



**Finance Committee**

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

**Monday, February 3, 2025  
Immediately following the Open General Purposes Committee  
meeting**

Pg. #      ITEM

MINUTES

FIN-3      *Motion to adopt the **minutes** of the meeting of the Finance Committee held on January 7, 2025.*

FINANCE AND CORPORATE SERVICES DIVISION

1. **2024 INVESTMENT REPORT**  
(File Ref. No. 03-0900-01) (REDMS No. 7904031)

FIN-7

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

*Designated Speaker: Venus Ngan*

STAFF RECOMMENDATION

*That the staff report titled “2024 Investment Report” dated January 8, 2025 from the Director, Finance be received for information.*

**Finance Committee Agenda – Monday, February 3, 2025**

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Pg. #      ITEM

2.      **REVENUE ANTICIPATION BORROWING (2025) BYLAW NO. 10632**  
(File Ref. No. 03-0900-01) (REDMS No. 7903070)

FIN-11

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

*Designated Speaker: Venus Ngan*

STAFF RECOMMENDATION

*That Revenue Anticipation Borrowing (2025) Bylaw No. 10632 be introduced and given first, second and third readings.*

ADJOURNMENT



## Finance Committee

Date: Tuesday, January 7, 2025

Place: Anderson Room  
Richmond City Hall

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

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

It was moved and seconded

*That Rick Dusanj be permitted to join the meeting electronically.*

**CARRIED**

### MINUTES

It was moved and seconded

*That the minutes of the meeting of the Finance Committee held on December 2, 2024, be adopted as circulated.*

**CARRIED**

### DELEGATION

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

**FINANCE AND CORPORATE SERVICES DIVISION**

**2. FINANCIAL INFORMATION – 3RD QUARTER SEPTEMBER 30, 2024**

(File Ref. No. 03-0905-01) (REDMS No. 7842837)

It was moved and seconded

*That the staff report titled, “Financial Information – 3rd Quarter September 30, 2024”, dated December 12, 2024, from the Director, Finance, be received for information.*

**CARRIED**

**3. ACTIVE CAPITAL PROJECTS FINANCIAL UPDATE – 3<sup>RD</sup> QUARTER SEPTEMBER 30, 2024**

(File Ref. No. 03-0975-01) (REDMS No. 7845719)

In response to queries from Committee, staff advised that (i) active capital projects noted in this report have already been approved from previous years, (ii) Watermania should have a lifespan of 15-20 years if maintained properly, (iii) an assessment of recreation facilities in Richmond has been conducted and more information is to come, and (iv) non-cash assets could consist of upgrades to services, and road dedications.

It was moved and seconded

*That the staff report titled, “Active Capital Projects Financial Update – 3rd Quarter September 30, 2024”, dated November 29, 2024 from the Director, Finance, be received for information.*

**CARRIED**

**LULU ISLAND ENERGY COMPANY**

**4. LULU ISLAND ENERGY COMPANY - 2024 3RD QUARTER FINANCIAL INFORMATION**

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 7892 I 76)

It was moved and seconded

*That the Lulu Island Energy Company report titled "Lulu Island Energy Company - 2024 3<sup>rd</sup> Quarter Financial Information", dated December 13, 2024, from the Chief Executive Officer and Chief Financial Officer, be received for information.*

**CARRIED**

RICHMOND OLYMPIC OVAL CORPORATION

5. **RICHMOND OLYMPIC OVAL CORPORATION – 3RD QUARTER 2024 FINANCIAL INFORMATION**

(File Ref. No. 03-1200-09) (REDMS No. 7895732)

Committee requested a (i) summary of allocation of the Hotel Tax, (ii) budget for sport hosting, and (iii) more details on the investments noted in the report.

It was moved and seconded

*That the Richmond Olympic Oval Corporation – 3rd Quarter 2024 Financial Information report from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.*

**CARRIED**

6. **RICHMOND OLYMPIC OVAL CORPORATION – 2025 ANNUAL OPERATING AND CAPITAL BUDGETS**

(File Ref. No. 03-1200-09) (REDMS No. 7895782)

It was moved and seconded

*That the Richmond Olympic Oval Corporation – 2025 Annual Operating and Capital Budgets report from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.*

The question on the motion was not called as discussion took place on (i) the marketing budget, (ii) strategic plan process, and (iii) examining efficiencies to lower costs.

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

ADJOURNMENT

It was moved and seconded

*That the meeting adjourn (4:32 p.m.).*

**CARRIED**

**Finance Committee**  
**Tuesday, January 7, 2025**

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Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Tuesday, January 7, 2025.

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Mayor Malcolm D. Brodie  
Chair

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Sarah Goddard  
Legislative Services Associate



# City of Richmond

## Report to Committee

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**To:** Finance Committee **Date:** January 8, 2025  
**From:** Mike Ching, CPA, CMA **File:** 03-0900-01/2024-Vol  
Director, Finance 01  
**Re:** 2024 Investment Report

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### Staff Recommendation

That the staff report titled "2024 Investment Report" dated January 8, 2025 from the Director, Finance be received for information.

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

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

**Staff Report**

**Origin**

The purpose of this report is to provide Council with information on the City of Richmond’s (the City’s) cash and investment position and performance for fiscal year 2024 as required the City’s Investment Policy 3703.

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

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

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

**Analysis**

Permitted Investments

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

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

City’s Cash and Investment Balances

The City’s cash and investment balance was approximately \$1.76 billion as at December 31, 2024. The balance was comprised of \$1.57 billion in investments and \$188 million in high interest savings cash accounts (Table 1). The City’s overall weighted average investment yields for year 2024 was 4.45% (year 2023: 4.50%).

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

Issuer	Investment Type	Investment Net Book Value (unaudited)	% of Total
Provinces	Bonds	\$ 752 million	42.7%
Chartered Banks	Bonds and Term Deposits	\$ 746 million	42.3%
Banks	Cash	\$ 188 million	10.7%
Credit Unions	Term Deposits	\$ 61 million	3.5%
MFA	Bonds	\$ 12 million	0.7%
Government of Canada	Treasury Bills	\$ 3 million	0.1%
<b>Cash and Investment Balance (December 31, 2024)</b>		<b>\$1.76 billion</b>	



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

**Table 2: Composition of the City’s December 31, 2024 Cash and Investment Balance**

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

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

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

**ESG Rating**

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

The City’s fixed income investment portfolio continues to be rated with “AA” MSCI ESG rating for the 2024 fiscal year.

**Interest Rate Outlook**

With inflation being close to the target of 2.00% in the latter half of 2024, the Bank of Canada (Bank) reduced the policy interest rate five times by an aggregate of 1.75% in 2024. The current overnight interest rate is 3.25%.

The current economic forecast indicates that further interest rate cuts may be likely in 2025 but will be at a slower pace than 2024. Future monetary policy will be guided by economic

January 8, 2025

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indicators such as inflation data, employment statistics, foreign exchange outlook, as well as the uncertainty of geopolitical pressures from both within Canada and south of the border.

Staff will continue to monitor the interest rate movement and will position its cash and investments to ensure that, amongst its investment policy objectives, capital preservation and liquidity continue to be the most critical considerations for all municipal investment decisions.

**Financial Impact**

None.

**Conclusion**

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



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



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** January 8, 2025

**From:** Mike Ching, CPA, CMA  
Director, Finance

**File:** 03-0900-01/2024-Vol  
01

**Re:** Revenue Anticipation Borrowing (2025) Bylaw No. 10632

### Staff Recommendation

That Revenue Anticipation Borrowing (2025) Bylaw No. 10632 be introduced and given first, second and third readings.

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

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

## Staff Report

### Origin

The City of Richmond (the City) maintains a credit facility agreement with its bank, which includes: (i) \$15,000,000 in standby letters of credit, demand promissory notes or bank overdraft; (ii) \$4,500,000 in leasing lines of credit; and (iii) \$2,000,000 in commercial card credit facility. The purpose of this report is to seek Council's approval and authorization of the proposed Revenue Anticipation Borrowing (2025) Bylaw No. 10632.

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

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

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

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

### Analysis

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

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

### The City's Credit Facility Agreement

#### *\$15,000,000 Standby Letters of Credits/Demand Promissory Notes/Bank Overdraft*

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

#### *\$4,500,000 Leasing Lines of Credit*

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

#### *\$2,000,000 Commercial Credit Card Facility*

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

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

	Operating Lines of Credit	Leasing Lines of Credit	Commercial Credit Card
Interest Rate	Scotiabank’s prime lending rate minus 0.50%	Scotiabank’s leasing base rate plus 0.60%	Scotiabank’s prime lending rate plus 12%
Grace Period	None	None	3 days after statement date

The current bank’s prime lending rate at the time of this report is 5.45%.

Proposed Revenue Anticipation Borrowing (2025) Bylaw No.10632

The proposed Revenue Anticipation Borrowing (2025) Bylaw No.10632 does not automatically result in any borrowing upon adoption.

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

The Revenue Anticipation Borrowing Bylaw is required to be adopted annually by Council. Other than minor text amendments, there was no other material changes made to the credit facility agreement with the bank. Annually, the bank reviews the credit facility agreement with the City to evaluate the optimal level of credit facility balances to maintain.

**Financial Impact**

None.

**Conclusion**

Staff recommend that the Revenue Anticipation Borrowing (2025) Bylaw No. 10632 be introduced and given first, second and third readings.



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



**REVENUE ANTICIPATION BORROWING (2025) BYLAW NO. 10632**

The Council of the City of Richmond enacts as follows:

1. Council shall be and is hereby empowered and authorized to borrow upon the credit of the City, from a financial institution, a sum not exceeding \$21,500,000 at such times as may be required.
2. The form of obligation to be given as acknowledgement of the liability shall be \$15,000,000 in the form of standby letters of credit, demand promissory notes or bank overdraft, \$4,500,000 in the form of leasing lines of credit, and \$2,000,000 in the form of commercial credit card facility.
3. All unpaid taxes and the taxes of the current year (2025) when levied or so much thereof as may be necessary shall, when collected, be used to repay the money so borrowed.
4. Revenue Anticipation Borrowing (2024) Bylaw No. 10532 is hereby repealed.
5. This Bylaw is cited as **“Revenue Anticipation Borrowing (2025) Bylaw No. 10632”**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

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

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MAYOR

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