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**Finance Committee**

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

**Monday, April 1, 2019**

**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 March 4, 2019.*



**FINANCE AND CORPORATE SERVICES DIVISION**

**1. 2018 ANNUAL PROCUREMENT REPORT**

(File Ref. No. 02-0600-01) (REDMS No. 6137000 v. 7)

**FIN-7**

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

*Designated Speaker: David Aarons*

**STAFF RECOMMENDATION**

*That the staff report titled “2018 Annual Procurement Report”, dated March 18, 2019 from the Director of Finance, be received for information.*



**2. 2018 ANNUAL DEVELOPMENT COST CHARGES REPORT**

(File Ref. No. 03-1070-04-01) (REDMS No. 6140048 v. 3)

**FIN-17**

**See Page FIN-17 for full report**

*Designated Speaker: Cindy Gilfillan*

STAFF RECOMMENDATION

*That the staff report titled, “2018 Annual Development Cost Charges Report,” dated March 8, 2019 from the Director, Finance be received for information.*

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3. **ANNUAL DEVELOPMENT COST CHARGES IMPOSITION BYLAW AMENDMENT**

(File Ref. No. 12-8060-20-0010003) (REDMS No. 6136902 v. 2)

FIN-34

See Page FIN-34 for full report

*Designated Speaker: Venus Ngan*

STAFF RECOMMENDATION

- (1) *That the proposed Development Cost Charges Imposition Bylaw No. 9499, Amendment Bylaw No. 10003 be introduced and given first reading; and*
- (2) *That the staff report titled “Annual Development Cost Charges Imposition Bylaw Amendment” dated March 1, 2019 from the Director, Finance, be endorsed as the basis for public consultation in establishing the amended Development Cost Charge Imposition Bylaw.*

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4. **ACCEPTANCE OF CASH AT CITY HALL**

(File Ref. No. 03-1240-01) (REDMS No. 6153746 v. 3)

FIN-39

See Page FIN-39 for full report

*Designated Speaker: Cindy Szutu*

STAFF RECOMMENDATION

*That the maximum cash amount accepted at City Hall be limited to \$10K per transaction (Option 3).*

☐

ADJOURNMENT

☐



## Finance Committee

Date: Monday, March 4, 2019

Place: Anderson Room  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Chak Au  
Councillor Carol Day  
Councillor Kelly Greene  
Councillor Alexa Loo  
Councillor Bill McNulty  
Councillor Linda McPhail  
Councillor Harold Steves  
Councillor Michael Wolfe

Call to Order: The Chair called the meeting to order at 5:39 p.m.

### MINUTES

It was moved and seconded

*That the minutes of the meeting of the Special Finance Committee held on February 11, 2019, be adopted as circulated.*

**CARRIED**

### DELEGATION

1. CJ James, Partner KPMG Chartered Accountants, presented the Audit Planning Report for the year ended December 31, 2018 and spoke to (i) materiality, which has been determined as \$8.3 million, (ii) professional auditing standards regarding Council's oversight of management processes for identifying and responding to risks of fraud, and (iii) responsibilities of management and those charged with governance for financial statements.

**Finance Committee**  
**Monday, March 4, 2019**

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Ms. James then commented on KPMG's independence, noting that as an independent body, KPMG has extensive quality control and conflict checking processes in place.

It was moved and seconded

*That the Audit Planning Report for the year ended December 31, 2018 from KPMG LLP dated December 3, 2018, be received for information.*

**CARRIED**

## FINANCE AND CORPORATE SERVICES DIVISION

2. **2018 INVESTMENT REPORT**

(File Ref. No. 03-0900-01) (REDMS No. 6089751 v. 2)

It was moved and seconded

*That the staff report titled "2018 Investment Report" dated February 6, 2019 from the Director, Finance be received for information.*

**CARRIED**

3. **INVESTMENT POLICY 3703 AMENDMENT**

(File Ref. No. 03-0900-01) (REDMS No. 6006535 v. 4; 6101472)

It was moved and seconded

*That Council Policy 3703 (Investment Policy) be amended as proposed in the staff report titled "Investment Policy 3703 Amendment" dated February 6, 2019 from the Director, Finance.*

**CARRIED**

4. **CREDIT CARD PAYMENT SERVICE FEE BYLAW NO. 9536, AMENDMENT BYLAW NO. 9963**

(File Ref. No. 12-8060-20-009963; 03-0900-01) (REDMS No. 6022858 v. 4; 6119619)

In reply to queries from Committee, Venus Ngan, Manager Treasury and Financial Services, spoke to various methods of payment accepted by the City, noting that cash transactions remain a normal and legal means of conducting business. She commented on the City's practice where large sums of cash are transacted (> \$10,000), noting that the City collects additional information from payees and voluntarily reports the details of the transaction to the Financial Transactions Reports Analysis Centre.

Discussion took place on large cash transactions and it was noted that if a cap were to be placed on single large sum cash transactions, it does not preclude individuals from making multiple small sum payments.

**Finance Committee**  
**Monday, March 4, 2019**

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It was moved and seconded

- (1) *That the staff report titled "Credit Card Payment Service Fee Bylaw No. 9536, Amendment Bylaw No. 9963" dated February 11, 2019 from the Director, Finance, be endorsed; and*
- (2) *That Credit Card Payment Service Fee Bylaw No. 9536, Amendment Bylaw No. 9963 be introduced and given first, second and third readings.*

**CARRIED**

As a result of the discussion regarding single large sum cash transactions, the following **referral motion** was introduced:

It was moved and seconded

*That staff examine the maximum cash amount that can be used for payments to the City.*

The question on the referral motion was not called as staff was asked to examine requirements of the Financial Transactions Reports Analysis Centre, and other restrictions as part of the referral.

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

**5. REVENUE ANTICIPATION BORROWING (2019) BYLAW NO. 9997**  
(File Ref. No. 12-8060-20-009997; 03-0900-01) (REDMS No. 6095250; 6095252)

It was moved and seconded

*That Revenue Anticipation Borrowing (2019) Bylaw No. 9997 be introduced and given first, second and third readings.*

**CARRIED**

**ADJOURNMENT**

It was moved and seconded

*That the meeting adjourn (5:57 p.m.).*

**CARRIED**

**Finance Committee**  
**Monday, March 4, 2019**

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Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, March 4, 2019.

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Mayor Malcolm D. Brodie  
Chair

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Hanieh Berg  
Legislative Services Coordinator



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** March 18, 2019

**From:** Jerry Chong  
Director, Finance

**File:** 02-0600-01/2019-Vol  
01

**Re:** 2018 Annual Procurement Report

### Staff Recommendation

That the staff report titled "2018 Annual Procurement Report", dated March 18, 2019 from the Director of Finance, be received for information.

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

Att. 1

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

This report to Council is to provide information regarding the City's procurement activities during the 2018 calendar year and procurement metrics as recommended by the Auditor General for Local Government to all BC municipalities concerning Government Procurement Processes.

### Analysis

This procurement report covers the period from January 1, 2018 to December 31, 2018 and documents the City of Richmond's procurement activities. The scope of this report includes the City's procurement achievements and procurement statistics.

This report is the fourth since the implementation of the amended Procurement Policy 3104. The policy continues to provide a strong basis in enabling a practical, collaborative approach to supply management.

Purchasing continues to utilize leading procurement practices thereby ensuring procurement and inventory management operations at the City delivers value for money for internal partners. Purchasing promotes commitment to process transparency, improved vendor relations and heightened internal controls.

The City's Purchasing Section, working collaboratively with all City departments and subsidiaries upon request, successfully negotiated and awarded over \$78M worth of contracts for goods, services and construction in 2018.

#### 1. Procurement Achievements

In September 2015 Council approved an amended Procurement Policy 3104. The policy provides direction from Council for the procurement of goods and services for the City with respect to contract approval authority limits, contract signing authority, sustainable and ethical procurement.

Purchasing continues to focus on delivering value through performance utilizing effective processes and systems. Some of the key activities and achievements that have been realised, or directly contributed to, through the procurement process include:

- Construction Services for Watermania Infrastructure Upgrades. Purchasing, working with City Engineering staff, successfully tendered this work with a value of \$535,795.
- Construction of Interim River Parkway. Purchasing, working with City Engineering staff, successfully tendered this work with a value of \$6,999,605.
- City Hall IT Server Room AC Upgrade. Purchasing, working with City Engineering staff, successfully tendered this work with a value of \$663,933.
- 2018 Paving Program. Purchasing, working with City Engineering staff, successfully tendered this work with a value of \$3,139,337.



The City-wide purchasing card program continues to provide value by simplifying the purchasing and payment process while lowering overall transaction and administrative costs per purchase. In 2018, City purchasing cards were used for over 18,550 transactions for a total spend of \$6,200,828. This is an increase of 10% in purchase card spend over 2017 and will result in a rebate of approximately \$62k, to be received in 2019.

## 2. Procurement Statistics

The following are key procurement statistics for the period of January 1, 2018 to December 31, 2018

Total Value of Purchase Order Contracts Awarded in 2018	\$78,088,664
Competitive Contracts Administered (in excess of \$75,000)	114
Purchase Orders Issued	3,629
Purchasing Card Expenditures	\$6,200,829
Average P-card transaction value	\$335

## 3. Council Approved Contracts

Council approval for Purchasing contracts follows Bylaw No. 8215 - Officer and General Manager. Examples of contracts approved by Council in 2018 are:

- Contract 6225P – Supply and Delivery of Apparatuses for Richmond Fire Rescue for \$1,085,258.
- Contract 6205P – Residential Solid Waste Collection and Recycling Services for \$8,165,594 for an initial eight (8) year term
- 6155EOI Furniture Systems and Management Solutions for \$1,500,000 for a three (3) year term.
- 5857P Supply and Delivery of Janitorial Cleaning Supplies for \$820,000 for an initial two (2) year term.
- 6232P On-Call Repair and Maintenance of Security and Access Control Systems Plus Monitoring of Fire and Alarm Systems for City of Richmond Sites for \$500,000 for a two (2) year term.

## 4. Strategic Sourcing

Strategic Sourcing is a systematic approach to managing the acquisition of goods, services and construction that matches internal partner needs with marketplace capabilities. Strategic sourcing focuses on long term supplier relationships with suppliers integral to the City's organizational strategy. In 2018, a total of 244 strategic sourcing projects led to the award of over \$41M in contracts in excess of \$75,000 on behalf of all City departments.

### **Financial Impact**

There is no financial impact.

### **Conclusion**

The amended Purchasing Policy 3104 adopted by Council in September 2015, along with the purchasing guidelines, continue to augment the City's collaborative approach to strategic sourcing and strategic decision making on significant expenditures, increased compliance to policies and standardized systems and controls.

The emphasis for Purchasing in 2019 will be to continue to enhance operations through utilizing leading procurement and inventory management practices. A capital request for a Contract Lifecycle Management System was submitted in 2018 and subsequently approved by Council. The system will be procured in 2019 and will be a key area of focus for both the Department and the wider organization.

Purchasing will be implementing updated competitive bid and contract documents in 2019 to comply with the Canada-EU Comprehensive Economic Agreement (CETA), the Canadian Free Trade Agreement (CFTA) and the New West Partnership Trade Agreement (NWPTA) that affect City procurement activities and will continue to support Council's current term goal of strong financial stewardship through the City's operational and capital programs.



David Aarons  
Manager, Purchasing  
(604-276-4061)

Appendix 1: Competitive Bid Awards 2018

## Appendix 1: Competitive Bid Awards 2018 - (contracts awarded in excess of 75,000)

	<b><i>Contract Name and Description (listed by award date)</i></b>	<b><i>Successful Vendor</i></b>	<b><i>Amount</i></b>
1.	6192S Maintenance and support services for REDMS	Open Text Corporation	\$187,767
2.	6189S Annual Software License - Tempest	Tempest Development Group Inc	\$103,962
3.	6179Q Supply and Installation of Readerboard at Fire Hall # 1 and # 4	Landmark Sign Ltd	\$79,610
4.	6133EOI Provision of Child Care Services - Kingsley Pinnacle Development	YMCA of Greater Vancouver	N/A
5.	6127Q Lease - Automated Vote Counting System	Election Systems & Software	\$77,920
6.	6021Q Supply & Delivery of one (1) tier 4 Compliant Backhoe	Finning Canada	\$169,897
7.	6292F Condition Assessment Services	VFA Canada Corporation	\$123,000
8.	6224F Emergency construction repair/stabilization work for the canal bank along the 2400 block of No. 8 Road	Merletti Construction (1999) Ltd	\$125,000
9.	6216F Professional audio, lights, staging and truss for Richmond World Festival and Richmond Canada Day	Briere Production Group Inc	\$94,150
10.	6204S PerfectMind software annual subscription, maintenance and support renewal	PerfectMind Inc.	\$175,036
11.	6199S Supply and Deliver an Automated Bicycle Parking System	Mazdis Inc.	\$127,500
12.	6162P Producer for the Richmond World Festival	John Donnelly & Associates Event	\$97,500
13.	T.6159 Minoru Chapel Phase 3 Renovation	Scott Special Projects	\$229,536
14.	6154P Drainage Pump Station Condition Assessment	AECOM Canada Ltd	\$124,791
15.	6132EOI Concession Services for Watermania	Lelem' Hospitality	N/A
16.	6020Q Supply and Delivery of Sewer Vacuum Truck Combo Unit on a City Provided Cab and Chassis	Vimar Equipment Ltd	\$406,990
17.	5961Q Supply and Delivery of one (1) 21 seater Passenger Bus	Dynamic Specialty Vehicles Ltd.	\$109,664
18.	6246Q King George Spray Park - Surfacing Repairs with a Poured-in-Place Rubber Surfacing System	Marathon Surfaces Inc.	\$108,860
19.	6245S Microbial Soil Stabilization - Phase 2	Groundwater Technology	\$105,000



20.	6241Q Recruitment Services - Director, Parks & Director, Recreation Services	Davies Park Executive Search Consultants	\$77,500
21.	6222Q Janitorial Services - Libraries (Brighthouse, Cambie and Ironwood)	Master Care Janitorial & Facility Services	\$104,120
22.	5857P Supply and Delivery of Janitorial Cleaning Supplies	Planet Clean	\$820,000
23.	6291F City Hall Annex Phase 2 - Design Services for Level 2 and portion of Level 1 Renovations	Assembly Architecture	\$182,500
24.	6290S Infor Public Sector (HANSEN) 2017 Annual Support Contract Renewal	Infor Canada Ltd	\$102,733
25.	6289S 2018 Operation of Restorative Justice Program	Touchstone Family Association	\$95,000
26.	6284F Supply and delivery of auto extraction equipment for three (3) new vehicles	Rescue Tools Canada	\$113,400
27.	6274F Peterbilt Cab and Chassis Model number 567 to replace unit 1251 (Vactor truck)	Peterbilt Pacific Inc	\$167,476
28.	6273F Engineering Consulting Services for Phase 5 of the Dike Master Plan	Kerr Wood Leidal	\$149,961
29.	6269Q South Arm Pool Skimmer and Wading Pool Repairs	Belzona Molecular (BC) Ltd	\$172,080
30.	6264Q Motor Control Center for Horseshoe Slough Drainage Pump Station Upgrade	Guillevin Automation	\$77,405
31.	6263F Installation and upgrade of CCTV systems for City Hall and City Hall Annex	Safe and Sound	\$128,104
32.	6262Q Consulting services for Watermania Infrastructure Replacement Project 2018	Kasian	\$91,573
33.	6259Q Sidaway Pavement Improvements	BA Blacktop Ltd.	\$105,303
34.	6258Q Sidaway Operations Trailer	Britco BOXX Limited Partnership	\$153,622
35.	6506S Avolve Software upgrades and consulting services	Avolve Software	\$141,000
36.	6254S 2018 Oracle (PeopleSoft) Software License & Support	Oracle Canada ULC	\$299,102
37.	6249F Production Services for the Richmond Maritime Festival	Anigraph Productions Ltd.	\$150,000
38.	6226EOI Street and Sidewalk Vegetation Control (2018 - 2021)	Western Weed Control (1980) Ltd	\$115,000
39.	6218P Supply and Delivery of Self-Contained Breathing Apparatus Systems for Richmond Fire Rescue	Guillevin International Inc.	\$115,110
40.	T.6142 2018 Paving Program	BA Blacktop Ltd.	\$3,139,337
41.	6317Q City Hall Annex Waterproofing Membrane Replacement	Atlas-Apex Roofing (BC) Inc.	\$77,500
42.	6312Q Minoru Arenas Building Improvements 2018 - Construction Services	Solid General Contractors Inc.	\$110,250
43.	6307Q Architectural Design Services for City Centre Community Police Office Relocation	Micheal Mammone Office 4 Architecture	\$156,295

44.	6297F Steveston Island Sea Gates Investigation	Kerr Wood Leidel	\$343,161
45.	6233P ADEU Phase 5 - Design of the West Cambie Park and South Greenway Geo-exchange Fields	Falcon Engineering Ltd.	\$143,700
46.	6220P Consulting Services to develop a Richmond Middle Arm Waterfront Brownfield Action Plan	Hemmera Envirochem Inc.	\$134,905
47.	6203Q ADEU - McKim Way Distribution Piping Extension and Glycol Addition	MRC Total Build LP	\$435,190
48.	6155EOI Furniture Systems and Management Solutions	Heritage Office Furnishings	\$1,500,000
49.	6019Q Supply and Delivery of one (1) Excavator	Finning Canada	\$414,341
50.	5960P Supply and Delivery of Hybrid and Electric Vehicles	Dueck Richmond GM	\$263,249
51.	6328S Storm Sewer Construction Works - 9131 Steveston Highway	Stoddard Contracting Ltd.	\$105,670
52.	6304S Phase 1- No. 2 Road MUP London Road to Andrews Road	BC Hydro & Power Authority	\$197,041
53.	6303F Richmond Ice Centre Forum Boards Replacement 2018	CascadiaSport Systems Inc	\$105,150
54.	6299Q Replacement of City Hall Boilers	Davidson Brothers Mechanical	\$308,933
55.	6257Q Supply and Delivery of Extreme Networks Equipment	X10 Networks, Inc.	\$93,837
56.	6243EOI Request for Pre-Qualification - Restoration of the Phoenix Net Loft	Scott Special Projects	N/A
57.	6207Q Supply and Delivery of one (1) tier 4 compliant Backhoe	Finning (Canada)	\$254,918
58.	6182P Supply and Install Fitness Equipment for the Minoru Centre for Active Living	Technogym USA National Fitness Products of Canada Inc. Tower Fitness Equipment Services Inc. Fitness Town Commercial Stak Fitness International Inc.	\$401,271
59.	6338S Trial Sewer Wastewater Equipment at City of Richmond's Edgemere Lift Location	Muddy River Technology Inc.	\$92,500
60.	6348F MyRichmond's MyCommunity with PerfectMind	Radical I/O	\$249,000
61.	6347Q Minoru Centre for Active Living (MCAL) - TP8 Supply & Install Signage	Stuart Olson Construction Ltd.	\$249,464
62.	6337S DVD Dispenser Modernization	ITRE s.r.l.	\$75,855



63.	6286P Supply and Operate a City of Richmond Public Bike Share Pilot Program	U-Bicycle North America Inc.	N/A
64.	6285P Consulting Services to Design, Tender, and Oversee Construction of Aberdeen Park - Phase 2	van der Zalm +Associates	\$182,501
65.	6280P Heritage Inventory Review and Update	Donald Luxton and Associates	\$114,000
66.	6267EOI Operator For The Capstan Village Early Childhood Development Hub	YMCA of Greater Vancouver	N/A
67.	6237Q Supply and Delivery of two (2) Full Size High Roof Extended One Ton Dual Rear Wheel Cargo Vans	Dams Ford Lincoln Sales Ltd	\$100,622
68.	6219Q On Call Roofing Contractor	Marine Roofing Repair and Maintenance Service (2003) Ltd.	\$120,000
69.	6212P Engineering Inspection Services for City projects	Maven Consulting Ltd. RAM Engineering Ltd.	\$200,000
70.	6210Q Supply and Delivery of four (4) 1 Ton Crew Cab Dump Trucks	Work Truck West	\$345,040
71.	6209Q Supply and Delivery of four (4) 3/4 Ton Crewcab Trucks	Dams Ford Lincoln Sales Ltd	\$153,156
72.	6206Q Supply and Delivery of one (1) Dump Body Unit and Outfitting on a City Provided Cab and Chassis	Del Equipment	\$145,562
73.	6205P Residential Solid Waste Collection and Recycling Services	Sierra Waste Services Ltd.	\$8,165,955
74.	5552Q Supply and Delivery of one (1) Dump Body Unit and Outfitting on a City provided Single Axle Cab and Chassis	Del Equipment	\$169,194
75.	6389Q Concrete Pipe Materials – River Drive Multi-Use Pathway	Ocean Pipe	\$85,424
76.	6391Q Direct Digital Control Upgrades – Thompson Community Center	ESC Automation Inc	\$106,028
77.	6320Q RCMP CSB – Heat Pump Replacement Project Phase 2	All-Pro Services Ltd.	\$361,400
78.	T.6310 City Hall Annex L1 & L2 Abatement & Demolition	Ashton Service Group	\$192,200
79.	6380Q Cambie Fire Hall #3 Post Occupancy Work	Ashton Service Group	\$75,086
80.	6379P Consulting Services for the Gateway Theatre Upgrades	Morrison Hershfield Ltd.	\$228,100
81.	6385Q Paving - Broadmoor Blvd North Laneway Drainage and Asphalt Upgrades	WinVan Paving Ltd.	\$89,240
82.	6321Q Trafalgar Service Connection and Energy Transfer Station	Division 15 Mechanical Ltd.	\$364,000
83.	6388F Design and Construction Services to Horseshoe Slough Pump Station	Telus	\$187,500

84.	6370Q Emergency Wood Stave Culvert Replacement - Intersection at No. 8 Road and Westminster Hwy	Merletti Construction Ltd.	\$145,000
85.	6366F Supply and Installation of Audiovisual Equipment	Stuart Olson	\$146,500
86.	6305P Engineering Services for ICCDEU Servicing Strategy	Kerr Wood Leidal Associates Ltd.	\$89,800
87.	T.6281 Construction Services for Watermania Infrastructure Upgrades	Kindred Construction Ltd.	\$535,795
88.	6244P Core Network Refresh/Architecture	Telus Communications Company Ltd	\$297,650
89.	6407S Supply and delivery of chainlink fence mesh at Minoru Park	Hansen & Gannelli Inc.	\$184,993
90.	6405 Co-Op Recreation Lighting Upgrade Materials	Commercial Lighting Products Ltd.	\$111,430
91.	6402F Construction of drainage improvements and frontage works between 10231 Ruskin Road and Ryan Road	Anderson Creek Site Developing Ltd.	\$83,537
92.	6401Q Multi-Family Water Meter Installations 8191 Francis Rd, 8651 Ackroyd Rd, and 7435, 7437, 7439 Moffatt Rd	Ashton Service Group	\$112,736
93.	6371P Smart Cities Challenge: Project Management for Business Case Development	KPMG	\$155,220
94.	T.6309 Construction of Interim River Parkway	M2K Construction Ltd.	\$6,999,605
95.	6700F 3 2" Steel Gas Fortis	FortisBC - Natural Gas	\$338,515
96.	6422F Peterbilt Cab and Chassis Model number 567 (two Single Axle) and (one Tandem Axle)	Peterbilt Pacific Inc.	\$467,129
97.	6417S Preventative maintenance for chillers at City Hall, City Hall Annex, Watermania, Community Safety Building and Fire Hall 1	Trane Building Services	\$114,871
98.	6416S No 2 Road, London Road to Westminster Highway Multi-Use Pathway & Intersection Improvements	BC Hydro	\$197,041
99.	5734P Provision of Consultancy Services for a Workforce Management Readiness Assessment Study	MNP	\$148,480
100.	6492F Corrective Maintenance of Alexandra District Energy Utility	Corix Utilities	\$95,000
101.	6442F Technical Consulting Services - Tempest	Tempest Development Group Inc.	\$75,035
102.	6421F Rental of one (1) Mauldin 1550-D Asphalt Paver	Paving Solutions Ltd.	\$108,500
103.	6357P Business Process Improvement & Change Management Review	Propel Solutions Ltd.	\$129,600



<b>104.</b>	6425Q City Hall IT Server Room AC Upgrades	Davidson Brothers Mechanical	\$663,933
<b>105.</b>	6232P On-Call Repair and Maintenance of Security and Access Control Systems and monitoring of Fire and Alarm Systems for City of Richmond Sites	Safe & Sound Security Systems Ltd.	\$500,000
<b>106.</b>	6484F Upgrade of ventilation system at Richmond Ice Centre	Airon Heating and Air Conditioning	\$82,790
<b>107.</b>	6411P Phoenix Net Loft Preservation Project	Scott DB Services Ltd.	\$348,511
<b>108.</b>	6369P Engineering Consulting Services for Heather Street Improvements	Wedler Engineering LLP	\$186,618
<b>109.</b>	6208Q Supply and Delivery of two (2) Walk Thru Vans	Metro Motors Ltd	\$360,026
<b>110.</b>	6365Q Supply and Install Pure Storage Array Upgrade	Powerland	\$145,701
<b>111.</b>	6225P Supply and Delivery of Apparatuses for Richmond Fire Rescue	Commercial Emergency Equipment Co.	\$1,085,258
<b>112.</b>	6486P Provision of Civil Engineering Consulting Services for Drainage and Irrigation Upgrades	Aplin & Martin Consultants Ltd.	\$510,010
<b>113.</b>	6447Q Supply and Delivery of VMWARE Licences	Turning Point Technology Services	\$90,945
<b>114.</b>	6456S No. 2 Road MUP from London to Westminster Hwy	BC Hydro	\$780,298
	<b>Total contract awards over \$75,000</b>		<b>\$41,428,992</b>
	Total contract awards less than \$75,000		\$36,659,672
	<b>Grand Total</b>		<b>\$78,088,664</b>





# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** March 8, 2019

**From:** Jerry Chong, CPA, CA  
Director, Finance

**File:** 03-1070-04-01/2019-  
Vol 01




**Re:** 2018 Annual Development Cost Charges Report

### Staff Recommendation

That the staff report titled, "2018 Annual Development Cost Charges Report," dated March 8, 2019 from the Director, Finance be received for information.

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

Att. 1

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Development Applications	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

In compliance with section 569 of the *Local Government Act*, the City is required to prepare a Development Cost Charges (DCC) report on or before June 30<sup>th</sup>, with information from the previous year. The DCC report must include the following, reported under subsections (2) and (3) of section 559 for which the local government imposes development cost charges in the applicable year:

- (a) the amount of development cost charges received;*
- (b) the expenditures from the development cost charge reserve funds;*
- (c) the balance in the development cost charge reserve funds at the start and at the end of the applicable year;*
- (d) any waivers and reductions under section 563 (2).*

### Analysis

The City's 2018 Annual DCC Report covers the following six broad categories:

- (i) Description and principles of the City of Richmond's DCC program;
- (ii) 2018 DCC reserve fund balances;
- (iii) 2018 DCC credits;
- (iv) 2018 and 2019 DCC programs;
- (v) Waivers and reductions; and
- (vi) Municipal assist factor.

The 2018 Annual Development Cost Charges Report includes contribution amounts for which the City holds a Letter of Credit from the developer, where the cash will be received in the future based on the defined payment schedule. The Report does not include amounts received as of December 31, 2018 that are not confirmed due to potential DCC credits. These amounts, if applicable, will be reported in future periods.

New DCC rates were established through the Development Cost Charges Imposition Bylaw No. 9499 effective May 8, 2017. There was a 1-year in-stream protection for qualifying applications under the *Local Government Act* that grandfathers the previous rates. During the year 2018, the contributions paid prior to May 8, 2018 used the grandfathered DCC rates and the contributions paid afterwards were at the new DCC rates.

A copy of the 2018 Annual Development Cost Charges Report, which will be available for public viewing on the City's website before June 30, 2019, is attached for information.

### Financial Impact

None.

March 8, 2019

- 3 -

### **Conclusion**

The attached 2018 Annual Development Cost Charges Report is in compliance with the annual reporting requirements as prescribed under section 569 of the *Local Government Act*.



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

Att. 1: 2018 Annual Development Cost Charges Report

# 2018 ANNUAL DEVELOPMENT COST CHARGES REPORT

For the year ended December 31, 2018

City of Richmond's Vision:  
To be the most appealing, livable, and  
well-managed community in Canada



## CITY OF RICHMOND

### 2018 ANNUAL DEVELOPMENT COST CHARGES REPORT

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This 2018 Annual Development Cost Charges (DCC) Report is prepared by the City of Richmond (City) pursuant to Section 569 of the *Local Government Act*. This report contains information pertaining to the following reporting requirements:

- I. Description and Principles of the DCC Program
- II. 2018 DCC Reserve Fund Balances
- III. 2018 DCC Credits
- IV. 2018 and 2019 DCC Programs
- V. Waivers and Reductions
- VI. Municipal Assist Factor

#### **I. DESCRIPTION AND PRINCIPLES OF THE DCC PROGRAM**

*What is the purpose of the DCC Program?*

The purpose of the DCC Program is to provide the municipality with a dedicated source of funding to plan, develop, and implement infrastructure services identified by the City. The objective of the DCC program is to ensure that those whom will use and benefit from the services developed will pay their share of the costs in a fair and equitable basis. The DCC program is one of the many pieces of the City's broader community development framework. It is developed in ways that are consistent with the City's long-term planning objectives and financial strategies.

*What are DCC's?*

DCC's are levies placed on new development to assist in financing the cost of upgrading or providing infrastructure services. They support the cost of acquiring and developing parkland needs in order to accommodate the growing population.

Capital projects include but are not limited to:

- New or widening of existing arterial roads, improvements to traffic signals, sidewalks, walkways, bicycle lanes, upgrades to transit-related road infrastructures and traffic safety projects;
- Replacement and upgrades to watermains, pressure reducing valve stations, drainage mains, pump stations and channel, upgrades to sanitary sewer mains and pump stations; and
- Acquisition and development of parkland (playing fields, drainage and irrigation, turf, etc.)

## CITY OF RICHMOND

### 2018 ANNUAL DEVELOPMENT COST CHARGES REPORT

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#### *What are the guiding principles in developing the DCC program?*

Each local government has a fundamental philosophy with respect to development and the government's role in facilitating that development. The City's DCC program has been developed to be consistent with the following legislation, plans, and policy guides:

- Local Government Act
- Development Cost Charges Best Practices Guide
- City of Richmond Official Community Plan (OCP)
- Urban Futures Community-Level Projections of Population, Housing & Employment
- City of Richmond Parks and Open Space Strategy
- City of Richmond City Centre Transportation Plan
- City of Richmond City Centre Area Plan (CCAP)
- City of Richmond Employment Lands Strategy
- City of Richmond Trail Strategy
- City of Richmond Hamilton Area Plan Update

Furthermore, to ensure that affected stakeholders are informed about the DCC program, the City is required to consult, receive, and consider comments from representatives of the development industry. Representatives include members from the Urban Development Institute (UDI), Greater Vancouver Home Builders Association (GVHBA), National Association of Industrial and Office Properties (NAIOP), and local homebuilders and developers.

New DCC rates were established through the Development Cost Charges Imposition Bylaw No. 9844 effective May 14, 2018. There was a 1-year in-stream protection for qualifying applications under the *Local Government Act* that grandfathers the previous rates. During the year 2018, the contributions paid prior to May 8, 2018 used the grandfathered DCC rates and the contributions paid afterwards were at the new DCC rates.

#### *How are DCC rates derived?*

The City began the DCC process by determining the amount of growth expected to occur based on the City's OCP. Using the growth projections for residential, commercial, industrial, and institutional developments, the City identified specific infrastructure needs to accommodate this growth. The corresponding estimated costs formed the basis of the DCC Program.

#### *How are DCCs used?*

Funds collected through the DCC program are deposited in a separate reserve account. These funds may only be used to pay for the expenditures of the capital project or finance the costs related to debt incurred for the capital project.

**CITY OF RICHMOND**  
**2018 ANNUAL DEVELOPMENT COST CHARGES REPORT**

DCC cannot be used for costs incurred to operate and maintain parks, roads, watermains, sanitary and storm sewers already in place to serve the existing residents of the City, or to replace infrastructure if the replacement is not capacity-driven as a result of development. In addition, DCC collected cannot be used to pay for services such as recreation, policing, fire and library that are also affected by growth.

*How are costs allocated to growth and existing users?*

To achieve the objective of promoting growth and to ensuring the use of a fair and equitable basis of allocating costs, the costs of the DCC are allocated between growth and the existing population based on assessed benefit factors.

## **II. 2018 DCC RESERVE FUND BALANCES**

The City records and maintains separate accounts for each DCC reserve fund. The following table provides a continuity schedule of each DCC reserve fund (by service) for the 2018 fiscal year:

	<i>(amounts expressed in thousands of dollars)</i>					
	January 1 Balance	Transfers In	Interest Earned	DCC Credits	Transfers Out	December 31 Balance
City-Wide:						
Drainage	\$ 27,193	\$ 4,830	\$ 634	\$ (9)	\$ (1)	\$ 32,647
Parks Acquisition	20,407	14,684	514	(1,298)	(2,202)	32,105
Parks Development	14,702	9,068	284	(1,922)	(4,482)	17,650
Roads	37,472	14,287	709	(2,422)	(8,798)	41,248
Sanitary Sewer	17,395	3,249	398	(83)	(255)	20,704
Water	5,255	2,059	121	-	(972)	6,463
Total City-Wide	\$ 122,424	\$ 48,177	\$ 2,660	\$ (5,734)	\$ (16,710)	\$ 150,817
Local Area - Alexandra:						
Drainage	\$ 1,308	\$ 39	\$ 30	\$ -	\$ -	\$ 1,377
Parks Acquisition	1,896	255	46	-	-	2,197
Parks Development	781	32	12	-	(47)	778
Roads	3,605	187	74	(181)	(675)	3,010
Sanitary Sewer	459	12	11	-	-	482
Water	211	5	5	-	-	221
Total Local Area	\$ 8,260	\$ 530	\$ 178	\$ (181)	\$ (722)	\$ 8,065
Total DCC Reserve	\$ 130,684	\$ 48,707	\$ 2,838	\$ (5,915)	\$ (17,432)	\$ 158,882

**CITY OF RICHMOND**  
**2018 ANNUAL DEVELOPMENT COST CHARGES REPORT**

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**III. 2018 DCC CREDITS**

**Site Address**

**Developer/Applicant**

Drainage

6622 Pearson Way  
16060 Westminster Hwy

IBI Group Architects (Canada) Inc.  
JPC Services Inc.

Parkland Acquisition

10199 River Drive  
10311 River Drive

Fougere Architecture Inc.  
Western-Citimark River Front Townhouse

Parkland Development

10011 River Road  
10013 River Road  
10033 River Drive  
10111 River Road  
10133 River Drive  
10155 River Road  
10177 River Drive  
10388 No. 2 Road  
10388 No. 2 Road  
6160 London Road  
6622 Pearson Way

Cotter Architects  
Cotter Architects  
Cotter Architects  
Parc Riviera Project Inc.  
Cotter Architects  
Oris Consulting on behalf of Parc Riviera  
ZGF Architects Inc.  
Polygon Kingsley Homes Ltd.  
Polygon Kingsley Estates Ltd.  
Oris Development (Kawaki) Corp  
IBI Group Architects (Canada) Inc.

Roads

12920 Mitchell Road  
3331 Brown Road  
6622 Pearson Way  
8333 Sweet Ave  
9211 McKim Way  
9560 Alexandra Road

CTA Design Group  
Polygon Avanti  
IBI Group Architects (Canada) Inc.  
Polygon Avanti  
Interface Architecture Inc.  
Rick Sian

Sanitary Sewer

16060 Westminster Hwy  
3333 Brown Road

JPC Services Inc.  
Polygon Avanti Homes

Water

No credits for water were issued during 2018.



**CITY OF RICHMOND**  
**2018 ANNUAL DEVELOPMENT COST CHARGES REPORT**

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**IV. 2018 and 2019 DCC PROGRAMS**

*Drainage*

The projects in the Drainage DCC Program include upgrades to box culverts, drainage mains and pump stations.

A summary of the projects funded by the Drainage DCC during 2018 and the projects set to begin in 2019 is contained in Appendix 1.

*Parkland Acquisition and Park Development*

The projects in the Parks Acquisition DCC Program include acquisition of land for parks and open space required to meet the needs of the City's growth. The projects include park planning and development as well as new playgrounds. Areas impacted include urban parks, community parks, neighbourhood parks, trails, natural areas and waterfront parks.

A summary of the projects funded by the Parks Acquisition and Parks Development DCC during 2018 and the projects set to begin in 2019 is contained in Appendix 2.

*Roads*

The projects in the Roads DCC Program include new/widening of roads, intersection and traffic signal improvements, selected arterial improvements, pedestrian and cyclist improvements, transit-related road infrastructure, traffic safety projects and debt repayments.

A summary of the projects funded by the Roads DCC during 2018 and the projects set to begin in 2019 is contained in Appendix 3.

*Sanitary Sewer*

The projects in the Sanitary Sewer DCC Program include upgrades to sanitary sewer gravity mains, forcemains and pump stations.

A summary of the projects funded by the Sanitary Sewer DCC during 2018 and the projects set to begin in 2019 is contained in Appendix 4.

*Water*

The projects in the Water DCC Program include upgrades to watermains and pressure reducing valve stations.

A summary of the projects funded by the Water DCC during 2018 and the projects set to begin in 2019 is contained in Appendix 5.

**CITY OF RICHMOND**  
**2018 ANNUAL DEVELOPMENT COST CHARGES REPORT**

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**V. WAIVERS AND REDUCTIONS**

Section 563 of the Local Government Act provides the option for municipalities to exempt or waive DCC for the following classes of eligible development:

- Not-for-profit rental housing, including supportive living housing;
- For-profit affordable rental housing;
- Subdivisions of small lots that is designed to result in low greenhouse gas emission; and
- Developments designed to result in low environmental impact.

For the year of 2018, no waivers or reductions were granted.

**VI. MUNICIPAL ASSIST FACTOR**

The Local Government Act recognizes that the City and existing residents can also receive a marginal benefit from the associated capital improvements. As such, the Local Government Act stipulates that an assist factor will be included as part of the calculation of DCC. An assist factor represents the City's contribution towards the capital projects that are attributable to new developments. In determining the municipal assist factor, the City considers the following factors:

- Future land use patterns and development;
- Phasing of works and services;
- Whether the charges are excessive in relation to the capital costs of prevailing standards of service;
- Whether the costs will deter development; or
- Whether the charges will discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land.

Based on the above factors and the assessment that the majority of the capital improvements are a result of new growth, the City's municipal assist factor has been set at 1% which is the minimum amount the City may contribute.

**DRAINAGE – 2018 Expenditures**

This table summarizes all projects approved in 2018 and earlier that had expenditures funded by the Drainage DCC during 2018:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
No. 2 Road North	Pump station upgrade

**DRAINAGE – 2019 Projects**

This table summarizes all projects funded by the Drainage DCC that have been approved in the 2019 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Heather Street	Drainage upgrade
Steveston Highway & No. 3 Road	Pump station upgrade

**PARKS – 2018 Expenditures**

This table summarizes all projects approved in 2018 and earlier that had expenditures funded by the Parks DCC during 2018:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Minoru Park	Backstop upgrades
Garden City Lands	Design and Construction
The Gardens Agricultural Park	Design and Construction
Aberdeen Park	Development of neighbourhood park
McLennan South Neighbourhood Park	Development of neighbourhood park
Rideau Neighbourhood Park	Development of neighbourhood park
The Gardens Agricultural Park	Development of neighbourhood park
West Cambie	Development of neighbourhood park
Cambie City Centre Park	General development
City-Wide	General development
Garden City Community Park	General development
Parkland Acquisition	Parkland acquisition and repayment
City-Wide	Parks advance planning & design
London Steveston Park	Parks advance planning & design
Middlearm Gateway Waterfront Park	Parks advance planning & design
Minoru Park	Parks advance planning & design
The Gardens Agricultural Park	Parks advance planning & design
City-Wide	Parks Identity Signage Program
Hollybridge Way and Middle Arm	Pier construction and development of neighbourhood park
City-Wide	Playground Improvement Program
Dyke Road in Fraserwood area	Trails
Terra Nova Rural Park	Washrooms and landscaping

**PARKS – 2019 Projects**

This table summarizes all projects funded by the Parks DCC that have been approved in the 2019 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Aberdeen Park	Development of neighbourhood parks
London Steveston Park	Development of neighbourhood parks
Paulik Neighbourhood Park	Development of neighbourhood parks
Minoru Park	Minoru Park Lakes Renewal
Parkland Acquisition	Parkland acquisition and repayment
City-Wide	Parks advance planning & design
City-Wide	Parks general development
City-Wide	Parks Identity Signage Program
West Cambie	West Cambie Park Phase 2

**ROADS – 2018 Expenditures**

This table summarizes all projects approved in 2018 and earlier that had expenditures funded by the Roads DCC during 2018:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-Wide	Accessible Pedestrian Signal Program
City-Wide	Active Transportation Improvement Program
City-Wide	Advanced Design
City-Wide	Arterial Roadway Improvement Program
City-Wide	Functional and Preliminary Design (Transportation)
River Parkway- Gilbert Road to Cambie Road	Interim road extension with walkways and bicycle lanes
City-Wide	Lansdowne Road repayment
City-Wide	LED Street Name Sign Program
Alderbridge Way, No. 4 Road to Shell Road	Multi-Use Pathway
River Drive, No. 4 Road to Van Horne Way	Multi-Use Pathway
City-Wide	Neighbourhood Walkway Program
City-Wide	Nelson Road interchange repayment
City-Wide	Pedestrian and Roadway Improvement Program
City-Wide	River Road / North Loop repayment
23000 to 23591 Dyke Road	Road widening and trail connection
No 2 Road, from Steveston Highway to Dyke Road	Road widening with multi-use pathway
Westminster Hwy: Nelson Road to McMillan Way	Road widening with multi-use pathway
City-Wide	Special Crosswalk Improvement Program
City-Wide	Traffic Calming Program
City-Wide	Traffic Signal Program
City-Wide	Traffic Video and Communication Program
City-Wide	Transit-Related Amenity Improvement Program
City-Wide	Transit-Related Roadway Improvement Program

**ROADS – 2019 Projects**

This table summarizes all projects funded by the Roads DCC that have been approved in the 2019 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-Wide	Accessible Pedestrian Signal Program
City-Wide	Active Transportation Improvement Program
City-Wide	Arterial Roadway Improvement Program
City-Wide	City-wide cycling network plan
City-Wide	Functional and Preliminary Design (Transportation)
West Side of Garden City Road- Westminster Highway to Lansdowne Road	Garden City Road Pedestrian and Cyclist Enhancements
City-Wide	LED Street Name Sign Program
South side of Steveston Highway, Shell Road to Mortfield Gate	Multi-use Pathway
City-Wide	Neighbourhood Walkway Program
City-Wide	Special Crosswalk Program
City-Wide	Traffic Calming Program
City-Wide	Traffic Signal Power Backup System (UPS)
City-Wide	Traffic Signal Program
City-Wide	Traffic Video and Communication Program
City-Wide	Transit-Related Amenity Improvement Program
City-Wide	Transit-Related Roadway Improvement Program
North/West Side of Westminster Highway, Smith Crescent to Fraser Side Gate	Westminster Highway pedestrian and cyclist enhancements

**SANITARY SEWER – 2018 Expenditures**

This table summarizes all projects approved in 2018 and earlier that had expenditures funded by the Sanitary Sewer DCC during 2018:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Hamilton Area	Pump station
Eckersley B	Pump station upgrades
Cooney Rd, Spires Gate, Cook Gate and Cook Rd	Sewer upgrades

**SANITARY SEWER – 2019 Projects**

This table summarizes all projects funded by the Sanitary Sewer DCC that have been approved in the 2019 Capital Budget:

No projects funded from Sanitary Sewer DCC in 2019.



**WATER – 2018 Expenditures**

This table summarizes all projects approved in 2018 and earlier that had expenditures funded by the Water DCC during 2018:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-Wide	Watermain replacement
Cooney Rd, Spires Gate, Cook Gate and Cook Rd	Watermain replacement
Lulu Island North Area	Watermain replacement
Lulu Island West Area	Watermain replacement

**WATER – 2019 Projects**

This table summarizes all projects funded by the Water DCC that have been approved in the 2019 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-Wide	Watermain replacement



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** March 1, 2019

**From:** Jerry Chong, CPA, CA  
Director, Finance

**File:** 03-0900-01/2019-Vol  
01

**Re:** Annual Development Cost Charges Imposition Bylaw Amendment

### Staff Recommendation

1. That the proposed Development Cost Charges Imposition Bylaw No. 9499, Amendment Bylaw No. 10003 be introduced and given first reading; and
2. That the staff report titled "Annual Development Cost Charges Imposition Bylaw Amendment" dated March 1, 2019 from the Director, Finance, be endorsed as the basis for public consultation in establishing the amended Development Cost Charge Imposition Bylaw.

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

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Economic Development	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Building Approvals	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

Development Cost Charges (DCC) are collected by local governments from new developments in order to fund the capital cost of infrastructures, such as parkland purchase, park development, traffic improvements and engineering infrastructures, that are required by growth.

The Ministry's Development Finance Review Committee (DFRC), through its Development Cost Charges Best Practice Guide, recommends minor amendments to the DCC bylaw be made by municipalities annually to reflect general inflationary increase in their DCC program costs.

This staff report proposes an increase of 2.9% to the City's city-wide DCC rates for 2019.

### Analysis

#### Proposed DCC Rates Amendment

During the City's last major DCC update in 2017, the development industry expressed concerns with respect to significant increase in DCC rates due to the compounding effect of cost escalation between major DCC updates. The City therefore proposed to complete minor DCC amendments annually to address the concern.

Under the *Development Cost Charges Bylaw Approval Exemption Regulation, B.C. Reg. 130/2010*, municipalities are permitted to increase DCC rates annually without approval by the Ministry as long as the increase does not exceed the annual average Consumer Price index for Vancouver (VCPI). The exemption is granted by the regulation once a year, for up to four years.

Staff recommend that the DCC Bylaw be amended to include an increase of 2.9% (based on the 2018 actual VCPI as published by Statistics Canada), where:

- The increase is consistent with the DCC regulation in using VCPI as a benchmark for annual rate adjustment.
- The proposed increase meets the development industry's request to have incremental increases in DCC rates on a periodic basis until the next major DCC update.
- The next major DCC update will take place by the sooner of (i) May 2022 (every five years under the DFRC best practice guide), or (ii) when changes in DCC program costs and/or growth assumptions become permanent or substantial that warrant a major amendment.
- The following table summarizes the proposed changes to the City's city-wide DCC rates:

Development Type	Unit	Current DCC Rates (2018)	Proposed DCC Rates (2019)	Proposed Increase (\$)
Single Family	per lot	\$40,362.97	\$41,533.50	\$1,170.53
Townhouse	per ft <sup>2</sup>	\$21.95	\$22.59	\$0.64
Apartment	per ft <sup>2</sup>	\$23.11	\$23.78	\$0.67
Commercial/Institutional	per ft <sup>2</sup>	\$14.84	\$15.27	\$0.43
Light Industrial	per ft <sup>2</sup>	\$11.58	\$11.92	\$0.34
Major Industrial	per acre	\$99,866.15	\$102,762.27	\$2,896.12

### Next Steps

If first reading of the Development Cost Charges Imposition Bylaw No. 9499, Amendment Bylaw No. 10003 is given, staff will communicate the proposed bylaw rates with the development community (e.g. through Urban Development Institute, Commercial Real Estate Development Association (NAIOP), Greater Vancouver Home Builders' Association, on City's social media platforms and the City's website). Feedback received from the public will be presented to Council for consideration upon second and third readings prior to bylaw adoption.

Under the *Development Cost Charges Bylaw Approval Exemption Regulation, B.C. Reg. 130/2010*, approval from the Ministry is not required for adoption of the proposed amended DCC bylaw. Once the bylaw has been adopted by Council, a copy of the bylaw will be filed with the Ministry.

### Implementation Guidelines

Sections 511 and 568 of the *Local Government Act* that provide in-stream protection to subdivision applications and precursor applications (e.g. rezoning application, development permit application, building permit application) for one year from the effective date of the adopted DCC bylaw.

To qualify for in-stream protection (i.e. to be grandfathered to the current DCC rates instead of the new DCC rates in the amended DCC Bylaw), prior to the effective date of the DCC bylaw, the subdivision applications or the precursor applications must have been submitted in satisfactory form to and accepted by the City, and that all application fees have been paid. For in-stream applications to be grandfathered, the subdivision must be completed within 12 months after the bylaw is adopted. For in-stream precursor applications, the building permit related to these applications must be issued within 12 months of the effective date of the bylaw in order for the grand-fathering provision to be applicable.

### **Financial Impact**

The proposed bylaw will increase DCC rates by 2.9% across all development types. The amount of DCC collection will depend on the amount of new development activities and the types of development activities.

### **Conclusion**

The proposed annual DCC rate adjustment allows the City to reflect in the DCC rates the general inflationary increase in the City's DCC program costs. Development Cost Charges Imposition Bylaw No. 9499, Amendment Bylaw No. 10003 is included in this staff report for Council's consideration.



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



**DEVELOPMENT COST CHARGES IMPOSITION BYLAW NO. 9499,  
AMENDMENT BYLAW NO. 10003**

The Council of the City of Richmond enacts as follows:

1. Schedule B of the **Development Cost Charges Imposition Bylaw No. 9499** be deleted and be replaced with Schedule A attached to and forming part of this amendment bylaw.
2. This Bylaw is cited as "**Development Cost Charges Imposition Bylaw No. 9499, Amendment Bylaw No. 10003**" and is effective May 14, 2019.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

\_\_\_\_\_  
MAYOR

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

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

### SCHEDULE B City-Wide Development Cost Charge

Description	Richmond Zoning Bylaw 8500			Road Works	Drainage Works	Water Works	Sanitary Sewer	Parks Acquisition	Parks Development	Total DCC	Units for each column
	Standard Zones	Site Specific Zones	Site Specific Mixed Use Zones (1)								
Agricultural	AG, CR, GC	ZA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Marina (2)	MA										
Single Family	RS, RC, RCH, RD, RI, RE, RCC	ZS, ZD		\$16,470.05	\$ 7,431.60	\$ 1,123.18	\$ 2,642.61	\$ 7,973.93	\$ 5,892.13	\$ 41,533.50	per lot
Townhouse	RTL, RTM, RTH, RTP	ZT		\$ 7.89	\$ 3.20	\$ 0.73	\$ 1.73	\$ 5.20	\$ 3.84	\$ 22.59	per sq. ft. of DU
Apartment	RAL, RAM, RAH	ZLR, ZHR	ZR, RCL, ZMU, CS, ZC	\$ 9.69	\$ 2.28	\$ 0.76	\$ 1.77	\$ 5.34	\$ 3.94	\$ 23.78	per sq. ft. of DU
Commercial (3)	CL, CC, CA, CDT, CEA, CG, CN, CP, CV IB, IL, IR, IS	ZC  ZI	ZR, RCL, ZMU, CS, ZC	\$ 11.76	\$ 2.21	\$ 0.29	\$ 0.67	\$ 0.20	\$ 0.14	\$ 15.27	per sq. ft. of BA
Light Industrial (4)	IB, IL, IR, IS	ZI		\$ 8.41	\$ 2.21	\$ 0.29	\$ 0.67	\$ 0.20	\$ 0.14	\$ 11.92	per sq. ft. of BA
Major Industrial	I			\$43,911.04	\$ 43,983.31	\$ 4,028.76	\$ 9,478.85	\$ 782.27	\$ 578.04	\$102,762.27	per acre of gross site area
Institutional	AIR, SI, ASY, HC	ZIS		\$ 11.76	\$ 2.21	\$ 0.29	\$ 0.67	\$ 0.20	\$ 0.14	\$ 15.27	per sq. ft. of BA

(1) For site specific mixed-use residential and commercial zones, the development cost charge (DCC) payable shall be calculated separately for each portion of the development. DCC for residential uses are charged at the appropriate multi-family residential rate, and any commercial space is charged at the appropriate commercial rate.

(2) Waterborne residential development permitted under MA zone is exempt from DCC. Any upland buildings in this zone are required to pay the Commercial DCC Rate.

(3) Commercial rate is applicable to all uses permitted in these zones, except for the following, which will be charged the industrial rate: (i) general industrial, (ii) custom indoor manufacturing, (iii) minor utility, (iv) transportation depot, and (v) truck or railroad terminal.

(4) For industrial developments with a mix of commercial and industrial permitted uses (including site-specific industrial zones), the DCC payable shall be calculated separately for each portion of development contained in the building permit or subdivision application in accordance with actual uses. The total payable will be the sum of the DCC for each portion of the development at the applicable DCC rates.





# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** March 25, 2019

**From:** Jerry Chong  
Director, Finance

**File:** 03-1240-01/2019-Vol  
01

**Re:** Acceptance of Cash at City Hall

### Staff Recommendation

That the maximum cash amount accepted at City Hall be limited to less than \$10K per transaction (Option 3).

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

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Corporate Business Service Solutions Law	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	 FOR A NAZARETH
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

At the Finance Committee Meeting held on Monday, March 4, 2019, discussion ensued regarding large cash transactions accepted at City Hall. As a result of the discussion, the following referral was passed: *That staff examine the maximum cash amount that can be used for payments to the City.* This report responds to the referral.

### Analysis

“Legal tender” is defined in the *Currency Act* as a tender of payment of money in coins and notes. Legal tender is only limited if the payments in coins are not within a specific denomination (i.e. if a customer would like to pay in nickels, the maximum amount accepted would be five dollars). The Act does not, however, expressly prohibit the implementation of a policy that cash will not be accepted in excess of a stipulated amount. This being the case, the City of Richmond (the “City”) may take the position that it is not required to accept cash and the method of payment must be mutually acceptable to both parties conducting the transaction. Therefore, the City may refuse or limit the amount of cash for payment, without contravening the law. Historically local governments in British Columbia did not limit the amount of cash accepted. In 2019, the City of Vancouver implemented measures to address money laundering through the adoption of a \$10K cash limit per transaction acceptance policy. The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* established the Financial Transactions and Reports Analysis Centre of Canada (“FINTRAC”) as the independent agency responsible for collecting, analyzing and disclosing information to law enforcement agencies. While there is no legal requirement for local governments to report suspicious large cash transactions, the City is in support of FINTRAC by voluntarily reporting cash payments greater than \$10K. Entities that must report suspicious transactions to FINTRAC include:

- banks and credit unions;
- trust and life insurance companies;
- securities dealers;
- money service businesses;
- agents of the Crown that sell money orders;
- accountants and accounting firms (accountants are exempt when engaging in stipulated activities on behalf of an employer);
- real estate brokers, sales representatives and developers (when carrying out certain activities);
- casinos;
- dealers in precious metals and stones;
- public notaries and notary corporations of British Columbia (when carrying out certain activities on behalf of their clients); and
- for the purposes of suspicious transactions, employees of these reporting entities.



With regards to the maximum cash amount acceptable at City Hall, the following options are available and each has benefits and challenges.

Option 1: Status Quo (No Cash Limit):

The Finance Department's business practices ensures the best customer service available, while maintaining internal controls to identify suspicious large cash transactions. In 2018, \$10.8 million or 2.2% of total property tax and utility fees were paid in cash. Currently, a listing of names, addresses and respective cash payment amounts greater than \$10K is recorded and voluntarily provided to FINTRAC on an annual basis.

Benefits:

1. possibility of deterring customers from making large cash payments when staff request payers to provide government issued photo identification;
2. ability to identify payers and voluntarily report cash payments greater than \$10K to FINTRAC;
3. reduces account adjustments and corrections for any online banking payment errors made by customers and non-sufficient fund ("NSF") cheque payments; and
4. provides the widest range of customer service payment options. Customers who prefer to pay in cash are generally individuals with:
  - difficulty memorizing personal identification numbers (most often elderly who are accustomed to paying in cash);
  - limited English proficiency and not accustomed to writing cheques;
  - preference not to pay the bank service fees associated with cheques;
  - preference not to own a debit or credit card;
  - preference to not incur the 1.75% credit card service fee;
  - preference to pay their remaining property tax balances with cash as the majority of property tax bills exceed debit card daily limits; and
  - bank accounts with financial institutions that do not accept over the counter bill payments and require their customers to pay via online banking. Some customers who are not computer proficient will often withdraw cash from their bank accounts and pay in person at City Hall.

Challenges:

1. risk of theft and robbery;
2. additional insurance premiums required of the City for the volume of cash transactions;
3. risk of accepting counterfeit bills;
4. costs to secure and transport cash deposits via an armoured car service; and
5. since the City is not required to report to FINTRAC, there is no guarantee that the voluntarily reported information will be reviewed on a timely basis.

### Option 2: No Cash Acceptance Policy

A no cash acceptance policy may reduce risks associated with accepting cash; however, any policy adopted by Council should be applied consistently throughout City Hall.

The benefits and challenges of not accepting cash are as follows:

#### Benefits:

1. eliminates the risk of money laundering;
2. reduce risk of theft and robbery;
3. reduce insurance premiums;
4. eliminates risk of accepting counterfeit bills; and
5. may reduce line ups at the tax counters.

#### Challenges:

1. taxpayers will view this as a reduction of customer service by taking away the cash payment option since not all customers use online banking, cheques, debit and credit cards (this may cause frustration to some customers);
2. a no cash acceptance policy requires advance City wide advertisement (with additional communication costs) to ensure customers are provided with sufficient notification time before due dates;
3. large cultural groups may require additional English translation and transactional services at tax counters;
4. individuals may come into City Hall on the due date with cash and will be at risk of tax penalties, tax sale or lost utility discounts;
5. possible increases of NSF cheque payments or customers making online banking payment errors, whereby additional staff time is required to correct and adjust customer accounts; and
6. may result in increases in debit card fees to the City and credit card fees of 1.75% to the customer.

### Option 3: Less than \$10K Cash Limit Per Transaction (Recommended)

A less than \$10K cash limit per transaction policy may strengthen the deterrence of money laundering and maintain customer service as mentioned in Option 1. However, some of the challenges noted in Option 1 may continue.

The benefits and challenges of a less than \$10K cash limit policy are as follows:

Benefits:

1. continues to provide a wide range of customer service payment options with the exception of cash payments equal to \$10K or greater;
2. may reduce cash processing time and line ups at the tax counters;
3. will reduce the amount of cash on premises and associated security risks with large sums of money;
4. reduce risk of money laundering by deterring payers with a restricted cash acceptance level; and
5. no longer need to voluntarily report to FINTRAC as cash transactions accepted will not exceed the \$10K threshold.

Challenges:

1. risk of theft and robbery is not eliminated;
2. risk of accepting counterfeit bills remain for amounts less than \$10K;
3. may reduce the ability to identify possible money laundering; and
4. may result in possible increases in the number of separate cash transactions as some payers may make multiple payments in amounts under the \$10K threshold.

Recommended Option

Since the City is not required to report to FINTRAC or to accept cash, staff recommend Option 3, with implementing a less than \$10K cash limit per transaction. Option 3 allows the City to continue to provide a wide range of customer payment services while continuing to respect customer's cash payment preferences under the \$10K limit. This option will require advance City wide advertisement to ensure customers are provided with sufficient notification time before due dates.

**Financial Impact**

None.

### **Conclusion**

That that the maximum cash amount accepted at City Hall be limited to less than \$10K per transaction (Option 3) as outlined in this report.



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