



Finance Committee

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

Tuesday, April 7, 2015

Immediately Following the Open General Purposes Committee meeting

Pg. # ITEM

MINUTES

FIN-4 *Motion to adopt the **minutes** of the meeting of the Finance Committee held on Monday, March 2, 2015.*



FINANCE AND CORPORATE SERVICES DIVISION

1. **2015 ANNUAL PROPERTY TAX RATES BYLAW**
(File Ref. No. 12-8060-20-009231; 03-0925-01) (REDMS No. 4526152)

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

Designated Speaker: Ivy Wong

STAFF RECOMMENDATION

That the Annual Property Tax Rates (2015) Bylaw No. 9231 be introduced and given first, second and third readings.



Pg. #

ITEM

2. **DONATION OF SURPLUS FROM NON REDEMPTION OF TAX SALE PROPERTY**

(File Ref. No. 03-1240-01) (REDMS No. 4530462)

FIN-18

See Page **FIN-18** for full report

Designated Speaker: Ivy Wong

STAFF RECOMMENDATION

That the donation of the excess proceeds from the sale of 4348 Carter Drive be accepted and the issuance of a donation receipt to Blackcomb Way Properties for \$660.33 be authorized.



3. **REVENUE ANTICIPATION BORROWING (2015) BYLAW NO. 9226**

(File Ref. No. 03-0900-01) (REDMS No. 4525135)

FIN-22

See Page **FIN-22** for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

That Revenue Anticipation Borrowing (2015) Bylaw No. 9226 be introduced and given first, second, and third readings.



LULU ISLAND ENERGY CORPORATION

4. **2015 OPERATING BUDGET FOR THE LULU ISLAND ENERGY COMPANY**

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 4530432 v. 5)

FIN-26

See Page **FIN-26** for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

That the report titled 2015 Operating Budget for the Lulu Island Energy Company, dated March 17, 2015, from the Chief Executive Officer and Chief Financial Officer, Lulu Island Energy Company, be received for information.



RICHMOND OLYMPIC OVAL CORPORATION

**5. RICHMOND OLYMPIC OVAL – 2015 ANNUAL OPERATING AND
CAPITAL BUDGETS**

(File Ref. No.) (REDMS No. 4542029)

FIN-30

See Page FIN-30 for full report

Designated Speaker: Rick Dusanj

STAFF RECOMMENDATION

That the report on the 2015 Annual Operating and Capital Budgets for the Richmond Olympic Oval from the Controller of the Richmond Olympic Oval Corporation be received for information.

☐

ADJOURNMENT

☐



Finance Committee

Date: Monday, March 2, 2015

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Derek Dang
Councillor Carol Day
Councillor Alexa Loo
Councillor Linda McPhail
Councillor Harold Steves

Absent: Councillor Ken Johnston
Councillor Bill McNulty

Call to Order: The Chair called the meeting to order at 5:38 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, February 2, 2015, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

1. **FINANCIAL INFORMATION – 4TH QUARTER DECEMBER 31, 2014**
(File Ref. No.) (REDMS No. 4497471)

In reply to queries from Committee, Jerry Chong, Director, Finance, commented on the cash and investment portfolio, noting that the *Community Charter* and Policy 3703 – Investment restrictions, as well as current economic conditions and low interest rates, affect its average investment yield.

1.

Finance Committee
Monday, March 2, 2015

It was moved and seconded

That the staff report titled Financial Information – 4th Quarter December 31, 2014, from the Director, Finance, be received for information.

CARRIED

RICHMOND OLYMPIC OVAL CORPORATION

2. **4TH QUARTER 2014 – FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**
(File Ref. No.) (REDMS No. 4508001)

It was moved and seconded

That the report on Financial Information for the Richmond Olympic Oval Corporation for the fourth quarter ended December 31, 2014 from the Controller of the Richmond Olympic Oval Corporation be received for information.

The question on the motion was not called as, in reply to a query from Committee, Rick Dusanj, Controller, Richmond Olympic Oval Corporation, commented that “Other Revenues” include parking revenue and sponsorship funding. He further commented that the 11% variance is the result of late external revenues that are anticipated to be received in 2015.

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

FINANCE AND CORPORATE SERVICES DIVISION

3. **5 YEAR FINANCIAL PLAN (2015-2019) BYLAW NO. 9220**
(File Ref. No. 03-0970-01; 12-8060-20-009220) (REDMS No. 4503515 v. 6)

Mr. Chong gave a brief summary of the proposed 5 Year Financial Plan (2015-2019), noting that the Plan includes the 2015 Operating, Capital, and Utility budgets previously approved by Council. Also, he noted that the proposed 2016-2019 budgets, including the Capital Plan, are estimates and have not received Council approval.

Discussion ensued with regard to the 1% transfer to reserves and it was suggested that Policy 3707 - Long Term Financial Management Strategy be revised to read “up to a” 1% transfer to reserves for infrastructure replacement needs.

It was moved and seconded

(1) the 5 Year Financial Plan (2015-2019) be approved as presented by the General Manager, Finance and Corporate Services;

Finance Committee
Monday, March 2, 2015

- (2) *the 5 Year Financial Plan (2015-2019) Bylaw No. 9220 be introduced and given first, second, and third readings; and*
- (3) *staff undertake a process of public consultation as required in Section 166 of the Community Charter.*

The question on the motion was not called as, in reply to a query from Committee, Grant Fengstad, Director, Information Technology, advised that the WiFi upgrades at the Steveston Martial Arts Centre are scheduled for 2016. He further advised that a staff report on the WiFi Network Expansion schedule will be provided at a future Committee meeting.

The question on the motion was then called and it was **CARRIED** with Cllrs. Au and Day opposed.

ADJOURNMENT

It was moved and seconded
That the meeting adjourn (5:49 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, March 2, 2015.

Mayor Malcolm D. Brodie
Chair

Heather Howey
Committee Clerk



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong
Director, Finance
Re: 2015 Annual Property Tax Rates Bylaw



Date: March 27, 2015
File: 03-0925-01/2015-Vol
01

Staff Recommendation

That the Annual Property Tax Rates (2015) Bylaw No. 9231 be introduced and given first, second and third readings.

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

Att.

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

Staff Report

Origin

Section 197 of the Community Charter requires municipalities to establish property tax rates for the current year after the adoption of the *5 Year Financial Plan* and before May 15th. Council must, under subsection 197(3.1), consider the tax distribution to each assessment class prior to adopting the tax rate bylaw.

Analysis

BC Assessment provides assessment values that reflect the market condition as of July 1st of the previous year. Assessment totals are comprised of market values for existing properties and values for new properties (new growth).

Table 1 provides a comparison between 2014 and 2015 market value changes and 2015 new growth. Market values changes reflect the market price of existing properties from year to year. New growth is the term used for new developments, properties shifting between assessment classes, and any new exemptions. New developments add taxable value to the class while new exemptions reduce the value to that class.

Table 1: Comparison of Assessment Values 2014- 2015

	(1) 2014 Total Assessment Value	(2) 2015 Total Assessment Value	(3) 2015 Market Value	(4) 2015 Net Market Change	(5) 2015 New Growth	(6) % Net Market Change
Class 01 - Residential	44,464,212,240	47,402,471,266	46,595,724,764	2,131,512,524	806,746,502	4.79%
Class 02 - Utilities	20,887,585	21,195,129	21,444,964	557,379	-249,835	2.67%
Class 04 - Major Industry	125,715,900	137,264,500	136,452,800	10,736,900	811,700	8.54%
Class 05 - Light Industry	2,100,088,500	2,208,027,000	2,218,946,200	118,857,700	-10,919,200	5.66%
Class 06 - Business	9,001,342,413	9,770,811,614	9,652,202,715	650,860,302	118,608,899	7.23%
Class 08 - Seasonal/Rec	97,337,700	144,622,410	110,887,810	13,550,110	33,734,600	13.92%
Class 09 - Farm	26,112,095	26,364,056	26,456,041	343,946	-91,985	1.32%
Total	55,835,696,433	59,710,755,975	58,762,115,294	2,926,418,861	948,640,681	5.24%

Areas to highlight are:

- Compared to 2014, total market value increased by \$2.926 billion (column 4) or 5.24% (column 6) in 2015.
- A breakdown of the market value change by assessment class shows that average residential market values increased by \$2.132 billion or 4.79%. This is a significant increase compared to 2014 where average residential market values dropped by 2.86% or \$1.276 billion.
- Major Industry, Light Industry and Business classes all show healthy increases in market value with net market changes of 8.54%, 5.66% and 7.23% respectively.
- The negative new growth of approximately \$11 million for Class 05 - Light Industry class (Column 5) is expected. Historically, tax rates for Class 05 have been generally slightly higher

than rates for class 06 – Business properties. From 2009 to 2012, the Province offered up to a 60% school tax credit to Class 05 properties. This encouraged many Class 06 property owners to appeal to BCAssessment for a reclassification. Starting 2013, the Province began phasing out the school tax credit and Class 05 property owners, feeling the higher tax pinch, appealed to BCAssessment for a reclassification back to Class 06. In 2014 the switch from Class 05 to Class 06 was over \$51 million.

- Total new growth (column 5) in 2015 is approximately \$948 million, a slight drop from the \$1.076 billion in new growth in 2014.
- Similar to previous years, the majority of new growth is in the residential class. In 2015, 85% of the total new growth is in the residential class as compared to 94% in 2014.

Preliminary new growth figures are provided to each municipality in late November of the prior year to facilitate each City's budget process. Revenue from new growth is estimated and included as a separate income source when producing the 2015 operating budget. This new tax revenue annually reduces the tax increase required to balance the new operating budget.

2015 Tax Rate Calculation

Under the Community Charter, Council must review the City's property tax distribution prior to adopting the annual property tax rate bylaw. Council's objective, which is stated in the City's *5 Year Financial Plan*, is for a property tax distribution that maintains the business to residential tax ratio in the middle in comparison to other municipalities in the comparator group and to ensure that the City remains competitive in attracting and retaining businesses.

Tax Ratio

Tax ratio is a direct comparison of the tax rates between all classes against residential tax rates. Table 2 provides the 2014 tax rates and business to residential ratio ranking for comparative municipalities. Richmond's business to residential tax ratio of 3.24 was 3rd lowest in comparison.

Table 2: Comparison of 2014 Business to Residential Ratios

Municipalities	Residential	Utilities	Major Industry	Light Industry	Business	Recreation Non-Profit	Farm	Business to Residential Ratio
Coquitlam	3.2021	39.9998	28.8552	13.8101	13.8127	15.2557	17.7553	4.31
Vancouver	1.8473	35.2138	33.7746	7.8843	7.8843	1.8455	1.8455	4.27
Burnaby	2.3443	34.8741	47.1073	9.3570	9.3570	1.5487	9.3570	3.99
Richmond	2.2496	39.9125	13.7153	7.2868	7.2868	2.1607	12.6025	3.24
Delta	3.4387	39.9989	34.0432	10.4639	10.4708	7.3794	17.9741	3.04
Surrey	2.4709	32.6730	11.5627	6.2112	7.0168	2.4106	2.6712	2.84

Tax Distribution

Based on the 2015 Revised Roll, the 2015 calculated tax rates, assessment ratios, folio counts, tax distribution and tax ratios are as follows:

Table 3 – Breakdown of 2015 Assessments and Tax Distribution

2015 Assessments and Tax Distribution					
	Tax Rates	Assessment Ratio	Folio Count	Tax Distribution	Tax Ratio
Class 01 - Residential	2.18723	79.39%	68,192	54.55%	1.00
Class 02 - Utilities	39.91245	0.04%	114	0.44%	18.25
Class 04 - Major Industry	12.87490	0.23%	27	0.93%	5.89
Class 05 - Light Industry	6.94287	3.70%	613	8.06%	3.17
Class 06 - Business	6.94287	16.36%	7,037	35.69%	3.17
Class 08 - Seasonal/Rec	1.93251	0.24%	453	0.15%	0.88
Class 09 - Farm	12.67378	0.04%	678	0.18%	5.79
Total	N/A	100.00%	77,114	100.00%	N/A

For comparison purposes, the 2014 assessment ratios and tax distributions is provided in Table 4.

Table 4 – Breakdown of 2014 Assessments and Tax Distribution

2014 Assessments and Tax Distribution					
	Tax Rates	Assessment Ratio	Folio Count	Tax Distribution	Tax Ratio
Class 01 - Residential	2.249560	79.63%	67,186	54.36%	1.00
Class 02 - Utilities	39.912450	0.04%	119	0.45%	17.74
Class 04 - Major Industry	13.715270	0.23%	27	0.94%	6.10
Class 05 - Light Industry	7.286820	3.76%	620	8.32%	3.24
Class 06 - Business	7.286820	16.12%	6,793	35.64%	3.24
Class 08 - Seasonal/Rec	2.160690	0.17%	445	0.11%	0.96
Class 09 - Farm	12.602530	0.05%	679	0.18%	5.60
Total	N/A	100.00%	75,869	100.00%	N/A

- The proposed 2015 residential tax rate is reduced by \$0.06233 for every \$1000 of assessment. This reduction is required to reflect the 4.79% increase in average assessment value and Council's approved overall tax increase for 2015. When average assessment values increase from prior year, the City must adjust the prior year's tax rates lower in order to collect the same amount of taxes for the current year. Once that adjustment is made, rates are then adjusted for the Council approved tax increase.
- The number of residential folios increased by 1,006 from 67,186 folios in 2014 to 68,192 folios in 2015. The net growth in residential folios in 2015 falls short of the 2014 high of

1,601 residential folios. Consequently, new growth in residential value increased by \$806 million in 2015, in comparison to the 2014 new growth value of \$1.076 billion.

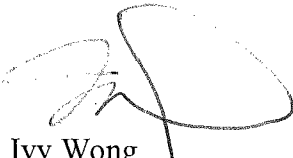
- Recognizing the fact that City services provided to both Class 05 and Class 06 properties are similar and to reduce the incentive for property owner to appeal for class changes between the two, tax rates are purposely adjusted to be the same rate by shifting approximately \$185,000 in taxes from class 5 to class 6. This change will put the City in line with other comparator municipalities who also set the same rates for class 5 and class 6.
- Total tax burden for class 6 - Business increased by 0.05% to 35.69% in 2015. Aside from the \$185,000 tax shift from class 5 to class 6, there was also an increase of new growth value of \$118 million. Market values of existing business folios increased by 7.23% or approximately \$651 million. Similar to residential rates, both Light Industry and Business/Other tax rates decreased by \$0.34395 for every \$1000 in assessment to reflect the increase in market value.
- All municipalities are concerned with maintaining competitiveness in attracting businesses to their community. In 2015, the municipality with the highest business to residential tax ratio will be shifting 1% taxes from their business to residential class in an effort to remain competitive. Richmond has been successful in reducing the the business to residential tax ratio from 3.59 in 2013 to 3.17 in 2015.
- Appendix 1 (attached) provides the various 2014 tax rates for the comparator group. Richmond's tax rates were consistently in the middle or amongst the lowest in comparison to the group. Comparing 2015 rates with Appendix 1, Richmond should be able to maintain the favourable tax position relative to the comparator group.

Financial Impact

Property tax rates provided in Bylaw 9231 will generate the approximate \$189.8 million in municipal taxes (subject to subsequent appeal settlements in 2015) necessary to balance the 2015 budget.

Conclusion

Richmond's property tax rates have consistently remained in the middle or amongst the lowest in the comparator group. The proposed rates in Bylaw 9231 will generate the necessary taxes to balance the 2015 operating budget and to maintain the current level of service.



Ivy Wong
Manager, Revenue
(604-276-4046)

IW:gjn

Att. 1: 2014 Tax Rate Comparison

2014 Tax Rate Comparison -

Sorted by Class 01 - Residential

Municipalities	Class 01 - Residential	Class 02 - Utilities	Class 04 - Major Industry	Class 05 - Light Industry	Class 06 - Business	Class 08 - Recreation Non-Profit	Class 09 - Farm
Delta	3.4387	39.9989	34.0432	10.4639	10.4708	7.3794	17.9741
Coquitlam	3.2021	39.9998	28.8552	13.8101	13.8127	15.2557	17.7553
Surrey	2.4709	32.6730	11.5627	6.2112	7.0168	2.4106	2.6712
Burnaby	2.3443	34.8741	47.1073	9.3570	9.3570	1.5487	9.3570
Richmond	2.2496	39.9125	13.7153	7.2868	7.2868	2.1607	12.6025
Vancouver	1.8473	35.2138	33.7746	7.8843	7.8843	1.8455	1.8455

2014 Tax Rate Comparison -

Sorted by Class 02 - Utilities

Municipalities	Class 01 - Residential	Class 02 - Utilities	Class 04 - Major Industry	Class 05 - Light Industry	Class 06 - Business	Class 08 - Recreation Non-Profit	Class 09 - Farm
Coquitlam	3.2021	39.9998	28.8552	13.8101	13.8127	15.2557	17.7553
Delta	3.4387	39.9989	34.0432	10.4639	10.4708	7.3794	17.9741
Richmond	2.2496	39.9125	13.7153	7.2868	7.2868	2.1607	12.6025
Vancouver	1.8473	35.2138	33.7746	7.8843	7.8843	1.8455	1.8455
Burnaby	2.3443	34.8741	47.1073	9.3570	9.3570	1.5487	9.3570
Surrey	2.4709	32.6730	11.5627	6.2112	7.0168	2.4106	2.6712

2014 Tax Rate Comparison -

Sorted by Class 04 - Major Industry

Municipalities	Class 01 - Residential	Class 02 - Utilities	Class 04 - Major Industry	Class 05 - Light Industry	Class 06 - Business	Class 08 - Recreation Non-Profit	Class 09 - Farm
Burnaby	2.3443	34.8741	47.1073	9.3570	9.3570	1.5487	9.3570
Delta	3.4387	39.9989	34.0432	10.4639	10.4708	7.3794	17.9741
Vancouver	1.8473	35.2138	33.7746	7.8843	7.8843	1.8455	1.8455
Coquitlam	3.2021	39.9998	28.8552	13.8101	13.8127	15.2557	17.7553
Richmond	2.2496	39.9125	13.7153	7.2868	7.2868	2.1607	12.6025
Surrey	2.4709	32.6730	11.5627	6.2112	7.0168	2.4106	2.6712

2014 Tax Rate Comparison -

Sorted by Class 05 - Light Industry

Municipalities	Class 01 - Residential	Class 02 - Utilities	Class 04 - Major Industry	Class 05 - Light Industry	Class 06 - Business	Class 08 - Recreation Non-Profit	Class 09 - Farm
Coquitlam	3.2021	39.9998	28.8552	13.8101	13.8127	15.2557	17.7553
Delta	3.4387	39.9989	34.0432	10.4639	10.4708	7.3794	17.9741
Burnaby	2.3443	34.8741	47.1073	9.3570	9.3570	1.5487	9.3570
Vancouver	1.8473	35.2138	33.7746	7.8843	7.8843	1.8455	1.8455
Richmond	2.2496	39.9125	13.7153	7.2868	7.2868	2.1607	12.6025
Surrey	2.4709	32.6730	11.5627	6.2112	7.0168	2.4106	2.6712

2014 Tax Rate Comparison -

Sorted by Class 06 - Business

Municipalities	Class 01 - Residential	Class 02 - Utilities	Class 04 - Major Industry	Class 05 - Light Industry	Class 06 - Business	Class 08 - Recreation Non-Profit	Class 09 - Farm
Coquitlam	3.2021	39.9998	28.8552	13.8101	13.8127	15.2557	17.7553
Delta	3.4387	39.9989	34.0432	10.4639	10.4708	7.3794	17.9741
Burnaby	2.3443	34.8741	47.1073	9.3570	9.3570	1.5487	9.3570
Vancouver	1.8473	35.2138	33.7746	7.8843	7.8843	1.8455	1.8455
Richmond	2.2496	39.9125	13.7153	7.2868	7.2868	2.1607	12.6025
Surrey	2.4709	32.6730	11.5627	6.2112	7.0168	2.4106	2.6712

2014 Tax Rate Comparison -

Sorted by Class 08 - Recreation Non-Profit

Municipalities	Class 01 - Residential	Class 02 - Utilities	Class 04 - Major Industry	Class 05 - Light Industry	Class 06 - Business	Class 08 - Recreation Non-Profit	Class 09 - Farm
Coquitlam	3.2021	39.9998	28.8552	13.8101	13.8127	15.2557	17.7553
Delta	3.4387	39.9989	34.0432	10.4639	10.4708	7.3794	17.9741
Surrey	2.4709	32.6730	11.5627	6.2112	7.0168	2.4106	2.6712
Richmond	2.2496	39.9125	13.7153	7.2868	7.2868	2.1607	12.6025
Vancouver	1.8473	35.2138	33.7746	7.8843	7.8843	1.8455	1.8455
Burnaby	2.3443	34.8741	47.1073	9.3570	9.3570	1.5487	9.3570

2014 Tax Rate Comparison -

Sorted by Class 09 - Farm

Municipalities	Class 01 - Residential	Class 02 - Utilities	Class 04 - Major Industry	Class 05 - Light Industry	Class 06 - Business	Class 08 - Recreation Non-Profit	Class 09 - Farm
Delta	3.4387	39.9989	34.0432	10.4639	10.4708	7.3794	17.9741
Coquitlam	3.2021	39.9998	28.8552	13.8101	13.8127	15.2557	17.7553
Richmond	2.2496	39.9125	13.7153	7.2868	7.2868	2.1607	12.6025
Burnaby	2.3443	34.8741	47.1073	9.3570	9.3570	1.5487	9.3570
Surrey	2.4709	32.6730	11.5627	6.2112	7.0168	2.4106	2.6712
Vancouver	1.8473	35.2138	33.7746	7.8843	7.8843	1.8455	1.8455



Annual Property Tax Rates (2015) Bylaw No. 9231

The Council of the City of Richmond enacts as follows:

- (a) Parts 1 through 6 excluding Part 3, pursuant to the *Community Charter*; and
- (b) Part 3 pursuant to section 100 of the *Municipalities Enabling and Validating Act*.

PART ONE: GENERAL MUNICIPAL RATES

1.1 General Purposes

- 1.1.1 The tax rates shown in column A of Schedule A are imposed and levied on the assessed value of all land and improvements taxable for general municipal purposes, to provide the monies required for all general purposes of the **City**, including due provision for uncollectible taxes, and for taxes that it is estimated will not be collected during the year, but not including the monies required under bylaws of the **City** to meet payments of interest and principal of debts incurred by the **City**, or required for payments for which specific provision is otherwise made in the *Community Charter*.

1.2 City Policing, Fire & Rescue and Storm Drainage

- 1.2.1 The tax rates shown in columns B, C & D of Schedule A are imposed and levied on the assessed value of all land and improvements taxable for general municipal purposes, to provide monies required during the current year for the purpose of providing policing services, fire and rescue services and storm drainage respectively in the City, for which other provision has not been made.

1. PART TWO: REGIONAL DISTRICT RATES

- 2.1 The tax rates appearing in Schedule B are imposed and levied on the assessed value of all land and improvements taxable for hospital purposes and for Greater Vancouver Regional District purposes.

PART THREE: TRUNK SEWERAGE RATES

3.1 The tax rates shown in Schedule C are imposed and levied on the assessed values of all land only of all real property, which is taxable for general municipal purposes, within the following benefitting areas, as defined by the Greater Vancouver Sewerage & Drainage District:

- (a) Area A, being that area encompassing those portions of sewerage sub-areas and local pump areas contained in the Lulu Island West Sewerage Area of the Greater Vancouver Sewerage and Drainage District as shown on the current plan of the Lulu Island West Sewerage Area; and
- (b) Area B, being that area encompassing Sea, Mitchell, Twigg and Eburne Islands, which is that part of the **City** contained in the Vancouver Sewerage Area of the Greater Vancouver Sewerage and Drainage District as shown on the current plan of the Vancouver Sewerage Area; and
- (c) Area C, being that part of the **City** contained in the Fraser Sewerage Area of the Greater Vancouver Sewerage and Drainage District as shown on the current plan of the Fraser Sewerage Area,

and the total amount raised annually is to be used to retire the debt (including principal and interest) incurred for a sewage trunk system, which includes the collection, conveyance and disposal of sewage, including, without limiting the generality of the foregoing, forcemain sewers and their pumphouses and such ancillary drainage works for the impounding, conveying and discharging the surface and other waters, as are necessary for the proper laying out and construction of the said system of sewerage works, provided however that land classified as "Agriculture Zone" in Section 14.1 of the **Zoning Bylaw**, is exempt from any tax rate imposed or levied pursuant to this Part.

PART FOUR: GENERAL PROVISIONS

4.1 Imposition of Penalty Dates

4.1.1 All taxes payable under this bylaw must be paid on or before July 2, 2015.

4.2 Designation of Bylaw Schedules

4.2.1 Schedules A, B and C are attached and designated a part of this bylaw.

PART FIVE: INTERPRETATION

5.1 In this bylaw, unless the context otherwise requires:

CITY	means the City of Richmond.
ZONING BYLAW	means the Richmond Zoning Bylaw 8500, as amended from time to time.

PART SIX: PREVIOUS BYLAW REPEAL

6.1 Annual Property Tax Rates (2014) Bylaw No. 9131 is repealed.

PART SEVEN: BYLAW CITATION



7.1 This Bylaw is cited as “Annual Property Tax Rates (2015) Bylaw No. 9231”.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

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

MAYOR

CORPORATE OFFICER

SCHEDULE A to BYLAW NO. 9231

PROPERTY CLASS	COLUMN A GENERAL PURPOSES	COLUMN B POLICING SERVICES	COLUMN C FIRE & RESCUE	COLUMN D STORM DRAINAGE	TOTAL
1. Residential	1.31195	0.47752	0.35203	0.04573	2.18723
2. Utilities	23.94041	8.71367	6.42389	0.83448	39.91245
4. Major Industry	7.72266	2.81084	2.07221	0.26919	12.87490
5. Light Industry	4.16449	1.51577	1.11745	0.14516	6.94287
6. Business / other	4.16449	1.51577	1.11745	0.14516	6.94287
8. Recreation / non profit	1.15916	0.42191	0.31104	0.04040	1.93251
9. Farm	7.60203	2.76694	2.03984	0.26497	12.67378

SCHEDULE B to BYLAW NO. 9231

PROPERTY CLASS	REGIONAL DISTRICT
1. Residential	0.05392
2. Utilities	0.18870
4. Major Industry	0.18331
5. Light Industry	0.18331
6. Business/other	0.13209
8. Rec/non profit	0.05392
9. Farm	0.05392

SCHEDULE C to BYLAW NO. 9231

AREA		RATES
A, B, & C	Sewer Debt Levy (land only)	0.00438



City of Richmond

Report to Committee

To: Finance Committee

Date: March 9, 2015

From: Jerry Chong
Director, Finance

File: 03-1240-01/2015-Vol
01



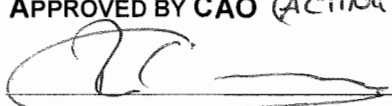
Re: Donation of Surplus from Non Redemption of Tax Sale Property

Staff Recommendation

That the donation of the excess proceeds from the sale of 4348 Carter Drive be accepted and the issuance of a donation receipt to Blackcomb Way Properties for \$660.33 be authorized.

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 (ACTING) 	

Staff Report

Origin

The property at 4348 Carter Drive was sold at tax sale on October 1, 2013 and was not redeemed by the owner, 450 SE Marine Drive Developments Ltd by the redemption date of October 1, 2014. Under section 416 of the Local Government Act, an owner of a non redeemed tax sale property must submit a written application to Council to receive any excess proceeds from the sale of the property.

Analysis

On October 1, 2013, the 192 sq.m property at 4348 Carter Drive (Attachment 1) was auctioned by the City for \$1,500 to a successful bidder at tax sale due to outstanding taxes of \$839.67. The owner, 450 SE Marine Drive Developments Ltd forfeited the property and the land was transferred to the successful bidder after the redemption deadline.

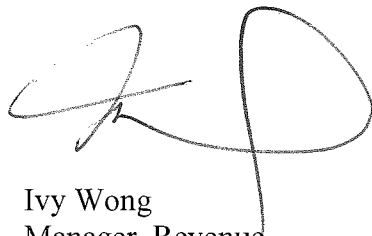
Subsequently, staff contacted the Director of the company regarding the \$660.33 surplus from the sale and was advised that 450 SE Marine Drive Developments Ltd had changed its name to Blackcomb Way Properties Ltd and this new company is now inactive. Since the company does not have a bank account to negotiate a refund cheque, the company wrote to the City (Attachment 2) indicating that they would like to donate the proceeds to the City in exchange for a donation receipt to be issued to Kahn Holdings LP, the shareholder of Blackcomb Way Properties Ltd. Unfortunately, for income tax purposes, the receipt must be issued to the legal property owner, Blackcomb Way Properties Ltd. This was communicated back to the company and they have no objections to the City's suggestion.

Financial Impact

None

Conclusion

That Council accepts the donation of the excess proceeds from the sale of 4348 Carter Drive and authorizes the issuance of a donation receipt to Blackcomb Way Properties for \$660.33.



Ivy Wong
Manager, Revenue
(604-276-4046)

IW:iw

- Att. 1: Map of 4348 Carter Drive
2: Letter from Blackcomb Way Properties Ltd.

4348 Carter Drive



47.1 0 23.53 47.1 Meters

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

© City of Richmond

THIS MAP IS NOT TO BE USED FOR NAVIGATION

KAHN HOLDINGS LIMITED PARTNERSHIP

Suite 500 – 1505 West 2nd Avenue
Vancouver, B.C. V6H 3Y4
Telephone: (604) 681-4414 Fax: (604) 682-6444

February 2, 2015

City of Richmond
6911 No. 3 Road
Richmond, BC
V6Y 2C1

Attention: Ivy Wong

Dear Ms. Wong:

Re: Tax Sale – 4348 Carter Drive, Richmond, BC

Further to your discussions with Sondra Ramsden at my office. We are aware of the Tax Sale of the above noted property and understand that there are remaining or excess proceeds to be released of approximately \$630.00.

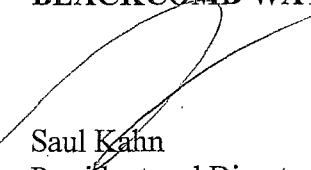
The registered owner of 4348 Carter Drive was 450 SE Marine Drive Developments Ltd. which changed its name to Blackcomb Way Properties Ltd. We have attached a copy of the Certificate of Change of Name for your records. As Blackcomb Way Properties is a non-active company we are unable to negotiate a cheque issued to them.

We are interested in donating the excess proceeds to the City of Richmond and kindly ask that you issue a donation receipt for the remaining proceeds. If at all possible, our preference would be for the receipt to be issued to Kahn Holdings LP, the shareholder of Blackcomb Way Properties Ltd.

Thank you in advance for your attention to this matter.

Yours truly,

BLACKCOMB WAY PROPERTIES LTD.



Saul Kahn
President and Director

Encl.



City of Richmond

Report to Committee

To: Finance Committee

Date: March 16, 2015

From: Jerry Chong
Director, Finance

File: 03-0900-01/2015-Vol
01

Re: Revenue Anticipation Borrowing (2015) Bylaw No. 9226

Staff Recommendation

That Revenue Anticipation Borrowing (2015) Bylaw No. 9226 be introduced and given first, second, and third readings.

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

REPORT CONCURRENCE		
ROUTED TO: Law	CONCURRENCE <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: DW	APPROVED BY CAO (ACTING).

Staff Report

Origin

The City has an existing credit facility agreement with its bank and is seeking Council's annual authorization through adoption of Revenue Anticipation Borrowing (2015) Bylaw No. 9226 (attachment 1). The credit facility will be available in the form of up to \$3,000,000 in standby letters of credit, demand promissory notes or bank overdraft, up to \$4,500,000 in leasing lines of credit, and up to \$2,000,000 in commercial credit card.

Analysis

The \$9,500,000 credit facility arrangement aforementioned meets the definition of revenue anticipation borrowing as per Section 177 of the *Community Charter*. Under Section 177, Council may, by bylaw, provide the authority to borrow money that may be necessary to meet current lawful expenditures and to pay amounts required to meet the City's taxing obligations in relation to other local governments or public bodies. If money is borrowed pursuant to a revenue anticipation borrowing bylaw, any money to be collected from property taxes must be used to repay the money borrowed.

The maximum amount of borrowing allowed for revenue anticipation borrowing is the sum of the unpaid taxes for the current year and the money remaining due from other governments (e.g. payment in lieu of taxes and grants etc.). Therefore, the bylaw amount of \$9,500,000 is well below the limit imposed under Section 177 of the *Community Charter*.

The purpose of obtaining the \$3,000,000 operating lines 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 monitors the City's cashflow position to prevent the possibility of having to draw down on the credit facility. The purpose of obtaining the \$4,500,000 leasing lines of credit is to ensure that a leasing facility is available in the event it is required. Both types of credit facilities, if they remain unused, will be free of charge for the City to maintain. The purpose of obtaining \$2,000,000 limit in commercial credit card is to provide a convenient and cost-effective method of procuring and paying for low value goods and services. The commercial credit card facility is also free of charge if payment is received within three days after the statement date.

In the event that any of these credit facilities is drawn upon, the following interest rates apply:

	Operating Lines of Credit	Leasing Lines of Credit	Commercial Credit Card
Interest Rate	Bank's prime lending rate minus 0.50%	Bank's prime lending rate or leasing base rate plus 0.60%	Bank's prime lending rate plus 1.00%
Grace Period	None	None	3 days after statement date

The current bank's prime lending rate at the time of this report is at 2.85%

Should any of these credit facilities be utilized resulting the City to incur interest charges for a consecutive period of more than two weeks, staff will prepare a report to inform Council of such financial activity.

Financial Impact

None. The availability of the above credit facility does not affect the City's overall liability servicing limit.

Conclusion

That the Revenue Anticipation Borrowing (2015) Bylaw No. 9226 be approved in order for funds to be made available to the City in the event that the City is required to draw upon the City's credit facilities arrangement with its bank.



Mike Ching
Acting Manager, Treasury & Financial Services
(604-276-4137)

Att. 1: Revenue Anticipation Borrowing (2015) Bylaw No. 9226



REVENUE ANTICIPATION BORROWING (2015) BYLAW NO. 9226

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 \$9,500,000 at such times as may be required.
2. The form of obligation to be given as acknowledgement of the liability shall be \$3,000,000 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.
3. All unpaid taxes and the taxes of the current year (2015) 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 (2014) Bylaw No. 9116 is hereby repealed.
5. This Bylaw is cited as **"Revenue Anticipation Borrowing (2015) Bylaw No. 9226"**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

MAYOR

CORPORATE OFFICER

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



City of Richmond

Report to Committee



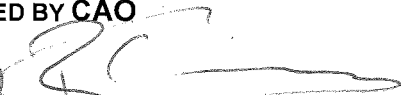
To: Finance Committee
Date: March 17, 2015
From: Robert Gonzalez, General Manager,
Engineering & Public Works and Chief Executive
Officer, Lulu Island Energy Company
File: 01-0060-20-
LIEC1/2015-Vol 01
Jerry Chong
Director, Finance and Chief Financial Officer,
Lulu Island Energy Company
Re: 2015 Operating Budget for the Lulu Island Energy Company

Staff Recommendation

That the report titled "2015 Operating Budget for the Lulu Island Energy Company" dated March 17, 2015 from the Chief Executive Officer and Chief Financial Officer, Lulu Island Energy Company be received for information.

Robert Gonzalez, General Manager,
Engineering & Public Works and
Chief Executive Officer, Lulu Island Energy
Company

Jerry Chong
Director, Finance and Chief Financial Officer,
Lulu Island Energy Company

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

Report

DATE: March 17, 2015

TO: Robert Gonzalez
Chief Executive Officer, Lulu Island Energy Company

Jerry Chong
Chief Financial Officer, Lulu Island Energy Company

FROM: Alen Postolka, Acting Senior Manager, Sustainability and District Energy

Re: 2015 Operating Budget for the Lulu Island Energy Company

Origin

The 2015 Operating Budget for the Lulu Island Energy Company (LIEC) has been prepared by management and approved by the Corporation's Board of Directors. The LIEC is providing its annual budget report to Council for information.

Background

The LIEC, a corporation wholly-owned by the City of Richmond, was established to provide district energy services for the City. Under direction from Council, and following receipt of the necessary approval from the Inspector of Municipalities, the incorporation of the LIEC was completed in August 2013.

In June 2014, the City and the LIEC executed a District Energy Utilities Agreement, assigning the LIEC the function of establishing and operating district energy systems as well as providing thermal energy services on behalf of the City.

In October 2014, the LIEC and Corix Utilities executed a Concession Agreement whereby the LIEC would own the Oval Village District Energy Utility (OVDEU, previously known as River Green District Energy Utility) and its infrastructure, and Corix will design, construct, finance, operate and maintain the OVDEU, subject to the City, as shareholder of the LIEC, setting rates for customers.

Analysis

The OVDEU is the first district energy project developed through the LIEC. Staff are working with Corix to provide service in April 2015 to the first two developments: Carrera by Polygon and Riva by Onni, with Cadence by Cressey scheduled immediately afterwards. The following table represents anticipated development connection timelines for the next two years:

Table 1: Development Timing in RGDEU Service Area

	Anticipated Occupancy
Onni (Riva)	April 2015
Polygon (Carrera)	April 2015
Cressey (Cadence)	December 2015
Intracorp (River Park Place)	2016
Amacon (Tempo)	2016
Aspac (Parcel 9 & 12)	2016/2017

The City of Richmond also owns and operates the Alexandra District Energy Utility (ADEU). The LIEC was established for the purpose of managing district energy utilities on the City's behalf, but the ADEU is currently not an asset of the LIEC. Staff intend to bring forward a report with recommendations to transfer ADEU assets and operations to the LIEC within the current year.

2015 Operating Budget

REVENUES	
Service Connection Fee	\$988,000
User Fee Revenue	\$252,907
Building Permit Fee Revenue	\$27,000
	\$1,267,907
EXPENSES	
ETS Payment to Corix	\$988,000
Corix Monthly Fee	\$230,832
Professional Services Fees	\$10,000
Legal and Accounting Fees	\$6,500
Marketing	\$1,200
	\$1,236,532
TOTAL LIEC ANNUAL NET BUDGET	\$31,375

This will be the first year of operations for the LIEC, so there are no 2014 budget comparables.

The OVDEU is in its early days of operation, and as a result its utility (electricity and natural gas), operation and maintenance costs are still largely based on projections of the financial model. Also, the customers' energy use (building performance) is estimated based on the average building performance in the region and energy modeling reports prepared by the building designers. The 2015 Operating budget incorporates estimated revenues and expenses from the OVDEU based on the above projections and development activity.

Financial Impact

None.

Conclusion

The 2015 Operating budget has an overall budgeted net surplus of \$31,375, which will be transferred to a provision account to be used towards future capital repayments.



Alen Postolka, P.Eng., CP, CEM
Acting Senior Manager, Sustainability and District Energy
(604-276-4283)

AP:ap



City of Richmond

Report to Committee

To: Finance Committee

Date: March 31, 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: **Richmond Olympic Oval – 2015 Annual Operating and Capital Budgets**

Staff Recommendation

That the report on the 2015 Annual Operating and Capital Budgets for the Richmond Olympic Oval from the Controller of the Richmond Olympic Oval Corporation be received for information.



for.
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: March 25, 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 – 2015 Annual Operating and Capital Budgets

Origin

This staff report deals with the Richmond Olympic Oval Corporation's (the "Corporation") 2015 annual operating and capital budgets which were unanimously approved by the Corporation's Board of Directors ("BOD").

Analysis

2015 Budget Mandate

In preparing the 2015 operating budget, staff were given a mandate from the CEO that aside from the operating budget impacts of the 3 new lines of business (ROX, Retail, YYoga), non-discretionary items, and except where there was a favorable gross margin impact, there were to be no increases to the operating budget. Based on this, staff prepared, and the BOD unanimously approved, the 2015 operating budget as shown on page 3.

2015 Outlook

In 2015, more Oval high performance programs will integrate with the Richmond virtual school district, allowing greater numbers of athletes involved in the high performance training at the Oval the opportunity to earn PE 10-12 high school credits. New initiatives planned for 2015 include the development and launch of a tactical training program designed for first responders, the launch of the elite goalies hockey centre of excellence, the Vancouver futsal high performance program, expansion of the Oval summer volleyball academy program, and a year round training program with

Fusion FC high performance soccer that will see 200+ unique high performance players training at the Oval 35 weeks of the year. 2015 will also see continued expansion in high performance strength and conditioning and the short track speed skating legacy program in partnership with Speed Skating Canada.

To celebrate “2015: The Year of Sport in Canada,” the Corporation will be providing up to two free child memberships for every young adult, adult or seniors membership purchased, along with offering a number of volunteer opportunities for the public to become more involved with the sport community. Oval fitness programming will also expand with the launch of nutrition optimization services and bundling with personal training, a spring launch of LeBarre (Ballet Barre Fitness) and a summer launch of a new outdoor adventure series that will provide Oval members with sport, health and wellness experiences across the region.

Over 40 events have been confirmed for 2015, some of which include: the Toronto Blue Jays Winter Tour, BC Sports Rep Association Trade Show, BC Age Class Wrestling Championships, Karate Canada Nationals, Harry Jerome Indoor Track Meet, BC Sport Climbing Competition, Fencing World Cup, Judo Pacific Internationals, Red Bull Crashed Ice Regional Qualifiers, Panther Cheerleading Events, Wheelchair Rugby Vancouver Invitational, Fencing Western Championships, Weightlifting Western Canadian Championship, Province Gran Forza Pentathlon, Volleyball Provincials, Workout to Conquer Cancer for the Canadian Cancer Society, UROC Awards (to celebrate the achievements and dedication of outstanding youth, youth groups and asset champions within the Richmond Community), CAN AM Wushu Championship, Gymnastics BC Millennium Cup, Fencing Nationals, Rhythmic Gymnastics Nationals, Karate BC Provincial Championships, SOS Children’s Village 10K Run, Fencing Provincials, NTCC Volleyball Championship, West Coast Classic Basketball Tournament, BC Handball BC Cup, Powerlifting Commonwealth Games, Investors Group Walk for Memories with the Alzheimer Society of BC, Relay For Life for the Canadian Cancer Society, Lower Mainland Boys Basketball Championships, Corporate Champions of Vancouver, Play 4 Life Hockey Tournament, Western Marine Tradeshow, Rehab Equipment Expo, and the De Danaan Christmas Feis.

2015 Operating and Capital Budget

The Corporation’s BOD approved 2015 operating and capital budgets are described on the following page.

RICHMOND OLYMPIC OVAL CORPORATION
Operating Budget

	2014 BUDGET	2015 BUDGET	\$ Increase (decrease)	% Increase (decrease)
REVENUES				
2010 Games Operating Trust	\$ 2,200,000	\$ 2,300,000	\$ 100,000	5%
Contribution from City of Richmond	3,208,000	3,239,700	31,700	1%
Memberships, admissions and programs (Note 1)	6,471,768	7,559,238	1,087,470	17%
Other	1,260,830	1,711,650	450,820	36%
	13,140,598	14,810,588	1,669,990	13%
EXPENSES				
Memberships, admissions, and program services (Note 1)	4,335,516	5,358,190	1,022,674	24%
Facility Operations	4,084,987	4,337,345	252,358	6%
Marketing (Note 2)	487,432	989,947	502,515	103%
Admin/Finance	2,656,911	3,343,532	686,621	26%
	11,564,845	14,029,013	2,464,168	21%
Net income before transfers to reserves/provisions	\$ 1,575,753	\$ 781,575	\$ (794,178)	-50%
Transfer to reserves/provisions (Note 3)	1,300,000	700,000		
Net income after transfers to reserves/provisions	\$ 275,753	\$ 81,575		

Note 1 - The memberships, admissions, and program services line items also include the ROX and Retail revenues and expenses. In the 2014 budget, these expenditures were included in the Admin/finance line. These have been reclassified appropriately for comparability.

Note 2 - The increase in marketing expenses pertains to those expenditures required to create the appropriate level of awareness for the new initiatives. A portion of these expenditures are considered one-time expenses and are not expected to recur in future years.

Note 3 - This budgeted transfer to reserves/provisions is an estimate and the final amount will be determined by the Capital Works Committee.

2015 Capital Budget

The 2015 capital budget is a total of \$3.15M and includes capital projects that are required to maintain the existing capital assets and infrastructure, those projects required to support Oval programming and those projects required to support the new lines of business. The capital budget is primarily funded from the Corporation's operating capital reserves.



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

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