

Finance Committee

Anderson Room, City Hall 6911 No. 3 Road

Monday, June 1, 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, May 4, 2015.
	1.	FINANCE AND CORPORATE SERVICES DIVISION 2014 ANNUAL REPORT AND 2014 ANNUAL REPORT -
	1.	2014 ANNUAL REPORT AND 2014 ANNUAL REPORT – HIGHLIGHTS (File Ref. No.) (REDMS No. 4578102)
FIN-8		See Page FIN-8 for full report
		Designated Speakers: Jerry Chong & Ted Townsend
		STAFF RECOMMENDATION
		That the City of Richmond 2014 Annual Report and the 2014 Annual Report – Highlights be approved.

		Finance Committee Agenda – Monday, June 1, 2015
Pg. #	ITEM	
	2.	2014 ANNUAL DEVELOPMENT COST CHARGES (File Ref. No. 03-0905-05-01) (REDMS No. 4574870)
FIN-93		See Page FIN-93 for full report
		Designated Speaker: Jerry Chong
		STAFF RECOMMENDATION
		That the staff report titled, "2014 Annual Development Cost Charges," dated May 8, 2015, from the Director, Finance, be received for information.
	3.	FINANCIAL INFORMATION – 1 ST QUARTER MARCH 31, 2015 (File Ref. No.) (REDMS No. 4572106 v. 2)
FIN-108		See Page FIN-108 for full report
	Designated Speaker: Jerry Chong	
		STAFF RECOMMENDATION
		That the staff report titled, "Financial Information – 1st Quarter March 31, 2015," dated May 8, 2015, from the Director, Finance, be received for information.
		RICHMOND OLYMPIC OVAL CORPORATION
	4.	1 ST QUARTER 2015 – FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION (File Ref. No.) (REDMS No. 4583862)
FIN-134		See Page FIN-134 for full report
		Designated Speaker: Rick Dusanj
		STAFF RECOMMENDATION
		That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2015 from the Controller of the Richmond Olympic Oval Corporation be received for information.

Finance Committee Agenda – Monday, June 1, 2015							
Pg. #	ITEM						
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	ADJOURNMENT						
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Finance Committee

Date:

Monday, May 4, 2015

Place:

Anderson Room

Richmond City Hall

Present:

Mayor Malcolm D. Brodie, Chair

Councillor Derek Dang Councillor Carol Day Councillor Ken Johnston Councillor Alexa Loo Councillor Bill McNulty Councillor Linda McPhail Councillor Harold Steves

Absent:

Councillor Chak Au

Call to Order:

The Chair called the meeting to order at 5:06 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Tuesday, April 7, 2015, be adopted as circulated.

CARRIED

DELEGATION

1. C.J. James, Engagement Partner, and Archie Johnston, Client Relationship and Quality Review Partner, KPMG, were available to answer questions related to the 2014 Auditor's report on the City's financial statements. Ms. James thanked City staff for their efficiency in compiling the City's financial statements.

Finance Committee Monday, May 4, 2015

In reply to a query from Committee, Jerry Chong, Director, Finance, advised that Part 2 of Attachment II – Summary of Audit Misstatements Schedules was related to water purchases from the Great Vancouver Regional District.

FINANCE AND CORPORATE SERVICES DIVISION

2. **2014 CONSOLIDATED FINANCIAL STATEMENTS**

(File Ref. No. 03-0905-01) (REDMS No. 4556244 v. 2)

Andrew Nazareth, General Manager, Finance and Corporate Services, accompanied by Mr. Chong, commented that the variances between the budget and actual figures on the Consolidated Statement of Operations on page FIN-29 can be attributed to the following:

- the budget was prepared on a cash basis as per the *Community Charter*, whereas the figures presented are on an accrual basis;
- the Statement was prepared using the original budget, whereas spending is against the Council approved amended budget as part of the amended 5-Year Financial Plan; and
- re-statements for items approved as part of the Capital budget are expensed as these have no assets to capitalize against, for example the Kiwanis affordable housing transfers.

In reply to a query from Committee, Mr. Chong advised that the \$864.7 million in "Cash and Investments" shown on page FIN-24 are from a number of accounts including reserves and are invested in various bonds and term deposits.

It was moved and seconded

That the City's audited consolidated financial statements for the year ended December 31, 2014 be approved.

CARRIED

RICHMOND PUBLIC LIBRARY BOARD

3. 2014 FINANCIAL STATEMENTS FOR THE RICHMOND PUBLIC LIBRARY

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

It was moved and seconded

That the report on the 2014 Financial Statements for the Richmond Public Library Board be received for information.

CARRIED

LULU ISLAND ENERGY CORPORATION

4. 2014 FINANCIAL STATEMENTS FOR THE LULU ISLAND ENERGY COMPANY

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 4551203 v. 2)

It was moved and seconded

That the Lulu Island Energy Company audited financial statements for the year ended December 31, 2014, in the report titled 2014 Financial Statements for the Lulu Island Energy Company, dated April, 9, 2015, from the Chief Executive Officer and Chief Financial Officer, Lulu Island Energy Company, be received for information.

CARRIED

RICHMOND OLYMPIC OVAL CORPORATION

5. 2014 FINANCIAL STATEMENTS FOR THE RICHMOND OLYMPIC OVAL CORPORATION

(File Ref. No.) (REDMS No. 4567913)

In response to a query from Committee, Cathryn Volkering Carlile, General Manager, Community Services, advised that the full and part-time staffing levels for the Richmond Olympic Oval are comparable to those of City sport and recreation facilities.

It was moved and seconded

That the report on the 2014 Audited Financial Statements for the Richmond Olympic Oval from the Controller, Richmond Olympic Oval Corporation, be received for information.

CARRIED

ADJOURNMENT

It was moved and seconded *That the meeting adjourn (5:17 p.m.).*

CARRIED

Finance Committee Monday, May 4, 2015

	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, May 4, 2015.
Mayor Malcolm D. Brodie Chair	Heather Howey Committee Clerk



Report to Committee

To:

Finance Committee

Date:

May 13, 2015

From:

Andrew Nazareth

File:

General Manager, Finance and Corporate

Services

Re:

2014 Annual Report and 2014 Annual Report - Highlights

Staff Recommendation

That the City of Richmond 2014 Annual Report and the 2014 Annual Report – Highlights be approved.

A

Andrew Nazareth

General Manager, Finance and Corporate Services Division (4095)

Att.

REPORT CONCURRENCE

CONCURRENCE OF GENERAL MANAGER

REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE

APPROVED BY CAO

Staff Report

Origin

Pursuant to Section 98 of the Community Charter, before June 30th, in each year, a Council must

- a) Prepare an annual report
- b) Make the report available for public inspection
- c) Make the report available for public inspection at a Council or other public meeting

Analysis

The City of Richmond's annual report formally presents the audited financial statements, financial, economic and demographic statistics. In addition, the report highlights some of the City's significant achievements from 2014, including the following:

- Doubling the number of child care spaces offered in City-owned facilities, securing creation of more than 200 new spaces over the next few years.
- Richmond RCMP introducing online crime reporting via the City's website. This
 innovative new service makes it simpler and quicker for residents to report selected
 crimes.
- Council approving a master plan for the Garden City Lands, ensuring the important 136.5 acre-parcel adjoining the City Centre is preserved as park and green space for community use.
- The City adopting a new Resilient Economy Strategy. The strategy identifies priority initiatives, focuses efforts on key economic sectors and emphasizes both business expansion and retention.
- Preliminary design completed and approved for the new multipurpose Minoru Complex and new No. 1 and No. 3 Fire Halls.
- The City investing nearly \$10 million in 2014 in improvements to Richmond's flood protection network.

The City of Richmond received numerous awards and recognition in 2014 including the following:

- Alexandra District Energy Utility (ADEU) project;
 - o National Energy Globe Award for Canada as the best project in Canada in this international competition;
 - o Canadian Geo-exchange Coalition Excellence Award;
 - Community Planning and Development Award from the Community Energy Association; and
 - Sustainability Award from the Association of Professional Engineers and Geoscientists of BC.
- The Excellence on the Waterfront Award from Washington DC-based Waterfront Center for the Richmond Middle Arm Park and Greenway.

- CAMA Professional Development Award for the Corporate Programs Management Group (CPMG) leadership development program.
- The inaugural Culture Days National Marketing Award for promotion of the annual nation-wide event.
- An Honourable Mention in the Federation of Canadian Municipalities 2015 Sustainable
- Communities Awards for Neighbourhood Development for our City Centre Neighbourhood Development Action Plan.
- Wood WORKS! BC Community Recognition Award for the City's commitment to promoting the use of wood in civic projects.
- Western Investor magazine selected Richmond as the best city for real estate investment in Western Canada.
- Silver Leaf (national) and Bronze Quill (provincial) Awards of Excellence from the International Association of Business Communicators for the Green Cart program launch.
- A Distinguished Systems Award from the Urban and Regional Information Systems Association (URISA) for the City's GIS tool.
- A Leadership Excellence Award from BC Hydro's Power Smart Excellence Awards for energy efficiency initiatives.
- A Most Business Friendly Award from NAIOP Vancouver for the City's green building initiatives.
- Government Finance Officers Association awards for the 2013 Annual Report:
 - Canadian Award for Financial Reporting (12th consecutive year).
 - Outstanding Achievement in Popular Annual Financial Reporting (5th consecutive year).

Staff have followed the award-winning format from past years in which two versions of the report are prepared. The first version is the comprehensive 2014 Annual Report, which meets all legislative requirements. The comprehensive version includes the City's audited consolidated financial statements; the City's corporate objectives and success indicators, as identified through Council's Term Goals and objectives; and a listing of permissive exemptions as required under the Community Charter for British Columbia's local governments. In addition to the statutorily required information, the comprehensive version provides information on City milestones from 2014, including awards and achievements, as well as relevant statistical data.

The second version is the popular financial report, or titled 2014 Annual Report – Highlights. It has been prepared to inform the general public about the City of Richmond, its services, highlights from 2014 and the City's financial condition. Both versions will be publicly available through the City's website. The simplified version will be mailed out and made available for the general public in hard copy at Richmond City Hall, Front of House and on the City's website, while the comprehensive version will be printed only on an exception basis

Financial Impact

None.

Conclusion

The City of Richmond 2014 Annual Report and the 2014 Annual Report – Highlights satisfy Community Charter requirements for financial reporting and provide important tools in ensuring public transparency and accountability for the management of City finances. The reports also provide useful information on the City's achievements during the 2014 fiscal year.

Jerry Chong Director, Finance

(4064)

Ted Townsend

Senior Manager, Corporate Communications

(4399)

Att. 1: 2014 Annual Report

2: 2014 Annual Report – Highlights



2014 Annual Report For the year ended December 31, 2014





Canadian Award for Financial Reporting

Presented to

City of Richmond British Columbia

> For its Annual Financial Report for the Year Ended

December 31, 2013

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Richmond for its annual financial report for the fiscal year ended December 31, 2013. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to the program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to the GFOA.



2014 Annual Report

For the year ended December 31, 2014

Our vision is to be the most appealing, livable and well-managed community in Canada

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Cover photo: The Terra Nova Adventure Play Environment officially opened in 2014 at Terra Nova Rural Park.

This report was prepared by the City of Richmond Finance and Corporate Services Division and Corporate Communications Office. Design, layout and production was done by the City of Richmond Production Centre. ©2015 City of Richmond

Contents printed on Canadian made, 100% recycled stock, using environmentally friendly toners.

Message from the Mayor



The City of Richmond continued to enjoy sustained long-term growth and a robust local economy throughout 2014. In response, the City made prudent investments to ensure we have the infrastructure and programs to meet the needs of both current and future residents; we retain our outstanding, internationally-recognized quality of life; and, that Richmond remains on a sustainable path. Richmond's strong financial position allowed us to make these investments with minimal impact on property taxes.

As the final year of the Council Term, 2014 was a busy year for Council, as we worked to complete or advance our many Council Term Goals.

Most notably, the year was marked by the opening of a number of new key amenities to serve the community. The popular Railway Greenway

has been a huge success, turning an abandoned railway corridor into an active and vital cross-island transportation link, while promoting physical activity. The Terra Nova Adventure Play Environment set new standards for innovation and sustainability in creating exciting play opportunities for our youth. Similarly, the new Terra Nova Nature Preschool brought children directly into contact with their natural environment, developing an appreciation for ecology from an early age. A critically-needed expansion of child care spaces in Richmond began with the opening of new City-owned child care facilities in the Hamilton and West Cambie areas.

Council also approved the preliminary design for the \$79 million Minoru Complex (housing an aquatics centre, older adults centre and sport and recreation amenities). Design was also approved for two new fire halls, which will complete a decade-long upgrade of all of our public safety buildings to post-disaster status. Construction of these new buildings is in progress and will be complete by 2017.

The City also approved the master plan for the Garden City Lands, a 136.5-acre parcel of open space on the edge of the City Centre. This vital parcel of land will be entirely preserved for park and other community use. Other key plans approved by Council included a Resilient Economy Strategy and expansion of our award-winning District Energy program.

As Council enters the first year of a new four-year term in 2015, we will be revisiting our Council Term Goals to ensure that Richmond continues to be one of Canada's most livable communities and that our residents and businesses continue to receive extraordinary value from the programs and services they help fund. As always, I invite you to contact the Mayor's Office to discuss or comment on any of the information contained in this Annual Report.

Malcolm Brodie

Mayor, City of Richmond

Richmond City Council



As of December 1, 2014

Front row, left to right:

Councillor Carol Day, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Linda McPhail, Councillor Harold Steves

Back row, left to right:

Constable Adam Carmichael, Richmond RCMP, Councillor Chak Au, Councillor Derek Dang, Councillor Ken Johnston, Councillor Alexa Loo, Captain Jack Beetstra, Richmond Fire-Rescue



Prior to December 1, 2014

Front row, left to right:

Councillor Linda Barnes, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Linda McPhail, Councillor Harold Steves

Back row, left to right:

Captain Dave Cullen,
Richmond Fire-Rescue (retired),
Councillor Chak Au,
Councillor Derek Dang,
Councillor Evelina Halsey-Brandt,
Councillor Ken Johnston,
Constable Melissa Lui,
Richmond RCMP

City of Richmond organizational chart

Chief Administrative Office

George Duncan, CAO

Deputy Chief Administrative Office

Joe Erceg, Deputy CAO

Community Services

Engineering and Public Works

Finance and Corporate Services

Dave Semple, GM Cathy Volkering Carlile, GM Robert Gonzalez, GM

Andrew Nazareth, GM

Law	and	Community	Safety

Planning and Development

Phyllis Carlyle, GM

Joe Erceg, GM



Civic officials as of December 31, 2014

Chief Administrative Officer	George Duncan
Deputy Chief Administrative Officer	Joe Erceg
General Manager, Community Services	Cathy Volkering Carlile
General Manager, Community Services	Dave Semple
General Manager, Engineering and Public Works	Robert Gonzalez
General Manager, Finance and Corporate Services	Andrew Nazareth
General Manager, Law and Community Safety	Phyllis Carlyle
General Manager, Planning and Development	Joe Erceg
Director, City Clerk's Office	David Weber
City Solicitor	Doug Long
Chief, Richmond Fire-Rescue	
Officer in Charge, Royal Canadian Mounted Police	Rendall Nessett
Chief Operating Officer, Richmond Olympic Oval	
Chief Librarian, Richmond Public Library	
Chief Executive Officer, Lulu Island Energy Corporation	

Banker Auditors
Scotiabank KPMG

Message from the Chief Administrative Officer



It is my pleasure to present the City of Richmond's 2014 Annual Report, which documents another extraordinary year of achievement for our administration, along with the continued strong financial position of the City.

2014 saw the City undertake a record Capital budget of \$192.1 million as we moved to replace aging infrastructure and meet the emerging public amenity needs of our community. The budget included funding for an extraordinary \$124.1 million major facilities building program, which includes a new main fire hall, a new City Centre Community Centre and the Minoru Complex, which will house an aquatic centre, older adults centre and provide other recreation and sport program space. This ambitious program was undertaken with minimal impact on property taxes through

funding from our carefully-nurtured reserve funds and judicious borrowing to take advantage of low interest rates.

The past year was also extraordinary for the recognition received by the City of Richmond. Our organization received more than 15 awards from local, national and international organizations honouring our commitment to innovation, excellence and sustainability. Of particular note was an award from my peers in the Canadian Association of Municipal Administrators (CAMA) for Richmond's Corporate Programs Management Group (CPMG). This innovative, homegrown program provides accelerated training and professional development opportunities for the City's next generation of leaders, while creating capacity to support implementation of priority initiatives. The winner of CAMA's 2014 Professional Development Award, the CPMG program has become the inspiration and model for other local governments.

Richmond also continues to be highly committed to using an entrepreneurial approach to address community needs and objectives. This includes forming new lines of business, such as Lulu Island Energy Company, a district energy utility, to achieve our goals. The City-owned Richmond Olympic Oval Corporation continues to be hugely successful as it manages Richmond's world class, Olympic legacy facility. Innovative new partnerships were formed by the Oval Corporation in 2014 to support development of the Richmond Olympic Experience, which will open in 2015, as a major new regional tourist attraction.

The achievements outlined in this Annual Report become a new benchmark for our City. Richmond remains committed to continuous improvement and to raising the bar ever higher in fulfilling our vision for Richmond to be the most appealing, livable and well-managed community in Canada.

George Duncan

Chief Administrative Officer



Council approved the next phase of expansion for Richmond's award-winning Alexandra District Energy Utility.

2014 Awards

As a City we are constantly striving to raise the bar in the quality and quantity of services we provide our community. We seek to excel in community engagement and local government management and leadership. One of the ways we measure our success is through the awards and recognition we receive from our peers and others. 2014 was a remarkable year on this front.

- Richmond's innovative and successful foray into district energy produced four awards for the Alexandra District Energy Utility (ADEU) project; including:
 - National Energy Globe Award for Canada.
 This is an international award competition and the ADEU was selected as best project in Canada;
 - 2014 Canadian Geo-exchange Coalition Excellence Award;
 - Community Planning and Development Award from the Community Energy Association; and
 - 2014 Sustainability Award from the Association of Professional Engineers and Geoscientists of BC 2014.
- The Excellence on the Waterfront Award from the Washington DC-based Waterfront Center for the Richmond Middle Arm Park and Greenway.
- The 2014 CAMA Professional Development Award for the Corporate Programs Management Group (CPMG) leadership development program.
- The inaugural Culture Days National Marketing Award for promotion of the annual nationwide event. Richmond was also ranked as the top Regional or Belt City for Culture Days based on the number of activities scheduled for the annual event locally.
- An Honourable Mention in the Federation of Canadian Municipalities 2015 Sustainable Communities Awards for Neighbourhood Development for our City Centre Neighbourhood Development Action Plan.
- A 2014 Wood WORKS! BC Community Recognition Award for the City's commitment to promoting the use of wood in civic projects.

- Western Investor magazine selected Richmond as the best city for real estate investment in Western Canada.
- Silver Leaf (national) and Bronze Quill (provincial) Awards of Excellence from the International Association of Business Communicators for the communications campaign developed in support of the Green Cart program launch.
- A Distinguished Systems Award from the Urban and Regional Information Systems Association (URISA) for innovation related to the City's GIS tool.
- Richmond's Economic Development Office received an honourable mention in the reputable Site Selection magazine in its annual Top 10 ranking of Canadian local and regional economic development programs.
- A Leadership Excellence Award from BC Hydro's Power Smart Excellence Awards for achievements in energy efficiency.
- A Richmond Chinese Community Society (RCCS) Community Award recognizing the City's contributions to community livability and its ongoing support of the RCCS.
- A Most Business Friendly Award from NAIOP Vancouver recognizing Richmond for excelling in creating environments positive to business creation through its green building initiatives.
- The City was awarded for best, innovative use of the AirWatch Secure Content Locker tool to internally distribute Council agendas and other documents to mobile devices.
- Richmond Sport Hosting was nominated as one of three finalists for the Sport Hosting Organization of the Year in the Canadian Sport Tourism Alliance (CSTA) 2014 PRESTIGE Awards.
- Two awards were received from the Government Finance Officers Association for the 2013 Annual Report:
 - Canadian Award for Financial Reporting, which Richmond received for a 12th consecutive year.
 - Outstanding Achievement in Popular Annual Financial Reporting, which we received for a 5th consecutive year.

Council Term Goals and Objectives: 2011 to 2014

The Community Charter requires that all BC municipalities include a statement in the Annual Report of their objectives for the current and future years, along with measures to track success towards these objectives.

The City of Richmond's objectives and success indicators are expressed through the Council Term Goals for 2011-2014. At the beginning of each new term of Council, a term goal setting process is undertaken to help Council fulfil its governance role and achieve a successful term of office. This process is an integral part of City operations, helping to ensure the effective use of public resources by providing clear direction and guidance for City work programs. These goals are set based on an extensive review of issues. opportunities and trends affecting City business, and provide a sound framework for evaluating and monitoring the organization's progress towards achieving its vision "to be the most appealing, livable and well managed community in Canada."

1. Community Safety

To ensure Richmond remains a safe and desirable community to live, work and play in, through the delivery of effective public safety services that are targeted to the City's specific needs and priorities.

2014 Achievement

Richmond RCMP introduced online crime reporting via the City's website. This innovative new service makes it simpler and quicker for residents to report many crimes. A new Crime Prevention Guide was also launched, helping citizens take greater responsibility in combatting crime.

2. Community Social Services

To develop and implement an updated social services strategy that clearly articulates and communicates the City's roles, priorities and limitations with respect to social services issues and needs.



Cranberry Children's Centre

2014 Achievement

Richmond is doubling the number of child care spaces offered in City-owned facilities, adding more than 200 new spaces over the next few years. The new Cranberry Children's Centre opened in the Hamilton area in 2014.

3. Economic Development

To enhance the City's economic well being and financial sustainability through the development and implementation of strategies and initiatives that lead to long-term business retention, expansion and attraction by clearly defining the businesses and industries we want to attract and retain; placing a stronger focus on tourism and Asia Pacific Gateway business development opportunities; and incorporating a broad business community engagement model.

2014 Achievement

The City adopted a new Resilient Economy Strategy in 2014. The strategy identifies priority initiatives, focuses efforts on key economic sectors and emphasizes both business expansion and retention.

4. Facility Development

To ensure that quality public facilities and amenities in Richmond keep pace with the rate of growth, the City is implementing an updated comprehensive Facility Development Plan. This plan includes an analysis of required new facilities and the recommended timing, financial strategies and public process for implementing the plan.

2014 Achievement

Preliminary design was completed and approved for the new multipurpose Minoru Complex and new No. 1 and No. 3 Fire Halls. The complex will replace aging facilities with a new and expanded aquatic centre, older adults centre and additional sports and recreation program space. When the new fire halls are completed by 2017, all the City's public safety buildings will be post-disaster rated.

5. Financial Management

To develop and implement effective and innovative financial policies and strategies that help the City to successfully manage the challenges of tough economic times, while taking advantage of financial opportunities, and balance current and long term financial needs.

2014 Achievement

The City continued to strengthen its financial condition and position in 2014. The City's net worth reached \$2.6 billion. Cash and investments increased to \$864.7 million. Net financial assets increased to \$602.6 million, up from \$549 million in 2013.



Minoru Complex

6. Intergovernmental Relations

To strengthen relationships with other levels of government and government agencies to ensure City needs and priorities are well represented, understood and proactively advanced.

2014 Achievement

The City secured about \$2 million in funding from the provincial and federal governments to build a new Bath Slough Pump Station. The \$4.2 million pump station is an important link in Richmond's flood protection, drainage and irrigation network.



Garden City Lands master plan approved

7. Managing Growth and Development

To ensure effective growth management for the City, including the adequate provision of facility, service and amenity requirements associated with growth.

2014 Achievement

Council approved a master plan for the Garden City Lands, ensuring the important 136.5-acre parcel adjoining the City Centre is preserved as park and green space for community use.

8. Sustainability

To demonstrate leadership in sustainability through continued implementation of the City's Sustainability Framework.

2014 Achievement

The City continued to expand its recycling and waste diversion programs, with expanded curbside collection of various recyclables and approval of plans to provide organics recycling collection for multi-family residences. Residents in single-family homes achieved 71 per cent waste diversion — well ahead of the regional goal of achieving 70 per cent diversion by 2015.

2014 Achievement

Council adopted an updated Sustainable High Performance Building Policy, which ensures that new City buildings are built to meet high standards for environmentally sustainable design and construction.



Recycling program expanded

9. Arts and Culture

To continue to support the development of a thriving, resilient and diverse cultural sector and related initiatives in creating a vibrant healthy and sustainable City.

2014 Achievement

Richmond received the first national Marketing Awards for Culture Days. Since its inception, Richmond has been a national leader in promoting and participating in the annual Culture Days events, which encourages communities across the country to build support for the arts.

10. Community Wellness

To continue to collaborate with community organizations and agencies to optimize resources in the implementation of the City's adopted Wellness Strategy.

2014 Achievement

The Terra Nova Adventure Play Environment was officially opened. Designed to integrate with the natural park surroundings, the innovative play area features a wide variety of unique and exciting play experiences for youth.

2014 Achievement

The Railway Greenway was officially opened, turning an abandoned railway corridor into a vibrant new transportation link that encourages residents to walk, run and cycle between neighbourhoods or across the island.

11. Municipal Infrastructure Improvement

To continue to invest in the City's infrastructure networks and systems in a manner that meets community needs and responds to the issues of aging components of the system, growth related capacity issues and the requirements due to changing climate and environmental impacts.

2014 Achievement

The City invested nearly \$10 million in 2014 in improvements to Richmond's flood protection network. This included construction of the new Montrose pump station and major retrofit of the Woodward pump station.

12. Waterfront Enhancement

To place greater emphasis on protecting and enhancing the City's waterfront while successfully integrating a balance between urban development, public access and events, and a healthy river environment.

2014 Achievement

Ships to Shore Steveston set a new record for attendance in 2014 with more than 35,000 enjoying the popular annual celebration. The 2014 festival included the debut of Canada Day fireworks over the Steveston Channel.



Railway Greenway



RichmondBC app

13. A Well Informed Public

To ensure a well informed public regarding Council priorities, activities and achievements.

2014 Achievement

Council meetings became more accessible to the public through the introduction of live streaming of Council meetings. Viewers can now watch meetings live online or access archived video post-meeting.

2014 Achievement

The City introduced two new mobile applications to improve public access to information. The RichmondBC application allows users to readily access in-depth information about programs and events at City facilities. The Richmond Election app provided users with extensive information and interactive services related to the civic election.

Additional information on the success indicators in support of these objectives can be found at:

www.richmond.ca/cityhall/council/goals

Report from the General Manager, Finance and Corporate Services

I am pleased to submit the City of Richmond's consolidated financial statements for the year ended December 31, 2014 pursuant to Section 167 of the Community Charter. The financial statements reflect a consolidation of the financial position and operating results for the City of Richmond, Lulu Island Energy Company Ltd., Richmond Olympic Oval Corporation and the Richmond Public Library. I disclose that management is responsible for the financial statements.

The external auditors, KPMG LLP, conducted an independent examination and have expressed their opinion that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2014 in accordance with Canadian public sector accounting standards.

The City continued to strengthen its financial condition and position in 2014. The City's net worth reached \$2.6B (2013: \$2.4B) and cash and investments increased to \$864.7M (2013: \$754.5M). Net financial assets increased to \$602.6M (2013: \$549.0M). The City's 2014 revenues were \$484.8M (2013: \$454.9M) and expenses were \$360.9M (2013: \$328.6M). The revenue increases were mainly due to a substantial gain on disposal of land, taxation and utility fees, external funding for capital construction and gaming revenues. The expense increases were mainly due to significant contributions for affordable housing, policing and recycling contract costs and settlement of the Richmond Fire Rescue wage agreement.

Statutory reserves increased to \$374.9M (2013: \$353.8M). Net debt outstanding was \$50.8M as the City undertook its first external borrowing in more than two decades to take advantage of low interest rates to partially finance the new Minoru complex that is currently under construction. This debt will be repaid using casino revenues over the next decade so that there will be no direct borrowing impact on property taxes.

City Council's focus on long term planning guided by its Long Term Financial Management Strategy has helped place the City in a strong financial position. Meanwhile, the City's success in creating a positive economic development climate was recognized by the Western Investor magazine, which named Richmond as the best City for investment in Western Canada in 2014. The City was also recognized by the Government Finance Officers Association with two awards for our annual financial reporting.

The outlook is exciting as we will continue to focus on innovation in serving our community. We are rethinking how we digitally operate and provide services to the community. As we change, customers will be able to request a service, report a concern or easily find the information they are looking for. Our goal is to integrate all our systems in a 'customer first' manner that will make their dealings with the City more efficient. In addition, services will be delivered through a new customer portal and we have begun our journey down this path with the release of the RichmondBC Mobile App. In addition, Council has committed to providing free Wi-Fi services in community centres, arenas and select parks. Council meetings are now live-streamed and recorded on the City's website. Overall, we will strive to always provide best value for our customers while ensuring that the City remains flexible and financially sustainable.

Aut

Andrew Nazareth, BEc, CGA General Manager, Finance and Corporate Services May 13, 2015

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City of Richmond audited financial statements

Year ended December 31, 2014



KPMG LLP
Chartered Accountants
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Suite 2400 – 4720 Kingsway
Burnaby BC V5H 4N2
Canada

Telephone (604) 527-3600 Fax (604) 527-3636 Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council

We have audited the accompanying consolidated financial statements of the City of Richmond, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2014, and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

LPMG LLP

May 11, 2015

Burnaby, Canada

Consolidated Statement of Financial Position (Expressed in thousands of dollars)

December 31, 2014, with comparative figures for 2013

	 2014	2013
Financial Assets		
Cash and cash equivalents	\$ 22,053	\$ 38,368
Investments (note 3)	842,642	716,114
Accrued interest receivable	5,363	3,224
Accounts receivable (note 4)	28,071	19,422
Taxes receivable	7,481	9,447
Development fees receivable	25,360	21,405
Debt reserve fund - deposits (note 5)	708	200
	931,678	808,180
Liabilities		
Accounts payable and accrued liabilities (note 6)	88,331	83,204
Development cost charges (note 7)	82,965	87,212
Deposits and holdbacks (note 8)	65,103	51,841
Deferred revenue (note 9)	41,823	35,870
Debt, net of MFA sinking fund deposits (note 10)	50,815	1,056
	 329,037	259,183
Net financial assets	602,641	548,997
Non-Financial Assets		
Tangible capital assets (note 11)	1,947,102	1,877,298
Inventory of materials and supplies	2,415	2,363
Prepaid expenses	1,950	1,594
	1,951,467	 1,881,255
Accumulated surplus (note 12)	\$ 2,554,108	\$ 2,430,252

Commitments and contingencies (note 16)

See accompanying notes to consolidated financial statements.

General Manager, Finance and Corporate Services

Consolidated Statement of Operations (Expressed in thousands of dollars)

Year ended December 31, 2014, with comparative figures for 2013

		Budget		
		2014	2014	2013
(r	notes 2(r	n) and 22)		
Revenue:				
Taxation and levies	\$	183,822	\$ 183,687	\$ 176,283
Utility fees		90,428	93,201	90,540
Sales of services		28,707	32,809	34,959
Payments-in-lieu of taxes		13,473	14,546	14,406
Provincial and federal grants		6,782	7,480	7,092
Development cost charges			18,765	11,730
Other capital funding sources		192,122	51,667	55,542
Other revenues:				
Investment income		16,790	16,568	13,490
Gaming revenue		14,908	21,047	17,632
Licenses and permits		7,704	9,819	9,241
Other (note 19)		57,393	35,194	23,947
		612,129	484,783	454,862
Expenses:				
Law and Community safety		87,025	83,820	77,649
Utilities: water, sewer and sanitation		78,108	79,552	75,134
Engineering, public works and project de	velopme	ent 55,369	55,899	53,268
Community services	·	52,021	65,137	49,753
General government		50,754	42,582	41,061
Planning and development		12,806	13,301	11,854
Richmond Olympic Oval		11,565	11,065	10,509
Library services		9,590	9,563	9,390
Lulu Island Energy Company		· -	8	-
		357,238	360,927	328,618
Annual surplus		254,891	123,856	126,244
Accumulated surplus, beginning of year		2,430,252	2,430,252	2,304,008
Accumulated surplus, end of year	\$	2,685,143	\$ 2,554,108	\$ 2,430,252

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Net Financial Assets (Expressed in thousands of dollars)

Year ended December 31, 2014, with comparative figures for 2013

	20	014 budget	2014	2013
(note	s 2(ı	m) and 22)		_
Surplus for the year	\$	254,891	\$ 123,856	\$ 126,244
Acquisition of tangible capital assets Acquired tangible capital assets from developers		(192,122)	(78,946) (43,835)	(47,447) (50,887)
Amortization of tangible capital assets		51,433	52,106	50,334
Gain on disposal of tangible capital assets		-	(13,744)	(3,590)
Proceeds on sale of tangible capital assets		-	14,615	4,911
		114,202	54,052	79,565
Acquisition of inventories of supplies		-	(2,415)	(2,363)
Acquisition of prepaid expenses		-	(1,950)	(1,594)
Consumption of inventories of supplies		-	2,363	2,276
Use of prepaid expenses		-	1,594	1,954
Change in net financial assets		114,202	53,644	79,838
Net financial assets, beginning of year		548,997	548,997	469,159
Net financial assets, end of year	\$	663,199	\$ 602,641	\$ 548,997

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows (Expressed in thousands of dollars)

Year ended December 31, 2014, with comparative figures for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 123,856	\$ 126,244
Items not involving cash:		
Amortization	52,106	50,334
(Gain) on disposal of tangible capital assets	(13,744)	(3,590)
Contributions of tangible capital assets	(43,835)	(50,887)
Change in non-cash operating working capital:	(0.400)	(100)
Increase in accrued interest receivable	(2,139)	(102)
(Increase) decrease in accounts receivable	(8,649)	3,057
Decrease (increase) in taxes receivable	1,966	(349)
Increase in development fees receivable	(3,955)	(8,482)
(Increase) decrease in debt reserve fund	(508)	186
(Increase) decrease in prepaid expenses	(356)	360
Increase in inventories of supplies Increase in accounts payable and accrued liabilities	(52) 5,157	(87) 7,821
Increase in accounts payable and accided habilities	13,262	11,172
Increase (decrease) in deferred revenue	5,953	(1,437)
(Decrease) increase in development cost charges	(4,247)	24,665
Net change in cash from operating activities	124,815	158,905
Capital activities:		
Cash used to acquire tangible capital assets	(78,945)	(47,447)
Proceeds on disposal of tangible capital assets	14,614	4,911
Net change in cash from capital activities	(64,331)	(42,536)
Financing activities:		
Increase (decrease) in debt	49,759	(2,432)
Principal payments on obligations under capital leases	(30)	(48)
Net change in cash from financing activities	49,729	(2,480)
Investing activities:		
(Decrease) in investments	(126,528)	(125,153)
Net change in cash and cash equivalents	(16,315)	(11,264)
Cash and cash equivalents, beginning of year	38,368	49,632
Cash and cash equivalents, end of year	\$ 22,053	\$ 38,368

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

1. Operations:

The City of Richmond (the "City") is incorporated under the Local Government Act of British Columbia. The City's principal activities include the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, and sewer.

2. Significant accounting policies:

The consolidated financial statements of the City are the representation of management prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of consolidation:

The consolidated financial statements reflect a combination of the City's General Revenue, General Capital and Loan, Waterworks and Sewerworks, and Reserve Funds consolidated with the Richmond Public Library (the "Library"), the Richmond Olympic Oval and the Lulu Island Energy Company Ltd. (LIEC). The Library is consolidated as the Library Board is appointed by the City. The Richmond Olympic Oval and LIEC are consolidated as they are wholly owned municipal corporations of the City and operate as other government organizations. Inter-fund transactions, fund balances and activities have been eliminated on consolidation.

(i) General Revenue Fund:

This fund is used to account for the current operations of the City as provided for in the Annual Budget, including collection of taxes, administering operations, policing, and servicing general debt.

(ii) General Capital and Loan Fund:

This fund is used to record the City's tangible capital assets and work-in-progress, including engineering structures such as roads and bridges, and the related long-term debt.

(iii) Waterworks and Sewerworks Funds:

These funds have been established to cover the costs of operating these utilities, with related capital and loan funds to record the related capital assets and long-term debt.

(iv) Reserve Funds:

Certain funds are established by bylaws for specific purposes. They are funded primarily by budgeted contributions from the General Revenue Fund and developer contributions plus interest earned on fund balances.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

2. Significant accounting policies (continued):

(b) Basis of accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

(c) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Cash and cash equivalents:

Cash and cash equivalents consist of cash, highly liquid money market investments and short-term investments with maturities of less than 90 days from date of acquisition.

(e) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary. At various times during the term of each individual investment, market value may be less than cost. Such declines in value are considered temporary for investments with known maturity dates as they generally reverse as the investments mature and therefore an adjustment to market value for these market declines is not recorded.

(f) Accounts receivable:

Accounts receivable are net of an allowance for doubtful accounts and therefore represent amounts expected to be collected.

(g) Development cost charges:

Development cost charges are restricted by legislation to expenditures on capital infrastructure. These amounts are deferred upon receipt and recognized as revenue when the expenditures are incurred in accordance with the restrictions.

(h) Post-employment benefits:

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employee plan, contributions are expensed as incurred.

Post-employment benefits also accrue to the City's employees. The liabilities related to these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefits plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

2. Significant accounting policies (continued):

(i) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the assets. The cost, less the residual value, of the tangible capital assets, excluding land are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Buildings and building improvements	10 - 75
Infrastructure	5 - 100
Vehicles, machinery and equipment	3 - 40
Library's collections, furniture and equipment	4 - 20

Amortization is charged over the asset's useful life commencing when the asset is acquired. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Natural resources:

Natural resources that have been purchased are not recognized as assets in the financial statements.

(iv) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(v) Interest capitalization:

The City does not capitalize interest costs associated with the construction of a tangible capital asset.

(vi) Labour capitalization:

Internal labour directly attributable to the construction, development or implementation of a tangible capital asset is capitalized.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

2. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(vii) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(viii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Company's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

(ix) Inventory of materials and supplies:

Inventory is recorded at cost, net of an allowance for obsolete stock. Cost is determined on a weighted average basis.

(j) Revenue recognition:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

The City is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the City's taxation revenues.

(k) Deferred revenue:

The City defers a portion of the revenue collected from permits, licenses and other fees and recognizes this revenue in the year in which related inspections are performed or other related expenditures are incurred.

(I) Deposits:

Receipts restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as deposits and are refundable under certain circumstances. When qualifying expenditures are incurred, deposits are recognized as revenue at amounts equal to the qualifying expenditures.

(m) Debt:

Debt is recorded net of related sinking fund balances.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

2. Significant accounting policies (continued):

(n) Budget information:

Budget information, presented on a basis consistent with that used for actual results, was included in the City of Richmond's Five Year Financial Plan and was originally adopted through Bylaw No. 9100 on February 24, 2014.

(o) Use of accounting estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the value of contributed tangible capital assets, value of developer contributions, useful lives for amortization, determination of provisions for accrued liabilities, performing actuarial valuation of employee future benefits, allowance for doubtful accounts, and provision for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

(p) Segment disclosures:

A segment is defined as a distinguishable activity of group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City of Richmond has provided definitions of segments used by the City as well as presented financial information in segment format (note 21).

(q) Public-private partnership projects:

Public-private partnership ("P3") projects are delivered by private sector partners selected to design, build, finance, and maintain the assets. The cost of the assets under construction are estimated at fair value, based on construction progress billings and also includes other costs, if any, incurred directly by the City.

The asset cost includes development costs estimated at fair value. Interest during construction is not included in the asset cost. When available for operations, the project assets are amortized over their estimated useful lives. Correspondingly, an obligation for the cost of capital and financing received to date, net of the contributions received is recorded as a liability and included as debt on the statement of financial position.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

3. Investments:

		2014	20	13
	Cost	Market value	Cost	Market value
Short-term notes and deposits Government and government	\$ 298,737	\$ 298,768	\$ 205,162	\$ 205,186
guaranteed bonds Municipal Finance Authority	261,847	265,941	442,963	444,447
Pooled Investment	22,527	22,527	22,033	22,033
Other Bonds	259,531	261,176	45,956	47,100
	\$ 842,642	\$ 848,412	\$ 716,114	\$ 718,766

4. Accounts receivable:

	2014	2013
Water and sewer utilities Casino revenues	\$ 10,358 5,652	\$ 8,949 4,292
Capital grant Other trade receivables	4,279 7,782	1,350 4,831
	\$ 28,071	\$ 19,422

5. Debt reserve fund deposits and contingent demand notes:

The City issues its debt instruments through the Municipal Finance Authority (the "MFA"). As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA in a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the City's accounts. The details of the cash deposits and contingent demand notes at December 31, 2014 are as follows:

	de	Cash posits	ntingent demand notes
General Revenue Fund	\$	708	\$ 2,447

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

6. Accounts payable and accrued liabilities:

	2014	2013
Trade and other liabilities Post-employment benefits (note 14)	\$ 57,576 30,755	\$ 53,162 30,042
	\$ 88,331	\$ 83,204

7. Development cost charges:

	2014		2013
Balance, beginning of year	\$ 87,212	\$	62,547
Contributions	13,313	,	35,424
Interest	1,205		971
Revenue recognized	(18,765)		(11,730)
Balance, end of year	\$ 82,965	\$	87,212

8. Deposits and holdbacks:

Dece	Balance mber 31, 2013	cont	Deposit ributions	ехре	Refund enditures	Dece	Balance mber 31, 2014
Security deposits \$ Developer contribution Contract holdbacks Transit Oriented Development Fund Other	35,859 6,164 1,598 1,523 6,697	\$	20,727 124 2,225 - 5,200	\$	8,209 951 1,855 - 3,999	\$	48,377 5,337 1,968 1,523 7,898
\$	51,841	\$	28,276	\$	15,014	\$	65,103

9. Deferred revenue:

Deferred revenue represents revenues that are collected but not earned as of December 31, 2014. These revenues will be recognized in future periods as they are earned. Deferred revenue also represents funds received from external parties for specified purposes. These revenues are recognized in the period in which the related expenses are incurred.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

9. Deferred revenue (continued):

Dec	Balance nber 31, 2013	External estricted inflows	İ	Revenue earned	Dece	Balance mber 31, 2014
Taxes and Utilities Building permits/business licenses Capital grants Parking easement/leased land Other	\$ 16,843 9,235 3,187 2,409 4,196	\$ 19,983 5,855 6,844 47 3,994	\$	18,369 5,206 6,560 43 592	\$	18,457 9,884 3,471 2,413 7,598
	\$ 35,870	\$ 36,723	\$	30,770	\$	41,823

10. Debt:

The rates of interest on the principal amount of the MFA debentures vary between 3.15% and 3.30% per annum. The average rate of interest for the year ended December 31, 2014 approximates 3.30%.

The City obtains debt instruments through the MFA pursuant to security issuing bylaws under authority of the Community Charter to finance certain capital expenditures.

Gross amount for the debt less principal payments and actuarial adjustments to date are as follows:

	k	Gross amount corrowed	Repayments and actuarial adjustments		Net debt 2014		Net debt 2013
General Fund	\$	70,815	\$	20,000	\$ 50,815	\$	1,056
	\$	70,815	\$	20,000	\$ 50,815	\$	1,056

Repayments on net outstanding debenture debt over the next year are as follows:

	General Fund	Total
2015	4,232	4,232
2016	4,402	4,402
2017	4,578	4,578
2018	4,761	4,761
2019	4,951	4,951
	\$ 22,924	\$ 22,924

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

11. Tangible capital assets:

Cost	Balance at December 31, 2013		-	Additions and transfers Disposals			Balance at December 31, 2014		
		20.0	una			оросаю		2011	
Land	\$	671,922	\$	51,846	\$	(10)	\$	723,758	
Buildings and building									
improvements		352,937		8,029		-		360,966	
Infrastructure		1,561,056		30,109		(5,439)		1,585,726	
Vehicles, machinery and						, ,			
equipment		93,386		7,485		(2,812)		98,059	
Library's collections, furniture	e and	•		·		, ,			
equipment		9.391		1,320		(1,452)		9,259	
Assets under construction		42,232		23,991		-		66,223	
	\$	2,730,924	\$	122,780	\$	(9,713)	\$	2,843,991	

De		Amortization	Balance at December 31,		
Accumulated amortization	cember 31, 2013	Disposals	expense	2014	
Buildings and building					
improvements \$	115,392	\$ -	\$ 12,812	\$ 128,204	
Infrastructure	673,784	4,632	31,215	700,367	
Vehicles, machinery and					
equipment	59,894	2,785	6,385	63,494	
Library's collections, furniture and					
equipment	4,556	1,426	1,694	4,824	
• •					
\$	853,626	\$ 8,843	\$ 52,106	\$ 896,889	

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

11. Tangible capital assets (continued):

	Net book value December 31, 2014	Net book value December 31, 2013
Land Buildings and building improvements Infrastructure Vehicles, machinery and equipment Library's collection, furniture and equipment Assets under construction	\$ 723,758 232,762 885,359 34,565 4,435 66,223	\$ 671,922 237,545 887,272 33,492 4,835 42,232
Balance, end of year	\$ 1,947,102	\$ 1,877,298

(a) Assets under construction:

Assets under construction having a value of approximately \$66,223,263 (2013 - \$42,231,645) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is approximately \$43,834,556 (2013 - \$50,887,000) comprised of infrastructure in the amount of approximately \$18,937,542 (2013 - \$10,934,000), land in the amount of approximately \$24,897,014 (2013 - \$38,892,000), and Library books in the amount of approximately nil (2013 – \$971,000).

(c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value.

(d) Works of Art and Historical Treasures:

The City manages and controls various works of art and non-operational historical cultural assets including building, artifacts, paintings, and sculptures located at City sites and public display areas. The assets are not recorded as tangible capital assets and are not amortized.

(e) Write-down of tangible capital assets:

There were no write-downs of tangible capital assets during the year (2013 - nil).

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

12. Accumulated surplus:

	General Funds and		Water	Sanitary Sewer		•				Richmond Olympic		Lul	u Island		
	Reserve	Util	ity Fund	Ut	lity Fund		Oval		Services		Energy	2014 Total	2013 Total		
Investment in tangible capital assets	\$1,935,285	\$	_	\$	-	\$	7,076	\$	4,438	\$	_	\$1,946,799	\$1,876,184		
Reserves (note 13)	372,274		-		-		2,648		-		-	374,922	353,805		
Appropriated Surplus	162,143		8,397		13,223		681		200		-	184,644	159,559		
Surplus	19,133		15,536		9,290		1,313		115		23	45,410	38,341		
Other equity	2,333						-		-		-	2,333	2,363		
Balance, end of year	\$2,491,168	\$	23,933	\$	22,513	\$	11,718	\$	4,753	\$	23	\$2,554,108	\$2,430,252		

13. Reserves:

		Change	
	2013	during year	2014
Reserve funds:			
Affordable housing	\$ 20,696	\$ (8,145)	\$ 12,551
Arts, culture and heritage	4,379	(17)	4,362
Capital building and infrastructure	46,394	9,257	55,651
Capital reserve	101,834	1,972	103,806
Capstan station	3,862	4,379	8,241
Child care development	2,696	(495)	2,201
Community legacy and land replacement	16,353	367	16,720
Drainage improvement	35,555	8,950	44,505
Equipment replacement	17,820	(579)	17,241
Leisure facilities	3,551	70	3,621
Local improvements	6,527	116	6,643
Neighborhood improvement	6,335	389	6,724
Public art program	2,282	272	2,554
Sanitary sewer	37,233	2,271	39,504
Steveston off-street parking	287	6	293
Steveston road ends	684	(61)	623
Waterfront improvement	104	555	659
Watermain replacement	42,481	3,894	46,375
Oval Capital Reserve	4,732	(2,084)	2,648
	\$ 353,805	\$ 21,117	\$ 374,922

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

14. Post-employment benefits:

The City provides certain post-employment benefits, non-vested sick leave, compensated absences, and termination benefits to its employees.

	2014	2013
Balance, beginning of year Current service cost Interest cost Amortization of actuarial loss Benefits paid	\$ 30,042 1,791 1,054 430 (2,562)	\$ 28,414 2,212 1,038 389 (2,011)
Balance, end of year	\$ 30,755	\$ 30,042

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2013 and the results are extrapolated to December 31, 2014. The difference between the actuarially determined accrued benefit obligation of approximately \$29,201,000 and the liability of approximately \$30,755,000 as at December 31, 2014 is an unamortized net actuarial gain of \$1,554,000. This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 10 years.

	2014	2013
Actuarial benefit obligation:		
Liability, end of year Unamortized actuarial loss (gain)	\$ 30,755 (1,554)	\$ 30,042 1,093
Balance, end of year	\$ 29,201	\$ 31,135

Actuarial assumptions used to determine the City's accrued benefit obligation are as follows:

	2014	2013
Discount rate	3.10%	3.50%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary range increases	2.50%	2.50%

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

15. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteed pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 1,500 contributors from the City.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the year (defined contribution pension plan accounting). This is because Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The City paid \$10,649,936 (2013 - \$10,311,445) for employer contributions to the Plan in fiscal 2014. Employees paid \$8,780,321 (2013 - \$8,677,397) for employee contributions to the Plan in fiscal 2013.

16. Commitments and contingencies:

(a) Joint and several liabilities:

The City has a contingent liability with respect to debentures of the Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District and Greater Vancouver Regional District, to the extent provided for in their respective Enabling Acts, Acts of Incorporation and Amending Acts. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

(b) Lease payments:

In addition to the obligations under capital leases, at December 31, 2014, the City was committed to operating lease payments for premises and equipment in the following approximate amounts:

2015	\$ 4,654
2016	4,324
2017	4,215
2018	4,147
2019 and thereafter	17,847

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

16. Commitments and contingencies (continued):

(c) Litigation:

As at December 31, 2014, there were a number of claims or risk exposures in various stages of resolution. The City has made no specific provision for those where the outcome is presently not determinable.

(d) Municipal Insurance Association of British Columbia:

The City is a participant in the Municipal Insurance Association of British Columbia (the "Association"). Should the Association pay out claims in excess of premiums received, it is possible that the City, along with other participants, would be required to contribute towards the deficit. Management does not consider external payment under this contingency to be likely and therefore, no amounts have been accrued.

(e) Contractual obligation:

The City has entered into various contracts for services and construction with periods ranging beyond one year. These commitments are in accordance with budgets passed by Council.

On October 30, 2014, Lulu Island Energy Company Ltd. (LIEC) and Corix Utilities Inc. ("Corix") entered into a 30 year Concession Agreement (the "Agreement"), where Corix will design, construct, finance, operate, and maintain the infrastructure for the district energy utility at the River Green community. The total estimated concession liability to finance the construction is \$31,964,000 and will be accrued over time. As part of the agreement, the infrastructure will be owned by the LIEC.

In addition, on October 30, 2014, Corix and the City entered into a Limited Guarantee Agreement whereby the City agreed to guarantee the performance of LIEC's obligations under the Concession Agreement described above up to a total of \$18,000,000.

(f) E-Comm Emergency Communications for Southwest British Columbia ("E-Comm"):

The City is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated (E-Comm) whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 28 Class A and 23 Class B shares issued and outstanding as at December 31, 2013). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

16. Commitments and contingencies (continued):

(g) Community Associations:

The City has a close relationship with the various community associations which operate the community centers throughout the City. While they are separate legal entities, the City does generally provide the buildings and grounds for the use of the community associations as well as pay the operating costs of the facilities. Typically the community associations are responsible for providing programming and services to the community. The community associations retain all revenue which they receive. The City provides the core staff for the facilities as well as certain additional services such as information technology services.

17. Trusts:

Certain assets have been conveyed or assigned to the City to be administered as directed by agreement or statute. The City holds the assets for the benefit of and stands in fiduciary relationship to the beneficiary. The following trust fund is excluded from the City's financial statements.

	2014	2013
Richmond Community Associations	\$ 1,127	\$ 1,107

18. Collections for other governments:

The City is obligated to collect certain taxation revenue on behalf of other government bodies. These funds are excluded from the City's financial statements since they are not revenue of the City. Such taxes collected and remitted to the government bodies during the year are as follows:

	2014	2013
Province of British Columbia - Schools Greater Vancouver Regional District and others	\$ 133,539 41,046	\$ 133,660 39,918
	\$ 174,585	\$ 173,578

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

19. Other revenue:

	2014	2013
Developer reserve contribution Tangible capital assets gain on land	\$ 10,382 14,419	' '
Taxes and fines Parking program	2,84 ² 1,932	2,433
Debt funding Sponsorship	478 217	1,291
Donation	73	3 1,022
Other	4,849	3,747
	\$ 35,194	\$ 23,947

20. Government transfers:

Government transfers are received for operating and capital activities. The operating transfers consist of gaming revenue and provincial and federal grants. Capital transfers are included in other capital funding sources revenue. The sources of the government transfers are as follows:

	2014	2013
Operating		
Province of BC	\$ 25,161	\$ 21,319
TransLink	2,200	1,993
Government of Canada	1,166	1,412
Capital		
Government of Canada	2,742	2,132
TransLink	1,292	135
Province of BC	459	537
	\$ 33,020	\$ 27,528

21. Segmented reporting:

The City of Richmond provides a wide variety of services to its residents. For segment disclosure, these services are grouped and reported under service areas/departments that are responsible for providing such services. They are as follows:

Law and Community Safety brings together the City's public safety providers such as Police (RCMP), Fire-Rescue, Emergency Programs, and Community Bylaws along with sections responsible for legal and regulatory matters. It is responsible for ensuring safe communities by providing protection services with a focus on law enforcement, crime prevention, emergency response, protection of life and properties, and legal services.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

21. Segmented reporting (continued):

Utilities provide such services as planning, designing, constructing, operating, and maintaining the City's infrastructure of water and sewer networks and sanitation and recycling.

Engineering, Public Works and Project Development comprises of General Public Works, Roads and Construction, Storm Drainage, Fleet Operations, Engineering, Project Development, and Facility Management. The services provided are construction and maintenance of the City's infrastructure and all City owned buildings, maintenance of the City's road networks, managing and operating a mixed fleet of vehicles, heavy equipment and an assortment of specialized work units for the City operations, development of current and long-range engineering planning and construction of major projects.

Community Services comprises of Parks, Recreation, Arts, Culture and Heritage Services and Community Social Development. These departments ensure recreation opportunities in Richmond by maintaining a variety of facilities such as arenas, community centres, pools, etc. It designs, constructs and maintains parks and sports fields to ensure, there is adequate open green space and sports fields available for Richmond residents. It also addresses the economic, arts, culture, and community issues that the City encounters.

General Government comprises of Mayor and Council, Corporate Administration, and Finance and Corporate Services. It is responsible for adopting bylaws, effectively administering city operations, levying taxes, providing sound management of human resources, information technology, and City finance, and ensuring high quality services to Richmond residents.

Planning and Development is responsible for land use plans, developing bylaws and policies for sustainable development in the City including the City's transportation systems.

Richmond Olympic Oval is formed as a wholly owned subsidiary of the City. The City uses the Richmond Olympic Oval facility as a venue for a wide range of sports, business and community activities. The financial statements include the Oval's 50% proportionate share of operations of VROX Sport Simulation Ltd (VROX). VROX is a government partnership established to develop, manufacture and sell sport simulators to the Richmond Olympic Experience and third party customers.

Richmond Public Library provides public access to information by maintaining 5 branches throughout the City.

Lulu Island Energy Company Ltd. (LIEC) was incorporated on August 19, 2013 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond for the management of district energy utilities.

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

21. Segmented reporting (continued):

	Law and Community Safety	,	Utilities	publ an	ineering, ic works d project elopment	Community services		Planning and development	To	otal City
Revenues:										
Taxation and levies	\$ -	\$	-	\$	-	\$ -	\$ 183,687	\$ -	\$ 18	83,687
User fees	-		82,866		10,335	-	-	-	9	93,201
Sales of services	5,348		2,855		2,358	9,001	4,288	1,909	2	25,759
Payments-in-Lieu of taxes	-		-		-	-	14,546	-	1	14,546
Provincial and Federal Grants	84		14		2,312	20	2,339	28		4,797
Development cost charges	-		950		2,749	1,883	12,297	886	1	18,765
Other Capital Funding Sources	8		3,526		20,503	2,474	24,898	169	5	51,578
Other revenue from own sources:										
Investment Income	-		592		-	-	15,976	-	1	16,568
Gaming revenue	628		-		1,400	-	19,019	-	2	21,047
Licenses and permits	246		-		75	-	3,743	5,724		9,788
Other	2,141		1,558		475	297	28,981	88	3	33,540
	8,455		92,361		40,207	13,675	309,774	8,804	47	73,276
Expenditures:										
Wages and Salaries	38,415		10,978		20,625	28,357	20,250	9,982	12	28,607
Contract Services	40,764		7,252		2,262	2,873	3,241	1,209	5	57,601
Supplies and Materials	2,176		28,310		879	11,136	6,206	514		49,221
Amortization of tangible capital assets	2,380		7,347		22,617	5,309	11,408	978	5	50,039
Interest and Finance	32		18,984		-	3	2,336	-	2	21,355
Transfer from (to) capital for tangible capital assets	13		707		1,928	14,651	352	614	1	18,265
PW Maintenance	40		5,563		7,332	2,808	(1,211)	4	1	14,536
Loss(gain) on disposal of tangible capital assets	-		411		256		-	-		667
	83,820		79,552		55,899	65,137	42,582	13,301	34	40,291
Annual surplus (deficit)	\$ (75,365)	\$	12,809	\$	(15,692)	\$ (51,462)	\$ 267,192	\$ (4,497)	\$ 13	32,985

	(fro	Total City om above)	Richm Olympic (Richmond Public Library	Lulu Islan Energ Compar	y Consolidated	2013 Consolidated
evenues:								
Taxation and levies	\$	183,687	\$	-	\$ -	\$	\$ 183,687	\$ 176,283
Userfees		93,201		-	-		93,201	90,540
Sales of services		25,759	6,8	378	172		32,809	34,959
Payments-in-Lieu of taxes		14,546		-	-		14,546	14,406
Provincial and Federal Grants		4,797	2,2	271	412		7,480	7,092
Development cost charges		18,765		-	-		18,765	11,730
Other Capital Funding Sources		51,578		-	89		51,667	55,542
Other revenue from own sources:								
Investment Income		16,568		-	-		16,568	13,490
Gaming revenue		21,047		-	-		21,047	17,632
Licenses and permits		9,788		-	-	3.	9,819	9,241
Other		33,540	1,4	413	241		35,194	23,947
-		473,276	10,5	562	914	3.	484,783	454,862
penditures:								
Wages and Salaries		128,607	6,9	940	6,622		142,169	137,648
Contract Services		57,601	1	126	219		57,946	50,539
Supplies and Materials		49,221	3,6	626	1,077		53,924	53,222
Amortization of tangible capital assets		50,039	3	373	1,694		52,106	50,333
Interest and Finance		21,355		-	4	8	21,367	19,783
Transfer from(to) capital for tangible capital assets		18,265		-	(73)		18,192	2,414
PW Maintenance		14,536		-	12		14,548	14,246
Loss(gain) on disposal of tangible capital assets		667		-	8		675	433
		340,291	11,0	065	9,563	8	360,927	328,618
nual surplus (deficit)	\$	132,985	\$ (5	03)	\$ (8,649)	\$ 23	\$ \$ 123,856	\$ 126,244

Notes to Consolidated Financial Statements (continued) (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2014

22. Budget data:

The budget data presented in these consolidated financial statements is based on the 2014 operating and capital budgets approved by Council on February 25, 2014 and the approved budget for Richmond Olympic Oval. Below is the reconciliation of the approved budget to the budget amount reported in these financial statements.

	Budget
	Amount
Revenues:	
Approved operating budget	\$ 460,924
Approved capital budget	392,801
Approved Oval budget	13,140
Less:	·
Transfer from other funds	10,924
Intercity recoveries	39,925
Intercompany recoveries	3,208
Carried forward capital expenditures	200,679
Total revenue	612,129
Expenses:	
Approved operating budget	460,924
Approved capital budget	392,801
Approved Oval budget	11,565
Less:	
Transfer to other funds	71,108
Intercity payments	39,925
Intercompany payments	3,208
Capital expenditures	192,122
Debt principal payments	1,010
Carried forward capital expenditures	200,679
Total expenses	357,238
Annual surplus per statement of operations	\$ 254,891

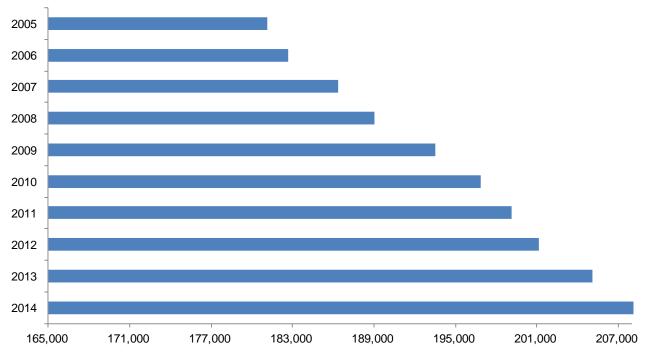
23. Comparative Figures:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year.

City of Richmond statistical data

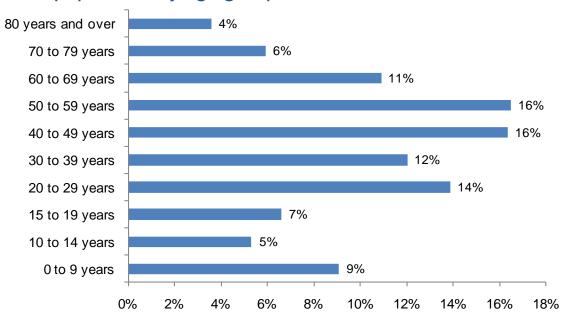
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City of Richmond population 2005–2014



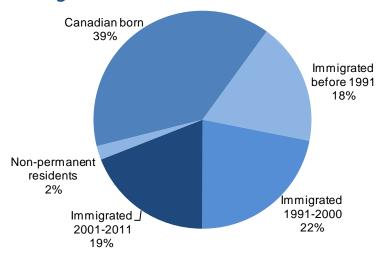
Source: City of Richmond Policy Planning Division

Total population by age groups



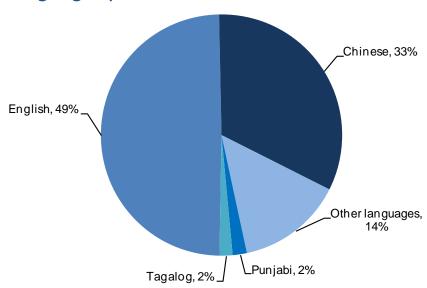
Source: Statistics Canada 2011 Census of Population

Immigrant status of Richmond residents by period of immigration



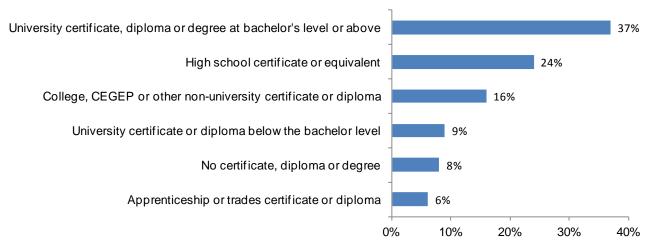
Source: Statistics Canada, 2011 National Household Survey (NHS)

Language spoken most often at home



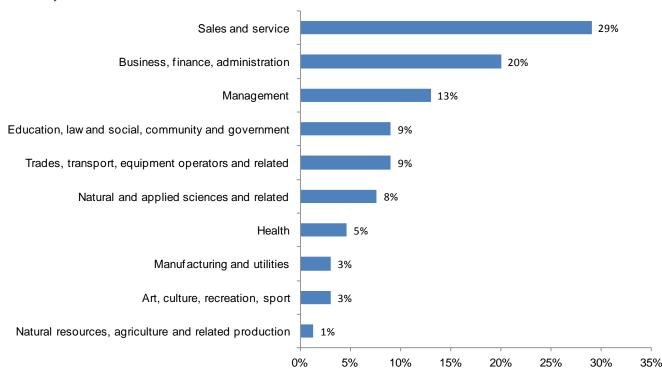
Source: Statistics Canada 2011 Census of Population

Highest level of education attainment for the population aged 25 to 64



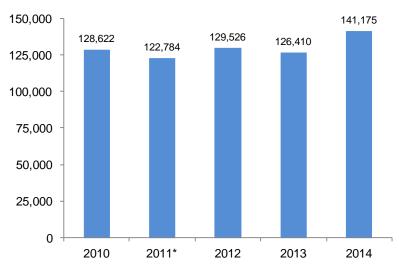
Source: Statistics Canada, 2011 National Household Survey (NHS)

Occupations of Richmond residents



Source: Statistics Canada, 2011 National Household Survey (NHS)

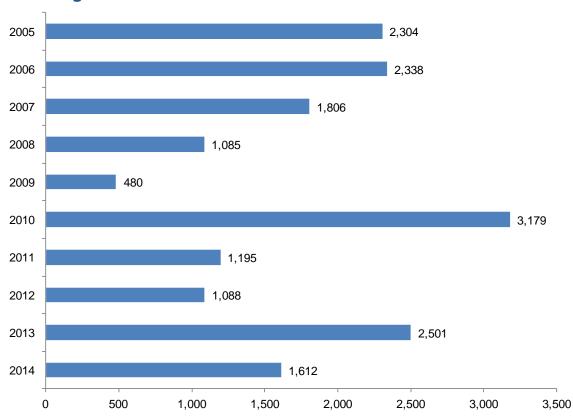
Registration in Richmond Recreation and Cultural Services programs 2010–2014



^{*}Change in registration system 2011

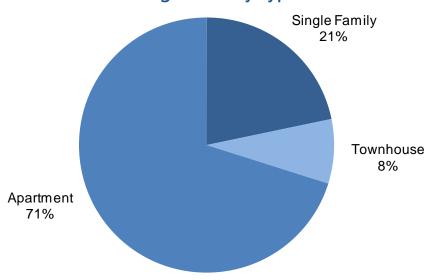
Source: City of Richmond Finance and Corporate Services

Housing starts in Richmond 2005–2015



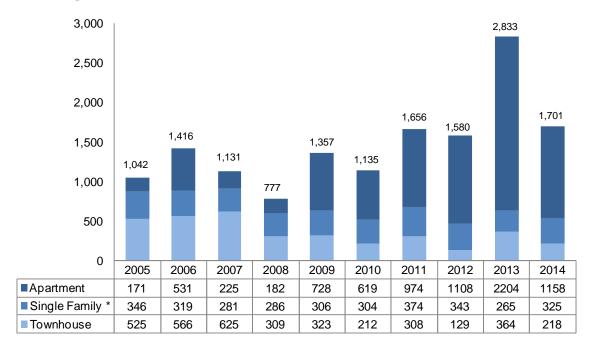
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in the given year.

Richmond housing starts by type of units 2014



Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in the given year.

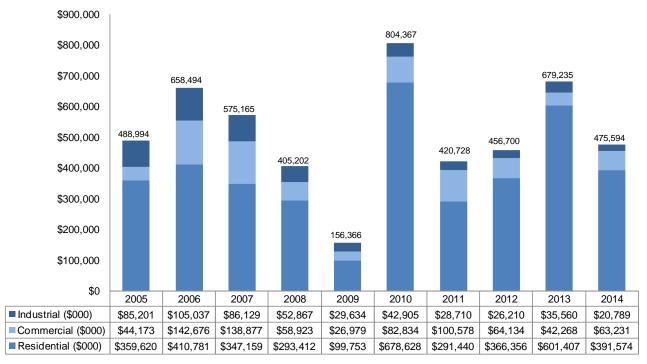
New dwelling units constructed 2005–2014



^{*}Includes one family and two family dwellings

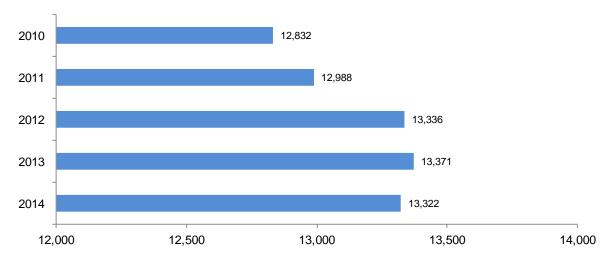
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in the given year.

Construction value of building permits issued 2005–2014 (in \$000s)



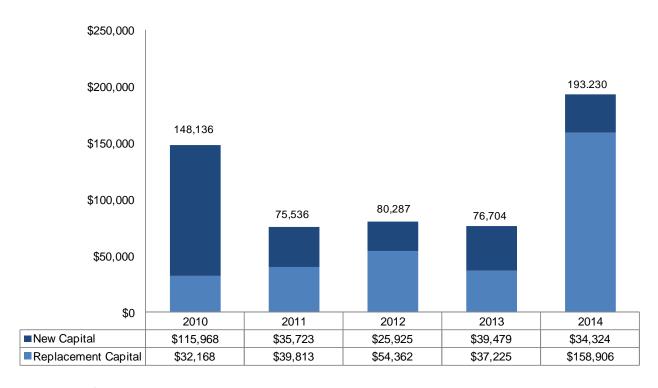
Source: Permits and Licence System, custom report

Richmond business licences 2010–2014



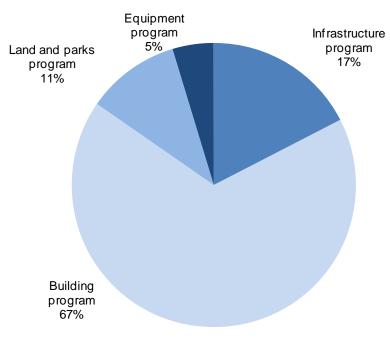
Source: 2014 City of Richmond Consolidated Financial Statements

City of Richmond budgeted capital construction costs 2010–2014 (in \$000s)

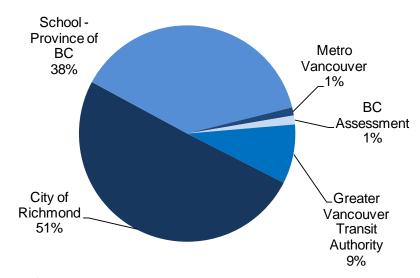


Source: City of Richmond Finance and Corporate Services

Capital program by type 2014

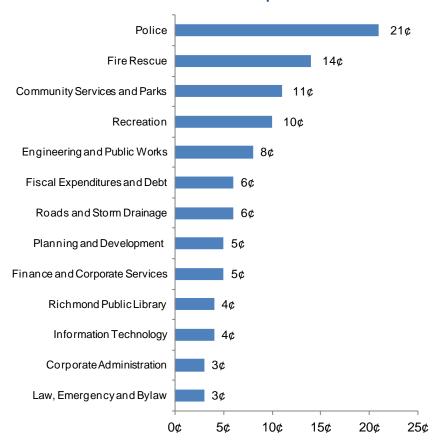


Breakdown of residential tax bill 2014



Source: City of Richmond Finance and Corporate Services

Breakdown of actual municipal tax dollar 2014



2014 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	2.24956	1.62470	0.05701	0.06190	0.00020	0.33150
Business	7.28682	6.00000	0.13967	0.17550	0.00050	1.45080
Light industrial	7.28682	6.00000	0.19383	0.17550	0.00070	1.70070
Seasonal / Recreational	2.16069	3.40000	0.05701	0.06190	0.00020	0.31700
Major industrial	13.71527	2.40000	0.19383	0.51150	0.00070	2.11300
Farm	12.60253	3.45000	0.05701	0.06190	0.00020	0.36650
Utilities	39.91245	13.60000	0.19953	0.51150	0.00070	2.74170

Source: City of Richmond Finance and Corporate Services

2014 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$44,543,518	79.66%	\$100,025	54.36%
Business	9,001,342	16.10%	65,591	35.64%
Light industrial	2,100,089	3.76%	15,303	8.32%
Seasonal / Recreational	97,338	0.17%	210	0.11%
Major industrial	125,716	0.22%	1,724	0.94%
Farm	26,112	0.05%	329	0.18%
Utilities	20,888	0.04%	834	0.45%
Total	\$55,915,002	100.00%	\$184,016	100.00%

Source: City of Richmond Finance and Corporate Services Amounts are based on Billing

Taxes collected on behalf of taxing authorities (in \$000s)

	2010	2011	2012	2013	2014
City of Richmond	\$156,071	\$161,821	\$167,529	\$176,283	\$183,687
School Board	118,391	122,465	128,610	133,660	133,539
Metro Vancouver	3,632	3,957	4,102	4,268	4,253
BC Assessment	4,013	4,258	4,593	4,667	4,843
TransLink	28,058	29,427	30,789	30,968	31,935
Other	11	13	14	15	15
Total taxes	\$310,177	\$321,941	\$335,637	\$349,861	\$358,272

Source: City of Richmond Finance and Corporate Services Amounts are less supplementary adjustments

2010–2014 general assessment by property class (in \$000s)

	2010	2011	2012	2013	2014
Residential	\$32,706,544	\$38,773,463	\$45,026,858	\$44,663,439	\$44,543,518
Business	7,441,015	7,753,426	8,046,568	8,197,372	9,001,342
Light industrial	1,371,608	1,480,246	1,614,402	1,902,602	2,100,089
Seasonal / Recreational	108,471	113,149	111,935	120,715	97,338
Major industrial	107,044	107,536	111,752	115,791	125,716
Farm	26,801	26,699	26,572	26,618	26,112
Utilities	19,543	21,094	19,685	23,064	20,888
Total	\$41,781,026	\$48,275,613	\$54,957,772	\$55,049,601	\$55,915,002

Source: City of Richmond Finance and Corporate Services

2010–2014 property tax levies (in \$000s)

	2010	2011	2012	2013	2014
Total Tax Levy	\$314,484	\$325,814	\$339,221	\$363,129	\$367,571
Municipal portion of Total Tax Levy	156,482	162,214	168,205	175,960	184,016
% of current collections to current levy	98.63%	98.81%	98.94%	96.35%	97.81%

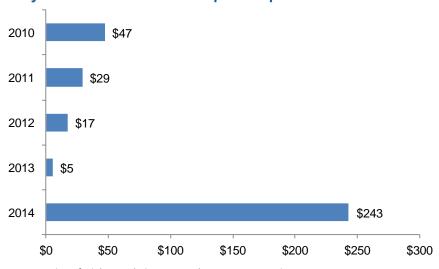
Long-term debt repayments relative to expenditures 2010–2014 (in \$000s)

General revenue fund	2010	2011	2012	2013	2014
Long term debt repayments	\$3,554	\$3,413	\$2,972	\$2,267	\$4,232
General expenditures	\$249,446	\$257,155	\$227,773	\$234,089	\$280,736
Repayments as % of expenditures	1.4%	1.3%	1.3%	1.0%	1.6%
Sewerworks revenue fund					
Long term debt repayments	\$115	\$115	\$115	\$30	\$0
Sewer expenditures	\$23,291	\$24,724	\$23,789	\$26,916	\$22,409
Repayments as % of expenditures	0.5%	0.5%	0.5%	0.0%	0.0%

Note: Expenditures do not include capital and infrastructure investments.

Source: City of Richmond Finance and Corporate Services

City of Richmond debt per capita 2010–2014



Source: City of Richmond Finance and Corporate Services

Net debt 2010-2014 (in \$000s)

	2010	2011	2012	2013	2014
Net debt	\$9,274	\$5,808	\$3,488	\$1,056	\$50,815

Expenses by function 2010–2014 (in \$000s)

	2010	2011	2012	2013*	2014
Community Safety	\$70,838	\$74,548	\$75,193	\$77,649	\$83,820
Engineering and Public Works	56,365	52,727	53,164	53,268	55,899
Community Services	43,647	45,345	46,796	49,753	65,137
General government	35,130	42,358	38,570	41,061	42,582
Utilities	69,214	69,430	72,682	75,134	79,552
Planning and Development	11,427	11,560	11,961	11,854	13,301
Library services	8,221	8,615	9,245	9,390	9,563
Richmond Olympic Oval	6,614	8,646	9,826	10,509	11,065
Lulu Island Energy Corp	-	-	-	-	8
Total Expenses	\$301,456	\$313,229	\$317,437	\$328,618	\$360,927

^{*} Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

Expenses by object 2010–2014 (in \$000s)

	2010	2011	2012	2013*	2014
Wages, salaries and benefits	\$121,244	\$128,361	\$129,981	\$137,648	\$142,169
Public works maintenance	16,346	18,444	20,901	14,246	14,548
Contract services	46,582	45,687	47,945	50,539	57,946
Supplies and materials	78,972	63,765	63,684	53,222	53,924
Interest and finance	6,002	5,164	4,495	19,783	21,367
Transfer from (to) capital for tangible capital assets	(11,518)	2,755	1,289	2,414	18,192
Amortization of tangible capital assets	47,725	47,696	49,565	50,333	52,106
Loss/(gain) on disposal of tangible capital assets	(3,897)	1,373	(423)	433	675
Total Expenses	\$222,484	\$313,245	\$317,437	\$328,618	\$360,927

^{*} Amounts have been restated.

Revenue by source 2010–2014 (in \$000s)

	2010*	2011	2012	2013*	2014
Taxation and levies	\$156,071	\$161,821	\$167,529	\$176,283	\$183,687
User fees	68,365	69,359	74,222	90,540	93,201
Sales of services	37,403	41,518	41,449	34,959	32,809
Licences and permits	7,328	7,524	8,734	9,241	9,819
Investment income	16,864	20,328	17,144	13,490	16,568
Grants including casino revenue	32,119	35,520	38,261	39,131	43,073
Development cost charges	17,804	14,321	10,480	11,730	18,765
Other capital funding sources	53,217	50,063	19,306	55,542	51,667
Other	10,335	23,588	23,186	23,946	35,194
Total Revenue	\$399,506	\$424,042	\$400,311	\$454,862	\$484,783

^{*}Amounts have been restated

Source: City of Richmond Finance and Corporate Services

Accumulated surplus 2010-2014 (in \$000s)

	2010*	2011	2012	2013	2014
Accumulated surplus, beginning of year	\$2,012,287	\$2,110,337	\$2,221,134	\$2,304,008	\$2,430,252
Annual surplus	98,050	110,797	82,874	126,244	123,856
Accumulated surplus, end of year	\$2,110,337	\$2,221,134	\$2,304,008	\$2,430,252	\$2,554,108

^{*}Amounts have been restated

Source: City of Richmond Finance and Corporate Services

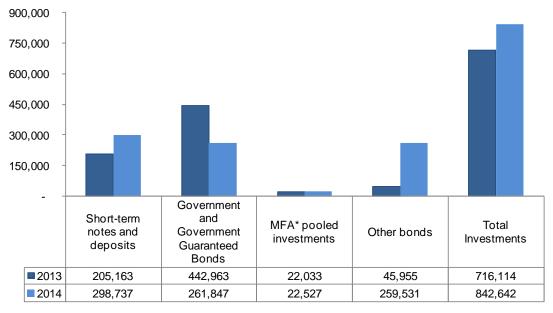
Changes in net financial assets 2010–2014 (in \$000s)

	2010	2011	2012	2013	2014
Change in net financial assets	\$(32,872)	\$47,884	\$53,436	\$79,838	\$53,644
Net Financial Assets, end of year	\$367,839	\$415,723	\$469,159	\$548,997	\$602,641

Reserves 2010–2014 (in \$000s)

	2010	2011	2012	2013	2014
Affordable housing	\$10,728	\$11,344	\$18,082	\$20,696	\$12,551
Arts, culture and heritage	-	-	-	4,379	4,362
Capital building and infrastructure	26,238	27,646	36,686	46,394	55,651
Capital reserve	76,229	81,820	78,254	101,834	103,806
Capstan Station	-	-	-	3,862	8,241
Child care development	1,789	2,146	1,995	2,696	2,201
Community legacy and land replacement	5,718	17,097	16,681	16,353	16,720
Drainage improvement	18,213	23,395	27,948	35,555	44,505
Equipment replacement	14,912	16,744	16,579	17,820	17,241
Leisure facilities	2,522	2,621	3,177	3,551	3,621
Local improvements	6,117	6,330	6,428	6,527	6,643
Neighbourhood improvement	5,649	6,057	6,011	6,335	6,724
Public art program	1,278	1,585	1,967	2,282	2,554
Sanitary sewer	27,661	30,254	33,672	37,233	39,504
Steveston off-street parking	266	277	282	287	293
Steveston road ends	2,930	2,723	1,347	684	623
Waterfront improvement	496	179	112	104	659
Watermain replacement	46,377	43,435	41,680	42,481	46,375
Oval Capital Reserve	0	1,700	4,100	4,732	2,648
Total reserves	\$247,123	\$275,353	\$295,001	\$353,805	\$374,922

Investment portfolio per type 2013–2014 (\$000s)



Source: City of Richmond Finance and Corporate Services

Ratio analysis indicators of financial condition

	2013	2014
Sustainability ratios		
Assets to liabilities (times)	11.1	10.0
Financial assets to liabilities (times)	3.1	3.0
Net debt to total revenues	0.8%	4.1%
Net debt to the total assessment	0.0%	0.0%
Expenses to the total assessment	0.6%	0.6%
Flexibility ratios		
Public debt charges to revenues	0.8%	0.3%
Net book value of capital assets to its cost	69.4%	68.8%
Own source revenue to the assessment	0.7%	0.7%
Vulnerability ratios		
Government transfers to total revenues	2.0%	1.9%

Note: Based on three year average

^{*}MFA: Municipal Finance Authority of BC

2014 permissive property tax exemptions

In accordance with Section 98 (2)(b) of the Community Charter, we disclose that the following properties were provided permissive property tax exemptions by Richmond City Council in 2014. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2014 Municipal tax exempted	
Churches and Religious Properties			
B.C. Muslim Association	12300 Blundell Road	\$ 3,689	
Bakerview Gospel Chapel	8991 Francis Road	2,331	
Beth Tikvah Congregation	9711 Geal Road	7,282	
Bethany Baptist Church	22680 Westminster Highway	15,060	
Brighouse United Church	8151 Bennett Road	5,462	
Broadmoor Baptist Church	8140 Saunders Road	7,044	
Canadian Martyrs Parish	5771 Granville Avenue	8,870	
Christian and Missionary Alliance	3360 Sexmith Road	4,213	
Christian Reformed Church	9280 No. 2 Road	7,336	
Church in Richmond	4460 Brown Road	15,987	
Church of God	10011 No. 5 Road	4,857	
Church of Latter Day Saints	8440 Williams Road	10,322	
Cornerstone Evangelical Baptist Church	12011 Blundell Road	1,020	
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	5,554	
Emmanuel Christian Community	10351 No. 1 Road	4,557	
Faith Evangelical Church	11960 Montego Street	2,960	
Fraserview Mennonite Brethren Church	11295 Mellis Drive	8,978	
Fujian Evangelical Church	12200 Blundell Road	5,441	
Gilmore Park United Church	8060 No. 1 Road	6,249	
I Kuan Tao (Fayi Chungder) Association	8866 Odlin Crescent	3,541	
Immanuel Christian Reformed Church	7600 No. 4 Road	3,554	
India Cultural Centre	8600 No. 5 Road	7,910	
International Buddhist Society	9160 Steveston Highway	6,845	
Ismaili Jamatkhama & Centre	7900 Alderbridge Way	31,559	
Johrei Fellowship Inc	10380 Odlin Road	5,164	
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	2,580	
Larch St. Gospel Meeting Room	8020 No. 5 Road	2,813	
Ling Yen Mountain Temple	10060 No. 5 Road	3,575	
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	4,012	
North Richmond Alliance Church	9140 Granville Avenue	2,211	

Churches and religious properties continued . . .

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Our Savior Lutheran Church	6340 No. 4 Road	\$ 4,555
Parish of St. Alban's	7260 St. Albans Road	5,026
Patterson Road Assembly	9291 Walford Street	841
Peace Evangelical Church	8280 No 5 Road	6,171
Peace Mennonite Church	11571 Daniels Road	10,101
Richmond Alliance Church	11371 No. 3 Road	3,567
Richmond Baptist Church	6560 Blundell Road	1,329
Richmond Baptist Church	6640 Blundell Road	4,864
Richmond Bethel Mennonite Church	10160 No. 5 Road	11,136
Richmond Chinese Alliance Church	10100 No. 1 Road	6,584
Richmond Chinese Evangelical Free Church	8040 No. 5 Road	3,295
Richmond Emmanuel Church	7451 Elmbridge Way	10,552
Richmond Pentecostal Church	9300 Westminster Highway	9,036
Richmond Pentecostal Church	9260 Westminster Highway	754
Richmond Presbyterian Church	7111 No. 2 Road	4,347
Richmond Sea Island United Church	8711 Cambie Road	11,888
Salvation Army Church	8280 Gilbert Road	3,241
Science of Spirituality SKRM Inc	11011 Shell Road	1,493
Shia Muslim Community	8580 No. 5 Road	2,014
South Arm United Church	11051 No. 3 Road	1,968
St. Anne's Anglican Church	4071 Francis Road	4,010
St. Edward's Anglican Church	10111 Bird Road	3,904
St. Gregory Armenian Apostolic Church	13780 Westminster Highway	1,319
St. Monica's Roman Catholic Church	12011 Woodhead Road	6,348
St. Paul's Roman Catholic Parish	8251 St. Albans Road	9,498
Steveston Buddhist Temple	4360 Garry Street	9,259
Steveston Congregation Jehovah's Witnesses	4260 Williams Road	4,561
Steveston United Church	3720 Broadway Street	3,092
Subramaniya Swamy Temple	8840 No. 5 Road	1,240
Thrangu Monastery Association	8140 No. 5 Road	4,903
Thrangu Monastery Association	8160 No. 5 Road	2,376
Towers Baptist Church	10311 Albion Road	6,456
Trinity Lutheran Church	7100 Granville Avenue	7,614
Ukrainian Catholic Church	8700 Railway Avenue	1,586
Vancouver Airport Chaplaincy	3211 Grant McConachie Way	570
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road	9,686
Vancouver International Buddhist Progress Society	8271 Cambie Road	6,497
Vedic Cultural Society of B.C.	8200 No. 5 Road	3,114
West Richmond Gospel Hall	5651 Francis Road	2,798

Recreation,	Child Care,	and	Community	Service	Properties

8300 Cook Road	\$	1,957
4780 Blundell Road		2,318
7411 River Road		10,803
12071 No. 5 Road		11,305
7000 Minoru Boulevard		149,941
100 - 5671 No. 3 Road		17,441
8660 Ash Street		8,443
14140 Triangle Road		124,605
6131 Bowling Green Road		8,285
11580 Cambie Road		3,181
11688 Steveston Hwy		5,917
7760 River Road		17,219
6820 Gilbert Road		12,502
14300 Entertainment Blvd		179,933
5540 Hollybridge Way		153,227
5862 Dover Crescent		1,093
2220 Chatham Street		5,726
6011 Blanchard Drive		2,092
100 - 5500 Andrews Road		1,516
4033 Stolberg Street		3,316
	4780 Blundell Road 7411 River Road 12071 No. 5 Road 7000 Minoru Boulevard 100 - 5671 No. 3 Road 8660 Ash Street 14140 Triangle Road 6131 Bowling Green Road 11580 Cambie Road 11688 Steveston Hwy 7760 River Road 6820 Gilbert Road 14300 Entertainment Blvd 5540 Hollybridge Way 5862 Dover Crescent 2220 Chatham Street 6011 Blanchard Drive 100 - 5500 Andrews Road	4780 Blundell Road 7411 River Road 12071 No. 5 Road 7000 Minoru Boulevard 100 - 5671 No. 3 Road 8660 Ash Street 14140 Triangle Road 6131 Bowling Green Road 11580 Cambie Road 11688 Steveston Hwy 7760 River Road 6820 Gilbert Road 14300 Entertainment Blvd 5540 Hollybridge Way 5862 Dover Crescent 2220 Chatham Street 6011 Blanchard Drive 100 - 5500 Andrews Road

Private Educational Properties

B.C. Muslim Association	12300 Blundell Road	\$ 994
Choice Learning Centre	20411 Westminster Highway	1,178
Choice Learning Centre	20451 Westminster Highway	5,356
Cornerstone Christian Academy School	12011 Blundell Road	638
Richmond Christian School	10260 No. 5 Road	5,079
Richmond Christian School Association	5240 Woodwards Road	25,502
Richmond Jewish Day School	8760 No. 5 Road	11,346
St Joseph the Worker Church & School	4451 Williams Road	19,997

Senior Citizen Housing

9		
Richmond Legion Senior Citizen Society	7251 Langton Road	\$ 19,724
Community Care Facilities		
Canadian Mental Health Association	8911 Westminster Highway	\$ 6,942
Development Disabilities Association	6531 Azure Road	1,829
Development Disabilities Association	8400 Robinson Road	2,395
Development Disabilities Association	7611 Langton Road	2,281
Greater Vancouver Community Service	4811 Williams Road	2,029
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive	13,844
Richmond Lions Manor	9020 Bridgeport Road	16,372
Richmond Society for Community Living	303 - 7560 Moffatt Road	745
Richmond Society for Community Living	4433 Francis Road	1,440
Richmond Society for Community Living	5635 Steveston Highway	5,319
Richmond Society for Community Living	9 - 11020 No. 1 Road	983
Richmond Society for Community Living	9580 Pendleton Road	6,580
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road	29,433
Municipal Use		
Richmond Oval	6111 River Road	\$ 1,624,159

2014 City Centre Area transitional tax exemptions

Organization	Address	2014 Municipal tax exempted
0737293 BC Ltd	4711 Garden City Rd	\$ 20,148
2725312 Canada Inc	5900 No. 2 Road	41,680
2725312 Canada Inc	6191 Westminster Hwy	23,369
2725312 Canada Inc	6751 Westminster Hwy	32,558
317159 BC Ltd	4551 No. 3 Road	35,305
684104 BC Ltd	9311 River Drive	15,361
AAA Self Storage Depot Inc	8520 Cambie Road	18,815
Arthur Bell Holdings Ltd	7960 Alderbridge Way	29,023
Arthur Bell Holdings Ltd	5333 No. 3 Road	27,377
Canada Bodhi Dharma Society	5600 Cedarbridge Way	11,506
Canadian Tire Real Estate Ltd	3500 No. 3 Road	35,050
Centro Ovalsquare Development Ltd	6791 Elmbridge Way	42,053
China Cereals & Oils Corp	8777 Odlin Road	11,397
Conway Richmond Estates Ltd	4800 No. 3 Road	18,355
EIG Alderbridge Investments Inc	7851 Alderbridge Way	37,673
Grand Long Holdings Canada Ltd	8091 Park Road	41,542
Hallmark Holdings Ltd	7811 Alderbridge Way	40,413
HGL Investments Ltd	132-4940 No. 3 Road	30,138
Jiatai Realty Inc	5400 Minoru Blvd	27,231
Marisco Holdings Ltd	7680 River Road	15,849
McDonald's Restaurants of Canada Ltd	7120 No. 3 Road	19,951
Munch Holdings Co. Ltd	5660 Minoru Blvd	19,842
PLR Holdings Ltd	5840 Minoru Blvd	29,089
Porte Industries Ltd	5560 Minoru Blvd	19,208
Richmond Holdings Ltd	7880 Alderbridge Way	41,965
Richmond Holdings Ltd	7111 Elmbridge Way	18,917
Richmond Holdings Ltd	7671 Alderbridge Way	28,564
Richmond Holdings Ltd	5003 Minoru Blvd	17,088
Richmond Holdings Ltd	6851 Elmbridge Way	21,511
Richmond Holdings Ltd	6871 Elmbridge Way	18,458
Richmond Holdings Ltd	6851 Elmbridge Way	18,967
Richmond Holdings Ltd	6871 Elmbridge Way	16,927
Vancouver Soho Holding Ltd	5740 Minoru Blvd	23,274

City of Richmond contacts

The City of Richmond offers many civic services to the community. Additional services to the community are provided through the Richmond Olympic Oval, Richmond Public Library and Gateway Theatre. For more information on City services contact:

City of Richmond

6911 No. 3 Road Richmond, British Columbia V6Y 2C1 Canada

Phone: 604-276-4000

Email: infocentre@richmond.ca

www.richmond.ca

f /CityofRichmondBC

@Richmond_BC

► /CityofRichmondBC

Gateway Theatre

6500 Gilbert Road Phone: 604-270-6500 Box Office: 604-270-1812 www.gatewaytheatre.com

f /Gateway-Theatre

@Gateway_Theatre

Richmond Public Library

Hours: 604-231-6401 www.YourLibrary.ca

f /yourlibraryRichmond

@RPL_YourLibrary

/YourLibraryRichmond

Richmond Olympic Oval

6111 River Road Phone: 778-296-1400 www.richmondoval.ca

f /RichmondOval

@RichmondOval

City of Richmond Services

Law and Community Safety

Brings together the City's public safety providers including police, fire-rescue and emergency programs as well as bylaw enforcement, legal and regulatory matters.

Community Services

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

Finance and Corporate Services

Includes customer service, information technology, finance, economic development, real estate services, City Clerk, enterprise services, business licences, administration and compliance.

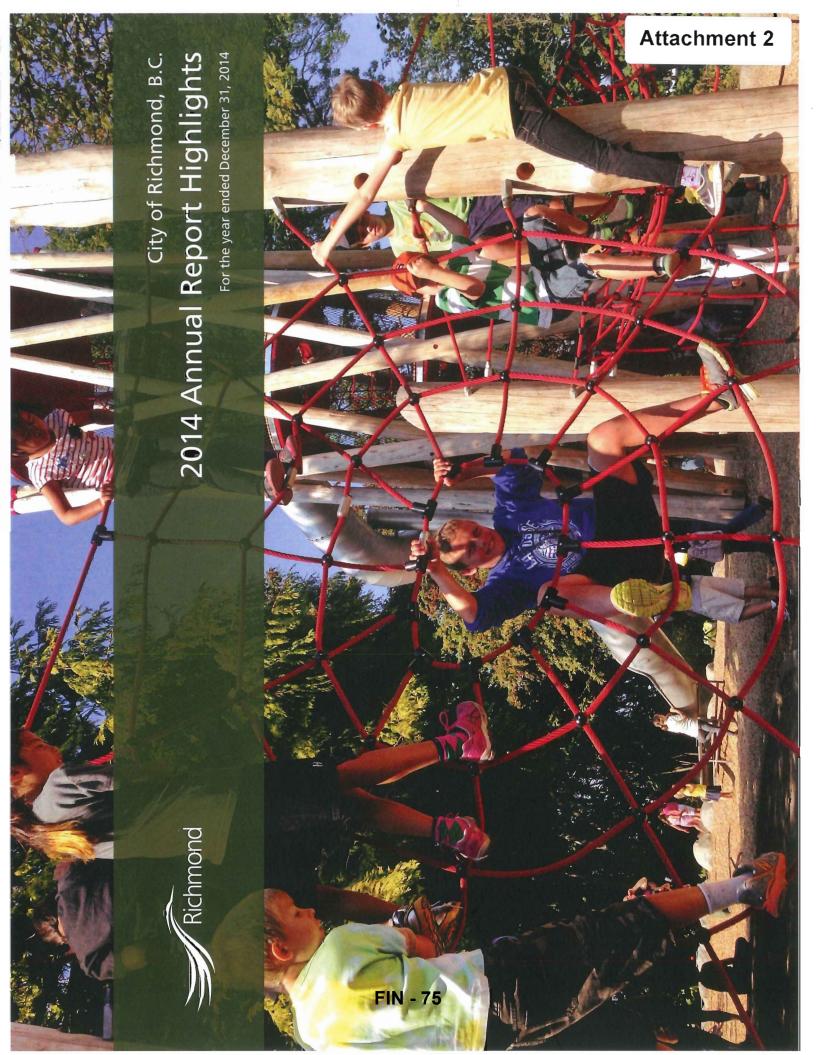
Engineering and Public Works

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

Planning and Development

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







Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

City of Richmond British Columbia

For its Annual Financial Report for the Fiscal Year Ended December 31, 2013

Affry P. Ener

Executive Director/CEO

Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local Reporting to the City of Richmond for its Popular Annual Financial Report for the fiscal year ended December 31, 2013. The Award for Outstanding The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual government popular reports.

In order to achieve an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirement, and we are submitting it to the GFOA

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This report features highlights from Richmond's 2014 Annual Report. For the detailed 2014 Annual Report that meets legislated requirements, please visit www.richmond.ca (City Hall > Finance, Taxes & Budgets > Budgets & Financial Reporting > Annual Reports).

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Cover photo: The Terra Nova Adventure Play Environment officially opened in 2014 at Terra Nova Rural Park.

This report was prepared by the City of Richmond Finance and Corporate Services Division and Corporate Communications Office. Design, layout and production was done by the City of Richmond Production Centre. *2015 City of Richmond

🞝 Contents printed on Canadian made, 100% recyded stock, using environmentally friendly toners.

Richmond City Council



As of December 1, 2014

Front row, left to right:

Councillor Carol Day, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Linda McPhail, Councillor Harold Steves

Back row, left to right:

Constable Adam Carmichael, Richmond RCMP, Councillor Chak Au, Councillor Derek Dang, Councillor Ken Johnston, Councillor Alexa Loo, Captain Jack Beetstra, Richmond Fire-Rescue

Prior to December 1, 2014

Front row, left to right:

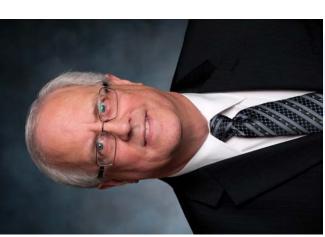
Councillor Linda Barnes, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Linda McPhail, Councillor Harold Steves

Back row, left to right:

Captain Dave Cullen, Richmond Fire-Rescue (retired), Councillor Chak Au, Councillor Derek Dang, Councillor Evelina Halsey-Brandt, Councillor Ken Johnston, Constable Melissa Lui, Richmond RCMP



Message from the Mayor



The City of Richmond continued to enjoy sustained path. Richmond's strong financial position allowed us to make these investments with minimal impact nfrastructure and programs to meet the needs of outstanding, internationally-recognized quality of life; and, that Richmond remains on a sustainable both current and future residents; we retain our long-term growth and a robust local economy throughout 2014. In response, the City made prudent investments to ensure we have the on property taxes

busy year for Council, as we worked to complete or As the final year of the Council Term, 2014 was a advance our many Council Term Goals.

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activity. The Terra Nova Adventure Play Environment in creating exciting play opportunities for our youth. Most notably, the year was marked by the opening railway corridor into an active and vital cross-island set new standards for innovation and sustainability expansion of child care spaces in Richmond began for ecology from an early age. A critically-needed acilities in the Hamilton and West Cambie areas. natural environment, developing an appreciation with the opening of new City-owned child care community. The popular Railway Greenway has brought children directly into contact with their of a number of new key amenities to serve the Similarly, the new Terra Nova Nature Preschool transportation link, while promoting physical been a huge success, turning an abandoned

recreation amenities). Design was also approved for aquatics centre, older adults centre and sport and to post-disaster status. Construction of these new two new fire halls, which will complete a decadelong upgrade of all of our public safety buildings Council also approved the preliminary design for buildings is in progress and will be complete by the \$79 million Minoru Complex (housing an

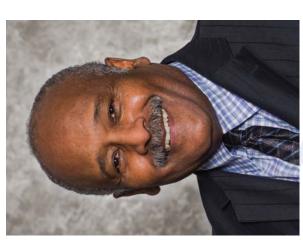
parcel of land will be entirely preserved for park and other community use. Other key plans approved by Council included a Resilient Economy Strategy and space on the edge of the City Centre. This vital expansion of our award-winning District Energy Garden City Lands, a 136.5-acre parcel of open The City also approved the master plan for the

term in 2015, we will be revisiting our Council Term the Mayor's Office to discuss or comment on any of one of Canada's most livable communities and that extraordinary value from the programs and services As Council enters the first year of a new four-year they help fund. As always, I invite you to contact our residents and businesses continue to receive the information contained in this Annual Report. Goals to ensure that Richmond continues to be

Mayor, City of Richmond Malcolm Brodie

New Railway Greenway opened in 2014 to popular acclaim.

Message from the Chief Administrative Officer



It is my pleasure to present the City of Richmond's 2014 Annual Report, which documents another extraordinary year of achievement for our administration, along with the continued strong financial position of the City.

2014 saw the City undertake a record Capital budget of \$192.1 million as we moved to replace aging infrastructure and meet the emerging public amenity needs of our community. The budget included funding for an extraordinary \$124.1 million major facilities building program, which includes a new main fire hall, a new City Centre Community Centre and the Minoru Complex, which will house an aquatic centre, older adults centre and provide other recreation and sport program space. This ambitious program was undertaken with minimal impact on property taxes through funding from our carefully-nurtured reserve funds and judicious borrowing to take advantage of low interest rates.

The past year was also extraordinary for the recognition received by the City of Richmond. Our organization received more than 15 awards from local, national and international organizations honouring our commitment to innovation, excellence and sustainability. Of particular note was an award from my peers in the Canadian Association of Municipal Administrators (CAMA) for Richmond's Corporate Programs Management Group (CPMG). This innovative, homegrown program provides accelerated

training and professional development opportunities for the City's next generation of leaders, while creating capacity to support implementation of priority initiatives. The winner of CAMA's 2014 Professional Development Award, the CPMG program has become the inspiration and model for other local governments.

Richmond also continues to be highly committed to using an entrepreneurial approach to address community needs and objectives. This includes forming new lines of business, such as Lulu Island Energy Company, a district energy utility, to achieve our goals. The City-owned Richmond Olympic Oval Corporation continues to be hugely successful as it manages Richmond's world class, Olympic legacy facility. Innovative new partnerships were formed by the Oval Corporation in 2014 to support development of the Richmond Olympic Experience, which will open in 2015, as a major new regional tourist attraction.

The achievements outlined in this Annual Report become a new benchmark for our City. Richmond remains committed to continuous improvement and to raising the bar ever higher in fulfilling our vision for Richmond to be the most appealing, livable and well-managed community in Canada.



2014 highlights



Cranberry Children's Centre

R2014, the City achieved a number of milestones in fulfilling Council's Terms Goals for 2011–2014. Some of the more significant achievements of the year are highlighted on these pages:

Community Social Services

Richmond is doubling the number of child care spaces offered in City-owned facilities, adding more than 200 new spaces over the next few years. The new Cranberry Children's Centre opened in the Hamilton area in 2014.

Economic Development

The City adopted a new Resilient Economy Strategy in 2014. The strategy identifies priority initiatives, focuses efforts on key economic sectors and emphasizes both business expansion and retention.



Garden City Lands

Managing Growth and Development

Council approved a master plan for the Garden City Lands, ensuring the important 136.5-acre parcel adjoining the City Centre is preserved as park and green space for community use.

Community Safety

Richmond RCMP introduced online crime reporting via the City's website. This innovative new service makes it simpler and quicker for residents to report many crimes. A new Crime Prevention Guide was also launched, helping citizens take greater responsibility in combatting crime.



Minoru Complex

Facility Development

Preliminary design was completed and approved for the new multipurpose Minoru Complex and new No. 1 and No. 3 Fire Halls. The complex will replace aging facilities with a new and expanded aquatic centre, older adults centre and additional sports and recreation program space. When the new fire halls are completed by 2017, all the City's public safety buildings will be post-disaster rated.

Municipal Infrastructure Improvement

The City invested nearly \$10 million in 2014 in improvements to Richmond's flood protection network. This included construction of the new Montrose pump station and major retrofit of the Woodward pump station.

Recycling program expanded



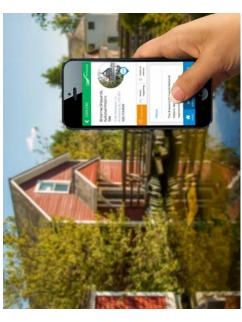
ahead of the regional goal of achieving 70 per cent waste diversion programs, with expanded curbside homes achieved 71 per cent waste diversion—well multi-family residences. Residents in single-family plans to provide organics recycling collection for collection of various recyclables and approval of The City continued to expand its recycling and diversion by 2015.



Ferra Nova Adventure Play Environment

Community Wellness

natural park surroundings, the innovative play area features a wide variety of unique and exciting play experiences for youth. The Railway Greenway was officially opened. Designed to integrate with the The Terra Nova Adventure Play Environment was that encourages residents to walk, run and cycle officially opened, turning an abandoned railway corridor into a vibrant new transportation link petween neighbourhoods or across the island.



RichmondBC app

A Well Informed Public

app provided users with extensive information and The City introduced two new mobile applications access in-depth information about programs and RichmondBC application allows users to readily events at City facilities. The Richmond Election interactive services related to the civic election. to improve public access to information. The

2014 awards



Alexandra District Energy Utility

Q of the ways the City of Richmond measures our success is through the awards and recognition we receive from our peers and others. 2014 was a remarkable year on this front.

- Richmond's innovative and successful foray into district energy produced four awards for the Alexandra District Energy Utility (ADEU) project; including:
- National Energy Globe Award for Canada. ADEU named as best project in Canada in this international competition;
 - 2014 Canadian Geo-exchange Coalition Excellence Award;
- Community Planning and Development Award from the Community Energy Association; and
- 2014 Sustainability Award from the Association of Professional Engineers and Geoscientists of BC 2014.



Corporate Programs Management Group

- The Excellence on the Waterfront Award from Washington DC-based Waterfront Center for the Richmond Middle Arm Park and Greenway.
 - The 2014 CAMA Professional Development
 Award for the Corporate Programs Management
 Group (CPMG) leadership development program.
 - The inaugural Culture Days National Marketing Award for promotion of the annual nation-wide event.
- An Honourable Mention in the Federation of Canadian Municipalities 2015 Sustainable Communities Awards for Neighbourhood Development for our City Centre Neighbourhood Development Action Plan.
- A 2014 Wood WORKS! BC Community
 Recognition Award for the City's commitment to
 promoting the use of wood in civic projects.
- Western Investor magazine selected Richmond as the best city for real estate investment in Western Canada.



Richmond City Centre

- Silver Leaf (national) and Bronze Quill (provincial)
 Awards of Excellence from the International
 Association of Business Communicators for the
 Green Cart program launch.
- A Distinguished Systems Award from the Urban and Regional Information Systems Association (URISA) for the City's GIS tool.
- A Leadership Excellence Award from BC Hydro's Power Smart Excellence Awards for energy efficiency initiatives.
- A Most Business Friendly Award from NAIOP Vancouver for the City's green building initiatives.
- Government Finance Officers Association awards for the 2013 Annual Report:
- Canadian Award for Financial Reporting (12th consecutive year).
- Outstanding Achievement in Popular Annual Financial Reporting (5th consecutive year).

Report from the General Manager, Finance and Corporate Services



of the Community Charter. The financial statements ended December 31, 2014 pursuant to Section 167 eflect a consolidation of the financial position and Oval Corporation and the Richmond Public Library. disclose that management is responsible for the Island Energy Company Ltd., Richmond Olympic operating results for the City of Richmond, Lulu am pleased to submit the City of Richmond's consolidated financial statements for the year financial statements.

statements present fairly, in all material respects, The external auditors, KPMG LLP, conducted an ndependent examination and have expressed their opinion that the consolidated financial

Richmond as at December 31, 2014 in accordance with Canadian public sector accounting standards. the consolidated financial position of the City of

revenue increases were mainly due to a substantial affordable housing, policing and recycling contract costs and settlement of the Richmond Fire Rescue were mainly due to significant contributions for expenses were \$360.9M (2013: \$328.6M). The evenues were \$484.8M (2013: \$454.9M) and and investments increased to \$864.7M (2013: fees, external funding for capital construction condition and position in 2014. The City's net The City continued to strengthen its financial worth reached \$2.6B (2013: \$2.4B) and cash and gaming revenues. The expense increases \$602.6M (2013: \$549.0M). The City's 2014 gain on disposal of land, taxation and utility \$754.5M). Net financial assets increased to wage agreement.

more than two decades to take advantage of low complex that is currently under construction. This nterest rates to partially finance the new Minoru \$353.8M). Net debt outstanding was \$50.8M as the City undertook its first external borrowing in Statutory reserves increased to \$374.9M (2013: the next decade so that there will be no direct debt will be repaid using casino revenues over porrowing impact on property taxes.

City Council's focus on long term planning guided position. Meanwhile, the City's success in creating by its Long Term Financial Management Strategy has helped place the City in a strong financial

Officers Association with two awards for our annual nvestment in Western Canada in 2014. The City was also recognized by the Government Finance a positive economic development climate was recognized by the Western Investor magazine, which named Richmond as the best City for financial reporting.

ooking for. Our goal is to integrate all our systems arenas and select parks. Council meetings are now providing free Wi-Fi services in community centres, Overall, we will strive to always provide best value provide services to the community. As we change, customers will be able to request a service, report services will be delivered through a new customer portal and we have begun our journey down this path with the release of the RichmondBC Mobile ive-streamed and recorded on the City's website. dealings with the City more efficient. In addition, a concern or easily find the information they are We are rethinking how we digitally operate and in a 'customer first' manner that will make their focus on innovation in serving our community. for our customers while ensuring that the City The outlook is exciting as we will continue to App. In addition, Council has committed to emains flexible and financially sustainable.

General Manager, Finance and Corporate Services Andrew Nazareth, BEc, CPA, CGA

City of Richmond financial information

City of Richmond consolidated statement of financial position (expressed in thousands of dollars)

2013

December 31, 2014, with comparative figures for 2013

Cash and cash equivalents Investments Acrined interest receivable		
Investments Accrued interest receivable	\$ 22,053	\$ 38,368
Accused interest receivable	842,642	716,114
	5,363	3,224
Accounts receivable	28,071	19,422
Taxes receivable	7,481	9,447
Development fees receivable	25,360	21,405
Debt reserve fund—deposits	708	200
ı	931,678	808,180
mancial liabilities		
Accounts payable and accrued liabilities	88,331	83,204
& posits and holdbacks	65,103	51,841
Deferred revenue	41,823	35,870
Development cost charges	82,965	87,212
Debt	50,815	1,056
	329,037	259,183
Net financial assets²	602,641	548,997
Non-financial assets ³		
Tangible capital assets	1,947,102	1,877,298
Inventory of materials and supplies	2,415	2,363
Prepaid expenses	1,950	1,594
	1,951,467	1,881,255
Accumulated surplus ⁴	\$ 2,554,108	\$ 2,430,252

Financial assets: cash resources

The Financial Statements are presented in comformity with generally accepted accounting practices (GAAP)

² Net financial assets: the net financial position, calculated as the difference between financial assets and liabilities.

³ Non-financial assets: assets that are owned and will be utilized for future services, including tangible capital assets, inventories and prepaid expenses.

⁴ Accumulated surplus: this is an indicator of the City's overall financial health, It is the difference between the combined financial assets and non-financial assets as compared to its liabilities and includes the investments in tangible capital assets (capital equity), total reserves (restricted funds), appropriated surplus (internally appropriated funds/provisions) and general or unrestricted surplus.

City of Richmond consolidated statement of operations¹ (expressed in thousands of dollars) Year ended December 31, 2014, with comparative figures for 2013

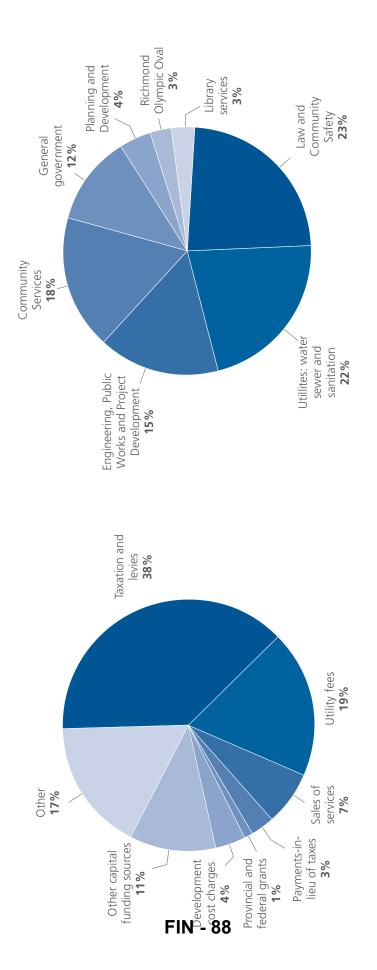
	Budget 2014	Actual 2014	Actual 2013
Revenues			
Taxation and levies	\$ 183,822	\$ 183,687	\$ 176,283
Utility fees	90,428	93,201	90,540
Sales of services	28,707	32,809	34,959
Payments-in-lieu of taxes	13,473	14,546	14,406
Provincial and federal grants	6,782	7,480	7,092
Development cost charges	ı	18,765	11,730
Other capital funding sources	192,122	51,667	55,542
Other revenues:			
Investment income	16,790	16,568	13,490
Gaming revenue	14,908	21,047	17,632
Licenses and permits	7,704	9,819	9,241
Other	57,393	35,194	23,947
	612,129	484,783	454,862
Expenses			
Law and Community Safety	\$ 87,025	\$ 83,820	\$ 77,649
Utilities: water, sewerage and sanitation	78,108	79,552	75,134
Engineering, Public Works and Project Development	55,369	55,899	53,268
Community Services	52,021	65,137	49,753
General government	50,754	42,582	41,061
Planning and Development	12,806	13,301	11,854
Richmond Olympic Oval	11,565	11,065	10,509
Library services	065'6	9,563	068'6
Lulu Island Energy Corp	ı	∞	ı
	357,238	360,927	328,618
Annual surplus²	254,891	123,856	126,244
Accumulated surpling and of year	\$ 2 685 143	\$ 2.554.108	\$ 2,430,252

1 The statement of operations shows the sources of revenues and expenses, the annual surplus or deficit and the change in the accumulated surplus.

² Annual surplus is shown on this statement as the difference between revenues recognized and the cost of government services provided in the fiscal year

City of Richmond financial information continued ... 2014 actual revenue

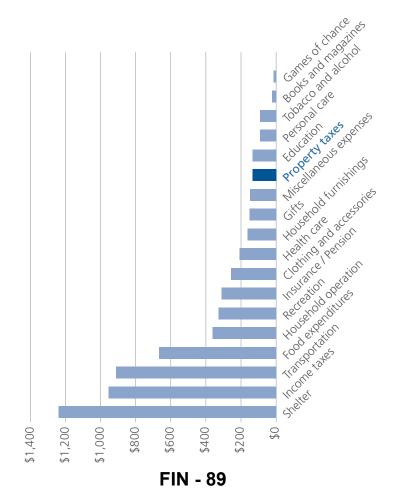




5 year trend—2010–2014

2014	484,783	360,927	123,856
2013	454,862	328,618	126,244
2012	400,311	317,437	82,874
2011	424,042	313,245	110,797
2010	378,703	301,456	77,247
	Consolidated Revenue:	Consolidated Expenses:	Annual Surplus:

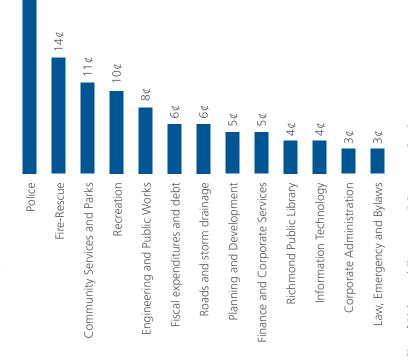
Monthly average household costs in British Columbia



Source: Statistics Canada—Survey of household spending in 2011

2014 actual breakdown of \$1 municipal taxes

21⊄



Source: City of Richmond Finance and Corporate Services

Contacts and major services provided oy the City of Richmond

City of Richmond contacts

community are provided through the Richmond Gateway Theatre. For more information on City The City of Richmond offers many civic services to the community. Additional services to the Olympic Oval, Richmond Public Library and services contact:

City of Richmond

6911 No. 3 Road

Mahmond, British Columbia ✓ 2C1 Canada

Rone: 604-276-4000 Mail: infocentre@richmond.ca

www.richmond.ca

4 /CityofRichmondBC

@Richmond_BC

✓ /CityofRichmondBC

Box Office: 604-270-1812 Phone: 604-270-6500 Gateway Theatre 5500 Gilbert Road

4 /Gateway-Theatre

www.gatewaytheatre.com

@Gateway_Theatre

Richmond Public Library

Hours: 604-231-6401 www.yourlibrary.ca 4 MourLibraryRichmond

@RPL_YourLibrary

✓ YourLibraryRichmond

Richmond Olympic Oval

Phone: 778-296-1400 6111 River Road

4 /RichmondOval

www.richmondoval.ca

@RichmondOval

City of Richmond provided by the Major services

Law and Community Safety

programs as well as bylaw enforcement, legal and Brings together the City's public safety providers ncluding police, fire-rescue and emergency regulatory matters.

Community Services

nousing, diversity, youth, childcare and older adult Coordinates, supports and develops Richmond's community services including recreation, arts, neritage, sports, social planning, affordable

community partners and coordinates special events and the design, construction and maintenance of City parks, trails and green spaces. Works with services. Oversees City owned public facilities and filming in the City.

Finance and Corporate Services

ncludes customer service, information technology, services, City Clerk, enterprise services, business finance, economic development, real estate icences, administration and compliance.

Engineering and Public Works

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

Planning and Development

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

To be the most appealing, livable and well-managed community in Canada



City of Richmond 6911 No. 3 Road, Richmond, BC V6Y 2C1 Telephone: 604-276-4000 www.richmond.ca



Report to Committee

To:

Finance Committee

Date:

May 08, 2015

From:

Jerry Chong Director, Finance File:

03-0905-05-01/2015-

Vol 01

Re:

2014 Annual Development Cost Charges

Staff Recommendation

That the staff report titled, "2014 Annual Development Cost Charges," dated May 8, 2015 from the Director, Finance be received for information.

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

Att. 1

REPORT CONCURRENCE				
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER		
Development Applications Engineering Parks Services Transportation	0 0 0 0	A		
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	Initials:	APPROVED BY CAO		

Staff Report

Origin

In compliance with section 937.01 of the *Local Government Act*, the City is required to prepare a Development Cost Charges (DCC) report on or before June 30th, with information from the previous year. The DCC report must include the following, reported under subsections (2) and (2.1) of section 933 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 933.1 (2).

Analysis

The City's 2014 Annual DCC Report covers the following six broad categories:

- (i) Description and principles of the City of Richmond's DCC program,
- (ii) 2014 DCC reserve fund balances:
- (iii) 2014 DCC credits;
- (iv) 2014 and 2015 DCC programs;
- (v) Waivers and reductions; and
- (vi) Municipal assist factor.

The 2014 Annual Development Cost Charges Report includes contribution amounts for which the City holds a Letter of Credit from the developer, 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, 2014 that are not confirmed due to potential DCC credits. These amounts, if applicable, will be reported in future periods.

A copy of the 2014 Annual Development Cost Charges Report, which will be available for public viewing on the City's website on June 30, 2015, is attached for information.

Conclusion

The attached 2014 Annual Development Cost Charges Report is in compliance with the annual reporting requirements as prescribed under section 937.01 of the *Local Government Act*.

Cindy Gilfillan

Manager, Financial Reporting

(604-276-4077)

CG:cg

Att. 1: 2014 Annual Development Cost Charges Report

2014 ANNUAL DEVELOPMENT COST CHARGES REPORT

For the year ended December 31, 2014

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



This 2014 Annual Development Cost Charges (DCC) Report is prepared by the City of Richmond pursuant to Section 937.01 of the *Local Government Act*. This report contains information pertaining to the following reporting requirements:

- I. Description and Principles of the City of Richmond's DCC Program
- II. 2014 DCC Reserve Fund Balances
- III. 2014 DCC Credits
- IV. 2014 and 2015 DCC Programs
- V. Waivers and Reductions
- VI. Municipal Assist Factor

I. DEVELOPMENT COST CHARGES PROGRAM

What are DCC's?

Development Cost Charges (DCC's) are charges levied on new development to assist in financing the cost of upgrading or providing infrastructure services or acquiring and developing parkland needed to support new development. The purpose of DCC's is to assist the municipality with accommodating development by providing a dedicated source of funding for the capital costs of:

- New arterial roads and widening of arterial roads, traffic signals, sidewalks, pedestrian
 and bicycle lane improvements, transit-related road infrastructures, and traffic safety
 projects;
- Water mains, drainage mains, pump stations and channel improvements, sanitary sewer mains and pump stations; and
- Acquisition and development of parkland (playing fields, drainage and irrigation, turf, etc.)

What is the purpose of the DCC Program?

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. The objective of the DCC program is to ensure that those people that will use and benefit from the services provided will pay their share of the costs in a fair and equitable basis. The DCC program provides the information and basis in which DCC rates are derived, allowing for information transparency and accountability to the public.



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 development. The City of Richmond'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
- Liveable Region Strategic Plan, 1999 (Greater Vancouver Regional District)
- Official Community Plan (OCP) Bylaw
- Richmond Urban Development Forecast
- Parks, Recreation and Cultural Services Master Plan 2005 2015
- 2022 Parks and Open Space Strategy
- Parks Land Acquisition and Development 2006 DCC Program
- City Centre Transportation Plan
- City Centre Area Plan (CCAP)

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

How are DCC rates derived?

The City began the DCC process by determining the amount of growth that was projected to occur over a specified future period of time. The growth projections were based on information received in 2008 for the various types of residential development (e.g. single family, duplex, townhouse, apartment), as well as commercial, industrial, and institutional growth, growth areas, and major servicing needs that can be found in the CCAP.

Following the growth projections, the City identified specific infrastructure works that were required to accommodate the growth. The estimated infrastructure costs were determined and formed the basis of the DCC Program.

DCC's collected in 2014 were based on rates established in Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8396 that was adopted on September 14, 2009.



How are DCC's used?

Funds collected through DCC's must be deposited in a separate reserve account. These funds may only be used to pay for the capital costs of the works and short-term financing costs of a debt incurred for capital works identified in the DCC program.

DCC's cannot be used for costs incurred to replace, operate and maintain parks, roads, water mains, sanitary and storm sewers already in place to serve the existing residents of the City. In addition, DCC's collected cannot be used to pay for services such as recreation, policing, fire and library that are affected by growth.

How are costs allocated to growth and existing users?

To achieve the objective of promoting growth and to ensure the use of a fair and equitable basis of allocating costs, the costs of the DCC works are allocated between growth and the existing population on the basis of benefits.

II. 2014 DCC RESERVE FUND BALANCES

The City records and maintains separate accounts for each DCC reserve fund. The follow table provides a continuity schedule of each DCC reserve fund (by service) for the 2014 fiscal year:

	(a	mounts expresse	ed in thousands	of dollars)		
	January 1	Transfers	Interest	DCC	Transfers	December 31
_	Balance	In	Earned	Credits	Out	Balance
Basic:						
Roads	\$ 22,452	\$ 2,736	\$ 257	(\$ 622)	(\$ 3,410)	\$ 21,413
Drainage	15,549	1,218	245	_	(226)	16,786
Water	4,417	408	58	_	(615)	4,268
Sewer	11,218	602	121	(50)	(332)	11,559
Parks Acquisition	14,463	6,179	234	(289)	(11,169)	9,418
Parks Development	12,592	2,592	188	-	(1,883)	13,489
Total Basic	\$ 80,691	\$ 13,735	\$ 1,103	(\$ 961)	(\$ 17,635)	\$ 76,933
Local Area - West Can	nbie:					
Roads	\$ 2,490	\$ -	\$ 50	\$ -	\$ -	\$ 2,540
Drainage	748	44	13	-	(1)	804
Water	114	9	2	-	-	125
Sewer	253	18	5	-	-	276
Parks Acquisition	2,447	416	32	-	(1,129)	1,766
Parks Development	469	52	-	-	-	521
Total Local Area	\$ 6,521	\$ 539	\$ 102	\$ -	(\$ 1,130)	\$ 6,032
Total DCC Reserve	\$ 87,212	\$ 14,274	\$ 1,205	(\$ 961)	(\$ 18,765)	\$ 82,965

III. 2014 DCC Credits

Site Address

Developer

Drainage

No credits for drainage were issued during 2014.

Parkland Acquisition

10011 River Road

Parc Riviera

Roads

6951 Elmbridge Way

Onni "Ora"

6160 London Road

Oris Development (Kawaki) Corp.

Sewer

10011 River Road

Parc Riviera

Water

No credits for water were issued during 2014.

IV. 2014 and 2015 DCC PROGRAMS

Drainage

The projects in the Drainage DCC Program include storm sewers, pump station upgrades, and new pump stations, and development coordinated works.

A summary of the projects funded by the Drainage DCC's during 2014 and the projects set to begin in 2015 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 growth. The projects in the Parks Development DCC Program include park planning and design, and construction projects required to meet the needs of future growth. The types of parks 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's during 2014 and the projects set to begin in 2015 is contained in Appendix 2.

Roads

The projects in the Roads DCC Program include intersection and traffic signal improvements, selected arterial and collector 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's during 2014 and the projects set to begin in 2015 is contained in Appendix 3.

Sewer

The projects in the Sewer DCC Program include pump stations, sewer upgrades, and development coordinated works.

A summary of the projects funded by the Sewer DCC's during 2014 and the projects set to begin in 2015 is contained in Appendix 4.

Water

The projects in the Water DCC Program include watermain replacement and upgrades, infrastructure advanced design, and development coordinated works.

A summary of the projects funded by the Water DCC's during 2014 and the projects set to begin in 2015 is contained in Appendix 5.



V. WAIVER AND REDUCTIONS

Section 933.1 of the Local Government Act provides the option for municipalities to exempt or waive DCC's 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 year 2014, no waivers or reductions were granted.

VI. MUNICIPAL ASSIST FACTOR

The Local Government Act recognizes that it would be unfair to impose on new development all of the costs that are attributable to new development. As such, the Local Government Act stipulates that an assist factor will be included as part of the calculation of DCC's. An assist factor represents the City's contribution towards the capital costs for the projects that are attributed to new development. In determining the municipal assist factor, the City considered 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, the City of Richmond's municipal assist factor has been set at 1%.



DRAINAGE - 2014 Expenditures

This table summarizes all projects from 2014 and earlier that had expenditures funded by the Drainage DCC's during 2014:

Location	Type of Infrastructure / Description
Bath Slough	Bath Slough pump station upgrade
City-wide	Developer coordinated works
Peace Arch Drainage Area	Drainage replacement upgrade
No. 1 Road North	Pump station upgrade
No. 2 Road North	Pump station upgrade
Williams Road	Pump station upgrade and replacement of drainage main

DRAINAGE – 2015 Projects

This table summarizes all projects funded by the Drainage DCC's that are set to begin in 2015:

Location	Type of Infrastructure / Description
Dyke Road	Horseshoe Slough pump station rebuild

PARKS - 2014 Expenditures

This table summarizes all projects from 2014 and earlier that had expenditures funded by the Parks DCC's during 2014:

Location	Type of Infrastructure / Description
City-wide	Advanced design
City-wide	Characterization - neighbourhood parks
The Gardens	Gardens Agricultural Park
City-wide	General development
King George	King George Park master plan
Middle Arm	Middle Arm Park
City-wide	Parkland acquisition repayment
Railway Avenue	Railway Avenue Greenway
Terra Nova	Terra Nova Park
Thompson	Thompson Integrated Youth Park
City-wide	Trails
City-wide	Tree planting

PARKS – 2015 Projects

This table summarizes all projects funded by the Parks DCC's that are set to begin in 2015:

Location	Type of Infrastructure / Description
Garden City Lands	Garden City lands phase 1
Lang Park	Lang Park redevelopment - park characterization
Middle Arm/ Hollybridge Area	Middle Arm/Hollybridge Pier
City-wide	Parkland acquisition
West Cambie	Parkland acquisition - West Cambie
City-wide	Parks advance planning & design
City-wide	Parks general development
The Gardens	The Gardens agricultural park

ROADS – 2014 Expenditures

This table summarizes all projects from 2014 and earlier that had expenditures funded by the Roads DCC's during 2014:

Location	Type of Infrastructure / Description
City-wide	Accessible pedestrian signal program
City-wide	Active transportation improvement program
City-wide	Functional and preliminary design (Transportation)
City-wide	Infrastructure advanced design
Alderbridge Way to Minoru Blvd	Interim Lansdowne Road Extension
City-wide	Intersection improvements
City-wide	Neighbourhood Traffic Safety Program
Westminster Hwy to Blundell Rd	Nelson Road widening
City-wide	Pedestrian and roadway improvements
No. 6 Road	Road Widening
Westminster Hwy / Gilley Rd	Roadway Construction
City-wide	Special crosswalk program
Cambie Road / Stolberg Street	Traffic Signal Installation and Major Upgrades
City-wide	Traffic Signal Installation and Major Upgrades
City-wide	Transit Related Infrastructure Improvements

ROADS – 2015 Projects

This table summarizes all projects funded by the Roads DCC's that are set to begin in 2015:

Location	Type of Infrastructure / Description
City-wide	Accessible pedestrian signal program
City-wide	Active transportation improvement program
City-wide	Arterial roadway improvement program
City-wide	Functional and preliminary design (Transportation)
Shell Road	Neighbourhood walkway program
City-wide	Infrastructure advanced design
City-wide	Special crosswalk program
Burkeville	Traffic calming program
City-wide	Traffic signal program
City-wide	Transit-related amenity improvement program
City-wide	Transit-related roadway improvement program

SEWER – 2014 Expenditures

This table summarizes all projects from 2014 and earlier that had expenditures funded by the Sewer DCC's during 2014:

Location	Type of Infrastructure / Description
City-wide	Developer coordinated works
Montrose (Broadmoor Area)	Pump station replacement
Lane North of 5600 Cedarbridge	Pump station upgrade
Bridgeport Area	Rehabilitation and upgrades
East Richmond	Rehabilitation and upgrades
Terra Nova	Rehabilitation and upgrades

SEWER – 2015 Projects

This table summarizes all projects funded by the Sewer DCC's that are set to begin in 2015:

		,	
Location		Type of Infrastructure / Description	
Leslie Road		Sanitary pump station	

WATER - 2014 Expenditures

This table summarizes all projects from 2014 and earlier that had expenditures funded by the Water DCC's during 2014:

Location	Type of Infrastructure / Description	
Cobeck Rd	Watermain replacement	
Foster / McMath	Watermain replacement	
Richmond Gardens	Watermain replacement	
Steveston East	Watermain replacement	
City-wide	Watermain upgrades and replacements	

WATER - 2015 Projects

This table summarizes all projects funded by the Water DCC's that are set to begin in 2015:

Location	Type of Infrastructure / Description
Lulu Island North Area	Watermain replacement
Lulu Island West Area	Watermain replacement



Report to Committee

To:

Finance Committee

Date:

May 8, 2015

From:

Jerry Chong

File:

Director, Finance

Re:

Financial Information – 1st Quarter March 31, 2015

Staff Recommendation

That the staff report titled, "Financial Information -1^{st} Quarter March 31, 2015", dated May 8, 2015 from the Director, Finance be received for information.

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

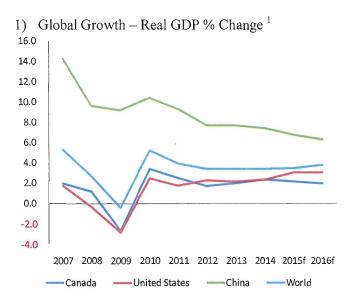
REPORT CONCURRENCE				
ROUTED TO: Building Approvals Community Bylaws Community Social Development Development Applications Economic Development Engineering Fire Rescue Parks Services Project Development Public Works RCMP Recreation Services Library Services	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	Initials:	APPROVED BY CAO		

Origin

Financial information for the 1st quarter (ended on March 31, 2015) is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information.

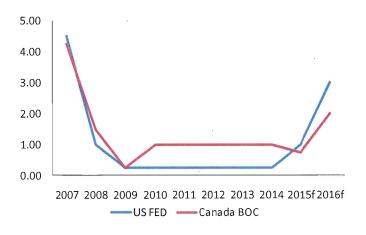
Analysis

Macroeconomic Indicators & Forecast



- The global growth forecast for the next two years remained largely unchanged in Q1 2015, at 3.5% in 2015 and 3.8% in 2016, as the outlook for advanced economies has improved while growth in emerging and oil-exporting economies has weakened.
- Advanced economies are generally benefiting from low oil prices, with US growth projected to be above 3% through the next 2 years.
- Canadian growth projections were revised slightly down as the effects of slowing down oil exports are absorbed through the national economy.

2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year-End²

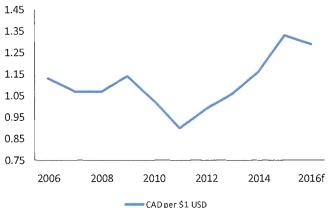


- In a surprise move in January 2015, the Bank of Canada dropped the overnight rate by 0.25 points and the forecast is for the rate to potentially drop further in 2015 prior to gradually adjusting to 1.75% in 2016.
- As the US economy accelerates through 2015, the US overnight rate is also expected to climb in 2015.
- Both rates are projected to climb faster in 2016 than previously estimated to curb inflationary and currency pressures.

¹ International Monetary Fund, World Economic Outlook (April 2015)

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

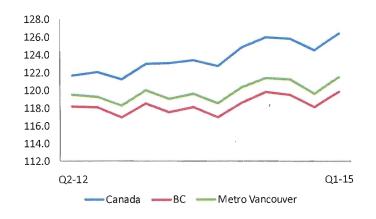
3) Exchange Rates – CAD/USD at Year-End³



Regional & Local Economic Activity Indicators

- The sharp drop in oil prices, the Bank of Canada's interest rate adjustment in January and increased investor preference for US dollars have resulted in and will continue to depress the Canadian dollar against the US dollar through 2015.
 The Canadian currency is expected to recover in 2016 due to the market
 - The Canadian currency is expected to recover in 2016 due to the market expectation of interest rate hikes in Canada and an assumption of oil prices settling at approximately \$77 a barrel.
- 4) Unemployment ⁴
 7.5
 7.0
 6.5
 6.0
 5.5
 7.0
 Q2-12
 Q1-15
 —Canada —BC Metro Vancouver
- After falling to 6.6% at the end of 2014, its lowest level since 2008, Canadian unemployment edged up to 6.8% in Q1 2015, largely due to job losses in Alberta.
- 16,500 full-time job losses in the resource sector in February resulted in an increase of the unemployment rates in BC and Metro Vancouver, to 5.8% and 6.1%, respectively, in Q1 2015.

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



- After falling in Q4 2014, all of the Canadian, BC and Metro Vancouver consumer price indices (CPI) increased further in Q1 2015, due to an upward trend in world oil prices.
- The Bank of Canada's lowering of the overnight interest rate in January as a result of deflationary concern also contributed to an increase in the CPI indices across the board.

³ Bank of Canada

⁴ Statistics Canada

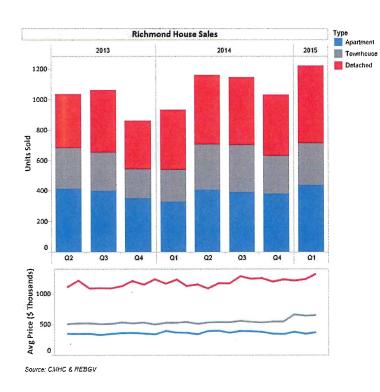
6) Housing Starts 5



After doubling in the second half of 2014, compared to the same period in 2013, Richmond's housing starts were nearly 29.7% down in Q1 2015, compared to the same quarter last year. The decline signals depletion of construction projects started throughout 2014 as a result of the large number of development applications approved in 2012.

In Metro Vancouver, housing starts fell a moderate 6.3%, contributable to the typical decline in this indicator during the winter.

7) House Sales & Prices – Richmond ⁶



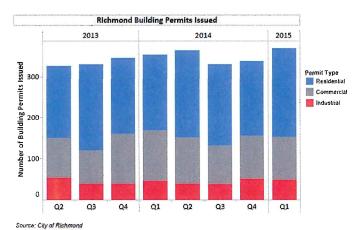
- House sales in Q1 2015 marked the highest quarterly activity in the last two years. Driven by a falling Canadian dollar, sales in all residential categories were approximately 30% up from the same quarter last year and 20% up from Q4 in 2014.
- Prices of detached homes have reached \$1.32 million, up 17% from the same quarter last year.
 Townhouses were also priced substantially higher, at 20% up in Q1 2015 compared to Q1 2014.

 Apartments registered the smallest relative price increase, at 1.4% in Q1 2015, compared to the same quarter last year.

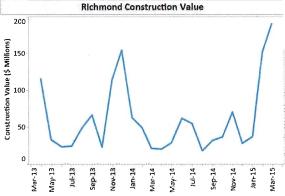
⁵ CMHC

⁶ Real Estate Board of Greater Vancouver 4572106

8) Building Permits – Richmond ⁷







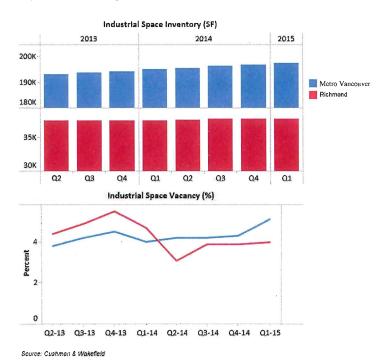
Source: City of Richmond

- Total building permits issued in Q1 2015 increased by 2.8% compared to the same period in 2014, with residential permits leading the trend with 16.7% more permits issued than in Q1 2014.
- The number of commercial permits was down 14.8% and the number of industrial permits was up by 6.5% in Q1 2015 compared to the same quarter in 2014.
- Of note is the substantial increase of construction value associated with building permits issued in Q1 2015, with total construction value growing 185% to \$379 million in Q1 2015, compared to the same quarter last year.
- Building permits issued for large residential projects in the Oval Village and West Cambie are behind the construction value trend.

⁷ City of Richmond Building Permits

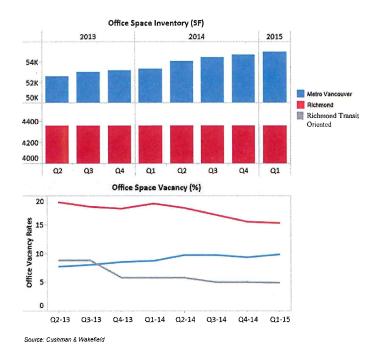
9) Commercial Space 8

Industrial Space



- Industrial space continues to be scarce in Richmond, with no new inventory added since the same quarter last year.
- Ongoing demand and absorption of industrial space resulted in a decrease in the vacancy rate from 4.7% in Q1 2014 down to 4.0% in Q1 2015.
- Industrial space continues to be in high demand and rental rates continue to be at a premium both in Richmond and in the region.

b) Office Space

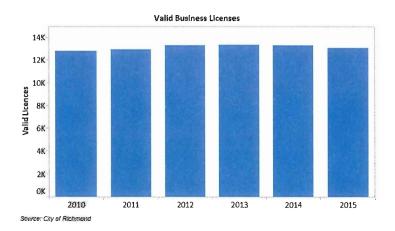


- Richmond's office vacancies continued to be absorbed, as the overall office vacancy rate ended the quarter at 14.1%, down 18% from the same quarter the previous year.
- At 4.5%, transit-oriented office space vacancy continued to decline, 15% down from the same period last year and well below the overall Metro Vancouver rate which is at 11.2%.
- No new square footage of office space was added to the Richmond inventory, with the inventory remaining at 4.4 million square feet since the end of 2011.

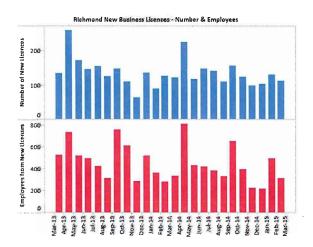
⁸ Cushman & Wakefield Office and Industrial Market Beat Reports FIN - 113

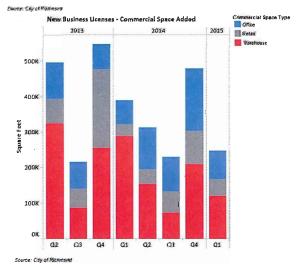
10) Business Growth – Richmond 9

a) Total Valid Business Licenses



b) New Business Licenses Issued





- Valid business licenses in 2015 are on track with 2014 levels, down only 1.5% compared to last year.
- Continued implementation of the Inter-municipal Mobile Business License program is partially responsible for the recent reduction in valid licenses, with revenues registering an increase due to growing compliance by resident businesses.
- There were 348 new licenses issued in Q1 2015, on par with the previous quarter and the same quarter last year.
- New licenses registered 1,026 employees in Q1 2015, down 11% from the same quarter last year.

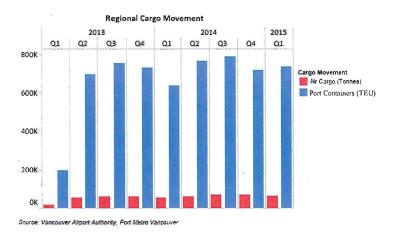
- There were fewer employees and less square feet of commercial space occupied due from new business licenses in Q1 2015 compared to Q1 2014.
- Office and retail space use from new licenses grew by 23% and 37% respectively in Q1 2015 compared the same quarter last year. Industrial space added through new licenses was half the amount of industrial space added in Q1 2014.

FIN - 114

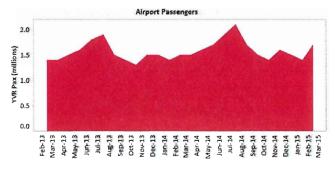
⁹ City of Richmond Business Licenses 4572106

11) Goods and People Movement

a) Regional Cargo Movement 10



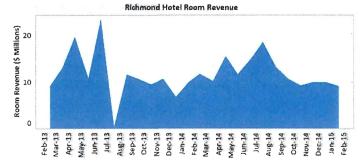
b) Airport Passengers 11



Source Vancouver Almost Authority

- Increased export activity resulted in substantial growth of both airport and port cargo movement in Q1 2015 compared to the same quarter last year.
- Port Metro Vancouver (PMV) twenty-foot equivalent unit (TEU) movement grew 15.2% in Q1 2015 compared to Q1 2014.
- YVR cargo grew 11.7% in Q1 2015, compared to Q1 2014
- Airport passenger volume registered a 4.5% growth in Q1 2015 compared to the same quarter last year.
- An accelerating tourism sector and implementation of new routes to Asia and Europe are behind the continued growth of YVR passengers

c) Richmond Hotel Room Revenue 12



Source: City of Richmond

- After a strong 2014 with hotel room revenues climbing by 5% for the year compared to 2013, Richmond's tourism sector is on track for an even stronger 2015. Hotel room revenues to date are 5.9% up in 2015 compared to the same period last year and occupancy is at 80% the highest in Canada.
- (Note: hotel room tax revenues are the basis for calculating hotel revenues; an overpayment of hotel room tax in July 2013 was compensated for in August 2013)

¹⁰ YVR & PMV Monthly Cargo Statistics

¹¹ YVR Monthly Statistics

¹² City of Richmond Additional Hotel Room Tax Ledger; revenue reverse calculated based on AHRT receipts representing 2% of total hotel room revenue; AHRT remittances and payments to Richmond have a 15-12 limit 15 4572106

Operating Activity

The following table presents budget, actual and commitment activity up to March 31, 2015. The net budget year-to-date (YTD) figure represents the first quarter budgeted activity accounting for seasonal demand. Actuals includes estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received. Commitments are contracts that have been entered into but services or goods have not been received.

	January - March 2015 YTD in (\$'000s)									
Division/Department	Net Budget YTD ¹	Actuals	Commitments	Total Actuals and Commitments	Variance (\$)	Variance (%)				
Community Services	\$8,400	\$7,276	\$1,022	\$8,298	\$102	1.2%				
Corporate Administration	2,034	1,492	587	2,079	(45)	(2.2%)				
Engineering and Public Works	4,427	2,758	1,884	4,642	(215)	(4.9%)				
Finance and Corporate Services	3,683	3,118	476	3,594	89	2.4%				
Fire Rescue	7,727	6,985	438	7,423	304	3.9%				
Law and Community Safety	1,284	847	207	1,054	230	17.9%				
Library	1,651	1,468	101	1,569	82	5.0%				
Planning and Development	1,560	(1,176)	106	(1,070)	2,630	168.5%				
Policing	9,867	9,178	140	9,318	549	5.6%				
Fiscal and Transfers	(20,455)	(20,650)	320	(20,330)	(125)	0.6%				
Total	\$20,178	\$11,296	\$5,281	\$16,577	\$3,601					

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

- The Community Services Division is slightly under budget for the first quarter of 2015 due to vacancies and the on-boarding of the new City Centre.
- The Corporate Administration variance in the first quarter is due mainly to training and development programs that have been committed in the first quarter but will take place throughout the year.
- Engineering and Public Works has a variance in Q1 due to Project Development commitments that have been initiated in the first quarter that will be spent throughout 2015.
- Finance and Corporate Services is on budget for the first quarter due to IT contracts that are committed in Q1 for work to be performed throughout the year. Finance and Corporate Services is projected to have a surplus at year end due to unfilled vacant positions within Finance and IT, lower contract maintenance costs in IT and higher business licences revenue relative to budget.
- Richmond Fire Rescue is expected to be under budget at the end of the year due to vacancies. Recruitment for firefighters is currently underway and is expected to be filled in the fall of 2015.

- Law & Community Safety is expected to have a moderate surplus due to higher revenues relative to budget in Bylaws and operational savings.
- The Library is under budget for the first quarter due to vacant positions. Recruitment is currently underway and the library expects to be on budget for the year.
- Planning and Development has realized an increase in building permit revenue through the 1st quarter. The favourable variance is based on stronger multi-residential permits. It is anticipated the construction activity will remain stable through the 2nd quarter. Building permit revenue is recognized as earned and therefore the projected surplus includes an estimate of the amount that is earned in 2015 from amounts collected from previous years, offset by an estimate for the building permits received in 2015 that will be earned in future years.

The Development Applications Department has realized higher than budgeted development application revenues during Q1 of 2015. The total number of development applications submitted to the City year to date is in keeping with anticipated application volumes. It is anticipated the development activity and revenues will continue to be stable through the 2nd quarter.

- Policing is targeted to be on budget by the end of the year. The RCMP's year-end adjustment is expected to be reflected on the second quarter invoice.
- Fiscal and transfer to reserves and provisions are on budget for the year.

Gaming Revenue

- Gaming revenue for Q1 2015 was \$5.25M compared to \$4.48M for the same quarter in 2014, representing an increase of 17.3%. This amount represents 10% of net gaming income calculated as total gaming revenue less direct costs, facility operating expenses and corporate overhead and support.
- This increase is due to a 3% increase in total River Rock gaming revenues and a 9% reduction in total expenses. The decrease in expenses mainly relates to a reduction in corporate overhead and support for BC Lottery Corporation's administrative and operating costs compared to the same quarter in 2013.
- Gaming revenues at River Rock increased by 3% in the first quarter of 2015 when compared to the first quarter of 2014. This growth was primarily due to an 8% increase in slot win, partially offset by a 0.5 percentage point decrease in slot win percentage. Table hold increased by 1% partially attributable to the expansion of the VIP gaming area and additional tables added to the Phoenix room in the first quarter of 2015. 13

Active Capital Project Summary

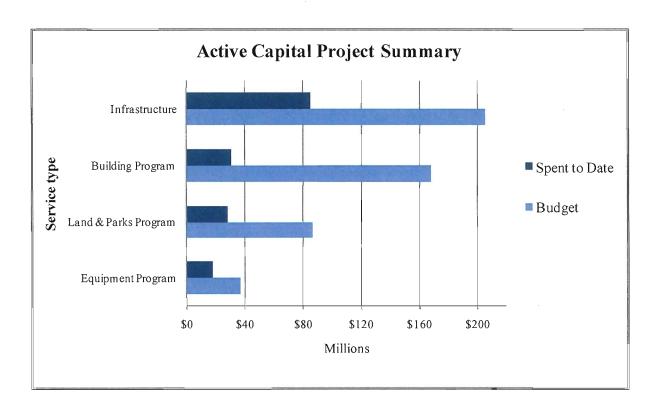
The 2015 Capital Budget of \$86.5M (excluding internal transfers and debt repayments) is included in the figures below as are the amounts relating to capital projects from previous years' Capital Budgets which remain active. The current balance committed to active capital projects is \$333.4M.

- 11 -

Statement of Active Capital Project Expenditures

As at March 31, 2015 (in \$'000s)

	Budget	Spent to Date	Committed
Infrastructure Program	\$204,828	\$85,142	\$119,686
Building Program	167,500	30,854	136,646
Land & Parks Program	86,186	27,933	58,253
Equipment Program	38,582	17,815	18,767
Grand Total	\$495,096	\$161,744	\$333,352



Highlights of key capital projects are presented in Appendix 3.

Cash and Investment Portfolio

The City's cash and investment portfolio at March 31, 2015 was \$860.8M, with an average yield on investment of 1.97%. The current low interest rate environment and the City's cash flow projections have influenced the terms and types of investments that the City holds (Appendix 4)

Market Interest Rates (for analytical purposes only)

	March 31, 2015
3 Month Government of Canada T-Bills	0.54%
2 Year Government of Canada Bonds	0.49%
5 Year Government of Canada Bonds	0.75%
10 Year Government of Canada Bonds	1.33%

Source: Bank of Canada

The Canadian economy stalled in the first three months of 2015 primarily as a result of the oil price shock where the impact was more front-loaded than predicted in January by the Bank of Canada. However, some of the negative impact brought on by the sharp decline in energy prices was offset by stronger non-energy exports, increased investments and improved labour markets. The improvement to the Canadian economy is expected to continue due to exports and U.S. investment due to the weakened Canadian dollar. Although the Bank of Canada lowered its recent Canadian growth forecast due to a larger than anticipated drag on the economy, it felt that the current degree of monetary policy stimulus was appropriate and therefore maintained the benchmark overnight rate at 0.75 per cent at its April 15, 2015 interest rate announcement.

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

Contract Awards

This report provides information on the formal contracts awarded by the City during the 1st quarter. During this period, 56 contracts greater than \$25,000 were awarded totalling over \$8.27M (Appendix 5).

Financial Impact

None.

Conclusion

The City of Richmond has begun 2015 on similar notes to that of 2014 with stable economic indicators. The City is maintaining its strong financial position through continued business retention, building construction and development activity, and revenue collection. It is expected that these trends will continue throughout 2015.

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

Att. 1: Economic Indicators

Att. 2: Financial and Key Indicators

Att. 3: Capital Project Highlights

Att. 4: Cash and Investment Portfolio

Att. 5: Contract Awards

Ec	onomic Indicators					March 31, 201
Ma	croeconomic Indicators & Forecast					
1)	Real GDP - % Change	2013	2014	Change	2015f	2016f
	Canada	2.0	2.5	25.0%	2.2	2.0
	United States	2.2	2.4	9.1%	3.1	3.1
	China	7.8	7.4	(5.1%)	6.8	6.3
	World	3.4	3.4	0.0%	3.5	3.8
2)	Interest Rates	2013	2014	Change	2015f	2016f
	Bank of Canada	1.00	1.00	0.00	0.75	2.00
	US FED	0.25	0.25	0.00	0.75	2.25
3)	Exchange Rate	2013	2014	Change	2015f	2016f
	CAD per \$1 USD	1.06	1.16	9.4%	1.33	1.29
Reg	gional and Local Market Indicators					
4)	Unemployment (%)	Q1-2015	Q4-2014	Change	Q1-2014	Change
	Canada	6.8	6.6	3.0%	6.9	(1.4%)
	BC	5.8	5.5	5.5%	5.8	0.0%
	Metro Vancouver	6.1	5.8	5.2%	5.8	5.2%
5)	CPI (2002=100)	Q1-2015	Q4-2014	Change	Q1-2014	Change
	Canada	126.3	124.5	1.4%	124.8	1.2%
	BC	119.8	118.1	1.4%	118.6	1.0%
	Metro Vancouver	121.5	119.6	1.6%	120.3	1.0%
6)	Housing Starts (Units)	Q1-2015	Q1-2014	Change		
	Starts - Metro Vancouver	4,283	4,571	(6.3%)		
	Starts - Richmond	589	838	(29.7%)		
7)	Richmond Residential Activity	Q1-2015	Q1-2014	Change		
	Sales - Detached	511	395	29.4%		
	Sales - Townhouse	277	208	33.2%		
	Sales - Apartment	435	325	33.8%		
	Sales Total/Average Change	1,223	928	32.1%		
		YTD- 2015	YTD- 2014	Change		
	Average Price - Detached (\$ at QE)	1,324,000	1,132,000	17.0%		
	Average Price - Townhouse (\$ at QE)	651,000	541,000	20.3%		
	Average Price - Apartment (\$ at QE)	368,000	363,000	1.4%		

Economic Indicators	March 31, 2015
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Regional and Local Market Indicators (continued)

0)		04.04.8	01.0011	~ 1			
8)	Richmond Building Permits	Q1-2015	Q1-2014	Change			
	Building Permits - Residential	217	186	16.7%			
	Building Permits - Commercial	104	122	(14.8%)			
	Building Permits - Industrial	49	46	6.5%			
	Building Permits Total	338	354	2.8%			
	Construction Value (\$ million)	379.4	133.0	185.3%			
9)	Commercial Space (at QE)		Richmond		Met	tro Vancouver	
		Q1-2015	Q1-2014	Change	Q1-2015	Q1-2014	Change
	Office Vacancy (%)	14.1	17.2	(18.0%)	9.8	8.7	12.6%
	Transit Oriented Office Vacancy (%)	4.5	5.3	(15.1%)	11.2	8.4	33.3%
	Office Inventory (000 sf)	4,359	4,359	0.0%	54,974	53,329	3.1%
	Industrial Vacancy (%)	4.0	4.7	(14.9%)	5.1	4.0	27.5%
	Industrial Inventory (000 sf)	37,828	37,587	0.6%	197,402	194,877	1.3%
10)	Richmond Business Growth	Q1-2015	Q1-2014	Change			
	Total Valid Business Licenses (YTD)	13,118	13,332	(1.5%)			
	New Licenses - Number Issued	348	352	(1.1%)			
	New Licenses - Employees	1,026	1,164	(11.9%)			
	New Licenses - Office Added (sf)	80,962	65,744	23.1%			
	New Licenses - Retail Added (sf)	46,262	33,668	37.4%			
	New Licenses - Industrial Added (sf)	119,988	288,663	(58.4%)			
	Total Space Added (sf)/Avg. Change	247,212	388,075	(36.3%)			
11)	Goods & People Movement	Q1-2015	Q1-2014	Change			
	YVR Air Cargo (tonnes)	63,035	56,440	11.7%			
	PMV Container Movement (TEUs)	735,219	638,262	15.2%			
	YVR Passengers (million)	4.6	4.4	4.5%			
	Richmond Hotel Revenue (\$ million)*	8.5	6.7	26.9%			

Notes:

a) QE indicates quarter end

* Hotel Revenue available to January only

b) YTD indicates year to date

List of Sources:

- 1) International Monetary Fund, World Economic Outlook (April 2015)
- 2) US Federal Reserve, Bank of Canada and Royal Bank Research
- 3) Bank of Canada
- 4)5) Statistics Canada
- 6) CMHC
- 7) Real Estate Board of Greater Vancouver
- 8) City of Richmond Building Permits
- 9) Cushman & Wakefield Office and Industrial Market Beat Reports
- 10) City of Richmond Business Licenses
- 11) YVR & PMV Monthly Cargo Statistics; YVR monthly statistics; City of Richmond Additional Hotel Room Tax Ledger

Financial Indicators	March 31, 2015

	(All dollar amounts in \$000's)			
1)	Development Cost Charges Contributions	Q1-2015	Q1-2014	Change
,	Roads, Water, Sewer DCC's Received	\$4,717	\$ 286	1550.8%
	Parks DCC's Received	\$5,087	\$ 215	2669.4%
	Total DCC Fees Received	\$ 9,804	\$ 500	1859.1%
	DCC Reserves to date - Uncommitted	\$45,013	\$65,139	(30.9%)
2)	Uncommitted Reserves	Q1-2015	Q1-2014	Change
	Capital Funding Reserves	\$85,307	\$ 55.781	52.9%
	Affordable Housing Reserves	\$3,108	\$3,452	(10.0%)
	Other Reserves	\$140,884	\$109,113	29.1%
	Total Uncommitted Reserves	\$229,299	\$ 168,346	36.2%
3)	Taxes to date	Q1-2015	Q1-2014	Change
	Taxes Collected	\$ 10,291	\$ 10,432	(1.3%)
	City Portion of Taxes Collected	\$ 5,043	\$ 5,112	(1.3%)
	Unpaid Taxes - Delinquent & Arrears	\$7,236	\$7,207	0.4%
	No. of Participants on Pre-authorized withdrawal	6,454	6,164	4.7%
	Pre-authorized withdrawals monthly payments	\$7,953	\$6,838	16.3%
	Interest rate % paid	1.00%	1.00%	-
	Sources: All data is from City of Richmond records			
4)	Investments	Q1-2015	Q1-2014	Change
	Total Investments	\$860,853	\$728,736	18.1%
	Average City Rate of Return on Investments %	1.97%	1.97%	0.0
5)	Planning and Development	Q1-2015	Q1-2014	Change
	Building Permit Fees Collected	\$3,480	\$1,599	117.6%
	Development Applications Received	60	39	53.8%
	Development Applications Fees	\$338	\$123	174.2%
6)	Business Licenses	Q1-2015	Q1-2014	Change
	Revenue Received for Current Year Licenses	\$1,623	\$1.618	0.3%
	Revenue Received for Next Year (Deferred)	\$ 72	\$ 68	6.1%
	Total License Revenue	\$1,695	\$1,686	0.6%

7)	Other Revenues	Q1-2015	Q1-2014	Change
-	Parking Program Revenue	\$507	\$443	14.5%
	Gaming Revenue	\$5,256	\$4,482	17.3%
	Traffic Fine Revenue to date	\$ 787	\$ n/a	0%

Year to date valid licenses and revenue include current year licenses issued in the prior year.

Notes:

a) All figures presented above are unaudited

Key Indicators March 31, 2015

2015F

213,891

2014

209,338

8)	Employees	Q1-2015	Q1-2014	Change	
	Full Time Equivalent (FTE) Employees	1,435	1,426	0.6%	
	(City and Library)				
	FTE includes Regular Full Time, Temporary and Au	xiliary status empl	oyees. The ca	lculation is b	pased on actual results excluding
	overtime.				J
9)	Operating Indicators	Q1-2015	Q1-2014	Change	
	Fire Rescue Responses	2,374	2,328	2.0%	
	RCMP - Calls for Service Handled	15,846	16,245	(2.5%)	
	Public Works calls for Service	2,802	2,730	2.6%	
10)	Affordable Housing	2015	2014	Change	
	Subsidized Rental (units)	477	477	0.0%	
	Affordable Rental (LEMR) (units)	300	272	10.3%	
	Market Rental (units)	411	411	0.0%	
	Entry Level Home ownership (units)	19	19	0.0%	1
	Secondary Suite / Coach House (units)	145	127	14.2%	
	Total Affordable Housing	1,352	1,306	3.4%	
		Q1-2015	Q1-2014	Change	
	Unspent Affordable Housing Funds Allocated to Capital Projects to date (in \$ 000's)	\$8,344	\$16,496	(49.4%)	
	Floor Space secured, unit mix & other (sq feet)	119,069	70,857	68.0%	

Richmond Population Estimate Year End *

FIN - 124

11)

 $[*]Estimated\ population\ figures\ provided\ by\ City\ of\ Richmond-Policy\ Planning$

Infrastructure

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

Approved Budget: \$10.4M (2011)

30% Complete

- Preload works are completed. The main road construction contract has been awarded and will commence in May 2015.

Nelson Road Improvements – Widening Nelson Road between Blundell Road and Westminster Highway: Approved Budget: \$4.1M (2011) 75% Complete

- The main road construction contract has been awarded. Construction works on Nelson Road and Blundell Road are ongoing.

Alexandra District Energy Utility Expansion - Phase 3

Approved Budget: \$12.1M (2015)

40% Complete

- This project expands the energy capacity and distribution network of the existing utility to meet the needs of development in the service area.

Colbeck Road Area Watermain Replacement:

Approved Budget: \$2.8M (2014)

85% Complete

- This project consists of replacing ageing watermains that are at the end of their service life. Construction is ongoing.

Bath Slough Pump Station Upgrade:

Approved Budget: \$4.2M (2013)

15% Complete

- This project consists of the upgrading of the existing Bath Slough Drainage Pump Station, and is part of a larger strategy to increase the City's drainage capacity, increase pump station reliability and reduce flooding. The construction works are currently out for tender.

Buildings

Japanese Fishermen's Benevolent Society Building:

Approved Budget: \$667,000 (2014)

90% Completed

- The exterior construction and interior renovation of the Japanese Building is substantially completed. Building operators are setting up exhibition lighting and displays for the opening in June 2015. Final occupancy of this project is tied to the completion of the Post Office Building Improvement Program, which began in mid-April; target for completion is June 2015.

Minoru Major Facility (Integrated Minoru Aquatic Centre/Older Adults Centre):
Approved Budget: \$79.6M (2014)
25% Complete

- On November 12, 2013, Council confirmed funding and site location for the new facility to be the Minoru 2 soccer pitch. Space programming for the facility was endorsed by Council on July 28, 2014 and preliminary form and character endorsed by Council on October 27, 2014. Preload for the site is in place, ground densification is underway and the design development phase is 95% complete. The public engagement process is continuing through to project completion

Fire Hall No. 1:

Approved Budget: \$21.5M (2014)

20% Complete

On November 12, 2013, Council confirmed funding and the site location for the Fire Hall No. 1 replacement. Space programming for the facility was endorsed by Council on July 28, 2014 and the preliminary form and character endorsed by Council on October 27, 2014. The relocation of Fire Hall No.1 staff and operations to City Hall West is complete. The design development phase of the project is complete. Demolition of the existing fire hall is to commence at the end of May 2015.

Community Services/Parks

Railway Greenway:

Approved Budget: \$2.3M (2013)

95% Complete

- The major trail construction work is completed. Work is proceeding on intersection improvements with completion expected in the spring of 2015.

Terra Nova Heritage Building Restorations:

Approved Budget: \$2.0M (2005)

98% Complete

- The restoration of the Cannery Store is complete. The restoration of the Edwardian Cottage is complete.
- Perimeter landscaping remaining.

Garden City Community Park: Bike Park & Birch Park:

Approved Budget: \$500K (2012)

- Bike Park:

95% Complete

Tree Planting to be completed.

- Birch Park:

95% Complete

Basketball Construction near completion with only line painting and hoop installation outstanding.

Garden City Lands Phase 1:

Approved Budget: \$2.1M (2015)

2% Complete

- Request for proposal and design development is planned in May.

Lang Park Development:

Approved Budget: \$800K (2015)

5% Complete

- The design process has started.

Middle Arm/ Hollybridge Pier:

Approved Budget: \$1.0M (2015)

5% Complete

- The design process has started.

Community Services/Parks

The Gardens Agricultural Park:

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

40% Complete

- City construction for Phase 1 has been partially completed along with Servicing Agreement works completed by Townline Homes in fall, 2014. Further Phase 1 works will be completed in fall, 2015.

Minoru Sports Fields Redevelopment:

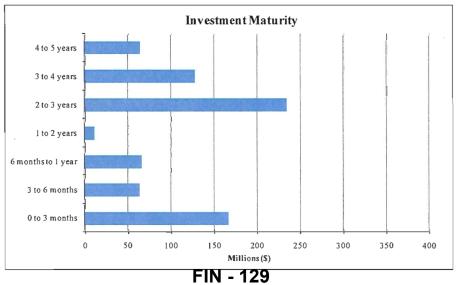
Approved Budget: \$5.7M (2014)

98% Complete

- Opening ceremonies for the fields were held on April 11th.
- Tennis Courts sport surfacing to be installed in May.
- Deficiency repairs are underway.

Cash and Investment Portfolio March 31, 2015 (in 000's)

Asset	DBRS	Issuer	Year of	Inv	estment	Weighted	% of	Investment Limit
Class	Long Term		Maturity		Cost	Average Yield	Portfolio	(% of Portfolio)
	Rating					to Maturity		
Federa	l					-		
	AAA	Government of Canada T-Bill	< 1 year	\$	18,641		2.23%	
	AAA	Canada Housing Trust	2016		10,149	_	1.22%	
			Total	\$	28,791	-	3.45%	No Limit
Provinc	cial							
	AA (low)	Ontario	2015-2017	\$	101,651		12.18%	
	AA	British Columbia	2019		65,678		7.87%	
	AAA	Alberta	2016-2019		48,083		5.76%	
	A (high)	Quebec	2017		36,346		4.36%	
	A (high)	Manitoba	2016		12,000		1.44%	
			Total	\$	263,758	-	31.61%	50%
Charte	red Banks							
	AA (Iow)	National Bank of Canada	2018-2020	\$	45,882		5.50%	
	AA	Royal Bank	2016-2018		43,926		5.26%	
	AA	Bank of Nova Scotia	2017		38,733		4.64%	
	AA	Bank of Montreal	2017		38,622		4.63%	
	AA	CIBC	2018		38,553		4.62%	
	AA	Wells Fargo Canada	2017		24,631		2.95%	
	AA (low)	HSBC Bank of Canada	2017		22,925		2.75%	
	A (low)	Canadian Western Bank	2016		20,000		2.40%	
	AA	TD Bank	2016		19,258		2.31%	
	AA	Scotiabank	2016		14,000		1.68%	
			Total	\$	306,529	-	36.74%	50%
BC Cre	dit Unions							
		Coast Capital Savings	< 1 Year	\$	74,859		8.97%	
		Vancity	< 1 Year		67,856		8.13%	
		Gulf and Fraser	< 1 Year		49,689		5.96%	
		Westminster Savings	< 1 Year		20,000		2.40%	
			Total	\$	212,404	_	25.46%	30%
Pooled	Investment	s						
		MFA Pooled Investment Fund		\$	22,856		2.74%	20%
Total In	nvestment P	ortfolio Balance		\$	834,337	1.97%	100.00%	
Total C	ash & Cash E	quivalents			26,516	_		
Total R	eported Inv	estments and Cash & Cash Equivale	ents	\$	860,853			



Contract Awards > \$25,000January 1st, 2015 to March 31st, 2015

Item	Contract Name and Description	Award	Amount	Division
1.	F5361 Project Management and Coordination Services for the Tempest System	Dynamic Management Solutions	\$44,000	Engineering and Public Works
2.	F5265 Hansen Licenses	Infor (Canada) Ltd	\$133,560	Engineering and Public Works
3.	5316P Supply and Install Mechanical Rooftop Units at Works Yard	Gateway Mechanical Services	\$107,351	Engineering and Public Works
4.	5363Q Alexandra District Energy Utility (ADEU) Phase 3 - Raft Slab for Building Expansion	Stuart Olson Construction Ltd	\$226,306	Engineering and Public Works
5.	5364Q ADEU Phase 3 - Mechanical Works for Interim Phase and the Polygon Building	Stuart Olson Construction Ltd	\$1,611,941	Engineering and Public Works
6.	5375Q Extreme Networks Support Renewal	Island Key Computer	\$52,680	Finance and Corporate Services
7.	5382S Annual Arc Pad Maintenance / Licence agreement	ESRI Canada	\$136,125	Finance and Corporate Services
8.	5376S Dell Server Extended Support Contract	Dell Canada	\$41,556	Finance and Corporate Services
9.	5377Q Commvault Backup Software Support Contract	CDW	\$25,400	Finance and Corporate Services
10.	5378Q Wmware ESX Vsphere Server Virtual Machine	Compugen Inc	\$31,230	Finance and Corporate Services
11.	5367S Oracle (PeopleSoft) Licence Contract Renewal	Oracle Canada ULC	\$299,102	Finance and Corporate Services
12.	5368S Open Text Licence Contract Renewal	Open Text Corporation	\$184,810	Finance and Corporate Services
13.	5369S Tempest License Contract Renewal	Tempest Development Group Inc	\$108,982	Finance and Corporate Services
14.	5319P Community Needs Assessment	City Spaces Consulting Ltd	\$75,410	Community Services
15.	5321Q Supply & Delivery of One Motor Grader with Front Bucket	PSE Equipment Ltd	\$156,141	Engineering and Public Works

Item	Contract Name and Description	Award	Amount	Division
16.	5149P Consulting service - Hansen Public Sector Asset and Work Management System V8.3 Upgrade	Infor (Canada) Ltd	\$454,630	Engineering and Public Works
17.	5298Q On Call "Boarding Up" Services for Fire-Rescue and Facilities Services	Genesis Restorations Ltd	\$40,000	Law and Community Safety
18.	5356P Pavement Management Model Update	Opus International Consultants Ltd	\$38,796	Engineering and Public Works
19.	F5365 Design and Construction Ongoing Consulting Services for ADEU Phase 3 Expansion	Corix Utilities Inc	\$61,608	Engineering and Public Works
20.	5370Q Cambie Fire Hall 3 - Preload Tender Package	Stuart Olson Construction Ltd	\$448,812	Engineering and Public Works
21.	5371Q Steveston Pool Bleacher Replacement	Colter Developments	\$27,673	Engineering and Public Works
22.	5372Q Security Services - City Centre Community Centre	Bridge (Pro-Sound) Via Ledcor Construction	\$77,872	Engineering and Public Works
23.	F5373 Supply and Delivery Portable Fences	SportaFence Marketing Enterprises LLC	\$45,900	Community Services
24.	F5374 Queen Canal Culvert Design	Kerr Wood Leidal Associates Ltd.	\$30,600	Engineering and Public Works
25.	5381S Oracle Annual Software Support Renewal	Oracle	\$37,606	Finance and Corporate Services
26.	5310 EOI - Hydro geological Consultant for the Garden City Lands	SNC-Lavalin Inc	\$47,305	Engineering and Public Works
27.	F5388 Museum Track Lighting at Japanese Fisherman's Benevolent Society Building	Norburn Lighting & Bath Via Penta Builders	\$ 37,209	Engineering and Public Works
28.	5397Q 2015 HVAC Upgrades - Design Services at Richmond Ice Centre	Bycar Engineering Ltd	\$30,250	Engineering and Public Works
29.	F5398 Chiller Overhaul at Watermania	Trane Building Services	\$ 58,676	Engineering and Public Works

Item	Contract Name and Description	Award	Amount	Division
30.	5353Q Supply and Installation at Richmond Courthouse Lighting	Energy Network Services	\$68,384	Engineering and Public Works
31.	5289P Site Remediation for 14940 Triangle Road	Golder Associates Ltd.	\$52,640	Finance and Corporate Services
32.	F5441 Flygt Submersible Pumps	Xylem Canada Company	\$53,352	Engineering and Public Works
33.	F5442 demolition of residential property at 9080 Williams Road	MWL Demolition Ltd	\$34,130	Finance and Corporate Services
34.	5413Q Soil Densification - Minoru Complex	Stuart Olson Construction Subcontract Vancouver Pile Driving	\$1,628,043	Engineering and Public Works
35.	5360Q Minoru Silver Arena Evaporative Condenser Replacement 2015	Cimco Refrigeration	\$127,680	Engineering and Public Works
36.	5248Q Supply and Delivery of 2 (Two) Mid Size Hybrid Sedans - *Only 1 unit awarded*	Metro Motors	\$26,896	Engineering and Public Works
37.	5399S Altiris Client Management Suite and support renewal	CDW	\$28,700	Finance and Corporate Services
38.	F5400 Training Services for the Corporate Performance Measurement Program (CPMP)	MNP LLP	\$60,000	Corporate Admin
39.	F5402 A Long Range Facility and Deployment plan for Richmond Fire and Richmond Police Services	University of the Fraser Valley	\$143,000	Law and Community Safety
40.	5404J Richmond Ice Centre Shower Re-Tiling	Ashton Service Group	\$26,984	Engineering and Public Works
41.	5405Q Ironwood Library - Interior Upgrades	MA Eng-Tech Construction	\$57,598	Engineering and Public Works
42.	5412Q ADEU Phase 3 - Electrical Works for Building Expansion	Stuart Olson Construction Ltd	\$54,896	Engineering and Public Works
43.	5417S Amanda Annual Support Contract Renewal	CSDC Systems Inc	\$68,608	Finance and Corporate Services
44.	5420J Works Yard Modular Site Office for the Sanitation and Recycling Department	Ashton Service Group	\$101,986	Engineering and Public Works
45.	5421J Richmond Ice Centre - Flooring Replacement - Phase 1	Ashton Service Group	\$86,072	Engineering and Public Works
46.	F5422 Design and Construction of a Concrete Stairway Adjacent to the Pacific Autism Centre	PC Urban Properties Corp	\$31,788	Engineering and Public Works
47.	F5423 Yearly Firefighter Assessment	Stefan, Fraser & Associates Inc	\$48,000	Law and Community Safety

Item	Contract Name and Description	Award	Amount	Division
48.	F5424 Logstor pre-insulated steel pipe for hot water distribution at Smart Centres site	Corix Utilities Inc	\$75,307	Engineering and Public Works
49.	5433Q South Arm Pool Showers Replacement Project	Core Plumbing and Heating Ltd.	\$26,641	Engineering and Public Works
50.	F5436 Design-build services for a children's playground feature	MacDonald & Lawrence Timber Framing Ltd	\$25,000	Community Services
51.	5437Q Steveston Net Shed - Front Entrance Upgrades - General Contracting Services	MA Eng-Tech Construction	\$54,630	Engineering and Public Works
52.	4989P Self Contained Breathing Apparatus	Guillevin International Co	\$549,523	Law and Community Safety
53.	F5450 Red Cross Lesson Supplies - Minoru Aquatic & Watermania	Canadian Red Cross	\$25,000	Law and Community Safety
54.	5451S MS Windows Server Data Centre License	SoftChoice	\$65,960	Finance and Corporate Services
55.	5452Q Proof Point Enterprise Protection - Support and Configuration	Ion Secured Networks Inc	\$28,613	Finance and Corporate Services
56.	5351P Advertising for Emergency Notification System	Flip Digital	\$50,000	Law and Community Safety



Report to Committee

To: Finance Committee Date: May 27, 2015

From: George Duncan File:

Chief Administrative Officer

& President and CEO Richmond Olympic Oval

Andrew Nazareth

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

Re: 1st Quarter 2015 - Financial Information for the Richmond Olympic Oval

Corporation

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2015 from the Controller of the Richmond Olympic Oval Corporation be received for information.

George Duncan

Chief Administrative Officer

& President and CEO

Richmond Olympic Oval

Andrew Nazareth

General Manager, Finance and Corporate Services

& Chief Financial Officer,

Richmond Olympic Oval





DATE:

May 26, 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 Dusani, CPA, CA

Controller, Richmond Olympic Oval Corporation

Re:

Richmond Olympic Oval Corporation - 1st Quarter 2015 Financial information

Origin

This staff report deals with the first quarter financial results for the 3 months ended March 31, 2015 ("Q1") which was approved by the Corporation's Board of Directors.

Financial Results

Q1 was a successful quarter for the Corporation. The Q1 results were budgeted at a net amount before transfers to reserves/provisions of \$569,000 and the actual results show \$869,000, indicating a favorable variance of \$300,000 (please see page 4 for the Corporation's statement of operations). In Q1, \$269,000 was allocated to the reserves/provisions.

Highlights

The following are some of the highlights of the activities undertaken by the Corporation during Q1.

Community Use

Member Care continued to provide member engagement with the Membership Challenge, which is an incentive program designed to improve retention and use of the Oval facility. The March Membership Challenge was successful as all 750 spots filled up within days of opening registration. Such member engagement initiatives are effective in renewing memberships. At the end of Q1 2015, a total of 79% of Oval members were Richmond residents.

Total visitation for Q1 2015 was 229,266, a 15% increase over the same time last year. Total visitations are calculated based on the sum of the following figures: the number of paid admissions, the number of membership scans, the number of visits for those individuals in registered programs, the number of visits to the Oval's YYoga studios and the number of visits from event rentals and user

groups. The event rental and user group figures are based on data obtained from the clients and programmers responsible for the respective rentals.

Sport Development and Events

High Performance Training continues to service athletes ranging from the community through to the national level. Training sessions were delivered to the Canadian women's national soccer team, Table Tennis Canada, Speed Skating Canada, Field Hockey Canada, Sailing Canada, Wheelchair Rugby Canada, Goalball Canada, World Athletics Centre athletes, Wheelchair Rugby BC, Trinity Western University, Greater Vancouver Canadians, Richmond Sockeyes, Vancouver Fusion Football Club, Vancouver Angels, Kajaks Track and Field, Winskill Dolphins, Pacific Wave Synchro, and the Richmond Soccer Association.

Oval trained athlete successes in Q1 2015 included:

- Field Hockey Canada saw both its men's and women's teams advance to World League 3
 and potential qualification for the Olympic Games.
- Winskill Dolphins Swim Club athlete Markus Thormeyer (age 17) won 5 gold medals at the Western Canadian Championships and Dalton Boon (age 20) won gold in the 200m freestyle, qualifying him to represent Canada at the upcoming Pan Am Games in Toronto. Both athletes do dry land training at the Oval.
- The Vancouver Pacific Wave Synchro Club won gold (team ages 13-15) and silver (Junior Team) at the recent Provincial Championships, plus they had 6 additional individual and duet podium finishes.
- Elite Goalie Centre of Excellence athlete Andrew Hammond (known as 'The Hamburglar') of the NHL Ottawa Senators tied the 1936 record for best start by a goaltender, finishing his season with a 20-1-2 record and helping Ottawa qualify for the playoffs.

Some of the highlights of sport hosting and events held at the Oval during Q1 included the following: Major League Baseball Toronto Blue Jays Winter Tour, BC Hockey (U16) training camp, BC Sports Rep Association Trade Show, Vancouver Hawks Field Hockey Tournament, Wrestling Provincial Championships, BC Hockey Showcase Tournament, Karate Canada National Championships, Richmond Rockets Speed Skating Meet, Harry Jerome Indoor (Track) Classic, Football BC Combine, Fencing World Cup Tournament, Lower Mainland High School Basketball Championships, Judo Pacific Judo Tournament, Wheelchair Rugby Vancouver Invitational, Fencing Western Championships, Western Canadian Weightlifting Championships, and the Spring Cling Sport Climbing Championships.

Some of the events secured in Q1 included: Jiu Jitsu Challenge (Aug 2015), Field Painting Championships (Aug 2015), Fencing Canada Cup (Sept 2015), and the Tae Kwon Do Championships (Nov 2015).

Governance

Meetings of the Corporation's Audit & Finance Committee, Business and Budget Planning Committee and the Board took place during Q1.

Rick Dusanj, CPA, CA

Controller, Richmond Olympic Oval Corporation

cc: Shana Turner

Director, Finance and Corporate Services, Richmond Olympic Oval Corporation

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended Mar 31, 2015

Unaudited, prepared by management

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	ΕÒ	QTR 1			QIR 1	11			
	20	2015	\$ Variance % Variance	% Variance	2014	14	\$ Variance % Variance	Variance Variance	2015
	BUDGET	ACTUAL	Fav/(Unfav) Fav/(Unfav)	av/(Unfav)	BUDGET	ACTUAL	Fav/(Unfav)Fav/(Unfav)	v/(Unfav)	BUDGET
REVENUES									
2010 Games Operating Trust Fund	575,000	575,000	1	%0	550,000	550,000	1	0%0	2,300,000
Contribution from City of Richmond (COR)	809,925	809,925	Ī	960	801,900	801,900	ı	0%0	3,239,700
Memberships, admissions and programs	1,987,195	1,930,154	(57,041)	-3%	1,709,591	1,726,935	17,345	1%	7,324,171
Other	385,412	579,606	194,194	50%	286,857	320,452	33,595	12%	1,946,717
	3,757,532	3,894,685	137,153	4%	3,348,347	3,399,287	50,940	2%	14,810,588
EXPENSES									
Memberships, admissions, and program services	1,195,430	1,107,737	87,692	7%	1,071,007	925,922	145,085	14%	5,358,190
Facility Operations	1,081,834	1,060,556	21,278	2%2	1,019,823	955,544	64,279	6%	4,337,346
Marketing	114,394	105,254	9,140	8%	119,201	97,047	22,154	19%	989,947
Admin/Finance	796,596	751,840	44,756	6%	664,225	533,581	130,644	20%	3,343,531
	3,188,254	3,025,387	162,866	5%	2,874,256	2,512,094	362,162	13%	14,029,013
Net before transfers to reserves/provisions	569,278	869,298	300,019		474,091	887,193	413,102		781,575
Transfers to reserves/provisions (Note ${f 1})$	175,000	268,788	93,788		325,000	327,122	2,122		700,000
Net after transfers to reserves/provisions	394,278	600,509	206,231		149,091	560,071	410,980		81,575

Note 1 - In Q1, \$269,000 was transferred into reserves/provisions. The transfers to capital reserves vary from quarter to quarter and are not finalized until year end by the Capital Works Committee in accordance with the operating agreement.

Numbers may be off due to rounding.