



Finance Committee

Anderson Room, City Hall
6911 No. 3 Road

Monday, December 7, 2015

Immediately Following the General Purposes Committee meeting

Pg. # ITEM

MINUTES

FIN-5 *Motion to adopt the **minutes** of the meeting of the Finance Committee held on November 2, 2015.*



FINANCE AND CORPORATE SERVICES DIVISION

1. **2015 AUDIT ENGAGEMENT**
(File Ref. No. 03-0905-01) (REDMS No. 4814774)

FIN-10

See Page FIN-10 for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

That the 2015 Audit Planning Letter from KPMG, LLP, dated November 13, 2015, be received for information.



2. **FINANCIAL INFORMATION – 3RD QUARTER SEPTEMBER 30, 2015**
(File Ref. No.) (REDMS No. 4786970)

FIN-35

See Page FIN-35 for full report

Designated Speaker: Cindy Gilfillan

STAFF RECOMMENDATION

That the staff report titled, “Financial Information – 3rd Quarter September 30, 2015”, dated November 18, 2015 from the Director, Finance be received for information.



RICHMOND OLYMPIC OVAL CORPORATION

3. **3RD QUARTER 2015 – FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL**
(File Ref. No.) (REDMS No. 4818693)

FIN-63

See Page **FIN-63** for full report

Designated Speaker: Rick Dusanj

STAFF RECOMMENDATION

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2015 from the Controller of the Richmond Olympic Oval Corporation be received for information.



FINANCE AND CORPORATE SERVICES DIVISION

4. **2016 OPERATING AND CAPITAL BUDGETS FOR RICHMOND PUBLIC LIBRARY**
(File Ref. No.) (REDMS No.)

FIN-69

See Page **FIN-69** for full report

Designated Speaker: Greg Buss

STAFF RECOMMENDATION

That the 2016 Richmond Public Library Operating and Capital budgets as presented in the report dated December 2, 2015 from the Chief Librarian and Secretary to the Board be approved with a same level of service municipal contribution of \$8,793,930.



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ITEM

5. **2016 CAPITAL BUDGET**

(File Ref. No. 03-0970-01) (REDMS No. 4761439 v. 8)

FIN-73

See Page FIN-73 for full report

Designated Speakers: Andrew Nazareth & Jerry Chong

STAFF RECOMMENDATION

That the 2016 Capital Budget totalling \$104.1M be approved and staff authorized to commence the 2016 Capital Projects.



6. **2016 PROPOSED OPERATING BUDGET**

(File Ref. No. 03-0970-01) (REDMS No.)

FIN-210

See Page FIN-210 for full report

Designated Speakers: Andrew Nazareth & Jerry Chong

STAFF RECOMMENDATION

That:

- (1) *the 2016 Operating Budget presented in the staff report dated November 26, 2015 from the Director, Finance with a total tax increase of 2.06% be approved;*
- (2) *ongoing additional levels in the amount of \$209,653 with a tax impact of 0.11% as presented in Attachment 9 of the staff report titled “2016 Proposed Operating Budget” from the Director, Finance be approved; and*
- (3) *a tax increase of 1.00% for infrastructure replacement needs as per Council’s Long Term Financial Management Strategy be approved.*



7. **2016 ONE-TIME EXPENDITURES**

(File Ref. No. 03-0970-01) (REDMS No. 4763304 v. 6)

FIN-263

See Page FIN-263 for full report

Designated Speakers: Andrew Nazareth & Jerry Chong

STAFF RECOMMENDATION

That the recommended one-time expenditures in the amount of \$1.635M, as outlined in the staff report titled “2016 One-Time Expenditures”, be approved for funding from the Rate Stabilization Account.



8. **2016 COUNCIL COMMUNITY INITIATIVES ONE-TIME EXPENDITURES**

(File Ref. No. 03-0970-01) (REDMS No. 4811158 v. 3)

FIN-271

[See Page FIN-271 for full report](#)

Designated Speakers: Andrew Nazareth & Jerry Chong

STAFF RECOMMENDATION

- (1) *That the one-time expenditure requests as outlined in Attachment 1 of the staff report titled “2016 Council Community Initiatives One-Time Expenditures” from the Director, Finance, be received for information; and*
- (2) *That funding of \$895,000 for the 2017 Canada 150th Steveston Ships to Shore Events be included in the City’s 5-Year Financial Plan (2016-2020) Bylaw.*



ADJOURNMENT





Finance Committee

Date: Monday, November 2, 2015

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Derek Dang
Councillor Carol Day
Councillor Ken Johnston
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Linda McPhail
Councillor Harold Steves

Absent: Councillor Chak Au

Call to Order: The Chair called the meeting to order at 4:49 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on October 5, 2015, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

1. **DISSEMINATION OF ASSESSMENT AND PROPERTY TAX INFORMATION**

(File Ref. No.) (REDMS No. 4775210)

In reply to questions from Committee, Ivy Wong, Manager, Revenue, advised that the video was developed by an external company and that it would be available on the City's website and promoted through the City's Twitter and YouTube accounts.

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It was suggested that, upon approval of the 2016 Capital, Utility and Operating Budgets, the video be shown at a Regular meeting of Council.

Discussion ensued regarding the BC Assessment Office's phone number appearing on the video and that a greater emphasis on the property assessment and appeal processes may be helpful. It was suggested that the City website provide information regarding the assessment appeal process following BC Assessment's notice mail out and that a link to the video be placed on the City's 2016 tax notice.

It was moved and seconded

That the property tax 101 video be promoted through the City's multimedia channels.

CARRIED

2. CORPORATE SERVICE LEVEL REVIEW UPDATE Q2 – 2015

(File Ref. No.) (REDMS No. 4651551 v. 8)

In response to queries from Committee, Cecilia Achiam, Director, Administration and Compliance, provided background information on the roles and functions of the Administration and Compliance Department, the Corporate Operational Service Level Review Team, and the Finance Cost Control and Efficiency Subcommittee. She commented that the Corporate Service Level Review (CSLR) is a management tool utilized to inform the Chief Administrative Officer (CAO) and Senior Management Team on opportunities for improvement and was not designed to be a budgeting tool or to make recommendations for cost reductions.

Andrew Nazareth, General Manager, Finance and Corporate Services, advised that additional programming or service level requests that have been identified by staff or Council throughout the year are addressed through the budget's additional level process. In addition, he advised that the CSLR was a tool used to review performance, efficiency, effectiveness, and cost containment. It was noted that the addition or removal of services would be at Council's discretion.

George Duncan, CAO, commented that the CSLR is an administrative management tool and that any outcomes resulting in staff identifying a need for additional services would be considered during the additional levels process in the budget. He further commented that, throughout the course of the year, Council may identify or support a need for resources, which would be considered during the additional levels process or, alternatively, staff may identify a funding source without the need to consider an additional level.

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In terms of the organizational structure, Mr. Duncan advised that the review is an ongoing process and that organizational and/or structural changes driven by the current Council Term Goals or the need to improve customer service are brought before Council throughout the year.

Councillor Steves left the meeting (5:18 p.m.) and returned (5:22 p.m.).

Discussion ensued regarding providing information related to service level comparisons between local municipalities to demonstrate the City's effectiveness in reaching positive and/or negative efficiency results.

In reply to a question from Committee, Mr. Duncan advised that the figures presented in Attachment 1 - Regional Lens are favourable as they indicate that Richmond, on a per capita basis, invests more on capital projects than a municipality in similar size and circumstance. In addition, he commented that the charts are intended to provide an update on the administrative reviews undertaken to assist in service level improvements and to inform Council on the core, traditional and discretionary services. He further commented that the CSLR also serves to provide direction in the development of departmental strategies such as the Information Technology Digital Strategy.

Discussion continued on the City's success in achieving reasonable budgets and containing property tax increases while responding to downloading of services from senior levels of government. It was suggested that future reports include a flow chart demonstrating how the CSLR works in conjunction with the budget process.

It was moved and seconded

That the staff report titled "Corporate Service Level Review Update Q2 – 2015," dated October 9, 2015, from the Director, Administration and Compliance, be received for information.

CARRIED

3. 2016 UTILITY BUDGETS AND RATES

(File Ref. No. 03-0970-01) (REDMS No. 4716954 v. 5)

In response to queries from Committee, Lloyd Bie, Manager, Engineering Planning, provided the following information:

- Option 3 for the Water Utility budget recommends the removal of the rate stabilization provision drawdown, which would increase the 2016 water budget by 1% while preserving the balance of the provision funds for future capital projects;
- the proposed 2016 Metro Vancouver (MV) water rate is the projected rate and staff do not anticipate receiving the actual rate prior to establishing the 2016 utility rates;
- MV water purchases represent 55% of the total Water Utility budget;

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- Option 3 for the Sewer Utility budget recommends an additional \$1 million for additional Capital Infrastructure Replacement due to aging sewer infrastructure, which can be achieved through a 1% increase in the sewer rates;
- the proposed change to the Drainage and Diking Utility budget represents the first step in a multi-year process to address inequities in the drainage rate system such as that represented by large commercial properties (i.e., shopping malls, warehouses, etc.) that currently pay the same drainage rate as a single-family home;
- the City is one of few municipalities that have implemented a Drainage and Diking Utility; many municipalities collect the fee through the property tax notice;
- a Rain Water Resource Management Strategy report is forthcoming and cost implications would be considered when exploring options regarding the use of rain water;
- there are a number of programs available to the public associated with water meters and the management of water, such as the toilet and clothes washer replacement rebates; and
- residents can arrange for home audits to assist in achieving water usage savings.

In reply to questions from Committee, Suzanne Bycraft, Manager, Fleet and Environmental Programs, advised that Option 1 for the Solid Waste and Recycling budget is the base level with the addition of the bi-weekly garbage collection service in 2016; Options 2 and 3 provide an annual green cart and/or garbage cart cleaning service to residents. She further advised that, upon approval of the utility rates by Council, an aggressive public educational program would commence providing information on cart sizes and their associated costs. Residents would then have an opportunity to complete a form to indicate their choice in cart size including its cost. Where no request has been received by the City by January 31, 2016, residents will automatically receive a 240-litre cart for a single-family home or a 120-litre cart for a townhome.

Robert Gonzalez, General Manager, Engineering and Public Works, commented that the 240-litre cart for a single-family home is the baseline size and that the cost differential associated with an increase or decrease in cart size would be clearly explained in the promotional material.

It was suggested that general information on how to clean and maintain the carts along with the name and contact information of any cart cleaning service provider be made available on the City's website.

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It was moved and seconded

That the 2016 utility budgets, as outlined under Option 3 for Water and Sewer, Option 2 for Drainage and Diking, and Option 1 for Solid Waste and Recycling, as contained in the staff report titled "2016 Utility Budgets and Rates," dated October 21, 2015, from the General Manager, Finance and Corporate Services, and the General Manager, Engineering and Public Works, be approved as the basis for establishing the 2016 Utility Rates and preparing the 5 Year Financial Plan (2016-2020) Bylaw.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:00 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 November 2, 2015.

Mayor Malcolm D. Brodie
Chair

Heather Howey
Legislative Services Coordinator



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong
Director, Finance
Re: 2015 Audit Engagement



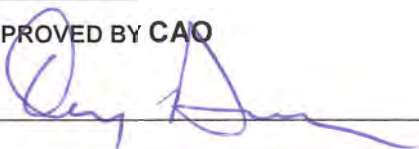
Date: November 23, 2015
File: 03-0905-01/2015-Vol
01

Staff Recommendation

That the 2015 Audit Planning Letter from KPMG, LLP, dated November 13, 2015, be received for information.

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

Att. 2

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.

This report outlines the terms of the audit engagement for the period ending December 31, 2015.

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.

Audit Plan

KPMG's planned scope and timing for the audit of the consolidated financial statements is provided in their Audit Planning Letter (Attachment 1). The overall audit strategy and audit approach is to address any significant risks identified during the planning process.

The audit plan includes consideration for the new accounting standard, Liability for Contaminated Sites PS 3260 as well as discussion of the following developments:

- Financial Instruments and Foreign Currency Translation,
- Related Party Disclosure and Inter-Entity Transactions,
- Assets, Contingent Assets, and Contractual Rights,
- Retirement Obligations, and
- Revenue

A summary of observations will be provided at the completion of the audit that may include comments on risks and the City's approach to those risks, industry trends and developments.

Annual Inquiries of the Committee

Professional standards require that KPMG ask questions of the Committee in connection with oversight of management's process for identifying and responding to risks of fraud. The specific questions asked of the Committee are:

- Are you aware of, or have you identified any instances of, actual, suspected, possible, or alleged non-compliance of laws and regulation or fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have these instances been appropriately addressed to your satisfaction?
- Are you aware of any significant fraud risks facing the City?

- Do you believe that the Committee exercises effective oversight of management's process for identifying and responding to the risk of fraud in the City and the internal controls that management has established to mitigate these fraud risks?
- Are you aware of the City entering into any significant unusual transactions?

If there are any comments on the above questions that the Committee would like to bring to KPMG's attention, the Engagement Partner can be contacted directly.

Audit Scope

The objectives of the audit, KPMG's responsibilities in carrying out the audit, as well as management's responsibilities are set out in the Engagement Letter, dated November 4, 2013 (Attachment 2).

The scope of the audit engagement includes:

- Audit of the City's 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

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, 2015. Their Audit Plan communicates KPMG's overall audit responsibilities and audit approach in accordance with Canadian generally accepted auditing standards. The 2015 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

Att. 1: Audit Planning Letter
2: Engagement Letter



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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 13, 2015

To the Chair and Members of the Finance Committee of the City of Richmond (the "Committee"):

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, 2015.

We would be pleased to receive any comments or suggestions you may have with respect to the planned audit scope or timing and we look forward to discussing the letter and answering questions that you may have. 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 Committee for the purpose of carrying out and discharging your responsibilities and exercising oversight over our audit. This letter should not be used for any other purpose or by anyone other than the Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this letter 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, CPA, CA
Engagement Partner
 (604) 527-3635

Archie G. Johnston, FCPA, FCA, CIA, MBA
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



CONSIDERATIONS IN DEVELOPING OUR AUDIT PLAN

The following is a change in accounting standards which will impact the consolidated financial statements of the City:

- New Accounting Standard, Liability for Contaminated Sites PS3260 has been approved by the PSAB and is effective for the City's fiscal 2015 year. The City is required to recognize any liabilities for contaminated sites where the City is responsible.

Governments are 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.

Management has commenced work to adopt the new accounting standard.

There are no significant changes in the auditing and other professional standards in the current year that will impact the audit of the City's financial statements.

SCOPE AND TIMING OF THE AUDIT

The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter dated November 4, 2013 which is included in the appendices to this letter.

We design an overall audit strategy and audit approach to address the significant risks identified during the planning process.

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.

We determine performance materiality (from materiality) in order to assess risks of material misstatement and to determine the nature, timing and extent of audit procedures.

We determine an audit misstatement posting threshold (from materiality) in order to accumulate misstatements identified during the audit.

For the current period, the following amounts have been determined:

Materiality	Performance Materiality	Audit Misstatement Posting Threshold
\$7,000,000	\$5,250,000 which has been set at 75% of materiality	\$350,000, which has been set at 5% of materiality.

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.

The significant financial reporting risks identified during our audit planning are listed below:

Significant unusual transactions

There were no significant unusual transactions noted through our discussion with management.

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 on performing the required procedures under professional standards. These include testing journal entries and performing a retrospective review of areas of estimate.

Timing of audit and deliverables

<i>Topic:</i>	<i>Dates:</i>
Conduct interim audit field work	November 2 - 6, 2015
Provide our audit planning letter	November 16, 2015
Conduct year-end audit field work	February 22 - March 11, 2016
Present our year-end audit findings letter, including independence communications to the Committee	Date to be determined
Provide audit opinion on financial statements	Upon acceptance by Council of the financial statements.

ANNUAL INQUIRIES OF THE COMMITTEE

Professional auditing standards require that we annually inquire concerning the Committee's oversight of management's process for identifying and responding to the risks of fraud within the City. Accordingly, we ask whether you:

- Are aware of, or have identified any instances of, actual, suspected, possible, or alleged non-compliance of laws and regulations or fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have these instances been appropriately addressed to your satisfaction?
- Are aware of any significant fraud risks facing the City?
- Believe that the Committee exercises effective oversight of management's process for identifying and responding to the risk of fraud in the City and the internal controls that management has established to mitigate these fraud risks?
- Aware of the City entering into any significant unusual transactions?

If you have any comments on the above questions that you would like to bring to our attention, please contact C.J. James, Engagement Partner.



OBSERVATIONS AND INSIGHTS

During the course of our audit, we may become aware of a number of observations that may be of interest to you. These observations may include comments on risks and the City's approach to those risks, performance improvement observations, or other industry trends and developments. These observations are based on, among other things, our understanding of the affairs and processes of the City, as well as our understanding of many other entities in the same or other industries.

We will discuss any such observations with management and provide our insights. We will also include a synopsis of these observations and insights in our discussions with you at the completion of the audit.

CURRENT DEVELOPMENTS

Financial Instruments and Foreign Currency Translation

- New Accounting Standards, Financial Instruments PS3450 and Foreign Currency Translation PS2601 have been approved by the PSAB and are effective for years commencing on or after April 1, 2019. Early adoption is permitted. Management has decided not to early adopt the standard for the current year.
- Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds can be carried at cost or fair value depending on the government's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable.
- Hedge accounting is not permitted.
- A new statement, the Statement of Re-measurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations.

Related Party Disclosures and Inter-Entity Transactions

- Two new Handbook sections were approved in December 2014, effective for fiscal years beginning on or after April 1, 2017.
- Related parties include entities that control or are controlled by a reporting entity, entities that are under common control and entities that have shared control over or that are subject to shared control of a reporting entity
- Individuals that are members of key management personnel and close members of their family are related parties. Disclosure of key management personnel compensation arrangements, expense allowances and other similar payments routinely paid in exchange for services rendered is not required.

- Determining which related party transactions to disclose is a matter of judgment based on assessment of:
 - the terms and conditions underlying the transactions.
 - the financial significance of the transactions.
 - the relevance of the information.
 - the need for the information to enable users' understanding of the financial statements and for making comparisons.
- A related party transaction, with the exception of contributed goods and services, should normally be recognized by both a provider organization and a recipient organization on a gross basis.
- Related party transactions, if recognized, should be recorded at the exchange amount. A public sector entity's policy, budget practices or accountability structures may dictate that the exchange amount is the carrying amount, consideration paid or received or fair value.

Assets, Contingent Assets, and Contractual Rights

- Three new Handbook sections were approved in March 2015, effective for fiscal years beginning on or after April 1, 2017.
- The intended outcome of the three new Handbook Sections is improved consistency and comparability.
- The standard includes enhanced guidance on the definition of assets and disclosure of assets to provide users with better information about the types of resources available to the public sector entity.
- Disclosure of contingent assets and contractual rights is required to provide users with information about the nature, extent and timing of future assets and potential assets and revenues available to the public sector entity when the terms of those contracts are met.

Retirement Obligations

- PSAB issued an exposure draft in August 2014 on Retirement Obligations associated with tangible capital assets. PSAB is deliberating comments received on its statement of Principles. Fourth quarter of 2015 - Exposure draft to be developed.
- Retirement obligations associated with tangible capital assets result from legal, constructive, and equitable obligations. Retirement costs increase the carrying amount of the related tangible capital assets and are expensed in a rational and systematic manner. Subsequent remeasurement of the liability can result in either a change in the carrying amount of the related tangible capital asset. Retirement obligations include post-retirement operation, maintenance and monitoring.



Revenue

- PSAB is proposing a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. A Statement of Principles was issued in 2013 and comments are currently under deliberation.
- A request for information is under development and expected for release in 2015. Adoption of these principles would result in a need to assess current accounting policies.
- In the case of revenues arising from an exchange, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. For unilateral revenues, recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
- For unilateral revenues, recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.



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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

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- (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.



*City of Richmond
November 4, 2013*

**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.



City of Richmond
November 4, 2013

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

ANDREW NAZARET

A

Date (dd/mm/yy)

7/11/13



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.



City of Richmond
November 4, 2013

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.



City of Richmond
November 4, 2013

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; 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



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

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



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

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



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

Date: November 18, 2015

From: Jerry Chong
Director, Finance

File:

Re: Financial Information – 3rd Quarter September 30, 2015

Staff Recommendation

That the staff report titled, “Financial Information – 3rd Quarter September 30, 2015”, dated November 18, 2015 from the Director, Finance be received for information.

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

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

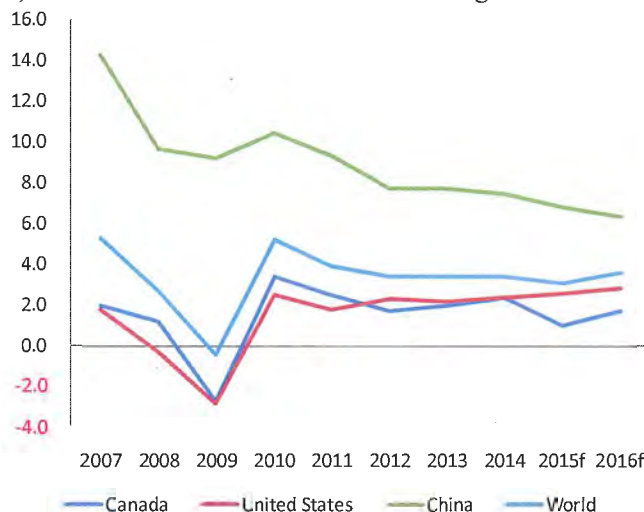
Origin

Financial information for the 3rd quarter ended September 30, 2015 is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information.

Analysis

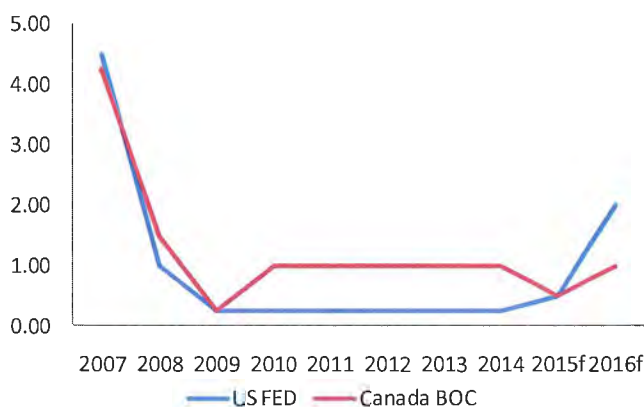
Macroeconomic Indicators & Forecast

1) Global Growth – Real GDP % Change ¹



- Downside risks continue to dominate and the global growth forecast has been adjusted down for both 2015 and 2016.
- Strong job growth, rising income and pent-up demand are sustaining the signs of upward momentum in the US economy.
- The Canadian economy continues to contract as a result of depressed commodity prices and the national growth forecast has been further downgraded to 1% in 2015 and 1.7% in 2016.
- The growth forecast for China remains unchanged at 6.8% in 2015 and 6.3% in 2016.

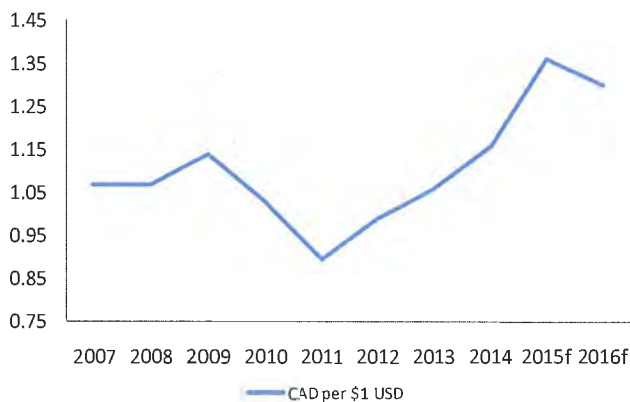
2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year-End ²



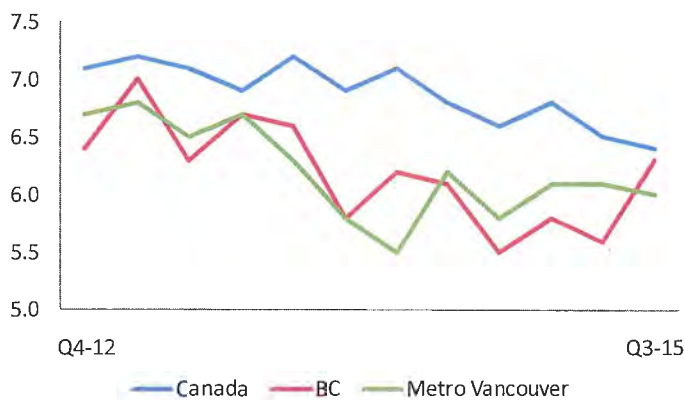
- With downward adjustments in the growth rate, forecasts for an interest rate hike in Canada were adjusted down, with 2015 ending at the current 0.5%.
- Forecasters are predicting an increase in the US overnight rate by 25 points to end 2015 at 0.5%.
- A slower climb in interest rates than previously forecast is expected in 2016 for both economies.

¹ International Monetary Fund, World Economic Outlook

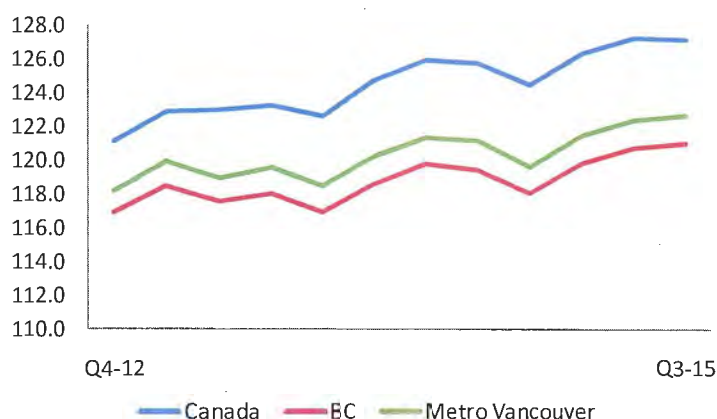
² US Federal Reserve, Bank of Canada and Royal Bank Research

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

- Prospects for continued downturn in commodity prices, including oil, signal ongoing weakness of the Canadian dollar against the US dollar through 2015 and 2016.
- A weaker Canadian dollar will continue to bode well for Canadian exporters and local firms are well positioned to take advantage of this trend.

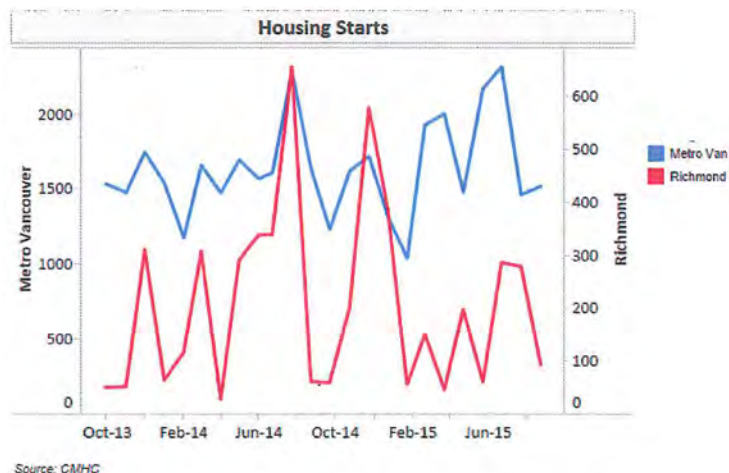
Regional & Local Economic Activity Indicators4) Unemployment ⁴

- Nationwide and Metro Vancouver unemployment rates held steady at 6.4% and 6.0% through the third quarter of 2015.
- While total employment rose, the BC unemployment rate also rose, as more people entered the labour force than found jobs.
- Gains in part-time work were offset by losses in full time work

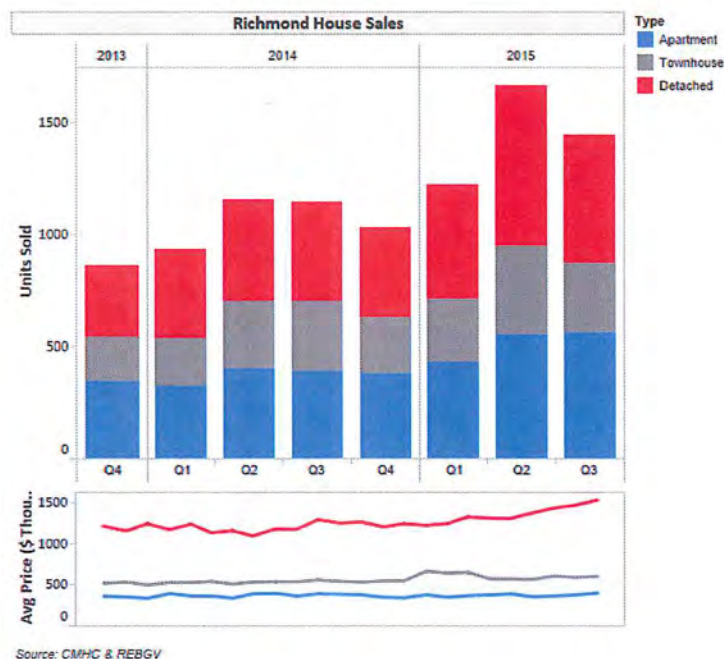
5) Consumer Price Index (CPI – 2002=100) ⁴

- All of the Canadian, BC and Metro Vancouver consumer price indices (CPI) remained stable through Q3-2015, as the effects of lowering the interest rate earlier in the year were absorbed.
- Renewed deflation concerns are resulting in the interest rate being held at its current levels for longer, so as to be near the Bank of Canada's 2% target.

³ Bank of Canada⁴ Statistics Canada

6) Housing Starts⁵

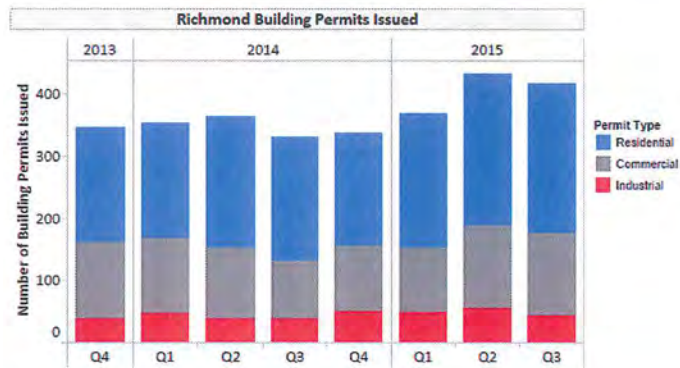
- After declining for the first two quarters of 2015, Richmond housing starts are on the rise, more than doubling in Q3 over Q2. Year to date housing starts remain down overall, by 29%, compared to a record 2014. This is reflective of the development cycle relating to Richmond's ongoing City Centre revitalization which saw major spikes in new construction in 2011 and 2014.
- Metro Vancouver housing starts decreased by 4.3% in Q3 2015 after an increase of nearly 20% in the last quarter. Year to date figures have registered a slight increase of 4%.

7) House Sales & Prices – Richmond⁶

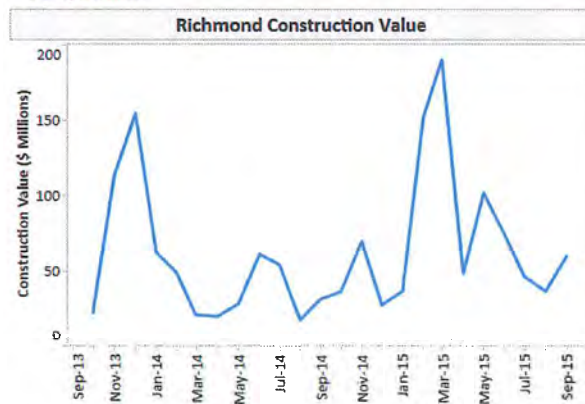
- Despite a drop in residential sales activity of 15% this quarter compared to last, year to date sales have increased by 32% overall. Leading the charge are detached homes, with sales increasing 40% over the same period last year, followed by apartments at 38% and townhouses at 20%.
- Prices of all types of homes have increased again this quarter. The average price of a detached home in Richmond now sits at a record \$1.53 million, an increase of 22% over the same period last year.

⁵ Canadian Mortgage and Housing Corporation

⁶ Real Estate Board of Greater Vancouver
4786970

8) Building Permits – Richmond ⁷

Source: City of Richmond



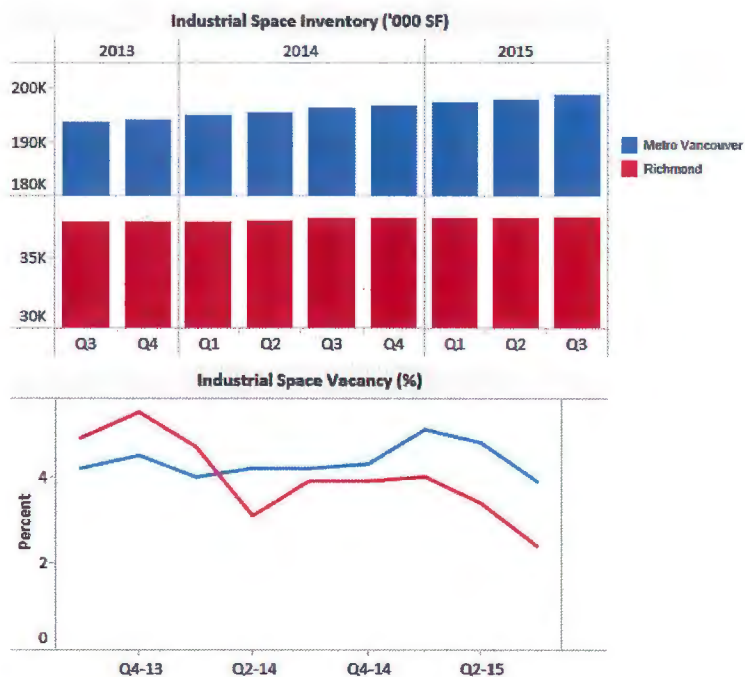
Source: City of Richmond

- Total building permits issued in Q3 2015 were up 26% compared to the same period in 2014.
- Year to date residential, commercial and industrial permits issued have seen an increase of 18%, 12% and 21% respectively.
- Despite a drop by 57% in construction value this quarter over Q2, year to date figures are up a substantial 116% over 2014

⁷ City of Richmond Building Permits
4786970

9) Commercial Space⁸

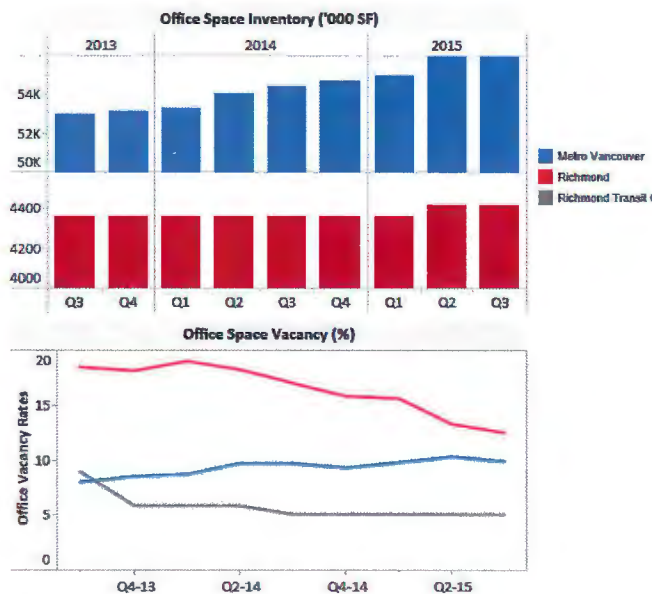
a) Industrial Space



Source: Cushman & Wakefield

- Industrial space continues to be in high demand and rental rates continue to be at a premium both in Richmond and in the region, with available land for development continuously shrinking.
- An 85,000 sf industrial addition was the first new inventory added in Richmond since Q3 2014. Even so, the vacancy rate dropped to an all-time low of 2.4%.
- This scarcity in industrial space is also reflected in the current regional vacancy rate of 3.9%, despite 730,000 sf in new supply having been added in Q3 2015.

b) Office Space

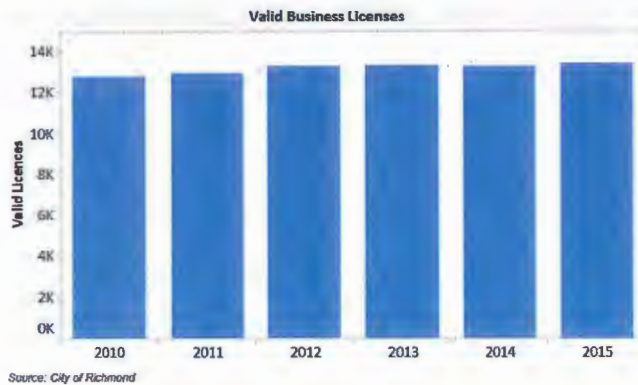


Source: Cushman & Wakefield

- Richmond's office vacancies continued to be absorbed, as the overall office vacancy rate ended the quarter at 11.3%, down from 12% last quarter and 26.6% in the same period last year.
- Richmond office vacancies are approaching regional averages, as new premium office space in the downtown core is displacing some tenants to the suburbs.
- At 4.6%, transit-oriented office space remained well below the overall Metro Vancouver rate which is at 11.2%.

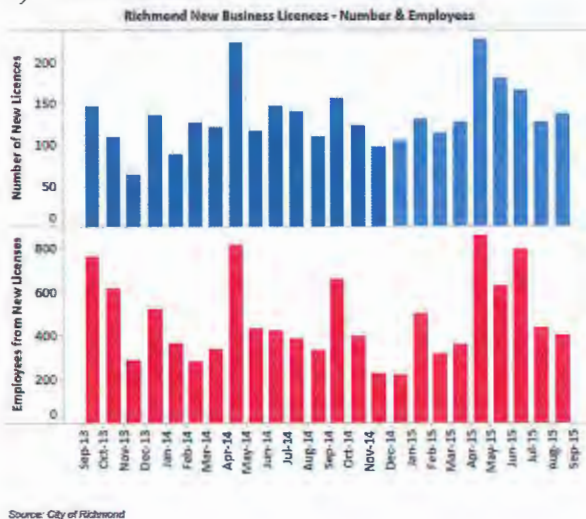
10) Business Growth – Richmond⁹

a) Total Valid Business Licenses

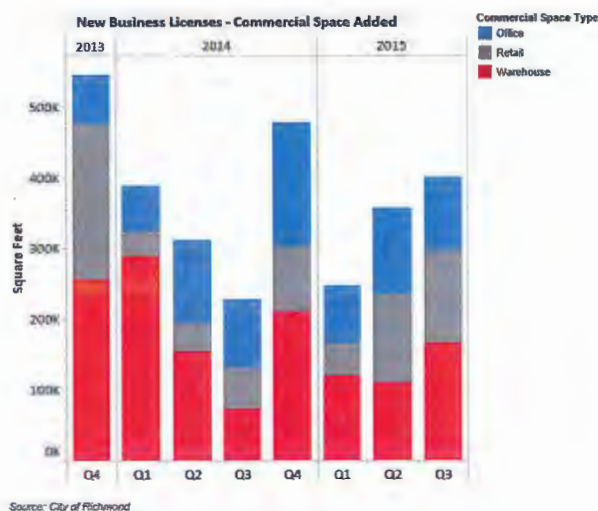


- At 13,509, valid business licenses to date in 2015 are up 1.5% from 2014.

b) New Business Licenses Issued



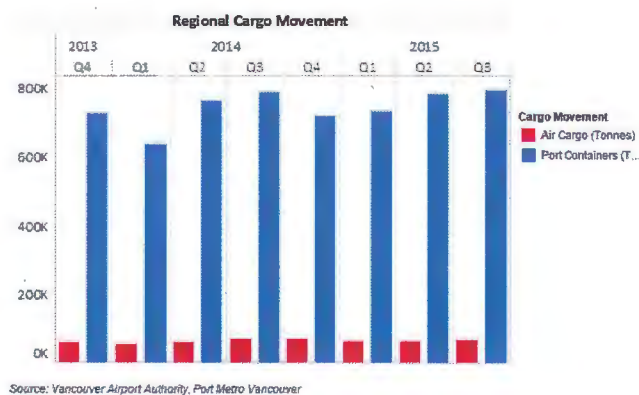
- There were 430 new business licenses issued in Q3 2015, up 8% from the same quarter last year. Year to date figures are also up 8% compared to last year.
- New licenses registered 3,458 employees in Q2 and Q3 2015 combined, up 28% from the same period last year – this large increase is attributed to the opening of the McArthur Glen outlet mall at YVR.



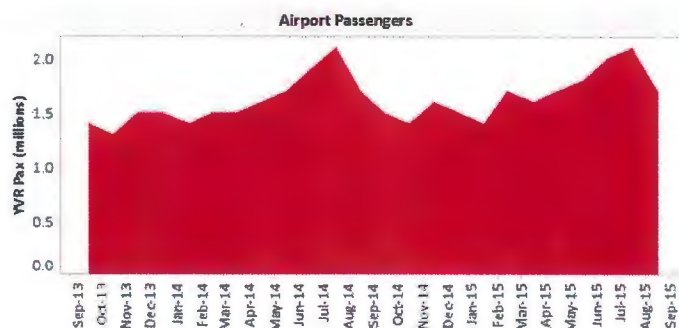
- Commercial space use from new business licenses grew by 12% in Q3 2015, and by 8% year to date over 2014.
- Year to date office space usage grew by 9% over 2014. In the same period retail space usage grew by 129%, largely due to the addition of McArthur Glen to Richmond.
- Meanwhile industrial space added through new business licenses was down by 23% year to date over the same period in 2014. This low level of movement is characteristic of such a tight vacancy rate in Richmond and the region overall.

⁹ City of Richmond Business License, 2015 represents year-to-date and 2014 figures represent year-end figures
4786970

11) Goods and People Movement

a) Regional Cargo Movement¹⁰

- A slight 1% dip in YVR cargo movements in Q3 2015 did not have an effect on year to date activity, which grew by 7.9% compared to 2014.
- Year to date PMV TEU (Twenty-Foot Equivalent Unit) movements are up by 5.7% compared to 2014. Port activity growth in the first three quarters of 2015 has already surpassed overall growth in either of the last two years.

b) Airport Passengers¹¹

- Airport passenger volume registered a year to date growth of 4% over 2014, including a 2% growth in Q3 2015 over last quarter.
- An accelerating tourism sector and implementation of new routes to Asia, Europe and the Americas are behind the continued growth of YVR passengers.

c) Richmond Hotel Room Revenue¹²

- After a strong 2014, with hotel room revenues climbing by 5% for the year, compared to 2013, Richmond's tourism sector is on track for an even stronger 2015.
- Year to date hotel room revenues are \$116 million, a significant 18% increase over the same period last year and occupancy is at 80% - the highest in Canada.

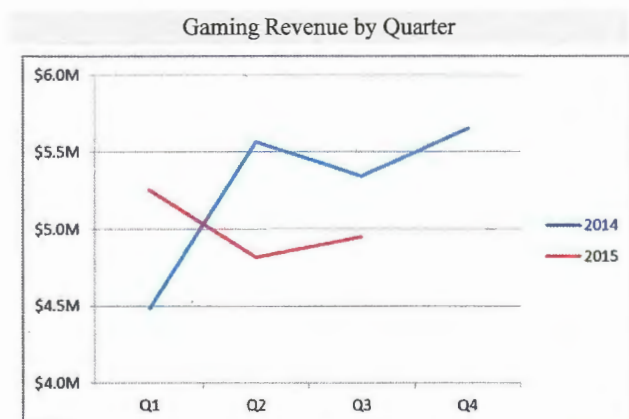
¹⁰ YVR & PMV Monthly Cargo Statistics

¹¹ YVR Monthly Statistics

¹² 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 presented up to August 2015. **FIN - 42**

Gaming Revenue

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



- Gaming revenue for Q3 2015 was \$4.95M compared to \$5.35M 2014 representing a decrease of 7.4%.
- Gaming revenues at River Rock decreased by 7% in Q3 2015 compared to the Q3 2014. The decrease was mainly attributed to a decrease in high limit table play volume.¹³
- Year to date gaming revenues for 2015 are down by 2.4% from 2014 levels at \$15.02M and \$15.39M respectively.

Late in the third quarter, BCLC introduced additional conditions for certain VIP players in BC that include a requirement to demonstrate the source of funds used to purchase chips. The effect of these conditions is not currently known but will likely lead to a certain amount of reduced play, and therefore revenues, at those casinos that have significant VIP play. River Rock's revenues affected by these additional conditions over the past 12 months are approximately \$20M.¹⁴

At the March 23, 2015 Council meeting a revised gaming allocation model was approved. The distribution of these funds is detailed in Table 1 with any surplus revenue transferred to the major capital community facility program (Capital Building and Infrastructure Reserve).

Table 1 – Example of the proposed 2016 gaming revenue allocation

	Distribution of Gaming Revenue	2016 Proposed Allocation	2015 Budgeted Allocation	Difference
General Capital Reserves ¹	30%	\$5.4M	\$8.4M	(\$3.0M)
Financing Costs	Fixed	5.0M	5.0M	-
Major capital community facility replacement	Remainder	3.9M	3.2M	0.7M
Allocation for all grants ¹	15%	2.7M	0.8M	1.9M
RCMP four officers ²	Four Officers	0.7M	0.6M	0.1M
Council Community Initiatives account	2%	0.4M	-	0.4M
Total		\$18.1M	\$18.0M	\$0.1M

¹ \$1.4M of tax funding will be reallocated within the operating budget from grants to the General Capital Reserves. The net impact from the gaming allocation and tax funding allocation is a reduction to the General Capital Reserves of \$1.6M and an increase to grants of \$0.5M.

² The increase for the four RCMP officers is due to an estimated increase for the 2016 budget.

¹³ Great Canadian Gaming Corporation: Management's Discussion and Analysis for the Three Month Period Ended September 30, 2015

¹⁴ Ibid
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Operating Activity

Table 2 compares budget to actual activity up to September 30, 2015 and forecasts to the end of 2015. The net budget year-to-date (YTD) figure represents the third quarter budgeted activity accounting for seasonal demand. The net figure represents combined revenue and expense amounts. Actuals includes estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received. The forecast actuals include commitments and other anticipated activity. The transfers and adjustments represent amounts allocated for future requirements. The projected surplus is the operational surplus in relation to the Five Year Financial Plan and includes transfers to accumulated surplus. (Note that this surplus figure is different than the annual surplus as reported in the Statement of Operations included in the Annual Report.)

Approximately \$5.0M of the projected 2015 operating surplus is due to higher than budgeted revenues from building permits, parking revenue, business license revenue and various user fee revenues. The remaining projected surplus of \$3.3M is a result of savings in expense accounts realized from operational budgets across the City. This is largely a result of salary savings due to delayed filling of vacant positions.

The total projected surplus of \$8.3M after appropriations will be transferred to the Rate Stabilization Account which may be used to fund one-time initiatives that are approved annually by Council as part of the budget process.

Table 2 – Net Operational Activity for the period January 1, 2015 to September 30, 2015

NET Operational Activity	For the period January - September 2015 in (\$'000s)			Projected 2015 Results			
Division/Department	Q3 YTD Net Budget ¹	Q3 YTD Actuals ²	Q3 YTD Variance (\$)	ANNUAL Net Budget ¹	ANNUAL Forecast Net Actuals ²	2015 Transfers/ Adjustments	2015 Projected Surplus (Deficit)
Community Services	\$28,675	\$26,537	\$2,138	\$37,340	\$36,551	\$789	\$-
Corporate Administration	6,211	5,549	662	8,135	7,241	500	394
Engineering and Public Works	14,231	11,210	3,021	15,807	11,816	3,018	973
Finance and Corporate Services	12,122	10,559	1,563	16,736	14,595	1,550	591
Fire Rescue	23,190	22,629	561	30,895	30,357	-	538
Law and Community Safety	3,119	3,306	(187)	4,882	3,979	-	903
Library	5,197	4,985	212	7,152	7,032	115	5
Planning and Development	4,681	2,281	2,400	6,242	3,024	-	3,218
Policing	30,884	28,092	2,792	41,392	39,510	-	1,882
Fiscal and Transfers	(173,350)	(177,428)	4,078	(168,581)	(168,362)	-	(219)
Total Operating	(\$45,040)	(\$62,280)	\$17,244	\$-	(\$14,257)	\$5,972	\$8,285
Water Utility	(\$5,333)	(\$5,177)	(\$155)	(\$7,550)	(\$9,272)	\$1,722	\$-
Sanitary Utility	(3,412)	(4,068)	656	(4,306)	(5,483)	1,177	-
Sanitation and Recycling Utility	(300)	(1,596)	1,296	-	689	689	-
Utility Transfers	11,856	11,856	0	11,856	11,856	-	-
Total Utilities	\$2,811	\$1,015	\$1,797	\$-	\$3,588	\$3,588	\$-

¹ Transfers to reserves and provisions are included in the Fiscal and Transfers line. This presentation differs from the Operating Budget where the transfers for each Division/Department are included in the respective line.

² YTD Actuals includes commitments (Commitments are contracts that have been entered into but services or goods have not been received.)

Departments continue to proactively monitor their actual results on a monthly basis. The following section provides an explanation on a Division/Departmental basis of year to date variances in relation to the 2015 Financial Plan:

- Community Services is under budget primarily driven by vacancies in Recreation Services as well as to the on-boarding of the new City Centre Community Centre and stronger facility revenue. Parks expenditures were slightly reduced due to the 2015 drought which resulted in lower maintenance costs during the summer. The appropriation of \$789k will be transferred to the salary provision to provide stabilization funding for the onboarding of the City Centre Community Centre.
- Corporate Administration projected surplus is due to unfilled vacant positions. \$500k will be transferred to the salary provision to provide stabilization for future operating budget impact (OBI).
- The Engineering and Public Works variance can be attributed to the timing of preventative maintenance and programs that were initiated in the earlier part of the year and continue into the 4th quarter.

Anticipated appropriations at year end include \$796k for facility management and \$774k for project development for ongoing projects expected to be completed in 2016. \$310k is appropriated relating to Major Roads Network and Snow and Ice Control. \$473k of Fleet surplus is appropriated as per Council policy. \$482k for the Alexandra District Energy Utility is appropriated to repay the initial capital investment. \$183k from Storm Drainage will be transferred to the Drainage utility reserve. Therefore it is anticipated that there will be a remaining surplus of \$973k from operations, however experience indicates that unanticipated events could impact this figure.

- Finance and Corporate Services is projected to have a surplus due to higher business licence revenues relative to budget, unfilled vacant positions in Finance and IT, and operational savings in IT and Administration and Compliance. \$650k is appropriated for ongoing budget process improvement and internal control review, \$700k for the Digital Strategy Implementation, \$100k for the risk framework, and \$100k for the DCC growth study.
- Richmond Fire Rescue is expected to be under budget due to vacancies in the first part of the year, new recruits started in September.
- Law & Community Safety is expected to be under budget due to vacancies and higher revenues in Bylaws for parking and water restriction violations.
- Library is projected to end the year with a small surplus due to vacancies and operational savings which will be appropriated to fund the Launchpad updates to be completed in 2016.
- Planning and Development has realized an increase in Building Permit revenue through the 3rd quarter. The favourable variance is based on stronger multi-residential permits. It is anticipated the construction activity will remain stable through the 4th quarter but it is unclear whether these levels of activity can be maintained in the long term. Building permit revenue is recognized as earned and therefore the projected surplus includes an estimate of the amount that is earned in 2015 from amounts collected in previous years, offset by an estimate of the building permits received in 2015 that will be earned in future years.

The Development Applications Department has realized a higher than anticipated budgeted development application revenues during Q3 2015. The total number of Development Applications submitted to the City year to date is in keeping with anticipated application volumes. It is anticipated the development activity and revenues will continue to be stable through the 4th quarter.

- Policing is expected to be under budget due to municipal staff vacancies and contract savings. Projected contract savings are due to lower than budget salary and related indirect costs as well as IT and Communication equipment savings.
- Fiscal and transfers is expected to be unfavourable to budget by 0.1% due to additional transfers from increased revenues and operational savings.
- Water utility surplus is due to savings in water purchase expense as a result of lower consumption. The surplus will be transferred to the water levy stabilization provision.
- Sanitary sewer utility surplus is due to lower Metro Vancouver costs relative to budget. The surplus will be transferred to the sewer levy stabilization provision.
- Sanitation and recycling utility surplus is due to MMBC revenues and other operational savings. The surplus will be transferred to the general solid waste and recycling provision.

The presentation of the figures for the Financial Statement, Statement of Operations is different than the Net Budget presentation above. The above presentation combines revenues and expenses and presents the net amount inclusive of transfers. The Statement of Operations presents the revenues and expenses separately and prior to any surplus appropriations and transfer to reserves. The Statement of Operations for the nine month period ended September 30, 2015, with comparative figures for 2014 is included in Appendix 3.

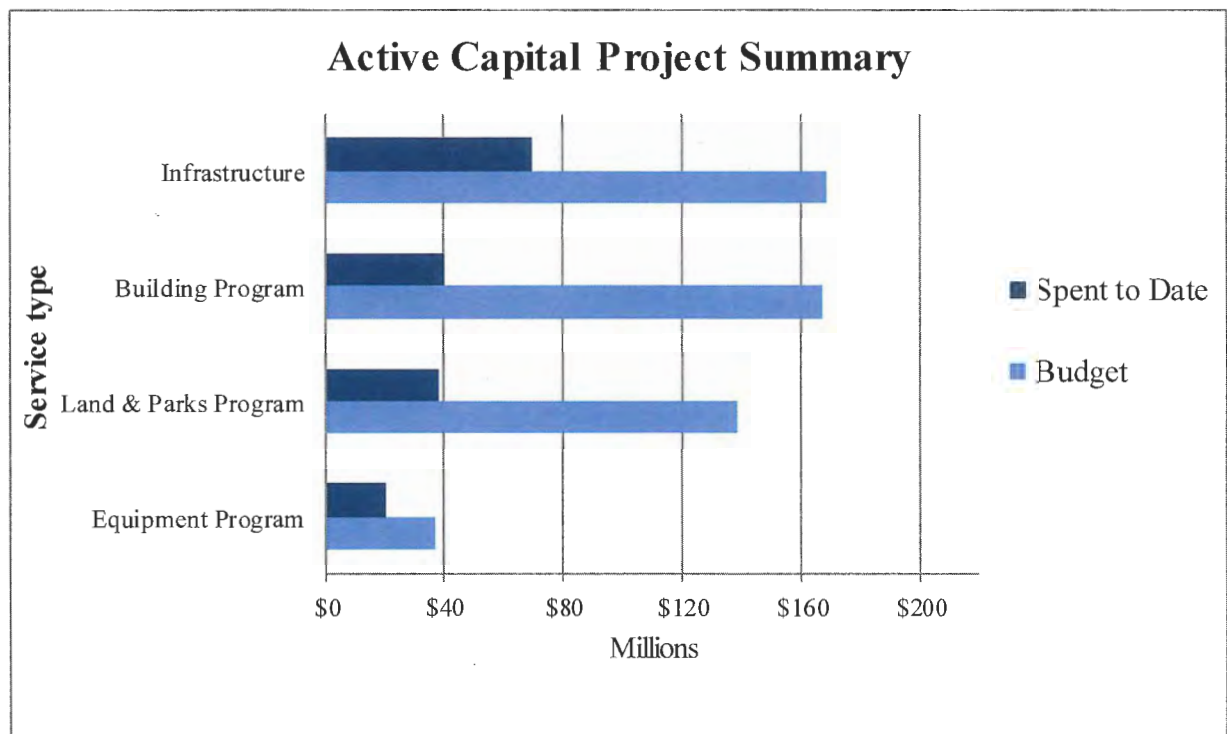
Active Capital Project Summary

The 2015 amended Capital Budget of \$160.7M (excluding internal transfers and debt repayments) is included in the figures below as are the amounts relating to capital projects from previous years' Capital Budgets which remain active. The current balance committed to active capital projects is \$341.5M.

Statement of Active Capital Project Expenditures

As at September 30, 2015 (in '\$'000s)

	Budget	Spent to Date	Committed
Infrastructure Program	\$168,241	\$69,683	\$98,558
Building Program	166,636	40,469	126,167
Land & Parks Program	138,513	38,386	100,127
Equipment Program	36,961	20,279	16,682
Grand Total	\$510,351	\$168,817	\$341,534



Highlights of key capital projects are presented in Appendix 4.

Investment Portfolio

The City's cash and investment portfolio at September 30, 2015 was \$929.2 million, with an average yield on investment of 1.99%. 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 5).

Market Interest Rates (for analytical purposes only)

	September 30, 2015
3 Month Government of Canada T-Bills	0.41%
2 Year Government of Canada Bonds	0.53%
5 Year Government of Canada Bonds	0.81%
10 Year Government of Canada Bonds	1.45%

Source: Bank of Canada

Canada's economy was weak in the first six months of 2015 but there are clear signs of a pickup in growth for the remainder of the year. A stronger U.S. demand and a lower Canadian dollar are offsetting some of the negative effects brought on by continuing lower commodity prices and drop in business investment in the energy sector. The weaker profile of business investment suggest that growth in potential output in the near future will more likely be in the lower part of the Bank of Canada's range of estimates. The Bank is forecasting that the Canadian economy will be returning to full capacity around mid-2017; it has previously anticipated a target date of early 2016. Taking all these and other factors into consideration, the Bank maintained the overnight rate at ½ per cent on October 21, 2015.

The City continues to comply with its Investment Policy (3703) by carrying a diversified investment portfolio with strong credit quality, meeting the objectives of managing its investment activities in a manner that seeks to preserve capital and to realize a reasonable rate of return.

Contract Awards

This report provides information on the formal contracts awarded by the City during the 3rd quarter. During this period, 56 contracts greater than \$25,000 were awarded totalling over \$27.85M (Appendix 6).

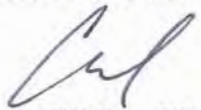
Financial Impact

None.

Conclusion

Development activity noted in the first nine months of 2015 continues to be relatively stronger than the same period in 2014 and it is expected that this positive trend will continue through the last three months of the year.

The forecast surplus at the end of the third quarter is estimated at \$8.3M and following the year-end audit, the finalized surplus will be placed in the Rate Stabilization Account for future tax rate stabilization or one-time expenditure requests as authorized by Council.



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Manager, Financial Reporting
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- Att. 1: Economic Indicators
- Att. 2: Financial and Key Indicators
- Att. 3: Statement of Operations for the Nine Month Period Ended September 30, 2015, with comparative figures for 2014
- Att. 4: Capital Project Highlights
- Att. 5: Investment Portfolio
- Att. 6: Contract Awards > \$25,000

Economic Indicators**September 30, 2015****Macroeconomic Indicators & Forecast**

1) Real GDP - % Change	2013	2014	2015f	Change	2016f
Canada	2.0	2.5	1.0	(60.0%)	1.7
United States	2.2	2.4	2.6	8.3%	2.8
China	7.8	7.4	6.8	(8.1%)	6.3
World	3.4	3.4	3.1	(8.8%)	3.6
2) Interest Rates	2013	2014	2015f	Change	2016f
Bank of Canada	1.00	1.00	0.50	(50.0%)	1.00
US FED	0.25	0.25	0.50	100.0%	2.00
3) Exchange Rate	2013	2014	2015f	Change	2016f
CAD per \$1 USD	1.06	1.16	1.36	17.2%	1.30

Regional and Local Market Indicators

4)	Unemployment (%)	Q3-2015	Q2-2015	Change	Q3-2014	Change	
	Canada	6.4	6.5	(0.1%)	6.8	(4.4%)	
	BC	6.3	5.6	12.5%	6.1	(8.2%)	
	Metro Vancouver	6.0	6.1	(1.6%)	6.2	(1.6%)	
5)	CPI (2002=100)	Q3-2015	Q2-2015	Change	Q3-2014	Change	
	Canada	127.1	127.2	(0.1%)	125.8	1.0%	
	BC	121.0	120.7	0.2%	119.5	1.3%	
	Metro Vancouver	122.7	122.4	0.2%	121.2	1.2%	
6)	Housing Starts (Units)	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
	Starts - Metro Vancouver	5,298	5,536	(4.3%)	15,236	14,646	4.0%
	Starts - Richmond	658	1,055	(37.6%)	1,551	2,198	(29.4%)
7)	Richmond Residential Activity	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
	Sales - Detached	575	445	29.2%	1,804	1,293	39.5%
	Sales - Townhouse	310	309	0.3%	984	822	19.7%
	Sales - Apartment	560	391	43.2%	1,546	1,120	38.0%
	Sales Total/Average Change	1,445	1,145	24.3%	4,334	3,235	32.4%
		YTD-2015	YTD-2014	Change			
	Average Price - Detached (\$ at QE)	1,527,000	1,249,000	22.3%			
	Average Price - Townhouse (\$ at QE)	603,000	542,000	11.3%			
	Average Price - Apartment (\$ at QE)	401,000	386,000	3.9%			

Economic Indicators**September 30, 2015****Regional and Local Market Indicators (continued)**

8)	Richmond Building Permits	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
	Building Permits - Residential	242	199	21.6%	703	598	17.6%
	Building Permits - Commercial	133	94	41.5%	370	329	12.5%
	Building Permits - Industrial	44	38	15.8%	149	123	21.1%
	Building Permits Total	419	331	26.3%	1,222	1,050	17.1%
	Construction Value (\$ million)	143.8	104.1	38.1%	749.5	347.4	115.7%
9)	Commercial Space (at QE)	Richmond			Metro Vancouver		
		Q3-2015	Q3-2014	Change	Q3-2015	Q3-2014	Change
	Office Vacancy (%)	11.3	15.4	(26.6%)	9.9	9.7	2.1%
	Transit Oriented Office Vacancy (%)	4.6	4.6	0.0%	11.2	11.2	0.0%
	Office Inventory (000 sf)	4,418	4,359	1.4%	56,104	54,428	3.1%
	Industrial Vacancy (%)	2.4	3.9	(38.5%)	3.9	4.2	(7.1%)
	Industrial Inventory (000 sf)	37,913	37,828	0.2%	198,608	196,236	1.2%
10)	Richmond Business Growth	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
	Total Valid Business Licenses (YTD)	n/a	n/a	n/a	13,509	13,312	1.5%
	New Licenses - Number Issued	430	398	8.0%	1,313	1,213	8.2%
	New Licenses - Employees	1,625	1,133	43.4%	4,484	3,872	15.8%
	New Licenses - Office Added (sf)	102,411	97,042	5.5%	306,615	280,629	9.3%
	New Licenses - Retail Added (sf)	132,869	58,210	128.3%	303,840	132,255	129.7%
	New Licenses - Industrial Added (sf)	165,631	73,016	126.8%	394,998	515,137	(23.3%)
	Total Space Added (sf)/Avg. Change	400,911	228,268	75.6%	1,005,453	928,021	8.3%
11)	Goods & People Movement	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
	YVR Air Cargo (tonnes)	68,504	69,444	(1.4%)	199,453	184,911	7.9%
	PMV Container Movement (TEUs)	798,473	790,375	1.0%	2,318,767	2,193,871	5.7%
	YVR Passengers (million)	5.8	5.7	1.8%	15.5	14.9	4.0%
	Richmond Hotel Revenue (\$ million)*	n/a	n/a	n/a	115.9	98.1	18.1%

* Hotel Revenue available to August only

Notes:

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

List of Sources:

- 1) *International Monetary Fund, World Economic Outlook*
- 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
City of Richmond Additional Hotel Room Tax Ledger

Financial Indicators**September 30, 2015**

(All dollar amounts in \$000's)

1) Development Cost Charges Contributions	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
Roads, Water, Sewer DCC's Received	\$4,039	\$1,160	248.1%	\$16,326	\$2,871	486.6%
Parks DCC's Received	\$4,338	\$1,110	290.7%	\$20,105	\$4,353	361.9%
Total DCC Fees Received	\$8,377	\$2,271	268.9%	\$36,431	\$7,224	404.3%
DCC Reserves to date – Uncommitted	n/a	n/a	n/a	\$70,630	\$48,331	46.1%
2) Uncommitted Reserves	Q3-2015	Q3-2014	Change			
Capital Funding Reserves	\$99,069	\$55,832	77.4%			
Affordable Housing Reserves	\$1,947	\$4,446	(56.2%)			
Other Reserves	\$142,861	\$120,028	19.0%			
Total Uncommitted Reserves	\$243,877	\$180,306	35.3%			
3) Taxes to date	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
Taxes Collected	\$156,819	\$159,266	(1.5%)	\$378,522	\$364,780	3.8%
City Portion of Taxes Collected	\$76,841	\$78,040	(1.5%)	\$185,476	\$178,742	3.8%
Unpaid Taxes - Delinquent & Arrears	\$2,297	\$2,002	14.7%	\$2,297	\$2,002	14.7%
No. of Participants on Pre-authorized withdrawal	6,505	6,317	3.0%	6,505	6,317	3.0%
Pre-authorized withdrawals payments	\$5,549	\$4,819	15.1%	\$18,818	\$16,636	13.1%
Interest rate % paid	0.85%	1.00%	(0.15)	0.85%	1.00%	(0.15)
<i>Sources: All data is from City of Richmond records</i>						
4) Investments	Q3-2015	Q3-2014	Change			
Total Investments	\$929,214	\$844,660	10%			
Average City Rate of Return on Investments %	1.99%	1.99%	0%			
5) Planning and Development	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
Building Permit Fees Collected	\$1,888	\$1,329	42.1%	\$8,391	\$4,764	76.1%
Development Applications Received	67	54	24.1%	196	156	25.6%
Development Applications Fees	\$309	\$206	49.7%	\$894	\$541	65.4%
6) Business Licenses	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
Revenue Received for Current Year Licenses	\$693	\$750	(7.6%)	\$3,318	\$3,317	0.0%
Revenue Received for Next Year (Deferred)	\$369	\$338	9.3%	\$645	\$593	8.7%
Total License Revenue	\$1,062	\$1,088	(2.3%)	\$3,962	\$3,910	1.3%
<i>Year to date valid licenses and revenue include current year licenses issued in the prior year.</i>						
7) Other Revenues	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
Parking Program Revenue	\$580	\$515	12.5%	\$1,583	\$1,451	9.1%
Gaming Revenue	\$4,951	\$5,346	(7.4%)	\$15,023	\$15,395	(2.4%)
Traffic Fine Revenue to date	\$0	\$0	0%	\$2,227	\$1,517	46.8%

Notes:

a) All figures presented above are unaudited

Key Indicators**September 30, 2015**

8) Employees	Q3-2015	Q3-2014	Change			
Full Time Equivalent (FTE) Employees (City and Library)	1,363	1,367	(0.3%)			
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results excluding overtime.</i>						
9) Operating Indicators	Q3-2015	Q3-2014	Change	YTD-2015	YTD-2014	Change
Fire Rescue Responses	2,742	2,487	10.3%	7,680	7,119	7.9%
RCMP - Calls for Service Handled	17,922	17,555	2.1%	50,972	51,234	(0.5%)
Public Works calls for Service	3,806	3,259	16.8%	10,361	9,251	12.0%
10) Affordable Housing	2015	2014	Change			
Subsidized Rental (units)	477	477	0.0%			
Affordable Rental (LEMR) (units)	311	272	14.3%			
Market Rental (units)	411	411	0.0%			
Entry Level Home ownership (units)	19	19	0.0%			
Secondary Suite / Coach House (units)	153	127	20.5%			
Total Affordable Housing	1,371	1,306	4.7%			
	Q3-2015	Q3-2014	Change			
Floor Space secured, unit mix & other (sq feet)	119,069	108,202	10.0%			
11) Richmond Population Estimate Year End *	2015F	2014				
	213,891	209,338				

**Estimated population figures provided by City of Richmond – Policy Planning*

Statement of Operations¹

For the Nine Month Period Ended September 30, 2015, with comparative figures for 2014
(Expressed in thousands of dollars)

	Annual Budget 2015	Actuals Sept 30 2015	Actuals Sept 30 2014
Revenues:			
Taxes and levies	\$189,796	\$189,612	\$183,687
User Fees	94,695	70,645	72,092
Sales of Services	22,104	21,536	18,011
Payments-in-lieu of taxes	13,473	13,045	12,546
Provincial and federal grants	4,533	4,717	4,242
Development cost charges	-	16,370	16,682
Other capital funding sources	55,000	30,895	38,750
Other revenues:			
Investment Income	16,821	12,648	12,426
Gaming Revenue	18,030	15,023	15,395
Licenses and permits	7,874	8,557	7,340
Other	7,191	33,789	16,505
	429,517	416,837	397,676
Expenses:			
Law and Community Safety	89,958	60,781	57,718
Engineering, public works and project development	58,127	40,158	38,094
General government	58,023	36,877	36,500
Parks, recreation and community services	54,369	43,615	37,033
Utilities:			
Water supply and distribution	39,921	30,449	27,119
Sewerage collection and disposal	29,373	21,331	21,176
Sanitation and recycling services	15,057	9,767	8,684
Planning and development	13,120	9,517	9,038
Library services	9,793	6,974	7,205
	367,741	259,469	242,567
YTD Surplus (Annual Surplus) ²	61,775	157,368	155,109
Accumulated surplus, beginning of year	2,542,367	2,542,367	2,421,214
Accumulated surplus, end of September 30 ³	\$2,604,142	\$2,699,735	\$2,471,995

¹ Statement of Operations for City and Library only, does not include LIEC and Oval figures

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

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

Capital Highlights**Infrastructure***Westminster Hwy: Nelson Rd. to McMillan Way – Widening Westminster Highway:*

Approved Budget: \$10.4M (2011) 60% Complete

- Preload works are completed and the preload has been removed. The main road construction contract has been awarded and construction is ongoing.

Woodwards Road Watermain Replacement –Gilbert Road to Railway Ave:

Approved Budget: \$1.65M (2015) 25% Complete

- This project involves the installation of approximately 1,600m of 200mm watermain replacement of existing ageing infrastructure. Construction by City forces is ongoing.

Alexandra District Energy Utility Expansion - Phase 3

Approved Budget: \$12.1M (2015) 90% Complete

- This project expands the energy capacity and distribution network of the existing utility to meet the needs of development in the service area. Works are being procured through the City's Construction Manager, Stuart Olson Construction, focusing on the Energy Plant expansion. The current construction efforts encompass the geo-exchange field and the structural and architectural for new energy center. Upcoming works include final commissioning for the mechanical and electrical works for the energy center and the glycol introduction.

Steveston East Watermain Replacement:

Approved Budget: \$2.68M (2013) 30% Complete

- This project consists of replacing ageing watermain that are at the end of their service life, in the Garry Street, Dunford Road and Windjammer Road area. Construction is ongoing.

Bath Slough Pump Station Upgrade:

Approved Budget: \$4.2M (2013) 25% Complete

- This project consists of the upgrading of the existing Bath Slough Drainage Pump Station, and is part of a larger strategy to increase the City's drainage capacity, increase pump station reliability and reduce flooding. The construction contract has been awarded and construction has commenced.

Capital Highlights**Buildings***Minoru Major Facility (Integrated Minoru Aquatic Centre/Older Adults Centre):*

Approved Budget: \$79.6M (2014) 22% Complete

- On November 12, 2013, Council confirmed funding and site location for the new facility to be the Minoru 2 soccer pitch. Space programming for the facility was endorsed by Council on July 28, 2014 and preliminary form and character endorsed by Council on October 27, 2014. Preload for the site is in place, ground densification is underway and the design development phase is 100% complete. Project completion is anticipated at the end of 2017. The public engagement process is continuing through to project completion.

Fire Hall No. 1:

Approved Budget: \$21.5M (2014) 16% Complete

- On November 12, 2013, Council confirmed funding and the site location for the Fire Hall No. 1 replacement. Space programming for the facility was endorsed by Council on July 28, 2014 and the preliminary form and character endorsed by Council on October 27, 2014. The construction drawing phase of the project is complete. Demolition and site remediation are complete and the preload settlement has begun. Project completion is anticipated by spring 2017.

Fire Hall No. 3:

Approved Budget: \$20.7 (2005-2009) 35% Complete

- On July 23, 2012 Council approved construction of a new Firehall No. 3. In late 2013, a lease agreement was reached with BC Ambulance to construct Firehall No. 3 as an integrated facility, to be used jointly with Richmond Fire-Rescue. Council approved funding of \$20.7 million to construct a new Firehall No. 3 through the 2005 - 2009 Capital Programs. The design and development of Fire Hall No. 3 is completed and site development started February 2015. Project completion is anticipated by early 2017.

Capital Highlights**Community Services/Parks***Railway Greenway:*

Approved Budget: \$2.3M (2013) 95% Complete

- The major trail construction work is completed. Work is proceeding on intersection improvements with completion expected by Dec. 2015

Garden City Lands Phase 1:

Approved Budget: \$2.1M (2015) 5% Complete

- The Garden City Lands Legacy Landscape Plan was completed and endorsed by Council in June 2014. The Legacy Plan provides a vision statement, guiding principles, a land use framework, a concept plan and outlines objectives and actions to guide the development of the Lands. An in-depth study of the site's hydrological and ecological conditions is underway in order to inform the design and development of the various features and amenities envisioned in the Plan. An request for proposal for detailed design & construction administration services has been issued.
- Construction of Phase 1 works is expected to begin in 2016.

Lang Park Development:

Approved Budget: \$800K (2015) 15% Complete

- Detailed design is nearing completion. Tender is expected in December 2016 and construction is expected to start in January 2016 and be completed by May 2016.

Middle Arm/ Hollybridge Pier:

Approved Budget: \$1.0M (2015) 15% Complete

- The design process has started.
- Detailed design in process with construction expected to commence in Summer 2016 and completion in 2017.

Steveston Town Square:

Approved Budget: \$250K (2015) 30% Complete

- With the relocation of Japanese Fishermen's Benevolent Society Building to the site, a concept plan for redeveloping the site has been prepared that will update the park area, improve circulation, tie in the park area to both the Steveston Museum and Japanese Building for programming and events, and create an opportunity to celebrate the Japanese historic connection to Steveston.
- Demolition completed
- Base preparation for the grading, storm, water, and electrical services currently in progress
- Hard landscaping components to be installed by end of December.
- Suikinkutsu water basin feature to be constructed at the north end of the park

Capital Highlights**Community Services/Parks***The Gardens Agricultural Park:*

Approved Budget: \$316K (2012) & \$1.1M (2015) 50% Complete

- City construction for Phase 1 has been partially completed along with Servicing Agreement works completed by Townline Homes in fall 2014. Phase 1 work is currently in progress

Minoru Sports Fields Redevelopment:

Approved Budget: \$5.7M (2014) 98% Complete

- Opening ceremonies for the fields were held on April 11th.
- Tennis Courts sport surfacing was completed in May.
- Deficiency repairs for irrigation are underway.
- Practice wall at the tennis courts is completed.
- Shade shelters for the spectators viewing areas are scheduled to start in December 2015 and expected to be completed by February 2016.
- PA system installation in process.
- Design for perimeter fencing at the throw zone completed

Seine Net Loft Deck Repairs:

Approved Budget: \$572K (2014) 100% Complete

- All work complete.

Britannia Shipyards Slipways:

Approved Budget: \$513K (2014) 45% Complete

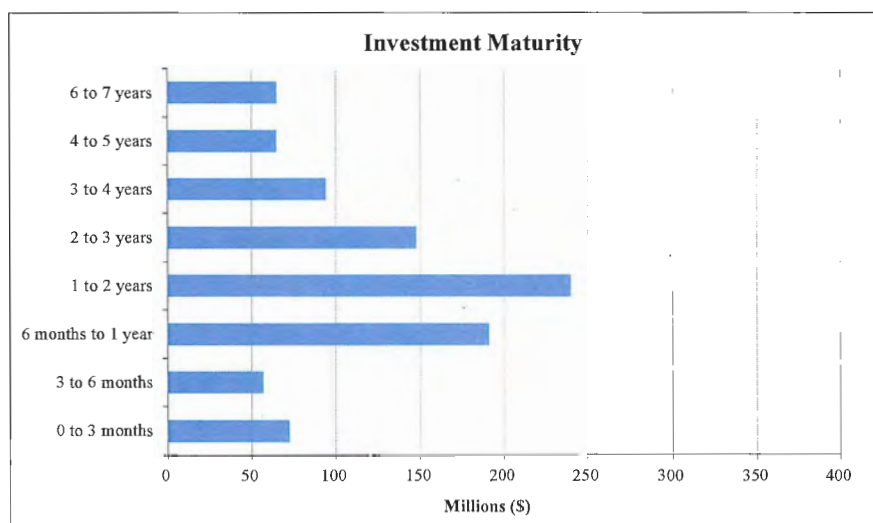
- Conditional assessment complete.
- Demolition complete.
- Detail design completed in July.
- Tender of materials secured, construction in progress.
- Completion by July 2016.

Investment Portfolio

September 30, 2015 (in 000's)

Asset Class	DBRS Long Term Rating	Issuer	Term	Net Book Value	% of Total Portfolio	Investment Limit (% of Portfolio)
Federal (Fixed Income*)						
	AAA	Canada Housing Trust	2016	\$ 10,090		
			Total	\$ 10,090	1.08%	No Limit
Provincial (Fixed Income*)						
	AA (low)	Ontario	2015-2017	\$ 82,130	8.84%	
	AA	British Columbia	2019	65,593	7.06%	
	AAA	Alberta	2016-2019	47,743	5.14%	
	A (high)	Quebec	2017	36,101	3.89%	
	A (high)	Manitoba	2016	12,000	1.29%	
			Total	\$ 243,567	26.21%	50%
Chartered Banks (Fixed Income* and Deposits)						
	AA	Bank of Montreal	2016-2017	\$ 68,582	7.38%	
	AA	Bank of Nova Scotia	2015-2017	68,581	7.38%	
	AA (low)	National Bank of Canada	2018-2020	45,829	4.93%	
	AA	Royal Bank	2016-2018	43,779	4.71%	
	AA	TD Bank	2016-2021	42,121	4.53%	
	AA	CIBC	2018	38,527	4.15%	
	AA	Wells Fargo Canada	2017	24,519	2.64%	
	AA (low)	HSBC Bank of Canada	2017	22,809	2.45%	
	A (low)	Canadian Western Bank	2016	20,000	2.15%	
			Total	\$ 374,747	40.33%	50%
BC Credit Unions (Deposits)						
		Vancity	2015-2016	\$ 89,727	9.66%	
		Coast Capital Savings	2015-2017	69,917	7.52%	
		Gulf and Fraser	2015-2017	49,756	5.35%	
		Westminster Savings	2015-2017	48,420	5.21%	
			Total	\$ 257,820	27.75%	30%
Pooled Investments (MFA Bond Fund)						
		MFA Pooled Investment Fund		\$ 42,990	4.63%	20%
Total Investment Portfolio Balance				\$ 929,214	100.00%	

* The City's annual investment return inclusive of gains was 3.20% as of September 30, 2015



<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
1.	5249Q Supply and Delivery of 2 (Two) Crew Cab & Chassis (One) Ton Dump Trucks with Dual Rear Wheels	Maple Ridge Chrysler Jeep Dodge	\$245,770	Engineering and Public Works
2.	T. 5259 Sanitary Sewer Upgrades	Pedre Contractors Ltd.	\$1,148,195	Engineering and Public Works
3.	5322Q Supply and Delivery of One (1) Mini Skid Loader and Attachments	Dams Ford Lincoln Sales	\$45,632	Engineering and Public Works
4.	5387P Parks, Recreation and Cultural Guide Designer	Fishbone Etcetera Designs	\$30,840	Community Services
5.	5394Q Supply and delivery of (1) One Mobile Scalping Deck Screener	Foreman Equipment Ltd.	\$286,575	Engineering and Public Works
6.	T.5401 Bath Slough Drainage Pump Station Upgrade	Westport Constructions Group Inc.	\$2,979,000	Engineering and Public Works
7.	5409Q Supply and Delivery of One (1) Mini Skid Steer Loader	Westerra Equipment Ltd	\$43,887	Engineering and Public Works
8.	5427P Middleware Integration Software and Consulting Services	Groundswell/TIBCO	\$569,700	Finance and Corporate Services
9.	5435P PeopleSoft HCM Pre-Assessment RFP- Consulting Services	Blackstone Consulting Group Inc.	\$94,150	Finance and Corporate Services
10.	5448P Lulu Island Dike Master Plan	Parsons Inc.	\$153,145	Engineering and Public Works
11.	5455P Consulting Services for Community Services Facilities Strategic Plan	RC Strategies	\$157,355	Community Services
12.	5458EOI Supply and Installation of Redundant All-Flash Storage Array	Sudden Technologies	\$132,141	Finance and Corporate Services
13.	5460P Service Review Management System	CAM Management Solutions (Canada) Inc.	\$45,450	Finance and Corporate Services
14.	T.5464 Steveston East Waterworks Replacement Package	Hexcel Construction Ltd.	\$1,507,187	Engineering and Public Works
15.	5468P Design, Build and Installations of a Burn Building Training Structure	Container West	\$187,420	Law & Community Services
16.	5472Q Supply and Delivery of 1 (One) One Ton Regular Cab, 4 x 4 Truck with Dual Rear Wheels	Metro Motors	\$37,935	Law & Community Services
17.	5493P Structural Engineering Consulting Services for Bridgeport Overpass Resurfacing	Associated Engineering (B.C.) Ltd.	\$142,287	Engineering and Public Works
18.	5495Q Acheson Forcemain Replacement	PW Trenchless Construction	\$176,639	Engineering and Public Works
19.	5500 EOI Communication Plan for Policing Services	Fleishman Hillard Vancouver	\$116,475	Corporate Administration
20.	5510P Feasibility Assessment for No. 2 Road South Pump Station Relocation	Opus Dayton Knight	\$47,310	Engineering and Public Works
21.	5514F Construction of approximately 50m of watermain	Anderson Creek Site Developing Ltd.	\$27,823	Engineering and Public Works

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
22.	5515P Technical Consultant Services – Integrated Payment Approval and Workflow for PeopleSoft Financials and Supply Chain Management Release 9.2	Blackstone Consulting Group Inc	\$74,000	Finance and Corporate Services
23.	5516Q Turning Point Society Renovation Project	Movik Construction Ltd	\$ 27,650	Engineering and Public Works
24.	5521Q Supply and Delivery of 1 (One) New Motor Control Center(MCC) for the pump station at No 2 Road North	Wesco Distribution Canada Inc.	\$ 58,008	Engineering and Public Works
25.	5522Q Supply and Delivery of 1 (One) 250kW Genset for the Pump Station Upgrade at No. 2 Road North	Simson-Maxwell	\$ 62,220	Engineering and Public Works
26.	5523Q Supply and Delivery of Timber Materials for Slipway Construction	Shy's Forest Products	\$ 60,500	Community Services
27.	5526J Sea Island Community Hall Improvement Works 2015	Ashton Service Group	\$ 78,569	Engineering and Public Works
28.	5528F ROO Retail Space – Front and Rear Security Gate Portals	Stuart Olson Construction subcontracted to Steven Thomas Construction Ltd	\$ 46,876	Engineering and Public Works
29.	5532Q Alexandra DEU Phase 4 – Human Machine Interface	Siemens Canada Ltd	\$ 56,594	Engineering and Public Works
30.	5533Q Fire Hall # 1 Soil Remediation Work	Stuart Olson subcontracted to Levelton	\$ 761,858	Engineering and Public Works
31.	5535F Supply and Install of a RCMP South Vehicle Gate Replacement	Creative Door Services	\$ 32,640	Engineering and Public Works
32.	5541P Garden City Lands - Water and Ecological Resource Management	Kerr Wood Leidal	\$299,521	Community Services
33.	5543Q Rental of equipment for asphalt/concrete crushing	Foreman Equipment Ltd.	\$27,000	Engineering and Public Works
34.	5544CM Pre-construction Services for Ledway and Ryan Road Watermain Upgrades	Stuart Olson subcontracted to WinVan Paving	\$25,927	Engineering and Public Works
35.	5545F Assessment and design of noise mitigation measures for Alexandra District Energy Utility project	Kerr Wood Leidel	\$42,400	Engineering and Public Works
36.	5546F Alexandra District Energy Utility - Smart Centres Connection	Graham Construction and Engineering LP	\$997,610	Engineering and Public Works
37.	5548Q Demolition of property at 9540 Alexandra Road	D. Litchfield & Co. Ltd.	\$31,288	Finance and Corporate Services
38.	5549Q Paving for Seabrook Laneway Project.	Winvan Paving	\$40,150	Engineering and Public Works
39.	5550CM Fire Hall #1 Pre-load and Site Stripping	Stuart Olson subcontracted to E. Mathers Bulldozing	\$607,291	Engineering and Public Works

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
40.	5551CM Replacement of Disabled Lift – Minoru Arena	Stuart Olson Subcontracted to Garaventa	\$ 74,303	Engineering and Public Works
41.	5555CM Oxford Lane - Energy Transfer Station	Stuart Olson Construction subcontracted to Division 15 Mechanical Ltd	\$ 153,912	Engineering and Public Works
42.	5556Q Hollybridge Way Bridge Compression Seal Replacement	Hi Bond Construction Ltd	\$29,000	Engineering and Public Works
43.	5557Q Design Services for Relocation of Richmond Gymnastics Studio & Rod/Gun Clubs to 7400 River Road	Kasian Architecture Interior Design and Planning Ltd	\$80,711	Engineering and Public Works
44.	5558Q Scott Eagle Attack Thermal Imaging Camera	Guillevin International Co	\$26,126	Law & Community Services
45.	5560F RevuMap Software Implementation	CAM Management Solutions (Canada) Inc.	\$25,000	Finance & Corporate Services
46.	5566CM Cambie Fire Hall 3 - Construction	Stuart Olson Construction	\$14,584,259	Engineering and Public Works
47.	5567CM MAC/OAC Civil Offset Design Services	Stuart Olson subcontracted to Aplin & Martin	\$63,985	Engineering and Public Works
48.	5571F On-going consulting services for connection of the Smart Centres Development to the ADEU	Corix Utilities Inc.	\$51,875	Engineering and Public Works
49.	5572F Supply & install 44m of 250mm DEU, supply & return lines from the Alexandra Road distribution mains to Smart Centres property line	Tybo Contracting Ltd	\$42,350	Engineering and Public Works
50.	5573F Consulting Services - Inspection	Aplin & Martin Consultants Ltd.	\$100,000	Engineering and Public Works
51.	5574F Annual & Quarterly Preventative Maintenance & Repair on Chillers at City Hall & Watermania	Trane Canada ULC	\$72,401	Engineering and Public Works
52.	5575F Supply, deliver and install one renovated 24X40 modular building. To include washroom with toilet and sink, canopies and skirting.	PointBlank Installations Inc.	\$33,653	Law & Community Services
53.	5581CM Construction Services - Roads DCC Cost Estimates	Stuart Olson Construction (not subcontracted)	\$29,324	Engineering and Public Works
54.	5582CM City Hall Elevators Modernization	Stuart Olson subcontracted to Eltec Elevators	\$541,566	Engineering and Public Works
55.	5587CM Alexandra DEU Phase 4 - Glycol	Stuart Olson subcontracted to Geotility Geothermal Installations Corp	\$380,281	Engineering and Public Works
56.	5588CM Fire Hall No 1 Civil Off-Site Design Services	Aplin & Martin Consultants Ltd.	\$52,935	Engineering and Public Works



City of Richmond

Report to Committee

To: Finance Committee

Date: November 25, 2015

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 2015 – Financial Information for the Richmond Olympic Oval

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2015 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 19, 2015

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, CPA, CA
Controller, Richmond Olympic Oval Corporation

Re: Richmond Olympic Oval Corporation – 3rd Quarter 2015 Financial information

Origin

This staff report deals with the third quarter financial results for the 3 months ended September 30, 2015 ("Q3") which was approved by the Corporation's Board of Directors. The Q2 financial results were presented at the September 21st, 2015 Finance Committee meeting. During this meeting, committee members requested that future quarterly reports include a balance sheet as well as additional commentary on financial results. Staff have provided this additional information in this report on pages 3 and 4.

Highlights

The following are some of the highlights of the activities undertaken by the Corporation during Q3.

Community Use

Several community groups used the Oval facility in Q3. Some of the community groups from Richmond include, but are not limited to; DRIVE Basketball, Richmond Minor Hockey Association, Richmond Ringette, Connaught Figure Skating, Panther Cheer, and Aura Rhythmic Gymnastics.

The Member Care department continued to build member engagement with the Membership Challenge, which is an incentive program designed to improve retention and use of the Oval facility. In Q3 the Oval ran a Corporate Membership Challenge to engage its corporate member base and 488 members participated. At the end of Q3 2015, a total of 76% of Oval members were Richmond residents.

Total visitation for Q3 2015 was 174,312. 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, the number of visits to the Oval's YYoga studios

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.

Sport Development and Events

Some of the highlights of sport hosting and events held at the Oval during Q3 included the following: the Baden Cup Volleyball BC U14 Tournament, Tournament of Champions Hockey, Play4Life Hockey, Volleyball National Team Challenge Cup, BC Sport Rep Association Trade Show, West Coast Basketball Classic, Brazilian Jiu Jitsu Challenge, World Cup Field Painting Competition, the Rehab Equipment Expo, The National Strength & Conditioning Association's Northwest Regional Conference, Fencing Canada Cup West, and an Urban Rec Volleyball Tournament.

Some of the events secured in Q3 included: Canadian Wheelchair Basketball League (2015), Fencing BC Provincials (2016), Hockey Canada designated Pre-Stage location for National Women's Ice Hockey teams prior to IIHF World Women's Hockey Championship – Finland, Czech Republic, Switzerland (2016), Wheelchair Rugby Vancouver Invitational (2016), Judo Pacific International (2016), West Coast Winter Challenge (2015), BC Hockey U16 Pre-Stage Camp (2015), Team BC Female Ice Hockey Preparation Camp (2015), Volleyball BC 17U/18U Boys and Girls Provincials (2016), Masters Swimming Provincial Championship (2016) and the BC Age Class Wrestling Championships (2016).

High Performance Training continues to service athletes ranging from the community through to the national level. Training sessions were delivered to the Table Tennis Canada, Volleyball Canada, Speed Skating Canada, Field Hockey Canada, Sail Canada, Canadian Wheelchair Sports Association, Canadian Blind Sports Association, Cycling Canada, BC Wheelchair Sports Association, Volleyball BC, Cycling BC, BC Hockey, Swim BC , SkateCanada British Columbia\Yukon, Field Hockey BC, Skiing BC, Fusion Football Club, Vancouver Futsol Association , Vancouver Pacific Wave (Synchro) , Winskill Dolphins Swim Club, Vancouver Icemen, Steveston Selects, Vancouver Warriors Hockey, Vancouver Ringette Association, and Thunderbird Rowing. Two new high performance programs also launched at the Oval in Q3, including: the BC Speed Skating Association Academy (on-ice technical coaching combined with off-ice integrated services) and the UBC Thunderbird Rowing program.

Oval trained athlete successes in Q3 2015 included:

- Eight medals won by Oval Trained athletes at the 2015 Pan Am Games.
- 3 Oval Trained hockey players named to the national Women's U18 and Development Hockey teams: Ivana Bilic, Amy Potomak and Sarah Potomak.
- The Canadian Wheelchair Rugby and Men's Field Hockey teams qualified for the 2016 Olympic Games in Rio.

Governance

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

Financial

Q3 was a successful quarter for the Corporation. The Q3 results were budgeted at a net loss before transfers to reserves/provisions of \$114,000 and the actual results show income of \$222,000, indicating a favorable variance of \$336,000 (please see page 4 for the Corporation's balance sheet as of September 30, 2015 and page 5 for the statement of operations). In Q3, \$1,069,000 was allocated to the reserves/provisions.

Comments on the Financial Results for Q3

Revenues

The Q3 portion of the 2015 Games Operating Trust Fund ("GOT") distribution of \$657,000 was recognized as revenue. Memberships, admissions and programs revenue of \$1,919,000 had a favorable variance of \$48,000 (3%) when compared to budget. Other Revenue of \$417,000 pertained to sponsorship, space leasing, parking, and interest revenue.

Expenses

Memberships, admissions and program services costs for Q3 2015 were \$1,372,000 which is \$80,000 (6%) favorable to budget. Facility Operations costs for Q3 were \$1,053,000 which was \$36,000 (3%) favorable to budget. Marketing expenses for Q3 were \$181,000 which was \$153,000 favorable to budget primarily due to timing of projected marketing expenses pertaining to the new initiatives which will increase in the fourth quarter of the year as the Richmond Olympic Experience officially opens. The contribution to capital expense of \$278,000 for Q3 pertains to the Oval Corporation's contribution to the retail store. The Oval Corporation contributed capital reserve funding to complete the retail store which is a City asset. Administration and Finance expenses for Q3 were \$697,000 being \$182,000 (21%) favorable to budget primarily due to savings in the contingency budget, professional fees, and other admin related expenses.



Rick Dusanj, CPA, CA
Controller, Richmond Olympic Oval Corporation

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

RICHMOND OLYMPIC OVAL CORPORATION**Balance sheet****As at September 30, 2015****Unaudited, prepared by management**

		Sept 30, 2015
ASSETS		
Financial Assets		
Cash	\$	1,829,816
Investments		9,614,089
Accounts receivable		614,567
		<u>12,058,473</u>
Financial Liabilities		
Accounts payable and accrued liabilities		3,365,830
Deferred revenue		7,277,652
Rental deposits		9,263
		<u>10,652,744</u>
Net financial assets		1,405,729
Non-Financial Assets		
Tangible capital assets		10,388,887
Deferred lease costs		134,124
Inventory		87,060
Prepaid expenses and other deposits		1,419,000
		<u>12,029,073</u>
Accumulated Surplus (Note 1)	\$	13,434,801

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

Investment in capital assets	10,388,887
Reserves/Provisions	1,244,319
Common Shares	1
Surplus	1,801,595
	<u>13,434,801</u>

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended September 30, 2015

Unaudited, prepared by management

	QTR 3 2015			QTR 3 2014			YTD ended Sept 30, 2015			YTD ended Sept 30, 2014			2015 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	
REVENUES													
2010 Games Operating Trust Fund	575,000	657,014	82,014	14%	580,386	1,725,000	1,807,015	82,015	5%	1,690,514	2,300,000		
Contribution from City of Richmond (COR)	809,925	809,925	-	0%	801,900	2,429,775	2,429,775	-	0%	2,405,700	3,239,700		
Memberships, admissions and programs	1,871,235	1,918,819	47,585	3%	1,784,024	5,622,653	5,726,496	103,844	2%	5,160,765	7,735,242		
Other	383,912	417,362	33,450	9%	329,032	1,151,735	1,459,660	307,925	27%	1,006,933	1,535,646		
	3,640,072	3,803,121	163,049	4%	3,495,342	10,929,163	11,422,945	493,783	5%	10,263,912	14,810,588		
EXPENSES													
Memberships, admissions, and program services	1,452,731	1,372,463	80,268	6%	1,230,207	3,865,640	3,711,383	154,256	4%	3,229,768	5,358,190		
Facility Operations	1,088,335	1,052,686	35,649	3%	1,085,399	3,254,131	3,143,486	110,645	3%	2,957,339	4,337,346		
Marketing	333,648	181,057	152,591	46%	74,469	735,348	439,672	295,676	40%	258,661	989,947		
Contribution to capital (Note 1)	-	277,971	(277,971)	0%	-	-	360,048	(360,048)	0%	-	-		
Admin/Finance	879,555	697,328	182,226	21%	596,154	2,523,659	2,112,355	411,304	16%	1,684,569	3,343,531		
	3,754,269	3,581,505	172,763	5%	2,986,229	10,378,778	9,766,944	611,834	6%	8,130,337	14,029,013		
Income (loss) before transfers to reserves/provisions	(114,197)	221,616	335,813		509,112	550,385	1,656,001	1,105,616		2,133,575	781,575		
Transfers to reserves/provisions (Note 2)	175,000	1,068,788	893,788		327,123	525,000	1,606,365	1,081,365		981,365	700,000		
Net after transfers to reserves/provisions	(289,197)	(847,173)	(557,976)		181,990	25,385	49,637	24,252		1,152,210	81,575		

Note 1 - This amount pertains to the Oval's capital contribution to the retail store. The Oval Corporation committed capital reserve funding to complete the retail store which is a City asset.

Note 2 - In Q3, \$1,069,000 was transferred into reserves/provisions. The transfers to capital reserves vary from quarter to quarter and are not finalized until year end by the Capital Works Committee in accordance with the operating agreement.

Numbers may be off due to rounding.

To: Finance Committee

Date: December 2, 2015

From: Greg Buss
Chief Librarian and Secretary to the Board
Richmond Public Library

Re: 2016 Operating and Capital Budgets for Richmond Public Library

Staff Recommendation

That the 2016 Richmond Public Library Operating and Capital budgets as presented in this report dated December 2, 2015 from the Chief Librarian and Secretary to the Board be approved with a same level of service municipal contribution of \$8,793,930.



Greg Buss
Chief Librarian and Secretary to the Board
Richmond Public Library

Origin

In accordance with the *BC Library Act, Section 10(1)*, the Richmond Public Library Board must prepare and submit to City Council its 2016 budget for providing library services on or before March 1, 2016. Council must approve the budget with or without amendment. This library staff report details the 2016 Operating and Capital Budgets which were approved for submission to the City by the Library Board at its November 25, 2015 meeting.

Analysis

2016 Outlook

The Library Board is well into the second year of its Strategic Plan for 2014—2018 and the transformation of library services from a primarily print-based information service to a blend of traditional and digital services continues on target. Last year's additional one time funding to the collection made a significant difference in being able to meet the demand for both print material and an ever increasing demand for digital services. The library continues to struggle to achieve an effective balance between traditional and digital services but major progress has been made in the areas of collection development and programming.

Revenue based on the circulation of physical material continues to decline. The library will be instituting new loan policies in 2016 designed to provide better access to the collection while also increasing fine collection and printing charges to increase revenues.

Other components of the strategic plan are also moving ahead. Approval has been received for the library's Canada 150 Infrastructure Grant proposal to permanently establish *The Launchpad* space at Brighthouse. This will result in a digital services area complete with up-to-date equipment and training and workshop spaces that will greatly enhance the library's ability to deliver digital services and training. The library will be matching the \$65,000 received from the federal government with funds from its operating surplus. Other major initiatives for 2016 will focus on library programming to better meet community needs and to do so in conjunction with the establishment of a community volunteer program that will bring new expertise and energy to the library. This will ensure that information is not only being delivered and shared in print and digital formats, but also that there is a renewed commitment to people-to-people interactions involving all aspects of the community.

2016 Operating Budget

Revenues from provincial grants are expected to hold firm at slightly over \$400,000 while revenues generated by the library through print circulation will continue to decline. This is shown by the \$61,400 decrease in revenue from non-resident borrowing through neighbouring InterLINK libraries. Book fines are expected to see a modest one-time increase as the fine threshold for putting a stop on borrowing is lowered from \$10.00 to \$5.00. Overall revenue is showing a decline of \$34,900 (-4.19%). This is a marked improvement over the previous year's decline of \$87,300 (-9.49%).

On the expenditure side, salaries and benefits are increasing by \$171,330 due to step increments for existing staff and an allowance for anticipated contract salary increases. The library's current collective agreement expires at the end of 2015.

Contracts are increasing by \$68,000 due to the annual subscription fee for the very recently installed circulation and online catalogue computer system upgrade which included a one-time migration fee of \$32,000. Savings were made in other areas (such as telephones \$26,000; cancellation of computer services that duplicated the new functionality provided by the upgrade \$20,000; and an \$11,000 decrease in InterLINK fees) to cover most of this increase.

	2015 Approved Budget	2016 Budget as Submitted	Difference	% Difference
REVENUES				
Provincial Grants	\$ 409,700	\$ 406,600	\$ (3,100)	-0.76%
Book Fines	202,500	219,500	17,000	8.40%
Interlink reimbursement	146,000	84,600	(61,400)	-42.05%
Printers and photocopiers	34,600	41,600	7,000	20.23%
In House Book Sales	28,900	28,900	0	0.00%
Other Revenue	10,500	16,100	5,600	53.33%
Total Revenues After Recoveries	832,200	797,300	(34,900)	-4.19%
EXPENDITURES				
Total Salaries and Benefits	6,914,000	7,085,330	171,330	2.48%
Contracts	400,200	468,200	68,000	16.99%
General and Administration	348,400	320,900	(27,500)	-7.89%
Leases	239,900	240,100	200	0.08%
Utilities	140,400	140,400	0	0.00%
Supplies	111,400	114,000	2,600	2.33%
Equipment Purchases	36,500	40,200	3,700	10.14%
Professional Fees and Insurance	20,600	20,600	0	0.00%
Total Operating Expenses	1,297,400	1,344,400	47,000	3.62%
Transfer to Provision -- Collections	1,161,500	1,161,500	0	0.00%
TOTAL EXPENSES	9,372,900	9,591,230	218,330	2.33%
SUMMARY:				
REVENUE	\$ 832,200	\$ 797,300	\$ (34,900)	-4.19%
EXPENDITURE	(9,372,900)	(9,591,230)	(218,330)	2.33%
NET BUDGET (MUNICIPAL CONTRIBUTION)	(8,540,700)	(8,793,930)	(253,230)	2.96%

2016 Capital Budget**Collection**

The library's same level of service capital budget for 2016 is \$1,161,500, shown under Expenditures – Transfer to Provision – Collections. This is the amount of money the library spends on the acquisition, cataloguing and processing of collection materials including books, videos and e-books.

Additional Level Request for Library Collection Materials

The Library Board is requesting an ongoing \$200,000 increase to the collection budget in order to maintain the strength of the print collection and to continue the development of the digital collection. Last year's additional funding was instrumental in acquiring new titles for the e-book collection and to increase the number of titles in the collection. On the print side, major refreshes were done to the collection in Steveston, Ironwood and the children's area of Brighthouse. This level of spending is required annually in order to upgrade and maintain the collection.

A significant factor affecting the collection is the falling Canadian dollar. The vast majority of material is published and distributed through the US and we can expect to see the purchasing power of our collection dollars rise and fall with the Canadian dollar.

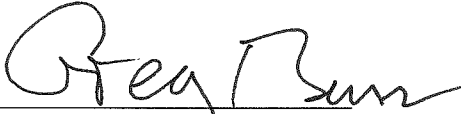
Recommendations regarding this request will be presented in the City's 2016 Operating Budget city staff report for Council's consideration.

Financial Impact

The 2016 library budget has a decrease in revenues of \$34,900 (-4.19%) and an increase in expenditures of \$218,330 (2.33%). The overall increase in municipal contribution to maintain the same level of service budget is \$253,230, a 2.96% increase.

Conclusion

This report recommends a same level of service budget with a municipal contribution of \$8,793,930 be approved.


Greg Buss, Chief Librarian
and Secretary to the Board



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong, CPA, CA
Director, Finance
Re: 2016 Capital Budget




Date: November 30, 2015
File: 03-0970-01/2015-Vol
01

Staff Recommendation

That the 2016 Capital Budget totalling \$104.1M be approved and staff authorized to commence the 2016 Capital Projects.

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

Att. 7

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

Executive Summary

Capital funds are directed towards infrastructure and asset management programs ranked based on the highest priority projects to respond to Council direction and provide services to the citizens of Richmond. The 2016 Capital Budget of \$104.1M includes significant investment in infrastructure renewal to maintain community viability. A more detailed breakdown of each program is included in the appendices to this report.

The following is an overview of the major program areas funded through the capital budget with selected highlights of proposed 2016 initiatives being recommended to Council.

Infrastructure – \$43.8M:



The City's Infrastructure Program funds assets that include: dykes, roads, drainage and sanitary pump stations, drainage, water, and sanitary mains.

The 2016 program includes No. 2 Road Widening from Steveston Highway to Dyke Road (\$7.3M), No. 7 Road South Drainage Pump Station Upgrade (\$4.5M), Spires Area Water, Sanitary and Drainage Upgrade (\$4.5M), City Centre Watermain Replacement (\$4.0M), residential water metering, and pavement upgrades.

Land – \$21.2M:



The 2016 land acquisition program relates to the acquisition of real property for the City. Funds for land acquisition to meet the Council Approved Strategic Real Estate Investment Plan, other than DCC and other special reserve funded projects, are set aside in the Capital Reserve under the Industrial Use Fund. Council approval is required for each acquisition; funding is in place to act on opportunities as they arise.

Parks – \$15.1M:



Richmond is renowned for its high quality parks and recreation facilities, with over 120 parks totaling approximately 1,700 acres. In addition to the City's parks, Richmond also has 50 kilometers of recreational trails.

The 2016 program includes strategic Parkland Acquisition (\$8.0M) to satisfy the OCP objective of maintaining the parks provision standard of 7.66 acres/1000 population, Garden City Lands Phase 2 (\$3.1M), Cambie Avanti Park (\$1.2M), West Cambie Park (\$0.7M) and Richmond High Artificial Turf Field Replacement (\$0.6M).

Equipment – \$8.1M:



The 2016 equipment program includes continued implementation of the digital strategy including Peoplesoft HR and Payroll System Upgrade & Workforce Management, Customer Response Management System (CRM) and Business Process Management Suite (BPMS). It also includes fleet and equipment purchases, as well as fire vehicle replacement purchases.

Building – \$2.1M:



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

The 2016 building program activities is scaled down as the City is still in the midst of the \$124.1M Phase 1 of the Major Facilities Replacement Plan approved by Council in 2014 to build a new Minoru Complex, No. 1 Brighthouse Fire Hall and the recently-opened City Centre Community Centre.

The City is in the process of planning for Phase 2 of the Major Facilities Replacement Plan. Significant investment is expected and the Capital Plan will be amended once finalized.

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 (2016) and provides estimates for the remaining years of the five-year program. The 5YFP (2016-2020) Bylaw provides the City with the authority to proceed with spending as outlined in the Bylaw. The 5YFP must be balanced and therefore includes proposed funding sources.

The 5YFP provides authorization for the use of certain funding sources such as Development Cost Charges (DCCs) and Statutory Reserves. The 5YFP will be prepared once Council has approved each of the 2016 components.

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 \$1.9 billion. The Capital budget allows the City to sustain existing civic infrastructure, while also adding new assets and services to serve the growing community.

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.

Analysis

This report presents the proposed 2016 Capital Budget and seeks Council review and approval on 2016 recommended projects and the operating expenditures associated with each respective project. The proposed Capital Budget for 2016 is \$104.1 million.

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 ageing infrastructure and ensuring that the City is consistently meeting industry standards as well as legislated and regulatory requirements.

The City continues to see sustained population and economic growth. Significant additional growth is projected through 2041 under the Official Community Plan. This new growth requires expansion of City infrastructure in order to maintain the high level of civic services expected by new and current residents. As the City continues to mature, existing infrastructure is nearing the end of its lifespan and/or capacity. Continuous, ongoing investment in replacement and maintenance of ageing infrastructure is required to maintain service levels and protect civic assets. Capital investment allows the City to take advantage of new technology and building practices to improve operational efficiency and accrue environmental benefits from use of more sustainable building practices and equipment. Finally, the Capital budget also includes internal

transfers and debt repayment to replenish reserve accounts used to provide interim funding for various projects.

2016 Capital Process

Each division sets priorities specific to their area of expertise. A project submission is completed detailing the scope of work, review of alternatives, financial impact, and proposed funding source. In addition, the submission is self-ranked using established criteria summarized in Appendix 1. The process behind the 2016-2020 Capital Budget is illustrated in Appendix 2.

The Capital Review Committee which is comprised of Directors/Senior Managers from each City division reviewed and ranked each project submission. To ensure consistent application of the established ranking criteria, the Capital Review Committee determines the final ranking for each submission giving consideration to strategic and master plans, policies and Council priorities.

The ranked projects are consolidated and the projects are recommended based on funding availability. Project funding recommendations are then reviewed by the Senior Management Team (SMT) and the CAO and the final recommendation is consolidated to form the 2016 Capital Budget presented to Finance Committee for review and approval.

Finance Committee Input

At the Committee's discretion, any Capital project recommended for funding may be removed from the recommended list. Appendix 3 provides a list of the recommended projects. In addition, any Capital project that is not recommended for funding may be reconsidered. Appendix 4 provides a list of those projects not recommended for funding.

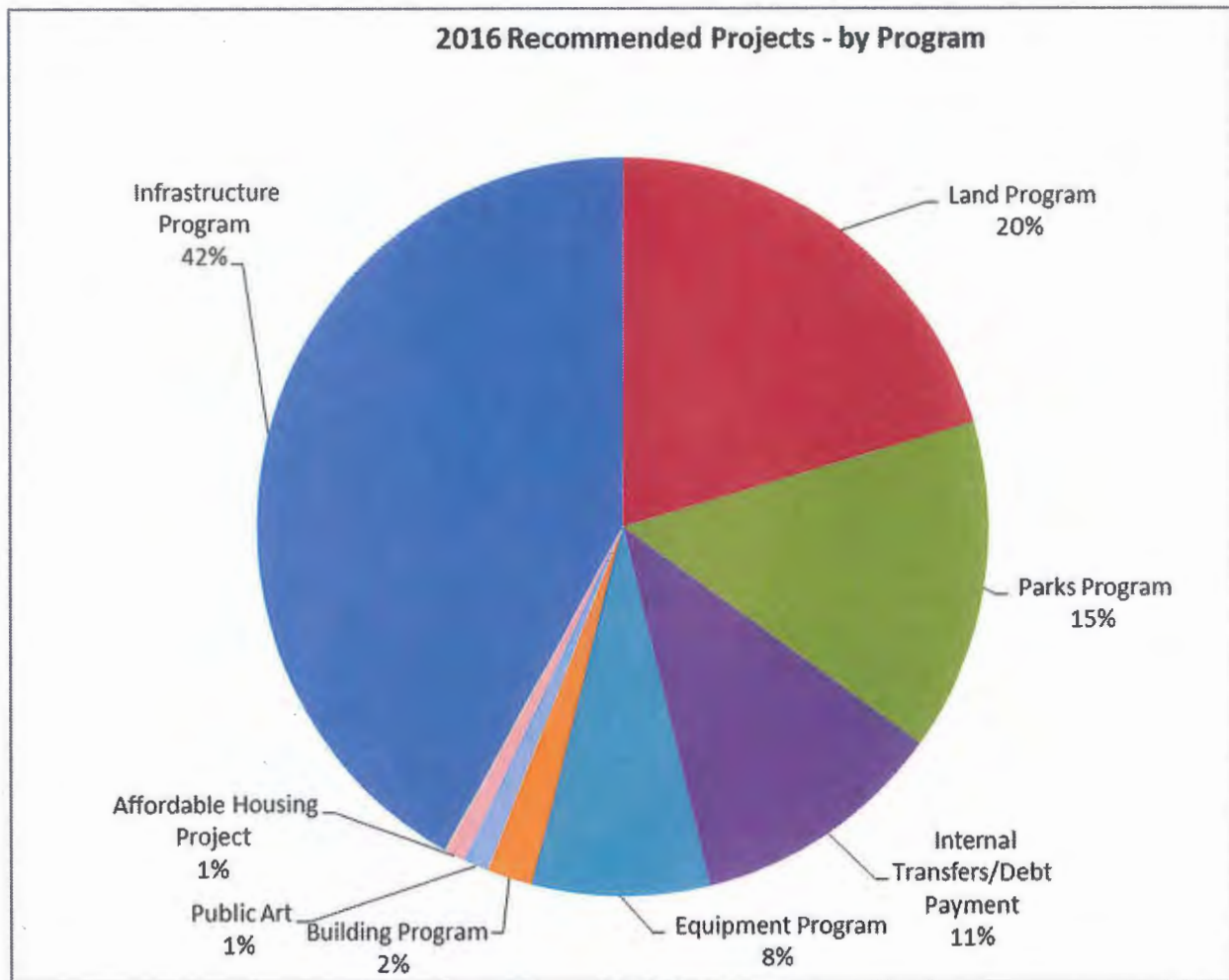
For information purposes, Appendix 5 summarizes the projects recommended for funding from the Revolving Fund.

For 2016, the capital budget includes \$21.2M for Strategic Land Acquisition, which approximates the average of \$19.6M for the years 2012 to 2015. This is to position the City for acquisitions to meet the Council Approved Strategic Real Estate Investment Plan.

The 2016 Building Program has been scaled down as the City is implementing Phase 1 of the Major Facilities Replacement Plan that includes building a new Minoru Complex (Aquatics and Older Adult Centre) and No. 1 Brighthouse Fire Hall, as well as the recently-opened City Centre Community Centre. The City is in the process of planning for Phase 2 of the Major Facilities Replacement Plan. Significant investment is expected and the Capital Plan will be amended once finalized.

The 2016 recommended capital projects by program are summarized in Figure 1.

Figure 1 – 2016 Recommended Projects – by Program



The following is an overview of the recommended Capital program that supports new infrastructure needs compared to the replacement of existing infrastructure.

New 2016 Capital Costs

The new Capital costs total \$61.8M (59%) of the 2016 Capital Budget including highlights such as:

- No. 2 Road Widening, Steveston Highway to Dyke Road – \$7.3M (page 31)
- Strategic Land Acquisition – Acquisitions require Council approval – \$21.2M (page 98)
- Parkland Acquisitions – Acquisitions require Council approval – \$8.0M (page 94)
- Garden City Lands Phase 2 – \$3.1M (page 83), Cambie Avanti Park - \$1.2M (page 82) and West Cambie Park – \$0.7M (page 88)
- Water – Residential Water Metering – \$1.9M (page 53)
- Equipment Program – PeopleSoft HR and Payroll System Upgrade & Workforce Management – \$1.8M (page 118) and Customer Relationship Management System – \$0.9M (page 115)
- Infrastructure Advance Design – \$1.3M (page 72)
- Roads – Donald Road Local Area Service Program – \$1.0M (page 25)
- Public Art Program – \$1.0M (page 96)

Replacement 2016 Capital Costs

The Replacement costs total \$30.6M (30%) of the 2016 Capital Budget, which includes:

- Drainage replacement – No. 7 Road South Drainage Pump Station Upgrade – \$4.5M (page 50) and Dike Upgrades \$0.8M (page 44)
- Water Main replacement – Spires Area Water, Sanitary and Drainage Upgrade – \$4.5M (page 54) City Centre
- Lulu Island West Area – \$4.0M (page 56)
- Sanitary Sewer replacement – City Centre Sanitary Sewer Rehabilitation and Granville Avenue Infrastructure Upgrade – \$2.1M (page 58 and 60)
- Annual repaving program – \$3.5M (page 22-23)
- Equipment Program – Annual Fleet Replacement and Fire Vehicle Replacement Reserve Purchases – \$3.2M (page 105 and 108)
- Building Program – Garratt Wellness Centre – \$0.5M (page 79)
- Parks Program – Richmond High Artificial Turf Replacement - \$0.6M (page 87)

Internal Transfers and Debt Repayment

Internal Transfer and Debt Repayment total \$11.7M (11%) of the 2016 Capital Budget includes:

- Transfer of funding from Revolving Fund to Watermain Replacement – \$6.0M (page 128)
- General Parkland Acquisition Repayment – \$2.0M (page 124)
- River Road/North Loop (2005) Repayment – \$1.7M (page 126)
- West Cambie Parkland Acquisition Repayment – \$1.6M (page 129)

The details of each recommended project is attached in Appendix 6.

2016 Capital Budget Funding Sources

The 2016 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 grants awarded from Provincial and Federal Governments, developer contributions (other than DCCs) and other non-City related sources.
- Reserves – These are funds established by bylaws for specific purposes and are funded primarily by budgeted contributions from the Operating and Utility Budgets and developer contributions plus interest earned on fund balances.
- Surplus – These refer to appropriated surplus (provisions).

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.

The funding sources of the 2016 recommended projects are summarized in Table 1.

Table 1 – 2016 Funding Sources

Funding Sources	Amount
Reserves	\$61.6
Surplus	11.5
<i>Subtotal - Internal</i>	<i>\$73.1</i>
DCCs	26.9
External Sources	4.1
<i>Subtotal - External</i>	<i>\$31.0</i>
Total 2016 Funding	\$104.1

Approximately \$62 million of this year's capital plan is funded by the Reserves and \$31 million through external sources and DCCs, which are contributed by developers, significantly reducing the potential impact of these projects upon taxpayers.

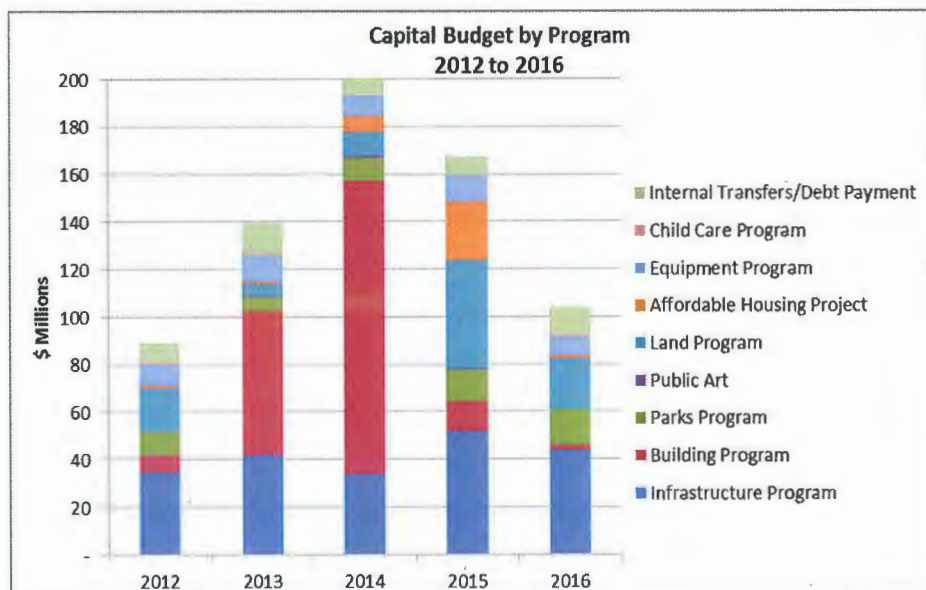
Appendix 3 includes a legend of the funding sources for each project. Funding details of each individual submission are included in Appendix 6.

Recommended 2016 versus Historical (2012-2015) Capital Budget Analysis

Figure 2 provides analysis of the program types of the capital budget as amended for the past four years compared to the 2016 recommended capital plan. For the years 2012-2015, Capital Budgets as amended average \$119.0 million annually after adjusting for the major facilities approved in the 2014 capital plan.

In 2014, Council approved \$124.1 million for major facilities, of which \$50M was financed through Municipal Finance Authority (MFA). This included funding for the Minoru Complex, new No.1 Brighthouse Fire Hall and City Centre Community Centre.

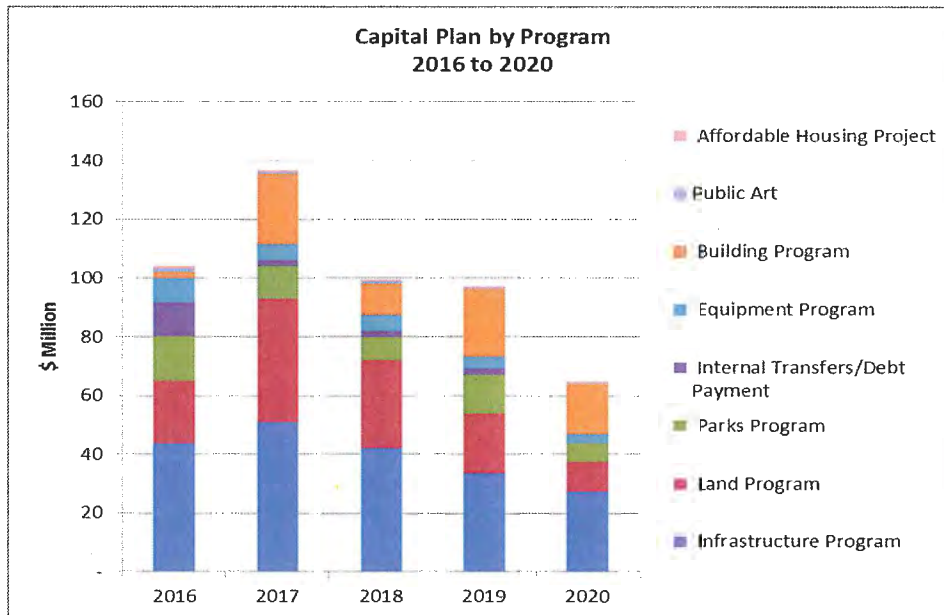
Figure 2 – Capital Budget by Program 2016 vs Historical



Draft 2016-2020 Capital Budget

Figure 3 shows the estimates for the remaining years of the 5 Year Capital Plan, which proposes to continue to invest an average of \$101M each year in the City's assets. The estimates do not include the next phase of the Major Facilities Replacement Plan.

Figure 3 – Draft 5 Year Capital Plan 2016 to 2020



The year 2017 proposed capital budget includes Strategic Land Acquisition of \$42M.

Details of the 2017-2020 Capital Budgets will be presented as part of the 2016-2020 5YFP Report.

2016 Operating Budget Impact

Upon completion of capital projects, new assets are added to the City's inventory. There are costs associated with maintaining these new assets, for example a new building will require staffing, janitorial services, gas and hydro utility costs. A new park will include annual maintenance and labour costs. This ongoing maintenance cost is the Operating Budget Impact (OBI) associated with the new asset which is added to the operating budget.

OBIs were reviewed by the Capital Review Committee as part of the Capital submission review process. The total OBI relating to the 2016 recommended projects is \$545K. \$138K of the OBI is associated with water and sewer utility projects and if the respective projects are approved, these will be incorporated into the 2017 utility budget. The remaining \$407K will be added to the operating budget if the associated projects are approved. To minimize the budget impact, an OBI phase in plan is adopted each year. For the recommended 2016 Capital Program, the OBI is proposed to be phased in over two years.

Table 2 presents a summary of the recommended Capital Budget and associated OBI by program.

Table 2: Recommended 2016 Funding and OBI by Program (in millions)

Program (in millions)	Amount	OBI
Infrastructure Program	\$43.8	\$0.36
Land Program	21.2	0.00
Parks Program	15.1	0.11
Internal Transfer/Debt Repayment	11.7	0.00
Equipment Program	8.1	0.07
Building Program	2.1	0.00
Public Art Program	1.1	0.01
Affordable Housing Project	0.9	0.00
Child Care Program	0.1	0.00
Total 2016 Funding & OBI	\$104.1	\$0.55

Financial Impact

The 2016 Capital Budget with a total value of \$104.1 million will enable the City to maintain and advance the asset inventory that continues to provide necessities and benefits to the community. The OBI associated with these projects is \$545K and once approved will be incorporated into the 2016-2020 5YFP.

Conclusion

The recommended Capital budget for 2016 is \$104.1 million. The Capital Review Committee worked closely with SMT and the CAO to represent the interests of all stakeholders to ensure that the 2016 capital program addresses City priorities and meets the needs of the community while effectively utilizing available funding.



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

MS:jgt

- Appendix 1: Capital Ranking Criteria
- Appendix 2: Capital Budget Process
- Appendix 3: 2016 Summary of Recommended Projects
- Appendix 4: 2016 Summary of Unfunded Projects
- Appendix 5: 2016 Summary of Projects Funded by the Revolving Fund
- Appendix 6: 2016 Details of Recommended Projects by Program
- Appendix 7: 2016 Details of Unfunded Projects by Program

Capital Ranking Criteria



Capital Budget Process



2016 Summary of Capital Projects - RECOMMENDED

Appendix 3

Project Name	Source	Total Investment	Total OBI	Ref
INFRASTRUCTURE PROGRAMS				
Roads				
Accessible Pedestrian Signal Program	D/R	250,000	17,710	20
Active Transportation Improvement Program	D/R	320,000	9,592	21
Annual Asphalt Re-Paving Program - MRN	E	914,000	-	22
Annual Asphalt Re-Paving Program - Non-MRN	A	2,610,000	-	23
Arterial Roadway Improvement Program	D/R	300,000	16,955	24
Donald Road - Local Area Service Program	R	1,011,000	9,183	25
Dyke Road Fraserwood Road Widening and Trail Connection	D/R	1,000,000	-	26
Functional and Preliminary Design (Transportation)	D/R	25,000	-	27
Granville Avenue Lighting Upgrade	R	140,000	-	28
LED Street Light Replacement Plan	R	375,000	-	29
Neighbourhood Walkway Program	D/R	250,000	12,287	30
No. 2 Road Widening, Steveston Highway to Dyke Road	D/E/R	7,300,000	34,321	31
Root Damaged Surfaces	R	460,000	-	32
Shell Road Walkway	R	621,000	5,876	33
Sidaway Road Street Lighting	R	250,000	17,625	34
Special Crosswalk Program	D/R	350,000	17,680	35
Street Light Pole Replacement - Seafair & Richmond Gardens - Phase 2	R	120,000	-	36
Traffic Calming Program	D/R	100,000	10,882	37
Traffic Signal Program	D/R	600,000	25,480	38
Transit-Related Amenity Improvement Program	E/D/R	250,000	6,917	39
Transit-Related Roadway Improvement Program	E/D/R	200,000	6,807	40
Total Roads		\$17,446,000	\$191,315	
Drainage				
Aquatic Invasive Species Management	R	175,000	-	42
Development Coordinated Works in Capital	R	200,000	-	43
Dike Upgrades	R	750,000	-	44
Drainage System and Irrigation Upgrades - South Sidaway Area Phase 2	R	450,000	1,250	45
Gilley and Westminster Hwy Culvert Replacement	R	1,250,000	1,570	46
Laneway Drainage - Dennis Crescent (West)	R	245,000	3,344	47
Laneway Drainage - Swinton Cr (East)	R	240,000	3,298	48
No. 4 Road Box Culvert Section Replacement	R	630,000	-	49
No. 7 Road South Drainage Pump Station Upgrade	R	4,500,000	10,465	50
Total Drainage		\$8,440,000	\$19,927	
Watermain Replacement				
Development Coordinated Works in Capital	R	250,000	-	52
Residential Water Metering	A/R	1,920,000	96,250	53
Spires Area Water, Sanitary, and Drainage Upgrade	R/D/E	4,500,000	2,493	54
Watermain Installation - Lulu Island East Area	R	370,000	6,250	55
Watermain Replacement - Lulu Island West Area	R/D	4,040,000	-	56
Total Watermain Replacement		\$11,080,000	\$104,993	

Legend: *A*=Appropriated Surplus; *D*=Development Cost Charges; *E*=External Sources; *R*=Reserves;

Project Name	Source	Total Investment	Total OBI	Ref
INFRASTRUCTURE PROGRAMS				
<i>Sanitary Sewer</i>				
City Centre Sanitary Sewer Rehabilitation	R	1,160,000	1,246	58
Development Coordinated Works in Capital	R	150,000	2,493	59
Granville Ave Infrastructure Upgrade	R	900,000	1,838	60
Miscellaneous SCADA System Improvements	R	250,000	18,785	61
Sanitary Pump Replacements	R	150,000	2,493	62
Sanitary Pump Station Rehabilitation	R	300,000	2,493	63
Steveston Sanitary Sewer Rehabilitation	R	410,000	1,246	64
Total Sanitary Sewer		\$3,320,000	\$30,594	
<i>Minor Public Works</i>				
Drainage Minor Capital	R	450,000	1,250	66
Public Works Minor Capital - Sanitary	R	300,000	1,838	67
Public Works Minor Capital - Water	R	560,000	-	68
PW Minor Capital - Traffic	R	250,000	8,250	69
Roads Minor Capital	R	250,000	1,250	70
Total Minor Public Works		\$1,810,000	\$12,588	
<i>Infrastructure Advanced Design</i>				
PW Infrastructure Advanced Design	R/D	1,255,000	-	72
Total Infrastructure Advanced Design		\$1,255,000	\$0	
<i>District Energy Utility</i>				
City Centre District Energy Utility	A	400,000	-	74
Total District Energy Utility		\$400,000	\$0	
TOTAL INFRASTRUCTURE PROGRAM		\$43,751,000	\$359,417	
BUILDING PROGRAMS				
<i>Building</i>				
Brighthouse Park Fieldhouse & Caretaker - Roof & Deck Repairs	R	250,000	-	76
Direct Digital Control Upgrade and Consolidation	A	250,000	-	77
Energy Management Projects - 2016	A	754,500	-	78
Garratt Wellness Centre - Renewals & Upgrades	R/E	525,000	-	79
Project Development Advanced Design 2016	R	300,000	-	80
TOTAL BUILDING PROGRAM		\$2,079,500	\$0	

Legend: *A*=Appropriated Surplus; *D*=Development Cost Charges; *E*=External Sources; *R*=Reserves;

Project Name	Source	Total Investment	Total OBI	Ref
PARKS PROGRAM				
<i>Major Parks/Streetscapes</i>				
Cambie Avanti Park	D/R	1,200,000	-	82
Garden City Lands - Phase 2	D/R/E	3,100,000	77,515	83
Park Characterization - Terra Nova	D/R	150,000	3,544	84
Parks Advance Planning & Design	D/R	550,000	-	85
Parks and Open Space Resource Management Planning Project	D/R	150,000	-	86
Richmond High Artificial Turf Field Replacement	R	600,000	-	87
West Cambie Park	D/R	700,000	12,559	88
Total Major Parks/Streetscapes		\$6,450,000	\$93,618	
<i>Minor Parks</i>				
Parks Ageing Infrastructure Replacement Program	R	140,000	-	90
Parks General Development	D/R	350,000	6,166	91
Playground Improvement Program	R	200,000	8,349	92
Total Minor Parks		\$690,000	\$14,515	
<i>Parkland Acquisition</i>				
Parkland Acquisition	D/R	8,000,000	-	94
Total Parkland Acquisition		\$8,000,000	\$0	
TOTAL PARKS PROGRAM		\$15,140,000	\$108,134	
PUBLIC ART PROGRAM				
Public Art Program	R	1,119,813	12,500	96
TOTAL PUBLIC ART PROGRAM		\$1,119,813	\$12,500	
LAND PROGRAM				
<i>Land Acquisition</i>				
Strategic Land Acquisition	R	21,200,000	-	98
TOTAL LAND PROGRAM		\$21,200,000	\$0	
AFFORDABLE HOUSING PROJECT				
Affordable Housing 2016 Operating Initiatives	R	130,000	-	100
Affordable Housing Projects - City Wide	R	400,000	-	101
Affordable Housing Projects - West Cambie	R	225,000	-	102
Affordable Housing Strategy Update	R	175,000	-	103
TOTAL AFFORDABLE HOUSING PROJECT		\$930,000	\$0	

Legend: *A*=Appropriated Surplus; *D*=Development Cost Charges; *E*=External Sources; *R*=Reserves;

Project Name	Source	Total Investment	Total OBI	Ref
EQUIPMENT PROGRAM				
<i>Annual Fleet Replacement</i>				
Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	R/A	1,612,000	-	105
Total Annual Fleet Replacement		\$1,612,000	\$0	
<i>Fire Dept Vehicles</i>				
Fire Equipment Replacement	R	25,500	-	107
Fire Vehicle Replacement Reserve Purchases	R	1,629,500	-	108
Total Fire Dept Vehicles and Equipment		\$1,655,000	\$0	
<i>Technology</i>				
2016 Server Replacements	A	303,000	-	110
Anderson Room Improvements	A	105,000	-	111
Annual Computer Hardware Refresh	A	408,919	-	112
Business Process Management Suite (BPMS)	A	600,000	55,000	113
Bylaws License Plate Recognition (LPR) System	A	197,120	(161,405)	114
Customer Relationship Management System (CRM)	A	900,000	100,000	115
Developing Asset Models for Eng. & Public Works	R	150,000	-	116
Log Management Implementation - Payment Card Industry Compliance	A	120,000	-	117
PeopleSoft HR and Payroll System Upgrade & Workforce Management	A	1,751,000	82,000	118
Software Deployment Replacement Solution	A	115,000	(12,000)	119
WiFi Network Expansion Phase II	A	204,500	1,000	120
Total Technology		4,854,539	\$64,596	
TOTAL EQUIPMENT PROGRAM		\$8,121,539	\$64,596	
CHILD CARE PROGRAM				
<i>Child Care Program</i>				
Child Care Projects - City Wide	R	50,000	-	122
TOTAL CHILD CARE PROGRAM		\$50,000	\$0	
INTERNAL TRANSFERS/DEBT PAYMENT				
<i>Internal Transfers/Debt Payment</i>				
General Parkland Acquisition Repayment	D/R	1,992,825	-	124
Nelson Road Interchange Repayment	D	385,098	-	125
River Rd/North Loop (2005) Repayment	D	1,685,056	-	126
Shovel - Ready Grant (2009) Repayment Lansdowne Rd Extension	D	77,263	-	127
Transfer of funding to Revolving Fund from Watermain Replacement	D	6,000,000	-	128
West Cambie Parkland Acquisition Repayment	D	1,600,000	-	129
Total Internal Transfers/Debt Payment		\$11,740,242	\$0	
TOTAL INTERNAL TRANSFERS/DEBT PAYMENT		\$11,740,242	\$0	
Total 2016 Capital Program		\$104,132,094	\$544,647	

OBI Type	
Operating OBI	\$407,222
Utility OBI	137,425
Total OBI	\$544,647

Legend: A=Appropriated Surplus; D=Development Cost Charges; E=External Sources; R=Reserves;

2016 Summary of Capital Projects - NOT RECOMMENDED

Appendix 4

Project Name	Source	Total Investment	Revolving Fund	Total OBI	Ref
BUILDING PROGRAM					
<i>Building</i>					
Interurban Tram Restoration	R	396,000	396,000	-	131
London Heritage Farm Outbuildings	R	389,360	389,360	12,702	132
Works Yard Survey Inspector System Renewals	R	315,000	315,000	-	133
TOTAL BUILDING PROGRAM		\$1,100,360	\$1,100,360	\$12,702	
EQUIPMENT PROGRAM					
<i>Miscellaneous Equipment</i>					
Emergency Supply Cabinets Project	R	125,000	125,000	-	135
Emergency Supplies Container Project	R	515,400	515,400	53,910	136
Meeting Room Evergreen & Media Distribution Network Phase 1	A	337,200	0	-	137
TOTAL EQUIPMENT PROGRAM		\$977,600	\$640,400	\$53,910	
Total 2016 Capital Program - Unfunded		\$2,077,960	\$1,740,760	\$66,612	

PURPOSE: Each year, the Revolving Fund is utilized to fund various capital projects. This summary shows the 2016 capital projects and the corresponding amounts funded by the Revolving Fund.

Project Name	Total Investment	Revolving Fund	Total OBI	Ref
Roads				
Granville Avenue Lighting Upgrade	140,000	140,000	-	28
LED Street Light Replacement Plan	375,000	375,000	-	29
Root Damaged Surfaces	460,000	460,000	-	32
Shell Road Walkway	621,000	621,000	5,876	33
Sidaway Road Street Lighting	250,000	250,000	17,625	34
Street Light Pole Replacement-Seafair & Richmond Gardens - Phase 2	120,000	120,000	-	36
Total Roads	\$1,966,000	\$1,966,000	\$23,501	
Minor Public Works				
PW Minor Capital - Traffic	250,000	250,000	8,250	69
Roads Minor Capital	250,000	250,000	1,250	70
Total Minor Public Works	\$500,000	\$500,000	\$9,500	
Major Building				
Brighthouse Park Fieldhouse & Caretaker - Roof & Deck Repairs	250,000	250,000	-	76
Garratt Wellness Centre - Renewals & Upgrades	525,000	334,000	-	79
Project Development Advanced Design 2016	300,000	300,000	-	80
Total Major Building	\$1,075,000	\$884,000	\$0	
Minor Parks				
Parks Ageing Infrastructure Replacement Program	140,000	140,000	-	90
Playground Improvement Program	200,000	200,000	8,349	92
Total Minor Parks	\$340,000	\$340,000	\$8,349	
Total 2016 Projects Funded by Revolving Fund	\$3,881,000	\$3,690,000	\$41,350	
The City Assist Factor on Roads DCC and Parks DCC projects are also funded by the Revolving Fund.				
City Assist Factor on Parks Acquisition		\$595,651		
City Assist Factor on Parks Development		\$352,538		
City Assist Factor on Roads DCC		\$405,000		
Total Funding from Revolving Fund		\$5,043,189		

Infrastructure Program 2016

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

2016 Recommended Infrastructure – Roads Program

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Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Accessible Pedestrian Signal Program		Submission ID:	5438
Location:	Various			
Cost:	\$250,000		OBI:	\$17,710
Funding Sources:	Roads DCC: \$235,000 Roads City Assist: \$15,000			
Scope:	<p>The general scope of work includes the installation of accessible devices at existing signalized intersections that exceed the minimum criteria for prioritized locations as per the 2008 guidelines published by the Transportation Association of Canada, by providing audible messaging, Braille signage, and other accessible friendly features. The proposed funding level and project locations are to allow the City to meet its goal to outfit all existing city-owned traffic signals with APS devices by year 2020.</p> <p>The program is proposed to be funded by the DCC program funding and may be eligible for external funding contributions from ICBC. Some locations may also be funded by developer funding contribution.</p> <p>For 2016, approximately 15 existing signalized intersections are proposed for upgrade to Accessible Signal systems. The actual locations will be determined in early 2016. The exact scope of improvement may be refined due to factors such as priority review, availability of external funding and/or opportunity to pursue these improvements as part of development frontage improvements.</p>			




Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Active Transportation Improvement Program	Submission ID:	4691
Location:	Various Locations		
Cost:	\$320,000	OBI:	\$9,592
Funding Sources:	Roads DCC: \$300,800 Roads City Assist: \$19,200		
Scope:	<p>The general scope 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 other wheeled devices.</p> <p>The following list of improvements is currently being planned for 2016 (subject to factors such as the completion of the detailed design, and confirmation of external funding):</p> <ol style="list-style-type: none">1. Great Canadian Way (Bridgeport Road-Van Horne Way): upgrade of existing pathway and sidewalk on the west side to provide a 2-way off-street multi-use pathway;2. Upgrade of intersections along the Railway Greenway to facilitate the crossing of pathway users (e.g., relocation of signal poles, installation of curb and gutter). <p>This project 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>		




Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Annual Asphalt Re-Paving Program - MRN	Submission ID:	4866
Location:	City Wide		
Cost:	\$914,000	OBI:	\$ -
Funding Sources:	MRN Rehab Reserve: \$914,000		
Scope:	<p>This annual funding request is to re-pave MRN roads (Richmond's Major Road Network funded by Translink). A project list will be determined by the end of 2015. The project includes the cost of essential ancillary work such as curb and gutter repairs, sidewalk and road base repair, manhole and valve box adjustments, line painting, staff inspection time and similar.</p> <p>To maximize cost efficiencies, road projects are co-ordinated with water, sanitary and drainage projects that are located within City roads and lanes.</p> <p>Construction is scheduled to be completed by the end of 2016.</p>		
			

Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Annual Asphalt Re-Paving Program - Non-MRN	Submission ID:	4854

Location:	City Wide		
Cost:	\$2,610,000	OBI:	\$ -
Funding Sources:	Asphalt Capping Provision: \$2,610,000		
Scope:	<p>This annual funding request is to re-pave City owned Non-MRN roads (major & minor City roads and lanes) in alignment with the City's Ageing Infrastructure Strategy. A project list will be determined by the end of 2015.</p> <p>Funding from this project will be used to survey road conditions and update the existing City of Richmond Pavement Model. Model results will be used to prioritize road re-paving requirements.</p> <p>The project does not include the cost of essential ancillary work typically completed by City crews (curb and gutter repairs, road base repair, manhole and valve box adjustments, line painting, staff inspection time and similar), which are included in the City's roads operating budgets.</p> <p>To maximize cost efficiencies, projects are co-ordinated with water, sanitary and drainage projects that are located within City roads and lanes.</p> <p>Model updates and construction are scheduled to be completed by the end of 2016.</p>		



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Arterial Roadway Improvement Program	Submission ID:	4699
Location:	Various Locations		
Cost:	\$300,000	OBI:	\$16,955
Funding Sources:	Roads DCC: \$282,000 Roads City Assist: \$18,000		
Scope:	<p>The general scope includes implementing pedestrian and traffic safety improvements along arterial roads and at arterial road intersections in order to respond in a timely basis to requests from the public and/or Council on issues related to pedestrian and traffic safety. Typical improvements include the construction of new and/or enhancement of existing walkways/sidewalks, new turn lanes, improved channelization, intersection signage enhancement, installation of pedestrian safety enhancements at intersections, and illuminated street name signs. For sidewalks/walkways along arterial roads, priority would be given to walkways/sidewalks connecting locations with high pedestrian activities, such as schools, neighbourhood service centres, bus stops, recreational service centres, shopping/retail centres, etc. that are along arterial roads with high traffic volumes.</p> <p>This project 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> <p>The following list of improvements is currently being planned for 2016/2017 (subject to factors such as the completion of the detailed design, confirmation of external funding, etc):</p> <ol style="list-style-type: none">1. A new walkway along the north side of Bridgeport Road, from Viking Way to No. 6 Road;2. A new southbound-to-eastbound left-turn lane at Garden City Road / Odlin Road;3. A new walkway along the eastside of No. 2 Road, from Granville Avenue to Westminster Highway.		



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Donald Road - Local Area Service Program	Submission ID:	5591

Location: Donald Road and Gilbert Road

Cost: \$1,011,000

OBI: \$9,183

Funding Sources: Local Improvements Reserve: \$1,011,000

Scope: This Local Area Service Program project will widen pavement, install curb, gutter, sidewalk, street lights and boulevard trees from the North side of Donald road to the end of Gilbert Road. 100% of the project cost will be recovered from a local service tax over the next 15 years. Construction is scheduled to be completed by the end of 2016.



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Dyke Road – Fraserwood Road Widening and Trail Connection	Submission ID:	5618

Location: Dyke Road and Fraserwood Road

Cost: \$1,000,000

OBI: -

Funding Sources:

Roads DCC:	\$470,000
Roads City Assist:	\$30,000
Parks DCC:	\$470,250
Parks City Assist:	\$29,750

Scope: Extend the width of the existing road and include a multi-use pathway along the north side of Dyke Road, between the 22,000 and 24,000 block of Dyke Road located in the Fraserwood waterfront area (East Richmond).


Purpose of this project is to address public concerns expressed by area residents regarding the movement of pedestrians and trail users in the area by improving the driving width and providing extended trail connection along this stretch of Dyke Road in east Richmond. The scope includes the widening of approximately 700 linear metres of existing road where necessary to better accommodate opposing large commercial vehicles passing each other, and to provide a separate multi-use trail pathway along Dyke Road. In association with road widening being proposed, the trail will provide improved passage for pedestrians and cyclists along this corridor. The land (north) side of Dyke Road is home to light industrial land uses, whereas the river (south) side of the road includes a mixture of marine and residential land uses.

This program supports Council Term Goal 2: A Vibrant, Active and Connected City and Goal 6: Quality Infrastructure Networks.



Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Functional and Preliminary Design (Transportation)		Submission ID:	4389
Location:	Various locations			
Cost:	\$25,000	OBI:	\$ -	
Funding Sources:	Roads DCC: \$23,500 Roads City Assist: \$1,500			
Scope:	<p>Project scope includes preparing the functional and preliminary designs and cost estimates 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. as well as high level cost estimates would be determined in order to carry out further detailed engineering design.</p> <p>The project would be funded entirely by the DCC program funding. A major component of the project is for consultant and/or auxiliary staff costs for design. Note: The cost estimate is based on 2% of the cost estimate of capital projects included within annual capital programs that require functional designs; design funds for projects with more significant scope are included separately within those projects.</p>			

Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Granville Ave Lighting Upgrade	Submission ID:	5744
Location:	Granville Ave, between Gilbert Rd and Minoru Blvd		
Cost:	\$140,000	OBI:	\$ -
Funding Sources:	Capital Revolving: \$140,000		
Scope:	Add 15 pedestrian lights to Granville Ave area, between Gilbert Rd and Minoru Blvd.		



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	LED Street Light Replacement Plan	Submission ID:	5660

Location: City Wide

Cost: \$375,000

OBI: (\$21,500)

Funding Sources: Capital Revolving: \$375,000

Scope: The City has 3,780 HPS (high pressure sodium) light fixtures that are past the end of their useful life. Replacing these less efficient HPS light fixtures with LEDs (Light-emitting diodes) would reduce annual energy consumption and improve energy efficiency.


Phase 1 of this project proposes to replace approximately 950 of the 3,780 HPS fixtures (~25%), starting with the fixtures that are the oldest and most in need of replacement. Additional capital submissions will be brought forward for consideration in subsequent years to replace the remaining fixtures.



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Neighbourhood Walkway Program	Submission ID:	5441
Location:	Various Locations		
Cost:	\$250,000	OBI:	\$12,287
Funding Sources:	Roads DCC:	\$235,000	
	Roads City Assist:	\$15,000	
Scope:	<p>The general scope of this project includes the construction of new and/or enhancement of existing neighbourhood walkways/sidewalks in the City, in response to requests from the public and/or Council. Consistent with OCP goals to encourage the use of sustainable transportation modes, 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., particularly roads with high traffic volumes/traffic conflicts. The major cost component of the program is the construction/upgrade of new/existing sidewalks, pathways, wheelchair ramps, minor curb cuts, boulevard modifications, and/or other supplementary improvements. Projects will be subject to residents' consultation, if applicable.</p> <p>The program is proposed to be funded by the DCC program and may be eligible for external funding contributions from ICBC.</p> <p>For 2016, the following has been proposed as a potential location: New walkway along the east side of Seacote Road, from the lane north of Williams Road to approximately 150m north, to fill the only gap in sidewalk along Seacote Road north of Williams Road. There may be additional walkways identified through requests by the public and Council.</p>		



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	No. 2 Road Widening, Steveston Highway to Dyke Road	Submission ID:	5476
Location:	No. 2 Road, from Steveston Highway to Dyke Road		
Cost:	\$7,300,000	OBI:	\$34,321
Funding Sources:	Roads DCC: \$3,572,000 Roads City Assist: \$228,000 Grant: \$3,500,000		
Scope:	<p>The general scope of this project includes widening sections of No.2 Road between Steveston Highway and Dyke Road and provision of a shared continuous cycling/pedestrian pathway along No.2 Road. Major components of the project are:</p> <ul style="list-style-type: none">- At Steveston Highway and Moncton Road intersections, upgrade to arterial road standard with selective widening and appropriate intersection tapers, additional traffic (turning) lane as warranted;- Moncton Road to Dyke Road: upgrade the road to collector standard and maintain parking on the east side (no parking will be provided on the west side as per existing conditions);- A new traffic signal at Moncton Road;- A shared cycling/pedestrian pathway along No.2 Road (east side from Steveston Highway to the existing crosswalk located approximately 260m south of Andrews Road then swing over to the west side to Dyke Road); and- Hydro/Tel/cable portion of cost estimate includes pole relocation and potential cost to acquire lands along east side of No. 2 Road, where required <p>In July 2015, the federal government (Transport Canada) announced that this project was selected to receive funding from the Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund (APGCTIF), up to \$3.5M of the eligible project costs (i.e., not including land acquisition costs).</p> <p>This project is proposed to be phased over 2016 and 2017, with the first phase to complete the detailed design works in early 2016. Once the design is completed, site preparation and construction will commence accordingly and the project is anticipated to be substantially completed by end of 2017.</p>		



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Root Damaged Surfaces	Submission ID:	5659

Location: Various

Cost: \$460,000

OBI: \$ -

Funding Sources: Capital Revolving: \$460,000

Scope: To repair sidewalks damaged by trees in Terra Nova, Dover Crescent, Francis, No. 5 Rd, Bird Rd, and Vulcan Way neighborhoods where boulevard trees have been planted adjacent to sidewalks, roadways, curbs and gutters.

The trees were planted 10 or more years ago, at which time root barriers and tree wells were not a requirement. These trees have now matured and are causing significant damage to the surrounding surfaces. This damage is beyond the point of traditional maintenance type repairs. If left unattended both functionality and public safety will continue to be reduced.



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Shell Road Walkway	Submission ID:	5592

Location: Shell Road from Alderbridge to Westminster Hwy

Cost: \$621,000

OBI: \$5,876

Funding Sources: Capital Revolving: \$621,000

Scope: Replace an 800 metre failing walkway with a widened 3.0m wide asphalt walkway along Shell Rd between Alderbridge Way and Westminster Hwy. Extruded curbs to separate the walkway from the traveled portion of the roadway. This is a two directional walkway shared between pedestrians and cyclists.

Construction is scheduled to be completed by the end of 2016.



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Sidaway Road Street Lighting	Submission ID:	5589

Location: Sidaway Road South from Westminster Hwy to Steveston Hwy

Cost: \$250,000

OBI: \$17,625


Funding Sources: Capital Revolving: \$250,000

Scope: This is a stand-alone project to install additional street lighting on Sidaway Road South from Westminster Hwy to Steveston Hwy. 10 city street lights and 37 BC Hydro leased lights will be installed. Construction is scheduled for completion by the end of 2016.



Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Special Crosswalk Program	Submission ID:	4669


Location:	Various Locations		
Cost:	\$350,000	OBI:	\$17,680
Funding Sources:	Roads DCC:	\$329,000	
	Roads City Assist:	\$21,000	
Scope:	<p>The general scope involves implementing new traffic control standards that have been adopted by Council, at existing crosswalks on arterial roads. Typical elements of the program include the upgrade of existing crosswalks on arterial roads (typically four-lane arterials) to include overhead illuminated signs with amber flashers, pedestrian-controlled push buttons, as well as enhanced accessible devices. 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.</p> <p>The program is proposed to be funded by the DCC program funding and may be eligible for external funding contributions from ICBC. Some locations may also include funding contribution from nearby developments.</p> <p>The following is the preliminary list of potential locations identified for 2016/2017. The exact scope of improvement may be refined due to factors such as priority review, availability of external funding, etc.:</p> <ul style="list-style-type: none">- No 4 Rd. & Dayton Rd.- Garden City Rd. & Jones Rd.- Westminster Hwy & Tiffany Blvd.- Williams Rd. & Deagle Rd.- Willaims Rd. & Lassam Rd.- Granville Ave. & Bridge St.- St. Albans Rd. & Jones Rd.		




Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Street Light Pole Replacement - Seafair & Richmond Gardens - Phase 2 of 5	Submission ID:	5174
Location:	Seafair and Richmond Gardens		
Cost:	\$120,000	OBI:	\$ -
Funding Sources:	Capital Revolving: \$120,000		
Scope:	<p>Remove and replace approximately 200 existing streetlights poles and retrofit concrete bases to allow for the proper installation of new street light poles in the Seafair and Richmond Gardens subdivisions. This is phase 2 of the 5 year project, totaling \$600,000.</p> <p>Construction of phase 2 is scheduled for completion by the end of 2016.</p>		




Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Traffic Calming Program		Submission ID:	4700
Location:	Various Locations			
Cost:	\$100,000		OBI:	\$10,882
Funding Sources:	Roads DCC:	\$94,000		
	Roads City Assist:	\$6,000		
Scope:	<p>The general scope involves the implementation of traffic measures to address concerns regarding through (short-cutting) traffic and excessive speed on the City's public roads. Specifically, these measures are intended to address concerns related to speed violations, neighbourhood through traffic intrusions and other traffic safety issues.</p> <p>Typical elements of the program include retrofitting existing streets with traffic calming measures to address traffic safety concerns and enhancing neighbourhood livability. The major cost component of the program is the installation of traffic calming related improvements that includes the construction of curb extensions, centre medians, extruded curbs, traffic circles, speed humps, delineated walkways, traffic signage and other traffic reducing measures. In addition, projects contained in this program may also include supplementary streetscape improvements, i.e. Planting of trees and other landscaping improvements to enhance the local pedestrian environment and overall street appearance.</p> <p>The exact scope will be determined pending on the request and complaints expected to be received by members of public and Council, as well as subject to factors such as the availability of external funding, and/or opportunity to pursue these improvements as part of development frontage improvements.</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.</p>			




Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Traffic Signal Program		Submission ID:	4692
Location:	Various Locations			
Cost:	\$600,000		OBI:	\$25,480
Funding Sources:	Roads DCC: \$564,000 Roads City Assist: \$36,000			
Scope:	<p>The project includes the following three key components:</p> <p>1) Install new or upgrade existing traffic signals to respond to growth in traffic and public requests, to better manage pedestrian and vehicular movements and to address safety concerns;</p> <p>2) Install video detection cameras at select signalized intersections to enhance the detection of vehicles and bicycles, optimize traffic operations, provide real time video of traffic conditions to Traffic Management Centre (TMC) for observing and enhancing operations, and providing photos (in one minute intervals) of approach traffic for public information access on the City web site;</p> <p>3) Upgrade conduit and cable infrastructure to install higher capacity fibre optic cable and electronics for Ethernet to communicate with multiple remote programmable devices at traffic signals. Includes conduit, junction boxes, fibre optic cable and electronic communications switching equipment as required to link multiple traffic signal electronic components to the TMC such as controllers, electronic switches, video cameras, accessible pedestrian devices, intersection power back-up systems (UPS systems) etc.</p> <p>The major cost component of the program is the installation of traffic controllers/cabinets, poles, bases, junction boxes, underground conduits, in ground and video detection systems, enhanced accessible devices, wiring and pavement markings, traffic signal communications, minor corner property acquisitions, and minor curb cuts and boulevard modifications as necessary.</p> <p>The program is proposed to be funded by the DCC program funding and may be eligible for external funding.</p> <p>The exact scope will be determined pending requests from Council and public, as well as subject to factors such as the availability of external funding, and/or opportunity to pursue these improvements as part of development frontage improvements. Currently, two potential candidate sites for new traffic signals in 2016/2017 are Buswell St/Park Rd and Cooney Rd/Park Rd.</p>			
				

Program:	Infrastructure Program	Sub-program:	Roads
Project Name:	Transit-Related Amenity Improvement Program	Submission ID:	5440

Location:	Various Locations		
Cost:	\$250,000	OBI:	\$6,917
Funding Sources:	Roads DCC: \$94,000 Roads City Assist: \$6,000 Developer Contribution: \$150,000		
Scope:	<p>The general scope includes transit-related amenity improvements within municipal road right-of-ways that are required to support the introduction of various transit service improvements as well as on-going enhancements to existing transit infrastructure. The major cost components are expected to include the installation of new non-advertising bus stop shelters, new benches along transit routes and other pedestrian generators, and other supplementary pedestrian amenity improvements required to facilitate pedestrian traffic generated by transit passengers.</p> <p>The program is proposed to be funded by the DCC program funding (\$100,000) and developer contribution (\$150,000) and may be eligible for external funding contributions from TransLink and ICBC. Some locations may also include funding contribution from nearby developments.</p> <p>Locations for bus stop shelters will be prioritized based on boarding activity and customer requests subject to sufficient availability of right-of-way. Potential locations identified for 2016 and 2017 include:</p> <ul style="list-style-type: none">- Southbound No. 3 Rd far-side Williams Rd- Northbound No. 2 Rd far-side Danube Rd- Northbound Cooney Rd far-side Westminster Hwy- Northbound Garden City Rd far-side Ferndale Rd- Eastbound Blundell Rd far-side Moffatt Rd- Westbound Cook Rd far-side Garden City Rd- Eastbound Granville Ave far-side Gilbert Rd- Westbound Cambie Rd far-side Shell Rd- Northbound Garden City Rd far-side Williams Rd- Eastbound Cambie Rd far-side Viking Way- Southbound Garden City Rd far-side Lansdowne Rd- Westbound Chatham Street near-side 2nd Avenue- Eastbound Granville Ave far-side Minoru Blvd- Westbound Steveston Hwy far-side Seaward Gate <p>The exact scope of improvements may be refined subject to factors such as the completion of detailed design, availability of external funding, and/or opportunity to pursue these improvements as part of development frontage improvements.</p>		



Program:	Infrastructure Program		Sub-program:	Roads
Project Name:	Transit-Related Roadway Improvement Program		Submission ID:	5439
Location:	Various Locations			
Cost:	\$200,000		OBI:	\$6,807
Funding Sources:	Roads DCC: \$94,000 Roads City Assist: \$6,000 Grant: \$100,000			
Scope:	<p>The general scope includes municipal road and traffic improvements that are required to support the introduction of various transit service improvements as well as on-going enhancements to existing transit infrastructure. 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/walkway construction, wheelchair ramps, upgrade of existing bus stops to accessible (wheelchair) standards, etc., required to facilitate pedestrian traffic generated by transit passengers.</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. Some locations may also include funding contribution from nearby developments.</p> <p>Locations for bus stop landing pad improvements will be prioritized based on boarding/alighting activity and customer requests subject to sufficient availability of right-of-way. Potential locations for 2016 include: Railway Ave/Francis Rd, Railway Ave/Linfield Gate, Steveston Hwy/Roseland Gate, Horseshoe Way/Horseshoe Pl, Gilbert Rd/Lucas Rd, Steveston Hwy/Bonavista Gate and approximately 20 additional locations based on priority locations to be identified by Coast Mountain Bus Company.</p> <p>The exact scope of improvement may be refined subject to factors such as the completion of detailed design, availability of external funding, and/or opportunity to pursue these improvements as part of development frontage improvements.</p>			



2016 Recommended Infrastructure – Drainage Program

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Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	Aquatic Invasive Species Management	Submission ID:	5707
Location:	City Wide		
Cost:	\$175,000	OBI:	\$ -
Funding Sources:	Drainage Utility: \$175,000		
Scope:	<p>The general scope includes the identification, mapping, research, removal and/or control of priority invasive species from the City drainage system and City lands, with a view to maintain the required performance of the drainage system. Typical activities will include control techniques to eliminate or minimize the spread of aggressive invasive species such as Parrot's feather and purple loosestrife, mapping and control treatments for knotweed species which pose a threat to City infrastructure (i.e. pump stations) and biodiversity, and removal of wild chervil from roadside right-of-ways and City drainage infrastructure. The intent of this program is to reduce the spread of invasive species in order to reduce the impacts on the City drainage system.</p>		
			

Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	Development Coordinated Works in Capital	Submission ID:	5306

Location: City Wide

Cost: \$200,000

OBI: \$ -


Funding Sources: Drainage Utility: \$200,000

Scope: This project will fund infrastructure upgrades and replacements co-ordinated through City or private development projects that are outside of the development's scope.

Although not currently scheduled, construction is expected to proceed through 2016 and 2017 as opportunities to leverage development occurs.



Program:	Infrastructure Program		Sub-program:	Drainage
Project Name:	Dike Upgrades		Submission ID:	5160
Location:	City Wide			
Cost:	\$750,000		OBI:	\$ -
Funding Sources:	Drainage Utility: \$750,000			
Scope:	Raise a section of existing dike by approximately 1.2 meters, along the Fraser River's North and South Arm. Construction is scheduled to be completed by the end of 2017.			



Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	Drainage System and Irrigation Upgrades - South Sidaway Area Phase 2	Submission ID:	5585

Location: Sidaway Road and Steveston Hwy

Cost: \$450,000

OBI: \$1,250

Funding Sources: Drainage Utility: \$450,000

Scope: Replace and 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 for approximately 1,800m. The work is being undertaken in 3 phases to balance other drainage funding priorities. Construction for the first two phases is scheduled to be completed by the end of 2016.



Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	Gilley and Westminster Hwy Culvert Replacement	Submission ID:	5586

Location: Gilley Road and Westminster Hwy


Cost: \$1,250,000

OBI: \$1,570

Funding Sources: Drainage Utility: \$1,250,000

Scope: Replace the existing 25 metres long drainage culvert with 2x 85 metres 1500mm diameter High Density Polyethylene (HDPE) pipes at the intersection between Westminster Hwy and Gilley road. Construction is scheduled to be completed by the end of 2016.



Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	Laneway Drainage Upgrade - Dennis Crescent (West)	Submission ID:	4763
Location:	Dennis Crescent West Laneway from Wilkinson Road to Aquila Road		
Cost:	\$245,000	OBI:	\$3,344
Funding Sources:	Drainage Utility: \$245,000		
Scope:	<p>Install drainage and upgrade 375m of pavement along the Dennis Crescent (West) lane between Aquila Road and Wilkinson Road. Does not include the addition of street lighting, curbs or gutters. Construction is scheduled to be completed by the end of 2016.</p> <p>Funding is requested from the Drainage Utility. Paving will be completed under the Annual Asphalt Paving Program.</p>		
			

Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	Laneway Drainage Upgrade - Swinton Cr (East)	Submission ID:	4784

Location: Swinton Crescent between Aquila Road and Maddocks Road

Cost: \$240,000


OBI: \$3,298

Funding Sources: Drainage Utility: \$240,000

Scope: Install drainage and upgrade 370m of pavement along the Swinton Crescent (East) lane between Aquila Road and Maddocks Road. Does not include the addition of street lighting, curbs or gutters. Construction is scheduled to be completed by the end of 2016.

Funding is requested from the Drainage Utility. Paving will be completed under the Annual Asphalt Paving Program.



Program:	Infrastructure Program		Sub-program:	Drainage
Project Name:	No. 4 Road Box Culvert Section Replacement		Submission ID:	5760
Location:	South of the No 7 Road Right-of-Way			
Cost:	\$630,000	OBI:	\$-	
Funding Sources:	Drainage Utility: \$630,000			
Scope:	<p>Scope of work includes upgrade of approximately 30 metres of 1.52m x 3.4m box culvert at No. 4 road by Tuttle Ave. The existing culvert has undergone repairs in the past couple of years and there are signs of deterioration due to the end of service life. Completion of this work will upgrade the overall condition and performance of the drainage system.</p> <p>Construction is scheduled to be completed by Summer of 2016.</p>			
				

Program:	Infrastructure Program	Sub-program:	Drainage
Project Name:	No. 7 Road South Drainage Pump Station Upgrade	Submission ID:	4809

Location:	South of the No 7 Road Right-of-Way		
Cost:	\$4,500,000	OBI:	\$10,465
Funding Sources:	Drainage Utility: \$4,500,000		
Scope:	Demolish the existing pump station and rebuild it to a modern standard, make local dike upgrades, and landscape the construction area. Construction is scheduled to be completed by the end of 2017.		



2016 Recommended Infrastructure – Water Main Replacement Program

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Program:	Infrastructure Program	Sub-program:	Water Main Replacement
Project Name:	Development Coordinated Works in Capital	Submission ID:	5310


Location:	City Wide		
Cost:	\$250,000	OBI:	\$ -
Funding Sources:	Water Utility:	\$250,000	
Scope:	This project will enable the City to leverage development over the next year to design and construct water infrastructure outside of what would be required as part of their development. These are upgrades and replacement of ageing infrastructure that the City would complete separately but economic and engineering efficiencies can be achieved by having the developer complete this work at the same time the development takes place.		



Program:	Infrastructure Program		Sub-program:	Water Main Replacement
Project Name:	Residential Water Metering		Submission ID:	5162
Location:	City Wide			
Cost:	\$1,920,000		OBI:	\$96,250
Funding Sources:	Water Utility:	\$600,000		
	Water Metering Provision:	\$1,320,000		
Scope:	This project is year 3 of the 5-year universal metering program for single-family dwellings, and a volunteer metering program for multi-family dwellings.			



Program:	Infrastructure Program	Sub-program:	Water Main Replacement
Project Name:	Spires Area Water, Sanitary, and Drainage Upgrade	Submission ID:	5587
Location:	Cooney Rd, Spires Gate, Cook Gate and Cook Rd		
Cost:	\$4,500,000	OBI:	\$2,493
Funding Sources:	Drainage Utility: \$947,000 Water Utility: \$1,378,124 Sanitary Utility: \$994,005 Water DCC: \$424,876 Sewer DCC: \$581,873 Developer Contribution: \$174,122		
Scope:	Watermain, sanitary sewer, drainage sewer replacement and upgrades will be constructed in the Cooney Rd. and Cook Rd. area as follows: Watermain (1500metres): \$1,803,000 Sanitary Sewer (390metres): \$1,750,000 Drainage Sewer (400metres): \$947,000 Where possible costs will be recovered through rezoning cash-in-lieu contributions. Construction is scheduled to be completed by the end of 2016.		



Program:	Infrastructure Program	Sub-program:	Water Main Replacement
Project Name:	Watermain Installation - Lulu Island East Area	Submission ID:	4796


Location: See Scope

Cost: \$370,000 **OBI:** \$6,250

Funding Sources: Water Utility: \$370,000

Scope: This project includes the installation of 370m of 300mm diameter watermain to connect two dead ends on Sidaway Rd, between Blundell Rd and Westminster Hwy.



Program:	Infrastructure Program	Sub-program:	Water Main Replacement
Project Name:	Watermain Replacement - Lulu Island West Area	Submission ID:	5302
Location:	See scope		
Cost:	\$4,040,000	OBI:	\$ -
Funding Sources:	Water Utility:	\$3,503,580	
	Water DCC:	\$531,109	
	Water City Assist:	\$5,311	
Scope:	<p>This project includes the installation of 4700 meters of 200mm diameter watermain to replace the existing infrastructure.</p> <p>The Waterworks Capital Program is based on watermain age, material, break history and the proposed road-paving program.</p> <p>The program replaces ageing infrastructure prior to failure and improves fire protection.</p>		
			

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Program:	Infrastructure Program	Sub-program:	Sanitary Sewer
Project Name:	City Centre Sanitary Sewer Rehabilitation	Submission ID:	5013

Location: Various Locations

Cost: \$1,160,000

OBI: \$1,246

Funding Sources: Sanitary Utility: \$1,160,000

Scope: This project involves rehabilitation (trenchless point repairs, external point repairs, and concrete grouting) of sanitary sewer mains in various locations of the City Centre Sanitary Sewer Area. The rehabilitation work is based on deficiencies identified through the sanitary sewer CCTV inspection program.


Rehabilitation will extend the service life of sanitary sewers, lower their lifecycle costs and prevent related infrastructure failures, such as sinkholes.

If ageing sanitary sewers are not rehabilitated, service levels will decrease, operation and maintenance costs will increase and the risk of damage to local road and utility infrastructure will increase.


The project supports an objective in the Official Community Plan (OCP) to maintain an efficient sewage system to protect public health and safety.



Program:	Infrastructure Program	Sub-program:	Sanitary Sewer
Project Name:	Development Coordinated Works in Capital	Submission ID:	5316
Location:	Various Locations		
Cost:	\$150,000	OBI:	\$2,493
Funding Sources:	Sanitary Utility: \$150,000		
Scope:	<p>This project will enable the City to leverage development over the next year to design and construct sanitary infrastructure outside of what would be required as part of their development.</p> <p>These are upgrades and replacement of ageing infrastructure that the City would complete separately but economic and engineering efficiencies can be achieved by having the developer complete this work at the same time the development takes place.</p>		




Program:	Infrastructure Program	Sub-program:	Sanitary Sewer
Project Name:	Granville Ave Infrastructure Upgrade	Submission ID:	5742
Location:	Granville Ave, between Gilbert Rd and Minoru Blvd		
Cost:	\$900,000	OBI:	\$1,838
Funding Sources:	Drainage Utility: \$210,000 Water Utility: \$190,000 Sanitary Utility: \$500,000		
Scope:	Water, sanitary and drainage upgrades to Granville Ave area, between Gilbert Rd and Minoru Blvd, as follows: Water \$190,000 Sanitary \$500,000 Drainage \$210,000		




Program:	Infrastructure Program		Sub-program:	Sanitary Sewer
Project Name:	Miscellaneous SCADA System Improvements		Submission ID:	4841
Location:	Various Locations			
Cost:	\$250,000		OBI:	\$18,785
Funding Sources:	Sanitary Utility: \$250,000			
Scope:	<p>This project involves rehabilitating and upgrading computer, instrument and electrical installations throughout the SCADA network.</p> <p>Via its SCADA system, the City monitors and controls over 200 sanitary system sites that contain mechanical and electrical equipment. This project will maintain and improve sanitary sewer system operation, as well as maintain system security and technological viability.</p> <p>Failure to complete the work will result in increased risk of sanitary system failure, thereby reducing service levels and increasing cost and disruption of unplanned maintenance and emergency repairs.</p>			
				

Program:	Infrastructure Program		Sub-program:	Sanitary Sewer
Project Name:	Sanitary Pump Replacements		Submission ID:	5392
Location:	Various Locations			
Cost:	\$150,000		OBI:	\$2,493
Funding Sources:	Sanitary Utility: \$150,000			
Scope:	<p>This project includes replacing existing sanitary pumps with new energy-efficient models. The existing pumps have been in service for up to 43 years, which is significantly over the manufacturer's suggested service life. The new pumps would reduce maintenance costs, energy consumption, and service disruptions.</p> <p>Planned upgrades include the following pump stations:</p> <p>Colbeck, Cheviot, Donald, Livingstone, McLennan, Piggott East, Piggott West, Utah North, Utah South, Berry, Daniels, Gabriola, Lurgan, Minler, Palmer</p>			
				

Program:	Infrastructure Program	Sub-program:	Sanitary Sewer
Project Name:	Sanitary Pump Station Rehabilitation	Submission ID:	5630
Location:	Various Locations		
Cost:	\$300,000	OBI:	\$2,493
Funding Sources:	Sanitary Utility: \$300,000		
Scope:	This project involves the rehabilitation of existing sanitary pump stations, including Burkeville, Bennett East, and Edgemere. Scope of work includes electrical kiosk replacement, power supply upgrade, new motor control center (MCC) installation, pump rewinding, and concrete slab and aluminum hatch installation.		



Program:	Infrastructure Program	Sub-program:	Sanitary Sewer
Project Name:	Steveston Sanitary Sewer Rehabilitation	Submission ID:	5391
Location:	Various Locations		
Cost:	\$410,000	OBI:	\$1,246
Funding Sources:	Sanitary Utility: \$410,000		
Scope:	<p>This project involves rehabilitation (trenchless point repairs, external point repairs, and concrete grouting) of sanitary sewer mains in various locations of the Steveston Sanitary Sewer Area. The rehabilitation work is based on deficiencies identified through the sanitary sewer CCTV inspection program.</p> <p>Rehabilitation will extend the service life of sanitary sewers, lower their lifecycle costs and prevent related infrastructure failures, such as sinkholes.</p> <p>If ageing sanitary sewers are not rehabilitated, service levels will decrease, operation and maintenance costs will increase and the risk of damage to local road and utility infrastructure will increase.</p> <p>The project supports an objective in the Official Community Plan (OCP) to maintain an efficient sewage system to protect public health and safety.</p>		
			

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Program:	Infrastructure Program	Sub-program:	Minor Public Works
Project Name:	Drainage Minor Capital	Submission ID:	4765

Location: City Wide


Cost: \$450,000

OBI: \$1,250

Funding Sources: Drainage Utility: \$450,000

Scope: Complete minor drainage infrastructure upgrades or rehabilitation that includes inspection, chamber installation, sewer pipe and manhole rehabilitation, minor pump station projects, installation of monitoring equipment, safety upgrades, testing of new technologies to improve efficiencies and responding to resident service requests. Although not currently scheduled, construction is expected to proceed through 2016.



Program:	Infrastructure Program	Sub-program:	Minor Public Works
Project Name:	Public Works Minor Capital - Sanitary	Submission ID:	4831
Location:	Various Locations		
Cost:	\$300,000.	OBI:	\$1,838
Funding Sources:	Sanitary Utility: \$300,000		
Scope:	<p>This project involves minor work related to the sanitary infrastructure, including pump station upgrades, modifications to improve operational efficiency and functionality, testing of new technologies, forcemain repairs, site-specific repairs in response to resident complaints, and manhole and valve box repairs.</p> <p>Every year, Engineering and Public Works receives a number of requests for minor projects. The minor capital program allows the department to respond to these requests in a timely and cost-effective manner.</p>		
			

Program:	Infrastructure Program	Sub-program:	Minor Public Works
Project Name:	Public Works Minor Capital - Water	Submission ID:	789

Location: Various Locations

Cost: \$560,000

OBI: \$ -

Funding Sources: Water Utility: \$560,000

Scope: This project involves minor work related to the water infrastructure, including minor watermain repairs and replacements, operational efficiencies, changes to safety requirements, testing of new technologies, and response to resident complaints that require minor upgrades.

Every year, Engineering and Public Works receives a number of requests for minor projects. The minor capital program allows the department to respond to these requests in a timely and cost effective manner.



Program:	Infrastructure Program	Sub-program:	Minor Public Works
Project Name:	PW Minor Capital - Traffic	Submission ID:	4705

Location:	Various Locations		
Cost:	\$250,000	OBI:	\$8,250
Funding Sources:	Capital Revolving: \$250,000		
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: for unforeseen capital improvements of a minor nature including wheelchair ramps, traffic signage, pavement markings and traffic safety improvements. These are separate from the programs which fund specific projects / locations.</p> <p>B. Traffic Signal/Communications Network: infrastructure renewal, physical plant upgrading, ongoing infrastructure development testing and communications network conduit/cable (whereas Roads DCC would fund new traffic signals).</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>		



Program:	Infrastructure Program	Sub-program:	Minor Public Works
Project Name:	Roads Minor Capital	Submission ID:	4895

Location: City Wide

Cost: \$250,000

OBI: \$1,250

Funding Sources: Capital Revolving: \$250,000

Scope: Complete minor road related infrastructure upgrades or rehabilitation 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 responding to resident service requests.



2016 Recommended Infrastructure – Infrastructure Advanced Design Program

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Program:	Infrastructure Program	Sub-program:	Infrastructure Advanced Design & Land														
Project Name:	PW Infrastructure Advanced Design	Submission ID:	5041														
Location:	City-Wide																
Cost:	\$1,255,000	OBI:	\$ -														
Funding Sources:	<table><tr><td>Drainage Utility:</td><td>\$500,000</td></tr><tr><td>Water Utility:</td><td>\$430,000</td></tr><tr><td>Sanitary Utility:</td><td>\$270,000</td></tr><tr><td>Roads DCC:</td><td>\$51,700</td></tr><tr><td>Roads City Assist:</td><td>\$3,300</td></tr></table>			Drainage Utility:	\$500,000	Water Utility:	\$430,000	Sanitary Utility:	\$270,000	Roads DCC:	\$51,700	Roads City Assist:	\$3,300				
Drainage Utility:	\$500,000																
Water Utility:	\$430,000																
Sanitary Utility:	\$270,000																
Roads DCC:	\$51,700																
Roads City Assist:	\$3,300																
Scope:	<p>The scope of work includes hiring consultants and contractors to plan and design the 2017 capital plan and deliver reports that define long-term infrastructure upgrades.</p> <table><tr><td>Sanitary Project Design and Planning</td><td>\$220,000</td></tr><tr><td>Sanitary System Modelling</td><td>\$50,000</td></tr><tr><td>Water Project Design and Planning</td><td>\$380,000</td></tr><tr><td>Water System Modelling</td><td>\$50,000</td></tr><tr><td>Drainage Project Design and Planning</td><td>\$500,000</td></tr><tr><td>Roads</td><td>\$55,000</td></tr><tr><td>Total</td><td>\$1,255,000</td></tr></table>			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	\$500,000	Roads	\$55,000	Total	\$1,255,000
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	\$500,000																
Roads	\$55,000																
Total	\$1,255,000																

A photograph of a desk with architectural blueprints, a ruler, a magnifying glass, and other drafting tools. The blueprints are spread out on the desk, and a ruler is placed across them. A magnifying glass is also visible, along with some pens and a small container. The desk appears to be in a professional or academic setting.



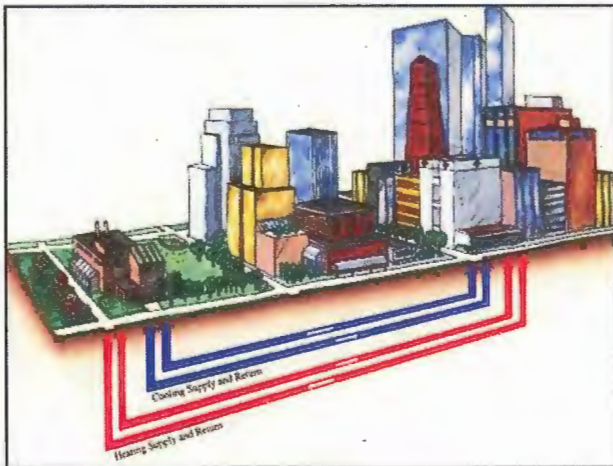
2016 Recommended Infrastructure – District Energy Utility Program

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City Centre District Energy Utility74

Program:	Infrastructure Program	Sub-program:	District Energy Utility
Project Name:	City Centre District Energy Utility	Submission ID:	5601

Location:	City Centre		
Cost:	\$400,000	OBI:	\$ -
Funding Sources:	Water Utility:	\$400,000	
Scope:	Advanced design of the district energy ready (DE-ready) developments in the City Centre neighbourhoods, including DEU corridors. Coordinating design with the incoming new developments. Legal fees for negotiation, development and registration of DE-ready covenants. Coordinating negotiation of DEU servicing agreements, and implementation of City Centre DEU. Negotiation and implementation of a Request for Expressions of Interest (RFEOI) to execute the plan to provide district energy services in the City Centre North (Capstan) area. Professional fees for transfer of the Alexandra DEU assets under the Lulu Island Energy Corporation (LIEC).		



Building Program 2016

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.


2016 Recommended Building Program

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Program:	Building Program	Sub-program:	Major Building
Project Name:	Brighthouse Park Fieldhouse & Caretaker - Roof & Deck Repairs	Submission ID:	5405
Location:	7840 Granville Ave.		
Cost:	\$250,000	OBI:	\$ -
Funding Sources:	Capital Revolving: \$250,000		
Scope:	<p>The facility currently is in poor condition with a Facility Condition Index (FCI) of 33%. Performing the life-cycle renewals will correct identified requirements reducing maintenance costs and reduce the FCI to 10% ensuring many more years of service to the community.</p> <p>Existing wood observation deck is rotten and affecting the integrity of the roof underneath. The membrane underneath is deteriorating and will be replaced. The roof with concrete pavers has deteriorated and some pavers are cracked with vegetation growing. Metal roofing requires inspection, screws, fasteners, and grommets, which will be replaced as needed.</p> <p>Miscellaneous upgrades identified as work proceeds.</p>		




Program:	Building Program	Sub-program:	Major Building
Project Name:	Direct Digital Control Upgrade and Consolidation	Submission ID:	5621
Location:	Various City Facilities		
Cost:	\$250,000	OBI:	\$ -
Funding Sources:	Enterprise: \$250,000		
Scope:	<p>The general scope of work for this Phase 2 of 3 project is to replace and upgrade direct digital control systems associated with HVAC and lighting controls at select City facilities, as per the DDC Upgrade and Management Plan.</p> <p>There are approximately 25 City buildings that have direct digital control (DDC) systems that control mechanical and lighting functions. These systems are used to monitor and adjust comfort parameters, equipment performance, and building scheduling, as well as remotely diagnose problems. Currently the City has seven different types of control applications, with some of the systems having reached their end of life. The number of different systems and the fact that some systems are now obsolete, makes it challenging to effectively and efficiently manage, program, monitor, and operate the comfort systems in those City buildings.</p> <p>The replacement and upgrading of these systems will allow for more efficient building operation, increased ability for effective and timely in-house programming, reduced training requirements for multiple legacy systems, and increased ability for energy use monitoring and system anomaly notification. (See associated spreadsheet for the timing and estimate costs, REDMS # 4307751)</p> <p>The DDC upgrade plan will be phased over 3 years with a funding breakdown of:</p> <ul style="list-style-type: none">- Year 1: \$290,000 (2015 capital submission - being implemented)- Year 2: \$241,500- Year 3: \$195,000 <p>Similar to Phase 1 of this project, it is proposed for Phase 2 to be funded from the Enterprise Fund, with the anticipated energy utility cost savings (~\$38,000/year) from increased energy efficient operation of these buildings used to re-pay the fund.</p> <p>In addition to internal funding, external incentives opportunities will be explored to potentially offset the capital cost of the project or repay the Enterprise fund sooner.</p>		
			

Program:	Building Program	Sub-program:	Minor Building
Project Name:	Energy Management Projects - 2016	Submission ID:	4837

Location:	Various Locations		
Cost:	\$754,500	OBI:	\$ -
Funding Sources:	Enterprise: \$754,500		
Scope:	<p>Reduce the energy used at City infrastructure through the following energy conservation measures at City locations;</p> <ol style="list-style-type: none">1. Fire Hall No.4, Fire Hall No.5, and Fire Hall No.6 - Optimize heating and cooling systems2. Community Safety Building - Optimize heating, control, and lighting systems.3. Thompson Community Centre - Re-commission and optimize the geo-exchange system4. East Richmond Community Hall - Optimize heating, cooling and lighting systems5. City Hall - Install a solar photovoltaic system at City Hall6. South Arm Community Centre - Optimize heating and cooling systems7. Lighting Retrofits - Conduct 2-4 lighting retrofit and upgrade projects at needed facilities <p>Upon project completion, these measures are anticipated to save \$101,000 in energy cost avoidance, reduce GHG emissions, and help to maintain the City of Richmond's Power Smart Leadership status. The Enterprise Fund will be repaid from the anticipated savings.</p>		



Program:	Building Program	Sub-program:	Major Building
Project Name:	Garratt Wellness Centre - Renewals & Upgrades	Submission ID:	5406
Location:	7504 Chelsea Place		
Cost:	\$525,000	OBI:	\$ -
Funding Sources:	Capital Revolving: \$334,000 Grant: \$191,000		
Scope:	<p>Exterior:</p> <p>Exterior walls require repairs to stucco and wood. Wood window frames have rotten members which will be repaired or replaced.</p> <p>Exterior doors are original to building (1960's) and are aged and deteriorating and will be replaced and door hardware modernized.</p> <p>Mechanical:</p> <p>The Perimeter Heat System, original to the building, is still operational but has reached the end of expected service life. The facility was originally a grade 1 - 4 elementary school but is now being used as a rehabilitative fitness and wellness centre. There is no mechanical ventilation nor air conditioning in the building. A heat pump AC system will be installed to provide comfort cooling during the summer and more efficient heating during the winter. This heating and cooling system upgrade will eliminate the green house gas emissions associated with the existing boiler, which would no longer be necessary.</p> <p>Electrical and Lighting:</p> <p>Light fixtures in the building are aged, damaged and past their life expectancy. Significant increases to the lighting effectiveness and reductions in electricity can be realized with the replacement of these inefficient lights. Electrical panels and wiring are aged and past their useful life, and will also be replaced.</p> <p>The fire alarm system does not conform to the Barrier-Free requirements of the BC Building Code which requires both audio and visual devices to be installed as part of the fire alarm system. The fire alarm panel is beyond life and will be replaced.</p> <p>The existing exit signs are antiquated and beyond life expectancy. Exit signs within the building use inefficient incandescent or fluorescent lamps. New LED type fixtures will be installed.</p> <p>Miscellaneous:</p> <p>Required upgrades identified as the work proceeds.</p>		
			

Program:	Building Program	Sub-program:	Major Building
Project Name:	Project Development Advanced Design 2016	Submission ID:	5697

Location: City Wide

Cost: \$300,000

OBI: \$ -

Funding Sources: Capital Revolving: \$300,000

Scope: Engage the appropriate consultants (i.e. Architects, engineers, cost consultants) for a variety of proposed facility projects to provide a range of professional services from project concept to completion.



Parks Program 2016

Richmond is renowned for its high quality parks and recreation facilities. The City's park system has over 120 parks that total approximately 1,700 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 50 kilometers of recreational trails.

2016 Recommended Parks – Major Parks/Steetscapes Program

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Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	Garden City Lands - Phase 2	Submission ID:	5461
Location:	Garden City Road & Westminster Hwy.		
Cost:	\$3,100,000	OBI:	\$77,515
Funding Sources:	Drainage Utility: \$500,000 Parks Development DCC: \$2,186,662 Parks Development City Assist: \$138,338 Developer Contribution: \$275,000		
Scope:	<p>Garden City Lands Phase 2 Water Management Infrastructure and Public Amenities</p> <p>This is Phase Two of the Garden City Lands project and includes construction of water managment infrastructure which will support the sustainability of the bog ecosystem on the site at the same time as enabling agricultural uses. Extensive tree planting around the perimeter will support both the ecological objectives of the Garden City Lands ("GCL") Legacy Landscape Plan and create a buffer between the perimeter trails and the major streets surrounding the site. In addition, development of public amenities such as trails, a picnic area and parking will provide expanded public access to the 136.5 acre site.</p> <p>After an extensive public process, City Council adopted the GCL Legacy Landscape Plan on June 9, 2014 as the guide for developing these public lands for community use (File Ref. No. 06-2345-20 REDMS No. 4219968). The Legacy Plan outlines over 25 City policies and objectives that development of the GCL supports within a variety of focus areas such as sustainability, agricultural, ecological health, community wellness, arts and culture, and city vibrancy.</p>		
			

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	Park Characterization – Terra Nova	Submission ID:	317
Location:	Terra Nova		
Cost:	\$150,000	OBI:	\$3,544
Funding Sources:	Parks Development DCC: \$141,075 Parks Development City Assist: \$8,925		
Scope:	<p>The purpose of this capital program is to enhance the overall function and character of existing parks within the City's Park and Open Space system. The proposed project for 2016 is the creation of a detailed program, interpretation, and restoration plan for the heritage buildings and cultural landscapes on the north side of Terra Nova Rural Park. The plan will focus on Parsons House, Mellis House and the Cannery Store and will result in an increased level of service for Richmond residents.</p> <p>The Council-endorsed Terra Nova Concept Plan (2004) calls for the preservation and adaptive reuse of the park's heritage buildings and for interpretation of the farming and fishing history of Terra Nova. The Edwardian Cottage was completed and is now successfully operating as the Terra Nova Nature Preschool. Potential uses for the site's other buildings include an interpretive centre, multi-purpose program space, artist or farmer in residence, caretaker suite, retail space, and/or office space. The Terra Nova Conservation Review (2014) details the heritage value and character defining elements of both the landscape and the buildings addressed in this project.</p>		
			

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	Parks Advance Planning & Design	Submission ID:	835
Location:	Various Locations		
Cost:	\$550,000	OBI:	\$ -
Funding Sources:	Parks Development DCC: \$517,275 Parks Development City Assist: \$32,725		
Scope:	<p>This annual project submission for Parks Advance Design is to provide ongoing planning, research, consultation, project management, and construction detailing of both immediate and future projects in park construction or strategic open space planning.</p> <p>The scope of work includes: researching best practices; collecting data, topographical surveys and geographical information; and securing consultation for landscape architectural and engineering services as part of a planning and design process. The design process includes preparing and producing concept designs, reports, presentations and detailed construction drawings for upcoming Major Capital projects. Projects are both community and opportunity driven. This includes working with developers with the design and preparation of a new park that will serve a new development area within the City.</p> <p>For 2016, projects include the design and consultation for Minoru Park and Britannia National Historical Park master planning process.</p> <p>This program supports Council Term Goals of a Well Planned Community and is relative to multiple Strategic Initiatives including: Placemaking (Creating Experiences, Unique Parks & Open Spaces, Parkland Acquisition Plan, World Class Waterfront, Excellence in Design, Connected Neighbourhoods, Event Friendly City); Financial Strategies (Infrastructure Replacement), and Sustainability (Vibrant Communities). It contributes towards the City's vision of being the most appealing and livable city in Canada.</p> <p>2016 Projects may also include:</p> <p>Conceptual Park & Open Space Planning for various sites. Topographical Surveys (engineering site survey pick-up) Waterfront & Trails Strategy Implementation projects Park Characterization projects GIS implementation for Parkland Inventory Best practices research</p>		
			


Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	Parks and Open Space Resource Management Planning Project	Submission ID:	5628
Location:	City Wide		
Cost:	\$150,000	OBI:	\$ -
Funding Sources:	Parks Development DCC: \$141,075 Parks Development City Assist: \$8,925		
Scope:	<p>The Parks and Open Space Strategy, adopted by Council in 2013, included several actions for improving the planning for parks capital projects and management of parks infrastructure. As Richmond's parks and open space system expands, greater capacity for planning for that expansion and improved tracking of new infrastructure is required. Through this project a comprehensive review of the methods and systems used for planning and management (e.g., analysis of service gaps in the parks and open space system) will be conducted and recommendations for changes will be implemented. The project will also include planning for expanded use of the City's Geographical Information System. A consultant team will be retained to assist staff in completing this project (e.g., to perform data collection and analysis).</p>		



Program:	Parks Program	Sub-program:	Major Parks/Streetscapes						
Project Name:	Richmond High Artificial Turf Field Replacement	Submission ID:	5240						
Location:	Richmond High, Granville Ave and Minoru Blvd.								
Cost:	\$600,000	OBI:	\$ -						
Funding Sources:	Special Sports: \$600,000								
Scope:	<p>The purpose of this project is the removal, disposal and replacement of the artificial turf surface at Richmond High.</p> <p>Richmond High artificial turf field was constructed in 2005 as a joint partnership between the School District and the City. Since the field serves as the only "green space" available for the school, it is used for all purposes and activities during school hours including sports, gathering areas and special events until 6:00 pm. After 6:00 pm the fields are consistently booked for both public and organized programmed use.</p> <p>Artificial turf fields generally have a lifecycle of up to 10 years before the turf layer starts to breakdown due to wear and tear. Since this field has extended demands from both the School and public use year round on a daily basis, its surface has deteriorated more rapidly than other artificial turf fields in the City.</p> <p>This project will be funded through the Special Sports Reserve account (collection from the sports fields user fees program).</p> <p>This project supports Council Term Goals of a vibrant, active, and connected city and maintaining quality infrastructure for the sports and schools community.</p> <p>Scope of work involves the removal, replacement and disposal of the artificial turf layer at Richmond High.</p> <p>Estimated cost:</p> <table><tr><td>Removal and disposal of existing turf</td><td>\$80,000</td></tr><tr><td>Replacement and installation of new turf</td><td>\$450,000</td></tr><tr><td>Design and contingencies for base preparation</td><td>\$70,000</td></tr></table>			Removal and disposal of existing turf	\$80,000	Replacement and installation of new turf	\$450,000	Design and contingencies for base preparation	\$70,000
Removal and disposal of existing turf	\$80,000								
Replacement and installation of new turf	\$450,000								
Design and contingencies for base preparation	\$70,000								
									

Program:	Parks Program	Sub-program:	Major Parks/Streetscapes
Project Name:	West Cambie Park	Submission ID:	3858

Location:	West Cambie Area		
Cost:	\$700,000	OBI:	\$12,559
Funding Sources:	Parks Development DCC: \$658,350 Parks Development City Assist: \$41,650		
Scope:	<p>This park and greenway are the main open spaces for the Alexandra neighbourhood of West Cambie. The park is six acres in size, and is centrally located within the area. It is unique because it contains stands of large trees, and remnants of garden landscapes from the original single family lots. The greenways will complete the connection to other sites within the overall City network, particularly to the Garden City Lands to the south. A major objective will be to preserve existing natural features while introducing new open space and recreational amenities, as well as district energy utility features to the park site.</p> <p>This project supports Council's Term Goals 2.3 - "Outstanding places, programs, and services that support active living, wellness, and a sense of belonging; and 3.2 - A strong emphasis on physical and urban design."</p> <p>Work on the park has been deferred until expansion of the Alexandra District Energy Utility centre and installation of the geo-exchange field are completed in late fall of 2015. Park planning will include community consultation. This phase will focus on works including: installation of storm drainage and other underground utilities; completion of grading; construction of a pathway system; first phase implementation of the play environment; landscape planting; and installation of site furniture.</p>		




2016 Recommended Parks – Minor Parks Program

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Parks General Development91

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Program:	Parks Program	Sub-program:	Minor Parks								
Project Name:	Parks Ageing Infrastructure Replacement Program	Submission ID:	4722								
Location:	Various Locations										
Cost:	\$140,000	OBI:	\$ -								
Funding Sources:	Capital Revolving:	\$140,000									
Scope:	<p>The purpose of this replacement program consists of a multi-year phased approach to replace failed hard surfaces, parks and open space infrastructure. These include 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>Many of these types of amenities have not been replaced for over 40 years and are in severely damaged condition. As a result, City Staff, Community Centres and their Associations are consistently being contacted to address the safety concerns from the public and sports groups. This program addresses the Council term goals of providing Quality Infrastructure Networks and a Safe Community.</p> <p>For 2016, Thompson lacrosse box and tennis courts will be resurfaced. Blundell tennis courts also require repair. Also included are various chainlink fencing retrofits to backstops and park perimeter fencing.</p> <table><tr><td>Chainlink fencing retrofit (various sites)</td><td>\$70,000</td></tr><tr><td>Tennis Courts</td><td>\$30,000</td></tr><tr><td>Lacrosse box retrofit</td><td><u>\$40,000</u></td></tr><tr><td>Total</td><td>\$140,000</td></tr></table>			Chainlink fencing retrofit (various sites)	\$70,000	Tennis Courts	\$30,000	Lacrosse box retrofit	<u>\$40,000</u>	Total	\$140,000
Chainlink fencing retrofit (various sites)	\$70,000										
Tennis Courts	\$30,000										
Lacrosse box retrofit	<u>\$40,000</u>										
Total	\$140,000										
											

Program:	Parks Program	Sub-program:	Minor Parks
Project Name:	Parks General Development	Submission ID:	4685

Location: Various

Cost: \$350,000

OBI: \$6,166

Funding Sources: Parks Development DCC: \$329,175
Parks Development City Assist: \$20,825

Scope: This ongoing program addresses special opportunities, emergency requests, and safety driven concerns from the public. As per City Council, this program funds new improvements of various park amenities and facilities that are not part of other larger park capital programs. This funding allows the City the flexibility and ability to respond to Council directions and appropriate public requests in a timely fashion.


Examples of projects that have been funded by General Development include new community gardens, new dog off-leash areas, walkways and pathways, benches and picnic tables and new drainage systems.

This project is relative to Council term goals of providing Quality Infrastructure Networks and a Safe Community.



Program:	Parks Program	Sub-program:	Minor Parks
Project Name:	Playground Improvement Program	Submission ID:	300

Location:	Various Locations		
Cost:	\$200,000	OBI:	\$8,349
Funding Sources:	Revolving Fund: \$200,000		
Scope:	<p>This Capital program addresses older playgrounds that do not meet the current safety guidelines (according to the industry standard, the Canadian Standards Association's "Children's Playspaces and Equipment", or can no longer be maintained to meet the guidelines due to age, obsolescence or vandalism. The program is directed toward replacing all or part of a playground and includes replacement of playground equipment, playground infrastructure (e.g. Resilient surfacing, borders, drainage) and landscape features.</p> <p>This program relates to the following Council Term Goals :</p> <p>Goal 2 - A Vibrant, Active and Connected City</p> <p>Goal 6 - Quality Infrastructure Networks</p> <p>The preliminary priority projects for 2016 are two playgrounds at Palmer Garden City Neighbourhood School Park.</p>		



2016 Recommended Parks – Parkland Acquisition Program

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Parkland Acquisition94

Program:	Parks Program	Sub-program:	Parkland Acquisition
Project Name:	Parkland Acquisition	Submission ID:	4741

Location: As per Parks DCC Land Acquisition Plan

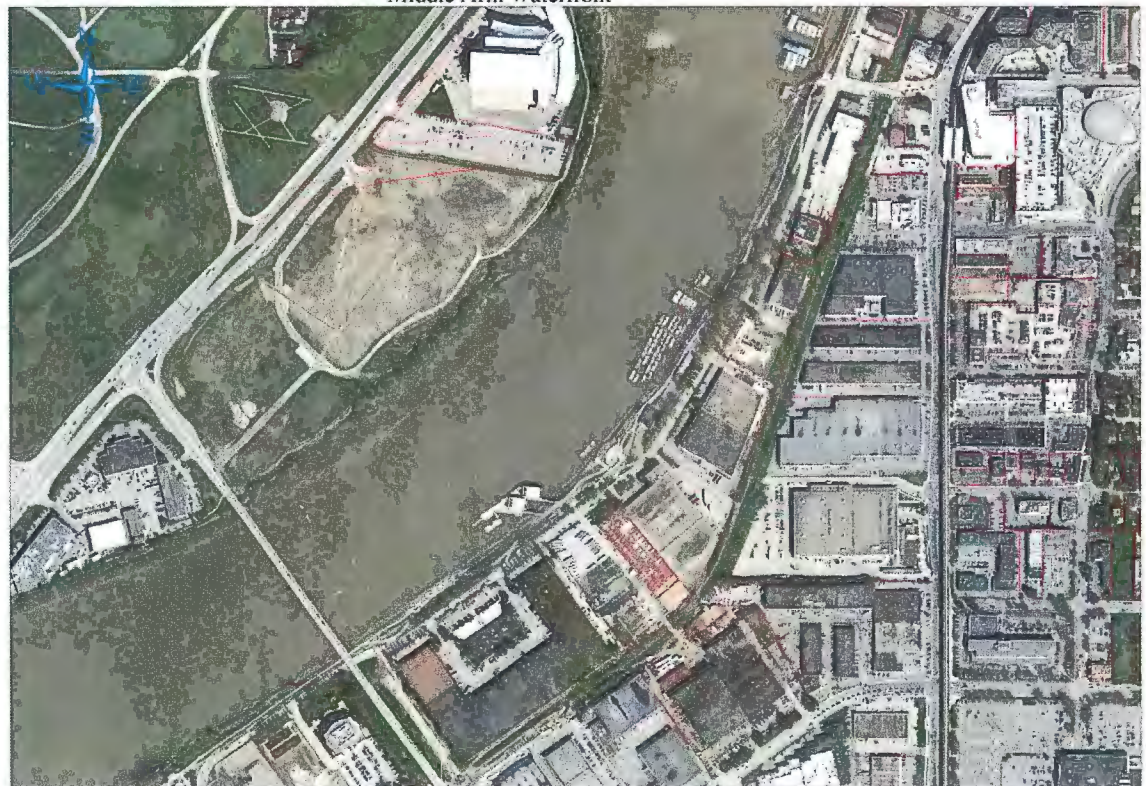
Cost: \$8,000,000

OBI: \$ -

Funding Sources: Parks Acquisition DCC: \$7,524,000
Parks Acquisition City Assist: \$476,000

Scope: The purpose of the Parkland Acquisition program is to acquire land for park requirements to address development and population growth. The program is based on the City's population projections, as per the OCP, with the objective of maintaining the parks provision standard of 7.66 acres/1000 population. The program is funded through Parkland Acquisition Developer Cost Charges (DCC's) and is guided by the Council approved 2009 Park Land Acquisition Strategy which provides the criteria for evaluating proposed acquisitions. Funding is required each year to allow the City to be strategic and responsive as properties become available, thus avoiding the need to borrow the funding from other City sources or pass bylaws to release the funds for each acquisition. The funding is typically allocated to an acquisition or acquisitions by year end.

Middle Arm Waterfront



Public Art Program 2016

The Public Art Program is a self-sustaining project funded by private development contributions to the Public Art Reserve. Council approved the updated policy (Policy 8703, adopted July 27, 2010) and the Program is supported by a Council appointed Public Art Advisory Committee. The Public Art Program also supports the initiatives expressed in the Richmond Art Strategy 2012-2017, which was presented to and supported by Council in September 2012. The above proposal assists in its annual implementation, which is necessary to its success. Private sector, private donations and community contributions are successfully sought and received.


The public art program contributes to the Council Term Goals for 2014-2018, for a vibrant, active and connected city through a commitment to strong urban design, investment in public art and place making.

2016 Recommended Public Art Program

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Public Art Program.....96

Program:	Parks Program	Sub-program:	Public Art
Project Name:	Public Art Program	Submission ID:	4870
Location:	Various Locations		
Cost:	\$1,119,813	OBI:	\$10,000
Funding Sources:	Public Art Program: \$1,119,813		
Scope:	<p>The scope of work consists of a variety of public art projects.</p> <p>City initiated public art projects of \$100,000 are funded by private developers contributions to the Public Art Reserve.</p> <ul style="list-style-type: none">- Artwork located within City streets, parks and buildings: \$10,000- Community public art projects: \$50,000- Public education and promotion of the public art program: \$20,000- Collaboration with other City cultural programs: \$10,000- Community public art partnerships: \$10,000 <p>Private development public art projects for \$1,019,813 are funded by private developer contributions to the Public Art Reserve for artwork that will be integrated with new development throughout the City.</p>		



Land Program 2016

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

2016 Recommended Land – Land Acquisition Program

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Strategic Land Acquisition98

Program:	Land Program	Sub-program:	Land Acquisition
Project Name:	Strategic Land Acquisition	Submission ID:	4922

Location: Various

Cost: \$21,200,000

OBI: \$ -

Funding Sources: Capital Industrial: \$21,200,000

Scope: Funds for land acquisition to meet the Council Approved Strategic Real Estate Investment Plan, 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 as well as additional general funds approved by Council.






Affordable Housing Project Program 2016

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.


2016 Recommended Affordable Housing Project Program

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Program:	Affordable Housing Project		Sub-program:	Affordable Housing Project
Project Name:	Affordable Housing 2016 Operating Initiatives		Submission ID:	5703
Location:	City Wide			
Cost:	\$130,000	OBI:	\$ -	
Funding Sources:	Affordable Housing: \$130,000			
Scope:	<p>1. Affordable Housing Legal - The scope of work will include the review of operating agreements, housing agreements, and any other legal services required as the administration of these developments occur \$50,000.</p> <p>2. Single family rezoning accessory dwelling survey - At the direction of Planning Committee complete a survey of accessory dwelling units provided through single family rezonings to determine: are they rented/occupied; to whom; and for how much. The strategy will include hiring a consultant to survey a percentage of the accessory dwellings that have been created as a result of this rezoning requirement and gauge how the units are currently being used. The information gathered will inform future Council decisions with respect to the success of the requirement/supply of accessory dwellings through single family rezonings and whether this initiative is providing affordable housing solutions for residents of Richmond \$30,000.</p> <p>3. Video Production - A videographer is required to periodically film key benchmarks during the construction of the Storeys development (129 subsidized rental units targeted towards individuals at-risk of or experiencing homelessness, and community programming space). The end deliverable will be a video which will be submitted for award(s)/grant applications \$15,000.</p> <p>4. Printing, Publication, Media and Advertising - Ongoing printing and publication services through the course of the year, including meeting traditional and social media needs as they arise \$15,000.</p> <p>5. Richmond Homelessness Coalition (meeting expense) - The RHC's goal is to bring stakeholders together on a bi-monthly basis to discuss and enact initiatives to address the immediate and future needs of Richmond's homeless and at-risk/vulnerable population \$10,000</p> <p>6. Affordable Housing Economic Analysis (Consulting) - Procure the services of a consultant to complete economic analysis of complex development applications as required Amount \$10,000</p>			
				
 				

Program:	Affordable Housing Project		Sub-program:	Affordable Housing Project
Project Name:	Affordable Housing Projects - City Wide		Submission ID:	4862
Location:	Various			
Cost:	\$400,000		OBI:	\$ -
Funding Sources:	Affordable Housing: \$400,000			
Scope:	To purchase land and financially contribute to various affordable housing projects as needs are identified, in accordance with the Council-adopted Affordable Housing Strategy.			



Program:	Affordable Housing Project	Sub-program:	Affordable Housing Project
Project Name:	Affordable Housing Projects - West Cambie	Submission ID:	4868

Location: Various

Cost: \$225,000

OBI: \$ -

Funding Sources: Affordable Housing: \$225,000

Scope: To purchase land and financially contribute to various affordable housing projects as needs are identified in West Cambie, in accordance with the Council-adopted Affordable Housing Strategy.



Program:	Affordable Housing Project	Sub-program:	Affordable Housing Project
Project Name:	Affordable Housing Strategy Update	Submission ID:	5675

Location: City Wide

Cost: \$175,000

OBI: \$ -

Funding Sources: Affordable Housing: \$175,000

Scope: The scope of work will include: reviewing the existing Affordable Housing Strategy (AHS), its stated community priorities, and updating policies; stakeholder consultation on affordable housing issues/solutions; information gathering and drafting of input received/findings; creation of draft Housing Action Plan (HAP); presentation of updated AHS and draft HAP to stakeholders from comment; presentation of updated AHS and draft HAP to Council for consideration/adoption.

Richmond Affordable Housing Strategy



2016 Recommended Equipment – Annual Fleet Replacement Program

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Program:	Equipment Program	Sub-program:	Annual Fleet Replacement
Project Name:	Vehicle and Equipment Reserve Purchases (PW and Corporate Fleet)	Submission ID:	5664

Location: Works Yard and Various City Departments

Cost: \$1,612,000

OBI: \$ -

Funding Sources: Water Utility: \$400,000
Sanitary Utility: \$260,000
Public Works Equipment: \$952,000

Scope: Annual replacement of vehicles eligible due to age and condition in accordance with Sustainable Green Fleet Policy 2020.

Vehicle replacements in 2016 include 1 aerator, 1 trailer, 1 minivan, 1 sedan, 1 pickup, 4 Grumman style vans, 2 tandem dump trucks, 1 single axle dump truck and 1 crane truck.

Process for replacement of aging fleet is to establish needs and develop specifications for vehicle/equipment replacements. Send bid information out to the marketplace, evaluate submissions and award accordingly.



2016 Recommended Equipment – Fire Department Vehicles Program

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Fire Vehicle Replacement Reserve Purchases.....108

Program:	Equipment Program	Sub-program:	Fire Dept Vehicles
Project Name:	Fire Equipment Replacement	Submission ID:	4673

Location: Fire-Rescue

Cost: \$25,500

OBI: \$ -

Funding Sources: Fire Equipment: \$25,500

Scope: To ensure we are able to provide fire services to the community Richmond Fire Rescue (RFR) maintains an inventory of hose.


Hose Replacement planned and funded by the Fire Equipment Reserve for 2016 is 30 lengths of hose.

Richmond Fire maintains an inventory of fire hose. This hose is inspected and tested annually and failing hose is replaced.

The objective is to maintain an adequate inventory of fire hose to effectively maintain the services.

Richmond Fire expects to continue with replacing 30 lengths of hose per year to maintain the hose inventory.



Program:	Equipment Program	Sub-program:	Fire Dept Vehicles
Project Name:	Fire Vehicle Replacement Reserve Purchases	Submission ID:	4672
Location:	Fire-Rescue		
Cost:	\$1,629,500	OBI:	\$ -
Funding Sources:	Fire Equipment: \$1,629,500		
Scope:	<p>To ensure we are able to provide fire services to the community</p> <p>Richmond Fire Rescue (RFR) maintains a fleet of 15 Fire suppression trucks as well as support vehicles.</p> <p>RFR has a designated "Vehicle & Equipment Reserve". The replacement plan for all apparatus is funded through the reserve.</p> <p>In 2011 a report was approved by Council on the status of the Fire Vehicle Replacement Reserve and put forward a replacement schedule for all fire vehicles and some equipment. The replacements requested are aligned with this life cycle replacement plan.</p> <p>This replacement apparatus is contemplated in the scheduled plan of the equipment reserve. To ensure that RFR has a robust modern fleet of fire apparatus to deliver Fire and Rescue services to the community, RFR has developed a replacement plan that maintains financial stability and sustainability of the "Vehicle and Equipment Reserve".</p> <p>RFR strives to maintain a maximum replacement cycle of 20 years with all suppression apparatus.</p>		
			

Equipment Program 2016

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


2016 Recommended Equipment – Technology Program


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Program:	Equipment Program	Sub-program:	Computer Capital
Project Name:	2016 Server Replacements	Submission ID:	5716


Location:	City Hall & Works Yard		
Cost:	\$303,000	OBI:	\$ -
Funding Sources:	Hardware Upgrade: \$303,000		
Scope:	<p>In order to maintain our services, data centre server infrastructure is refreshed on a five to six year cycle. After that period of time, manufacturers will no longer provide service agreements due to the age of equipment. Equipment begins to fail more frequently after this period of use. These failures can cause extended outages of applications that the public and staff rely on daily.</p> <p>This capital request covers servers used for the following purposes:</p> <p>Corporate database servers which support applications including Emergency Notification System, City web site, City GIS, and Sharepoint sites.</p> <p>Servers responsible for managing all of the City's access accounts, passwords, and security information.</p> <p>File servers which are used by staff in all departments to store files of various types, including "home" drives. There have been a few recent failures of these servers, which run PeopleSoft Financial and Human Resources systems.</p> <p>Storage controllers, which manage the high-capacity disk storage arrays. These storage arrays are used by virtually every application in the entire City.</p>		





Program:	Equipment Program	Sub-program:	Computer Capital
Project Name:	Anderson Room Improvements	Submission ID:	5709
Location:	City Hall		
Cost:	\$105,000	OBI:	\$ -
Funding Sources:	Hardware Provision: \$105,000		
Scope:	<p>The audio-visual equipment in Anderson Room and other meeting rooms is now fifteen years old. It was provided when City Hall was built. Fifteen years greatly exceeds the life expectancy of the equipment.</p> <p>The technology has advanced considerably in those fifteen years, to the point where virtual meeting facilities with wireless collaboration tools are expected. Instead, we provide users with podiums that contain VCR and Cassette equipment, which is rarely if ever used.</p> <p>Shaw has discontinued distribution of analog broadcast. This necessitates equipment replacement with HD-capable distribution equipment in many areas of City Hall</p> <p>The old analog audio equipment that requires replacing has been heavily modified and maintained by a number of contractors over the last fifteen years. As a result, the conduits that carry the signal cables are now full and extensive re-cabling will be required.</p> <p>Council Chambers equipment was replaced in 2013 at a cost of \$377K. The remaining equipment needing replacement includes that in the Anderson Room, other public meeting rooms, and staff meeting rooms in City Hall tower.</p> <p>With a proper distribution network, Anderson Room, Council Chamber, and M2.004 could be used for "spillovers" during issues such as the Land Use Contract discussions.</p> <p>Anderson Room 2016: Acoustical upgrade, paging equipment & sound system, audio-visual upgrade, audio system upgrade \$80K</p> <p>Analog to digital CATV distribution system replacement \$25K</p>		
			


Program:	Equipment Program	Sub-program:	Computer Capital
Project Name:	Annual Computer Hardware Refresh	Submission ID:	4901
Location:	City Hall		
Cost:	\$408,919	OBI:	\$ -
Funding Sources:	Hardware Upgrade Provision: \$408,919		
Scope:	<p>The IT Department Annual Computer Hardware Refresh is an equipment program where corporate computer equipment is replaced on a fixed schedule; it also provides a marginal replacement inventory for unexpected equipment failures. This approach maintains business productivity, reduces maintenance costs and ensures corporate desktop computers are technically appropriate for the software applications used in its City business services and practices.</p> <p>The planned equipment list for the 2016 Annual Computer Hardware Evergreen includes:</p> <ul style="list-style-type: none">277 Desktops13 Workstations28 Laptops4 Laptops w/Docking station212 Monitors13 iPads3 Large Footprint Printers8 Small Footprint Printers		
			

Program:	Equipment Program	Sub-program:	Computer Capital/Software
Project Name:	Business Process Management Suite (BPMS)	Submission ID:	5725
Location:	City Hall		
Cost:	\$600,000	OBI:	\$55,000
Funding Sources:	Software Provision: \$600,000		
Scope:	<p>As part of the Digital Strategy, the City of Richmond is implementing technology that will enable the city to optimize and support processes across business units. This technology will enable customers to easily request services through a common web and/or mobile application interface.</p> <p>The process management system will interface to each of our lines of business systems using the digital nervous ecosystem and enable an integrated approach in how services are managed for our customers. Through the integration of business process and customer relationship management, our customers will have an easy and consistent view of their interactions with the City.</p> <p>Processes will be created, automated and optimized across business units for enhancing the customer experience.</p> <p>Through continued use of this system, business processes can be easily documented permitting ongoing best practice reviews which enables the City to prepare for rapid change and innovation.</p>		
			


Program:	Equipment Program	Sub-program:	Technology
Project Name:	Bylaws License Plate Recognition (LPR) System	Submission ID:	5695
Location:	City Hall		
Cost:	\$197,120	OBI:	(\$161,404.50)
Funding Sources:	Enterprise: \$197,120		
Scope:	<p>The License Plate Recognition (LPR) system is a multi-faceted solution providing an immediate increase in revenue for the City of Richmond (approximately \$261,920 annually) and a potential to reallocate resources to other needs in the City. This project will have a payback within 3 years. The LPR system moves the City to a licensed-enabled parking solution that seamlessly integrates with the City's new parking meters.</p> <p>Users enter their license plate number and time required at the meter. Data is communicated to a Parking enforcement vehicle equipped with an LPR camera and system. As the vehicle patrols streets and parking lots the camera reads license plates identifying license plates that are paid, have no permit or are unpaid. A citation is printed using a mobile printer in the LPR vehicle and the officer places the citation on the windshield of the vehicles in violation.</p> <p>This solution can use either a smart phone to issue parking tickets or handheld device similar to the one being used by staff today. They are linked to a portable thermal printer. Benefits are a significant decrease in the original purchase costs of handhelds, these devices are also cheaper to repair or replace.</p> <p>This system provides efficiencies, cost savings and improved customer service. Real-time information allows customers 24/7 access to handle parking business on-line. The ability to pay and appeal violations and purchase parking permits like the City tags and decals. Reports for statistical and audit purposes are available to save staff time and can be used to print evidence related to infractions. Other benefits include the importation of violation tickets, customer information and vehicle data, and interfaces with ICBC to obtain vehicle owner information, the Tempest system as well as the City's current collections agency.</p>		



Program:	Equipment Program	Sub-program:	Computer Capital/Software
Project Name:	Customer Relationship Management System (CRM)	Submission ID:	5723
Location:	City Hall		
Cost:	\$900,000	OBI:	\$100,000
Funding Sources:	Software Provision: \$900,000		
Scope:	<p>As part of the Digital Strategy, the City is implementing technology to enable a customer centric focus which includes Customer Relationship Management software, and a personalized Customer Web Portal.</p> <p>The vision is to provide software that will connect individuals, improve communication, and build relationships with the City's customers. The system acts as a single point of view to engage and manage customer expectations across various business units..</p> <p>The benefits of a CRM includes:</p> <ul style="list-style-type: none">- Citizens will have a single view of all their requests, case history and real time status on the City's website or mobile app.-Operational entities will set performance standards for use in responding to service requests. Actual performance will be measured and monitored.		



Program:	Equipment Program	Sub-program:	Technology
Project Name:	Developing Asset Models for Eng. & Public Works	Submission ID:	5726
Location:	City Wide		
Cost:	\$150,000	OBI:	\$ -
Funding Sources:	Computer Equipment: \$150,000		
Scope:	Public Works is proposing to engage an external consultant who can recommend and apply current financial and engineering standards and best practices as per the Canadian Municipal Data Model (CMDM) to our asset models (i.e. hierarchical structuring of Public Works and Facilities asset types). Deliverables include a project plan and budget to convert our assets and/or perform data collection and analysis. The project will also include planning for expanded use of the City's Geographical Information System.		



Program:	Equipment Program	Sub-program:	Computer Capital/Software
Project Name:	Log Management Implementation Payment Card Industry Compliance	Submission ID:	5731

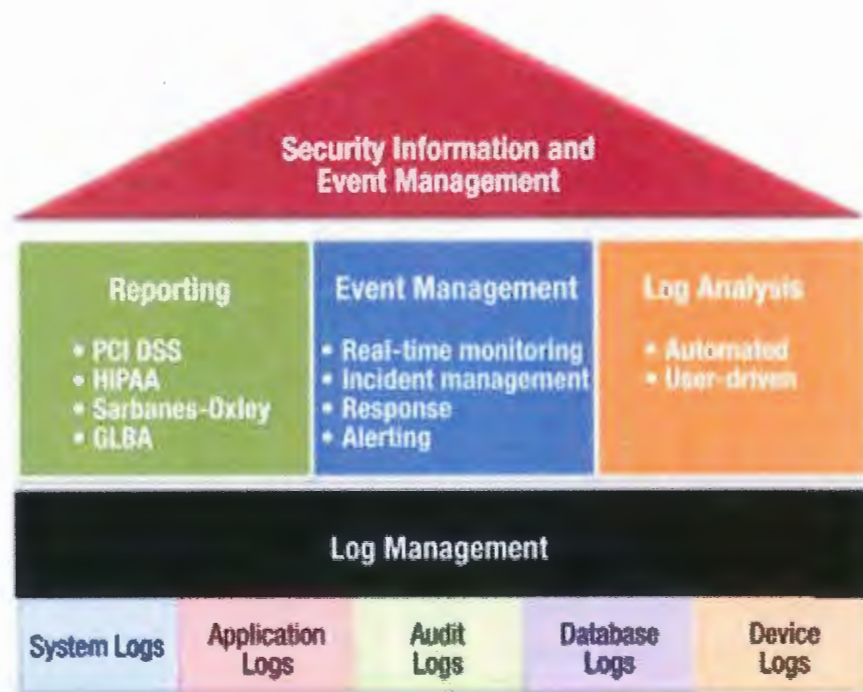
Location: City Hall

Cost: \$120,000

OBI: \$ -

Funding Sources: Other Equipment: \$120,000

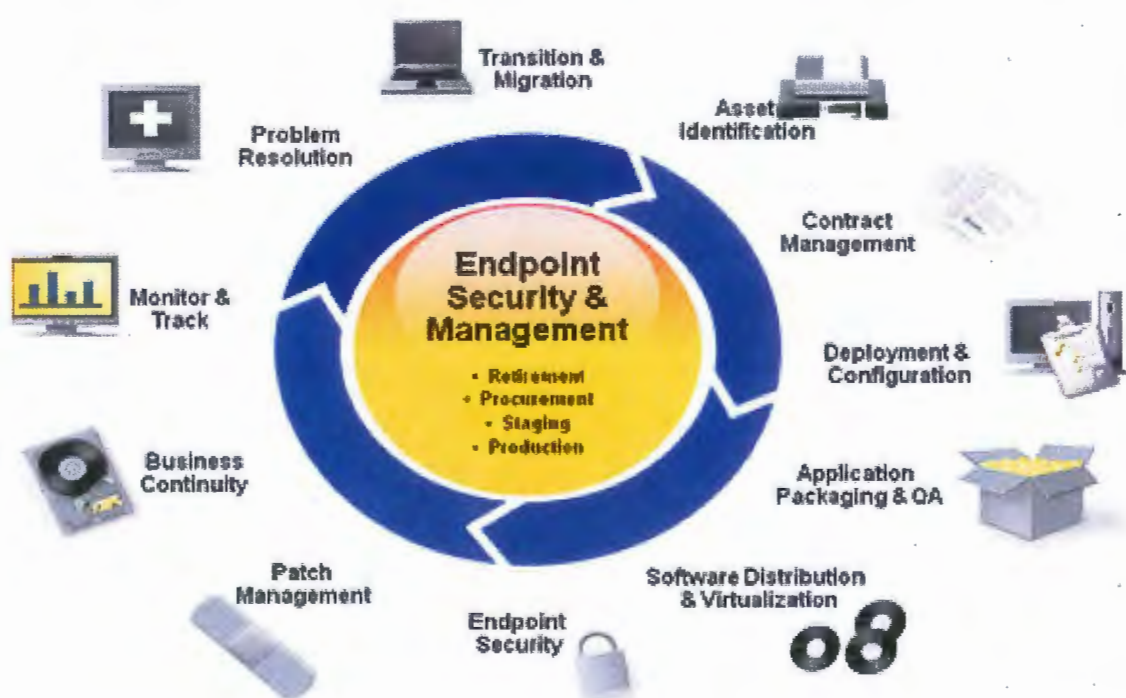
Scope: Payment Card Industry Data Security Standard (PCI DSS) is a set of information security standards to ensure that organizations that process, store or transmit credit card information are to maintain a secure environment. These standards were created to increase controls around cardholder data to reduce fraud and theft involving payment cards. As part of the compliancy process to meet these standards, the City is to implement an electronic log management system to proactively and centrally track system user activities which will enhance security, detect and minimize the impact of a data compromise.




Program:	Equipment Program		Sub-program:	Computer Capital/Software
Project Name:	PeopleSoft HR and Payroll System Upgrade & Workforce Management		Submission ID:	5724
Location:	City Hall			
Cost:	\$1,751,000		OBI:	\$82,000
Funding Sources:	Software Provision: \$951,000 Other: \$800,000			
Scope:	<p>The City is implementing technology to improve and streamline the management of its workforce. The vision is to provide software that will automate staff scheduling, time and labour entries, and generate statistics and analytics that will assist in better managing and improving operational efficiencies.</p> <p>Technology automation will include web-based portal for employee self service, automated time clocks for time entry, telephone access to schedule, automated confirmation of shifts configurations, and mobile app for schedule change requests and time entry.</p> <p>This project will be a 2-year undertaking. The funding request is for 2 years.</p> <p>The first year focused on upgrading the City's Human Resources and Payroll System (Peoplesoft Human Capital Management System).</p> <p>The second year will be the implementation of the Workforce Management System to a select number of business units.</p>			



Program:	Equipment Program	Sub-program:	Computer Capital/Software
Project Name:	Software Deployment Replacement Solution	Submission ID:	5730
Location:	City Hall		
Cost:	\$115,000	OBI:	(\$12,000.00)
Funding Sources:	Software Provision:	\$115,000	
Scope:	The IT Department requests funding to replace its obsolete software deployment tool, which has increasing support costs as the manufacturer has decided to no longer support this software. Replacing this tool with a newer technology will represent a decrease in the current operating costs (maintenance and support) for the existing tool of approximately \$12,000 per year. Newer technologies and capabilities will minimize the time and effort required to deploy and manage software on users' computers.		



Program:	Equipment Program	Sub-program:	Technology
Project Name:	WiFi Network Expansion Phase II	Submission ID:	5468
Location:	Firehall/Community Centres/Parks/Heritage Sites		
Cost:	\$204,500	OBI:	\$1,000
Funding Sources:	Hardware Provision: \$204,500		
Scope:	<p>As part of the Digital Strategy vision, this project will extend the City's public Wi-Fi network to indoor areas in the following civic buildings and adjacent outdoor areas.</p> <p>This service will allow the guests to obtain internet access on demand, and staff will have coverage for business purposes such as mobile card scanning, and telephone portability. Coverage would be extended to all publicly accessible areas in these buildings.</p> <ul style="list-style-type: none">• Richmond Ice Centre• Watermania• Cambie CC• Branscombe House• East Richmond Community Hall• Steveston JCC & Martial Arts Building• Hamilton CC• Lang CC		
			

Child Care Program 2016

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.

2016 Recommended Child Care Program

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Child Care Projects - City Wide	122
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Program:	Child Care Program	Sub-program:	Child Care Program
Project Name:	Child Care Projects - City Wide	Submission ID:	4888
Location:	Various		
Cost:	\$50,000	OBI:	\$ -
Funding Sources:	Child Care Development Reserve: \$50,000		
Scope:	To provide sufficient funding to administer the City's 2016 Child Care Capital Grants Program. These grants support non-profit child care operators with capital improvements to enhance their child care programs, e.g., minor renovations, outdoor playground upgrades, the purchase of equipment and furnishings.		
			

Internal Transfers/Debt Payment Program 2016

The internal transfers/debt program relates to the use of capital funding for repayment of capital funds borrowed from other internal sources of funding.

2016 Recommended Internal Transfers/Debt Payment Program

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General Parkland Acquisition Repayment.....	124
Nelson Road Interchange Repayment	125
River Rd/North Loop (2005) Repayment.....	126
Shovel - Ready Grant (2009) Repayment Lansdowne Rd Extension	127
Transfer of funding to Revolving Fund from Watermain Replacement Reserve.....	128
West Cambie Parkland Acquisition Repayment.....	129

Program:	Internal Transfers/Debt Payment	Sub-program:	Internal Transfers/Debt Payment
Project Name:	General Parkland Acquisition Repayment	Submission ID:	5752
Location:	Finance		
Cost:	\$1,992,825	OBI:	\$ -
Funding Sources:	Parks DCC: \$1,873,174 Parks City Assist: \$119,651		
Scope:	<p>The purpose of this submission is to repay the Capital Reserve - Industrial Use Fund for previous Parkland Acquisitions from Parkland Acquisition Developer Cost Charges (DCC's).</p> <p>The purpose of the Parkland Acquisition program is to acquire land for park requirements to address development and population growth. The program is based on the City's population projections as per the OCP with the objective of maintaining the parks provision standard of 7.66 acres/1000 population. The program is funded through Parkland Acquisition Developer Cost Charges (DCC's) and is guided by the Council approved 2009 Park Land Acquisition Strategy which provides the criteria for evaluating proposed acquisitions. Funding is required each year to allow the City to be strategic and responsive as properties become available thus avoiding the need to borrow the funding from other City sources or pass bylaws to release the funds for each acquisition.</p> <p>Acquisition of land as prioritized in the Council approved 2009 Park Land Acquisition strategy for the purposes of creating or completing parks and open spaces to meet the needs of the city's growing population. The funding is typically allocated to an acquisition or acquisitions by year end.</p>		

Program:	Internal Transfers/Debt Payment			Sub-program:	Internal Transfers/Debt Payment
Project Name:	Nelson Road Interchange Repayment			Submission ID:	5298
Location:	Finance				
Cost:	\$385,098			OBI:	\$ -
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 2016 payment of \$385,098 is the 3rd of eight equal payments.				
	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

Program:	Internal Transfers/Debt Payment			Sub-program:	Internal Transfers/Debt Payment
Project Name:	River Rd/North Loop (2005) Repayment			Submission ID:	2305
Location:	Finance				
Cost:	\$1,685,056			OBI:	\$ -
Funding Sources:	Roads DCC: \$1,685,056				
Scope:	A total of \$18.2M is to be repaid from Roads DCCs to Surplus over 18 years. The 2016 payment of \$1,685,056 is the 11th of 18 payments.				
	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	9,143,566	(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	(1,334,953)	171,618 1,163,334
	16	2021	3,488,258	(1,334,953)	130,902 1,204,051
	17	2022	2,023,601	(1,334,953)	88,760 1,246,193
	18	2023	507,681	(1,334,955)	45,143 1,289,812

Program:	Internal Transfers/Debt Payment			Sub-program:	Internal Transfers/Debt Payment	
Project Name:	Shovel - Ready Grant (2009) Repayment Lansdowne Rd Extension			Submission ID:	3781	
Location:	Finance					
Cost:	\$77,263			OBI:	\$ -	
Funding Sources:	Roads DCC: \$77,263					
Scope:	A total of \$626,666 is to be repaid from Roads DCC to the Watermain Replacement Reserve over 10 years.					
	The 2016 payment of \$77,263 is the 7th of 10 equal payments					
	The loan amortization schedule is:					
	Payment	Year	Balance	Payment	Interest	Principal
	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

Program:	Internal Transfers/Debt Payment	Sub-program:	Internal Transfers/Debt Payment
Project Name:	Transfer of funding to Revolving Fund from Watermain Replacement Reserve	Submission ID:	5758
Location:	Finance		
Cost:	\$6,000,000	OBI:	\$ -
Funding Sources:	Revolving Fund \$6,000,000		
Scope:	<p>The purpose of this submission is to change the funding source for previously approved capital projects related to the Alexandra District Energy Utility program.</p> <p>The Alexandra District Energy Utility assets will be transferred to the Lulu Island Energy Corporation in 2016. In preparation of this transfer, the project will be funded from the Revolving Fund with future repayments to be deposited back into the Revolving Fund.</p>		

Program:	Internal Transfers/Debt Payment		Sub-program:	Internal Transfers/Debt Payment
Project Name:	West Cambie Parkland Acquisition Repayment		Submission ID:	5753
Location:	Finance			
Cost:	\$1,600,000		OBI:	\$ -
Funding Sources:	Parks DCC: \$1,600,000 Parks City Assist: -			
Scope:	<p>West Cambie Parkland Acquisition DCC is repaying General Parkland Acquisition DCC for previous Parkland Acquisitions.</p> <p>The Parkland Acquisition program is to acquire land for park requirements to address development and population growth. The program is based on the City's population projections as per the OCP with the objective of maintaining the parks provision standard of 7.66 acres/1000 population. The program is funded through Parkland Acquisition Developer Cost Charges (DCC's) and is guided by the Council approved 2009 Park Land Acquisition Strategy which provides the criteria for evaluating proposed acquisitions. Funding is required each year to allow the City to be strategic and responsive as properties become available thus avoiding the need to borrow the funding from other City sources or pass bylaws to release the funds for each acquisition.</p> <p>Acquisition of land as prioritized in the Council approved 2009 Park Land Acquisition strategy for the purposes of creating or completing parks and open spaces to meet the needs of the city's growing population. The funding is typically allocated to an acquisition or acquisitions by year end.</p>			

Building Program Unfunded Projects 2016

Due to funding constraints and higher priority projects, the following building projects are not recommended for funding.

2016 Unfunded Building Program

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Interurban Tram Restoration..... 131

London Heritage Farm Outbuildings..... 132

Works Yard Survey Inspector System Renewals..... 133

Program:	Building Program	Sub-program:	Major Building
Project Name:	Interurban Tram Restoration	Submission ID:	5671

Location: Steveston Park

Cost: \$396,000

OBI: \$ -

Funding Sources: Capital Revolving: \$396,000

Scope: The BC Electric Railway Interurban Tram #1220, built in 1912, is the largest and most valuable artefact in the City's collection. The first phase of restoration, funded through the Steveston Road Ends account, will be completed by mid 2016 and includes extensive mould remediation, a hazardous materials assessment, an inventory of parts, review of best practices, and a draft restoration plan. Phase 2 is the final stage of restoration and will include exterior bodywork, roof repair, detailed electrical and mechanical assessment, stabilization and repair (if necessary) of all systems including the undercarriage and trucks as well as interior finishes and furnishings. Full restoration of this artefact ensures optimum preservation for future generations while delayed restoration will risk further deterioration. Phase 2 funding was approved for 2011 but was subsequently diverted in 2012 to the Tram building completion. The OBI was approved as part of the 2011 submission.



Program:	Building Program	Sub-program:	Major Building
Project Name:	London Heritage Farm Outbuildings	Submission ID:	5708

Location: London Heritage Farm

Cost: \$389,360

OBI: \$13,611

Funding Sources: Capital Revolving: \$389,360

Scope: Repair the out buildings (barn, toolsheds, chicken coop and bee house) at London Farm and provide ongoing maintenance. London Heritage Farm (LHF) is owned by the City and operated by the London Heritage Farm Society (LHFS). LHF, designated a Heritage Site in 1979, encompasses 4.06 acres of land including gardens, a heritage building, a caretaker's residence, public washrooms and various outbuildings. Over 15,000 visitors come to LHF each year and rentals for weddings, picnics and other private functions have increased.

As demands on the site grow, there has been a challenge meeting the maintenance requirements for the outbuildings, for which historically the LHFS had assumed responsibility. This includes but is not limited to tool sheds, a gazebo, barn, chicken and bee house. LHFS does not have the resources to maintain the site as many of the maintenance issues are beyond the skill set of their staff and volunteers and exceed their resources. This has resulted in outbuilding systems reaching the end of their life-cycle without the resources to fix or replace them. Subsequently, deteriorating buildings pose a risk to public health and safety and to the heritage site.

The objective of this request is to invest in LHF to improve the outbuildings and bring them up to current safety standards, and to provide ongoing support to maintain the buildings ensuring a safe environment for visitors and volunteers. This is an opportunity to provide support for LHFS so that they may focus their work on heritage interpretation and providing the community and tourists with a unique visitor experience of a valued City heritage asset.



Program:	Building Program	Sub-program:	Minor Building
Project Name:	Works Yard Survey Inspector System Renewals	Submission ID:	5502

Location: 5599 Lynas Lane

Cost: \$315,000

OBI: \$ -

Funding Sources: Capital Revolving: \$315,000

Scope: Replacement and renewal of outdated and obsolete mechanical, electrical, building envelope and finishes that have reached the end of their useful service life.

Mechanical to include water heater and exhaust system replacement.

Electrical to include lighting upgrades and security system replacement.

Envelope and finishes to include: exterior windows, door assemblies, roofing system, ceramic tiling, flooring and ceilings. Exterior painting will also be performed.

Miscellaneous upgrades as required as the work progresses.



Equipment Program Unfunded Projects 2016

Due to funding constraints and higher priority projects, the following equipment projects are not recommended for funding.


2016 Unfunded Equipment Program

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Emergency Supply Cabinets Project	135
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Meeting Room Evergreen & Media Distribution Network Phase I.....	137

Program:	Equipment Program	Sub-program:	Miscellaneous Equipment
Project Name:	Emergency Supply Cabinets Project	Submission ID:	5722

Location:	City Wide		
Cost:	\$125,000	OBI:	\$ -
Funding Sources:	Capital Revolving:	\$125,000	
Scope:	<p>This Capital Project is for the supply and installation of thirty cabinets of emergency supplies in City facilities for immediate short term response to emergencies. The cabinets are of sturdy steel construction containing emergency supplies for staff that are containerized for immediate deployment.</p> <p>Cabinets would be located:</p> <ol style="list-style-type: none">1. On each floor of City Hall2. On the occupied floors of the Annex3. In one of the Minoru complex buildings4. At the Richmond Olympic Oval5. In nine cabinets at the Works Yard for the staff based there6. Eight other locations around Richmond for staff working in those areas. <p>Cabinets would contain:</p> <ol style="list-style-type: none">1. Rescue and safety equipment such as hard hats, work gloves and safety goggles.2. Emergency supplies such as emergency blankets, radio, flashlights and whistles.3. Emergency food bars and drinking water.4. First aid kits to assist until advanced medical personnel arrive. <p>This project provides critical resources and supplies at the onset of an emergency or disaster for staff to respond to the incident and provide critical services to the community. The intent of this project is for short term immediate emergency response,.</p> <p>An additional Capital Project proposal has also been submitted for the supply and installation of sea containers and emergency supplies (Emergency Supplies Container / Disaster Staging Area project) located around the City. The intent of this project is for more robust supplies in sea containers to provide staff with a physical muster point, critical emergency supplies, food, water, portable sanitation stations and additional equipment and resources to provide for a sustained response by staff for larger emergencies or disasters such as an earthquake</p>		



Program:	Equipment Program	Sub-program:	Miscellaneous Equipment
Project Name:	Emergency Supplies Container Project	Submission ID:	5694

Location:	City Wide		
Cost:	\$515,400	OBI:	\$53,910
Funding Sources:	Capital Revolving: \$515,400		
Scope:	<p>This Capital Project is for the supply and installation of ten sea containers containing sufficient emergency supplies for a sustained long term response to major emergencies or disasters. Located strategically around the city, these will serve as:</p> <ol style="list-style-type: none">1. Dedicated physical muster points for staff out working around the City to gather and establish staff accountability2. Provision of emergency supplies including first aid, food, water, portable sanitation and rescue response equipment to support staff efforts post a disaster <p>The ten containers will require insulation, heating, cooling and lighting and would be located on City property at City centre, the Works Yard and eight other strategic locations around the City.</p> <p>During a large scale emergency or disaster, supply chain management may be impacted. These caches of emergency response supplies would bridge the time period between the onset of the emergency and the re-establishment of the supply chain.</p> <p>Staff emergency supplies would include items such as work gloves, flash lights, safety goggles, tarps, portable sanitation stations and first aid equipment. Emergency food and water solutions would be selected to have a longer term shelf life (5 years), meet nutritional requirements and be ready to eat with no additional resource requirements.</p> <p>This project provides critical resources and supplies at the onset of a major emergency or disaster for staff to respond and provide critical services to the community until supply chains can be re-established. The intent of this project is for the longer term sustained response by staff for larger emergencies or disasters such as an earthquake.</p> <p>An additional Capital Project proposal has also been submitted for the supply and installation of thirty emergency supplies cabinets located around the City. The intent of this project is for short term immediate emergency response.</p>		



Program:	Equipment Program	Sub-program:	Computer Capital
Project Name:	Meeting Room Evergreen & Media Distribution Network Phase I	Submission ID:	5759

Location: City Hall

Cost: \$337,200

OBI: \$ -

Funding Sources: Hardware Upgrade Provision: \$337.200

Scope: Public Meeting Rooms paging equipment & sound system

Public Meeting Rooms video distribution network

Fibre cabling for media distribution

Analog-to-digital cable TV system upgrade

Cat-6e or fibre cabling for digital TV

Public Meeting Rooms podium & presentation systems upgrade

Upgrade the video distribution network, include conferencing for council chambers to meeting rooms (cameras in each room)





City of Richmond

Report to Committee

To: Finance Committee

Date: November 26, 2015

From: Jerry Chong, CPA, CA
Director, Finance

File: 03-0970-01/2015-Vol
01

Re: 2016 Proposed Operating Budget



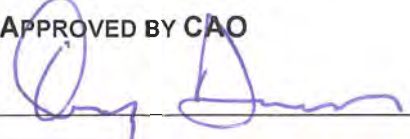
Staff Recommendation

That:

1. The 2016 Operating Budget presented in the staff report dated November 26, 2015 from the Director, Finance with a total tax increase of 2.06% be approved.
2. Ongoing additional levels in the amount of \$209,653 with a tax impact of 0.11% as presented in Attachment 9 of the report titled 2016 Proposed Operating Budget from the Director, Finance be approved.
3. A tax increase of 1.00% for infrastructure replacement needs as per Council's Long Term Financial Management Strategy, be approved.

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

Att. 11

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

Executive Summary

The most recent Vancouver CPI forecasts from the Conference Board of Canada are 2.3% for 2016. The Municipal Price Index (MPI) is estimated at 2.7%, which is higher as CPI forecasts do not include factors such as wages for a unionized public sector workforce and contract policing costs.

This 2016 Operating Budget report presents the same level of service base budget after new tax growth at \$2.2M, resulting in a 1.17% tax impact. It also includes external senior government increases that have been downloaded to the City such as DNA Analysis costs as a result of the recently announced change in an agreement between the Province and the Government of Canada. Operating Budget Impacts (OBI) include funding for new major facilities; 2016 is the first full year of operations for the City Centre Community Centre. It also includes OBI for the 2016 recommended Capital Program.

The recommended additional level expenditures includes sustainable funding for Media Lab staffing, Agrologist contractor funding to respond to increased soil issues and illegal dumping within the Agricultural Land Reserve, and increased funding for Community programs.

Budget Component	\$000's	Tax Impact (%)
Net Budget Increase	\$5,284	2.79%
Less: External Senior Government Increases	(803)	(0.42%)
Less: Estimated 2016 New Tax Growth	(2,276)	(1.20%)
Same Level of Service Increase	\$2,205	1.17%
External Senior Government Increases	803	0.42%
Capital OBI (Current year and phase-in of Major Facilities - year 3 of 7)	891	0.47%
Subtotal	\$3,899	2.06%
Additional Level Expenditures	210	0.11%
Proposed 2016 Operating Budget Increase	\$4,109	2.17%

The City's operations are predominantly focused on programs and services, therefore expenditures are primarily labour intensive (48%) and contracts (21%), which is largely due to the RCMP contract. The Operating Budget is primarily funded by property tax (69%). Community User Fees were increased by 2.2% where possible, in October 2015 through the Consolidated Fees Bylaw which comes into effect in 2016.

The uncommitted reserve funding available for Building Reserves, as at September 30, 2015, is \$31.4M. Phase 1 of the major facilities replacement plan was \$124.1M. Phase 2 estimates are expected to be finalized in the Spring of 2016. The additional 1% increase in transfer to reserves would be deposited into the Capital Building and Infrastructure reserve.

Additional 1% Transfer to Reserves	\$1,898	1.00%
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The proposed 2016 budget is in compliance with Council policies as the same level of service increase of 1.17% is lower than forecasted CPI target of 2.3%. It is also in compliance with the Long Term Financial Management Strategy (LTFMS) as it proposes a 1% increase for infrastructure replacement.

Staff Report

Origin

Subsection 165(1) of the Community Charter requires the City to adopt a 5-Year Financial Plan (5YFP) Bylaw on or before May 15th of each year. The 2016 Operating Budget 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 2016 Operating Budget ("Budget") applies the principles of Council's Long Term Financial Management Strategy (LTFMS) (Policy 3707) (Attachment 1), 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."*

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

- 7.1. Relevant and effective budget processes and policies.*
- 7.2. Well-informed and sustainable financial decision making.*
- 7.3. Transparent financial decisions that are appropriately communicated to the public.*

Council's 2014-2018 Term Goals are summarized in Attachment 1.

At the Finance Committee meeting held on July 6, 2015, the following recommendation was approved:

That the service levels as presented in Attachment 2 of the staff report titled "2016-2020 Budget Process" dated June 15, 2015 from the Director, Finance be approved as the base for the 2016 budget.

The types of programs and services delivered by each division have been categorized as Core, Traditional or Discretionary as presented in Attachment 2.

Analysis

Budget Process

The proposed 2016 budget presents a same level of service budget, with only non-discretionary increases that can be clearly identified and supported. Enhanced or new levels of service are identified separately as ongoing additional expenditure requests by the respective divisions for Council's consideration. Refer to Attachment 3 for the 2016 Budget Cycle.

Staff will revise the proposed 2016 budget as directed by Council and prepare the 5YFP for presentation in February 2016. A public consultation will follow and will include the roll-out of a new online interactive tool.

Environmental Scan

Economic Outlook

Richmond housing starts have maintained a steady 11% proportion of Metro Vancouver starts since 2009, with this indicator growing to 12% in the last three years. The construction value of Richmond's total building permits issued year to date is \$877 million, which has broken the all-time record set in 2010 of \$812 million.

Refer to Attachment 4 for further information on the Economic Outlook.

Taxation

Richmond has the 5th lowest property taxes out of 21 municipalities in Metro Vancouver at \$1,520 for an average residential property assessed at \$695,132. This is based on the municipal portion only that City Council has control over, which is approximately half of the property tax billing. The rest pertains to Translink, School Board, Metro Vancouver and Municipal Finance Authority. Within the comparator group (i.e. top five municipalities based on population), Richmond continues to have the 2nd lowest municipal tax for the average residential assessment. Refer to Attachment 5 for a comparison of all Metro Vancouver municipalities.

Richmond is ranked 8th out of the 21 Metro Vancouver municipalities with regards to the business to residential tax ratio position of 3.17 amongst the Metro Vancouver municipalities. In other words, if a property was assessed at \$1000, the business property owner paid \$3.17 while the residential owner paid \$1.00. Richmond remains 2nd lowest in business to residential tax ratio when compared to its comparator group.

Overall, Richmond residential properties are highly sought after. When comparing with our comparator group, a single family detached home in Richmond has an average 2015 assessed value of \$1.01M, second to Vancouver with an average assessed value of \$1.53M. Richmond property values are consistently high and property taxes low; therefore, Richmond residential properties are better investments.

Long Term Financial Management Strategy (LTFMS)

On March 23, 2015 Council approved a new Casino funding allocation model which takes effect starting with the 2016 budget. Policy 3707 item 2 was amended as follows:

Gaming revenues are designated for the capital reserves, the major capital community facility replacement program, the grants program, the Council initiatives account, and towards the cost of policing relating to gaming activities.

Table 1 summarizes the allocation of gaming revenue in comparison to the 2015 allocation.

Table 1 – Casino Funding Allocation

Casino Funding	2016 % Allocation	2016 Budget (in \$000s)	2015 Budget (comparative in \$000s)
Capital Reserve (Revolving and Industrial Use)	30%	\$5,430	\$8,439
Grants	15%	2,715	771
Council Community Initiatives Account	2%	362	-
Debt Servicing (\$50M to be repaid over 10 years)	28%*	5,000	5,000
Operating (4 RCMP Officers)	4%**	657	642
Capital Building Infrastructure Reserve (remainder)	21%***	3,936	3,177
Total	100%	\$18,100	\$18,029

* Percentage allocation may vary as the dollar amount is fixed.

** Percentage allocation may vary as it is based on contract increases.

***Percentage allocation may vary from as this is the remaining balance after all other allocations.

Debt servicing relates to the \$50M debt to fund the Major Facilities Phase 1 which will be repaid over a 10 year term (2015 through 2024).

Grants funded by gaming revenue include:

- Gateway Theatre contribution
- Health, Social and Safety grants
- Arts, Culture and Heritage grants
- Parks and Recreation grants
- Richmond Centre for Disability contribution
- Richmond Therapeutic Equestrian Society contribution
- Various Youth Grants

The Council Community Initiatives Account provides funding for one-time expenditures that address social, environmental, recreation and sports, heritage, arts and culture, safety and security, or infrastructure needs.

Refer to Attachment 6 for a full analysis of the LTFMS.

Financial Position

Vulnerability – In 2014, Senior Government level transfers amount to only 5.9% of total revenue. Gaming revenue is the predominant source as the City receives 10% of River Rock's net gaming revenues from the Province. Only a small portion of gaming revenue is used in the operating budget for policing and grants, therefore the City's vulnerability to potential fluctuations in this amount is minimized.

Sustainability – In 2014, Richmond's Financial assets (cash, investments, receivables, etc.) to liabilities ratio is 2.8 to 1.0 which indicates ability to cover existing liabilities. While this is a strong current position, long term planning is required in order to fund future infrastructure replacement costs. Options are to build up reserve balances, or to fund with external borrowing

should interest rates remain low. There is also the option to delay replacement of ageing infrastructure; however, this could result in repair/refurbishment costs that exceed the life cycle cost of replacing the ageing assets.

Flexibility – Table 2 shows the 2014 Net Book Value of Capital Assets to Cost is 68.5% (57.7% excluding land) which indicates that the City's assets are ageing and there is a need to plan for future replacement or higher maintenance costs.

Table 2 – Net Book Value to Cost (in \$millions)

2014 Tangible Capital Assets	NBV	Cost	Ratio
Land	\$724	\$724	100.0%
Tangible Capital Assets (Excluding Land)	1,223	2,120	57.7%
Total Tangible Capital Assets	\$1,947	\$2,844	68.5%

Uncommitted Reserve Balances

As at September 2015, the City has \$226.1M in uncommitted reserves as shown in Table 3; however, many of these balances are designated for specific purposes.

Table 3 – Uncommitted Reserve Balances (in \$millions)

Statutory Reserve Funds	Balance at September 30, 2015 (in millions)
Building Reserves	\$31.4
General Reserve	43.0
Utility Reserves	81.5
Other specific purpose reserves	70.2
Total Uncommitted Reserve Balance	\$226.1

The uncommitted funding available in Building Reserves (Capital Building and Infrastructure and Leisure Facilities Reserves) is \$31.4M. Phase 1 of the Major Facilities Replacement Plan was \$124.1M. Phase 2 estimates are expected to be finalized in the Spring of 2016.

The General Reserve (i.e. Revolving Fund) is used to fund various programs across the City including street lights, playgrounds, minor building projects and it is also the funding source for the required City Assist Factor for Roads and Parks Development and Acquisition projects funded by Development Cost Charges.

Development Cost Charges provide funding for Roads, Parks and Utility Infrastructure; however, this funding is prohibited for community facilities, fire halls and other civic buildings, which are the most visible assets provided to citizens. Therefore the City must plan to invest in building infrastructure to provide for the needs of the growing community.

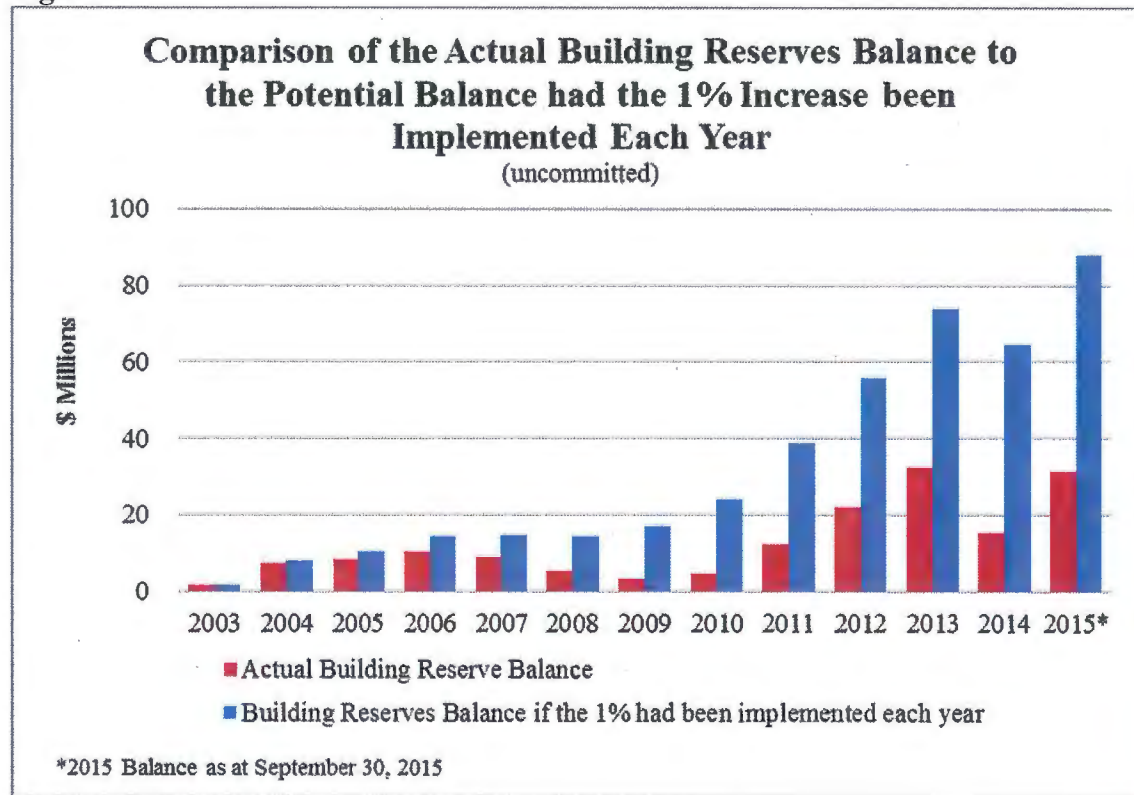
In 2003, after years in which tax rates and transfer to reserves were not increased, Council recognized the need to maintain predictable and consistent tax increases while also addressing

the declining reserve balances by adopting the LTFMS. The 1% transfer to reserve coincided with Council's decision to replace the City's ageing Community Safety facilities. Attachment 6 shows that in the 13 years since the policy was adopted, the policy has not been consistently applied as no increase to transfers was made in 6 of the 13 years. In 2008-2011 the policy was waived due to interest earned on the Community Legacy and Land Replacement Reserve Fund.

Figure 1 illustrates what the balance in the Building Reserves would be if the policy were adhered to since inception. The Building Reserves balance would be \$88.0M compared to the \$31.4M uncommitted balance shown in Table 3, a difference of \$56.6M.

From an annual perspective, in 2015 \$8.7M from the 1% contributions was deposited into the Building Reserves. If the policy were followed since inception, a total of \$18.1M would have been deposited in 2015 and the City could be reaching a sustainable level of funding that could permit the discontinuance of the 1% increases.

Figure 1



Budget Challenges

In addition to the already complex nature of municipal operations, which includes operation of fire halls, maintenance of roads, watermains, pump stations, storm and sanitary sewers, traffic lights, parks, arenas, pools, libraries and community centres, Richmond has additional complexities with the dyking system that is unique to our island city.

Funding is required for construction of the Phase 2 Major Facilities plan as well as the tax impact from the associated OBI.

Based on recent information received, there is a need for increased officers for Richmond, regardless of the policing model that is chosen going forward (RCMP or Independent Municipal Police Force).

In addition, downloading of services previously provided by senior levels of government such as affordable housing and child care has left the municipality to meet the needs of the community.

To address some of these challenges, the City undergoes a continuous review of its programs and services in order to identify further service improvements and cost reductions. Staff continually look for efficiencies and innovative ways to deliver services that would streamline business processes, contain costs and leverage the increased use of technology.

Organization Profile

The City's six corporate divisions include:

- Law and Community Safety
- Community Services
- Engineering and Public Works
- Finance and Corporate Services
- Corporate Administration
- Planning and Development

Refer to Attachment 7 for the Municipal Breakdown of \$1.

Operating Budget

Table 4 presents the same level of service budget before OBI and ongoing additional levels of service, before new tax growth. Attachment 8 includes further details on each Division's same level of service budget.

Table 4 – Same Level of Service Base Budget (in \$000s)

Division	2015 Adjusted Net Budget	2016 Proposed Net Budget	Amount Change	Percent Change
Law and Community Safety	\$78,366	\$80,340	\$1,974	2.52%
Community Services	37,462	38,052	590	1.57%
Library	8,541	8,794	253	2.96%
Total Community Services	46,003	46,846	843	1.83%
Engineering and Public Works	33,717	34,672	955	2.83%
Finance and Corporate Services	18,445	18,812	367	1.99%
Corporate Administration	8,120	8,312	192	2.38%
Planning and Development	6,572	6,589	17	0.25%
Fiscal	(\$191,223)	(\$190,287)	\$936	(0.49%)
Net Increase	-	\$5,284	\$5,284	

As shown in the All Divisions summary in Attachment 8, the City's operating expenses are mainly comprised of labour related to delivering programs and services (48%) and contracts (21%), which is largely due to the RCMP contract.

The operating budget is primarily funded by property tax (69%). Community User Fees were increased by forecasted CPI of 2.2%, where possible through the Consolidated Fees Bylaw in October 2015.

Key Financial Drivers

Preliminary Vancouver CPI forecasts from the Conference Board of Canada were estimated at 2.2% for 2016. Based on most recently issued forecasts, this has increased to 2.3%. In comparison, the Municipal Price Index is estimated at 2.7%.

Table 5 – 2016 Key Financial Drivers

Key Financial Drivers	Amount (in 000's)	Increase Proportion
Total Salary Increase ¹	\$3,469	65.6%
RCMP Contract Increase ²	914	17.3%
External Senior Government Related Increases	803	15.2%
2015 OBI Year 2 of 2	256	4.8%
Other Increases	520	9.9%
Increased revenue	(1,286)	(24.3%)
Decrease in investment income	388	7.3%
Decrease in Rate Stabilization	220	4.2%
Net Budget Increase	\$5,284	100.0%

Sources:

¹ CUPE 718 and 394 collective agreements; RFFA, Local 1286 agreement² RCMP E Division

Based on the key financial indicators shown in Table 5 \$5.3M is required to fund the increasing costs of maintaining current programs and services.

Salaries are the largest non-discretionary increase to the City. CUPE 718 and 394 collective agreements are currently under negotiation. The Richmond Firefighters Association collective agreement is also under negotiation. The 2016 Base budget includes a preliminary estimate for salaries; however this may need to be adjusted depending on the outcome of the negotiations.

External Senior Government Related Increases

Council Policy 3707 item 2 states:

“Any additional costs imposed on the City as a result of mandatory senior government policy changes should be identified and added to that particular year’s taxes above and beyond the CPI and infrastructure percentage contribution.”

Table 6 summarizes the items included in the 2016 budget increase that are mandated by the following senior government legislation:

- *Police Act (Federal)*
- *Utilities Commission Act (Provincial)*
- *Medicare Protection Act (Provincial)*
- *Emergency Communications Corporations Act (Provincial)*
- *Employment Insurance Act (Federal)*
- *Canada Pension Plan Act (Federal)*

In accordance with Council policy, these items are identified and included in the tax increase above and beyond the CPI target.

Table 6 – External Senior Government Related Increases (in \$000s)

External Senior Government Increases	Amount
BC Hydro Rate Increase	\$201
E-Comm 9-1-1	144
Integrated Teams and Real Time Intelligence Centre	132
DNA Analysis Services	116
Employment Insurance Premiums	100
Medical Services Premium Increase	60
Canada Pension Plan Premiums	50
Total	\$803

Tax Growth

New tax growth is 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.

New tax growth for 2016 is estimated at \$2.28M.

Additional Levels of Services*2016 OBI Related to 2016 Capital Budget*

The total OBI from the 2016 recommended Capital program is \$544,647. Table 7 presents the 2016 OBI by Capital program. Of this amount \$137,425 is associated with utility projects and will be included in future utility budgets. The operating budget impact is \$407,222. 2016 OBI will be phased in over two years.

Table 7 – Recommended 2016 Funding and OBI by Program (in \$ '000s)

Program	Amount	OBI
Infrastructure	\$43,751	\$359
Land	21,200	0
Parks	15,140	108
Internal Transfers/Debt Payment	11,740	0
Equipment	8,122	65
Building	2,079	0
Public Art	1,120	13
Affordable Housing	930	0
Child Care	50	0
Total 2016 Capital Funding & OBI	\$104,132	\$545
Less: Utility Budget Impact		137
2016 OBI - to be phased in over two years		\$407

Previously Approved OBI for Major Facilities

The total OBI from the 2014 Capital program was estimated at \$3.95 million, which included funding for major facilities including the City Centre Community Centre and the new Minoru Complex (Aquatics and Older Adults Centre). This OBI is being phased in with increments of \$600,000 to align with the timing of services provided. \$600,000 has been included in Table 8 to fund various operating costs of previously approved capital.

2016 is the first full year of operations for the City Centre Community Centre. The service levels were approved by Council on July 28, 2014 which includes the addition of six Regular Full-Time positions including two Community Facility Coordinators, a Recreation Leader, a Recreation Facility Clerk and two Building Service Workers.

Fire Hall 3 is currently under construction and based on changes in scope from the time the original project was planned in 2009, the estimated operating cost has been finalized. The additional OBI required is \$108,404, which will be phased in over two years (\$54,202 per year) to align with the timing of expected completion.

Total OBI related to previously approved major facility projects is \$654,202.

OBI of Previously Approved Developer Contributed Assets

The following developer contributed assets that were previously approved by Council as part of rezoning approvals will be placed in service in 2016 and will require funding for ongoing operation and maintenance.

➤ Kawaki Park OBI - South Dyke: \$32,750

To cover the ongoing operation costs for the developer constructed new waterfront park. The park is being constructed by ORIS development. In 2012, Oris Development (Kawaki) Corp. (the Applicant) applied to the City for an OCP Amendment to the London/Princess sub-Area Plan.

The total OBI related to these developer contributed assets is \$32,750.

Table 8 summarizes the total Capital OBI for 2016 which is \$890,563.

Table 8 – Capital OBI Summary (in \$000s)

Capital OBI	Amount
Previously Approved OBI Major Facilities Year 3 of 7 (See Page 12 for explanation)	\$654
2016 OBI Year 1 of 2 (50% of \$407k) (See Pages 11-12 for explanation)	204
2016 OBI of Previously Approved Developer Contributed Assets	33
Total	\$891

Additional Level Expenditure Requests

The additional expenditure requests represent an increase to programs or levels of service and are usually funded through increases to the tax rate. Attachment 9 shows the list of recommended additional expenditure requests submitted by staff. For 2016, a total of \$209,653 is recommended by SMT.

The recommendation includes sustainable funding for Media Lab staffing, Agrologist contractor funding to respond to increased soil issues and illegal dumping within the Agricultural Land Reserve, and increased funding for Community arts, culture and heritage programs.

Ongoing additional levels with pending status (Attachment 10) relates to policing costs. Regardless of the policing model chosen, based on recent information, additional officers are required. The RCMP has requested 17 new officers which would be deployed within one year of formalizing a request. In addition, the RCMP has requested 4 additional Municipal Employees to support the detachment.

On average, the cost of an additional officer is \$170,000 or a 0.09% tax impact. Table 9 presents the RCMP request in multiple lines for illustration purposes that the City has discretion over the number of new officers to approve. For example, if 9 new officers are approved, an additional \$1.5M of funding would be required, which would result in a tax impact of 0.80%.

Should the Committee choose to approve additional officers, there is an option to include the resulting expenditure in the 2016 Budget; alternatively, since it may take up to one year to deploy new officers, the Committee may approve the request now to be included as an increase to the level of service in the 2017 Budget with resulting tax impacts.

Table 9 –Summary of Additional Level Expenditure Requests (in \$000s)

Additional Level Expenditure Requests			\$000's	Tax Impact (%)
Recommended (Attachment 9)			210	0.11%
9 RCMP Officers	1,515	0.80%		
8 RCMP Officers	1,361	0.72%		
4 Municipal Employees to support RCMP	344	0.18%		
Pending (Attachment 10)			3,220	1.70%
Not Recommended (Attachment 11)			1,470	0.77%
Total Additional Level Expenditures			\$4,900	2.58%

Additional level requests that are not recommended are included in Attachment 11.

The Finance Committee has the discretion to change the recommendation for funding any of the additional level requests with resulting tax impacts.

Financial Impact

Staff recommend the proposed 2016 Operating Budget with a tax impact of 2.17% as summarized in Table 10.

Table 10 – 2016 Proposed Tax Increase (in \$000s)

Budget Component	Amount	Running Total	Tax Impact	Cumulative Tax Impact
Net Budget Increase		\$5,284		2.79%
Less: External Senior Government Increases	(803)		(0.42%)	
Less: Estimated 2016 New Tax Growth	(2,276)		(1.20%)	
Same Level of Service Increase, after Growth		\$2,205		1.17%
External Senior Government Increases	803		0.42%	
Capital Operating Budget Impacts	891		0.47%	
Subtotal		\$3,899		2.06%
Additional Level Expenditures	210		0.11%	
Proposed 2016 Operating Budget Increase		\$4,109		2.17%
Additional 1% Increase Transfer to Reserve		\$1,898		1.00%

An additional 1% increase for major capital community facility replacement is also recommended.

Conclusion

Staff will prepare the 5-Year Financial Plan (2016-2020) in accordance with Council's approval of the 2016 Operating Budget.



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MS:gjn

- Att. 1: Council Term Goals (2014-2018)
2: Types of Programs and Services
3: 2016 Budget Cycle
4: Economic Outlook
5: 2015 Average Property Tax per Dwelling
6: Long-Term Financial Management Strategy
7: Municipal Tax Dollar
8: Same Level of Service Budget Details
9: Ongoing Expenditure Requests – RECOMMENDED
10: Ongoing Expenditure Requests – PENDING
11: Ongoing Expenditure Requests – NOT RECOMMENDED

2016 Proposed Operating Budgets

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1. Council Term Goals (2014 – 2018)

1. A Safe Community

Maintain emphasis on community safety to ensure Richmond continues to be a safe community.

2. A Vibrant, Active, and Connected City

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

3. A Well-Planned Community

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

4. Leadership in Sustainability

Continue advancement of the City's sustainability framework and initiatives to improve the short and long term livability of our City, and that maintain Richmond's position as a leader in sustainable programs, practices and innovations.

5. Partnerships and Collaboration

Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.

6. Quality Infrastructure Networks

Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with aging systems, population growth, and environmental impact.

7. Strong Financial Stewardship

Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.

8. Supportive Economic Development Environment

Review, develop and implement plans, policies, programs and practices to increase business and visitor appeal and promote local economic growth and resiliency.

9. Well-Informed Citizenry

Continue to develop and provide programs and services that ensure the Richmond community is well-informed and engaged on City business and decision making.

2. Types of Programs and Services

Division	Department/Sections/Work Units			
		Core	Traditional	Discretionary
CAO's Office (9)	CAO's Office			
	• Corporate Administration	√	√	
	• Administrative Support Services (including the Mayor's Office & Councillors' Office)		√	√
	• Intergovernmental Relations & Protocol Unit			√
	• Corporate Programs Management Group			√
	• Corporate Communications		√	
	• Corporate Planning		√	
	Deputy CAO Administration		√	√
	Human Resources			
	• Training & Development		√	
	• Employee & Labour Relations; Compensation, Job Evaluation & Recognition; Workplace Health, Safety & Wellness	√	√	
Community Services (20)	Parks			
	• Parks Operations (includes Asset Management, Construction & Maintenance, Turf Management, Horticulture, Urban Forestry)		√	√
	• Parks Programs (includes Nature Park)		√	
	• Britannia			√
	• Parks Planning & Design		√	√
	Recreation & Sport			
	• Community Services Admin.		√	√
	• Community Recreation Services (includes community centres)		√	√
	• Aquatic, Arena & Fitness Services		√	√
	• Sport & Event Services (includes volunteer management)			√

Division	Department/Sections/Work Units			
		Core	Traditional	Discretionary
	• Planning & Project Services			√
	Arts, Culture & Heritage Services			
	• Arts Services (includes Art Gallery, Art Centre, Cultural Centre)			√
	• Heritage Services			√
	• Richmond Museum			√
	• Gateway Theatre (liaison)			√
	• Richmond Public Library (liaison)		√	√
	Community Social Development			
	• Social Planning			√
	• Affordable Housing			√
	• Diversity & Cultural Service			√
	• Child Care Services			√
	• Youth Services			√
	• Senior Services			√
Engineering & Public Works (12)	Engineering			
	• Engineering – Admin	√	√	
	• Engineering – Planning	√	√	
	• Engineering – Design & Construction	√	√	
	• Facility Services		√	
	• Capital Building Project Development			√
	• Sustainability (includes district energy, corporate energy, environmental sustainability)			√
	Public Works			
	• Public Works Administration		√	√

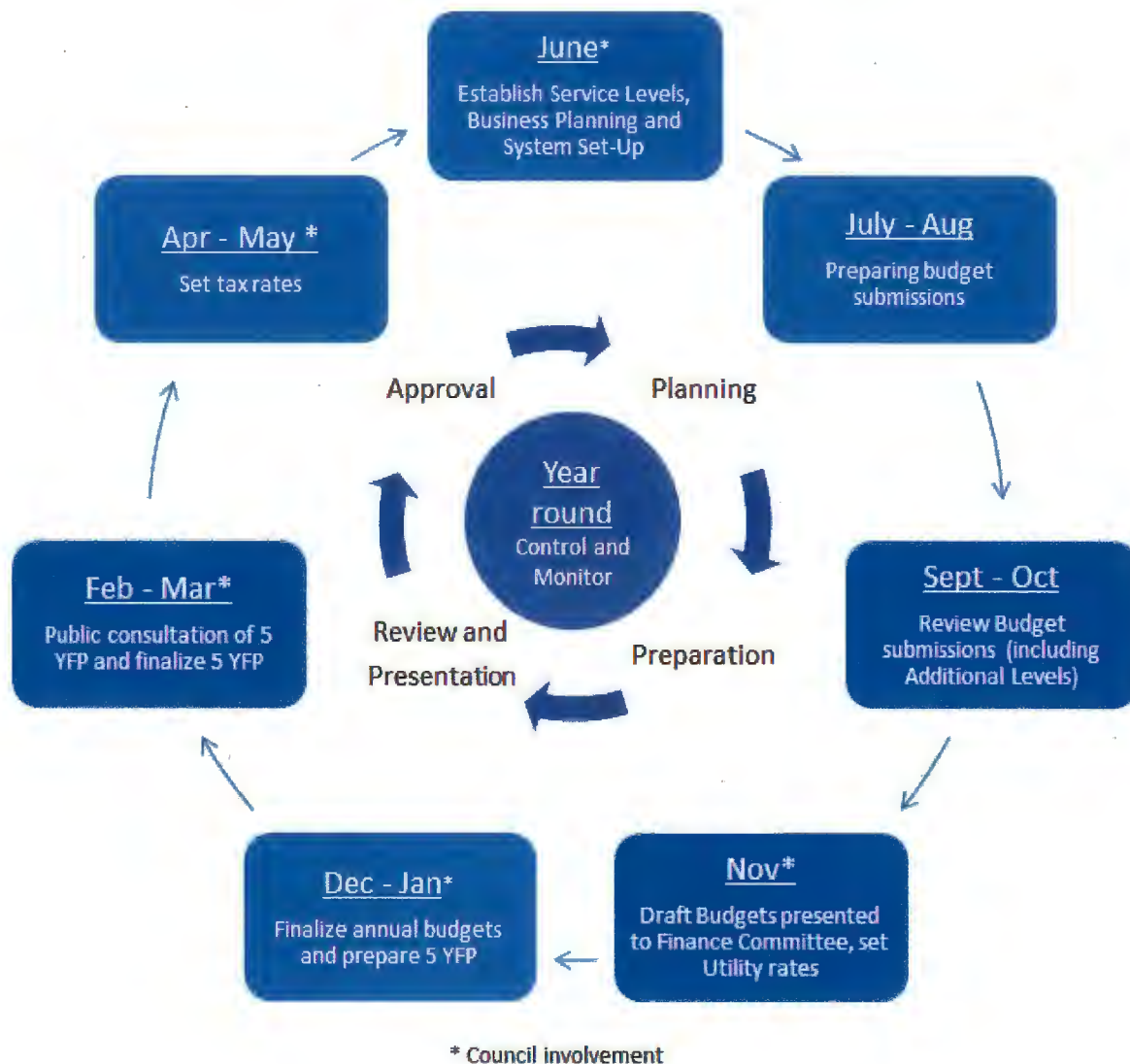
Division	Department/Sections/Work Units			
		Core	Traditional	Discretionary
	• Fleet Operations & Environmental Programs		√	√
	• Roads & Construction Services	√	√	
	• Drainage	√	√	
	• Sewerage	√	√	
	• Water Services	√	√	
Finance & Corporate Services (26)	Finance			
	• Finance – Admin	√	√	
	• Finance Systems		√	√
	• Financial Reporting	√	√	√
	• Financial Planning & Analysis	√	√	√
	• Revenue/Taxation	√	√	√
	• Purchasing and Stores		√	√
	• Treasury & Financial Services	√	√	√
	• Payroll		√	√
	Information Technology			
	• IT Administration		√	√
	• Business & Enterprise Systems		√	√
	• Innovation			√
	• Infrastructure Services		√	√
	• GIS & Database Services		√	√
	• Customer Service Delivery		√	√
	City Clerk's Office			
	• Operations/Legislative Services	√	√	

Division	Department/Sections/Work Units			
		Core	Traditional	Discretionary
	• Records & Information	√	√	
	• Richmond Archives		√	√
	Administration & Compliance			
	• Business Advisory Services		√	√
	• Business Licenses		√	√
	• Risk Management			√
	• Economic Development			√
	• Corporate Partnerships			√
	• Customer Service		√	√
	• Corporate Compliance			√
	• Performance			√
	Real Estate Services			√
Law & Community Safety (9)	RCMP			
	• Administration (includes Telecommunications, Records, Crime Prevention, Information Technology, Victim Assistance, Finance, Risk Management, Court Liaison)	√	√	√
	Fire-Rescue			
	• Administration	√	√	√
	• Operations	√	√	√
	• Fire Prevention	√	√	√
	• Training & Education	√	√	√
	Community Bylaws		√	√
	Emergency Programs	√	√	√
	Legal Services		√	√

Division	Department/Sections/Work Units			
		Core	Traditional	Discretionary
	Law & Community Safety Administration		√	√
Planning & Development (11)				
	Planning and Development – Admin	√	√	
	Transportation			
	• Transportation Planning	√	√	
	• Traffic Operations		√	
	• Traffic Signal Systems		√	
	Building Approvals			
	• Plan Review	√	√	
	• Building, Plumbing & Gas Inspections	√	√	
	• Tree Preservation		√	√
	Development Applications			
	• Production Centre			√
	• Developments	√	√	√
	• Major Projects			√
	Policy Planning	√	√	
Total = 87		28	61	63

3. 2016 Budget Cycle

2016 Budget Cycle



4. Economic Outlook

Businesses contribute nearly half of the City's property tax revenues and a healthy local economy can afford families and individuals exceptional levels of municipal services. Richmond is an open economy, subject to constantly changing global, regional and local economic trends. As part of its budget planning process, the City examines the current economic context and available forecasts to reduce exposure to short-term risks and advance long-term financial sustainability.

(Note: unless explicitly referenced in the footnotes, the data source used in the commentary below is the Conference Board of Canada report titled "Metropolitan Outlook Spring 2015" and providing forecasts to 2019.)

Macroeconomic Trends

With Richmond's advantageous location for global trade, market conditions in the world's major economies have a vast impact on the local economy. Downside risks continue to dominate the world economic outlook. Global GDP growth will slow down from 3.4% in 2014 to 3.1% in 2015¹, and grow by an average of 3.3% to 2019². The growth of world trade volumes has remained stagnant at around 3%³, with the negative trade impact of slowing Chinese growth outweighing the positive trade impact of the current US economic revival. Strong job growth, rising income and pent-up consumer demand are sustaining the signs of upward momentum in the US economy. Also, in an attempt to boost its slowing national economy, the Chinese Central Bank devalued the renminbi by 1.9% in August – its biggest one-day drop in 20 years. Yet, the forecast remains on the downside, with increasing concerns related to ongoing weakness in global commodity prices, a strong US dollar and pending normalization of short-term and long-term interest rates.

Canada has been vastly impacted by three key economic changes over the last 12 months and these changes will continue to influence the economic forecasts for the next two years. The price of crude oil has dropped in half and will remain low for the forecasting period. The US dollar has appreciated against all major currencies, with the Canadian dollar currently at 0.77 US dollars and expected to remain low in the next two years. In 2015, the Bank of Canada halved its overnight rate for the first time in over three years, with the rate currently at 0.5% and expected to hold at that level through 2016³.

The Canadian economy continues to contract as a result of depressed commodity prices and the national growth forecast has been further downgraded to 1% in 2015 and 1.7% in 2016¹. The national economy is expected to stabilize at 2.1% growth in the longer term to 2019. Nationwide housing activity is expected to cool off and low wage growth and high levels of household debt will hold back consumer spending. Business investment will remain weak with further reductions in capital investment and job losses in the oil sector. The \$1.9 billion federal surplus posted in fiscal 2015 is likely to be erased due to softening revenues anticipated for fiscal 2016. Furthermore, previously committed federal funding for infrastructure projects (such as the Build Canada Fund) could have become uncertain under a new Federal government. Under the new

¹ International Monetary Fund World Economic Outlook Update (October 2015)

² Conference Board of Canada Global Economic Outlook (February 2015)

³ Scotiabank Global Forecast Update (September 30, 2015)

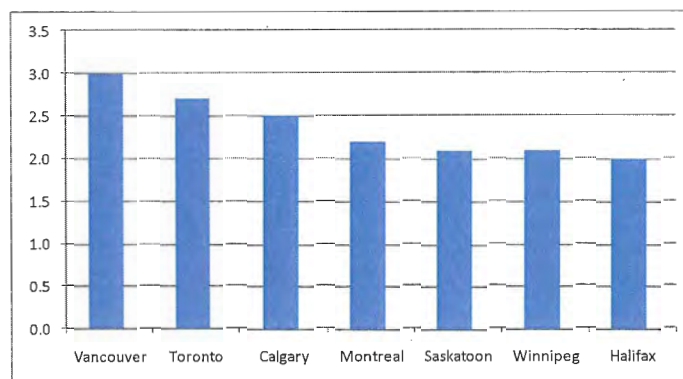
Liberal government, new infrastructure spending may become available to municipalities across Canada, in place of or in addition to prior infrastructure programs.

With a weaker Canadian dollar, trade is the only sector of the Canadian economy that is expected to register growth, continuing redistribution of economic activity across provinces. As long as the US economy maintains its current expansionary momentum, total exports are expected to rise 3.1% in 2015 and 3.6% in 2016 (this is still down from the 5.4% export growth registered in 2014)³.

Regional Trends

Propelled by the US economic expansion, British Columbia's economy will lead the nation, growing by 3% in 2015, by 2.7% in 2016 and by 2.7% on average between 2017 and 2019. Moderate employment growth of 0.7% is expected for 2015 and 1.7% average employment growth from 2016 to 2019 will lead to further reductions in the province-wide unemployment rate to under 5% in the longer term through to 2019. Stable employment growth, inflation rates and wage gains will support both housing activity and consumer spending in the province over the next few years. While British Columbia currently maintains a balanced budget, risks to the provincial growth forecast are generated by further delays in the development of the liquefied natural gas sector. As a result, fiscal restraint and continued downloading of services are expected over the next few years.

Due to its reliance on exports and trade, the Metro Vancouver region is expected to lead Canadian metropolitan regions in economic growth, particularly amidst forecasts for sustained weakness in the Canadian dollar. Real GDP will reach 3.4% in 2015, advance to 3.5% in 2016 and 2017, and decelerate to an average of 2.8% through to 2019. Unemployment has dropped from 6.8% in 2012 to 5.9% in 2014 and is projected to steadily drop in the next few years, to 4.7% in 2019. Manufacturing, wholesale and retail will register the highest growth in output and employment, with continued strength in both the residential and non-residential construction sectors.



GDP Growth Forecast 2016-2019 (%) – Select Canadian Metropolitan Cities

Housing starts in Metro Vancouver rose from a record low 8,300 in 2009 to top 19,000 units in 2014. Another 8.1% growth in housing starts to 20,800 is expected for 2015. Strength in the regional economy and continued foreign investment will drive demand and starts are expected to hold over the 20,000 per year through to 2019.

Local Trends

As in all of Metro Vancouver, a large share of Richmond's jobs (40%) are community-oriented, representing jobs dependent on population growth. The remaining 60% of jobs are in sectors that comprise Richmond's economic base – sectors that drive the Richmond economy. Nearly 70% of Richmond's economic base jobs are in sectors linked to the City's role as a people and goods movement gateway, including transportation, warehousing and logistics, manufacturing, wholesale and tourism – 23.1%, 18.5%, 14.5% and 11.5% of the economic base⁴.

Not only does Richmond have a regional advantage in those industries, due to the presence of the port and airport, but also senior government policies focus on development of the Asia Pacific Gateway to support growth in those sectors. Furthermore, the macroeconomic environment of low oil prices, Canadian dollar and interest rates defines these sectors as major areas of expansion in the next few years.

Richmond businesses in core economic sectors have performed well in the last few years, as demonstrated by growth in key performance indicators, such as volume of cargo movement through Port Metro Vancouver and YVR, passenger movement through YVR, and local hotel room nights. Meanwhile, a robust housing market has continued to drive residential development in Richmond, rendering commercial lands not lucrative for development and exerting pressure on Richmond's employment lands inventory.

Richmond housing starts have maintained a steady 11% proportion of Metro Vancouver starts since 2009, with this indicator growing to 12% in the last three years. At 1,551 for 2015 to date, housing starts are on par with the 1,694 housing starts realized in 2014⁵. Population growth will continue to drive housing demand and exert pressure on affordability.

The construction value of Richmond's total building permits issued peaked at an extraordinary \$812 million in 2010, as multiple major projects were approved during the year. Subsequent years registered healthy levels of between \$400 and \$500 million in Richmond, with 2015 at \$876.9 million to date and on course to break the all time record of 2010.⁶

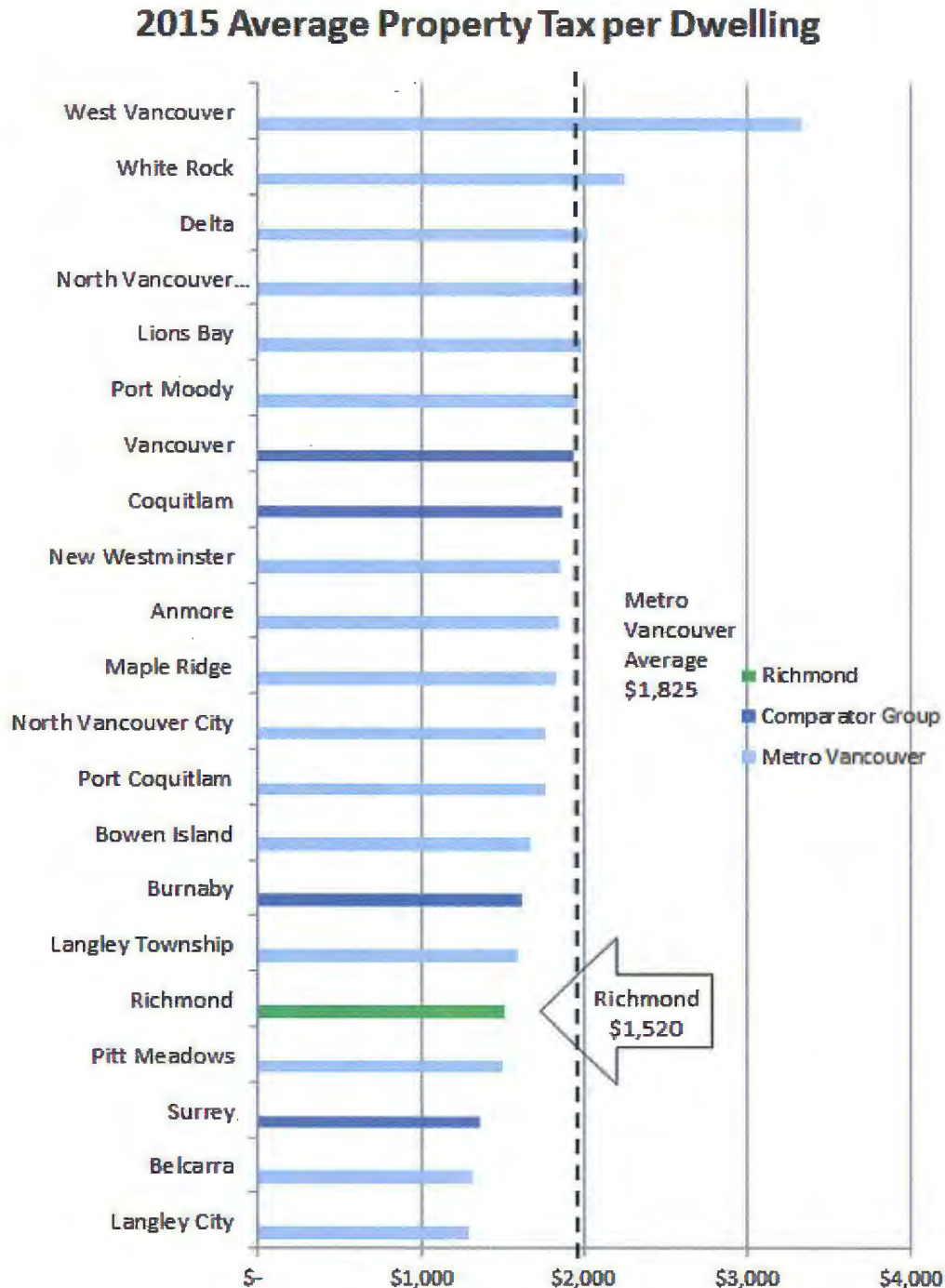
⁴ City of Richmond – Resilient Economy Strategy

⁵ Canadian Mortgage and Housing Corporation – Monthly Statistics Report

⁶ City of Richmond – Building Permits Statistics

5. 2015 Average Property Tax per Dwelling (Municipal Portion Only)

Richmond has the second lowest average property tax per dwelling within the comparative group (top 5 municipalities in Metro Vancouver, based on population).

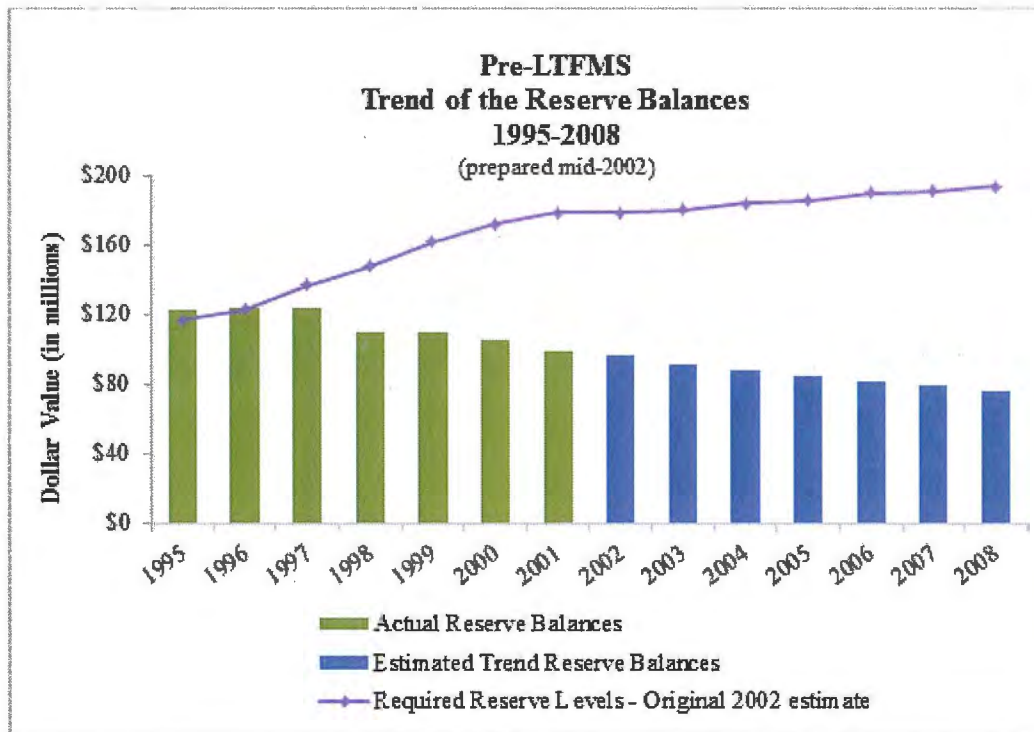


6. Long Term Financial Management Strategy

History – Where We Have Come From









In mid-2002, after a review of the trend of the City's reserves (blue bars in *Figure 1*), the CAO directed staff to prepare a plan to address the long term financial sustainability of the City. Up to that point in time, the City's long term financial direction was driven by the annual budget decisions which in turn were driven by Council's desire to keep the tax impacts artificially low. In the mid to late 1990's for instance, the City absorbed approximately \$5.7 million in loss of grants from the Province, incurred debt, and absorbed growth, while keeping tax increases in the range of zero to 1.8%. The consequence was the gradual deterioration of the City's reserves (green bars in *Figure 1*). This path was clearly not sustainable and a more comprehensive financial strategy was required.

Figure 1 Original Reserve Trend Pre-LTFMS



To develop the vision, Council held a number of workshops to gain an understanding of the environmental factors that were impacting the City's financial position as well as 'gaps' reflected in the operating budgets, capital plans, ageing infrastructure funding plans and reserve balances. The end result being that Council decided to focus on *'enhancing the City's economic well-being for present and future generations as part of the well managed component of the vision without sacrificing the overall liveability of the community'* and in September 2003, Council approved the Long Term Financial Management Strategy (LTFMS) with the following targets:

Figure 2 – 2003 LTFMS Targets

Tax Increase		CPI + 1.0% per year in the future to be transferred to the reserves.
Economic Development		1.5% per year
New Alternative Revenue		\$1 Mil per year by the 5 th year
Total Casino Revenue		\$10 Mil per year by the 2 nd year
Fire and Police Efficiencies		-0.2% per year starting in 3 rd year
Operating Efficiencies		-0.2% per year starting in 3 rd year
Service Level Reduction		No reduction
Capital Program Reduction		No reduction

Council went a step further in order to guide and protect the sustainability of the City's long term financial position and approved 10 supporting policies. From the time that LTFMS was adopted, Council has approved updates to the supporting policies. The ten supporting policies as currently adopted are as follows:

- 1. Tax Revenue** – Tax increases will be at Vancouver's CPI rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1.0 % towards infrastructure replacement needs.
- 2. Gaming Revenue** – Gaming revenues are designated for the capital reserves, the major capital community facility replacement program, the grants program, the Council initiatives account, and towards the cost of policing relating to gaming activities.
- 3. Alternative Revenues & Economic Development** – Any increases in alternative revenues and economic development beyond all the financial strategy targets can be utilized for increased levels of service or to reduce the tax rate.
- 4. Changes to Senior Government Service Delivery** – Any additional costs imposed on the City as a result of mandatory senior government policy changes should be identified and added to that particular year's taxes above and beyond the CPI and infrastructure percentage contribution.

5. **Capital Plan** – Ensure that long term capital funding for infrastructure (e.g. parks, trails, facilities, roads etc.) is in place in order to maintain community liveability and generate economic development.
6. **Cost Containment** – Staff increases should be achieved administratively through existing departmental budgets, and no pre-approvals for additional programs or staff beyond existing budgets should be given, and that a continuous review be undertaken of the relevancy of the existing operating and capital costs to ensure that the services, programs and projects delivered continue to be the most effective means of achieving the desired outcomes of the City's vision.
7. **Efficiencies & Service Level Reductions** – Savings due to efficiencies or service level reductions identified in the strategy targets should be transferred to the capital reserves. Any savings due to efficiencies beyond the overall strategy targets can be utilized to reduce the tax rate or for increased levels of service.
8. **Land Management** – Sufficient proceeds from the sales of City land assets will be used to replenish or re-finance the City's land inventory. Any funds in excess of such proceeds may be used as directed by Council.
9. **Administrative** – As part of the annual budget process the following shall be undertaken:
 - all user fees will be automatically increased by CPI;
 - the financial model will be used and updated with current information, and
 - the budget will be presented in a manner that will highlight the financial strategy targets and indicate how the budget meets or exceed them.
10. **Debt Management** – Utilize a “pay as you go” approach rather than borrowing for financing infrastructure replacement unless unique circumstances exist that support borrowing.

These policies are integral to the financial decision making of the City in ensuring a long-term focus and financial sustainability.

Present State – Where we are now?

As a result of the LTFMS and other factors, the City is on the right path and in a stronger financial position as shown by the change in the City's financial position comparing December 31, 2002 to December 31, 2014.

Figure 3 –Financial Position Comparison

All dollar figures are expressed in \$000's

	2014	2002 ¹	Change \$	Change %
Financial Assets				
Cash and Investments	\$864,695	\$229,549	\$635,146	277%
DCC receivable	25,360	7,042	18,318	260%
Other Assets	41,623	40,435	\$1,188	3%
Total Assets	931,678	277,026	654,652	236%
Liabilities				
Accounts Payable and Accrued Liabilities	88,331	42,740	45,591	107%
DCC Levies	82,965	37,290	45,675	122%
Deposits and Holdbacks	65,103	7,048	58,055	824%
Deferred Revenue	41,823	11,313	30,510	270%
Long-Term Debt	50,815	42,709	8,106	19%
Total Liabilities	329,037	141,100	187,937	133%
Net Financial Assets	602,641	135,926	466,715	343%
Non-Financial Assets ²	1,951,467	922,940	1,028,527	111%
Accumulated Surplus	\$2,554,108	\$1,058,866	\$1,495,242	141%
Accumulated Surplus³				
Reserves	374,922	107,709	267,213	248%
Surplus/Appropriated Surplus/Other ⁴	232,387	73,526	158,861	216%
Investment in Tangible Capital Assets ⁵	1,946,799	877,631	1,069,168	122%
Total Accumulated Surplus	\$2,554,108	\$1,058,866	\$1,495,242	141%

¹ 2002 is used as the base year as the LTFMS was implemented during 2003.

² Non-financial assets includes tangible capital assets, inventory of material and supplies and prepaid expenses.

³ Accumulated Surplus includes committed amounts that are unspent at the reporting date.

⁴ Appropriated Surplus is amounts set aside for specific purposes, future commitments or potential obligations..

⁵ Investment in tangible capital assets represents the equity the City has in its assets.

Highlights of changes in Financial Position December 31, 2002 to December 31, 2014:

- Cash and investments have increased by \$635.1 million (277%) to \$864.7 million. The majority of this increase is attributable to:
 - Increase in reserves \$267.2 million (248%)
 - Increase in liabilities \$187.9 million (133%)
 - Increase in surplus/appropriated surplus \$158.9 million (216%)
- DCC receivable has increased by 18.3 million (260%) which is also reflected in the increase in the DCC Levies of \$45.7 million (122%) due to increased development activity.
- Deposits and Holdbacks have increased by \$58.1 million (824%) mainly due to security deposits relating to development activity.
- Deferred revenue increased by \$30.5 million (270%) mainly due to tax and utility pre-payments and deferred permit fees.
- Long-term debt has increased by \$8.1 million (19%) to \$50.8 million, previous debt for Terra Nova land acquisition, No. 2 Road bridge construction and sewer capital works was retired and new debt for the Minoru aquatic and older adults centre construction was obtained.
- Net financial assets increased by \$466.7 million (343%) due to the net changes in assets and liabilities.
- Non-financial assets increased by \$1.0B (111%) mainly due to increases in tangible capital assets. Note that the accounting standard for reporting tangible capital assets changed in 2009.

The financial position is one measure of the impact of the LTFMS, however there are additional measures that align to the specific points of the strategy. A simple report card was developed to track the actual results of the LTFMS in a clear and concise manner, particularly, as they relate to the ten Council established policies and Council approved targets in 2003.

Performance Measurement

Figure 4 – LTFMS Performance Measurement Scorecard

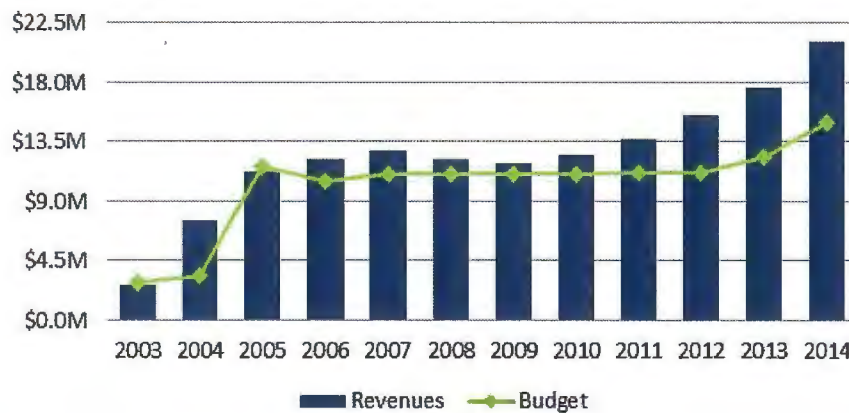
Policy	Analysis						
1. Tax Revenue	Year	CPI¹	Base Increase	OBI	Additional Levels	Reserves	Total Increase
Target: CPI + 1.0% per year in the future to be transferred to the reserves.	2003	2.4%	2.49%	0.41%	0.45%	1.00%	4.35%
	2004	2.2%	2.25%	0.26%	0.76%	0.47%	3.74%
	2005	2.0%	1.03%	0.22%	0.73%	0.00%	1.98%
	2006	2.0%	1.75%	0.26%	0.97%	1.00%	3.98%
	2007	2.0%	1.39%	0.26%	1.18%	0.82%	3.65%
	2008	2.1%	1.67%	0.39%	1.86%	0.00%	3.92%
	2009	2.3%	2.19%	0.32%	0.46%	0.00%	2.97%
	2010	1.5%	3.34%	0.11%	0.00%	0.00%	3.45%
	2011	1.5%	2.63%	0.32%	0.00%	0.00%	2.95%
	2012	1.7%	1.70%	0.16%	0.12%	1.00%	2.98%
	2013	2.0%	1.39%	0.36%	0.23%	1.00%	2.98%
	2014	2.0%	1.53%	0.34%	0.09%	1.00%	2.96%
	2015	1.0%	1.45%	0.38%	0.06%	0.00%	1.89%

¹ CPI estimated used in the annual budget preparation.

- Since the implementation of the LTFMS in 2003, the tax increases (net of the transfer to reserves) have approximated the budgeted CPI increase.
- The increase to reserves was fully met or had a partial increase in over half of the years since the implementation of the LTFMS.
- In 2008 to 2011, the 1% increase for transfer to reserves was replaced by additional interest earned on the Community Legacy & Land Replacement Reserve Fund as approved by Council on July 23, 2007 in lieu of the tax increase.
- In 2015, the 1% increase for transfer to reserves was replaced by a one-time infusion from surplus gaming revenue in lieu of the tax increase.

Policy	Analysis
2. Gaming Revenue Target: Total Casino Revenue - \$10M per year by the 2nd year	<ul style="list-style-type: none"> Gaming revenue met and has surpassed the \$10 million target since 2005, and in 2014 \$21.0 million was received, 686% greater than the 2003 figure. Gaming Revenue is currently used to fund capital reserves, the major capital community facility replacement program, the grants program, and towards the cost of policing relating to gaming activities. At the March 23, 2015 Council Meeting, Council approved an updated allocation model of gaming revenues effective for the 2016 budget year which included the creation of the Council Community Initiatives Account.

City of Richmond Gaming Revenues 2003-2014



Policy	Analysis		
3. Alternative Revenues & Economic Development Target: Economic Development @ 1.5% per year	Year	Tax Growth	Growth %
	2003	1,628,493	1.63%
	2004	2,648,500	2.51%
	2005	1,657,392	1.50%
	2006	2,296,582	2.95%
	2007	3,346,530	3.04%
	2008	3,750,000	2.91%
	2009	3,200,000	2.28%
	2010	1,800,000	1.22%
	2011	2,000,000	1.29%
	2012	2,364,594	1.47%
	2013	1,600,000	0.95%
	2014	2,300,000	1.32%
	2015	2,500,000	1.36%

- The tax base has shown growth each year since the inception of the LTFMS averaging approximately 1.9% each year over the period of 2003 – 2015.

Policy	Analysis
3. Alternative Revenues & Economic Development (continued) Target: Alternative revenue ~ \$1M per year by the 5 th year	<ul style="list-style-type: none"> There have been a number of expanded alternative revenues such as the following: <ul style="list-style-type: none"> District energy utility revenue Sports Field User Fees Filming revenues Expanded Pay Parking program to include street meters RCMP service fees Tax information fees Developer fees for planning services Sale of drawings/GIS data Meeting room rental revenue Rental/Lease revenue from bus shelters New rental properties revenue Microfilm revenue Media Lab Program Fees Sponsorship Revenue for major events

Policy	Analysis
4. Changes to Senior Government Service Delivery	<ul style="list-style-type: none"> The RCMP contracts have increased at rates greater than the LTFMS policy of CPI, and these RCMP increases are highlighted within the annual budget presentations. Example, the 2015 RCMP contract increased at 2.75% compared to the City's overall tax increase of 1.89%.

Policy	Analysis																												
5. Capital Plan Target: No reduction	<table> <tr> <th>Year</th><th>Capital Budget¹</th></tr> <tr><td>2003</td><td>39,438,000</td></tr> <tr><td>2004</td><td>45,380,000</td></tr> <tr><td>2005</td><td>115,558,000</td></tr> <tr><td>2006</td><td>113,021,000</td></tr> <tr><td>2007</td><td>172,203,000</td></tr> <tr><td>2008</td><td>166,188,000</td></tr> <tr><td>2009</td><td>72,798,000</td></tr> <tr><td>2010</td><td>160,526,000</td></tr> <tr><td>2011</td><td>93,372,000</td></tr> <tr><td>2012</td><td>88,964,000</td></tr> <tr><td>2013</td><td>139,681,000</td></tr> <tr><td>2014</td><td>204,259,000</td></tr> <tr><td>2015</td><td>167,217,000</td></tr> </table> <div> \$121.4 million Average Capital Budget 2003 – 2015 </div> <div> \$47.5 million Average Capital Budget 1992 – 2002 </div>	Year	Capital Budget ¹	2003	39,438,000	2004	45,380,000	2005	115,558,000	2006	113,021,000	2007	172,203,000	2008	166,188,000	2009	72,798,000	2010	160,526,000	2011	93,372,000	2012	88,964,000	2013	139,681,000	2014	204,259,000	2015	167,217,000
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¹ Capital Budget represents the amended capital amount from 2010 forward

- The 5 Year Capital Plan is updated annually and projects the anticipated capital program costs and funding availability. The capital budgets have fluctuated over this period due to major facility construction and significant land acquisition.
- The capital budgets since the implementation of the LTFMS have averaged \$121.4M compared to \$47.5M prior to the strategy.

Policy	Analysis
6. Cost Containment	<ul style="list-style-type: none"> The following are some examples of cost containment or cost recovery programs that have been implemented: <ul style="list-style-type: none"> Energy retrofit projects to reduce electricity and natural gas usage Attendance manager and attendance management system Tree permit revenue to offset Tree Bylaw costs Accessing Grants (Joint Emergency Preparedness Program, Stimulus funds, etc.) RCMP Auxiliary Program New Fuel management system Patroller First Responder program Garbage/Recycling contract Development of Sidaway disposal site Road Cut Program to include private utility companies Use of Trenchless technology for construction purposes Fire Protection & Life Safety Bylaw with associated fees, fines and avenues for cost recovery Delayed replacements / hirings Operating expense reduction (i.e. Supplies, Contract, telephone etc.) Finance and Cost Control subcommittee created Service Level reviews

Policy	Analysis
7. Efficiencies & Service Level Reductions Target: -0.2% per year starting in 3 rd year for operating, police & fire efficiencies. No reductions to level of service	<ul style="list-style-type: none"> This area is addressed annually during the budget review process. The efficiencies and service level reductions have not been isolated and identified separately. The following are some examples of efficiencies: <ul style="list-style-type: none"> Retro-commissioning of existing buildings to optimize the energy use Upgrade of direct digital control systems Pump station power efficiencies Traffic signal conversion to LED Systems enhancements, AMANDA, PeopleSoft, HCM, etc. Virtualizing computer servers Use of real time hand held ticketing computers Bylaw Adjudication System LEED Fire halls Scanning equipment in stores Online event management system

Policy	Analysis
8. Land Management	<ul style="list-style-type: none"> The proceeds from land sales are returned to land related accounts to fund future land acquisitions. The City has been actively acquiring land over the past 10 years. Since 2009, the City has acquired over 400 acres of land for \$200+ million. During the same period, approximately 20 acres were divested for approximately \$50 million.

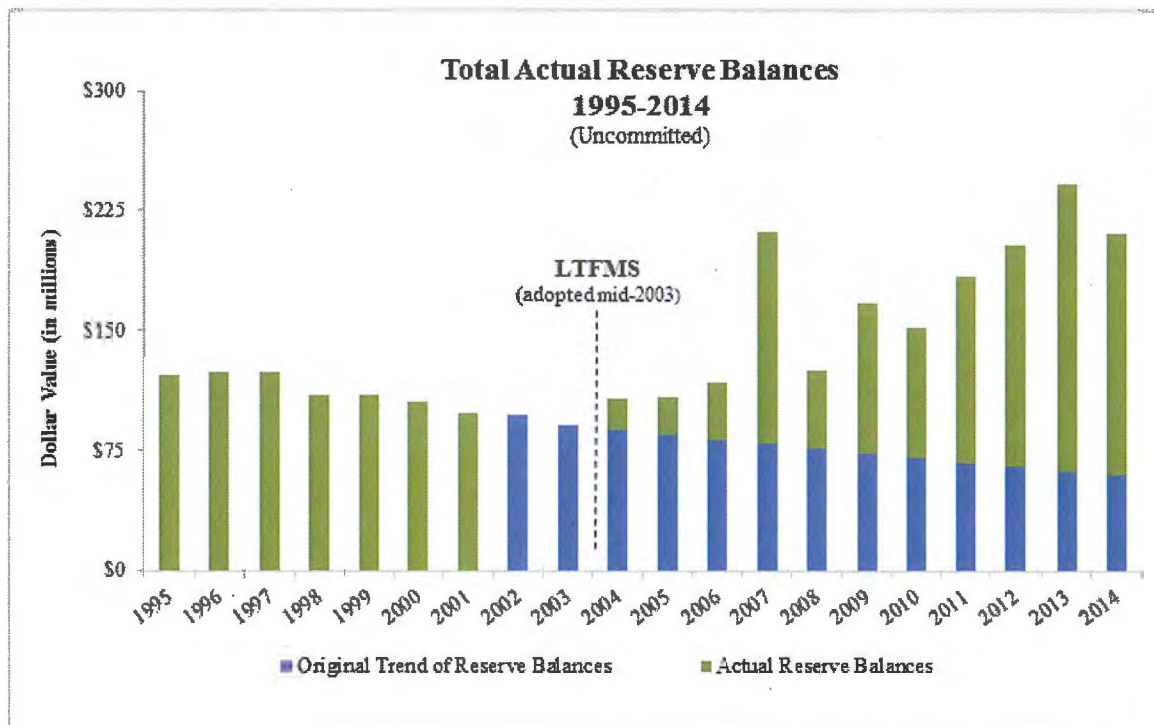
Policy	Analysis
9. Administrative	<ul style="list-style-type: none"> Currently where possible user fees are automatically increased by CPI on January 1st of each year by Council through the Consolidated Fees Bylaw. Every year, the 5YFP is prepared and addresses the tax increase, distribution of Gaming Revenue, isolation of additional levels of service and the capital plan funding sources.

Policy	Analysis
10. Debt Management	<ul style="list-style-type: none"> During 2014, debt in the amounts of \$50.8M was strategically obtained for the construction of the Minoru aquatic and older adults centre to take advantage of the low interest rate environment. The debt servicing costs for the new \$50.8M debt did not increase taxes as \$5M of annual gaming revenue (formerly used to repay for the construction of the Oval) and the portion of funding that had been used to pay for the now extinguished Terra Nova debt were used to finance these costs.

Overall, the City has met the requirements of the policies with the exception of alternative revenues and tax increase targets which have intermittently met the targets. Meeting the requirement of limiting tax increases to CPI (under policy 1) is beginning to place a burden on the organization as it is difficult without a corresponding reduction in services or service levels. This is particularly evident in current times with low inflation and continued escalation for community safety, infrastructure costs and committed labour agreements.

The progress that has been made to date due to the LTFMS can be measured by the increase to the reserves. The growing of the reserves was one of the initial drivers behind the creation of the LTFMS. Prior to the implementation of the LTFMS, the reserves were steadily declining as depicted by the green bars and the future reserve projections represented by the blue bars continued the decline. After the adoption of the LTFMS, the reserve balances have shown a steady increase.

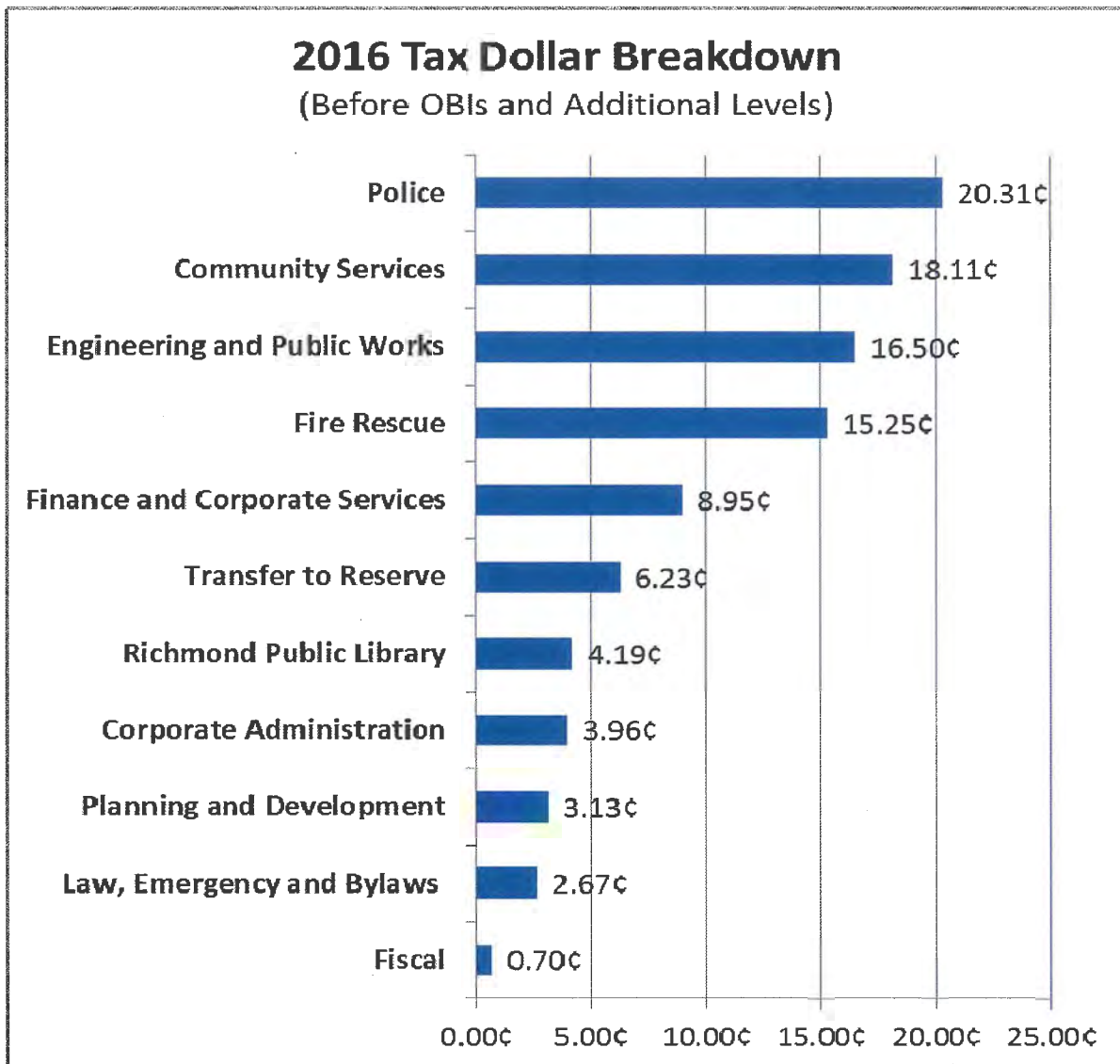
Figure 5 – Actual Trend of the Reserves



The above chart shows an indication of the overall reserve balances and the increases since the adoption of the LTFMS. Though the overall reserves balances are growing, the Capital Building and Infrastructure Reserve (CBI) which is used to fund major capital facility replacement requires further review. The CBI reserve is the recipient of the 1% annual increase in transfer to reserves and has been utilized recently for partial funding towards Phase 1 of the Corporate Facilities Implementation Plan. The uncommitted balance in the Capital Building and Infrastructure Reserve at December 31, 2014 was \$12.4 million.

The reserves alone do not show the complete story; they must be reviewed in conjunction with asset condition ratings, ageing infrastructure reports and long-term capital requirements. Staff is currently working on the facilities replacement plan which will be a key component to the required reserve analysis.

7. Municipal Tax Dollar



8. Same Level of Service Budget Details

All Divisions

Law and Community Safety, Community Services Library, Engineering and Public Works (excluding Utilities), Finance and Corporate Services, Corporate Administration, Planning and Development, and Fiscal.

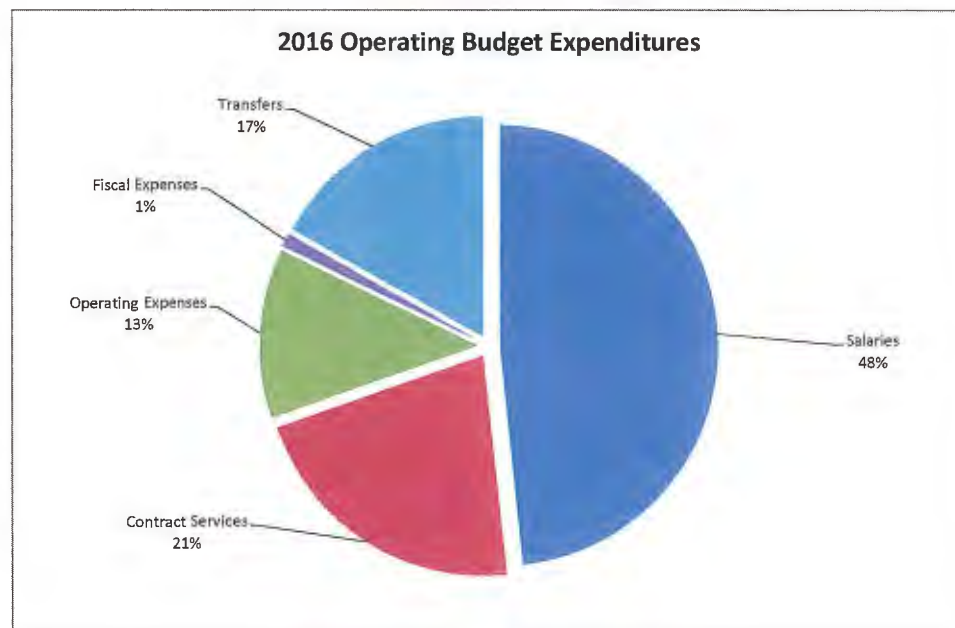
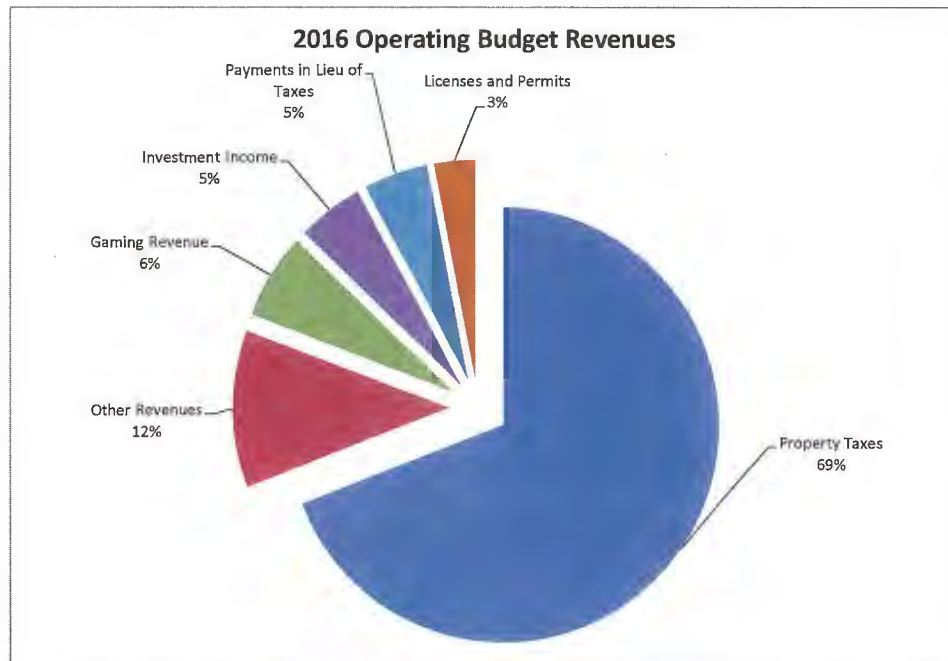
	2015 Adjusted Base Budget	2016 Proposed Base Budget	Change 2016 \$	Change 2016 %
Revenues	(277,327,300)	(277,111,300)	216,000	(0.08%)
Expenditures				
All Salaries	132,816,800	136,351,300	3,534,500	2.66%
Contract Services	58,599,900	60,426,900	1,827,000	3.12%
Operating Expenses	33,821,400	35,111,800	1,290,400	3.82%
Total Expenditures	225,238,100	231,890,000	6,651,900	2.95%
Fiscal Expenses	2,786,400	2,786,400	-	-
Transfers	49,302,800	47,719,300	(1,583,500)	(3.21%)
Grand Total	\$-	\$5,284,400	\$5,284,400	-

FTE Change

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Council and Mayor	9.0	9.0	-	-%
Exempt	161.9	161.9	-	-%
718 - Regular Full Time	516.6	516.6	-	-%
718 - Regular Part Time	19.6	19.6	-	-%
718 - Temporary Full Time	13.3	12.3	(1.0)	(7.54%)
718 - Auxiliary	130.7	131.7	1.0	0.76%
394 - Labour	220.7	220.7	-	-%
FIRE	219.7	219.7	-	-%
Total	1,291.5	1,291.5	-	-%

FTE Change - Library

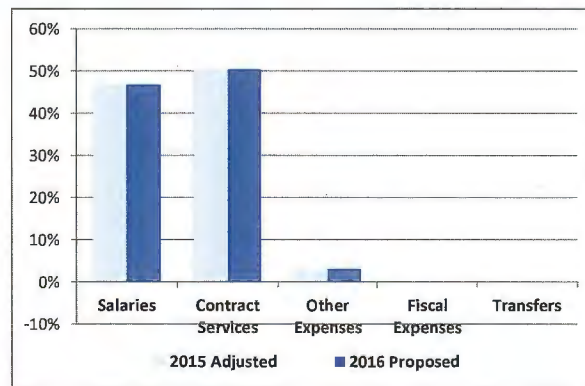
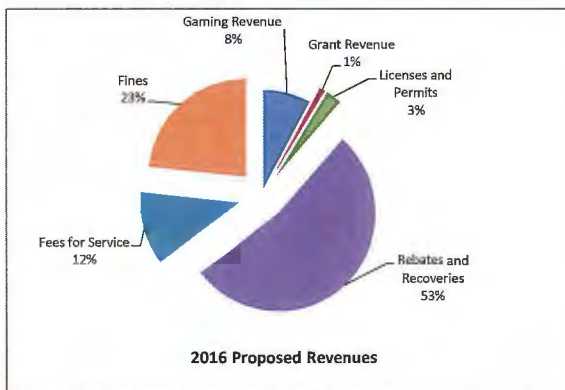
	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Exempt	4.0	4.0	-	-%
3966 - Regular Full Time	68.3	68.3	-	-%
3966 - Regular Part Time	19.0	16.3	(2.7)	(14.21%)
3966 - Auxiliary	3.3	2.6	(0.7)	(20.00%)
Total	94.6	91.2	(3.4)	(3.54%)



Law and Community Safety

Brings together the City's public safety providers, along with sections responsible for legal and regulatory matters. The City's primary community safety providers are Police (RCMP), Fire-Rescue, Emergency Programs and Community Bylaws. The role of the Community Bylaws Department is to either lead, assist or partner with others to ensure that the City's various bylaws are compiled with regard for the overall benefit of the community. The Law Section is responsible for providing advice to City Council and staff regarding the City's legal rights and obligations.

	2015 Adjusted Base Budget	2016 Proposed Base Budget	Change 2016 \$	Change 2016 %
OPERATING BUDGET	\$78,366,200	\$80,339,700	\$1,973,500	2.52%
Revenues	(8,055,700)	(8,399,000)	(343,300)	4.26%
Expenditures				
All Salaries	40,443,100	41,517,300	1,074,200	2.66%
Contract Services	43,479,800	44,695,600	1,215,800	2.80%
Operating Expenses	2,611,000	2,622,300	11,300	0.43%
Total Expenditures	86,533,900	88,835,200	2,301,300	2.66%
Fiscal Expenses	30,000	30,000	-	-
Transfers	(142,000)	(126,500)	15,500	(10.92%)
Grand Total	\$78,366,200	\$80,339,700	\$1,973,500	2.52%



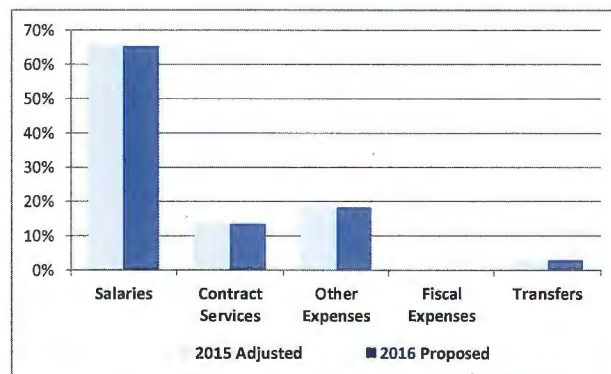
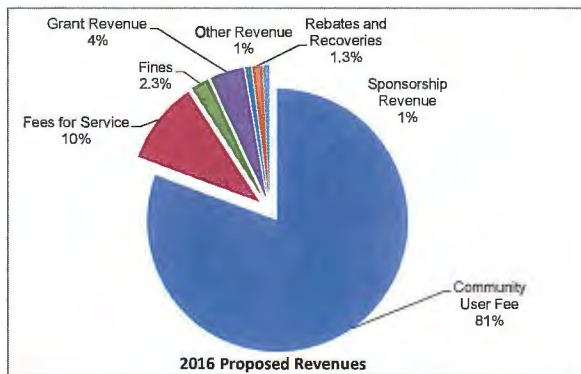
FTE Change

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Exempt	21.0	21.0	-	-%
718 - Regular Full Time	93.4	93.4	-	-%
718 - Temporary Full Time	1.5	1.5	-	-%
718 - Auxiliary	19.4	19.4	-	-%
394 - Labour	0.6	0.6	-	-%
FIRE	219.7	219.7	-	-%
Total	355.6	355.6	-	-%

Community Services

Coordinates, supports and develops Richmond's community services including recreation, arts, heritage, sports, social planning, affordable housing, diversity, youth, childcare and older adult services. Oversees City owned public facilities and the design, construction and maintenance of City parks, trails and green spaces. Works with community partners and coordinates special events and filming in the City.

	2015 Adjusted Base Budget	2016 Proposed Base Budget	Change 2016 \$	Change 2016 %
OPERATING BUDGET	\$46,003,400	\$46,846,300	\$842,900	1.83%
Revenues				
Revenues	(9,561,700)	(9,649,200)	(87,500)	0.92%
Total Revenues	(9,561,700)	(9,649,200)	(87,500)	0.92%
Expenditures				
All Salaries	36,436,500	36,923,600	487,100	1.34%
Contract Services	7,512,200	7,603,700	91,500	1.22%
Operating Expenses	10,151,900	10,319,400	167,500	1.65%
Total Expenditures	54,100,600	54,846,700	746,100	1.38%
Fiscal Expenses	4,500	4,500	-	-
Transfers	1,460,000	1,644,300	184,300	12.62%
Grand Total	\$46,003,400	\$46,846,300	\$842,900	1.83%



FTE Change

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Exempt	22.0	22.0	-	-%
718 - Regular Full Time	149.5	148.5	(1.0)	(0.67%)
718 - Regular Part Time	19.2	19.2	-	-%
718 - Auxiliary	103.3	104.3	1.0	0.97%
394 Labour	88.5	88.5	-	-%
Total	382.5	382.5	-	-%

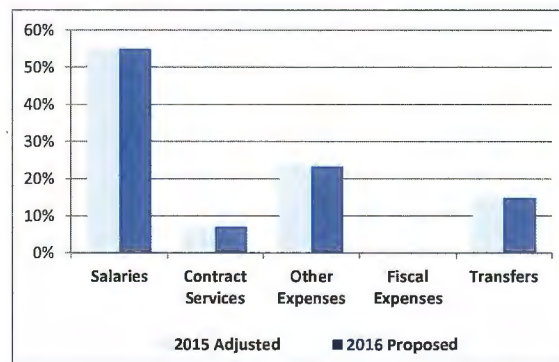
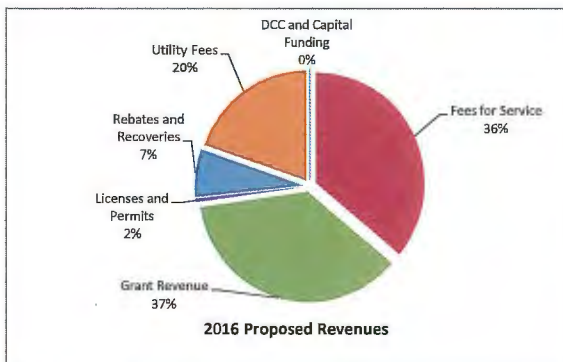
FTE Change - Library

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Exempt	4.0	4.0	-	-%
3966 - Regular Full Time	68.3	68.3	-	-%
3966 - Regular Part Time	19.0	16.3	(2.7)	(14.21%)
3966 - Auxiliary	3.3	2.6	(0.7)	(20.00%)
Total	94.6	91.2	(3.4)	(3.54%)

Engineering and Public Works (excluding Utilities)

Comprises engineering planning, design, construction and maintenance services for all utility and City building infrastructure. Responsible for dikes and irrigation system, roads and construction services, street lighting, corporate sustainability and district, corporate and community energy programs.

	2015 Adjusted Base Budget	2016 Proposed Base Budget	Change 2016 \$	Change 2016 %
OPERATING BUDGET	\$33,717,100	\$34,671,800	\$954,700	2.83%
Revenues	(6,372,300)	(6,944,500)	(572,200)	8.98%
Expenditures				
All Salaries	22,110,900	22,828,200	717,300	3.24%
Contract Services	2,582,500	2,917,300	334,800	12.96%
Operating Expenses	9,533,900	9,686,400	152,500	1.60%
Total Expenditures	34,227,300	35,431,900	1,204,600	3.52%
Fiscal Expenses	-	-	-	-
Transfers	5,862,100	6,184,400	322,300	5.50%
Grand Total	\$33,717,100	\$34,671,800	\$954,700	2.83%



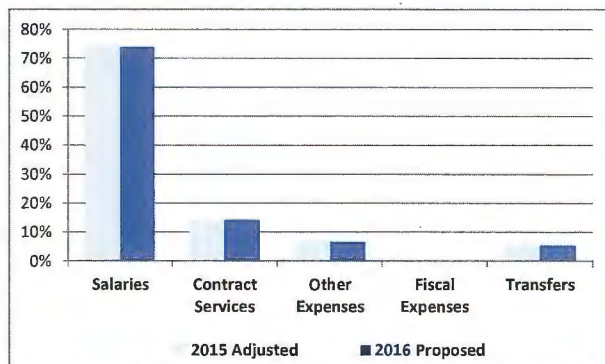
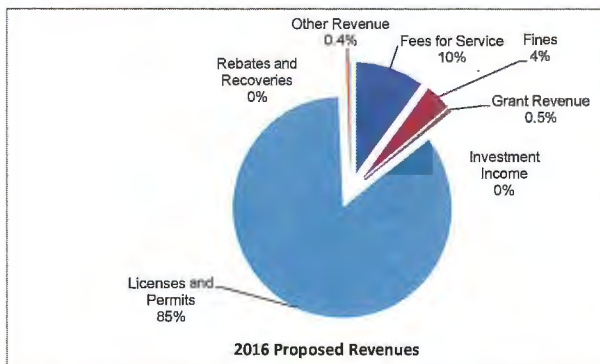
FTE Change

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Exempt	23.2	23.2	-	-%
718 - Regular Full Time	88.3	88.3	-	-%
718 - Temporary Full Time	5.2	4.2	(1.0)	(19.23%)
718 - Auxiliary	2.9	2.9	-	-%
394 - Labour	122.6	122.6	-	-%
Total	242.2	241.2	(1.0)	(0.41%)

Finance and Corporate Services

Responsible for the financial well-being of the City, through the provision of effective and reliable financial advice, services and information to Council, staff and the public, as well as through the support and fostering of a viable business community. Includes customer service, information technology, finance, economic development, real estate services, City Clerk, enterprise services, business licences, administration and compliance.

	2015 Adjusted Base Budget	2016 Proposed Base Budget	Change 2016 \$	Change 2016 %
OPERATING BUDGET	\$18,444,400	\$18,811,800	\$367,400	1.99%
Revenues				
Revenues	(3,842,300)	(3,948,300)	(106,000)	2.76%
Total Revenues	(3,842,300)	(3,948,300)	(106,000)	2.76%
Expenditures				
All Salaries	16,471,200	16,821,300	350,100	2.13%
Contract Services	3,055,200	3,213,500	158,300	5.18%
Operating Expenses	1,537,600	1,502,600	(35,000)	(2.28%)
Total Expenditures	21,064,000	21,537,400	473,400	2.25%
Fiscal Expenses	-	-	-	-
Transfers	1,222,700	1,222,700	-	-
Grand Total	\$18,444,400	\$18,811,800	\$367,400	1.99%



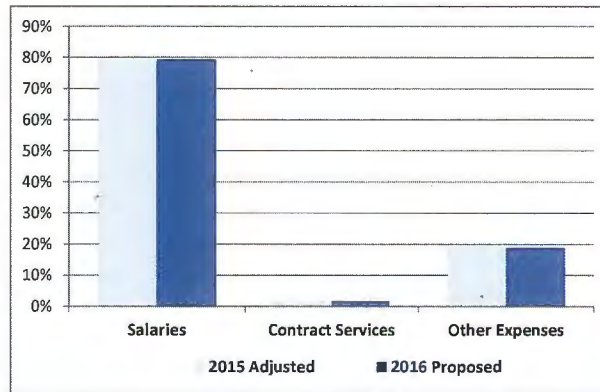
FTE Change

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Exempt	39.0	39.0	-	-%
718 - Regular Full Time	104.2	104.2	-	-%
718 - Temporary Full Time	6.5	6.5	-	-%
718 - Auxiliary	4.5	4.5	-	-%
394 - Labour	9.0	9.0	-	-%
Total	163.2	163.2	-	-%

Corporate Administration

The CAO's Office oversees the overall administration of the corporate body (business units/operations) of the City, its officers and employees. It is also home to the Corporate Planning and Programs Management Group (CPMG). CPMG and Intergovernmental Relations are responsible for research and development of corporate policy, strategic and corporate planning, intergovernmental relations, human resources, corporate communications, protocol, business advisory, special projects and coordination of interdivisional projects and initiatives.

	2015 Adjusted Base Budget	2016 Proposed Base Budget	Change 2016 \$	Change 2016 %
OPERATING BUDGET	\$8,119,500	\$8,312,700	\$193,200	2.38%
Expenditures				
All Salaries	6,404,900	6,600,600	195,700	3.06%
Contract Services	138,000	138,000	-	-
Operating Expenses	1,576,600	1,574,100	(2,500)	(0.16%)
Total Expenditures	8,119,500	8,312,700	193,200	2.38%
Transfers	-	-	-	-
Grand Total	\$8,119,500	\$8,312,700	\$193,200	2.38%



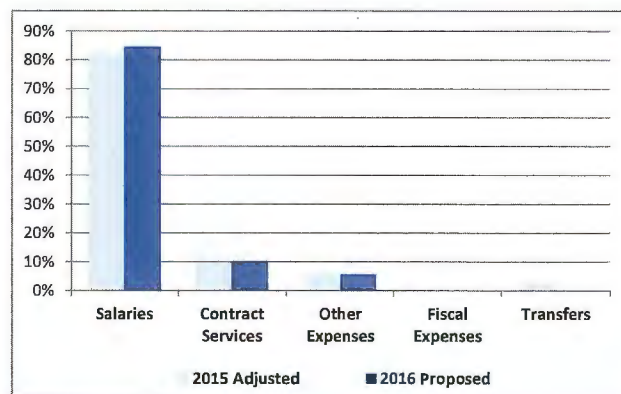
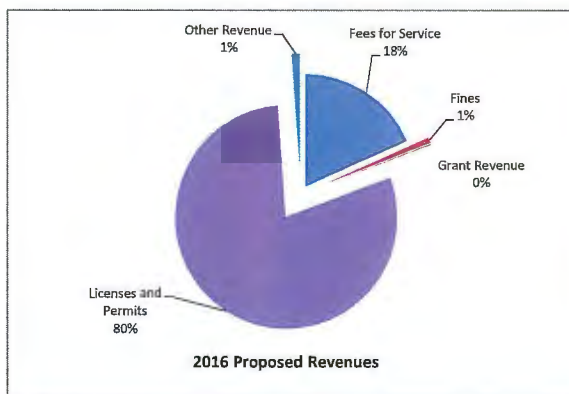
FTE Change

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Council and Mayor	9.0	9.0	-	-%
Exempt	39.3	39.3	-	-%
718 - Regular Full Time	4.0	4.0	-	-%
718 - Regular Part Time	0.4	0.4	-	-%
718 - Auxiliary	0.6	0.6	-	-%
Total	53.3	53.3	-	-%

Planning and Development

Incorporates the policy planning, transportation planning, development applications and the building approvals departments. This division provides policy directions that guide growth and change in Richmond with emphasis on land use planning, development regulations, environmental protection, heritage and livability. These planning functions play a vital part in the City's life cycle and involve the development of community plans and policies, zoning bylaws, as well as development related approvals and permits.

	2015 Adjusted Base Budget	2016 Proposed Base Budget	Change 2016 \$	Change 2016 %
OPERATING BUDGET	\$6,572,400	\$6,588,700	\$16,300	0.25%
Revenues				
Revenues	(5,855,000)	(6,306,400)	(451,400)	7.71%
Total Revenues	(5,855,000)	(6,306,400)	(451,400)	7.71%
Expenditures				
All Salaries	10,206,000	10,909,000	703,000	6.89%
Contract Services	1,227,500	1,254,100	26,600	2.17%
Operating Expenses	693,900	732,000	38,100	5.49%
Total Expenditures	12,127,400	12,895,100	767,700	6.33%
Fiscal Expenses	-	-	-	0.00%
Transfers	300,000	-	(300,000)	(100.00%)
Grand Total	\$6,572,400	\$6,588,700	\$16,300	0.25%

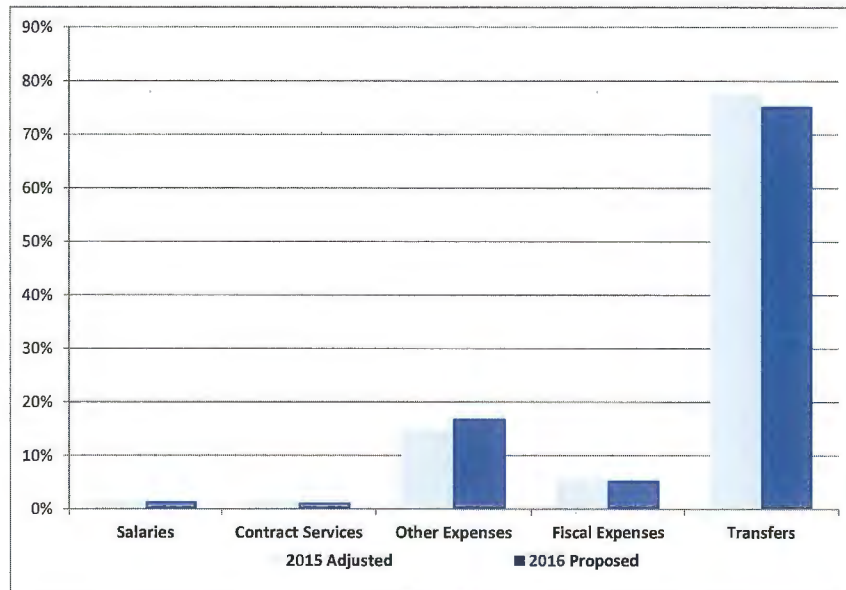
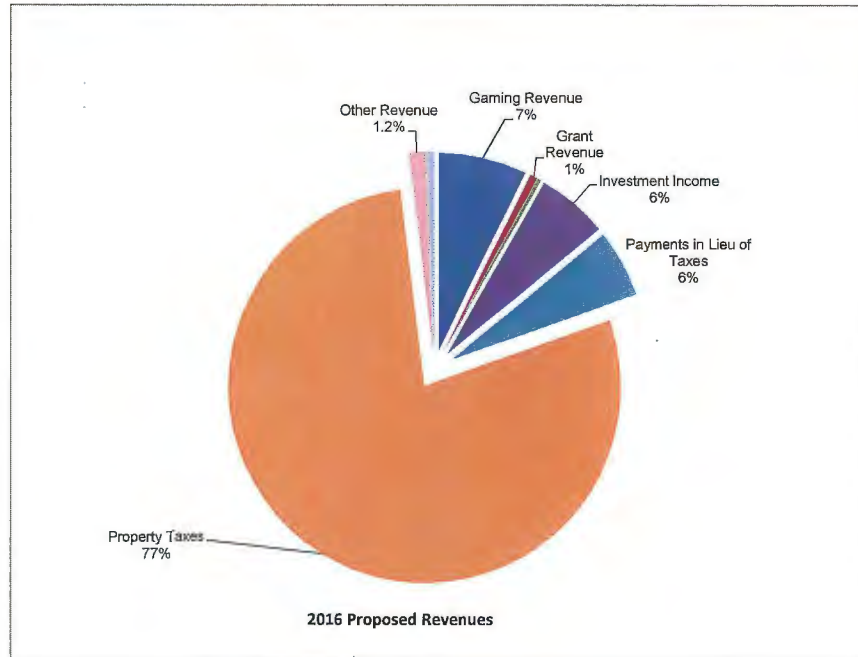


FTE Change

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Exempt	17.4	17.4	-	-%
718 - Regular Full Time	77.2	78.2	1.0	1.29%
718 - Temporary Full Time	0.1	0.1	-	-%
Total	94.7	95.7	1.0	1.06%

Fiscal

	2015 Adjusted Base Budget	2016 Proposed Base Budget	Change 2016 \$	Change 2016 %
OPERATING BUDGET	\$(191,223,000)	\$(190,286,600)	\$936,400	(0.49%)
Revenues	(243,640,300)	(241,863,900)	1,776,400	(0.73%)
Expenditures				
All Salaries	744,200	751,300	7,100	0.95%
Contract Services	604,700	604,700	-	-
Operating Expenses	7,716,500	8,675,000	958,500	12.42%
Total Expenditures	9,065,400	10,031,000	965,600	10.65%
Fiscal Expenses	2,751,900	2,751,900	-	-
Transfers	40,600,000	38,794,400	(1,805,600)	(4.45%)
Grand Total	\$(191,223,000)	\$(190,286,600)	\$936,400	(0.49%)



9. Ongoing Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Description	Amount	Tax Impact (%)
Community Services			
1	Arts Centre: Increase to Operations Demands and need for Arts Centre programs continue to increase with growing waitlists. As the only purpose-built arts centre in the community with limited space, staff continue to maximize the use of space and provide new programs. In order to do this, supplies and contracts other (instructors) will be increased by \$35K. The majority of this increase will be covered by a corresponding increase in revenue of \$28K from the increased programs.	\$7	0.00%
2	Terra Nova Cultural Precinct OBI The Terra Nova North Cultural Precinct is comprised of four heritage farm and cannery buildings situated along River Road: the Edwardian Cottage, the Cannery Store, the Parson House and the Cold Comfort Farm Operation. OBI funding is for the Maintenance and operations of the Edwardian Cottage, Cannery Store and ongoing security monitoring for the Parson House.	\$38	0.02%
3	Ongoing Fleet Cost for Arts Outreach Van Currently the Arts Centre has a van, used as an Art Truck, that is not in the corporate replacement program. The Art Truck delivers outreach arts programming in the community free of charge, making the arts accessible, particularly to low-income neighbourhoods. The Art Truck also attends many community events which help expose event participants to the arts. This request is for the van to be replaced on a cyclical basis as part of the City's fleet.	\$15	0.01%
4	Sustainable Media Lab Staffing The Media Lab's Media Arts Specialist is responsible for programs and events that meet the needs of Richmond's diverse community and address trends in media arts, with particular focus on serving 'low asset' youth through the Richmond Youth Media Program. Since 2011, the position has been mainly funded through sponsorship and grant money with some Department gap funding to maintain the number of staff hours. The Media Lab requires a sustainable approach ensure future media arts programming, production and support.	\$100	0.05%
5	Agrologist Contractor Contract services to respond to increased soil issues and illegal dumping within the Agricultural Land Reserve. This additional level will increase capacity to process, review and administration of all "non farm use" soil removal and deposit applications.	\$50	0.03%
2016 Ongoing Grand Total – RECOMMENDED		\$210	0.11%

10. Ongoing Expenditure Requests – PENDING (in \$000s)

Ref	Description	Amount	Tax Impact (%)
Law and Community Safety			
6	12 RCMP General Duty Investigators The RCMP requests four corporal ranked positions in 2016 and eight constable ranked positions in 2016. The RCMP supervisory ratio would be maintained at 1:5. This recommendation was based on an external operational review. This was also recommended in the RCMP 3-Year Resourcing Plan as a result of population growth and increase complexity of files and disclosure.	\$2,020	1.06%
7	1 RCMP General Investigation Section Investigator The RCMP request for one constable to enhance the capability to investigate exploitation of children on the Internet and social media. This was recommended in the RCMP 3-Year Resourcing Plan as a result of population growth and increase complexity of files and disclosure.	\$173	0.09%
8	2 RCMP Property Crime Unit The RCMP conducted an internal review and concluded that the City needs two additional property crime unit members. This was recommended in the RCMP 3-Year Resourcing Plan as a result of population growth and increase complexity of files and disclosure.	\$316	0.17%
9	1 RCMP Road Safety Investigator The RCMP request one Road Safety Investigator to support traffic collision investigations and enforcement. This was recommended in the RCMP 3-Year Resourcing Plan as a result of increase traffic and to maintain road safety.	\$158	0.08%
10	1 RCMP Serious Crime Unit Investigator The RCMP request one Serious Crime Investigator to support existing teams due to on-going investigations. This was recommended in the RCMP 3-Year Resourcing Plan as a result of population growth and increase complexity of files and disclosure.	\$208	0.11%
11	1 RCMP IT Support The RCMP request one municipal employees to support expected increase in administration of RCMP Systems and Infrastructure. This was recommended in the RCMP 3-Year Resourcing Plan as a result of population growth and increase service demands.	\$96	0.05%
12	2 RCMP General Duty Support Clerks The RCMP request two municipal administrative support staff for the General Duty Watch Teams and Road Safety Unit. This was recommended in the RCMP 3-Year Resourcing Plan as a result of population growth and increase service demands.	\$161	0.08%

Ongoing Expenditure Requests – PENDING (in \$000s)

Ref	Description	Amount	Tax Impact (%)
13	1 RCMP Records Reviewer The RCMP request one municipal employee to maintain and review operational/administrative files. This was recommended in the RCMP 3-Year Resourcing Plan as a result of population growth and increase service demands.	\$86	0.05%
2016 Ongoing Grand Totals - PENDING		\$3,220	1.70%

11. Ongoing Expenditure Requests – NOT RECOMMENDED (in \$000s)

Ref	Requested By	Description	Amount	Tax Impact (%)
14	Community Services	Ongoing Major Events Funding The City's annual events are funded from the Major Events Provision Fund where approval is received on a year to year basis. This funding model places limitations on the ability to properly plan events, strategize for future growth, and develop multi-year agreements with our suppliers and sponsors. To address these challenges, it is recommended that funding for major events and festivals be included in the on-going operating budget and not annually from the Major Event Provision account.	\$800	0.42%
15	Community Services	Increased Operating Hours - Tram Building In order to open the Interurban Tram Building in alignment with the other heritage sites in Steveston, additional staffing is required.	\$67	0.04%
16	Library	Richmond Public Library Collections The decrease in the value of the Canadian dollar is expected to have a significant impact on the library's purchasing power for collections, both physical and digital, in 2016. An ongoing additional level increase of \$200,000 will maintain collections.	\$200	0.11%
17	Community Services	Arts Centre Recreation Leader Auxiliary Hours Since 2010, the Richmond Arts Centre has significantly increased community services and programs, with a 45% increase in program registrations as well as increasing waitlists. A high level of service and program quality has been developed and is now expected by Arts Centre patrons; however, this is increasingly difficult to maintain due to the current staff to program/participant ratio. This request is for staffing support.	\$84	0.04%
18	Law and Community Safety	Transfer to Fire Equipment Reserve Additional transfer to fire equipment reserve to meet planned vehicle replacement needs.	\$150	0.08%
19	Community Services	Increased BSW Hours for Steveston Museum/Tram Increased use of Tram building washroom and two new public washrooms in the Steveston Museum, not originally planned, were constructed during the Japanese Fishermen's Benevolent Society building rehabilitation as per Building Committee direction. These facilities have created the need for additional Building Service Worker hours to provide adequate cleaning for these heavily used washrooms to ensure safety and a hygienic environment for patrons.	\$28	0.01%

Ongoing Expenditure Requests – NOT RECOMMENDED (in \$000s)

Ref	Requested By	Description	Amount	Tax Impact (%)
20	Law and Community Safety	Outside Legal Costs To provide specialized advice for complex legal matters in order to meet development matters. The City's legal department budget is comprised of in-house legal costs (salaries being the greatest component of such costs) and the cost of external counsel.	\$100	0.05%
21	Law and Community Safety	Fire Antiviral-Bacterial Supplies RFR provides pre-hospital medical care to the community. This service requires staff to be exposed to communicable diseases on a regular basis. This exposure can lead to contamination of personal equipment and fire apparatus. Antiviral/Bacterial Supplies and services can reduce the risk of illness and cross contamination through sound cleaning and disinfecting procedures.	\$41	0.02%
2016 Ongoing Grand Totals - NOT RECOMMENDED			\$1,470	0.77%



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong, CPA, CA
Director, Finance
Re: 2016 One-Time Expenditures

Date: November 23, 2015
File: 03-0970-01/2015-Vol
01

Staff Recommendation

That the recommended one-time expenditures in the amount of \$1.635M, as outlined in the 2016 One-Time Expenditures staff report, be approved for funding from the Rate Stabilization Account.

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

Att. 3

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

Staff Report

Origin

One-time expenditure requests are typically non-recurring items for consideration over and above the base annual budget. Council established a Rate Stabilization Account (RSA) to provide funding for such requests without a tax impact. 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 2016-2020 5-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.

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

- 7.1. *Relevant and effective budget processes and policies.*
- 7.2. *Well-informed and sustainable financial decision making.*
- 7.3. *Transparent financial decisions that are appropriately communicated to the public.*

Analysis

For 2016, there are 17 one-time expenditure requests totalling \$3.7M. The list includes items that were considered in the Capital process, but were not recommended in the 2016 Capital Budget due to funding constraints and other priorities. Staff conducted a thorough review and prioritized each request using established ranking criteria.

Only 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 (2016-2020). There is no tax impact from any of the proposed one-time expenditures as they will be funded from the RSA which has a balance of approximately \$10.6M. The recommended one-time expenditures total \$1.6M, which would leave a balance of \$9.0M. A further \$1.0M is pending further information; a recommendation may be brought forward at a future date.

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)	Pending Amount (In \$000s)	Not Recommended Amount (In \$000s)	Total (In \$000s)
17	\$1,635	\$992	\$1,043	\$3,670

Attachments 1, 2, and 3 provide a brief description of all one-time expenditure requests with recommendations and non-recommendations respectively provided by SMT and the CAO. 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 \$1.6M are funded from the Rate Stabilization Account with no tax impact. These recommended amounts will be included in the 5-Year Financial Plan (2016-2020), should they be approved by Council. This leaves a balance of approximately \$9.0M in the RSA prior to the transfer of any surplus arising from 2015.

Conclusion

One-time expenditure requests were reviewed and prioritized by SMT and the CAO. The high priority requests in the amount of \$1.6M as summarized in Attachment 1 are recommended to be funded from the Rate Stabilization Account.



Melissa Shiao, CPA, CA
Manager, Financial Planning and Analysis
(604-276-4231)

MS:gjn

- Att. 1: One-Time Expenditure Requests – RECOMMENDED
- 2: One-Time Expenditure Requests – PENDING
- 3: One-Time Expenditure Requests – NOT RECOMMENDED

One-Time Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Requested By	Description	Amt	SMT Rec.
1	Community Services	Steveston Harbour Log Debris Removal This request is to provide funding for ongoing log debris removal and maintenance within the City of Richmond's waterfront amenities including Britannia Shipyards, London Landing/No. 2 Road Pier and Imperial Landing Pier.	\$30	\$30
2	Community Services	Major Event Funding for 2017 Request to add \$635,000 to the Major Events Provision fund for 2017 events to allow continued financial support for festivals as approved by Council. Events include: Children's Arts Festival (\$60K), Richmond Maritime Festival (\$200K), Richmond World Festival (\$300K), Days of Summer umbrella marketing campaign (\$60K), City Branded Assets (\$15K). Note, funding for the 2017 Ships to Shore event has been requested from the Council Initiatives funding and not by the Provision (2017 only).	\$635	\$635
3	Community Services	Heritage Inventory Review and Update The Heritage Inventory is a database of historical sites that is a research tool and also flags a property regarding development. The Inventory requires reviewing and updating. The April 8, 2015 Planning Committee referral asked "That staff update the Richmond Heritage Inventory 1989 and other related lists to determine: a) the remaining listed buildings and b) options to protect the remaining heritage buildings in the inventory."	\$150	\$150
4	Planning and Development	New Traffic & Speed Counters Replacing 14 aging, damaged and unreliable counters for conducting traffic volume / speed studies to address traffic safety issues. Existing equipment cannot be repaired, restricting the City's ability to conduct site assessment objectively. The new counters and software would allow for installation away from traffic flow, enhancing safety, minimalizing equipment damage, and production of customized reports to assist in RCMP speed enforcement.	\$25	\$25
5	Community Services	Child Care Needs Assessment and Strategy A new Richmond Child Care Needs Assessment and Strategy will assist future planning for child care in the City of Richmond.	\$50	\$50

One-Time Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Requested By	Description	Amt	SMT Rec.
6	Community Services	Recreation and Sport Strategy/ Wellness Strategy Creation of a Recreation and Sport Strategic Plan to guide the planning and delivery of wellness, sport and recreation services. Undertake in conjunction with the Strategic Plan, an update of the expired 2015 Community Wellness Strategy with Vancouver Coastal Health and School District 38. The two Strategies will complement each other and provide a framework for overall community health and well-being.	\$75	\$75
7	Community Services	Community Services Communications/Marketing Plan To identify priorities and efficient and effective use of divisional marketing tools and resources to increase awareness, engagement, registration, revenue and participation in parks, recreation and cultural programs, services and facilities. This plan will ensure that marketing & communication efforts are targeted to Richmond's diverse population, align with corporate communication goals and contribute to a vibrant, active and connected city.	\$60	\$60
8	Community Services	Richmond Museum Development Plan Referral on Feb 24, 2015 asked to explore potential partnerships for a museum. In addition, staff have been requested to examine various museum models. Phase 1 will look at different museum models. Phase 2, the Development Plan, will examine partnerships, amenity contributions & co-location opportunities as well as size, location, governance, programming, branding, design, capital & operating funding strategies. Moreover, a new Museum is listed in the Major Facilities Plan, and the Development Plan is the next stage in planning for this.	\$200	\$200
9	Community Services	Britannia Feasibility Study and Upgrades Request to advance the Britannia Shipyards National Historic Site Strategic Plan 2014-2018 including Britannia Building Committee recommendations for completion of feasibility study and upgrades to the Shipyard facilities.	\$150	\$150
10	Community Services	Sustainable Events Toolkit To deliver the implementation plan for the sustainable events toolkit including development of program materials and community engagement.	\$48	\$48

One-Time Expenditure Requests – RECOMMENDED (in \$000s)

Ref	Requested By	Description	Amt	SMT Rec.
11	Community Services	City Grants System Improvements City Grant System improvements to increase the effectiveness of the existing web-based application system are needed. For example, last year Council specifically requested that the number of Richmond residents served be identified on each application; completion of the previous years' grant use report needs to be linked to the current application; and the "Review Application" function needs to reflect questions asked of the applicant, not currently available to reviewers.	\$30	\$30
12	Law and Community Safety	Richmond Fire Rescue Mobile Inspections Enables mobile inspections from the field producing greater efficiency in reporting and allows for real-time updates to critical fire data. This will give Fire Inspectors the opportunity to perform mobile inspections and reporting in the field without having to return to the office for information.	\$62	\$62
13	Finance and Corporate Services	Envelope Feeder/Inserter Replacement The current envelope feeder/inserter in the mailroom is expected be at its end of life based on maintenance records and manufacture specifications. This is an essential piece of equipment as it processes all utility billing mailing and yearly tax billing mailouts. Replacement of this equipment will be required in 2016.	\$45	\$45
14	Law and Community Safety	Public Safety Messaging - Electronic Reader Board Enables timely Fire community safety messaging resulting in enhanced public awareness.	\$75	\$75
2016 One-Time Total - RECOMMENDED			\$1,635	\$1,635

One-Time Expenditure Requests – PENDING (in \$000s)

Ref	Requested By	Description	Amt	SMT Rec.
15	Law and Community Safety	Public Safety Mobile Command Vehicle An Inter-Agency Command Vehicle is a mobile Incident Command Post for emergency response and support operations for use by Richmond Fire, RCMP, BC Ambulance Service, Public Works, Coast Guard and Emergency Programs. The vehicle operates as both a dispatch centre and a command centre to provide incident commanders with access to multiple communication systems in a fully integrated command centre. Current vehicle has mold and needs a replacement plan.	\$992	Pending
2016 One-Time Total – PENDING			\$992	Pending

One-Time Expenditure Requests – NOT RECOMMENDED (in \$000s)

Ref	Requested By	Description	Amt	SMT Not Rec.
16	Community Services	Major Event Funding for Canada's 150th Request for \$1,000,000 from the Major Events Provision fund in anticipation of 2017 celebrations. Any remaining funding required for council approved activities will be requested in 2017.	\$1,000	\$1,000
17	Community Services	Partners for Beautification Development and implementation of marketing and communications strategy including new visual identity and branded volunteer supplies.	\$43	\$43
2016 One-Time Total – NOT RECOMMENDED			\$1,043	\$1,043



City of Richmond

Report to Committee

To: Finance Committee

Date: November 27, 2015

From: Jerry Chong, CPA, CA
Director, Finance

File: 03-0970-01/2015-Vol
01

Re: 2016 Council Community Initiatives One-Time Expenditures

Staff Recommendation

That:

1. The one-time expenditure requests as outlined in Attachment 1 of the 2016 Council Community Initiatives One-Time Expenditures staff report, be received for information.
2. Funding of \$895,000 for the 2017 Canada 150th Steveston Ships to Shore Events be included in the City's 5-Year Financial Plan (2016-2020) Bylaw.

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

Att. 1

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

Staff Report

Origin

On July 13, 2015, Council established a Council Community Initiatives Account with an initial balance of \$3.0M transferred from the Gaming provision. The purpose of the account is to enable Council to utilize a portion of gaming revenue towards one-time initiatives that address social, environmental, recreation and sports, heritage, arts and culture, safety and security, or infrastructure needs in accordance with the established Terms of Reference. One-time expenditure requests are typically non-recurring items for consideration over and above the base annual budget.

Council also approved a new gaming revenue allocation model with 2% of budgeted gaming revenue toward the Council Community Initiatives Account.

Any approved one-time expenditure requests will be included in the 2016-2020 5-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.

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

- 7.1. Relevant and effective budget processes and policies.*
- 7.2. Well-informed and sustainable financial decision making.*
- 7.3. Transparent financial decisions that are appropriately communicated to the public.*

Analysis

2016 Projected Funding

The Terms of Reference for this account suggests the maximum annual distribution should not exceed 50% of prior year's ending account balance in order to ensure funding availability for future years; however, Council has the discretion to waive this limitation.

Based on the initial balance of \$3.0M the suggested annual distribution for 2016 should not exceed \$1.5M. Any unallocated amount will remain in the Council Community Initiatives Account for distribution in future years.

The annual gaming revenue budget for 2016 is \$18.1M, therefore a total of \$362,000 (2% as part of the new gaming revenue allocation model) will be allocated toward the Council Community Initiatives Account.

2016 Requests for Funding

There are two Council Community Initiatives expenditure requests received to date totalling \$0.9M as summarized in Table 1.

Table 1 – CCIA Requests Summary

# of CCIA Expenditures Requested	Previously Approved by Council (in \$000's)	Pending (in \$000's)	Total (in \$000s)
2	\$895	\$24	\$919

All expenditures from this account are at Council's discretion. Any approved one-time expenditure requests will be included in the 5-Year Financial Plan (2016-2020). There is no tax impact from any of the proposed one-time expenditures as funding is available in the Council Community Initiatives Account.

Attachment 1 provides a brief description of the Council Community Initiative requests for Council consideration.

Allocations may be approved throughout the year and will be included in the original 5 Year Financial Plan Bylaw or subsequent 5 Year Financial Plan Amendment Bylaw, depending on the timing.

Financial Impact

The approved one-time expenditure request of \$0.9M will be funded from the Council Community Initiatives Account with no tax impact. Any further approved amounts will be included in the 5-Year Financial Plan (2016-2020) or the 5-Year Financial Plan Amendment (2016-2020), depending on the timing of the approval.

Conclusion

Council previously approved \$0.9M to be funded by the Council Community Initiatives Account. Any further approvals will be included in the 2016-2020 Financial Plan.



Melissa Shiao, CPA, CA
Manager, Financial Planning and Analysis
(604-276-4231)

MS:gjn

Att. 1: Council Community Initiative Account Requests

Council Community Initiatives Requests

Ref	Description	Amount (in 000's)	Status
	2017 Canada 150th Steveston Ships to Shore Events		
	Funding would be used to support the event delivery for the 2017 Canada 150 th Steveston Ships to Shore events as follows:		
	<p>\$575,000 would be allocated to programming for the Ships to Shore Kaiwo Maru visit including sail raising ceremonies, daily concerts, vessel boarding and landside programming for approximately 45,000 to 60,000 people per day ending with a fireworks presentation in the harbor. Involvement of the local Japanese community and the community at large would be an integral part of these celebrations.</p>		
1	<p>\$320,000 would be allocated to the Canada Day July 1st Canada 150th Anniversary Ships to Shore event which will be combined with the 72nd Annual Steveston Salmon Festival. Attendance is estimated at over 70,000 and the celebrations are proposed to include ships from the Pacific Rim including if possible, an additional Tall Ship. Recruitment is currently underway. Programming will focus on public boarding and viewing of the ships as well as landside roving entertainment, kids' zone, maritime demonstrations, entertainers and a boat building booth.</p>		
	At the Council meeting on November 9, 2015, the following resolution was adopted:		
	<p><i>That \$895,000 be transferred from the Council Community Initiatives Fund in 2016 to support the event delivery for the 2017 Canada 150th Steveston Ships to Shore Events and that the 2017 Canada 150th Steveston Ship to Shore Events be considered in the 2016 budget process.</i></p>		
		\$895	Approved on Nov 9, 2015

Council Community Initiatives Requests

Ref	Description	Amount (in 000's)	Status
Richmond Gateway Theatre Society Sustainability			
2	Richmond Gateway Theatre Society ("Gateway Theatre") needs to address long-term sustainability issues by engaging consultant expertise to improve revenue generation. This includes a complete change of pricing strategy, making many of Gateway's tickets more accessible and competitive in the market, and a new marketing and audience retention plan based on best practices and the latest arts industry research. The result will be increased organizational capacity, more financial stability and sustainability, and more accessible ticket prices for Richmond residents with limited means.	\$24	Pending Council Decision
2016 Council Community Initiative Submissions Grand Total		\$919	\$24