Increase	-	4,983	4,983		2.85%
Estimated Growth			(2,300)		(1.32%)
Same Level of Service Increase			2,683		1.53%

*Slight differences between Table 8 and Attachment 1 Change % are due to rounding.

2014 Non-Discretionary Cost Drivers

Non-discretionary costs include incremental increases specified in contracts and salary increases associated with collective agreements.

The significant non-discretionary drivers that impact the City are summarized in Table 9 and explained below:

Salaries

Salaries and fringe benefits are the largest component of costs and are stipulated in the collective agreements. For 2014 an increase of 1.75% plus step increases has been allocated to the departments for CUPE 718 and CUPE 394. Negotiations are ongoing for International Association of Fire Fighters (IAFF) 1286. Salaries accounts for \$4.3 million of the 2014 budget increase.

RCMP Contract

The increase in RCMP policing contracts of \$958,000 is due to an increase in the pension rate from 15.58% to 20.23% and an increase in planned spending for security enhancement projects, training equipment, police mobile workstations and radios. There is also an increase in charges related to the Government of Canada Shared Services costs. This increase is offset by savings from health modernization.

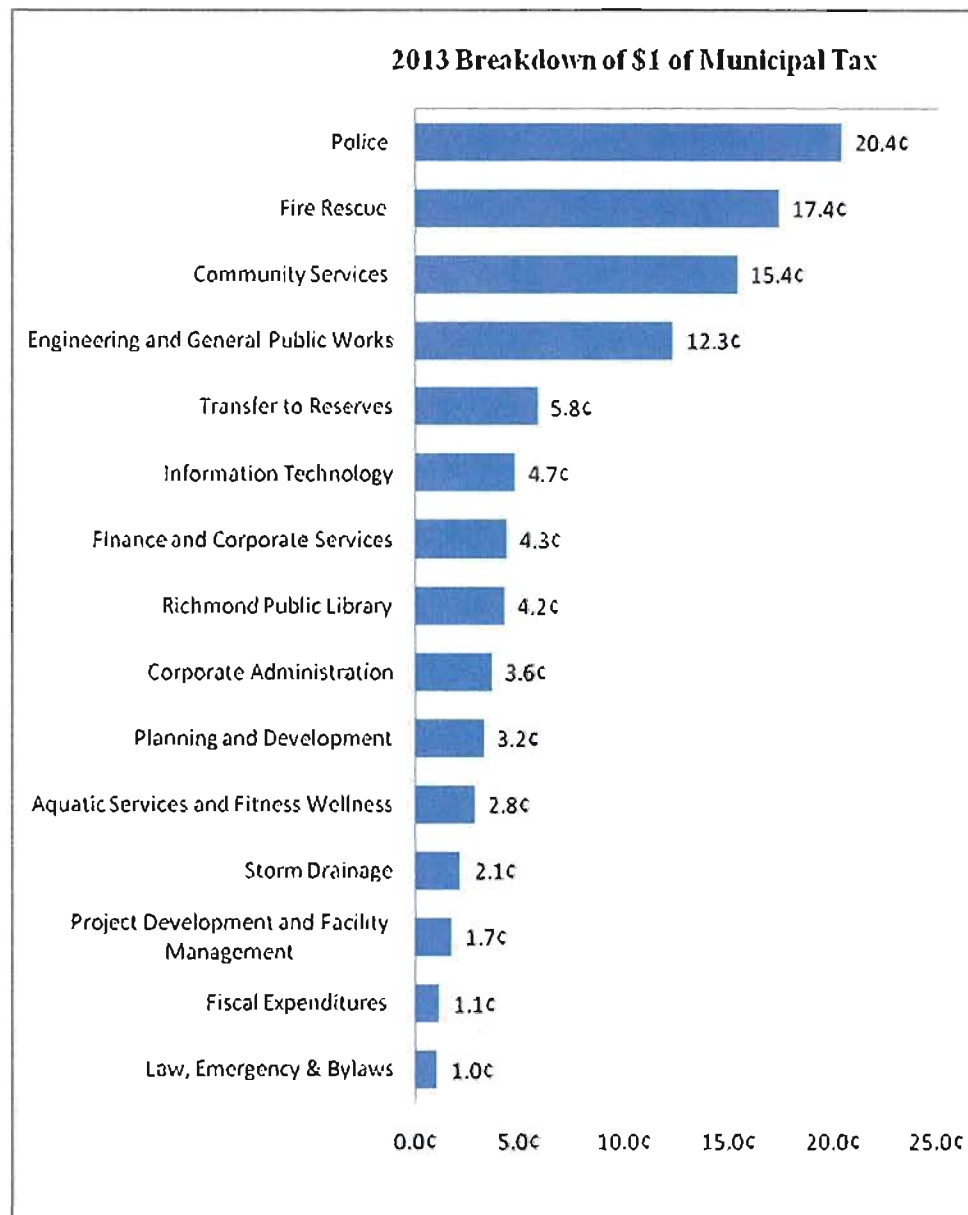
Other

Other financial drivers include increased parking revenue, user fees, building permit revenue and business license revenue.

Table 9 – Main Financial Drivers:

Main Financial Drivers	\$000's	Tax Impact %
Salary Increase	4,344	2.48%
Policing Contracts	958	0.55%
Other (Other revenues increase and expense increase/decrease)	(319)	0.18%
Net Expenditure Increase Before Growth, Transfer to Reserve and Additional Levels	4,983	2.85%

Figure 5



Source: City of Richmond

2014 Operating Budget Impact (OBI) Related to 2014 Capital Budget

The total OBI from the 2014 recommended Capital program is \$3.95 million. Of this amount \$20,246 is associated with utility projects and has been addressed through the 2014 Utility Budget process. The net impact of \$3.93 million in OBI results in a property tax impact of 2.25% if this entire amount had to be included in the 2014 Budget. Table 10 below presents the 2014 OBI by Capital program.

Table 10 – 2014 OBI By Capital Program

Program	Total OBI (in \$000s)	Tax Impact %
Infrastructure	\$128	0.08%
Parks	122	0.07%
Land	-	0.00%
Internal Transfers/Debt Repayment	-	0.00%
Equipment	113	0.06%
Buildings	3,565	2.04%
Affordable Housing	-	0.00%
Child Care Program	-	0.00%
Total OBI	\$3,928	2.25%

As discussed under the 2014 Proposed Budget Highlights and in further detail in the 2014 Capital Budget report under the 2014 Operating Budget Impact section, \$3.56 million of the 2014 OBI relates to the Major Corporate Facilities - Phase 1. This is based on preliminary estimates and the details of programming and service levels will be presented to Council for approval at a future date by Community Services staff. Three options are presented in the 2014 Capital Budget report to phase-in this OBI, which are summarized in Table 5. Due to the amount and timing of the OBI funding requirements, it is recommended to begin phasing in the OBI in 2014 and the phase-in plan will be adjusted once Council approves the final amounts.

Staff are recommending OBI Phase-in Option 2 to include \$600,000 in the proposed 2014 budget. This results in a 0.34% tax impact. If Council approves Phase-in Option 2, as recommended, the total increase tax increase is 1.96%.

Additional Expenditure Requests

The additional expenditure requests represent a permanent increase to programs or levels of service and is usually funded through increases to the tax rate. Attachment 2 shows the complete list of additional expenditure requests submitted by staff. For 2014, there is one additional level request for \$155,600 recommended by SMT.

Quick Response Team Officer - 1 Officer - \$155,600

The further development of the Quick Response Team (QRT) with 1 additional officer in 2014 would facilitate further action towards time sensitive, emerging crime trends. The unit works closely with the Crime Analyst and Intelligence led police to proactively focus their efforts on prolific offenders and trending crime types impacting the safety and security of Richmond's citizens. As well, QRT has a pro active and targeted approach to managing chronic and high risk offenders of interest and those who are on parole and probation.

Table 11 summarizes the tax impact of the same level of service, the 1% transfer to reserves and the recommended ongoing additional expenditure requests.

Table 11 – Ongoing Additional Level Requests

Tax Impact Components	Amount (in \$000s)	Tax Impact %
Same Level of Service Increase	\$2,683	1.53%
OBI Phase-in	\$600	0.34%
Additional Expenditure: Quick Response Team Officer-1 Officer	\$155	0.09%
2014 Tax Increase	\$3,438	1.96%

Additional 1% Transfer to Reserves for Infrastructure Replacement

In 2003 Council adopted a strategic approach to the City's finances and the LTFMS was approved. This astute move resulted in a number of prudent measures to safeguard the City's Finances, which has led to the ability for Richmond to continue to experience modest tax increases, and continued growth at or above comparative cities despite the economic downturn.

One of those key measures adopted in the LTFMS was a 1% transfer to reserves for future corporate facilities and community infrastructure. The additional 1% represents savings that will be used for funding future infrastructure capital repairs and facilities such as pools, community centers, libraries and public safety buildings. The reserves balance has allowed Council to move forward with plans for the construction of the new Minoru Aquatic Centre and Older Adults Centre.

Financial Impact

The proposed 2014 Operating Budget results in an increase of \$2.68 million in net expenditures (1.53% tax increase) for the same level of service which translates to less than 1% (i.e. 0.84%) increase on a budget of \$317.2M. There will be an OBI of \$600k (0.34% tax increase) from the proposed 2014 Capital projects based on OBI phase-in Option 2. Staff also recommend that the additional expenditure of \$155,600 (0.09%) be approved. The proposed 2014 Operating Budget results in overall net expenditures increase of \$3.43 million (1.96%) as summarized in Table 12. Staff also recommend a 1% transfer to reserves in accordance with the LTFMS for future facilities and capital repairs for a total net budget increase of \$5.19 million.

Table 12 – 2014 Summary of Tax Impact

Tax Impact Components	Amount (in \$000s)	Tax Impact %
Same Level of Service Increase	\$2,683	1.53%
OBI Phase-in	\$600	0.34%
Additional Expenditure	\$155	0.09%
2014 Tax Increase	\$3,438	1.96%
Additional 1% Transfer to Reserves	\$1,748	1.00%
2014 Net Budget Increase	\$5,186	2.96%

Conclusion

In summary, the 2014 Operating Budget will maintain Richmond's record of providing an excellent level of service to the community, supporting fulfilment of Council Term Goals that enhance overall quality of life.

Staff recommend that Council adopt Budget Option 1 of the proposed 2014 Operating Budget with a tax impact of 1.96% plus 1% transfer to reserves and direct staff to prepare the 5-Year Financial Plan (2014-2018).



Melissa Shiau, CA
Acting Manager, Financial Planning and Analysis
(604-276-4231)

MS:ms

Attachment 1
2013 – 2014 Comparative Gross Budget Summary

Department	2013 Adjusted Budget	2014 Proposed Bylaw Budget	Change \$	Change %	Tax Impact %
<u>Law and Community Safety</u>					
Revenue/Transfers	\$9,053,600	\$9,319,000	\$265,400	2.93%	0.15%
Expenditures	82,279,700	84,996,900	2,717,200	3.30%	1.55%
	(73,226,100)	(75,677,900)	(2,451,800)	3.35%	(1.40%)
<u>Community Services</u>					
Revenue/Transfers	12,153,900	12,045,500	(108,400)	(0.89%)	(0.06%)
Expenditures	54,867,100	55,781,200	914,100	1.67%	0.52%
	(42,713,200)	(43,735,700)	(1,022,500)	2.39%	(0.58%)
<u>Engineering and Public Works</u>					
Revenue/Transfers	23,274,300	24,828,200	1,553,900	6.68%	0.89%
Expenditures	53,695,600	55,990,200	2,294,600	4.27%	1.31%
	(30,421,300)	(31,162,000)	(740,700)	2.43%	(0.42%)
<u>Finance and Corporate Services</u>					
Revenue/Transfers	5,139,400	5,423,400	284,000	5.53%	0.16%
Expenditures	22,201,400	22,836,000	634,600	2.86%	0.36%
	(17,062,000)	(17,412,600)	(350,600)	2.05%	(0.20%)
<u>Corporate Administration</u>					
Revenue/Transfers	128,100	128,100	-	0.00%	0.00%
Expenditures	6,923,600	7,107,500	183,900	2.66%	0.11%
	(6,795,500)	(6,979,400)	(183,900)	2.71%	(0.11%)
<u>Planning and Development</u>					
Revenue/Transfers	5,547,500	5,565,300	17,800	0.32%	0.01%
Expenditures	11,639,700	11,775,000	135,300	1.16%	0.08%
	(6,092,200)	(6,209,700)	(117,500)	1.93%	(0.07%)
<u>Fiscal</u>					
Revenue/Transfers	233,342,800	234,765,800	1,423,000	0.61%	0.81%
Expenditures	68,372,300	69,911,300	1,539,000	2.25%	0.88%
	164,970,500	164,854,500	(116,000)	0.07%	(0.07%)
<u>Transfer to Reserves</u>					
Revenue/Transfers	20,866,900	21,366,900	500,000	2.40%	0.29%
Expenditures	9,527,100	10,027,100	500,000	5.25%	0.29%
	11,339,800	11,339,800	-	0.00%	0.00%
<u>Total</u>					
Revenue/Transfers	309,506,500	313,442,200	3,935,700	1.27%	2.25%
Expenditures	309,506,500	318,425,200	8,918,700	2.88%	5.10%
Net Increase	-	\$4,983,000	\$4,983,000		2.85%
Estimated 2014 Growth	-		(2,300,000)		(1.32%)
Same Level of Service Increase			\$2,683,000		1.53%

Attachment 2
2014 Ongoing Additional Expenditure Requests

Ref	Requested By	Description	Ranking	Tax Impact %	Requested Amount	Recommended Amount
1	Law and Community Safety	Quick Response Team Officer -1 Officer The further development of the Quick Response Team (QRT) with 1 additional officer in 2014 would facilitate further action towards time sensitive, emerging crime trends. The unit works closely with the Crime Analyst and Intelligence led police to proactively focus their efforts on prolific offenders and trending crime types impacting the safety and security of Richmond's citizens. As well, QRT has a pro active and targeted approach to managing chronic and high risk offenders of interest and those who are on parole and probation.	High	0.09%	\$155,600	\$155,600
2	Law and Community Safety	Unsolved Homicide Unit - 3 Officers Richmond has 40 unsolved homicides, missing persons and suspicious deaths dating back to 1973. The team would consist of 3 investigators, one corporal (supervisor/investigator) and two constables. The unit would provide a review of previously investigated homicides and can utilize advanced modern technology and investigative techniques to assist in reactivating and solving the cases to provide the families and the community closure.	Medium	0.27%	\$466,700	-
		2014 Ongoing Additional Expenditures Grand Total			\$622,300	\$155,600

Attachment 3
2014 Richmond Public Library Budget

Department / Division	2013 Adjusted Bylaw Budget	2014 Proposed Bylaw Budget	Change 2014 \$	Change 2014 %
Revenue	(\$2,393,700)	(\$2,268,400)	\$125,300	(5.23%)
Conditional Grants	(70,500)	(60,500)	10,000	(14.18%)
External Revenue Recoveries	(8,000)	(8,000)	-	-%
Fines	(220,000)	(250,200)	(30,200)	13.73%
Internal Department Recoveries	(1,348,200)	(1,348,900)	(700)	0.05%
Miscellaneous Fiscal Earnings	(110,000)	-	110,000	(100.00%)
Miscellaneous Operating Income	(285,000)	(248,800)	36,200	(12.70%)
Unconditional Grants	(352,000)	(352,000)	-	-%
Expense	\$10,419,100	\$10,519,200	\$100,100	0.96%
Advertising and Marketing	9,400	9,400	-	-%
All Salaries	6,650,000	6,765,900	115,900	1.74%
Amortization	-	-	-	-%
Contracts	205,800	159,200	(46,600)	(22.64%)
Facilities Management	135,900	138,900	3,000	2.21%
Fiscal Expenditures	3,600	3,600	-	-%
Fringe Overhead Expenditures	1,274,000	1,274,000	-	-%
General Operating Expenditures	272,700	272,700	-	-%
Leases / Vehicles	216,100	216,100	-	-%
Maintenance	100,100	100,100	-	-%
Other Expenditures	128,400	128,400	-	-%
Professional Fees	6,000	6,500	500	8.33%
Provisions and Allowances	1,185,900	1,212,500	26,600	2.24%
Public Works Maintenance	4,300	8,500	4,200	97.67%
Purchases Equipment and Others	51,900	51,900	-	-%
Supplies	140,900	137,400	(3,500)	(2.48%)
Transfer to Statutory Reserves	-	-	-	-%
Travel and Training	30,700	30,700	-	-%
Utilities	3,400	3,400	-	-%
Grand Total	\$8,025,400	\$8,250,800	\$225,400	2.81%



City of Richmond

Report to Committee

To: Finance Committee

Date: November 29, 2013

From: Jerry Chong, CA
Director, Finance

File:

Re: 2014 One-Time Expenditures

Staff Recommendation

That:

1. The recommended one-time expenditures in the amount of \$3.1M, as outlined in the 2014 One-Time Expenditures staff report, be approved.
2. The one-time expenditures be included in the City's Five-Year Financial Plan (2014-2018) Bylaw.

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

Att: 2

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

Staff Report

Origin

The one-time expenditure requests are typically non-recurring and one off in nature and may be funded from the Rate Stabilization Account (RSA) established by Council on December 10, 2012. Each year, once the City's accounts from the prior year are finalized, any arising surplus is transferred into the RSA. The funds can be used to help balance the budget in order to minimize any tax increases or to offset any one-time expenditure requests.

Any approved one-time expenditure requests will be included in the 2014-2018 Five-Year Financial Plan (5YFP). The City must adopt the 5YFP Bylaw before May 15th of each year in accordance with Subsection 165(1) of the Community Charter.

Analysis

For 2014, there are 13 one-time expenditure requests totalling \$3.4M. The list includes items that were not approved in the 2014 Capital Budget due to funding constraints. The Senior Management Team (SMT) conducted a thorough review of all requests and prioritized each as high, medium, or low. The scoring system developed by SMT is based on the following criteria:

1. Health and Safety Requirements
2. Social Benefits
3. Financial Benefits

Given the current economic reality, only the high priority requests are recommended. If any one-time expenditure requests are approved by Council, the respective expenditure will be included in the 5 Year Financial Plan (2014-2018). There is no tax impact to the approval of any of the proposed one-time expenditures as they will be funded from the RSA which has a balance of \$5.2M. Table 1 shows the summary of the one-time expenditure requests:

Table 1 – One-Time Expenditure Requests Summary

# of One-Time Expenditures Requested	Recommended Amount (In \$000s)	Not Recommended Amount (In \$000s)	Total (In \$000s)
13	\$3,138	\$290	\$3,428

Attachments 1 and 2 provide a brief description of all one-time expenditure requests from departments with recommendations and non-recommendations respectively provided by SMT. Council may change any of the recommendations or may choose to address other one-time funding needs.

Financial Impact

The recommended one-time expenditure requests of \$3.1M are funded from the Rate Stabilization Account with no tax impact. These recommended amounts will be included in the Five-Year Financial Plan (2014-2018). This leaves a balance of \$2.1M in the RSA prior to the transfer of any surplus arising from 2013.

Conclusion

One-time expenditure requests were reviewed and ranked by SMT. The high priority requests in the amount of \$3.1M as summarized in Attachment 1 are recommended to be funded from the Rate Stabilization Account.



Melissa Shiau, CA
Acting Manager, Financial Planning and Analysis
(604-276-4231)

MS:kt

Attachment 1: One-Time Expenditure Requests - RECOMMENDED					
Ref	Requested By	Description	Ranking	Requested Amt (in \$000s)	SMT Recommended Amount (in \$000s)
1	Fiscal	<p>Contribution to Facility Maintenance / Repair Provision</p> <p>The City's buildings and facilities are aging and the frequency and magnitude of repairs are increasing. A contribution to the Facility Maintenance/Repair Provision is requested to ensure the City has the capacity to meet requirements as they arise.</p>	High	\$500	\$500
2	Engineering & Public Works	<p>Watermania Air Handling Units</p> <p>The air handling units (AHU-1, AHU-2, and AHU-13) are in poor condition and are incurring escalation maintenance costs. The heat reclaimers water coils have frozen and split in the past, and as a result reducing their capacity by 30%-40%. AHU-13 has had various water leaks and cause ceiling damages. The unit will be replaced with a water tight housing and stainless steel heat exchanger, which will reduce the building's annual natural gas consumption and greenhouse gas emissions, due to technological improvements to this type of equipment since original installation. In addition to the air handling units being replaced, the roof under both units and the interconnected ductwork will be replaced.</p>	High	495	495
3	Engineering & Public Works	<p>Watermania – HVAC</p> <p>Replace Exhaust Fans: most exhaust fans have been replaced; however, a few remaining are in poor condition and will also be replaced.</p> <p>Replace All Rooftop HVAC Units: The HVAC units are in poor condition and have had motor and compressor failures. The acidic outdoor environment is rotting the thin walled coils, resulting in one complete loss of refrigerant charge and also causing atmospheric ozone damage. The units will be replaced with energy efficient units complete with thermal protected condenser coils. These replacements will result in reductions in electricity and natural gas consumption, and associated greenhouse gas emissions.</p> <p>Upgrade Building Automation Direct Digital Control (DDC) System: The existing building automation system is failing and is obsolete. Replacing this system will allow for greater operational control and more direct maintenance activities. This increased operational control will likely result in reduced run-time for some equipment and therefore reduce energy use. For each of the above listed action items, achieving further energy efficiency gains will be examined through higher efficiency upgrades, including researching external funding.</p>	High	455	455

4	Community Services	<p>Major Events Provision Fund</p> <p>The City has become well known for a variety of City-produced festivals and events. The Major Events Provisional fund is the major source of City support to ensure these remain quality events. In 2013 funding was allocated to support festivals such as Ships to Shore and ship recruitment and the Maritime Festival. Request for \$450,000 to replenish the Major Events Provisional fund to allow continued financial support in 2014 for festivals as approved by Council such as Ships to Shore, Maritime Festival, Richmond Days of Summer or others.</p>	High	450	450
5	Community Services	<p>Waterfront Improvement Projects</p> <p>This reserve was established in order to fund waterfront improvement projects. Since contributions have not been made on a consistent basis, staff recommend that a compounded contribution be made in order to ensure funding is available for future projects. Council approval is required before funding is accessed for any capital project.</p>	High	550	550
6	Law and Community Safety	<p>Sister City Plan 2014-2016</p> <p>To establish and maintain relationships with other cities that are meaningful and sustained through on-going activity.</p> <p>To develop a broad base of activity for Sister/Friendship City relationships in which many people and organizations in the community participate through planned and ongoing contact;</p> <p>To engage the Richmond community and its Sister/Friendship Cities in projects and exchanges that promote cultural awareness and joint learning opportunities.</p>	High	220	220
7	Law and Community Safety	<p>Law and Community Safety Facility Long-term Review and Deployment Plan-Fire and Police Services in the City:</p> <p>The purpose of this additional expenditure request is to contract the service of an external consultant to examine fire and police service levels and to provide estimates of future service demands respective of the Richmond Official Community Plan. The consultancy service would examine demand for fire and police emergency service and response standards, such as but not limited to: analyzing calls for service, locations of calls, resources deployment and allocation, communication strategies and service delivery models in response of population growth in the City.</p> <p>The purpose of this additional expenditure request is to contract the service of an external consultant to examine existing emergency service levels and to provide</p>	High	190	190

		estimates of service demands respective of the Richmond Official Community Plan.			
8	Engineering & Public Works	<p>Street Light Security & Wire Theft Prevention - Phase 3 of 5</p> <p>This project is the third year of a five year program. The project includes two staff removing approximately 2,000 existing street light access covers per year for five years and replacement them with reinforced access covers. The estimate cost breakdown of the project is as follows: Cost of labor \$36,000/year, equipment \$4,000/year, replacement panels \$100,000/year.</p>	High	140	140
9	Community Services	<p>Community Needs Assessment</p> <p>The Community Services Department performs a City wide community needs assessment every five years. The last one was completed in 2009. The next needs assessment is scheduled for 2014. This consultation initiative engages Richmond citizens, stakeholders and community partners and will identify community needs and priorities and articulate strategic recommendations for responding to the gaps. Statistics and results from the needs assessment are used to support parks, arts, heritage, recreation and community social development programs and initiatives. An additional emphasis for the 2014 Community Needs Assessment will be aquatics. This focused study is in response to the Council referral from November 12th 2013 that future aquatic needs be referred to staff for analysis This Council request was an outcome of the discussion on sites for future aquatic centres. Funding is required for consulting expertise, liaison and administration, study design, data collection, data analysis and preparation of a report on findings.</p>	High	75	75
10	Corporate Administration	<p>Let's Talk Richmond</p> <p>Corporate Communications has piloted the use of Let's Talk Richmond (Let's Talk), a web based public participation tool, as a method to centralize and standardize the City's public consultation efforts. This request is for a three-year software license renewal with annual costs of \$21,000.</p>	High	63	63
High Priority Subtotal				3,138	3,138
Recommended Grand Total					\$3,138

Attachment 2: One-Time Expenditure Requests – NOT RECOMMENDED					
Ref	Requested By	Description	Ranking	Requested Amt (in \$000s)	SMT Recommended Amount (in \$000s)
11	Engineering & Public Works	Works Yard Stores Roof Repainting (Submission# 5301) The facility currently is in fair condition with a facility condition index (FCI) of 7% performing the life cycle renewals will correct identified requirements reducing maintenance costs.	Medium	\$120	\$-
	Medium Priority Subtotal			120	-
12	Engineering & Public Works	Street Light Pole Replacement-Seafair & Richmond Gardens, Phase 1 of 5 Remove and replace approximately 200 existing streetlight poles (over 5 years) and retrofit concrete bases to allow for the proper installation of new street light poles in the Seafair and Richmond Garden subdivisions. Estimated cost per pole: Hardware, materials and equipment \$2,200 Labor: \$800 Total per pole: \$3,000	Low	120	-
13	Community Services	Gateway Theatre Facility Need Options The Gateway Theatre has commissioned a Faculty Task Force that has memberships consisting of City Staff Board, Gateway Staff and community members. The Task Force has a completed report outlining the facility needs related to programming in the Gateway 2028 artistic vision presented to Council on September 24th and Oct 17th, 2013. The next stage is to engage expertise in the form of a Space Planner/Architect and Theatre Consultant to identify options for the facility needs, The Gateway Theatre has the ability to apply for matching funds for the advanced design consultancy through Canadian Heritage Cultural Spaces Fund. This request is for 50% of the cost of the project.	Low	50	-
	Low Priority Subtotal			170	-
Not Recommended Grand Total				\$290	\$-



City of Richmond

Report to Committee

To: Finance Committee

Date: November 26, 2013

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

File:

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

Re: **3rd Quarter 2013 - Financial Information for the Richmond Olympic Oval Corporation**

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended September 30, 2013 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, Finance and Corporate Services
& Chief Financial Officer,
Richmond Olympic Oval



DATE: November 27, 2013

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

Andrew Nazareth
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills
Chief Operating Officer, Richmond Olympic Oval Corporation

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

Re: **Richmond Olympic Oval Corporation – 3rd Quarter 2013 Financial information**

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, 2013 ("Q3") which was approved by the Corporation's Board of Directors.

Business Plans and Financial Results

The Q3 results were budgeted at a surplus of \$271,000 and the actual results show a surplus of \$611,000, indicating a favorable variance of \$340,000 (please see page 4 for the Corporation's statement of operations) as the Corporation continues to outperform its budget. The unfavorable variance in other revenue of \$195,000 is as a result of the reversal of \$261,000 of revenue in Q3 that was previously recognized in Q1 and Q2. This external funding revenue received from Tourism Richmond will now be recognized over the life of the underlying asset once the Richmond Olympic Experience (ROE) project is complete. Once this adjustment is accounted for, the other revenue has a favorable variance of \$66,000. In Q3, \$615,000 has been allocated to the reserves.

Highlights

Some of the highlights of the activities undertaken by the Corporation during Q3 are described below.

Community Use

The Oval continues to attract a significant number and broad range of users from the Community. At the end of Q3, 78% of members were Richmond Residents and over 75 different community sport and recreation groups used the Oval facility during the third quarter. While there are fluctuations in overall membership from quarter to quarter due to seasonal promotions with finite expiry dates, for example our popular Student Summer Pass Promotion, the long term membership base remained constant. Fitness Centre usage increased by 5.8% over the same time period, largely due to a focus on membership engagement.

With respect to visitation for the 9 months ended September 30th, 2013, total visits to the Oval were over 530,000 which is more than a 17% increase over the same period last year. Total visitations are calculated based on the sum of the following figures: the number of paid admissions, the number of membership scans, the number of visits for those individuals in registered programs, and the number of visits from event rentals and user groups. The event rental and user group figures are based on data obtained from the clients and programmers responsible for the respective rentals.

The beginning of Q3 saw the launch of a new Pilates TRX program and an increase to 43 group fitness classes per week with all peak time classes at full capacity. August 30th saw the close of our most successful summer programming season ever, with Sport Camp revenues up 41% compared to 2012. Total summer program registration was also up significantly, with a 23% increase in registrations over the same period last year.

Sport Development and Events

High Performance Sport Services continues to make its mark at the Oval. Over 4,200 individual athlete training sessions were completed in Q3. These sessions included:

- Local athletes from synchronized swimming, figure skating, speed skating, volleyball, soccer, and hockey (Richmond Sockeyes);
- Provincial level athletes in the Canadian Sport Centre Pacific IGNITE Program and BC Fencing (including athletes from taekwondo, rowing, alpine skiing, softball, hockey, soccer, track cycling, and water polo); and
- National level athletes from the men's & women's National Field Hockey Teams, National Wheelchair Rugby Team and Canada Beach Volleyball.

Some additional High Performance highlights from Q3 include hosting:

- The Kazakhstan Women's Ice Hockey team for on-ice sessions as well as strength and conditioning sessions.
- The Table Tennis Canada Cadet Camp (August 18-20), which included 20 top level athletes from across Canada and the USA training with Oval and international coaches.
- Speed Skating Canada High Performance Camp, featuring 16 athletes from BC, Alberta, Manitoba and the Northwest Territories participating in on-ice technical, video analysis and strength and conditioning sessions.

Once again Q3 was a very busy Sport Hosting and Events Quarter at the Oval. Some of the highlights included the following: the Annual Juvenile Diabetes Research Foundation (JDRF) Dodgeball International Tournament, the 2013 Judo National Championships & National Team Training Camp, and the 2013 YONEX Canada Open. Sport Hosting events secured at the Oval during Q3 included the 2013 Western Canadian Single Distance Short Track Speed Skating Championship and the 2014 Athletes Canada Annual General Meeting.

Governance

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

A handwritten signature in black ink, appearing to read 'RD', is positioned above the printed name and title of the signatory.

Rick Dusanj, CA
Controller, Richmond Olympic Oval Corporation

cc: Shana Turner
Director, Finance and Corporate Services, Richmond Olympic Oval Corporation

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended Sep 30, 2013

Unaudited, prepared by management

	QTR 3 2013			QTR 3 2012			9 months 2013			9 months 2012		
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	ACTUAL		BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	ACTUAL	BUDGET
REVENUES												
2010 Games Operating Trust Fund	675,000	705,852	30,852	5%	696,159		2,025,000	2,117,387	92,387	5%	2,088,478	2,700,000
Contribution from City of Richmond	786,175	786,175	-	0%	768,471		2,358,525	2,358,525	-	0%	2,305,412	3,144,700
Memberships, admissions and programs	1,468,377	1,559,131	90,754	6%	1,459,750		4,680,546	4,915,337	234,791	5%	4,430,687	6,126,945
Other (Note 1)	260,383	65,218	(195,165)	-75%	239,138		761,147	927,659	166,512	22%	726,562	1,011,531
	3,189,935	3,116,377	(73,558)	-2%	3,163,518		9,825,218	10,318,908	493,690	5%	9,551,139	12,983,176
EXPENSES												
Memberships, admissions, and program services	1,072,490	928,526	143,964	13%	929,179		3,251,163	2,938,002	313,161	10%	2,881,754	4,254,568
Facility Operations	944,482	946,400	(1,919)	0%	951,599		2,834,347	2,846,234	(11,888)	0%	2,613,554	3,776,280
Marketing	146,888	104,590	42,298	29%	116,701		348,744	293,127	55,617	16%	319,044	495,831
Admin/Finance	755,267	525,656	229,611	30%	494,344		2,187,512	1,629,140	558,372	26%	1,642,699	2,905,366
	2,919,127	2,505,173	413,954	14%	2,491,824		8,621,766	7,706,504	915,262	11%	7,457,051	11,432,046
Net before items below	270,808	611,204	340,396		671,695		1,203,452	2,612,404	1,408,952		2,094,087	1,551,130
Transfers to reserves/provisions (Note 2)	325,000	615,447	290,447		615,447		975,000	1,846,340	871,340		1,846,340	1,300,000
Net after items above	(54,192)	(4,243)	49,949		56,248		228,452	766,064	537,612		247,748	251,130

Note 1 - This negative variance is as a result of an accounting reversal of \$260,598 of revenue in Q3 that was previously recognized in Q1 and Q2 2013 pertaining to the capital expenditures on the Richmond Olympic Experience (ROE) project which was approved previously by the Corporation's Board of Directors.

Note 2 - In Q3, \$615,000 was transferred into reserves and provision accounts including \$600,000 into the Operating Capital Reserve Fund.

Numbers may be off due to rounding.

Also see attached comments on the results for the Third Quarter of Fiscal Year 2013.



City of Richmond

Report to Committee

To: Finance Committee

Date: November 26, 2013

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

File:

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

Re: **2014 Operating and Capital Budgets for the Richmond Olympic Oval Corporation**

Staff Recommendation

That the report on the 2014 Operating and Capital Budgets for the Richmond Olympic Oval Corporation 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, Finance and Corporate Services
& Chief Financial Officer,
Richmond Olympic Oval



DATE: November 27, 2013

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

Andrew Nazareth
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills
Chief Operating Officer, Richmond Olympic Oval Corporation

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

Re: **Richmond Olympic Oval Corporation – 2014 Annual Operating and Capital Budgets**

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 2014 annual operating and capital budgets which were approved by the Corporation's Board of Directors.

Analysis

2014 Outlook

Some of the highlights anticipated in 2014 include the continued build out of the Short Track Speed Skating Legacy program in partnership with Speed Skating Canada, integration of Richmond Virtual School district classes with High Performance technical sport programs, the completion of the Richmond Olympic Experience (ROE) project in the fall of 2014, a full service yoga program, the opening of a retail space, greater delivery of performance training services to new sports including Taekwondo Canada and High Performance brand building, awareness and integration initiatives. Richmond Olympic Oval programs and camps are expecting a targeted increase in girls participation in sport programs after successful program pilots. The Corporation will be looking to expand fundamental movement course registration and strengthen existing partnership programs with community groups (re: Kajaks, Richmond City Baseball, Richmond Soccer Association, etc.). Our membership base will be supported with increased drop-in sport programming and open courts as well as an effort to increase family programming with open family play time and themed skating.

Over 30 events have been confirmed for 2014, some of which include: BC Sports Rep Association Trade Show, Karate Nationals, Judo Vancouver Invitational, Harry Jerome Indoor Track Meet, Judo Pacific Internationals, Red Bull Crashed Ice Regional Qualifiers, Panther Cheerleading Events, Vancouver Island Career Fair, Wheelchair Rugby Vancouver Invitational, World Grand Prix Fencing Championship, Karate North American Cup, Province Gran Forza Pentathlon, Pacific Rim Gymnastics Championships, Workout to Conquer Cancer for the Canadian Cancer Society, UROC Awards to celebrate the achievements and dedication of outstanding youth, youth groups and asset champions within the Richmond Community, CAN AM Wushu Championship, Gymnastics BC Millennium Cup, Karate BC Provincial Championships, SOS Children's Village 10K Run, Wheelchair Rugby Canada Cup, Orb Spring and Summer Warehouse Sale, Vancouver College (VC) Dry Grad, Karate Provincial Championships, Corporate Champions of Vancouver, Crossfit Games Canada West Regional, Scotdance Championships, Dodgeball International Tournament, Rehab Equipment Expo, The Association for International Sport for All (TAFISA) World Martial Arts Games, and the Western Marine Trade Show.

2014 Operating Budget

	2013 BUDGET	2014 BUDGET	\$ Increase (decrease)	% Increase (decrease)
REVENUES				
2010 Games Operating Trust	\$ 2,700,000	\$ 2,200,000	\$ (500,000)	-19%
Contribution from City of Richmond	3,144,700	3,208,000	63,300	2%
Memberships, admissions and programs	6,126,945	6,348,903	221,958	4%
Other	1,011,531	1,383,695	372,164	37%
	12,983,176	13,140,598	157,422	1%
EXPENSES				
Memberships, admissions, and program services	4,254,568	4,180,520	(74,048)	-2%
Facility Operations	3,776,280	4,084,987	308,706	8%
Marketing	495,831	487,432	(8,399)	-2%
Admin/Finance	2,905,366	2,811,907	(93,459)	-3%
	11,432,046	11,564,845	132,800	1%
Net income before transfers to reserves/provisions	\$ 1,551,130	\$ 1,575,753	\$ 24,622	2%
Transfer to reserves/provisions *	1,300,000	1,300,000		
Net income after transfers to reserves/provisions	\$ 251,130	\$ 275,753	\$ 24,622	10%

** The budgeted transfer to reserve/provision amounts are estimates and the final determinations are made by the Capital Works Committee at year end.

As shown above, overall revenues are expected to increase by \$157,422 and overall expenses are expected to increase by \$132,800k from the 2013 budget, which represents a \$24,622 net increase before transfers. With respect to the 2014 Games Operating Trust (GOT) revenue budget, GOT has made a decision to allocate the full interest income for 2014 from the Contingency Fund to Whistler 2010 Sport Legacies Society. In 2013, the Corporation received 50% of the interest income from the Contingency Fund, with the other 50% going to the Whistler 2010 Sport Legacies Society. As such, the Corporation has reduced its 2014 revenue budget from GOT to \$2,200,000, which represents a \$500,000 decrease in the budget. Even with this unfavorable impact to the 2014 budget, the Corporation has still budgeted for an overall net increase in the budget compared to the previous year.

2014 Capital Budget

The 2014 capital budget is a total of \$2,387,465 which includes a \$1,437,465 maintenance and minor capital budget and \$950,000 for the major capital budget which is funded from the Corporation's operating capital reserves.

The breakdown of the \$1,437,465 is as follows: \$247,965 for program related equipment, \$200,000 for computer software, \$220,000 for computer equipment, \$68,000 for signage, \$501,500 for facility equipment and a \$200,000 contingency. The \$950,000 major capital budget includes \$650,000 for yoga studios and \$300,000 towards a retail space.

Summary

The 2014 operating budget has an overall budgeted net income before transfers of \$1,575,573 versus \$1,551,130 in 2013 which represents a favourable increase of \$24,622 over 2013. The 2014 capital budget has a total of \$2,387,465 budgeted, which includes a \$950,000 major capital budget.



Rick Dusanj, CA
Controller, Richmond Olympic Oval Corporation

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