



## Finance Committee

Anderson Room, City Hall  
6911 No. 3 Road

Monday, June 6, 2011

Immediately Following the Open General Purposes Committee  
Meeting

Pg. #      ITEM

### MINUTES

**FIN-5**      *Motion to adopt the minutes of the meeting of the Finance Committee held on Monday, May 9, 2011.*



### BUSINESS AND FINANCIAL SERVICES DEPARTMENT

**FIN-9**      1.      **2010 ANNUAL DEVELOPMENT COST CHARGES REPORT**  
(File Ref. No.: 03-0900-01/2011-Vol 01) (REDMS No. 3206707, 3192611, 3204770)

TO VIEW eREPORT CLICK HERE

See Page **FIN-9** of the Finance agenda for full hardcopy report

*Designated Speaker: Venus Ngan*

#### STAFF RECOMMENDATION

*That the staff report entitled 2010 Annual Development Cost Charges Report, dated May 16, 2011, from the Director, Finance, be received for information.*





## Finance Committee Agenda – Monday, June 6, 2011

Pg. #	ITEM
<b>FIN-23</b>	<p>2. <b>2010 ANNUAL REPORT AND 2010 ANNUAL REPORT - HIGHLIGHTS</b> (File Ref. No.: ) (REDMS No. 3218525)</p> <p>TO VIEW eREPORT CLICK HERE</p> <p>See Page <b>FIN-23</b> of the Finance agenda for full hardcopy report</p> <p><i>Designated Speaker: Jerry Chong / Ted Townsend</i></p> <p>STAFF RECOMMENDATION <i>That the City of Richmond 2010 Annual Report and the 2010 Annual Report - Highlights be approved.</i></p> <p><input type="checkbox"/></p>
<b>FIN-103</b>	<p>3. <b>RICHMOND OLYMPIC OVAL CORPORATION-2010 AUDITED FINANCIAL STATEMENTS</b> (File Ref. No.: ) (REDMS No. 3218599)</p> <p>TO VIEW eREPORT CLICK HERE</p> <p>See Page <b>FIN-103</b> of the Finance agenda for full hardcopy report</p> <p><i>Designated Speaker: John Mills / Andrew Nazareth</i></p> <p>STAFF RECOMMENDATION <i>That the report entitled Richmond Olympic Oval Corporation - 2010 Audited Financial Statements, dated May 18, 2011, from the Chief Administrative Officer, and the General Manager, Business and Financial Services, be received for information.</i></p> <p><input type="checkbox"/></p>
<b>FIN-123</b>	<p>4. <b>2010 SURPLUS APPROPRIATION</b> (File Ref. No.: ) (REDMS No. 3211620, 3214566)</p> <p>TO VIEW eREPORT CLICK HERE</p> <p>See Page <b>FIN-123</b> of the Finance agenda for full hardcopy report</p> <p><i>Designated Speaker: Jerry Chong</i></p> <p>STAFF RECOMMENDATION <i>That the December 31, 2010 surplus of \$2,452,800 be appropriated as outlined in the staff report entitled 2010 Surplus Appropriation, dated May 17, 2011, from the General Manager, Business and Financial Services.</i></p> <p><input type="checkbox"/></p>



## Finance Committee Agenda – Monday, June 6, 2011

- | Pg. #          | ITEM  |
|----------------|---|
| <b>FIN-141</b> | <b>5. EXTERNAL BORROWING FOR CORPORATE FACILITIES REFERRAL</b><br>(File Ref. No.: 03-0900-01/2011-Vol 01) (REDMS No. 3218132) |

TO VIEW eREPORT CLICK HERE

See Page **FIN-141** of the Finance agenda for full hardcopy report

*Designated Speaker: Jerry Chong / Venus Ngan*

### STAFF RECOMMENDATION

*That the staff report entitled External Borrowing for Corporate Facilities Referral, dated May 17, 2011, from the Director, Finance, be received for information.*



- |                |  |
|----------------|--|
| <b>FIN-147</b> | <b>6. REVENUE ANTICIPATION BORROWING BYLAW NO. 8755</b><br>(File Ref. No.: 03-0900-01/2011-Vol 01) (REDMS No. 3193366) |
|----------------|--|

TO VIEW eREPORT CLICK HERE

See Page **FIN-147** of the Finance agenda for full hardcopy report

*Designated Speaker: Jerry Chong*

### STAFF RECOMMENDATION

*That the Revenue Anticipation Borrowing Bylaw No. 8755 be introduced and given first, second, and third readings.*



- |                |  |
|----------------|--|
| <b>FIN-151</b> | <b>7. FINANCIAL INFORMATION – 1ST QUARTER 2011</b><br>(File Ref. No.: 03-0970-09-01/2010-Vol 01) (REDMS No. 3206668) |
|----------------|--|

TO VIEW eREPORT CLICK HERE

See Page **FIN-151** of the Finance agenda for full hardcopy report

*Designated Speaker: Jerry Chong*

### STAFF RECOMMENDATION

*That the report dated May 18, 2011, on Financial Information for the 1<sup>st</sup> Quarter ended March 31, 2011, from the Director, Finance, be received for information.*





## Finance Committee Agenda – Monday, June 6, 2011

Pg. #	ITEM
<b>FIN-169</b>	<b>8. 1ST QUARTER 2011 - FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION</b> (File Ref. No.: ) (REDMS No. 3218592)

TO VIEW eREPORT CLICK HERE

See Page **FIN-169** of the Finance agenda for full hardcopy report

*Designated Speaker: John Mills / Andrew Nazareth*

### STAFF RECOMMENDATION

*That the report dated May 18, 2011, on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2011, from the Chief Administrative Officer, and the General Manager, Business and Financial Services, be received for information.*

☐

### ADJOURNMENT

☐





## Finance Committee

Date: Monday, May 9, 2011

Place: Anderson Room  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Linda Barnes (4:20 p.m.)  
Councillor Derek Dang  
Councillor Evelina Halsey-Brandt  
Councillor Greg Halsey-Brandt  
Councillor Sue Halsey-Brandt  
Councillor Ken Johnston  
Councillor Bill McNulty  
Councillor Harold Steves

Call to Order: The Chair called the meeting to order at 4:02 p.m.

## MINUTES

It was moved and seconded

*That the minutes of the meeting of the Finance Committee held on Monday, March 7, 2011, be adopted as circulated.*

**CARRIED**

## DELEGATION

Archie Johnston, Partner, Becky Hui, Senior Manager, and Nancy Adie-MacKay, Partner, KPMG presented the 2010 Auditor's report on the City's financial statements. Mr. Johnston advised that Ms. Adie-MacKay would be working with him on City of Richmond related issues.



## **Finance Committee**

### **Monday, May 9, 2011**

---

Ms. Adie-MacKay reviewed the Materiality, Timing, Tangible Capital Assets, New Canadian Auditing Standards, new regulations related to Government Transfers, and Liability for Contaminated Sites.

In answer to questions about the Liability for Contaminated Sites, Mr. Johnston provided the following information:

- the new Accounting Standard for Liability for Contaminated Sites has been approved;
- Governments will be required to recognize liabilities for contaminated sites that exceed existing environmental standards, and record the estimate for remediation costs as a liability regardless of whether the site is to be sold or not; and
- Accounting Standards for Liability for Contaminated Sites for the private industry differ than government as the private industry is required to report liabilities only upon the sale of such a site.

Further discussion took place and Committee members questioned the rationale for having different Accounting Standards for government and the private industry. Concerns were expressed about fairness and the need for clarification. Mr. Johnston noted that many of the rules related to the new standard were not clear, and that at this stage the first step would be to determine which sites are contaminated and need remediation.

## **BUSINESS AND FINANCIAL SERVICES DEPARTMENT**

1. **FINANCIAL INFORMATION – 4<sup>TH</sup> QUARTER 2010**  
(File Ref. No.: 03-0970-09-01) (REDMS No. 3141724)

Jerry Chong, Director, Finance was available to answer questions. A brief discussion ensued about council appropriations, at which time Mr. Chong confirmed that a report with additional information regarding appropriations for surplus funds was forthcoming.

It was moved and seconded

*That the staff report on Financial Information for the 4<sup>th</sup> Quarter ended December 31, 2010 be received for information.*

**CARRIED**

2. **2010 CITY OF RICHMOND AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(File Ref. No.: ) (REDMS No. 3198916)

It was moved and seconded

*That the City's audited consolidated financial statements for the year ended December 31, 2010 be accepted.*

**CARRIED**



**Finance Committee**  
**Monday, May 9, 2011**

---

3. **REFERRAL – FUTURE RESERVES AND SURPLUS AND FUTURE CONSTRUCTION**

(File Ref. No.:) (REDMS No. 3136476)

Mr. Chong provided background information, and in answer to questions advised that properties with Purchase/Construction Timelines up to 2011 have been approved and properties for 2012 and beyond are included in the Five-Year Capital Plan but are not yet approved.

A discussion took place about:

- annual repayments for the purchase of the Terra Nova Lands and the initial financing for the Oval;
- projects that require significant internal borrowing between the City's reserve funds that will result in a reduction in the City's reserves until 2029;
- giving consideration to incurring additional debt by borrowing externally for projects and seeking approval for external borrowing through a referendum in the fall of 2011.

It was moved and seconded

- (1) *That the staff report dated April 15, 2011, entitled "Referral – Future Reserves and Surplus and Future Construction" from the Director, Finance, concerning future reserves and surplus, projections of future construction and RCMP costs be received for information; and*
- (2) *That staff report back on possibilities for external borrowing for capital projects and possibilities for referendum questions in conjunction with the 2011 Civic Election.*

**CARRIED**

**ADJOURNMENT**

It was moved and seconded

*That the meeting adjourn (4:37 p.m.).*

**CARRIED**

Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, May 9, 2011.

---

Mayor Malcolm D. Brodie  
Chair

---

Shanan Dhaliwal  
Executive Assistant  
City Clerk's Office









# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 16, 2011

**From:** Jerry Chong  
Director, Finance

**File:** 03-0900-01/2011-Vol  
01

**Re:** 2010 Annual Development Cost Charges Report

### Staff Recommendation

That the 2010 Annual Development Cost Charges Report (dated May 16, 2011 from the Manager, Treasury Services) be received for information.

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

FOR ORIGINATING DEPARTMENT USE ONLY					
<b>ROUTED TO:</b>		<b>CONCURRENCE</b>		<b>CONCURRENCE OF GENERAL MANAGER</b>	
Budgets		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
Engineering		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
Parks Planning, Design & Construction		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
Development Applications		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
Transportation		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
<b>REVIEWED BY TAG</b>		YES	NO	<b>REVIEWED BY CAO</b>	
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	DEPUTY	
				YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	



## Staff Report

### Origin

Local government legislation introduced in 2008 (Bill 27) included a requirement for municipalities and regional districts to prepare and consider an annual report on their Development Cost Charge (DCC) Program. In particular, section 937.01 of the *Local Government Act* requires that:

- (1) Before June 30 in each year, a local government must prepare and consider a report in accordance with this section respecting the previous year.
- (2) The report must include the following, reported for each purpose under subsections (2) and (2.1) of section 933 for which the local government imposes the development cost charge 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).
- (3) The local government must make the report available to the public from the time it considers the report until June 30 in the following year.

### Findings of Fact

The legislative requirements of the annual report are limited to presenting selected financial data and activity of DCC reserves. The City, however, in presenting the 2010 Annual DCC Report, is adopting a more comprehensive approach as suggested by the Development Finance Review Committee.

The City's Annual DCC Report covers the following six broad categories: (i) Description and principles of the City of Richmond's DCC program, (ii) 2010 DCC reserve fund balances, (iii) 2010 to 2011 DCC programs, (iv) DCC waivers and reductions, (v) Municipal assist factor, and (vi) Inter-fund transfers between DCC reserve funds.

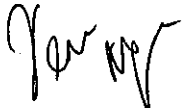
Due to improved market conditions in the development industry, the City had a year of significant development activities, where over \$26 million in DCC contributions were collected. The DCC contributions will benefit the community at large as they will be available to finance the costs of infrastructure projects needed to support the demand of new growth.

A copy of the 2010 Annual Development Cost Charges Report, which will be available for public viewing on the City's website on June 30, 2011, is attached for information.



**Conclusion**

That the 2010 Annual Development Cost Charges Report (dated May 16, 2011 from the Manager, Treasury Services) be received for information.

A handwritten signature in black ink, appearing to read 'Venus Ngan', written over the printed name.

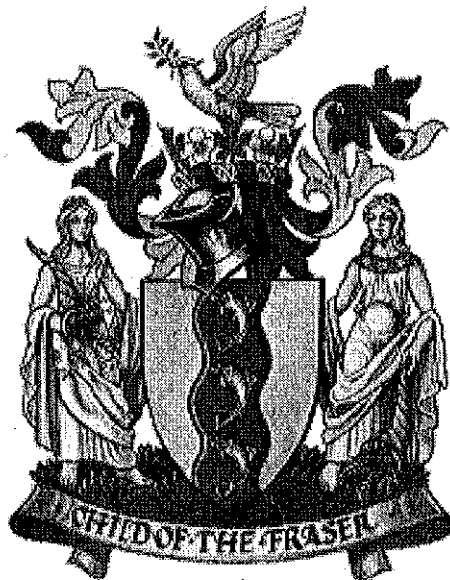
Venus Ngan  
Manager, Treasury Services  
604-276-4217



# 2010 ANNUAL DEVELOPMENT COST CHARGES REPORT

For the year ended December 31, 2010

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



City of Richmond  
British Columbia, Canada



**CITY OF RICHMOND**  
**2010 ANNUAL DEVELOPMENT COST CHARGES REPORT**

---

This 2010 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. 2010 DCC Reserve Fund Balances
- III. 2010 to 2011 DCC Programs
- IV. DCC Waivers and Reductions
- V. Municipal Assist Factor
- VI. Inter-Fund Transfers between DCC Reserve Funds

## **I. DEVELOPMENT COST CHARGES**

*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.



# CITY OF RICHMOND

## 2010 ANNUAL DEVELOPMENT COST CHARGES REPORT

---

### *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 Bylaw
- Richmond Urban Development Forecast
- Parks, Recreation and Cultural Services Master Plan 2005 - 2015
- Parks Land Acquisition and Development 2006 DCC Program
- 2010 Richmond Trails Strategy
- City Center Transportation Plan
- City Center 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 begins the DCC process by determining the amount of growth that is projected to occur over a specified future period of time. The most recent growth projections 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 can be found in the CCAP and the 2009 Richmond DCC Review Report.

Once growth has been projected, the City determines the specific infrastructure works that will be required to accommodate the growth. The estimated infrastructure costs are determined and formed the basis of the DCC Program.

DCC's collected in 2010 were based on rates established in Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8396 that was adopted on September 14, 2009.



**CITY OF RICHMOND**  
**2010 ANNUAL DEVELOPMENT COST CHARGES REPORT**

*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. 2010 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 2010 fiscal year:

	<i>(amounts expressed in thousands of dollars)</i>				
	January 1 Balance	Transfers In	Interest Earned	Transfers Out	December 31 Balance
Basic:					
Roads	\$ 7,341	\$ 6,902	\$ 199	\$ 2,364	\$ 12,078
Drainage	4,989	3,497	148	24	8,610
Water	2,475	882	47	674	2,730
Sewer	3,282	2,748	76	769	5,337
Parks Acquisition	9,979	5,848	128	10,142	5,813
Parks Development	4,373	4,278	79	2,581	6,149
Total Basic	\$ 32,439	\$ 24,155	\$ 677	\$ 16,554	\$ 40,717
Local Area - West Cambie:					
Roads	\$ 169	\$ 528	\$ 10	\$ 172	\$ 535
Drainage	229	150	8	-	387
Water	40	16	1	-	57
Sewer	86	38	3	-	127
Parks Acquisition	-	1,078	-	1,078	-
Parks Development	245	136	7	-	388
Total Local Area	\$ 769	\$ 1,946	\$ 29	\$ 1,250	\$ 1,494
Total DCC Reserve	\$ 33,208	\$ 26,101	\$ 706	\$ 17,804	\$ 42,211



**CITY OF RICHMOND**  
**2010 ANNUAL DEVELOPMENT COST CHARGES REPORT**

---

### **III. 2010 to 2011 DCC PROGRAMS**

#### 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 infrastructures and traffic safety projects.

A summary of the projects funded by the Roads DCC's in year 2010 and the projects set to begin in year 2011 is contained in Appendix A.

#### Drainage

The projects in the Drainage DCC Program include storm sewers, box culverts, pump station upgrades, new pump stations, and open channel improvements.

A summary of the projects funded by the Drainage DCC's in year 2010 and the projects set to begin in year 2011 is contained in Appendix B.

#### Water

The projects in the Water DCC Program include distribution and grid mains throughout the City.

A summary of the projects funded by the Water DCC's in year 2010 and the projects set to begin in year 2011 is contained in Appendix C.

#### Sewer

The projects in the Sewer DCC Program include pump stations, force mains, and gravity mains.

A summary of the projects funded by the Sewer DCC's in year 2010 and the projects set to begin in year 2011 is contained in Appendix D.

#### Parks Acquisition and Parks 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, 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 in year 2010 and the projects set to begin in year 2011 is contained in Appendix E.



**CITY OF RICHMOND**  
**2010 ANNUAL DEVELOPMENT COST CHARGES REPORT**

---

#### **IV. WAIVER AND REDUCTIONS**

Bill C-27 is a provincial legislation that gives 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.

Currently, the City has a Richmond Affordable Housing Strategy which identifies two categories of not-for-profit rental housing, including living housing, and Council considers waiving DCC's for these not-for-profit rental housing on a case-by-case basis on a 3-year trial period. The purpose of the DCC exemption is to create an incentive to encourage the construction of affordable housing.

For year 2010, no waivers or reductions were granted.

#### **V. 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%.

#### **VI. INTER-FUND TRANSFER**

Local governments are permitted to lend available money in one DCC reserve fund to another DCC reserve fund on a temporary basis.

There were no DCC inter-fund transfers in year 2010.



### ROADS - 2010 PROJECTS

This table summarizes all projects funded by the Roads DCC's in year 2010:

Location	Type of Infrastructure / Description
Various	Arterial Road Crosswalk
Various	Cycling Network Expansion Program
Various	Enhanced Accessible Traffic Signal and Crosswalk Program
Various	Infrastructure Advanced Design
Various	Intelligent Traffic Information System
Lansdowne Road	Lansdowne Road Extension Repayment
Various	Miscellaneous Cycling Safety Enhancements
Various	Miscellaneous Intersection Improvements
Various	Neighbourhood Traffic Safety Program
No. 2 Road Bridge	No. 2 Road Bridge Repayment
River Road/ North Loop	River Road / North Loop Repayment
Odlin Road	Road Land Acquisition
Various	Traffic Signal Installation and Major Upgrade Program
Various	Transit Plan Infrastructure Improvement

### ROADS - 2011 PROJECTS

This table summarizes all projects funded by the Roads DCC's that are set to begin in 2011:

Location	Type of Infrastructure / Description
Various	Arterial Road Crosswalk
Various	Cycling Network Expansion
Various	Enhanced Accessible Traffic Signal and Crosswalk Program
Various	Functional and Preliminary Design
Various	Infrastructure Advanced Design
Lansdowne Road	Lansdowne Road Extension Repayment
Various	Miscellaneous Cycling Safety Enhancements
Various	Miscellaneous Intersection Improvements
Various	Neighbourhood Traffic Safety
Nelson Road	Nelson Road Widening (Westminster Highway to Blundell Road)
No. 2 Road Bridge	No. 2 Road Bridge Repayment
No. 6 Road	No. 6 Road Widening (Wireless Way to Commerce Parkway)
River Road/ North Loop	River Road / North Loop Repayment
No. 1 Road & Moncton Street	Signalization and Improvements
Various	Traffic Signal Installation and Major Upgrade Program
Various	Transit Plan Infrastructure Improvement
Westminster Highway	Westminster Highway Widening (Nelson Road to McMillan Way)



**DRAINAGE - 2010 PROJECTS**

This table summarizes all projects funded by the Drainage DCC's in year 2010:

Location	Type of Infrastructure / Description
Gilbert North	Drainage Area Replacement and Upgrade
Woodward's Slough	Drainage Area Replacement and Upgrade
Various	Mid-Island Dike Study

**DRAINAGE - 2011 PROJECTS**

This table summarizes all projects funded by the Drainage DCC's that are set to begin in 2011:

Location	Type of Infrastructure / Description
Peach Arch	Drainage Area Replacement and Upgrade
Steveston	Drainage Area Replacement and Upgrade



**WATER - 2010 PROJECTS**

This table summarizes all projects funded by the Water DCC's in year 2010:

Location	Type of Infrastructure / Description
Hamilton	Replacement and Upgrade Works
Lulu West	Replacement and Upgrade Works

**WATER - 2011 PROJECTS**

This table summarizes all projects funded by the Water DCC's that are set to begin in 2011:

Location	Type of Infrastructure / Description
Lulu West	Replacement and Upgrade Works



**SEWER - 2010 PROJECTS**

**This table summarizes all projects funded by the Sewer DCC's in year 2010:**

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City Centre	Gravity Sewer & Forcemain Upgrades
Bennett Road Pump Station	Pump Station Upgrades
Bridgeport	Sewer Upgrades
East Richmond	Sewer Upgrades

**SEWER - 2011 PROJECTS**

**This table summarizes all projects funded by the Sewer DCC's that are set to begin in 2011:**

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Montrose	Montrose Pump Station Replacement
Steveston	Sewer Upgrades



### PARKS - 2010 PROJECTS

This table summarizes all projects funded by the Parks DCC's in year 2010:

Location	Type of Infrastructure / Description
Various	Park Construction - Amenities
Various	Park Improvements
Hugh Boyd Park	Park Improvements
Terra Nova Rural Park	Park Improvements
South Arm Park	Park improvements
Various	Park Land Acquisition
Various	Project Planning - Advanced Planning & Design
City Centre Middle Arm Park	Trail Construction
McLennan North (Garden City Park)	Trail Construction

### PARKS - 2011 PROJECTS

This table summarizes all projects funded by the Parks DCC's that are set to begin in 2011:

Location	Type of Infrastructure / Description
Various	Advanced Planning and Design
Various	Park Construction - Amenities
Various	Park Land Acquisition for Various Addresses
Thompson	Thompson Integrated Youth Park
City Centre Middle Arm Park	Trail Construction and Park Construction
Various	Trail Construction and Tree Planting





# City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Andrew Nazareth  
General Manager, Business and Financial  
Services  
**Re:** 2010 Annual Report and 2010 Annual Report - Highlights  
**Date:** May 18, 2011  
**File:**

### Staff Recommendation

That the attached City of Richmond 2010 Annual Report and the 2010 Annual Report - Highlights be approved.

Andrew Nazareth  
General Manager, Business and Financial Services Department  
(4095)

Att.

<b>FOR ORIGINATING DIVISION USE ONLY</b>		
<b>CONCURRENCE OF GENERAL MANAGER</b> 		
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
<b>REVIEWED BY CAO</b> DEPUTY	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>



## **Staff Report**

### **Origin**

Pursuant to Section 98 of the Community Charter, before June 30 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 format of the City of Richmond's 2010 Annual Report follows the formats which were successfully adopted the previous years as two versions have been prepared.

The first version is the Comprehensive Annual Report (Annual Report) which meets all legislative requirements. This version will be made publicly available through the City's website and printed only on an exception basis. The 2010 Annual Report includes the City's audited consolidated financial statements, a statement of the City's corporate objectives and success indicators as well as a listing of permissive exemptions as required under the Community Charter for British Columbia's local governments. In addition to the statutory required information, the 2010 Annual Report provides information concerning events that occurred during the year, a summary of the City's awards and achievements as well as relevant statistical data.

The second version is the Popular Financial Report, entitled 2010 Annual Report – Highlights which has been prepared for the purpose of informing people about the City of Richmond, its services, highlights from 2010 and its financial condition. This report is expected to be more accessible to the general public and thereby improve governmental accountability. An increased understanding among the community should lead to an improved base for communications concerning municipal finances. Copies of this simplified version will be mailed out and made available for the general public in hardcopy at Richmond City Hall, Front of House.

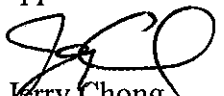
Both reports were prepared by the City of Richmond's Finance Division and Communication Section with design, production and printing by the Production Centre.

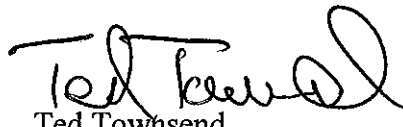
### **Financial Impact**

None.

### **Conclusion**

That the 2010 City of Richmond Annual Report and the 2010 Popular Financial Report be approved.

  
Jerry Chong  
Director Finance  
(4064)

  
Ted Townsend  
Senior Manager, Corporate Communications  
(4399)





# City of Richmond

British Columbia, Canada

## 2010 Annual Report

For the year ended December 31, 2010



# Canadian Award for Financial Reporting

Presented to

City of Richmond  
British Columbia

For its Annual  
Financial Report  
for the Year Ended

December 31, 2009

A Canadian Award for Financial Reporting  
is presented by the Government Finance Officers  
Association of the United States and Canada  
to government units whose annual financial reports  
achieve the highest program standards for Canadian  
Government accounting and financial reporting.



  
President  
  
Executive Director

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, 2009. 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.



# Contents

## Introductory Section

Message from the Mayor .....	2
Richmond City Council.....	3
City of Richmond organizational chart .....	4
Message from the Chief Administrative Officer .....	5
2010 awards and recognitions .....	6
City of Richmond services .....	7
Corporate Plan: Objectives and success indicators 2010 to 2012 .....	8
Report from the General Manager, Business and Financial Services .....	10

## Financial Section

City of Richmond audited financial statements.....	11
2010 permissive property tax exemptions.....	35

## Statistical Section

City of Richmond statistical data .....	39
City of Richmond contact information.....	53

*The City of Richmond's vision is to be the most appealing,  
livable and well-managed community in Canada*

This report was prepared by the City of Richmond Business and Financial Services Department and Corporate Communications Office. Design, layout and production by the City of Richmond Production Centre. ©2011 City of Richmond



# Message from the Mayor



This past year was truly a milestone for the City of Richmond. In February, the City welcomed tens of thousands of visitors from around the world for the 2010 Olympic Winter Games and was internationally recognized for the extraordinary success of its Games-times programs. In December, Richmond marked the 20th anniversary of its transition from a Township to a City.

These two bookends to 2010 highlight the continuing evolution of Richmond into a dynamic and cosmopolitan international centre. However, much of the City's agenda for 2010 was also characterized by the things that have made Richmond unique since its original incorporation as a township in 1879:

outstanding natural beauty, a robust economy, enviable quality of life, cultural diversity and a citizenry committed to making their community even better.

To ensure Richmond remains an outstanding community, Council approved a number of new sustainability framework documents in 2010, including a Corporate Sustainability Policy, Strategic Energy Program and Strategic Climate Change Program, which included aggressive targets for reducing our greenhouse gas emissions. A key step along that path was approval of the first City-owned district energy utility in the West Cambie area of Richmond.

The City also invested heavily in expanding and renewing our civic infrastructure. A major new expansion of the Hamilton Community Centre was launched, along with construction of a new Steveston Fire Hall. Millions of dollars were invested in various park, recreation, transportation, water, sewer, drainage and flood protection projects.

But Richmond's greatest strength is its people. Indeed, a comprehensive study released late in 2010 showed that Richmond residents feel a strong connection to their city. This connection is seen in the growing number of people, especially youth and employees of Richmond companies, who volunteer daily. An example of this was our community's incredible commitment to supporting the Games. More than 2,000 volunteers contributed over 30,000 hours of volunteer service in support of the City's Games-related programs.

I'd like to take this opportunity to thank all of the volunteers, along with my fellow members of Council, all of our staff and many community partners who work together to help Richmond reach its vision.

As we look forward to 2011, our City is on the cusp of passing 200,000 in population as strong growth is expected over the next two decades. Richmond is well-positioned to achieve our goals. Our sound financial standing ensures that we are able to maintain and enhance civic services. We believe the future for Richmond will be every bit as exciting as 2010 was for our community.

I hope you enjoy reading this Annual Report. I invite you to contact me at any time to talk about our City, our vision, our values and the services we provide.

Malcolm Brodie  
Mayor, City of Richmond



# Richmond City Council



## Richmond City Council effective December 1, 2008

Mayor Malcolm Brodie  
Councillor Linda Barnes  
Councillor Derek Dang  
Councillor Evelina Halsey-Brandt  
Councillor Greg Halsey-Brandt  
Councillor Sue Halsey-Brandt  
Councillor Ken Johnston  
Councillor Bill McNulty  
Councillor Harold Steves

**Front row, left to right:**

Councillor Evelina Halsey-Brandt, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Sue Halsey-Brandt, Councillor Derek Dang

**Back row, left to right:**

Captain Dave Cullen, Richmond Fire-Rescue (retired), Councillor Harold Steves, Councillor Greg Halsey-Brandt, Councillor Linda Barnes, Councillor Ken Johnston, Corporal J. J. Stephan Peters, Richmond RCMP



# City of Richmond organizational chart

<div> <div>Chief Administrative Office</div> <div>George Duncan, CAO</div> </div>			
<div> <div>Corporate Services</div> <div>Mike Kirk, Deputy CAO</div> </div>			
<div> <div>Business &amp; Financial Services</div> <div>Andrew Nazareth, GM</div> </div>	<div> <div>Community Services</div> <div>Cathy Volkering Carlile, GM</div> </div>	<div> <div>Engineering &amp; Public Works</div> <div>Robert Gonzalez, GM</div> </div>	<div> <div>Law &amp; Community Safety</div> <div>Phyllis Carlyle, GM</div> </div>
<div> <div>Parks &amp; Recreation</div> <div>Dave Semple, GM</div> </div>	<div> <div>Planning &amp; Development</div> <div>Joe Erceg, GM</div> </div>	<div> <div>Project Development &amp; Facility Services</div> <div>Jeff Day, GM</div> </div>	

## Civic officials as at December 31, 2010

Chief Administrative Officer .....	George Duncan
Deputy Chief Administrative Officer .....	Mike Kirk
General Manager, Business and Financial Services .....	Andrew Nazareth
General Manager, Community Services .....	Cathy Volkering Carlile
General Manager, Engineering and Public Works .....	Robert Gonzalez
General Manager, Law and Community Safety .....	Phyllis Carlyle
General Manager, Parks and Recreation .....	Dave Semple
General Manager, Planning and Development .....	Joe Erceg
General Manager, Project Development and Facility Services .....	Jeff Day
Director, City Clerk's Office .....	David Weber
City Solicitor .....	Doug Long
Chief, Richmond Fire-Rescue .....	John McGowan
Officer in Charge, Royal Canadian Mounted Police .....	Rendall Nessett
General Manager, Richmond Olympic Oval .....	John Mills
Chief Librarian, Richmond Public Library .....	Greg Buss

### Banker

Scotiabank

### Auditors

KPMG



# Message from the Chief Administrative Officer



As Chief Administrative Officer for the City of Richmond, I am pleased to present our 2010 Annual Report. Our incredible achievements during 2010 reinforced our ongoing commitments to our corporate vision, our determination to create a culture of continuous improvement and our ongoing pursuit of excellence in everything we do.

2010 was an extraordinary year for Richmond. We shared responsibility for hosting the 2010 Olympic Winter Games and received international acclaim for the role we played in making these Games among the most successful ever. Our residents, volunteers and employees all shared immense pride in being part of this once in a lifetime experience, welcoming the world to Richmond and shining in the international spotlight.

While the Olympics represented 17 days in February, it was the culmination of six years of tireless planning and effort that began in the summer of 2004, when we first bid for the rights to build the Richmond Olympic Oval. More importantly, it produced legacies that will benefit our community for generations to come. I am immensely proud of our team and its achievements over these demanding, but rewarding times.

However, our challenge was not only to help host the Olympics, but also to ensure the regular operations of the City continued uninterrupted at the levels expected by our citizens. It was gratifying to note that we not only met these expectations but continued to improve and expand our services to the community throughout this period.

The Games marked the beginning of a new era for Richmond and appropriately we took this time to revisit our Corporate Plan and to develop new strategic focus areas that together with the Term Goals and Objectives determined by our Council, will help guide our way forward in the coming years.

Our new strategic focus areas are: organizational transformation, serving the customer, our people, financial management, placemaking, sustainability, Olympic legacies and community safety.

The audited financial statements included in this report highlight our strong financial position. 2010 also saw the beginning of a rebound in our economy with record-setting local building activity. Combined with Richmond's sound financial standing, this allowed us to again minimize property tax increases and maintain service levels, while continuing to invest in the rejuvenation and expansion of our civic services and infrastructure.

Our continued success begins at the top with the leadership and direction provided by our Council, through the hard work, dedication and inspiration of our staff to the invaluable assistance of our many community partners and stakeholders. My thanks to all of them for helping keep Richmond at the forefront of innovative and outstanding municipal governance and service delivery.

A handwritten signature in black ink, appearing to read 'George Duncan', with a long, sweeping underline.

George Duncan  
*Chief Administrative Officer*



# 2010 awards and recognitions

The City of Richmond's commitment to excellence is illustrated by the large number of provincial, national and international awards it has received. In 2010, Richmond continued to be recognized as a leader in local government service delivery and management. Among other honours, the City received:

- A Literacy Award for Excellence from the Canadian Association of Municipal Administrators for creation of a continuous learning organization.
- A Community Excellence Award in the "Partnerships – Tourism" category from the Union of BC Municipalities for the City and Tourism Richmond's innovative marketing of the 2010 Olympic Winter Games.
- The Sport Tourism Community Legacy Award at the BC Tourism Industry Awards for establishment of our Sport Hosting Program.
- The Canadian Association of Chiefs of Police/Motorola Award for Excellence in Emergency Preparedness for our work in planning Exercise Gold.
- Two Canadian Public Works Association Awards for our 2010 National Public Works Week campaign, including the City's popular public open house at the Works Yard.
- The Project of the Year Award from BC Public Works Association for the sustainability features incorporated into the Cambie drainage pump station.
- A 2010 Provincial Award for the innovative children's play area at Garden City Park from the BC Recreation and Parks Association.
- The Corporate Community Service Award from the BC Society of Landscape Architects. This was in recognition of our ongoing commitment to excellence in landscape design.
- For the eighth straight year, Richmond received the Canadian award for financial reporting from the Government Financial Officer's Association. The City also received an award for Popular Annual Financial Reporting in the same competition.
- A Leadership Excellence Award in BC Hydro's 2010 PowerSmart Awards for Richmond's ongoing commitment to reducing energy consumption.





# City of Richmond services

The City of Richmond is responsible for providing essential services and infrastructure that support an appealing, livable, world-class city. Each day, City staff endeavour to provide efficient and effective municipal services within an accountable and sustainable fiscal framework. To find out more about our City Services visit [www.richmond.ca](http://www.richmond.ca).

City services are organized into eight departments and the Chief Administrator's Office, as well as through three separate City services.

## Office of the Chief Administrative Officer

Corporate Programs and Planning Management Group, Intergovernmental Relations and Protocol, Corporate Communications.

## Business and Financial Services Department

Finance, Business Licences, Business Advisory Services, Real Estate Services.

## Community Services Department

Enterprise Services (including Richmond Film Office, Economic Development, Sport Hosting, Major Events, Business Liaison, Sustainability Services), Social Services (including Social Planning, Affordable Housing, Youth Services and Diversity Services), Arts, Cultural and Heritage Services (including Richmond Art Gallery, Richmond Museum, Richmond Arts Centre, Britannia Heritage Shipyard, London Farm House, Steveston Museum and Public Art Program).

## Corporate Services Department

Human Resources, Information Technology, Customer Service, City Clerk's Office (including City of Richmond Archives).

## Engineering and Public Works

Engineering Planning, Engineering Design and Construction, Water Services, Roads and Construction, Fleet Operations, Environmental Programs, Sewerage and Drainage.

## Law and Community Safety

Richmond Fire-Rescue, Richmond RCMP, Community Bylaws, Emergency Programs, Law.

## Parks and Recreation Department

Parks Planning and Design, Parks Operations, Parks Programs, Sports and Community Events, Community Recreation (including community centres), Aquatics, Arenas and Fitness, Programs and Projects.

## Planning and Development Department

Policy Planning, Development Applications, Building Approvals, Transportation.

## Project Development and Facility Services Department

Project Development, Facility Operations and Maintenance.

## Other City of Richmond services

Richmond Public Library, Gateway Theatre, Richmond Olympic Oval.





# Corporate Plan: Objectives and success indicators 2010 to 2012

The City of Richmond's vision is to be the most appealing, livable and well-managed community in Canada. This ambitious goal is being achieved through Richmond's mission of:

- Visionary leadership and responsible decision making
- Accountable and sustainable fiscal practice
- The development of a unique and beautiful city
- Product and service excellence and efficiency
- Community consultation

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

## 2010–2012 Success Indicators

### 1. Organizational Transformation

#### **Be exceptional, no exceptions.**

Embrace and respect a powerful set of values that include Team, Results, Agility, Customer Service, Knowledge and Sustainability. Continue to be a vision-driven organization with a values-based, results-oriented culture that makes us leaders in municipal service and administration.

### 2. Serving the Customer

#### **Providing excellence, value and choice.**

Enable all citizens, businesses and organizations to access excellent information and services in a timely and user-friendly manner. Evaluate and make necessary changes and adjustments using appropriate processes and resources to optimize services to internal and external customers.

### 3. Our People

#### **For success, developing our team is paramount.**

Recognize individual strengths, talents, experiences and needs to make our team stronger. For the organization to thrive, our people must thrive.

### 4. Financial Management

#### **Financial stewardship for today and the future.**

Continue to manage financial assets in a manner that is responsive to the needs of today, while ensuring vitality, opportunity and sustainability beyond. Through conscientious planning and leadership, Richmond enjoys excellent services and service levels, and a robust economy.

### 5. Placemaking

#### **Small city, big destination.**

Combine a diverse set of places, activities and amenities that are interconnected, safe and convenient to access. Integrate rural and urban areas by demonstrating a respectful relationship between people, activities, nature and the built environment.

### 6. Sustainability

#### **Our tomorrow depends on sustainable actions today.**

Align and integrate work programs with a corporate sustainability agenda that is integral to achieving the City's vision. Achieve goals in ways that are earth-friendly, economically prudent and community responsive.

### 7. Olympic Legacies

#### **Our Olympic journey: The start of something great.**

Continue to build upon our Olympic successes to create significant benefits in economic development, sports tourism and tourism.

### 8. Safe Community

#### **Working together for a safe community.**

Continue community education, engagement and service strategies for the City to be recognized as a safe, desirable community in which to live, visit and conduct business.





## 2010 key accomplishments

- More than 1,500 building permits with a construction value of over \$811 million were issued, a five-fold increase from 2009 and more than \$100 million above the previous all-time record.
- Major infrastructure projects launched included a new \$5 million expansion for the Hamilton Community Centre, a new Steveston Fire Hall, the \$8.5 million Middle Arm Greenway project, a new youth park at Thompson Community Centre, new all-weather lawn bowling greens in Minoru Park and improvements to South Arm Community Centre and South Arm Park.
- Construction of a new Highway 91 Interchange at Nelson Road was also launched to improve transportation access to the Fraser Port lands in southeast Richmond.
- The post-Games retrofit of the Richmond Olympic Oval was substantially completed. Throughout the year, the ice, track and court zones on the main activity level were completed, along with the 23,000-square foot Fitness Centre. Several National Sports Organizations established centres of excellence at the Oval—Volleyball Canada, Canadian Table Tennis Federation and Hockey Canada. The Oval hosted a number of national and international level sports competitions, including the World Wheelchair Rugby Championships.
- Key Council initiatives during the year included the purchase of the Garden City lands, ensuring this important area on the eastern boundaries of Richmond City Centre will remain a community asset.
- Council adopted measures to ban the sales of puppies in local pet stores, a national first.
- The City addressed social needs by securing commitments for 150 new affordable housing units, funding for a new 33-space child care facility in Hamilton and commitments to build several other new childcare facilities, including a new 69-space facility in the West Cambie area.
- Richmond's flourishing arts and culture scene was invigorated by a number of new City initiatives including the launch of the Minoru Chapel Opera series and a new Academy-style dance training program at Richmond Arts Centre.
- Substantial research and community dialogue was completed on the Official Community Plan Update, and work began on a long-awaited 10-Year Social Planning Strategy.
- Council approved a Corporate Sustainability Policy, Strategic Energy Program and Strategic Climate Change Program, which included aggressive targets for reducing our greenhouse gas emissions.
- Council also approved the first City-owned district energy utility to be developed in the West Cambie area of Richmond.



# Report from the General Manager, Business and Financial Services

The consolidated financial statements for the year ended December 31, 2010, which reflect the operating results of the City of Richmond, Richmond Public Library and the Richmond Olympic Oval Corporation, are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. In addition, management are responsible for the internal controls to enable the preparation of the consolidated financial statements that are free from material misstatement.

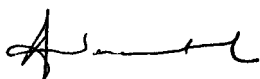
The external auditors, KPMG LLP, conducted an independent examination in accordance with Canadian generally accepted auditing standards and have expressed their opinion that the consolidated financial statements present fairly, in all material respects, the financial position of the City of Richmond as at December 31, 2010. KPMG LLP reported on the consolidated financial statements as required by the Community Charter to the City's Finance Committee, which includes all members of Richmond City Council. The Finance Committee meets regularly in order to oversee management's responsibility for financial reporting and internal controls.

2010 was a remarkable year, commencing with Richmond welcoming the world as a Venue City for the 2010 Olympic Winter Games and ending with a record number of building permits issued. The City's investment attraction program of partnering foreign business executives with the local business community was carried out jointly with our business partners – Metro Vancouver Commerce, Tourism Richmond and the Richmond Chamber of Commerce.

In terms of the recent global recession, it appears that Richmond was one of the 'last in, first out' cities as evidenced by the construction industry rebound with 1,547 building permits issued in 2010 with a construction value of over \$811 million. This far exceeds the \$163 million in 2009 and beats Richmond's previous record of \$658 million in 2006. Business retention and attraction initiatives continued as a priority with industrial vacancies dropping from 5.3 per cent in 2009 to 3.5 per cent in 2010, due to major logistics tenants moving to Richmond.

The City's net worth increased by \$77.2 million in 2010 to \$2.1 billion. Tangible capital assets increased by \$110.5 million as Richmond was one of the most active cities in the country in terms of real estate acquisitions, increasing the City-owned land base by over 190 acres in 2010. Cash and investments ended the year at \$521.4 million and statutory reserves at \$247.1 million. Consolidated operating revenues were \$378.7 million and consolidated operating expenses totalled \$301.5 million.

The outlook is promising as, together with our partners, we continue to enhance Richmond as a great place for investing, working, living, learning and playing while continuing to develop a world class city of the future. On behalf of the staff team, I would like to take this opportunity to say that it has been, and continues to be, a privilege and honour to serve Richmond City Council and the citizens of Richmond.



Andrew Nazareth, B.Ec., C.G.A.  
*General Manager, Business and Financial Services*



# City of Richmond audited financial statements

Year ended December 31, 2010





**KPMG Enterprise™**  
Metrotower II 2400 - 4720 Kingsway  
Burnaby BC V5H 4N2  
Canada

Telephone (604) 527-3600  
Fax (604) 527-3636  
Internet [www.kpmg.ca/enterprise](http://www.kpmg.ca/enterprise)

## 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, 2010 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, 2010, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 9, 2011

Burnaby, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. KPMG Canada provides services to KPMG LLP.



# CITY OF RICHMOND


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

December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 19,058	\$ 7,744
Investments (note 3)	502,375	526,303
Accrued interest receivable	3,418	4,381
Accounts receivable (note 4)	29,651	27,289
Taxes receivable	7,708	7,156
Development fees receivable	21,189	4,940
Debt reserve fund - deposits (note 5)	449	449
	<u>583,848</u>	<u>578,262</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (note 6)	73,963	67,676
Deposits and holdbacks (note 7)	45,447	23,432
Deferred revenue (note 8)	43,946	40,112
Development cost charges (note 9)	42,211	33,208
Obligations under capital leases (note 10)	1,168	1,315
Debt, net of MFA sinking fund deposits (note 11)	9,274	11,808
	<u>216,009</u>	<u>177,551</u>
Net financial assets	367,839	400,711
<b>Non-Financial Assets</b>		
Tangible capital assets (note 12)	1,711,178	1,600,691
Inventory of materials and supplies	1,745	2,253
Prepaid expenses	1,734	1,594
	<u>1,714,657</u>	<u>1,604,538</u>
Accumulated surplus (note 13)	\$ 2,082,496	\$ 2,005,249

Commitments and contingencies (note 17)

See accompanying notes to consolidated financial statements.

  
General Manager Business and Financial Services



# CITY OF RICHMOND

Consolidated Statement of Operations  
(Expressed in thousands of dollars)

Year ended December 31, 2010, with comparative figures for 2009

	Budget 2010	Actual 2010	Actual 2009
	(unaudited - notes 2(m) and 21)		
Revenue:			
Taxation and levies	\$ 154,777	\$ 156,071	\$ 148,503
User fees	67,560	68,365	63,150
Sales of services	31,148	37,403	33,528
Development cost charges	13,646	17,804	22,932
Provincial and federal grants	4,332	6,353	6,397
Other capital funding sources	13,349	32,414	26,878
Payments-in-lieu of taxes	11,277	13,203	13,018
Other revenues:			
Gaming revenue	11,080	12,563	11,857
Investment income	11,822	16,864	22,147
Licenses and permits	5,224	7,328	5,844
Other	11,502	10,335	14,673
	335,717	378,703	368,927
Expenses:			
Community safety	75,240	70,838	68,294
Engineering, public works and project development	60,013	56,365	56,451
Parks, recreation and community services	45,293	43,647	41,474
General government	43,622	35,130	39,295
Utilities:			
Sanitation and recycling services	8,635	9,163	7,896
Water supply and distribution	31,064	30,277	29,087
Sewerage collection and disposal	23,291	23,772	22,315
Planning and development	10,147	11,427	9,898
Library services	7,386	8,221	7,742
Interest and finance charges	6,496	6,002	7,182
Richmond Olympic Oval	6,213	6,614	7,007
	317,400	301,456	296,641
Annual surplus	18,317	77,247	72,286
Accumulated surplus, beginning of year	2,005,249	2,005,249	1,932,963
Accumulated surplus, end of year	\$ 2,023,566	\$ 2,082,496	\$ 2,005,249

See accompanying notes to consolidated financial statements.



# CITY OF RICHMOND

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

Year ended December 31, 2010, with comparative figures for 2009

	2010 budget (unaudited - notes 2(m) and 21)	2010	2009
Surplus for the year	\$ 18,317	\$ 77,247	\$ 72,286
Acquisition of tangible capital assets in cash and financed by capital leases	(18,317)	(149,088)	(88,620)
Acquired tangible capital assets from developers	-	(10,651)	(9,668)
Amortization of tangible capital assets	-	47,725	43,823
Loss (gain) on disposal of tangible capital assets	-	(3,897)	947
Proceeds on sale of tangible capital assets	-	5,424	2,126
	-	(33,240)	20,894
Acquisition of inventories of supplies	-	(1,745)	(2,253)
Acquisition of prepaid expenses	-	(1,734)	(1,594)
Consumption of inventories of supplies	-	2,253	2,412
Use of prepaid expenses	-	1,594	1,390
Change in net financial assets	-	(32,872)	20,849
Net financial assets, beginning of year	400,711	400,711	379,862
Net financial assets, end of year	\$ 400,711	\$ 367,839	\$ 400,711

See accompanying notes to consolidated financial statements.



# CITY OF RICHMOND

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

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 77,247	\$ 72,286
Items not involving cash:		
Amortization	47,725	43,823
Loss (gain) on disposal of tangible capital assets	(3,897)	947
Developer contributions of tangible capital assets	(10,651)	(9,668)
Change in non-cash operating working capital:		
Decrease (increase) in accrued interest receivable	963	(329)
Increase in accounts receivable	(2,362)	(5,198)
Increase in taxes receivable	(552)	(254)
Decrease (increase) in development fees receivable	(16,249)	4,792
Increase in prepaid expenses	(140)	(204)
Decrease in inventories of supplies	508	159
Increase (decrease) in accounts payable and accrued liabilities	6,287	(8,259)
Increase (decrease) in deposits and holdbacks	22,015	(18,269)
Increase in deferred revenue	3,834	5,241
Increase (decrease) in development cost charges	9,003	(15,649)
Net change in cash from operating activities	133,731	69,418
Capital activities:		
Cash used to acquire tangible capital assets	(148,414)	(87,892)
Proceeds on disposal of tangible capital assets	5,424	2,126
Net change in cash from capital activities	(142,990)	(85,766)
Financing activities:		
Principal payments on debt	(2,534)	(6,509)
Principal payments on obligations under capital leases	(821)	(614)
Net change in cash from financing activities	(3,355)	(7,123)
Investing activities:		
Change in investments	23,928	23,835
Net change in cash and cash equivalents	11,314	364
Cash and cash equivalents, beginning of year	7,744	7,380
Cash and cash equivalents, end of year	\$ 19,058	\$ 7,744
Supplementary Information:		
Non-cash transactions:		
Tangible capital assets financed by capital leases	\$ 674	\$ 728

See accompanying notes to consolidated financial statements.



# CITY OF RICHMOND

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

Year ended December 31, 2010

---

## 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 Canadian Institute of Chartered Accountants.

### (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") and 0827805 B.C. Ltd. (doing business as the Richmond Olympic Oval) (the "Oval"). The Library is consolidated as the Library Board is appointed by the City. The Oval is consolidated as it is a wholly owned municipal corporation of the City and operates as another government organization. Interfund 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 capital assets and work-in-progress, including engineering structures such as roads and bridges, and the related long-term debt.

#### (iii) Water works and Sewer works 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 plus interest earned on fund balances.



# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2010

## 2. Significant accounting policies (continued):

### (b) Basis of accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally 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:

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

### (d) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (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 within the next year.

### (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.



# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2010

## 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:

<b>Asset</b>	<b>Useful life - years</b>
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.



# CITY OF RICHMOND

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

Year ended December 31, 2010

---

## 2. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(vi) 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.

(vii) 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) Deferred revenue:

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

Development cost charges, collected to pay for capital costs due to development, are recorded as deferred revenue upon receipt. Development cost charges are recognized as revenue when the related development capital costs are incurred.

(k) 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.

(l) Debt:

Debt is recorded net of related sinking fund balances.

(m) Budget information:

Unaudited 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 adopted through Bylaw #8568 on March 18, 2010.



# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2010

## 2. Significant accounting policies (continued):

### (n) 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 amounts of revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the value of contributed 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.

## 3. Investments:

	2010		2009	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 136,309	\$ 136,309	\$ 124,543	\$ 124,543
Government and government guaranteed bonds	305,113	315,332	354,831	360,217
Municipal Finance Authority Pooled Investment	20,723	20,723	20,237	20,237
Other Bonds	40,230	42,283	26,692	28,497
	\$ 502,375	\$ 514,647	\$ 526,303	\$ 533,494

## 4. Accounts receivable:

	2010	2009
Water and sewer utilities	\$ 6,467	\$ 5,642
Casino revenues	3,146	3,091
Capital grant	12,980	13,661
Other trade receivables	7,058	4,895
	\$ 29,651	\$ 27,289



# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2010

## 5. Debt reserve fund deposits and 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 as 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 accounts. The details of the cash deposits and contingent demand notes at December 31, 2010 are as follows:

	Cash deposits	Demand notes	Total
General Revenue Fund	\$ 439	\$ 2,007	\$ 2,446
Sewerworks Revenue Fund	10	48	58
Total	\$ 449	\$ 2,055	\$ 2,504

## 6. Accounts payable and accrued liabilities:

	2010	2009
Trade and other liabilities	\$ 48,892	\$ 44,413
Post-employment benefits (note 15)	25,071	23,263
	\$ 73,963	\$ 67,676

## 7. Deposits and Holdbacks:

	Balance December 31, 2009	Deposits contributions	Refunds expenditures	Balance December 31, 2010
Security deposits	\$ 11,322	\$ 26,085	\$ 4,348	\$ 33,059
Contract holdbacks	3,473	4,027	5,425	2,075
Developer contribution	4,731	630	164	5,197
Transit Oriented Development Fund	1,523	-	-	1,523
Other	2,383	2,472	1,262	3,593
	\$ 23,432	\$ 33,214	\$ 11,199	\$ 45,447



# CITY OF RICHMOND

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

Year ended December 31, 2010

## 8. Deferred revenue:

Deferred revenue represents revenues that 1) are collected but not earned as of December 31, 2010. These revenues will be recognized in future periods as they are earned. 2) Funds received from external parties for specified purposes. These revenues are recognized in the period in which the related expenses are incurred.

	2010	2009
Parking easement and leased land revenues	\$ 14,723	\$ 14,121
Prepaid taxes	11,737	11,671
Capital grants	6,151	7,134
Business license revenues	1,882	1,696
Firm price billing revenues	3,375	2,174
Other	6,078	3,316
Balance, end of year	\$ 43,946	\$ 40,112

## 9. Development cost charges:

	2010	2009
Balance, beginning of year	\$ 33,208	\$ 48,857
Contributions	26,101	6,649
Interest	706	635
Revenue recognized	(17,804)	(22,933)
Balance, end of year	\$ 42,211	\$ 33,208

## 10. Obligations under capital leases:

The City has entered into capital lease agreements to finance certain equipment at an estimated cost of borrowing ranging from 1.2% to 5.0% per year.

Future minimum lease payments relating to obligations under capital leases expiring on various dates as follows:

Year ending December 31:		
2011	\$	478
2012		422
2013		158
2014		126
2015 and thereafter		20
Total future minimum lease payments		1,204
Less amount representing interest		(36)
Present value of capital lease payments	\$	1,168



# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2010

## 11. Debt, net of MFA sinking fund deposits:

The rates of interest on the principal amount of the MFA debentures vary between 3.15% and 8.50% per annum. The average rate of interest for the year ended December 31, 2010 approximates 5.96%.

The City issues debt instruments through the MFA pursuant to security issuing bylaws under authority of the Community Charter to finance certain capital expenditures. Sinking fund balances managed by the MFA are netted against related debt.

Gross amount for the debt and the amount for the sinking funds assets available to retire the debt are as follows:

	Gross debt	Sinking fund asset	Net debt 2010	Net debt 2009
General Fund	\$ 46,863	\$ 37,808	\$ 9,055	\$ 11,524
Sewerworks Fund	1,087	868	219	284
	<b>\$ 47,950</b>	<b>\$ 38,676</b>	<b>\$ 9,274</b>	<b>\$ 11,808</b>

Repayments of debt required in the next five years and thereafter are as follows:

	General	Sewerworks	Total
2011	\$ 2,588	\$ 69	\$ 2,657
2012	2,713	73	2,786
2013	2,698	77	2,775
2014	1,056	-	1,056
2015	-	-	-
	<b>\$ 9,055</b>	<b>\$ 219</b>	<b>\$ 9,274</b>



# CITY OF RICHMOND

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

Year ended December 31, 2010

## 12. Tangible capital assets:

Cost	Balance at December 31, 2009	Additions	Disposals	Balance at December 31, 2010
Land	\$ 447,946	\$ 95,333	\$ 181	\$ 543,098
Buildings and building improvements	305,788	7,279	-	313,067
Infrastructure	1,424,329	34,573	3,263	1,455,639
Vehicles, machinery and equipment	77,222	5,611	1,335	81,498
Library's collections, furniture and equipment	7,994	1,441	1,232	8,203
Assets under construction	18,877	15,502	-	34,379
	<b>\$ 2,282,156</b>	<b>\$ 159,739</b>	<b>\$ 6,011</b>	<b>\$ 2,435,884</b>

Accumulated amortization	Balance at December 31, 2009	Disposals	Amortization expense	Balance at December 31, 2010
Buildings and building improvements	\$ 69,103	\$ -	\$ 11,386	\$ 80,489
Infrastructure	563,979	2,056	29,338	591,261
Vehicles, machinery and equipment	43,184	1,197	5,832	47,819
Library's collections, furniture and equipment	5,199	1,231	1,169	5,137
	<b>\$ 681,465</b>	<b>\$ 4,484</b>	<b>\$ 47,725</b>	<b>\$ 724,706</b>



# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2010

## 12. Tangible capital assets (continued):

	Net book value December 31, 2009	Net book value December 31, 2010
Land	\$ 447,946	\$ 543,098
Buildings and building improvements	236,685	232,578
Infrastructure	860,350	864,378
Vehicles, machinery and equipment	34,038	33,679
Library's collection, furniture and equipment	2,795	3,066
Assets under construction	18,877	34,379
Balance, end of year	\$ 1,600,691	\$ 1,711,178

(a) Assets under construction:

Assets under construction having a value of approximately \$ 34,378,144 (2009 - \$18,877,000) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed 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 \$10,651,353 (2009 - \$9,668,000) comprised of infrastructure in the amount of approximately \$10,060,983 (2009 - \$6,468,000), land in the amount of approximately \$590,370 (2009 - \$0) and building and building improvements in the amount of approximately \$nil (2009 - \$3,200,000).

(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 writedowns of tangible capital assets during the year (2009-\$nil).



# CITY OF RICHMOND

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

Year ended December 31, 2010

## 13. Accumulated surplus

								2010	2009
	General Fund	Water Utility Fund	Sanitary Sewer Utility Fund	Capital and Loan Fund	Reserves Fund	Library Services	Richmond Oval	Total	Total
Investment in tangible assets	\$ -	\$ -	\$ -	\$ 1,697,283	\$ -	\$ 3,066	\$ 387	\$ 1,700,736	\$ 1,587,568
Reserves	-	-	-	-	247,123	-	-	247,123	273,664
Appropriated surplus	86,406	10,261	5,042	10,186	-	-	-	111,895	98,872
Obligations to be funded	-	-	-	-	-	(101)	-	(101)	(147)
Surplus (deficit)	(1,370)	15,024	9,161	(1,858)	-	464	(323)	21,098	43,041
Other equity	1,745	-	-	-	-	-	-	1,745	2,251
Balance, end of year	\$ 86,781	\$ 25,285	\$ 14,203	\$ 1,705,611	\$ 247,123	\$ 3,429	\$ 64	\$ 2,082,496	\$ 2,005,249



# CITY OF RICHMOND

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

Year ended December 31, 2010

## 14. Reserves:

	2009	Change during year	2010
Reserve funds:			
Affordable housing	\$ 10,537	\$ 191	\$ 10,728
Capital building and infrastructure	22,655	3,583	26,238
Capital reserve	70,799	5,430	76,229
Child care development	879	910	1,789
Community legacy and land replacement	57,298	(51,580)	5,718
Drainage improvement	13,493	4,720	18,213
Equipment replacement	13,823	1,089	14,912
Leisure facilities	2,294	228	2,522
Local improvements	5,750	367	6,117
Neighbourhood improvement	6,276	(627)	5,649
Public art program	1,105	173	1,278
Sanitary sewer	24,332	3,329	27,661
Steveston off-street parking	256	10	266
Steveston road ends	204	2,726	2,930
Waterfront improvement	1,344	(848)	496
Watermain replacement	42,619	3,758	46,377
	\$ 273,664	\$ (26,541)	\$ 247,123

## 15. Post employment future benefits:

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

	2010	2009
Balance, beginning of year	\$ 23,263	\$ 22,005
Current service cost	1,696	1,372
Interest cost	1,320	1,267
Amortization of actuarial loss	545	358
Benefits paid	(1,753)	(1,739)
Balance, end of year	\$ 25,071	\$ 23,263

An actuarial valuation for these benefits was performed to determine The City's accrued benefit obligation as at December 31, 2009 and the results are extrapolated to December 31, 2010. The difference between the actuarially determined accrued benefit obligation of approximately \$26,713,000 and the liability of approximately \$25,071,000 as at December 31, 2010 is an unamortized actuarial loss of \$1,642,000. This actuarial loss is being amortized over a period equal to the employees' average remaining service life of 10 years.



# CITY OF RICHMOND

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

Year ended December 31, 2010

## 15. Post employment future benefits (continued):

	2010	2009
Actuarial benefit obligation:		
Liability, end of year	\$ 25,071	\$ 23,263
Unamortized actuarial loss	1,642	3,395
Balance, end of year	\$ 26,713	\$ 26,658

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

	2010	2009
Discount rate	4.50%	5.00%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	3.50%	3.50%

## 16. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee 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 pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The City paid \$ 8,831,614 (2009 - \$8,240,819) for employer contributions to the Plan in fiscal 2010. Employees paid \$7,169,547 (2009 - \$6,750,671) for employee contributions to the Plan in fiscal 2010.

## 17. 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.



# CITY OF RICHMOND

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

Year ended December 31, 2010

## 17. Commitments and contingencies (continued):

### (b) Lease payments:

In addition to the obligations under capital leases, at December 31, 2010, the City was committed to operating lease payments for premises and equipment in the following approximate amounts:

2011	\$ 4,389
2012	4,180
2013	4,054
2014	4,050
2015 and thereafter	32,526

### (c) Litigation:

As at December 31, 2010, there were a number of legal claims in various stages of litigation. 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.

### (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.

### (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 25 Class A and 24 Class B shares issued and outstanding as at December 31, 2010). 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.



# CITY OF RICHMOND

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

Year ended December 31, 2010

## 18. Trust funds:

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.

	2010	2009
Richmond Community Associations	\$ 994	\$ 1,195

## 19. Collections for other governments:

The City is obligated to collect and transmit 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:

	2010	2009
Province of British Columbia - Schools	\$ 118,391	\$ 115,122
Greater Vancouver Regional District and others	35,715	34,340
	\$ 154,106	\$ 149,462

## 20. 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:

**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 and protection of life and properties.

**Engineering, Public Works and Project Development** comprises of General Public Works, Roads and Construction, Storm Drainage, Fleet Operations, Engineering Planning, Project Development and Facility Management. The services provided are construction and maintenance of the City's infrastructure and all City owned buildings, maintenance of City's road network, 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 planning and construction of major projects.



# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2010

## 20. Segmented reporting (continued):

**Parks, Recreation and Community Services** comprises of Parks, Recreation and Community Services. 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, Corporate Services and Business and Financial 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.

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

**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.

**Library Services** provides public access to information by maintaining 5 branches throughout the City.

**Richmond Olympic Oval** is formed as a wholly owned subsidiary of the City. It uses the Richmond Olympic Oval facility as a venue for a wide range of sports, business and community activities.



# CITY OF RICHMOND

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

Year ended December 31, 2010

## 20. Segmented reporting (continued):

	2010								2009	
	Community Safety	Engineering, Public Works and Project Development	Parks, Recreation and Community Services	General Government	Utilities	Planning and Development	Library Services	Richmond Olympic Oval	Consolidated	Consolidated
<b>Revenues:</b>										
Taxation and levies	\$ -	\$ -	\$ -	\$ 156,071	\$ -	\$ -	\$ -	\$ -	\$ 156,071	\$ 148,503
User Fees	-	6,373	-	-	61,992	-	-	-	68,365	63,150
Sales of Services	4,704	1,488	7,325	9,030	11,049	2,068	302	1,437	37,403	33,528
Development Cost Charges	-	101	13,144	3,189	1,370	-	-	-	17,804	22,932
Provincial and Federal Grants	253	1,954	15	1,341	36	8	441	2,305	6,353	6,397
Other Capital Funding Sources	56	17,887	3,367	9,453	1,651	-	-	-	32,414	26,878
Payments-in-Lieu of taxes	-	-	-	13,203	-	-	-	-	13,203	13,018
Other revenue from own sources:										
Gaming Revenue	542	-	-	12,021	-	-	-	-	12,563	11,857
Investment Income	-	-	-	16,108	576	-	-	180	16,864	22,147
Licenses and permits	141	64	-	3,200	-	3,923	-	-	7,328	5,844
Other	1,369	170	13	6,218	2,205	48	312	-	10,335	14,673
	<b>7,065</b>	<b>28,037</b>	<b>23,864</b>	<b>229,834</b>	<b>78,879</b>	<b>6,047</b>	<b>1,055</b>	<b>3,922</b>	<b>378,703</b>	<b>368,927</b>
<b>Expenditures:</b>										
Wages and Salaries	33,164	19,477	23,974	17,900	8,946	8,146	5,990	3,647	121,244	115,980
PW Maintenance	32	8,718	2,035	72	5,425	64	-	-	16,346	10,697
Contract Services	33,018	4,888	1,380	2,623	4,089	368	79	137	46,582	46,994
Supplies and Materials	2,554	2,451	10,816	20,349	36,833	1,187	2,437	2,345	78,972	63,550
Interest and Finance	-	-	-	2,662	3,335	-	5	-	6,002	7,182
Transfer from/(to) capital for tangible capital assets	(105)	(716)	764	(11,789)	1,222	547	(1,441)	-	(11,518)	7,476
Amortization of tangible capital assets	2,178	21,019	4,547	11,123	6,125	1,079	1,169	485	47,725	43,823
Loss/(gain) on disposal of capital assets	(3)	528	131	(5,148)	572	36	(13)	-	(3,897)	939
	<b>70,838</b>	<b>56,365</b>	<b>43,647</b>	<b>37,792</b>	<b>66,547</b>	<b>11,427</b>	<b>8,226</b>	<b>6,614</b>	<b>301,456</b>	<b>296,641</b>
<b>Annual surplus (deficit)</b>	<b>\$( 63,773 )</b>	<b>\$( 28,328 )</b>	<b>\$( 19,783 )</b>	<b>\$ 192,042</b>	<b>\$ 12,332</b>	<b>\$( 5,380 )</b>	<b>\$( 7,171 )</b>	<b>\$( 2,692 )</b>	<b>\$ 77,247</b>	<b>\$ 72,286</b>



# CITY OF RICHMOND

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

Year ended December 31, 2010

## 21. Budget data

The unaudited budget data presented in these consolidated financial statements is based on the 2010 operating and capital budgets approved by Council on March 18, 2010 and approved budget for Richmond Olympic Oval. Amortization of tangible capital assets was not included in the budget. Below is the reconciliation of the approved budget to the budget amount reported in these financial statements.

	Budget Amount
Revenues:	
Approved operating budget	\$ 327,381
Approved capital budget	301,227
Approved Oval budget	5,467
Less:	
Transfer from other funds	125,026
Intercity recoveries	6,517
Carried forward capital expenditures	166,815
Total revenue	335,717
Expenses:	
Approved operating budget	327,381
Approved capital budget	301,227
Approved Oval budget	6,213
Less:	
Transfer to other funds	88,221
Inter-company payments	6,517
Capital expenditures	53,333
Debt principal payments	2,535
Carried forward capital expenditures	166,815
Total expenses	317,400
Annual surplus per statement of operations	\$ 18,317



## 2010 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 2010. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / organization	Address	2010 Municipal tax exempted
<b>Churches and religious properties</b>		
BC Muslim Association	12300 Blundell Road	\$ 5,755
Bakerview Gospel Chapel	8991 Francis Road	1,811
Beth Tikvah Congregation	9711 Geal Road	5,605
Bethany Baptist Church	22680 Westminster Highway	15,065
Brighthouse United Church	8151 Bennett Road	4,147
Broadmoor Baptist Church	8140 Saunders Road	5,543
Canadian Martyrs Parish	5771 Granville Avenue	7,143
Christian and Missionary Alliance	3360 Sexsmith Road	2,490
Christian Reformed Church	9280 No. 2 Road	5,555
Church of God	10011 No. 5 Road	3,300
Church of Latter Day Saints	8440 Williams Road	8,043
Cornerstone Evangelical Baptist Church	12011 Blundell Road	1,518
Dharma Drum Mountain Buddhist Temple	8240 No 5 Road	6,627
Emmanuel Christian Community	10351 No. 1 Road	2,923
Faith Evangelical Church	11960 Montego Street	2,635
Fraserview Mennonite Brethren Church	11295 Mellis Drive	7,213
Fujian Evangelical Church	12200 Blundell Road	5,073
Gilmore Park United Church	8060 No. 1 Road	8,891
I Kuan Tao (Fayi Chungder) Association	8866 Odlin Crescent	2,365
Immanuel Christian Reformed Church	7600 No. 4 Road	3,289
India Cultural Centre	8600 No. 5 Road	7,609
International Buddhist Society	9120 Steveston Highway	3,533
Ismaili Jamatkama and Centre	7900 Alderbridge Way	19,310
Johrei Fellowship Inc	10380 Odlin Road	2,844
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	2,310
Larch St. Gospel Meeting Room	8020 No. 5 Road	1,890
Ling Yen Mountain Temple	10060 No. 5 Road	5,099



**Churches and religious properties continued . . .**

Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	\$ 1,971
North Richmond Alliance Church	9140 Granville Avenue	1,670
Our Savior Lutheran Church	6340 No. 4 Road	4,078
Parish of St. Alban's	7260 St. Albans Road	4,187
Patterson Road Assembly	9291 Walford Street	486
Peace Evangelical Church	8280 No. 5 Road	4,961
Peace Mennonite Church	11571 Daniels Road	8,069
Richmond Alliance Church	11371 No. 3 Road	3,648
Richmond Baptist Church	6560 Blundell Road	1,004
Richmond Baptist Church	6640 Blundell Road	3,545
Richmond Bethel Mennonite Church	10160 No. 5 Road	11,966
Richmond Chinese Alliance Church	10100 No. 1 Road	4,970
Richmond Chinese Evangelical Free Church	8040 No. 5 Road	2,356
Richmond Gospel Society	9160 Dixon Avenue	5,993
Richmond Pentecostal Church	9300 Westminster Highway	6,689
Richmond Pentecostal Church	9260 Westminster Highway	513
Richmond Presbyterian Church	7111 No. 2 Road	3,282
Richmond Sea Island United Church	8711 Cambie Road	6,141
Salvation Army Church	8280 Gilbert Road	2,564
Science of Spirituality SKRM Inc	11011 Shell Road	1,013
Shia Muslim Community	8580 No. 5 Road	4,871
South Arm United Church	11051 No. 3 Road	2,357
St. Anne's Anglican Church	4071 Francis Road	3,159
St. Edward's Anglican Church	10111 Bird Road	2,949
St. Gregory Armenian Apostolic Church	13780 Westminster Highway	705
St. Joseph the Worker Roman Catholic Church	4451 Williams Road	7,410
St. Monica's Roman Catholic Church	12011 Woodhead Road	4,872
St. Paul's Roman Catholic Parish	8251 St. Albans Road	17,198
Steveston Buddhist Temple	4360 Garry Street	7,160
Steveston Congregation Jehovah's Witnesses	4260 Williams Road	3,491
Steveston United Church	3720 Broadway Street	2,373
Subramaniya Swamy Temple	8840 No. 5 Road	623
Towers Baptist Church	10311 Albion Road	5,757
Trinity Lutheran Church	7100 Granville Avenue	7,595
Ukrainian Catholic Church	8700 Railway Avenue	1,763



**Churches and religious properties continued . . .**

Vancouver Airport Chaplaincy	3211 Grant McConachie Way	\$ 435
Vancouver Gospel Society	11331 Williams Road	708
Vancouver Gospel Society	8851 Heather Street	846
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road	6,607
Vancouver International Buddhist Progress Society	8271 Cambie Road	2,444
Vedic Cultural Society of BC	8200 No. 5 Road	1,320
West Richmond Gospel Hall	5651 Francis Road	2,164

**Recreation, child care and community service properties**

Cook Road Children's Centre	8300 Cook Road	\$ 1,806
Girl Guides of Canada	4780 Blundell Road	2,423
Kinsmen Club of Richmond	11851 Westminster Highway	365
Navy League of Canada	7411 River Road	10,326
Richmond Caring Place	7000 Minoru Boulevard	163,452
Richmond Family Place	8660 Ash Street	8,226
Richmond Lawn Bowling Club	6131 Bowling Green Road	6,340
Richmond Public Library	11580 Cambie Road	3,162
Richmond Public Library	11688 Steveston Highway	7,494
Richmond Rod and Gun Club	7760 River Road	14,445
Richmond Tennis Club	6820 Gilbert Road	13,071
Richmond Winter Club	5540 Hollybridge Way	90,251
Riverside Children's Centre	5862 Dover Crescent	1,112
Scotch Pond Heritage	2220 Chatham Street	7,824
Terra Nova Children's Centre	6011 Blanchard Drive	1,691
Treehouse Learning Centre	100 - 5500 Andrews Road	1,428
Richmond Ice Centre	14140 Triangle Road	144,968
Richmond Watermania	14300 Entertainment Boulevard	218,348



**Private educational properties**

BC Muslim Association	12300 Blundell Road	\$ 2,139
Choice Learning Centre	20411 Westminster Highway	714
Choice Learning Centre	20451 Westminster Highway	4,748
Cornerstone Christian Academy School	12011 Blundell Road	1,684
Richmond Christian School	10260 No. 5 Road	12,197
Richmond Christian School Association	5240 Woodward's Road	27,494
Richmond Jewish Day School	8760 No. 5 Road	15,979
St. Joseph the Worker Roman Catholic Church	4451 Williams Road	20,162

**Senior citizen housing**

Richmond Kiwanis Senior Citizens Housing	6251 Minoru Blvd	\$ 32,685
Richmond Legion Senior Citizen Society	7251 Langton Road	24,028

**Community care facilities**

Canadian Mental Health Association	8911 Westminster Highway	\$ 6,574
Development Disabilities Association	6531 Azure Road	1,517
Development Disabilities Association	8400 Robinson Road	1,689
Greater Vancouver Community Service	4811 Williams Road	1,976
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive	17,879
Richmond Society for Community Living	303 - 7560 Moffatt Road	747
Richmond Society for Community Living	4433 Francis Road	1,482
Richmond Society for Community Living	5635 Steveston Highway	4,856
Richmond Society for Community Living	9 - 11020 No. 1 Road	903
Richmond Society for Community Living	9580 Pendleton Road	6,026
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road	39,194

**Municipal use**

Oval 3 Holdings	6051 River Road	\$ 85,141
Oval 4 Holdings	6071 River Road	109,866
0815024 BC Ltd	5440 Hollybridge Way	27,348
Richmond Oval	6111 River Road	597,069

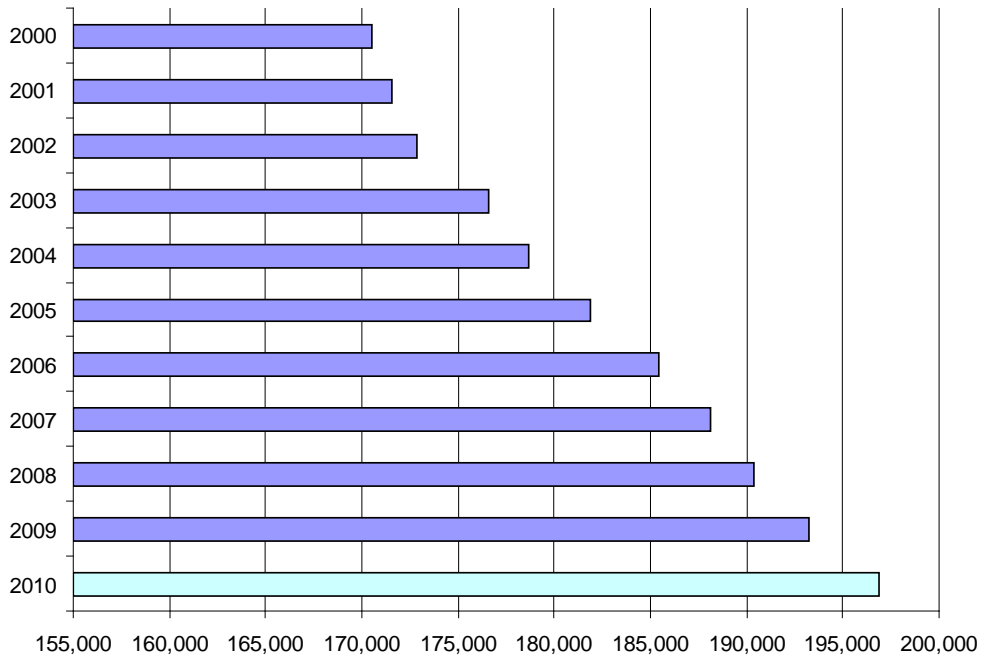


# City of Richmond statistical data

City of Richmond population 2000–2010.....	40
Immigrant status of Richmond residents by period of immigration .....	40
Richmond's population by mother tongue.....	41
Highest level of education attainment for the population aged 25 to 64 .....	41
Occupations of Richmond residents .....	42
Housing starts in Richmond 2000–2010.....	42
Richmond housing starts by type of units 2010.....	43
New dwelling units constructed 2000–2010 .....	43
Construction value of building permits issued 2000-2010 (in \$000s).....	44
Richmond business licences 2006–2010.....	44
Registration in Richmond Recreation and Cultural Services programs 2006–2010.....	45
City of Richmond budgeted capital construction costs 2006–2010 (in \$000s).....	45
Capital program by type 2010 .....	46
Breakdown of residential tax bill 2010 .....	46
Breakdown of \$1 of municipal tax 2010 .....	47
2010 tax rates.....	48
2010 general revenue fund assessment and taxation by property class (in \$000s).....	48
Taxes collected on behalf of taxing authorities (in \$000s) .....	48
Long term debt repayments relative to expenditures 2006–2010 (in \$000s) .....	49
City of Richmond debt per capita 2006–2010.....	49
Revenue by source 2006–2010 (in \$000s).....	50
Expenses by object 2009–2010 (in \$000s).....	50
Expenses by function 2009–2010 (in \$000s) .....	51
Accumulated surplus 2009–2010 (in \$000s).....	51
Changes in net financial assets 2009–2010 (in \$000s).....	51
Reserves 2006–2010 (in \$000s).....	52

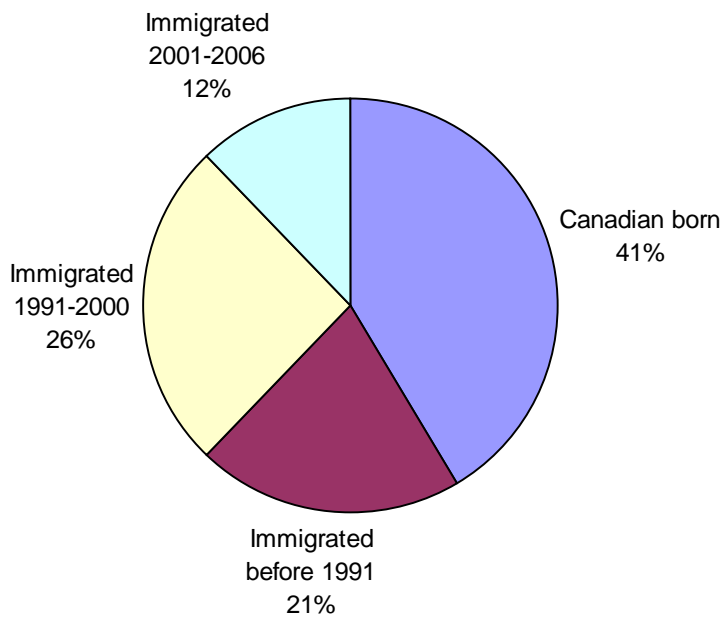


## City of Richmond population 2000–2010



Source: City of Richmond Policy Planning Division

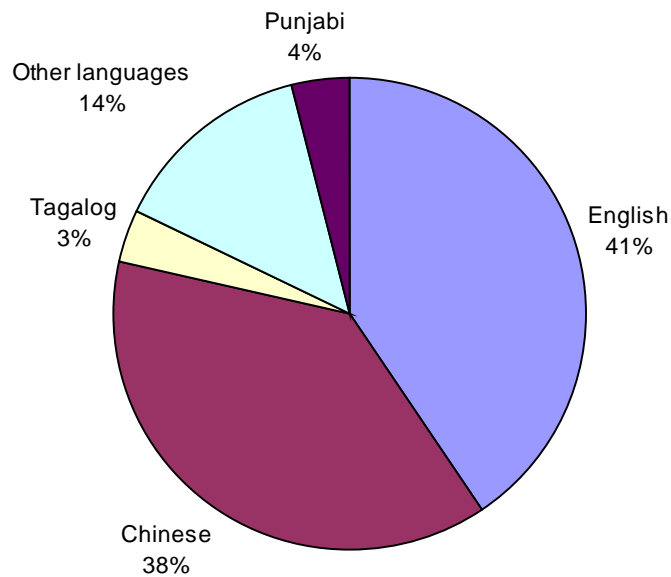
## Immigrant status of Richmond residents by period of immigration



Source: Statistics Canada 2006 Census of Population

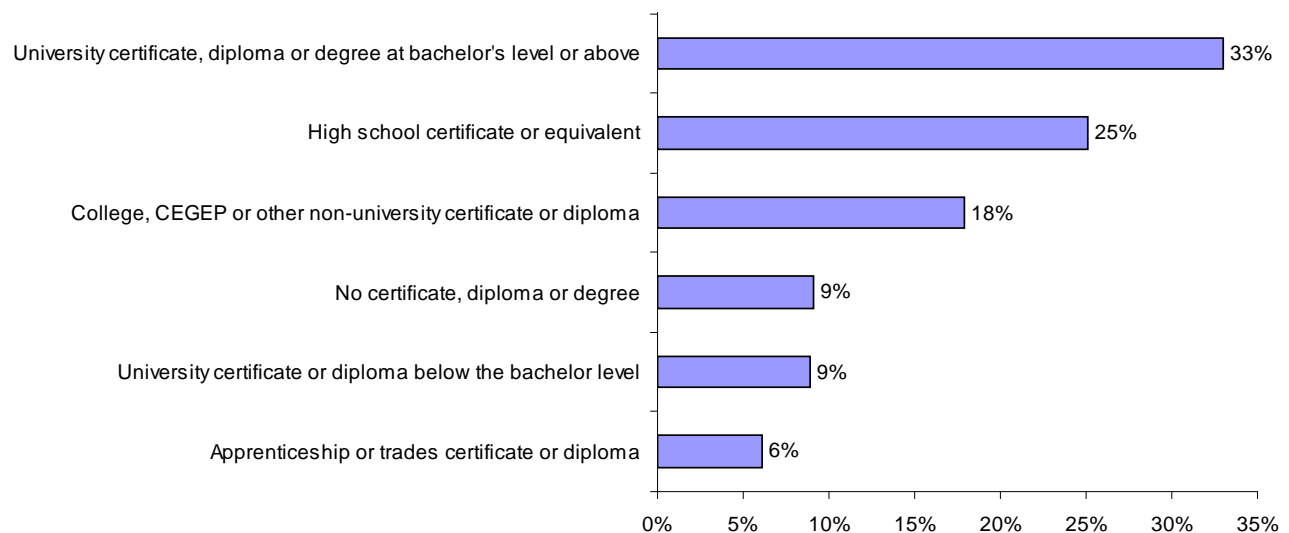


## Richmond's population by mother tongue



Source: Statistics Canada 2006 Census of Population

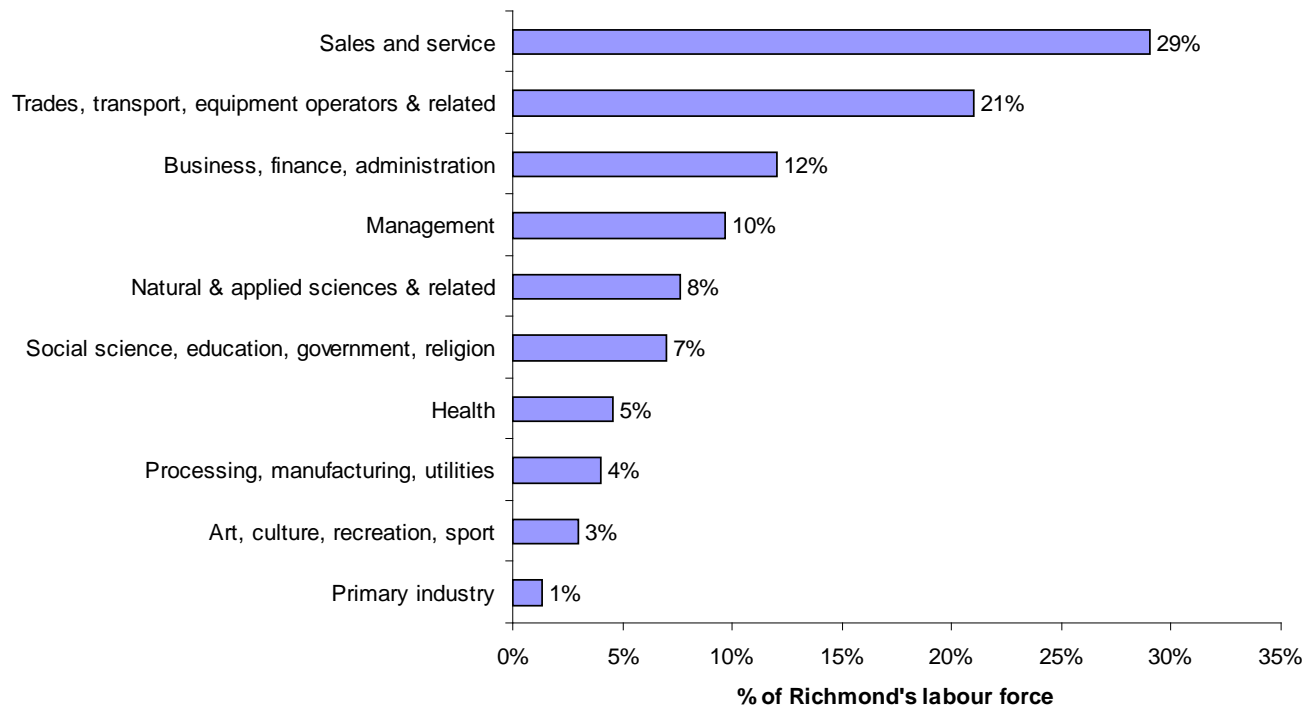
## Highest level of education attainment for the population aged 25 to 64



Source: Statistics Canada 2006 Census of Population

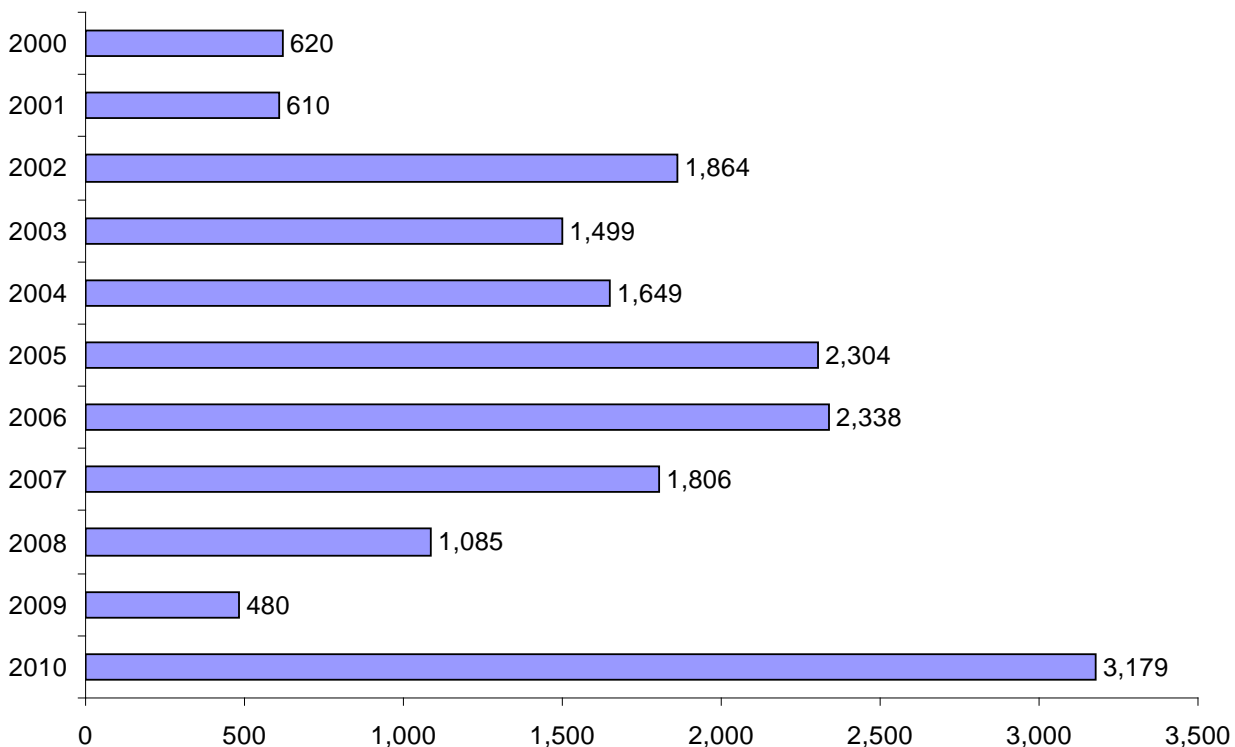


## Occupations of Richmond residents



Source: Statistics Canada 2006 Census of Population

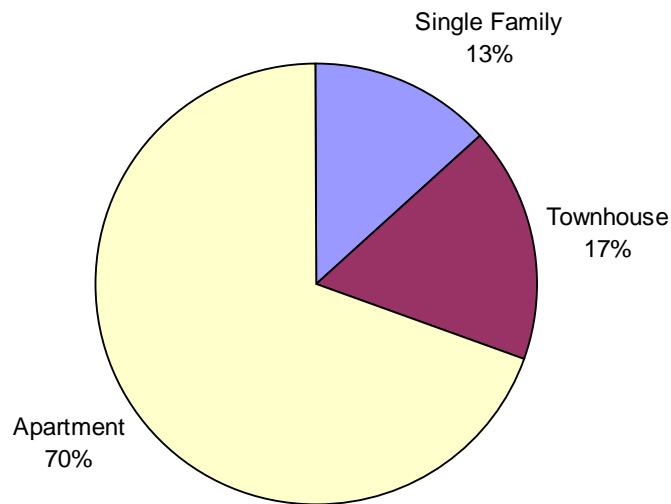
## Housing starts in Richmond 2000–2010



Source: City of Richmond building permit data

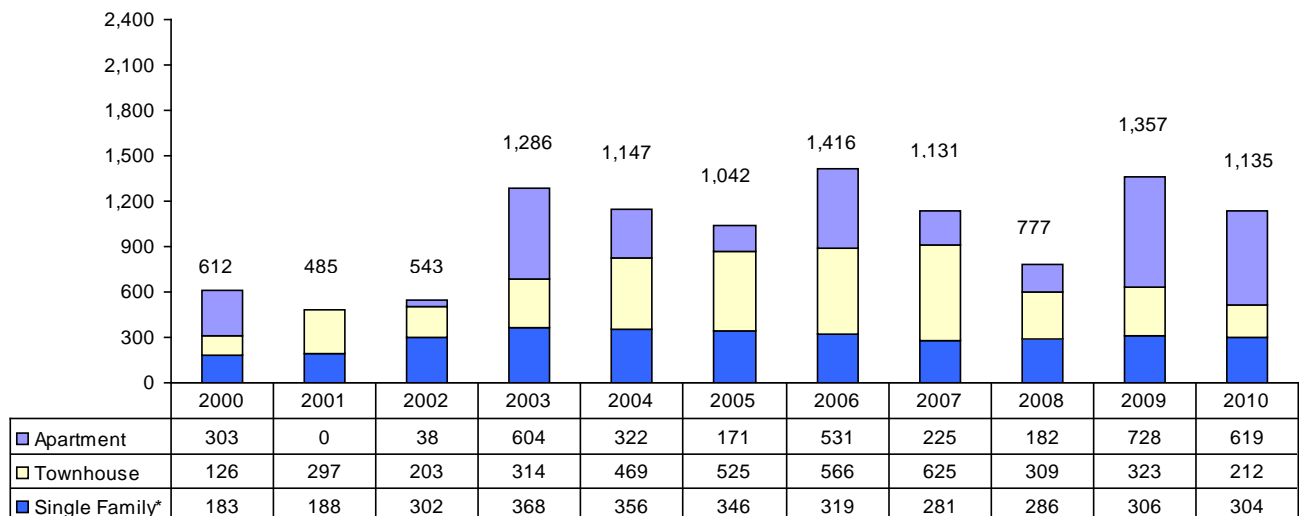


## Richmond housing starts by type of units 2010



Source: City of Richmond building permit data

## New dwelling units constructed 2000–2010

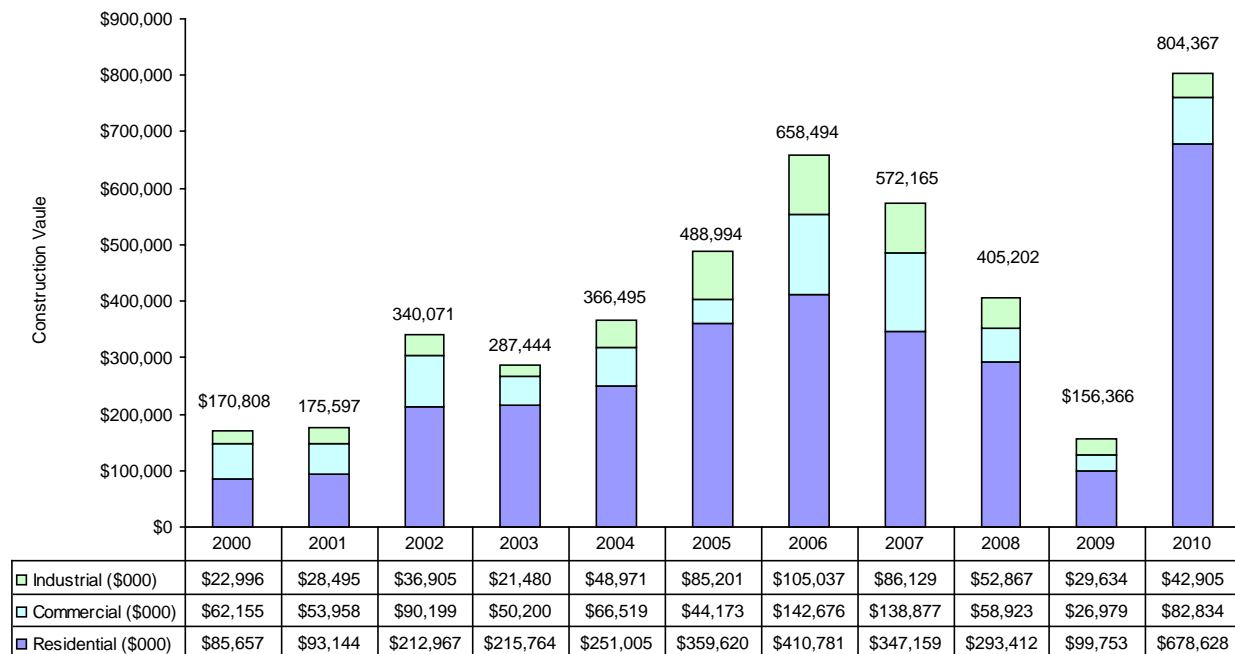


\*Includes One Family & Two Family Dwellings

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

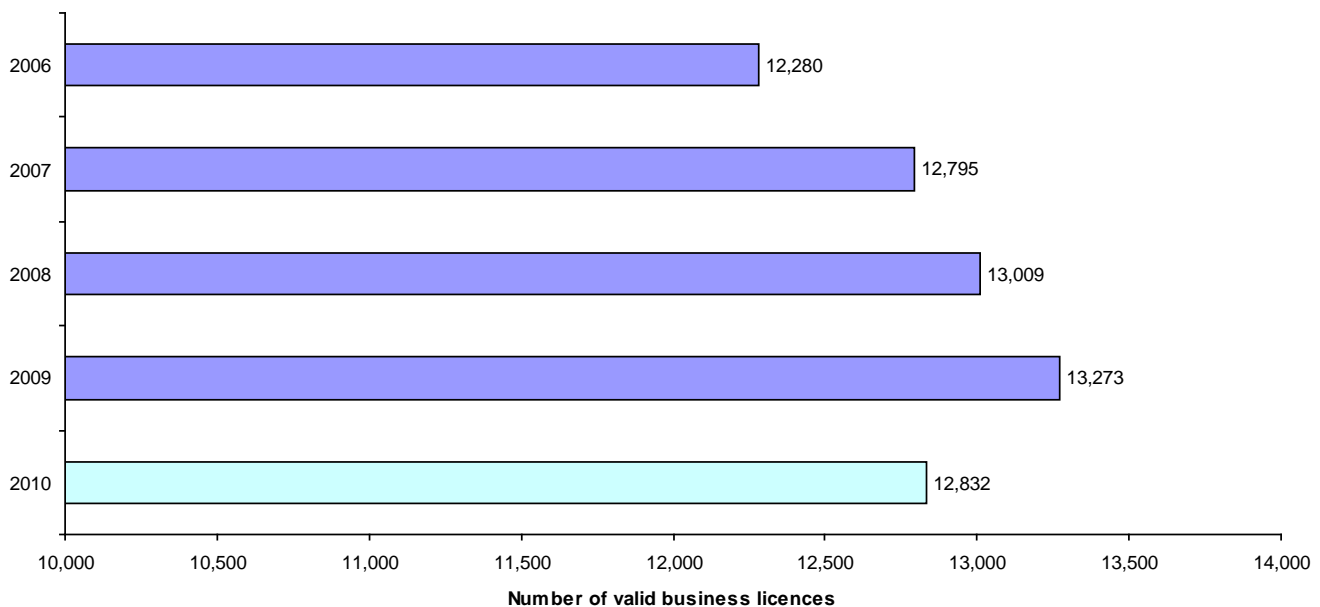


## Construction value of building permits issued 2000–2010 (in \$000s)



Source: Permits and Licence System, custom report

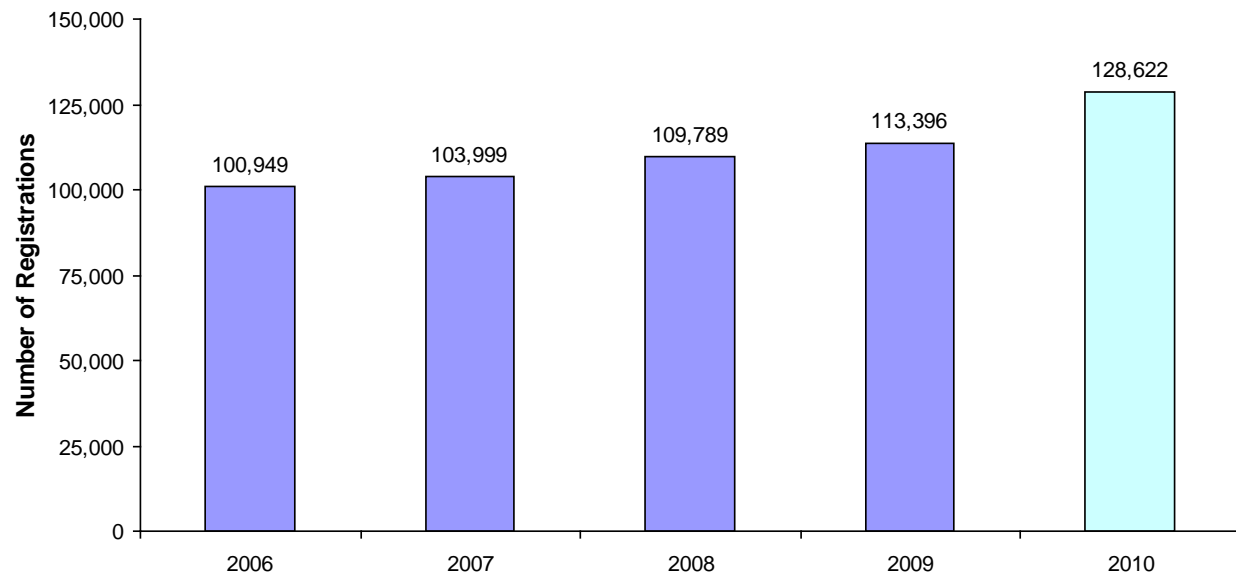
## Richmond business licences 2006–2010



Source: City of Richmond Business Licence System

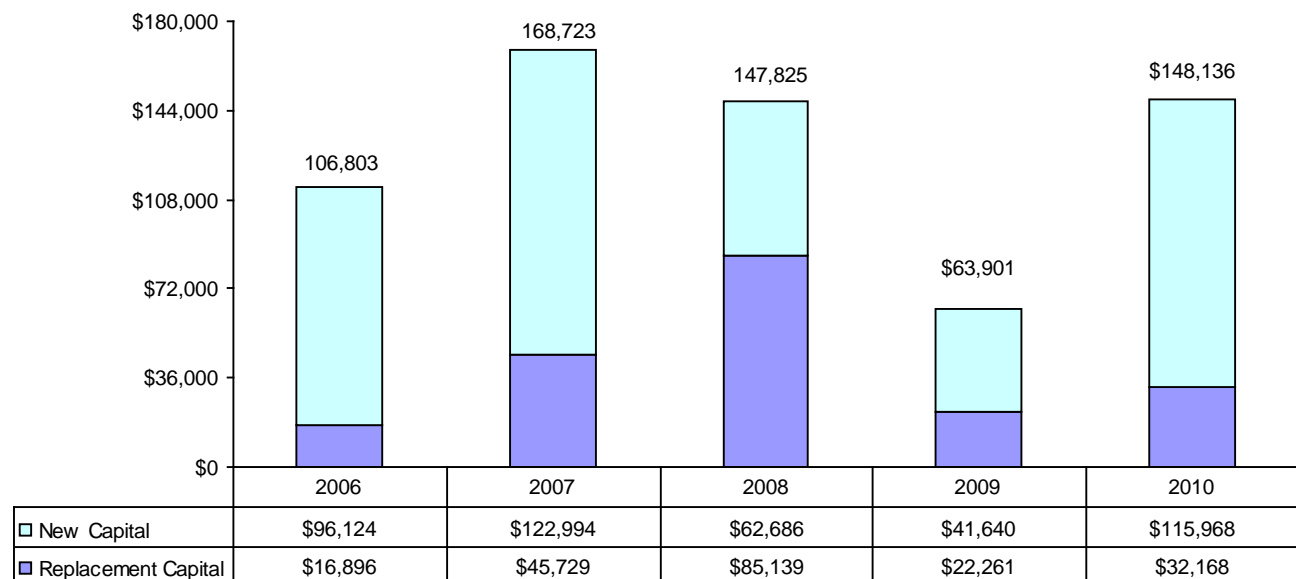


## Registration in Richmond Recreation and Cultural Services programs 2006–2010



Source: City of Richmond Parks, Recreation and Cultural Services Registration System

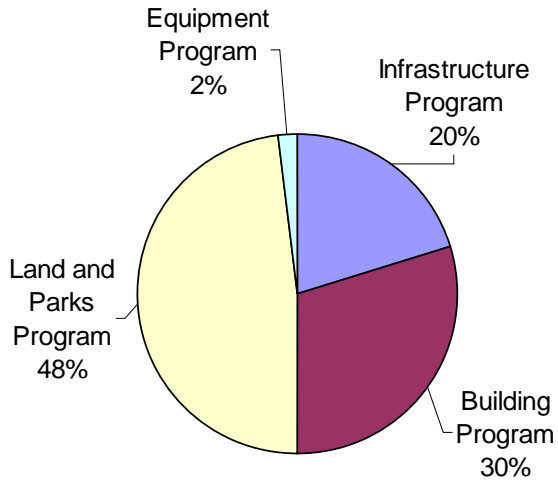
## City of Richmond budgeted capital construction costs 2006–2010 (in \$000s)



Source: City of Richmond Business and Financial Services Department

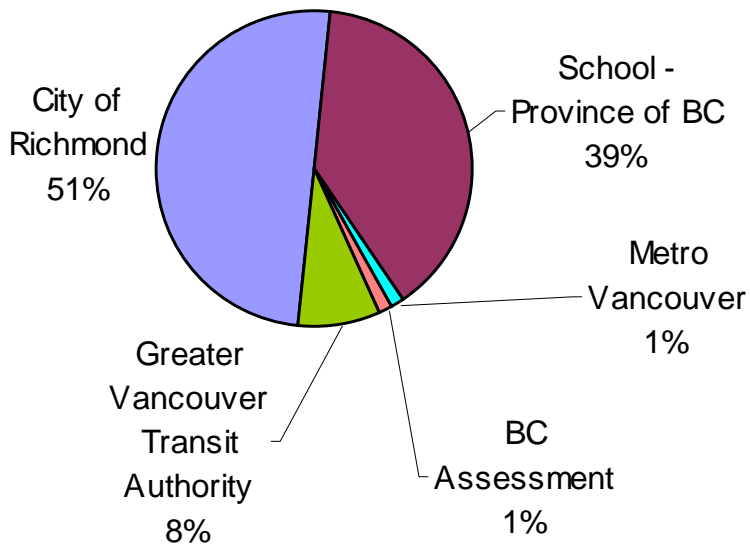


## Capital program by type 2010



Source: City of Richmond Business and Financial Services Department

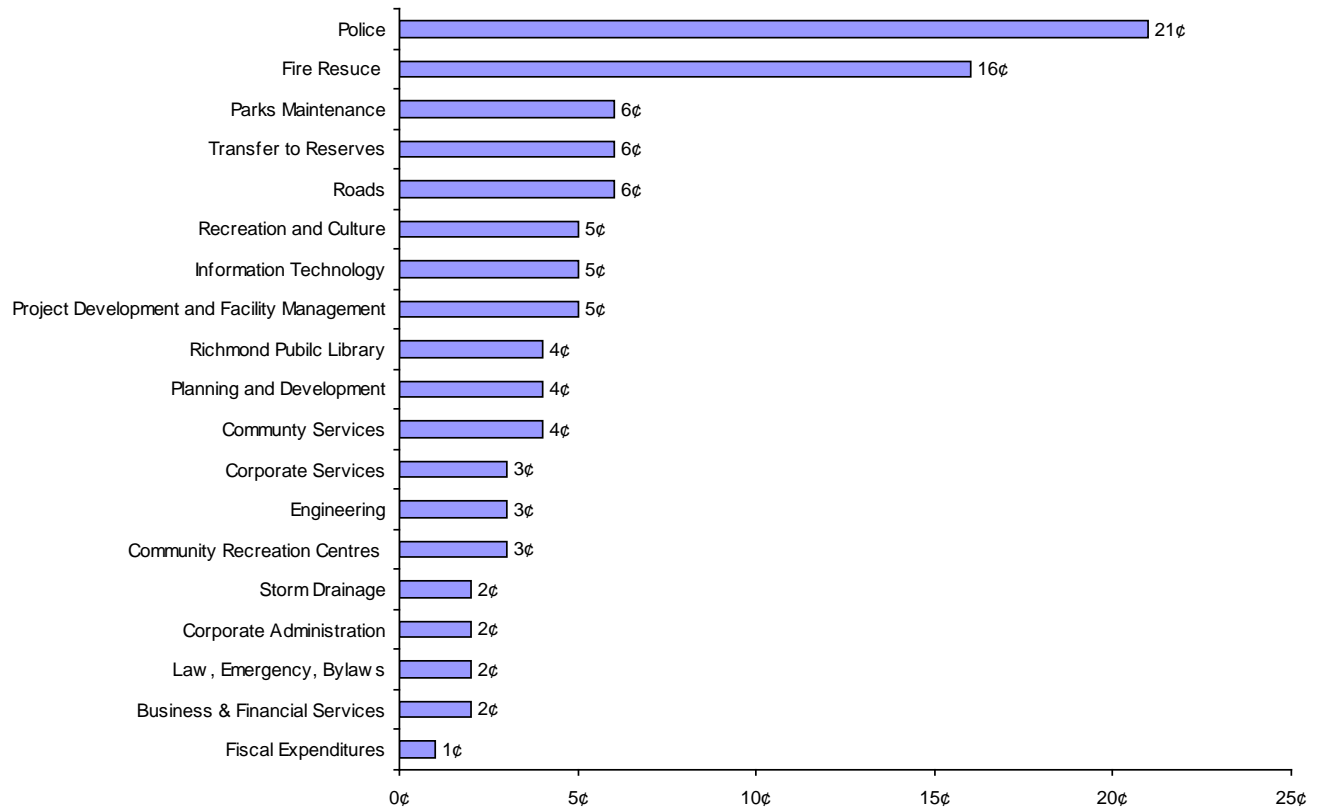
## Breakdown of residential tax bill 2010



Source: City of Richmond Business and Financial Services Department



## Breakdown of \$1 of municipal tax 2010



Source: City of Richmond Business and Financial Services Department



## 2010 tax rates

	City of Richmond	School – Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	2.41731	1.84490	0.06470	0.06640	0.00020	0.38020
Business	8.36391	6.80000	0.15851	0.19870	0.00050	1.68080
Light Industrial	9.42752	3.40000	0.21998	0.19870	0.00070	1.99370
Seasonal / Recreational	1.64377	3.50000	0.06470	0.06640	0.00020	0.31150
Major Industrial	10.15272	3.40000	0.21998	0.50510	0.00070	2.29260
Farm	11.09547	6.80000	0.06470	0.06640	0.00020	0.35210
Utilities	34.61594	14.40000	0.22645	0.50510	0.00070	2.68080

Source: City of Richmond Business and Financial Services Department

## 2010 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of Assessment by Class	Taxation	% of Taxation by Class
Residential	\$32,706,544	78.28%	\$79,062	50.53%
Business	7,441,015	17.81%	62,236	39.77%
Light Industrial	1,371,608	3.28%	12,931	8.27%
Major Industrial	108,471	0.26%	1,101	0.70%
Seasonal / Recreational	107,044	0.26%	176	0.11%
Farm	26,801	0.06%	297	0.19%
Utilities	19,543	0.05%	676	0.43%
<b>Total</b>	<b>\$41,781,026</b>	<b>100.00%</b>	<b>\$156,479</b>	<b>100.00%</b>

Source: City of Richmond Business and Financial Services Department

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

	2006	2007	2008	2009	2010
City of Richmond	\$123,389	\$131,292	\$141,531	\$148,563	\$156,071
School Board	109,135	112,484	117,124	115,122	118,391
Metro Vancouver	2,905	3,177	3,302	3,329	3,632
BC Assessment	3,316	3,474	3,655	3,791	4,013
TransLink	25,954	27,320	25,725	27,209	28,058
Other	7	9	8	11	11
<b>Total Taxes</b>	<b>264,706</b>	<b>\$277,757</b>	<b>\$291,344</b>	<b>\$298,025</b>	<b>\$310,376</b>

Source: City of Richmond Business and Financial Services Department



## Long term debt repayments relative to expenditures 2006–2010 (in \$000s)

<b>General Revenue Fund</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Long Term Debt Repayments	\$9,466	\$4,735	\$4,735	8,235	\$3,554
General Expenditures	\$197,913	\$171,586	\$186,923	\$191,976	\$249,446
Repayments as % of Expenditures	4.8%	2.8%	2.5%	4.3%	1.4%

### **Waterworks Revenue Fund**

Long Term Debt Repayments	\$-	\$-	\$-	\$-	\$-
Water Expenditures	\$20,369	\$21,498	\$24,874	\$26,835	\$31,064
Repayments as % of Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

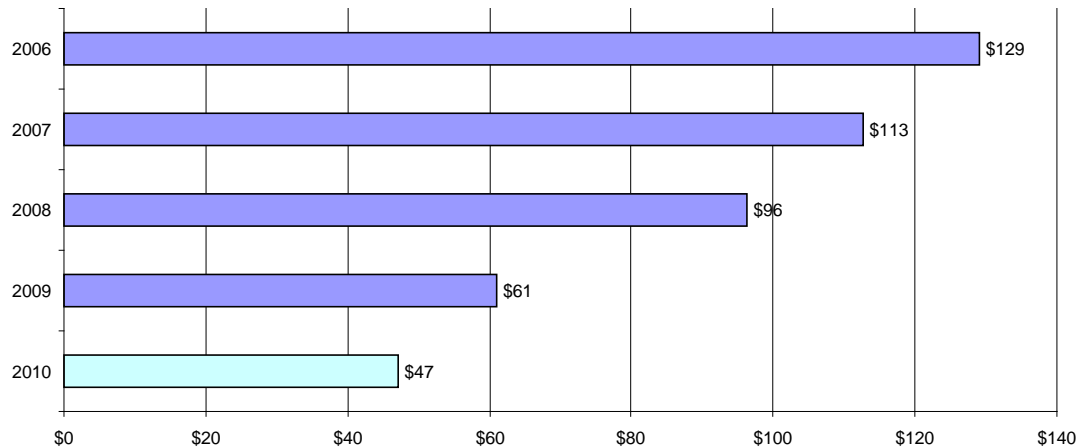
### **Sewerworks Revenue Fund**

Long Term Debt Repayments	\$330	\$115	\$115	\$115	\$115
Sewer Expenditures	\$19,151	\$17,490	\$20,880	\$23,269	\$23,291
Repayments as % of Expenditures	1.7%	0.7%	0.6%	0.5%	0.5%

Note: Expenditures do not include capital and infrastructure investments.

Source: City of Richmond Business and Financial Services Department

## City of Richmond debt per capita 2006–2010



Source: City of Richmond Business and Financial Services Department



## Revenue by source 2006–2010 (in \$000s)

	2006	2007	2008	2009	2010
Taxation and levies	\$127,257	\$135,393	\$139,475	\$148,503	\$156,071
User fees	45,826	50,736	57,027	63,150	68,365
Sales of services	28,398	29,649	31,714	33,528	37,403
Licences and permits	8,562	8,413	7,833	5,844	7,328
Investment Income	15,606	19,396	25,011	22,147	16,864
Grants including casino revenue	27,642	29,177	29,482	31,272	32,119
Development cost charges	14,708	34,403	9,506	22,932	17,804
Other capital funding sources	17,578	27,586	45,036	26,878	32,414
Other	14,757	141,579	15,995	14,673	10,335
<b>Total</b>	<b>\$300,334</b>	<b>\$476,332</b>	<b>\$361,079</b>	<b>\$368,927</b>	<b>\$378,703</b>

Source: City of Richmond Business and Financial Services Department

## Expenses by object 2009–2010 (in \$000s)

	2009	2010
Wages, salaries and benefits	\$115,980	121,244
PW Maintenance	10,697	16,346
Contract services	46,994	46,582
Supplies, materials	63,550	78,972
Interest and finance	7,182	6,002
Transfer from (to) capital for tangible capital assets	7,476	(11,518)
Amortization of tangible capital assets	43,823	47,725
Loss/(gain) on disposal of tangible capital assets	939	(3,897)
<b>Total</b>	<b>\$296,641</b>	<b>301,456</b>

Source: City of Richmond Business and Financial Services Department



## Expenses by function 2009–2010 (in \$000s)

	<b>2009</b>	<b>2010</b>
Community safety	68,294	70,838
Engineering & public works	56,451	56,365
Parks, recreation and cultural services	41,474	43,647
General government	42,971	35,130
Utilities	62,795	69,214
Planning and Development	9,898	11,427
Library Services	7,751	8,221
Richmond Olympic Oval	7,007	6,614
<b>Total Expenditures</b>	<b>\$296,641</b>	<b>\$301,456</b>

Source: City of Richmond Business and Financial Services Department

## Accumulated surplus 2009–2010 (in \$000s)

	<b>2009</b>	<b>2010</b>
Annual Surplus	72,286	77,247
Accumulated surplus, beginning of year	1,932,963	2,005,249
Accumulated surplus, end of year	\$2,005,249	\$2,082,496

Source: City of Richmond Business and Financial Services Department

## Changes in net financial assets 2009–2010 (in \$000s)

	<b>2009</b>	<b>2010</b>
Change in net financial assets	20,849	(32,872)

Source: City of Richmond Business and Financial Services Department



## Reserves 2006–2010 (in \$000s)

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Affordable housing	\$6,873	\$9,429	\$10,121	\$10,537	\$10,728
Capital building and infrastructure	13,159	16,206	18,519	22,655	26,238
Capital reserve	62,681	68,507	68,171	70,799	76,229
Child care development	145	431	541	854	1,789
Community legacy & land replacement	-	88,094	68,962	57,298	5,718
Drainage improvement	7,264	9,051	11,269	13,493	18,213
Equipment replacement	11,595	11,530	12,667	13,823	14,912
Leisure facilities	898	1,229	2,114	2,319	2,522
Local improvements	5,090	4,834	5,433	5,750	6,117
Neighbourhood improvement	5,274	5,169	5,939	6,276	5,649
Public art program	388	459	1,088	1,105	1,278
Sanitary sewer	16,430	18,677	21,647	24,332	27,661
Steveston off-street parking	169	187	248	256	266
Steveston road ends	419	296	293	204	2,930
Waterfront improvement	2,385	2,276	3,051	1,344	496
Watermain replacement	34,113	39,070	43,276	42,619	46,377
<b>Total Reserves</b>	<b>\$166,883</b>	<b>\$275,445</b>	<b>\$273,339</b>	<b>\$273,664</b>	<b>\$247,123</b>

Source: City of Richmond Business and Financial Services Department



# City of Richmond contact information

## Mailing Address

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

## Information Centre

Phone: 604-276-4000  
Fax: 604-276-4029  
Email: [infocentre@richmond.ca](mailto:infocentre@richmond.ca)

## Telecommunication Device for the Deaf (TDD)

Phone: 604-276-4311

## Mayor and Councillors

Mayor: 604-276-4123  
Councillors: 604-276-4134  
Email: [MayorandCouncillors@richmond.ca](mailto:MayorandCouncillors@richmond.ca)

## Website

[www.richmond.ca](http://www.richmond.ca)

## The following is a list of main numbers for City Departments and Services.

### Community Bylaws

Dog Licences: 604-247-4633  
Animal Control: 604-247-4630  
(For emergencies, call Richmond Animal Protection Society at 604-275-2036 on Monday to Friday between 10:00 a.m. to 6:00 p.m., or Saturday and Sunday, between 9:00 a.m. and 5:00 p.m. After hours call Community Bylaws animal control at 604-340-4650).

Bylaw and Parking Ticket Enquiries: 604-276-4284  
Automated Parking and Bylaw Enquiries: 604-276-4345

### Fire (Richmond Fire-Rescue)

Administration (non-emergency calls only): 604-278-5131  
911 (emergency calls only)

## Police (Richmond RCMP)

Administration (non-emergency calls only): 604-278-1212  
911 (emergency calls only)

## Garbage and Recycling

Information Line: 604-276-4010

## Human Resources

Reception: 604-276-4105

## Library

Hours: 604-231-6401  
Website: [www.yourlibrary.ca](http://www.yourlibrary.ca)

## Parks Department

Reception: 604-244-1208

## Permit Centre

Business Licences: 604-276-4328  
Building Permits: 604-276-4285  
Inspection Enquiries: 604-276-4118  
Inspection Request Line: 604-276-4111

## Public Works

Public Works Service Centre: 604-244-1262  
24 Hour Emergency Calls: 604-270-8721

## Recreation and Cultural Services

Information and Registration Line: 604-276-4300

## Taxes - Property and Utility

General Enquiries: 604-276-4145

## Transportation and Traffic

Parking Tickets: 604-276-4345  
Transportation and Traffic Enquiries: 604-276-4388  
Traffic Signals: 604-247-4616

## Zoning Information

Zoning and Signs: 604-276-4017





## City of Richmond

6911 No. 3 Road, Richmond, BC V6Y 2C1  
Telephone 604-276-4000  
[www.richmond.ca](http://www.richmond.ca)





# CITY OF RICHMOND 2010 Annual Report Highlights

For the year ended December 31, 2010



# Contents

Government Finance Officers Association Award.....	2
Richmond City Council.....	3
Message from Mayor .....	5
Message from Chief Administrative Officer .....	7
2010 highlights.....	8
2010 Olympic Winter Games .....	10
Richmond O Zone .....	12
2010 awards and recognitions .....	14
Report from the General Manager, Business and Financial Services.....	15
City of Richmond financial information .....	16
Statistical section .....	18
City of Richmond services .....	19
Contact information .....	20

***This report features highlights from Richmond's 2010 Annual Report. For the detailed 2010 Annual Report that meets legislated requirements, please visit [www.richmond.ca](http://www.richmond.ca) (City Hall > Finance, Taxes & Budgets > Budgets & Financial Reporting > Annual Reports).***

***The 2010 Annual Report Highlights are distributed by mail upon request. It is also available for the general public in hardcopy at Richmond City Hall or electronically on the City of Richmond's web site.***



# **Award for Outstanding Achievement in Popular Annual Financial Reporting**

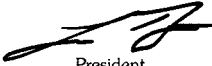
**PRESENTED TO**

**City of Richmond  
British Columbia**

**for the Fiscal Year Ended**

**December 31, 2009**



  
President  
  
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Richmond for its Popular Annual Financial Report for the fiscal year ended December 31, 2009. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local 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 GFOA.

**FIN-83**



# Richmond City Council



## Front row, left to right:

Councillor Evelina Halsey-Brandt, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Sue Halsey-Brandt, Councillor Derek Dang

## Back row, left to right:

Captain Dave Cullen, Richmond Fire-Rescue (retired), Councillor Harold Steves, Councillor Greg Halsey-Brandt, Councillor Linda Barnes, Councillor Ken Johnston, Corporal J. J. Stephan Peters, Richmond RCMP





**FIN-85**



# Message from the Mayor



This past year was truly a milestone for the City of Richmond. In February, the City welcomed tens of thousands of visitors from around the world for the 2010 Olympic Winter Games and was internationally recognized for the extraordinary success of its Games-times programs. In December, Richmond marked the 20th anniversary of its transition from a Township to a City.

These two bookends to 2010 highlight the continuing evolution of Richmond into a dynamic and cosmopolitan international centre. However, much of the City's agenda for 2010 was also characterized by the things that have made Richmond unique since its original incorporation as a township in 1879: outstanding natural beauty, a robust economy, enviable quality of life, cultural diversity and a citizenry committed to making their community even better.

To ensure Richmond remains an outstanding community, Council approved a number of new sustainability framework documents in 2010, including a Corporate Sustainability Policy, Strategic Energy Program and Strategic Climate Change Program, which included aggressive targets for reducing our greenhouse gas emissions. A key step along that path was approval of the first City-owned district energy utility in the West Cambie area of Richmond.


The City also invested heavily in expanding and renewing our civic infrastructure. A major new expansion of the Hamilton Community Centre was launched, along with construction of a new Steveston Fire Hall. Millions of dollars were invested in various park, recreation, transportation, water, sewer, drainage and flood protection projects.

But Richmond's greatest strength is its people. Indeed, a comprehensive study released late in 2010 showed that Richmond residents feel a strong connection to their city. This connection is seen in the growing number of people, especially youth and employees of Richmond companies, who volunteer daily. An example of this was our community's incredible commitment to supporting the Games. More than 2,000 volunteers contributed over 30,000 hours of volunteer service in support of the City's Games-related programs.

I'd like to take this opportunity to thank all of the volunteers, along with my fellow members of Council, all of our staff and many community partners who work together to help Richmond reach its vision.

As we look forward to 2011, our City is on the cusp of passing 200,000 in population as strong growth is expected over the next two decades. Richmond is well-positioned to achieve our goals. Our sound financial standing ensures that we are able to maintain and enhance civic services. We believe the future for Richmond will be every bit as exciting as 2010 was for our community.

I hope you enjoy reading these Annual Report Highlights. I invite you to contact me at any time to talk about our City, our vision, our values and the services we provide.



Malcolm Brodie  
Mayor, City of Richmond

**FIN-86**

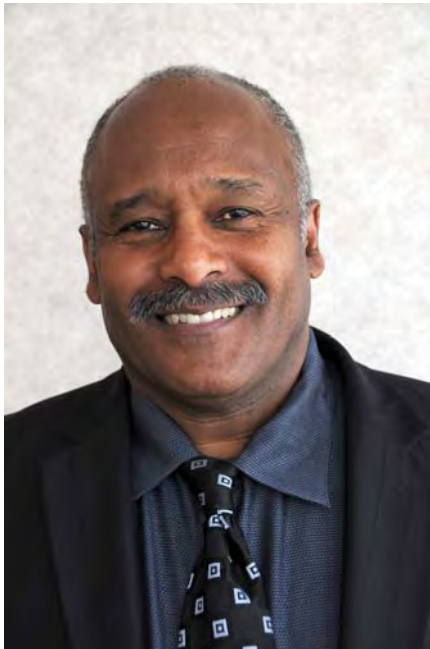




**FIN-87**



# Message from the Chief Administrative Officer



As Chief Administrative Officer for the City of Richmond, I am pleased to present our 2010 Annual Report Highlights. Our incredible achievements during 2010 reinforced our ongoing commitments to our corporate vision, our determination to create a culture of continuous improvement and our ongoing pursuit of excellence in everything we do.

2010 was an extraordinary year for Richmond. We shared responsibility for hosting the 2010 Olympic Winter Games and received international acclaim for the role we played in making these Games among the most successful ever. Our residents, volunteers and employees all shared immense pride in being part of this once in a lifetime experience, welcoming the world to Richmond and shining in the international spotlight.

While the Olympics represented 17 days in February, it was the culmination of six years of tireless planning and effort that began in the summer of 2004, when we first bid for the rights to build the Richmond Olympic Oval. More importantly, it produced legacies that will benefit our community for generations to come. I am immensely proud of our team and its achievements over these demanding, but rewarding times.

However, our challenge was not only to help host the Olympics, but also to ensure the regular operations of the City continued uninterrupted at the levels expected by our citizens. It was gratifying to note that we not only met these expectations but continued to improve and expand our services to the community throughout this period.

The Games marked the beginning of a new era for Richmond and appropriately we took this time to revisit our Corporate Plan and to develop new strategic focus areas that together with the Term Goals and Objectives determined by our Council, will help guide our way forward in the coming years.

Our new strategic focus areas are: organizational transformation, serving the customer, our people, financial management, placemaking, sustainability, Olympic legacies and community safety.

The financial statements included in this report highlight our strong financial position. 2010 also saw the beginning of a rebound in our economy with record-setting local building activity. Combined with Richmond's sound financial standing, this allowed us to again minimize property tax increases and maintain service levels, while continuing to invest in the rejuvenation and expansion of our civic services and infrastructure.

Our continued success begins at the top with the leadership and direction provided by our Council, through the hard work, dedication and inspiration of our staff to the invaluable assistance of our many community partners and stakeholders. My thanks to all of them for helping keep Richmond at the forefront of innovative and outstanding municipal governance and service delivery.



George Duncan  
Chief Administrative Officer

**FIN-88**



# 2010 highlights



2010 was a year of renewal and expansion in the City of Richmond. Throughout the year more than 1,500 building permits with a construction value of over \$811 million were issued, a five-fold increase from 2009 and more than \$100 million above the previous all-time record.

The City helped lead the way with a number of major infrastructure projects of its own, with work getting underway on a new \$5 million expansion for the Hamilton Community Centre, a new Steveston Fire Hall, the \$8.5 million Middle Arm



Greenway project, a new youth park at Thompson Community Centre, new all-weather lawn bowling greens in Minoru Park and improvements to South Arm Community Centre and South Arm Park. Construction of a new Highway 91 Interchange at Nelson Road was also launched to improve transportation access to the Fraser Port lands in southeast Richmond.

Another major City initiative was the substantial completion of the post-Games retrofit of the Richmond Olympic Oval. Throughout the year,



the ice, track and court zones on the main activity level were completed, along with the 23,000-square foot Fitness Centre. Several National Sports Organizations established centres of excellence at the Oval – Volleyball Canada, Canadian Table Tennis Federation and Hockey Canada. The Oval hosted a number of national and international level sports competitions, including the World Wheelchair Rugby Championships.

Key Council initiatives during the year included the purchase of the Garden City lands, ensuring





this important area on the eastern boundaries of Richmond City Centre will remain a community asset. Council also adopted measures to ban the sales of puppies in local pet stores, a national first.

The City also addressed social needs by securing commitments for 150 new affordable housing units, funding for a new 33-space child care facility in Hamilton and commitments to build several other new childcare facilities, including a new 69-space facility in the West Cambie area.



Richmond's flourishing arts and culture scene was invigorated by a number of new City initiatives including the launch of the Minoru Chapel Opera series and a new Academy-style dance training program at Richmond Arts Centre.

While providing for today's needs, the City also kept a firm eye on the future. Substantial research and community dialogue was completed on the Official Community Plan Update, and work began on a long-awaited 10-Year Social Planning Strategy.



To ensure Richmond is a sustainable community, Council approved a Corporate Sustainability Policy, Strategic Energy Program and Strategic Climate Change Program, which included aggressive targets for reducing our greenhouse gas emissions. To help achieve those targets, Council also approved the first City-owned district energy utility to be developed in the West Cambie area of Richmond.





## 2010 Winter Olympics

As home of the Richmond Olympic Oval, Richmond was proud to be an official Venue City for the 2010 Winter Games. From the announcement of Clara Hughes as Team Canada's flag bearer, through the 2010 Torch Relay, to a friendly invasion of Dutch speed skating fans, Richmond was one of the busiest and most popular Olympic venue sites. The highlight of it all was 12 days of competition at the Richmond Olympic Oval and five medals for Canada.



FIN-91







FIN-92





## Richmond O Zone

Half a million people visited Richmond's official 2010 Olympic Winter Games celebration site. Visitors enjoyed a wide variety of activities from street hockey on BC Street, to skating at the Ice Zone, to great live entertainment on the Main Stage or in Holland Heineken House. There were also spectacles such as the Ice Gate, a 150-foot dragon for Chinese new year and the Olympic rings made from 13 million cranberries.



FIN-93







FIN-94





# 2010 awards and recognitions



The City of Richmond's commitment to excellence is illustrated by the large number of provincial, national and international awards it has received. In 2010, Richmond continued to be recognized as a leader in local government service delivery and management. Among other honours, the City received:

- A Literacy Award for Excellence from the Canadian Association of Municipal Administrators for creation of a continuous learning organization.
- A Community Excellence Award in the "Partnerships – Tourism" category from the Union of BC Municipalities for the City and Tourism Richmond's innovative marketing of the 2010 Olympic Winter Games.
- The Sport Tourism Community Legacy Award at the BC Tourism Industry Awards for establishment of our Sport Hosting Program.
- The Canadian Association of Chiefs of Police/ Motorola Award for Excellence in Emergency Preparedness for our work in planning Exercise Gold.
- Two Canadian Public Works Association Awards for our 2010 National Public Works Week campaign, including the City's popular public open house at the Works Yard.
- The Project of the Year Award from BC Public Works Association for the sustainability features incorporated into the Cambie drainage pump station.
- A 2010 Provincial Award for the innovative children's play area at Garden City Park from the BC Recreation and Parks Association.
- The Corporate Community Service Award from the BC Society of Landscape Architects. This was in recognition of our ongoing commitment to excellence in landscape design.
- For the eighth straight year, Richmond received the Canadian award for financial reporting from the Government Financial Officer's Association. The City also received an award for Popular Annual Financial Reporting in the same competition.
- A Leadership Excellence Award in BC Hydro's 2010 PowerSmart Awards for Richmond's ongoing commitment to reducing energy consumption.

**FIN-95**



# Report from the General Manager, Business and Financial Services



The consolidated financial statements for the year ended December 31, 2010, which reflect the operating results of the City of Richmond, Richmond Public Library and the Richmond Olympic Oval Corporation, are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. In addition, management are responsible for the internal controls to enable the preparation of the consolidated financial statements that are free from material misstatement.

The external auditors, KPMG LLP, conducted an independent examination in accordance with Canadian generally accepted auditing standards, and have expressed their opinion that the consolidated financial statements present fairly, in all material respects, the financial position of the City of Richmond as at December 31, 2010. KPMG LLP reported on the consolidated financial



statements as required by the Community Charter to the City's Finance Committee, which includes all members of Richmond City Council. The Finance Committee meets regularly in order to oversee management's responsibility for financial reporting and internal controls.

2010 was a remarkable year, commencing with Richmond welcoming the world as a Venue City for the 2010 Olympic Winter Games and ending with a record number of building permits issued. The City's investment attraction program of partnering foreign business executives with the local business community was carried out jointly with our business partners – Metro Vancouver Commerce, Tourism Richmond and the Richmond Chamber of Commerce.

In terms of the recent global recession, it appears that Richmond was one of the 'last in, first out' cities as evidenced by the construction industry

rebound with 1,547 building permits issued in 2010 with a construction value of over \$811 million. This far exceeds the \$163 million in 2009 and beats Richmond's previous record of \$658 million in 2006. Business retention and attraction initiatives continued as a priority with industrial vacancies dropping from 5.3 per cent in 2009 to 3.5 per cent in 2010, due to major logistics tenants moving to Richmond.

The City's net worth increased by \$77.2 million in 2010 to \$2.1 billion. Tangible capital assets increased by \$110.5 million as Richmond was one of the most active cities in the country in terms of real estate acquisitions, increasing the City-owned land base by over 190 acres in 2010. Cash and investments ended the year at \$521.4 million and statutory reserves at \$247.1 million. Consolidated operating revenues were \$378.7 million and consolidated operating expenses totalled \$301.5 million.

The outlook is promising as, together with our partners, we continue to enhance Richmond as a great place for investing, working, living, learning and playing while continuing to develop a world class city of the future. On behalf of the staff team, I would like to take this opportunity to say that it has been, and continues to be, a privilege and honour to serve Richmond City Council and the citizens of Richmond.

A handwritten signature in black ink, appearing to read 'Andrew Nazareth'.

Andrew Nazareth, B.Ec., C.G.A.

*General Manager, Business and Financial Services*

**FIN-96**



# City of Richmond financial information

## City of Richmond Consolidated Statement of Financial Position (expressed in thousands of dollars)

December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Financial assets<sup>1</sup></b>		
Cash and cash equivalents	\$ 19,058	\$ 7,744
Investments	502,375	526,303
Accrued interest receivable	3,418	4,381
Accounts receivable	29,651	27,289
Taxes receivable	7,708	7,156
Development fees receivable	21,189	4,940
Debt reserve fund - deposits	449	449
	583,848	578,262
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	73,963	67,676
Deposits and holdbacks	45,447	23,432
Deferred revenue	43,946	40,112
Development cost charges	42,211	33,208
Obligation under capital leases	1,168	1,315
Long-term debt, net of MFA sinking fund deposits	9,274	11,808
	216,009	177,551
Net financial assets <sup>2</sup>	367,839	400,711
<b>Non-financial assets<sup>3</sup></b>		
Tangible capital assets	1,711,178	1,600,691
Inventory of materials and supplies	1,745	2,253
Prepaid expenses	1,734	1,593
	1,714,657	1,604,538
Accumulated surplus <sup>4</sup>	\$ 2,082,496	\$ 2,005,249

1 Financial assets: cash resources.

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

3 Non-financial assets: the non-financial assets that are owned which 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 Operations<sup>1</sup> (expressed in thousands of dollars)

Year ended December 31, 2010, with comparative figures for 2009

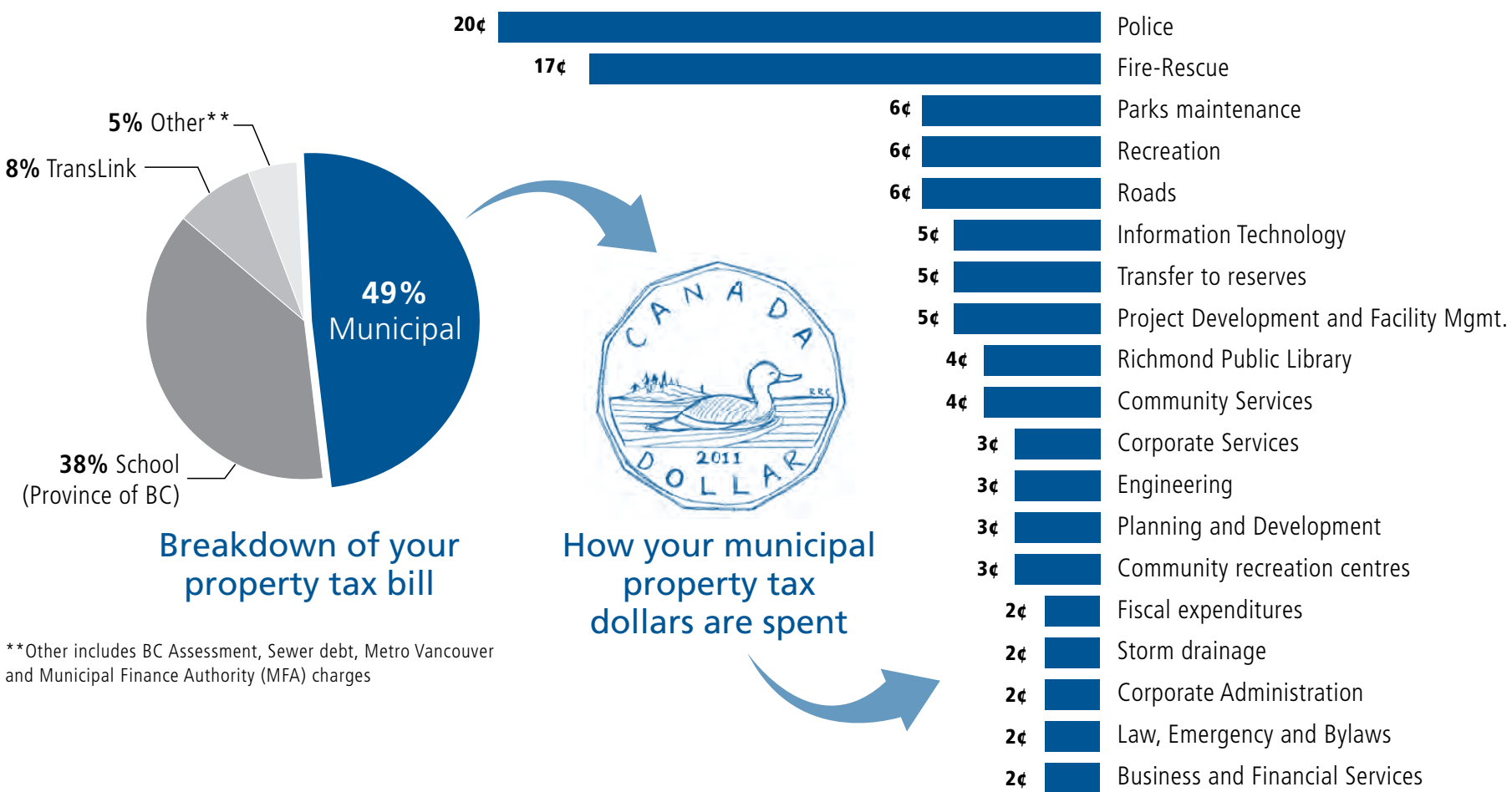
	Budget 2010	Actual 2010	Actual 2009 (restated)
<b>Revenues:</b>			
Taxation and levies	\$ 154,777	\$ 156,071	\$ 148,503
User fees	67,560	68,365	63,150
Sales of services	31,148	37,403	33,528
Development cost charges	13,646	17,804	22,932
Provincial and federal grants	4,332	6,353	6,397
Other capital funding sources	13,349	32,414	26,878
Payments-in-lieu of taxes	11,277	13,203	13,018
Other revenues:			
Gaming revenue	11,080	12,563	11,857
Investment income	11,822	16,864	22,147
Licenses and permits	5,224	7,328	5,844
Other	11,502	10,335	14,673
	335,717	378,703	368,927
<b>Expenses:</b>			
Community safety	75,240	70,838	68,294
Engineering and public works	60,013	56,365	56,451
Parks, recreation and cultural services	45,293	43,647	41,474
General government	43,622	35,130	39,295
Utilities:			
Sanitation and recycling services	8,635	9,163	7,896
Water supply and distribution	31,064	30,277	29,087
Sewerage collection and disposal	23,291	23,772	22,315
Planning and development	10,147	11,427	9,898
Library services	7,386	8,221	7,742
Interest and finance charges	6,496	6,002	7,182
Richmond Olympic Oval	6,213	6,614	7,007
	317,400	301,456	296,641
Annual Surplus	18,317	77,247	72,286
Accumulated surplus, beginning of year	2,005,249	2,005,249	1,932,963
Accumulated surplus, end of year	\$ 2,023,566	\$ 2,082,496	\$ 2,005,249

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

**FIN-98**



# Breakdown of property tax bill





# City of Richmond services



The City of Richmond is responsible for providing essential services and infrastructure that support an appealing, livable, world-class city. Each day, City staff endeavour to provide efficient and effective municipal services within an accountable and sustainable fiscal framework. To find out more about our City Services visit [www.richmond.ca](http://www.richmond.ca).

City services are organized into eight departments and the Chief Administrator's Office, as well as through three separate City services.

## **Office of the Chief Administrative Officer**

Corporate Programs and Planning Management Group, Intergovernmental Relations and Protocol, Corporate Communications.

## **Business and Financial Services Department**

Finance, Business Licences, Business Advisory Services, Real Estate Services.



## **Community Services Department**

Enterprise Services (including Richmond Film Office, Economic Development, Sport Hosting, Major Events, Business Liaison, Sustainability Services), Social Services (including Social Planning, Affordable Housing, Youth Services and Diversity Services), Arts, Cultural and Heritage Services (including Richmond Art Gallery, Richmond Museum, Richmond Arts Centre, Britannia Heritage Shipyard, London Farm House, Steveston Museum and Public Art Program).

## **Corporate Services Department**

Human Resources, Information Technology, Customer Service, City Clerk's Office (including City of Richmond Archives).

## **Engineering and Public Works**

Engineering Planning, Engineering Design and Construction, Water Services, Roads and Construction, Fleet Operations, Environmental Programs, Sewerage and Drainage.



## **Law and Community Safety**

Richmond Fire-Rescue, Richmond RCMP, Community Bylaws, Emergency Programs, Law.

## **Parks and Recreation Department**

Parks Planning and Design, Parks Operations, Parks Programs, Sports and Community Events, Community Recreation (including community centres), Aquatics, Arenas and Fitness, Programs and Projects.

## **Planning and Development Department**

Policy Planning, Development Applications, Building Approvals, Transportation.

## **Project Development and Facility Services Department**

Project Development, Facility Operations and Maintenance.

## **Other City of Richmond services**

Richmond Public Library, Gateway Theatre, Richmond Olympic Oval.

FIN-100



# City of Richmond contact information

## Mailing Address

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

## Information Centre

Phone: 604-276-4000  
Fax: 604-276-4029  
Email: [infocentre@richmond.ca](mailto:infocentre@richmond.ca)

## Telecommunication Device for the Deaf (TDD)

Phone: 604-276-4311

## Mayor and Councillors

Mayor: 604-276-4123  
Councillors: 604-276-4134  
Email: [MayorandCouncillors@richmond.ca](mailto:MayorandCouncillors@richmond.ca)

## Website

[www.richmond.ca](http://www.richmond.ca)

The following is a list of main numbers for City Departments and Services.

## Community Bylaws

Dog Licences: 604-247-4633  
Animal Control: 604-247-4630  
(For emergencies, call Richmond Animal Protection Society at 604-275-2036 on Monday to Friday between 10:00 a.m. to 6:00 p.m., or Saturday and Sunday, between 9:00 a.m. and 5:00 p.m. After hours call Community Bylaws animal control at 604-340-4650).

Bylaw and Parking Ticket Enquiries: 604-276-4284

Automated Parking and Bylaw Enquiries:  
604-276-4345

## Fire (Richmond Fire-Rescue)

Administration (non-emergency calls only):  
604-278-5131

911 (emergency calls only)

## Police (Richmond RCMP)

Administration (non-emergency calls only):  
604-278-1212

911 (emergency calls only)

## Garbage and Recycling

Information Line: 604-276-4010

## Human Resources

Reception: 604-276-4105

## Library

Hours: 604-231-6401  
Website: [www.yourlibrary.ca](http://www.yourlibrary.ca)

## Parks Department

Reception: 604-244-1208

## Permit Centre

Business Licences: 604-276-4328  
Building Permits: 604-276-4285  
Inspection Enquiries: 604-276-4118  
Inspection Request Line: 604-276-4111

## Public Works

Public Works Service Centre: 604-244-1262  
24 Hour Emergency Calls: 604-270-8721

## Recreation and Cultural Services

Information and Registration Line: 604-276-4300

## Taxes - Property and Utility

General Enquiries: 604-276-4145

## Transportation and Traffic

Parking Tickets: 604-276-4345  
Transportation and Traffic Enquiries: 604-276-4388  
Traffic Signals: 604-247-4616

## Zoning Information

Zoning and Signs: 604-276-4017





## City of Richmond

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

Telephone: 604-276-4000

[www.richmond.ca](http://www.richmond.ca)

**FIN-102**

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





# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 18, 2011

**From:** George Duncan  
Chief Administrative Officer  
& President and CEO,  
Richmond Olympic Oval

**File:**

Andrew Nazareth  
General Manager, Business and Financial Services  
& Chief Financial Officer, Richmond Olympic Oval

**Re:** Richmond Olympic Oval Corporation-2010 Audited Financial Statements

### Staff Recommendation

That the report on the 2010 Audited Financial Statements for the Richmond Olympic Oval Corporation 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, Business and Financial Services  
& Chief Financial Officer, Richmond Olympic Oval

REVIEWED BY TAG

YES

NO

87 ☒

☐





**DATE:** May 25, 2011

**TO:** George Duncan  
Chief Executive Officer, Richmond Olympic Oval Corporation

Andrew Nazareth  
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills  
General Manager, Richmond Olympic Oval Corporation

**FROM:** Rick Dusanj, CA  
Controller, Richmond Olympic Oval Corporation

**Re:** Richmond Olympic Oval Corporation 2010 audited financial statements

---

**Origin**

Section 7.3 of the Operating Agreement between the City of Richmond (the "City") and the Richmond Olympic Oval Corporation (the "Corporation") requires reporting with respect to business plans, budgets, audited financial statements, and quarterly comparisons of actual results to budget along with projections to fiscal year end. This staff report deals with the 2010 audited financial statements of the Corporation.

**Analysis**

Please see the attachment for the audited financial statements of the Corporation for the year ended December 31, 2010. The Corporation's financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP).

During the period commencing December 1, 2009 through to March 31, 2010 Vanoc had exclusive use of the Oval for the Olympic and Paralympic Winter Games (the "Games"). In addition, after the Games, the legacy conversion construction project commenced. During these time periods, revenue earning operations ceased.

**Statement of Operations and Retained Earnings**

As previously reported to Council at the March 2011 Finance Committee meeting, the Corporation had a planned net loss for the 2010 fiscal year. The 2010 final audited financial statements show a net loss for the year of \$1,192k with revenues of \$5,422k and expenses of \$6,614k.



2010 Revenues mainly consisted of the following items:

- \$2,305k of revenue from the Games Operating Trust ("GOT"). The City applies for and receives funding from the GOT. This amount represents the 2009 annual distributable amount received in 2010;
- \$1,500k of revenue from a contribution from the City. In accordance with the operating agreement between the City and the Corporation, the City is to provide annual financial support to the Corporation of not less than \$1,500k to the Corporation in 2010, 2011 and 2012;
- \$1,437k of revenue from memberships, admissions and programs; and
- Other revenue of \$180k which includes mainly parking, space leasing, and sponsorship revenue.

2010 Expenses mainly consisted of the following items:

- Salaries and benefits of \$3,647k. There were 39 full-time and 155 part-time employees on the payroll as at December 31, 2010;
- Utilities costs of \$821k relating to the heat, light and power for the Oval;
- \$485k of amortization costs;
- \$399k of supply and equipment costs associated with supplies for operating the facilities, including general building maintenance costs;
- \$324k of costs for property and liability insurance;
- \$378k of administration costs related to accounting, information technology, office supplies, etc.;
- \$293k of costs related to marketing which included rebranding and design costs and sponsor services;
- \$102k of costs pertaining to running sport and fitness programs out of the Oval;
- \$137k of professional fees relating mainly to the preparation of the business plan and audit fees; and
- \$28k of recruiting and consulting fees for staff positions.

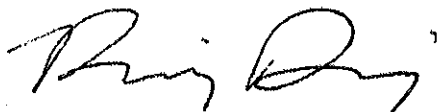


### Balance Sheet

- Cash and accounts receivable aggregating \$708k resulted mainly from GOT & City funding together with sponsorship fees and sales of admissions, memberships and programs.
- Prepaid expenses of \$331k mainly includes prepaid insurance, prepaid sponsorship commissions and other prepaid costs;
- Deferred lease costs of \$133k (short and long term) relate to costs directly associated with a space leasing contract and these costs are deferred and will be amortized over the term of the lease;
- Capital assets of \$824k which includes assets under capital lease, athletic equipment, computer software and equipment, uniforms, ice skates, helmets, etc.;
- Accounts Payable and accrued liabilities of \$721k includes general trade payables, payroll accruals, HST payable, and other accrued liabilities which includes the year end audit accrual;
- A total balance of \$438k (short term and long term) for obligations under capital leases;
- Deferred revenue of \$536k mainly includes fees received in 2010 pertaining to membership and program fees to be serviced in 2011, and sponsorship fees received;

### **Summary**

The 2010 results show a net loss of \$1,192k, however, the Corporation has performed to plan when looking at the overall 46 month period from the commencement of operations in March 2007 to December 2010. It was understood that the four month exclusive use period from December 1, 2009 to March 31, 2010 coupled with the subsequent legacy conversion construction project, would limit the ability of the Corporation to generate revenue in 2010. The Corporation had a retained earnings balance at the beginning of the 2010 of \$1,256k which has been mostly used up to offset the absence of revenue during these periods.



Rick Dusanj, CA  
Controller, Richmond Olympic Oval Corporation

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



Financial Statements of

**RICHMOND OLYMPIC OVAL  
CORPORATION**

(formerly 0827805 B.C. Ltd.)  
Year ended December 31, 2010





KPMG Enterprise™  
Metrotower II 2400 - 4720 Kingsway  
Burnaby BC V5H 4N2  
Canada

Telephone (604) 527-3600  
Fax (604) 527-3636  
Internet [www.kpmg.ca/enterprise](http://www.kpmg.ca/enterprise)

## INDEPENDENT AUDITORS' REPORT

To the Shareholder of Richmond Olympic Oval Corporation

We have audited the accompanying financial statements of Richmond Olympic Oval Corporation (formerly 0827805 B.C. Ltd.), which comprise the balance sheet as at December 31, 2010 and the statements of operations and retained earnings 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 Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these 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 an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Richmond Olympic Oval Corporation as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

April 27, 2011

Burnaby, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss corporation. KPMG Canada operates as a member firm of KPMG LLP.



# **RICHMOND OLYMPIC OVAL CORPORATION**

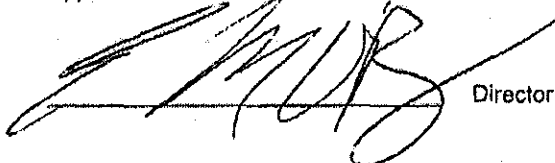
## **Balance Sheet**

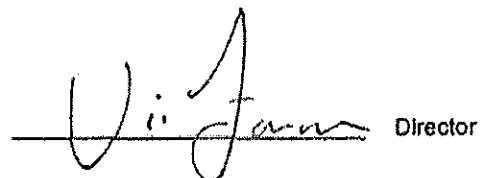
December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Assets</b>		
Current assets:		
Cash	\$ 390,901	\$ 1,021,195
Accounts receivable	317,468	88,918
Inventory	2,614	2,046
Prepaid expenses	330,513	430,565
Deferred lease costs (note 5)	13,871	-
	1,055,367	1,542,724
Deferred lease costs, long term portion (note 5)	119,448	-
Capital assets (note 6)	823,976	1,176,978
Other assets	700	700
	\$ 1,999,490	\$ 2,720,402
<b>Liabilities and Shareholder's Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 720,965	\$ 571,982
Obligations under capital leases (note 7)	231,891	242,199
Deferred revenue (note 8)	535,525	78,023
Due to the City of Richmond (note 9)	214,775	103,205
	1,703,156	995,409
Obligations under capital leases (note 7)	205,662	469,033
Rental deposit	26,761	-
	1,935,579	1,464,442
Shareholder's equity:		
Share capital (note 10)	1	1
Retained earnings	63,910	1,255,959
	63,911	1,255,960
Commitments (note 3)		
Economic dependence (note 13)		
	\$ 1,999,490	\$ 2,720,402

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Director

 Director



# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Statement of Operations and Retained Earnings**

For the year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
2010 Games Operating Trust Fund (note 4)	\$ 2,304,796	\$ 5,536,509
Contribution from City of Richmond (note 11)	1,500,000	1,050,000
Memberships, admissions and programs	1,437,025	1,498,041
Other	180,136	31,267
	5,421,957	8,115,817
Expenses:		
Salaries and benefits	3,646,871	3,354,065
Utilities	821,064	973,988
Amortization	485,324	402,292
Supplies and equipment	398,497	397,052
Insurance	324,342	303,621
General and administration	377,843	459,911
Marketing and sponsorship	293,260	376,199
Program services	101,588	264,762
Professional fees	136,820	230,233
Recruiting and consulting	28,397	72,627
Opening ceremonies and special events	-	172,584
	6,614,006	7,007,334
Net earnings (loss)	(1,192,049)	1,108,483
Retained earnings, beginning of year	1,255,959	147,476
Retained earnings, end of year	\$ 63,910	\$ 1,255,959

See accompanying notes to financial statements.



# RICHMOND OLYMPIC OVAL CORPORATION

## Statement of Cash Flows

For the year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operations:		
Net earnings (loss)	\$(1,192,049)	\$ 1,108,483
Amortization, an item not involving cash	485,324	402,292
Changes in non-cash operating working capital:		
Accounts receivable	(228,550)	(68,447)
Inventory	(568)	(2,046)
Prepaid expenses	100,052	(186,850)
Deferred lease costs	(13,871)	-
Accounts payable and accrued liabilities	148,983	61,155
Deferred revenue	457,502	(770,709)
Due to the City of Richmond	111,570	1,017,447
	(131,607)	1,561,325
Investing:		
Purchase of equipment	(170,839)	(424,371)
Deferred lease costs	(119,448)	-
Increase in other assets	-	(700)
	(290,287)	(425,071)
Financing:		
Repayment of obligations under capital leases	(235,161)	(202,224)
Rental deposit	26,761	-
	(208,400)	(202,224)
Increase (decrease) in cash	(630,294)	934,030
Cash, beginning of year	1,021,195	87,165
Cash, end of year	\$ 390,901	\$ 1,021,195
Supplementary information:		
Interest paid	\$ 15,965	\$ 22,872
Assets acquired under capital lease	-	188,172
Provincial sales tax adjustment to assets under capital leases	(38,517)	-

See accompanying notes to financial statements.



# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Notes to Financial Statements**

For the year ended December 31, 2010, with comparative figures for 2009

---

### **1. Incorporation and nature of business:**

The Richmond Olympic Oval Corporation (the "Corporation") was incorporated on June 16, 2008 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond (the "City"). On August 10, 2010, the Corporation changed its name from 0827805 B.C. Ltd. to Richmond Olympic Oval Corporation. The business of the Corporation is to use the Richmond Olympic Oval facility (the "Oval") to provide a venue for a wide range of sports, business and community activities, including, but not limited to, being the long-track speed skating venue for the 2010 Olympic and Paralympic Winter Games (the "Games").

### **2. Significant accounting policies:**

#### **(a) Basis of presentation:**

##### **(i) Accounting principles:**

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP).

##### **(ii) Statement of earnings and retained earnings:**

The Oval land and building complex and its major equipment components are the property of the City and are not recorded in these financial statements. Construction of the Oval was completed in December 2008 at which time operations of the Oval commenced.

During the four-month period from December 1, 2009 to March 31, 2010, the Vancouver Organizing Committee for the Games ("VANOC") acquired exclusive use of the Oval for the speed skating events of the Games. The VANOC exclusive use period was immediately followed by the legacy conversion of the Oval into a multi-sport and recreation facility. The conversion was substantially completed by August 31, 2010 and the costs were paid by the City. During these two periods, substantially all Oval revenue-earning operations from membership, admission and programs ceased but certain operating expenses continued to be incurred.



# RICHMOND OLYMPIC OVAL CORPORATION

## Notes to Financial Statements

For the year ended December 31, 2010, with comparative figures for 2009

### 2. Significant accounting policies (continued):

#### (b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of valuation of accounts receivable, useful lives of equipment for amortization, and deferred lease costs. Actual amounts may ultimately differ from these estimates. The estimates are reviewed periodically and as adjustments become necessary, they are recorded in earnings in the year in which they become known.

#### (c) Revenue recognition:

Memberships, admissions and programs fees are recorded as revenue in the period that the services are rendered, with any unearned portion recorded as deferred revenue. Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by 2010 Games Operating Trust (note 4) and when the related operating expenses and capital maintenance costs of the Oval are incurred.

Sponsorship revenues are deferred and amortized to revenue over the term of sponsorship agreements.

#### (d) Capital assets:

Capital assets are recorded at cost. Amortization is provided on a straight-line basis at rates that reflect estimates of the economic lives of the assets over the following periods:

Assets	Rate
Athletic equipment	5 years
Automobile	5 years
Computer software and equipment	3 years
Uniforms, ice skates and helmets	3 years
Signage	3 years

Tenant improvements are amortized over the term of the lease.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.



# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Notes to Financial Statements**

For the year ended December 31, 2010, with comparative figures for 2009

---

### **2. Significant accounting policies (continued):**

#### **(e) Assets held under capital lease:**

Assets held under capital lease are stated at historical cost, being the lesser of the present value of the future minimum lease payments and fair value at the date of acquisition, and are amortized on a straight-line basis over their estimated useful lives.

#### **(f) Deferred lease costs:**

The initial direct costs incurred in connection with leases of rental properties in the Oval are deferred and amortized over the initial term of the leases. Such costs include agent commissions, legal fees, and costs of negotiating the leases.

#### **(g) Pension plan:**

The Corporation and its employees make contributions to the Municipal Pension Plan (the "Plan"). As the Plan is a multi-employer plan, these contributions are expensed as incurred.

#### **(h) Income taxes:**

The Corporation is not subject to income taxes as it is a municipal corporation wholly-owned by the City of Richmond.

#### **(i) Financial instruments:**

The Corporation accounts for its financial instruments in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, *Financial Instruments - Recognition and Measurement*, CICA Handbook Section 3861, *Financial Instruments - Disclosure and Presentation*, and CICA Handbook Section 3865, *Hedges*.

These sections require that all non-derivative financial assets and liabilities be measured at fair value with the exception of loans and receivables, other financial liabilities and held-to-maturity investments, which should be measured at amortized cost; and certain exceptions which are not applicable to the Corporation. The section also requires that gains and losses on financial instruments measured at fair value be recognized in net earnings in the periods in which they arise, with certain exceptions which are not applicable to the Corporation. In addition, disclosure with an emphasis on risks associated with both recognized and unrecognized financial instruments to which an entity is exposed during the year and at the balance sheet date, and how an entity manages these risks, is provided in the financial statements.

The Corporation's financial instruments are accounts receivable, amounts due to the City, accounts payable and accrued liabilities, and obligations under capital leases. The Corporation classifies its accounts receivable as loans and receivables which are recorded at amortized cost. The Corporation classifies its accounts payable and accrued liabilities and obligations under capital leases as other liabilities which are recorded at amortized cost.



# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Notes to Financial Statements**

For the year ended December 31, 2010, with comparative figures for 2009

---

### **2. Significant accounting policies (continued):**

#### **(i) Financial instruments:**

The carrying values of accounts receivable, amounts due to the City and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities. The carrying values of obligations under capital leases approximate their fair values as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

It is management's opinion that the Corporation is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

#### **(j) Future accounting changes:**

The Public Sector Accounting Board recently approved changes to the scope of Public Sector Accounting Standards ("PSAB"). These amendments require that government business enterprises adopt International Financial Reporting Standards ("IFRS") for periods beginning on or after January 1, 2011. A government business enterprise is one with self-sustaining commercial type operations. Government organizations that are not considered to be business enterprises are either government not-for-profit organizations or other government organizations. Other government organizations will have the option to either adopt IFRS or to prepare their financial statements in accordance with PSAB.

As the Corporation is not expected to be self-sustaining as at January 1, 2011, it would be categorized as another government organization. Management has determined that the Corporation will adopt PSAB which will then make it consistent with the reporting standard of the City of Richmond.

### **3. Richmond Oval Agreement:**

The Corporation is party to the Richmond Oval Agreement (the "Agreement") with the City, which had an effective date of July 1, 2008. The Agreement established the terms and conditions of the relationship between the City and the Corporation. Under the terms of the Agreement:

#### **(a) The Corporation:**

- (i) leases the Oval for a term of twenty-five years for \$1;**
- (ii) has the power to manage, operate, use and occupy the Oval;**
- (iii) is responsible for repairing and maintaining all components of the Oval;**
- (iv) will receive all revenue and be responsible for all operational expenses and capital expenditures of the Corporation (see (b)(iii) below);**
- (v) will, in 2011, allocate from shareholder's equity to a Sustaining Capital Reserve and an Operating Capital Reserve a total of \$1.7 million to be represented by cash in a capital reserve bank account; subsequent to 2011, the amount of the contribution to the Capital Reserve will be determined by the Capital Works Committee;**



# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Notes to Financial Statements**

For the year ended December 31, 2010, with comparative figures for 2009

---

### **3. Richmond Oval Agreement (continued):**

- (vi) will indemnify and save harmless the City from any losses or damages arising from or which have occurred as a result of rights and obligations under the Agreement;
- (vii) will maintain property and liability insurance on the Oval;
- (viii) will not allow any encumbrances to be registered against the Oval;
- (ix) will prepare and deliver to the City, on an annual calendar year basis, audited financial statements prepared in accordance with GAAP and an annual report, no later than April 30 of the following fiscal year; and
- (x) will prepare and deliver to the City, financial reports, at dates to be determined by the City, on the financial matters of the Corporation.

#### **(b) The City:**

- (i) will provide, for the first fifteen years of the term, financial support as agreed between the City and the Corporation from time to time; for the years 2010, 2011 and 2012 the annual financial support shall not be less than \$1.5 million per year indexed at the City of Vancouver's Consumer Price Index. After fifteen years, any financial assistance from the City will be as determined by the City in its sole discretion;
- (ii) will pay any funds received from the 2010 Games Operating Trust ("GOT") (note 4) to the Corporation within 30 days of receipt; and
- (iii) is responsible for completing construction of the Oval in the Pre-Games configuration and for re-configuring the Oval into the post-games configuration at the City's cost.

### **4. 2010 Games Operating Trust Fund:**

On November 14, 2002, under the terms of the Multiparty Agreement for the Games, the Government of Canada and the Province of British Columbia agreed to establish the Legacy Endowment Fund (the "Fund") and to each contribute \$55 million. On March 31, 2004, under the terms of the 2010 Games Operating Trust Agreement, an irrevocable trust was created known as GOT and the 2010 Games Operating Trust Society (the "Society") became the trustee of the Fund. The purpose of the Fund is to fund operating expenses and capital maintenance costs of certain facilities created for the Games, specifically the Oval and the Whistler Sliding Centre and Nordic Centre, and to assist with the continued development of amateur sport in Canada. Subsequent to the formation of the Trust, the City, as owner of the Oval, became a beneficiary of the Trust and became responsible for complying with obligations set by the Trust and GOT in order to receive funding.



# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Notes to Financial Statements**

For the year ended December 31, 2010, with comparative figures for 2009

### **4. 2010 Games Operating Trust Fund (continued):**

Effective December 31, 2007:

- (a) the Fund was divided into three funds: the Speed Skating Oval Fund; the Whistler Sliding Centre and Nordic Centre Fund, and the Contingency Fund; and
- (b) the capital and any accumulated but undistributed income of the Fund was divided as follows: Speed Skating Oval Fund (40%), Whistler Sliding Centre and Nordic Centre Fund (40%), and the Contingency Fund (20%).

Effective April 21, 2009, the City entered into an agreement with VANOC. The agreement details the terms and conditions to which the City is required to adhere in order to receive funding from GOT. When VANOC ceases to exist after the Games, the agreement will be assigned to GOT or, with the consent of the City, to another party. As of the reporting date, VANOC has not dissolved and the agreement has not yet been assigned to GOT.

Funds from GOT are paid to the City, and as indicated in note 3(b)(ii), the funds are then paid to the Corporation.

The fund balance of the Speed Skating Oval Fund, after distributions as at December 31, 2010, is \$43,703,000 (2009 - \$40,403,111).

Revenue from GOT is comprised of:

	2010	2009
Revenue recognized from Trust Income from 2008	\$ -	\$ 805,985
2007 annual distributable amount received in 2009	-	2,497,065
2008 annual distributable amount received in 2009	-	2,233,459
2009 annual distributable amount received in 2010	2,304,796	-
	<b>\$ 2,304,796</b>	<b>\$ 5,536,509</b>

The 2010 annual distributable amount has been approved by GOT in 2011. 80% of the approved amount of \$2,739,398 was received in March 2011 and the remaining amount will be received in June 2011. The Corporation will record this amount as revenue in fiscal year 2011.



# RICHMOND OLYMPIC OVAL CORPORATION

## Notes to Financial Statements

For the year ended December 31, 2010, with comparative figures for 2009

### 5. Deferred lease costs:

Lease commission	\$	60,673
Legal fees		66,491
Salaries and benefits		8,350
		135,514
Less: amortization		2,195
		133,319
Current portion of deferred lease costs		13,871
Long term portion of deferred lease costs	\$	119,448

### 6. Capital assets:

The cost and net book value of capital assets is as follows:

	December 31, 2010		
	Cost	Accumulated Amortization	Net Book Value
Assets under capital lease	\$ 905,888	\$ 584,524	\$ 321,364
Athletic equipment	480,332	155,813	324,519
Computer software and equipment	152,672	54,882	97,790
Uniforms, ice skates, and helmets	96,211	60,239	35,972
Signage	36,351	14,273	22,078
Automobile	23,158	1,930	21,228
Tenant improvements	16,979	15,955	1,024
	\$1,711,591	\$ 887,616	\$ 823,975

	December 31, 2009		
	Cost	Accumulated Amortization	Net Book Value
Assets under capital lease	\$ 944,406	\$ 280,342	\$ 664,064
Athletic equipment	406,564	65,471	341,093
Computer software and equipment	87,575	17,421	70,154
Uniforms, ice skates, and helmets	89,922	28,167	61,755
Signage	33,824	2,819	31,005
Tenant improvements	16,979	8,072	8,907
	\$1,579,270	\$ 402,292	\$1,176,978



# RICHMOND OLYMPIC OVAL CORPORATION

## Notes to Financial Statements

For the year ended December 31, 2010, with comparative figures for 2009

### 6. Capital assets (continued):

Assets under capital lease include audio and visual equipment, printers, drivers, computer hardware and other information technology equipment. The lease agreements are between the City and the Municipal Finance Authority of the Province of British Columbia. The equipment is used solely by the Corporation and, accordingly, the leased assets are capitalized and the related obligation recorded in the accounts of the Corporation. The lease payments made by the City are charged at cost to the Corporation.

### 7. Obligations under capital leases:

The capital leases have an estimated cost of borrowing ranging from 0.21% to 0.35% per month. The principal and interest payments as at December 31, 2010 and 2009 are as follows:

	2010	2009
Total minimum lease payments	\$ 449,720	\$ 739,365
Imputed interest	(12,167)	(28,133)
	437,553	711,232
Current portion of obligations under capital lease	231,891	242,199
Long term portion of obligations under capital lease	\$ 205,662	\$ 469,033

As at December 31, 2010, the Corporation was committed to payments under capital leases as follows:

2011	\$ 241,275
2012	199,928
2013	8,517
	\$ 449,720

### 8. Deferred revenue:

	2010	2009
Memberships and programs to be serviced in next fiscal year	\$ 267,752	\$ 78,023
Sponsorship fees	246,525	-
Rental deposit	21,248	-
	\$ 535,525	\$ 78,023



# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Notes to Financial Statements**

For the year ended December 31, 2010, with comparative figures for 2009

---

### **9. Due to the City of Richmond:**

The amount due to the City of Richmond arises in the normal course of business.

### **10. Share capital:**

#### **Authorized:**

Unlimited number of common shares without par value.

#### **Issued:**

One common share for cash of \$1.

### **11. Related party transactions:**

The Corporation leases the Oval from the City for \$1 annually (note 3).

Included in general and administration expenses is a management fee of \$30,000 to the City for the provision of city staff time in fiscal year 2010 (2009 - \$60,000).

Included in salaries and benefits expense is a charge of \$42,515 (2009 - \$173,639) relating to the costs of City staff time charged to the Corporation for services performed during 2010.

During 2010, the Corporation received a contribution from the City of \$1,500,000 (2009 - \$1,050,000) (note 3(b)(i)). In January 2011, pursuant to the Richmond Oval Agreement (note 3(b)(i)), the Corporation received a contribution of \$1,522,500 from the City. In addition, the City has approved a further contribution of \$1,500,000 which is to be made in 2011.

### **12. Pension plan:**

The Corporation and its employees contribute to the Pension Plan, a jointly trustee 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 defined. As at December 31, 2009, the Plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 44,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1.024 million for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2012 with results available in 2013.

During the current fiscal year, the Corporation paid \$140,257 (2009 - \$109,476) as employer contributions to the Pension Plan.



# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Notes to Financial Statements**

For the year ended December 31, 2010, with comparative figures for 2009

---

### **13. Economic dependence:**

The Corporation is economically dependent on receiving funding from GOT and the City.

### **14. Capital disclosures:**

The Corporation's capital consists of its share capital and retained earnings. The Corporation's objective when managing capital is to safeguard its assets and to ensure that adequate capital is managed for future requirements. The procedures in place to achieve these goals include establishing effective internal controls, the review and approval of annual budgets and ongoing review of interim financial statements by the board of directors.

### **15. Comparative figures:**

Certain comparative figures have been reclassified to conform with the current year's presentation.









# City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Andrew Nazareth  
General Manager, Business and Financial  
Services  
**Re:** 2010 Surplus Appropriation

**Date:** May 17, 2011

**File:**

### Staff Recommendation

That the December 31, 2010 surplus of \$2,452,800 be appropriated as outlined in the attached report.

Andrew Nazareth  
General Manager Business and Financial Services Department  
(4046)

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER 		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO DEPUTY	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>



## **Staff Report**

### **Origin**

For the year ended December 31, 2010, the City of Richmond had a surplus of \$2,452,800. This amount, which excludes the operations of the Library and the Oval, is due primarily to the following:

- The RCMP realized a total savings of \$3.06M in 2010. This includes \$1.6M generated from the RCMP contract and an additional \$0.324M in municipal support costs. Due to the timing of fiscal year ends between E division and the City, an additional \$1.14M in savings is attributed to 2009 RCMP contract year end adjustments. \$1.2M of this surplus was approved by Council to be appropriated and used to offset the 2011 RCMP contract costs.
- Planning and Development has a surplus of \$2.9M as building permit revenues and development application revenues were higher than anticipated due to favourable development conditions in the City and the developers' desire to possibly avoid increased development cost charges after September, 2010.

Pursuant to the Community Charter (the Charter), the City prepares on an annual basis, a balanced operating budget (budget). In addition the Charter expressly prohibits the City from making an expenditure unless it is included for that year in its financial plan. Therefore conservatism is encouraged in preparing the budget and the City might realise a surplus due to favourable revenues and costs at the end of each fiscal year. In 2010 the City utilized some of the annual surplus in order to balance the 2011 budget and the remaining surplus could be appropriated to fund expenditures that could not be accommodated in the City's operating and capital budget. Some of these expenditure requests will require consideration as ongoing additional levels for the 2012 operating budget and capital items may have operating budget impacts (OBI) for 2012.

### **Analysis**

For 2011 there were 63 submissions seeking additional funding for various projects from City Departments and Councillors totalling approximately \$6.9 million. The Administrators Group (TAG) reviewed and discussed each of these submissions and prioritized each as high, medium and low. In addition, the group assessed the financial impact of each submission and recommend the amount which should be considered for funding. TAG then provided additional review, recommendations and ranking.

The final results (see Appendix 1) have been compiled for Council's consideration. If any appropriations are approved by Council, the respective expenditure will be included in the upcoming amended City's 5 Year Financial Plan with no tax impact as the funding from the 2010 Surplus will offset this impact.



The following provides a brief description of all one time expenditure requests from departments and Councillors, with recommendations provided by TAG. Council may change any of the recommendations or may choose to address other one-time funding needs, which are not contained in this section.

### **HIGH PRIORITY**

1. **Increase Contribution to Reserves**

In conjunction with the Long Term Financial Management Strategy and ensuring that the City has the capacity to meet financial challenges it is recommended that a contribution be made to the City's reserves.

**Amount requested: \$500,000**

**Amount recommended: \$500,000**

2. **Steveston Tennis Building**

On December 20, 2010, City Council passed the following resolution:

That:

*(2) \$300,000 of surplus funds from the Steveston Fire Hall project be reallocated to the Steveston Community Centre Tennis Building Improvements project.*

This work included increasing and securing the storage area on the North side of the building, and addressing structural and life safety issues identified during the design review. The later includes framing and installing six double manddoors on the North and West sides, framing and installing one overhead door on the West side, installing emergency exit lights, and completing all canopy upgrades to ensure that the building complies with the current B.C. Building Code. All of the structural and life safety issues brought forward in the Report to Committee dated December 6, 2010 are being addressed. The Steveston Community Association has since requested additional storage on the South side of the building and replacement of the South side doors.

**Amount requested: \$105,000**

**Amount recommended: \$105,000**

3. **Accessible Washroom at London Heritage Farm**

Staff propose to build a single occupant, fully accessible universal washroom in an existing out building located close to the farmhouse inside the tool shed. Currently there is one washroom in the Heritage House for staff and public and public washrooms behind the caretakers' house approximately 100 meters from the House on a gravel path.

**Amount requested: \$80,000**

**Amount recommended: \$80,000**

4. **Initiation of a Dike Master Plan**

Initiation of a Dike Master Plan that will forecast the long term technical upgrades to meet rising sea levels and seismic concerns, including the financial requirements to perform those upgrades. This project is the next step in the Council adopted Flood Protection Management Strategy.

**Amount requested: \$200,000**

**Amount recommended: \$200,000**



5. Library Cultural Centre Parkade Upper Level Maintenance

Safety concerns were identified with the surface coating of the upper level of the parkade. Over time the surface of the upper level has worn smooth in some areas and is very slippery especially in the rainy and snowy seasons. To resurface the top level of the parkade with epoxy and have it relined is estimated at \$70,000. It is estimated that epoxy resurfacing would last approximately 20 years. With no available funding in Facility Management or Roads and Construction Services current budgets we request one time funding from 2010 surplus to facilitate this required maintenance.

**Amount requested: \$70,000**

**Amount recommended: \$70,000**

6. Pesticide Use Control Bylaw No. 8514

Pesticide Use Control Bylaw No.8514- Council has adopted a Pesticide by-law to reduce the use of pesticides on all non ALR land. This will have a financial effect on Parks Landscape maintenance. \$120K- Maintenance; \$25K -Steam Weed Killer Equipment

**Amount requested: \$145,000**

**Amount recommended: \$145,000**

7. Consultant for Event – On line Form

The 'event market' is extremely valuable. The City is competing with other municipalities in the lower mainland for the privilege of hosting events. Events bring in visitors, economic gains and exposure. Annual event hosting allows these events to mature and grow over time, making them more attractive and valuable to the City. To create a user-friendly comprehensive online event application form that can be used by outside agencies (event organizers), whether local, national or international. This form will be supported by creating and/or improving event standards, processes and procedures proposed by the project team. A database will also be created to capture specific information about each event.

**Amount requested: \$60,000**

**Amount recommended: \$60,000**

8. CLASS upgrade PIN/Chip card

To upgrade the CLASS registration system that is used across all recreational facilities and online/over the phone registration platforms from the current version 6.04 to version 7.00. The current version 6.04 of the City's CLASS registration software is not Chip and Pin compliant. Effective March 31, 2011, the card industry has enacted a new standard that all merchants processing chip card transactions with non-chip-and-PIN-enabled POS terminals, would be liable for any fraudulent transactions on those cards. To avoid the risks of fraudulent transactions occurring in the City's operating environment where the City would be financially liable and to avoid any potential fines and penalties from the card payment brands, it is crucial that an upgrade to CLASS version 7.00 be implemented as soon as possible.

**Amount requested: \$75,000**

**Amount recommended: \$75,000**



9. Sister City Plan 2011-2013

A program budget for 2008-2010 was funded from additional levels in the 2008 Budget. A Staff Report based on the Sister City Plan for 2011-2013 was presented to Council on March 14, 2011 requesting that the 3 year work plan be funded from surplus.

**Amount requested: \$234,410**

**Amount recommended: \$234,410**

10. On Line Licence

To complete the On Line Licence application and Licence renewal project will require added Consulting Services to carry out the financial due diligence and complete the software coding.

**Amount requested: \$50,000**

**Amount recommended: \$50,000**

11. Energy Management

In order to obtain higher level and multi-year funding commitment from BC Hydro, the City needs to meet specific performance targets. The following areas have been identified by BC Hydro:

1. Develop and implement rezoning and development requirement for new construction to achieve specific Energy Performance requirements
2. Complete energy mapping exercise to identify hot spots (both current and OCP projections) identifying areas suitable for NEU and commercial energy retrofits
3. More aggressive performance target on energy savings (GW/hr reduction) for corporate facilities and operations.

**Amount requested: \$35,000**

**Amount recommended: \$35,000**

12. Security Access System

The current security access system software is several generations old and is no longer supported. This project focuses on upgrading the obsolete card access system with a new card access system in facilities that currently have card access and develop strategies for installation in more facilities in future. Current facilities include: Fire Hall #1; Brighthouse and Ironwood Libraries; Cultural Centre; City Hall Main, North and West; Works Yard; RCMP Building; South Arm Community Police; and RCMP Victim Services.

Replacement of the current access control system with new system in existing facilities include:

- Software
- Hardware/control panels
- Preparation for expansion of system in future to other facilities including the identification of required security levels and access
- Commission and training of staff
- Existing infrastructure to be used where possible including, wiring, panels, card readers, magnetic latches
- Migrate existing data to new system

**Amount requested: \$300,000**

**Amount recommended: \$300,000**



13. Tempest Software

Current modules within Tempest enables self-service for taxpayers to access their tax and utility information through our web portal. Purchasing the ebilling module will enhance the self-service options available to taxpayers. The module will enable a taxpayer to receive electronic tax and utility bills directly from the city without the difficulty of going through a third party (i.e. ePost). Taxpayers will be able to reprint tax bills for CRA records without staff assistance. Bills will be emailed to the taxpayer's designated email account. The ebilling module can replace ePost as our ebill provider.

**Amount requested: \$50,000**

**Amount recommended: \$50,000**

14. City Election Guide - increased costs to include "Candidate Profiles"

Additional funding is required for the increased printing and distribution costs for the City Election Guide if Candidate Profiles are included as part of the Guide that is distributed to each Richmond household prior to Election Day.

**Amount requested: \$16,000**

**Amount recommended: \$16,000**

15. Civic Election Public Awareness / Education Strategy

Additional funding is requested to undertake an enhanced public awareness and education strategy in relation to the Civic Election. Improved advertising and public outreach will be provided locally and in cooperation regionally, as well as the promotion of local youth education, programming and awareness of the importance of civic elections and voting in general.

**Amount requested: \$25,000**

**Amount recommended: \$25,000**

16. Mobile Solutions

To commence a Pilot Project to test the viability and utility of installing wireless devices in City vehicles to provide selected Public Works, Parks and Recreation, Fire Rescue and Building Approvals staff with fully integrated access in the field to the City network. Such applications include Hansen, GIS, Tempest, ArkMAP, Amanda, electronic timekeeping (when available), REDMS, MS Office, Fire Rescue records management system (FDM) and the ability to print documents, for example, inspection reports.

For the purposes of the Pilot Phase, devices would be installed as follows:

Public Works:	10 units – Supervisors
Parks and Recreation:	5 units – 2 Supervisors, 3 Crews
Fire Rescue:	5 units – 1 Battalion Chief, 2 Captains, 2 Fire Prevention officers
Building Approvals	4 units – Building Approvals Inspectors

Scope of work includes:

- Identify technology solutions and research various laptop and tablet options and determine if they have the ability to access City applications
- Identify vehicle modifications necessary to secure hardware
- Identify test vehicles, crews and supervisors
- IT to purchase laptops and tablets and install applicable applications



- Determine training needs
- Pilot testing (six months minimum)
- Pilot review and report with recommendations

**Amount requested: \$122,390**

**Amount recommended: \$122,390**

**17. Animal Shelter Feasibility Study**

Feasibility Study to identify requirements for a new animal shelter facility

**Amount requested: \$50,000**

**Amount recommended: \$50,000**

**18. Vehicles for Animal Control**

Two vehicle units for animal control @ \$30,000 each

**Amount requested: \$60,000**

**Amount recommended: \$60,000**

**19. Noise Bylaw**

Based on a request from Council to study the impact of noise within the City with particular emphasis on the boundaries between zones of differing property use and to replace our existing Noise section in the Public Health Protection Bylaw No. 6989 with a comprehensive, stand-alone Noise Regulation Bylaw. The proposed changes in sound/noise measurement and enforcement standards will also result in the need to conduct extensive public participation, replace sound measurement equipment to meet the new specifications, train impacted staff regarding the new parameters and produce comprehensive documentation to support other City initiative on the mitigation of noise.

**Amount requested: \$100,000**

**Amount recommended: \$100,000**

**MEDIUM PRIORITY**

**20. Community Services Department Clerical Support Funding**

As the Community Services Department develops the requirement for additional administrative support continues to increase. With 35 staff to support, including 18 managers all with unique and diverse portfolios, the administrative support team is constantly challenged to keep up with the demands.

**Amount requested: \$25,000**

**Amount recommended: \$25,000**

**21. Business And Financial Services Tangible Capital Asset Analysts**

Due to the mandatory compliance with financial reporting, additional levels of service are required which are beyond the capacity of the current levels of staffing. This was submitted but not approved as an Additional Level Request during the 2011 Operating Budget Process. Only some of the required service levels are currently being provided by a TFT, which was previously funded by a onetime additional level request and is almost fully utilized. Based on the workloads 2 positions are required: 1) Capital Asset Analyst and 2) Asset Coordinator. These positions are required to analyze tangible capital asset valuation and amortization, assist Project Managers in planning, reviewing, analyzing and reporting of tangible capital assets, maintaining and reconciling asset management



entries, ensure compliance with related regulations and maintaining support documentation.

**Amount requested: \$209,000**

**Amount recommended: \$100,000**

22. Fire Rescue Additional Equipment

Richmond Fire is implementing some new programs and requires additional equipment. The equipment required will include Hydrant Kits Bags, Fire Response replacement equipment including such things as nozzles and monitors.

**Amount requested: \$45,000**

**Amount recommended: \$45,000**

23. Recreation Fee Subsidy Program

The recreation fee subsidy program needs a factual based review to properly identify technology that will streamline administrative processes while still maintaining levels of privacy for the clients. This is a one time contract needed to perform this work.

**Amount requested: \$15,000**

**Amount recommended: \$15,000**

The following requests are **not recommended/deferred** due to their respective ranking and the fact that there is insufficient funding available.

**LOW PRIORITY**

24. Recycling Units

15 sets of Big Belly – recycling units for use around the City

**Amount requested: \$100,000**

**Amount recommended: \$0**

25. Development Permits Vehicles

2 sedan vehicles for Development Permit Inspections

**Amount requested: \$40,000**

**Amount recommended: \$0**

26. Heated Tents

3 Heated tents for vector and flusher trucks

**Amount requested: \$175,000**

**Amount recommended: \$0**

27. Roads & Construction Vehicles

2 to 3 Ton Single Axle 3 Yard Dump Truck - Roads and Construction Services, Concrete

**Amount requested: \$80,000**

**Amount recommended: \$0**

28. "Vote Anywhere" Initiative for the 2011 Civic Election

Additional funding was previously approved for this project from the Council Provision Account to implement a "Vote Anywhere" initiative for the 2011 civic election. At the



time funding was approved, Council resolved that consideration be given to repaying the Council Provision Account from the surplus appropriation if additional surplus funds were available.

**Amount requested: \$88,000**

**Amount recommended: \$0**

29. CCTV Camera Equipment

Funding request in order to replace the City's current CCTV camera equipment. The equipment is used to verify the condition of underground utilities from inside the pipes.

**Amount requested: \$100,000**

**Amount recommended: \$0**

30. District Energy Manager

Council approved a one-year temporary full time position for a District Energy Utility Manager. Council has approved and funded this position as a Regular Full Time position for a period of one year. Staff have been exploring interim external funding for this position until the need for a dedicated staff person has been demonstrated. As the ADEU grows, so will the need for a dedicated staff person to deal with technical issues and customer service needs. Staff anticipate that future phases of ADEU would be used to offset the cost of the City's DEU Manager therefore the Enterprise Fund will be used to fund this with full repayment in the near future.

**Amount requested: \$146,000**

**Amount recommended: \$0**

31. Fire-Rescue vehicle reserve

Fire-Rescue has identified that their vehicle reserve is not adequate to ensure funding source for forecasted future vehicle replacements.

**Amount requested: \$400,000**

**Amount recommended: \$0**

32. Wildlife Management

On July 12, 2010, Council resolved "That option 2 as outlined in the staff report dated June 16, 2010, from the General Manager, Parks and Recreation, entitled "Snow Geese Management Strategy" be adopted and that funding for the first year of implementation of the strategy will be considered from the 2009 surplus funds and for the succeeding two years through the regular budget process." Funding for year one (\$105,000) has been provided from the 2009 surplus and is still available.

**Amount requested: \$190,000**

**Amount recommended: \$0**

33. Self Contained Breathing Apparatus (SCBA) Program Upgrade

Fire-Rescue is planning an upgrade to the Self Contained Breathing Apparatus (SCBA) program that the department currently uses. Certain standards exist for the replacement of the SCBA equipment and the life span of the components varies. Fire-Rescue has established a life cycle schedule to phase in replacement of this inventory. Included is the upgrade is a capacity increase from 30 minute to 45 minute air bottles.

**Amount requested: \$190,000**

**Amount recommended: \$0**



34. Vehicle Reserve Contributions

Increased contribution to vehicle reserve

**Amount requested: \$250,000**

**Amount recommended: \$0**

35. Radial Arm Saw

Radial Arm Saw 20" for Carpentry Shop

**Amount requested: \$15,000**

**Amount recommended: \$0**

36. Fire-Rescue Communication and Marketing Strategy

Richmond Fire is putting together a communication and marketing strategy including a new device at Firehall #1 to deliver relevant messaging to the Community.

**Amount requested: \$50,000**

**Amount recommended: \$0**

37. Sustainability Program Specialists

Request to fund staff to integrate sustainability framework into corporate wide programs and include some funding for consulting work

**Amount requested: \$150,000**

**Amount recommended: \$0**

38. No. 3 Road Restoration / Landscaping

Request for funding of landscape under the Canada Line. The completion of the restoration of No. 3 Road under the Canada Line and the landscape has not resulted in a budget increase for the costs of maintenance

**Amount requested: \$36,000**

**Amount recommended: \$0**

39. Steveston Level of Service

Some visitors, residents, business owners and leaders in the Steveston community suggest that the number of visitors and residents in the Steveston area has increased therefore the level of service should be increased to parity with City Centre.

**Amount requested: \$136,700**

**Amount recommended: \$0**

40. Electrical Supervisor Vehicle

Vehicle replacement for existing lease vehicle for Electrical Supervisor

**Amount requested: \$40,000**

**Amount recommended: \$0**

41. Gateway Theatre Box Office Printers

Printers in the box office can no longer be maintained as there are no parts available for them.

**Amount requested: \$10,000**

**Amount recommended: \$0**



42. Gateway Theatre Lighting Board

Lighting Board Replacement at the Gateway Theatre

**Amount requested: \$12,000**

**Amount recommended: \$0**

43. Gateway Theatre Website Upgrade

Gateway Theatre's website was built 6 years ago. It is now outdated and does not serve the needs of the variety of groups who are using the facility. This will update the website and improve its functionality.

**Amount requested: \$30,000**

**Amount recommended: \$0**

44. Volunteer Richmond Information Services (VRIS)

Is requesting funding from the City to support the continued operation of the "Community Information and Volunteer Centre" (established in April 2008 through a partnership as a 2010 Winter Olympics initiative) at Richmond Centre Mall. The Centre has an annual operating budget of \$240,000 for staffing, technical, program resources, location and administrative related costs.

**Amount requested: \$75,000**

**Amount recommended: \$0**

45. Legal Support

While the Law division is able to provide a breadth of in-house Legal support, not all Legal matters can effectively be provided in-house. Some Legal matters (Litigation and some procurement matters are typical examples) require the expertise and/or infrastructure of an outside law firm.

**Amount requested: \$250,000**

**Amount recommended: \$0**

46. Upgrading Audio/Visual Podiums in City Hall Meeting Rooms

The current equipment is obsolete and requires replacement.

**Amount requested: \$150,000**

**Amount recommended: \$0**

47. Integrated Calendar of Events

A modern, user-friendly events calendar that provides a comprehensive list of all Richmond Events and will allow for easy entry for the event organizers.

**Amount requested: \$70,000**

**Amount recommended: \$0**

48. Electronic Timesheets

To automate the timesheet data entry process for 394 employees, with the option of expanding to 718 & Exempt Staff.

**Amount requested: \$310,000**

**Amount recommended: \$0**



49. Domestic Animal Licensing

To provide an efficient, cost-effective and secure system for the issuance and renewal of domestic licenses; manual and on-line payment of license fees based on validated addresses.

**Amount requested: \$44,218**

**Amount recommended: \$0**

50. SCADA Data Access on Engineering Workstations

To provide access to SCADA operations and information on City Hall Workstations.

**Amount requested: \$48,800**

**Amount recommended: \$0**

51. Council Chambers Upgrade

The technology in Council Chambers is over 10 years old. This project will upgrade both the audio and visual components as well as the intelligence component which runs the system.

**Amount requested: \$516,000**

**Amount recommended: \$0**

52. Field entry GIS Data Capability

To allow field updates of asset locations in GIS.

**Amount requested: \$15,900**

**Amount recommended: \$0**

53. Improved Access to Open Council Minutes on the City Website

This is the first step in a multi-year project that would establish new procedures and methods for providing improved public access to Open Council Minutes using optical character recognition and new search software. As part of this first project, the Council Minutes database, which is currently only available internally, would be mounted to the City website and made available to the public.

**Amount requested: \$9,000**

**Amount recommended: \$0**

54. Launch HireDesk Fire Portal

Allows for external Richmond Fire and Rescue candidates to apply and be tracked using our online Applicant Tracking System.

**Amount requested: \$12,000**

**Amount recommended: \$0**

55. Open Data

To create a website that makes local government data publicly available for free and open perusal and download. The City of Vancouver has just won the 2011 BC Business Innovator Award for its adoption of the Open Data Concept.

**Amount requested: \$17,000**

**Amount recommended: \$0**



56. Digital Photography Strategy and City Wide Standards

Development of a consistent set of guidelines for the use of digital photographs by all departments to include naming conventions, digital storage and security issues as well as technical standards as to file format and size. These guidelines would ensure digital photographs are managed in a coordinated fashion to provide greater efficiency and enhance long term access for important visual records..

**Amount requested: \$16,500**

**Amount recommended: \$0**

57. Financial Reporting – Business Intelligent Tool

In order to upgrade and improve current financial reports which are being produced.

**Amount requested: \$172,000**

**Amount recommended: \$0**

58. GIS Links to CCTV Video and Construction Photos

To add links to CCTV video and construction photos in GIS

**Amount requested: \$50,000**

**Amount recommended: \$0**

59. Extranet

To provide an extranet site (private website available outside the network) for staff communication and to support the collaboration required to develop events such as Tallships, e.g.: volunteers, staff, consultants, vendors working on the same documents

**Amount requested: \$100,000**

**Amount recommended: \$0**

60. WiFi in City Parks/Facilities Pilot

This is a pilot project to determine WIFI demand at Community Centres. The pilot includes one Community Centre, one Park and one aquatic facility.

**Amount requested: \$80,000**

**Amount recommended: \$0**

61. Computer Kiosks in City Facilities

Commence a Pilot Project to test demand and utility of public access kiosks in two Parks and Recreation facilities with a goal of providing our customers with access to computers as an alternative to waiting in line ups at the service counters for self registration for programs and as access to other City internet enabled services.

**Amount requested: \$13,300**

**Amount recommended: \$0**

62. Calls for Service

To provide an efficient, cost-effective tracking tool for entry, completion and follow-through for externally or internally generated calls for service.

**Amount requested: \$93,290**

**Amount recommended: \$0**



**63. CGSB Compliance Initiative Phase Two**

Phase two of a long-term process to achieve compliance with the Canadian national standard "Electronic Records as Documentary Evidence", this process will guide development of the City's processes and electronic systems to ensure that information in electronic form will be admissible in a court of law. This will allow dramatic reduction in paper records with related space savings and greater access and efficiency. The deliverable for this phase is a comprehensive "road map" of the process with detailed cost and time projections to complete the process.

**Amount requested: \$33,000**

**Amount recommended: \$0**

**Financial Impact**

For the year ended December 31, 2010, the City of Richmond had a surplus of \$2,452,800 and staff recommend that this surplus be appropriated to meet some of the one time expenditure requests. Any resulting ongoing budget impacts will be identified as part of the 2012 budget process.

**Conclusion**

Staff recommend that the 2010 surplus of \$2,452,800 be appropriated towards one-time expenditure requests for items (1) to (23).



Jerry Chong  
Director of Finance  
(4064)



	Priority (H-High, M-Med, L-Low)	Requested By	Description	Total Amount Requested \$	Amount Recomm'd by TAG \$	Not Recomm'd /Deferred by TAG \$
1	H	Fiscal	Increase contribution to reserves	500,000	500,000	-
2	H	Planning & Construction	Steveston Tennis Building -	105,000	105,000	-
3	H	Heritage and Cultural Services Admin	Accessible washroom at London Heritage Farm.	80,000	80,000	-
4	H	Engineering Planning	Initiation of a Dike Master Plan	200,000	200,000	-
5	H	Maintenance Painting Program	Re Surfacing upper level of the library parkade	70,000	70,000	-
6	H	Parks Maintenance	Pesticide Use Control Bylaw No.8514.	145,000	145,000	-
7	H	Enterprise Services	Consultant for Event - On Line Form.	60,000	60,000	-
8	H	Finance	CLASS upgrade PIN/Chip card	75,000	75,000	-
9	H	Sister City	Sister City Plan 2011-2013	234,410	234,410	-
10	H	Business License	On Line license application and Licence renewal project.	50,000	50,000	-
11	H	Energy Management	To obtain higher level and multi-year funding from BC Hydro.	35,000	35,000	-
12	H	Facilities	Upgrade security access system	300,000	290,000	10,000
13	H	Property Taxation	Ebilling module within Tempest	50,000	50,000	-
14	H	Clerks	Increase cost for printing and distribution of candidate profiles.	16,000	16,000	-
15	H	Clerks	Enhanced public awareness and education strategy regarding the Civic election.	25,000	25,000	-
16	H	Eng PW, Planning, Law & Comm'ty Safety	Mobile Solutions	122,390	122,390	-
17	H	Parks	Feasibility Study for new Animal Shelter	50,000	50,000	-
18	H	Fleet Operations	2 Vehicle units for animal control @ \$30,000 each	60,000	60,000	-



	Priority (H-High, M-Med, L-Low)	Requested By	Description	Total Amount Requested \$	Amount Recomm'd by TAG \$	Not Recomm'd /Deferred by TAG \$
19	H	Community Bylaws	Noise Bylaw costs	100,000	100,000	-
20	M	Community Services Admin	Funding for clerical support.	25,000	25,000	-
21	M	Budgets and Accounting	Mandatory compliance with financial reporting.	209,200	100,000	109,200
22	M	Fire Rescue	Hydrant Kits Bags and nozzles and monitors.	45,000	45,000	-
23	M	Diversity Services	The recreation fee subsidy program review	15,000	15,000	-
24	L	Sanitation & Recycling	15 sets of Big Belly - recycling units for use around the City	100,000	-	100,000
25	L	Fleet Operations	2 sedan vehicles for Development Permit Inspections	40,000	-	40,000
26	L	Fleet Operations	3 Heated tents for vactor and flusher trucks	175,000	-	175,000
27	L	Fleet Operations	2 to 3 Ton Single Axle 3 Yard Dump Truck.	80,000	-	80,000
28	L	Clerks	Vote anywhere initiative for the 2011 civic election, (FUNDED)	88,000	-	88,000
29	L	Parks Maintenance	Cleaning of areas outside of Brighthouse and Lansdowne.	10,000	-	10,000
30	L	Energy Management	District Energy Manager	146,000	-	146,000
31	L	Fire Rescue	Fire-Rescue vehicle reserve	400,000	-	400,000
32	L	Parks Program & City Wide Special Events	Wildlife Management	190,000	-	190,000
33	L	Fire Rescue	Upgrade to the Self Contained Breathing Apparatus program.	190,000	-	190,000
34	L	Fleet Operations	Increased contribution to vehicle reserve	250,000	-	250,000
35	L	Roads & Construction Services	Radial Arm Saw 20" for Carpentry Shop	15,000	-	15,000
36	L	Fire Rescue	sign at Firehall #1 to deliver messaging to the Community.	50,000	-	50,000
37	L	Sustainability	Sustainability Program Specialists	150,000	-	150,000



	Priority (H-High, M-Med, L-Low)	Requested By	Description	Total Amount Requested \$	Amount Recomm'd by TAG \$	Not Recomm'd /Deferred by TAG \$
38	L	Parks Maintenance	Landscape at No. 3 Road under the Canada Line.	36,000	-	36,000
39	L	Parks Maintenance	Increased level of service for the Steveston area	136,700	-	136,700
40	L	Fleet Operations	Vehicle replacement for Electrical Supervisor	40,000	-	40,000
41	L	Gateway Theatre	This request is to buy new box office printers	10,000	-	10,000
42	L	Gateway Theatre	Lighting Board Replacement at the Gateway Theatre	12,000	-	12,000
43	L	Gateway Theatre	Gateway Theatre's website update and improve its functionality.	30,000	-	30,000
44	L	Programs and Projects	Volunteer Richmond Information Services	75,000	-	75,000
45	L	Law	Additional funding for external legal services	250,000	-	250,000
46	L	Corporate Services	AV Podiums in City Hall Meeting Rooms	150,000	-	150,000
47	L	Community Services	Integrated Calendar of Events	70,000	-	70,000
48	L	Engineering & Public Works	Electronic Timesheets	310,000	-	310,000
49	L	Law & Community Safety	Domestic Animal Licensing	44,218	-	44,218
50	L	Engineering & Public Works	SCADA Access on City Hall Eng Workstations	48,800	-	48,800
51	L	Community Services	Council Chambers Upgrade	516,000	-	516,000
52	L	Engineering & Public Works	Field Entry GIS Data Capability	15,900	-	15,900
53	L	Corporate Services	Open Online Access to Corporate Memory	9,000	-	9,000
54	L	Corporate Services	Launch HireDesk Fire Portal	12,000	-	12,000
55	L	IT	Open Data	17,000	-	17,000
56	L	Corporate Services	Digital Photography Strategy and Standards	16,500	-	16,500
57	L	Business and Fin Services	Financial Reporting – Business Intelligent Tool	172,000	-	172,000
58	L	Engineering & Public Works	GIS Links to CCTV Video and Construction Photos	50,000	-	50,000



	Priority (H-High, M-Med, L-Low)	Requested By	Description	Total Amount Requested \$	Amount Recomm'd by TAG \$	Not Recomm'd /Deferred by TAG \$
59	L	IT	Extranet	100,000	-	100,000
60	L	Parks and Recreation	WI FI in City Parks/Facilities Pilot	80,000	-	80,000
61	L	Parks and Recreation	Computer Klosks in City Facilities	13,300	-	13,300
62	L	Law & Community Safety	Calls for Service	93,290	-	93,290
63	L	Corporate Services	CGSB Compliance Initiative Phase Two	33,000	-	33,000
<b>Total</b>				<b>6,886,698</b>	<b>2,452,800</b>	<b>4,443,908</b>





# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 17, 2011

**From:** Jerry Chong  
Director, Finance

**File:** 03-0900-01/2011-Vol  
01

**Re:** External Borrowing for Corporate Facilities Referral

### Staff Recommendation

That the External Borrowing for Corporate Facilities Referral report from the Manager, Treasury Services be received for information.

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

FOR ORIGINATING DEPARTMENT USE ONLY					
<b>ROUTED TO:</b>		<b>CONCURRENCE</b>		<b>CONCURRENCE OF GENERAL MANAGER</b>	
Budgets		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
City Clerk		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
Law		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
<b>REVIEWED BY TAG</b>		YES	NO	<b>REVIEWED BY CAO</b>	
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	DGA <input checked="" type="checkbox"/> <input type="checkbox"/>	



## Staff Report

### Origin

At the May 9, 2011 Finance Committee Meeting following the discussion on future reserve balances, Committee passed the following referral motion:

*That staff report back on possibilities for external borrowing for capital projects and possibilities for referendum in conjunction with the 2011 Civic Election.*

### Analysis

#### 1. External Borrowing for Capital Projects

##### *Loan Authorization Bylaw*

External borrowing for capital projects is possible under section 179(1)(a) of the *Community Charter*, which states that Council may, by a loan authorization bylaw adopted with the approval of the inspector, incur a liability by borrowing for any purpose of a capital nature.

Long-term financing with a term longer than five years must be done through the Municipal Finance Authority (MFA) and must receive approval of the electors prior to adoption of a loan authorization bylaw, unless the borrowing falls within the “approval-free liability zone” described below.

##### *Approval-Free Liability Zone*

Pursuant to the *Municipal Liabilities Regulation* that was introduced in 2004, approval of the electors is not required if a municipality’s annual liability servicing cost does not exceed 5% of the municipality’s controllable revenue for the previous year. This exemption can be exercised at Council’s discretion and is referred to as the “approval-free liability zone”.

The following illustrates how the calculation for the “approval-free liability zone” would apply to the City if borrowing was to take place in year 2011:

2010 Controllable Revenue	\$ 300 million
5% Approval-Free limit	x 5 %
Approval-Free Liability Zone for 2011	\$ 15 million
2011 Annual Liabilities Servicing Costs (on existing debts)	\$ 5 million
Remaining 2011 Annual Liability Servicing Room (approval-free)	\$ 10 million

Using the May 2011 MFA published 15-year financing rate of 4.54%, the City would be within the “approval-free liability zone” if no more than \$100 million in MFA debt financing is obtained (see below for calculation of annual liability servicing costs).



### *Liabilities Servicing Costs and Tax Impact*

The sinking fund structure of the MFA loan requires principal to be repaid annually and interest to be repaid semi-annually over the term of the loan. Using the current 15-year MFA long-term debt rate of 4.54%, the annual liabilities servicing costs (i.e. cash outflow) and annual tax impact for various borrowing amounts are estimated to be:

Amount of Borrowing	Annual Liabilities Servicing Costs	Annual Tax Impact
\$ 10,000,000	\$ 954,000	0.62%
\$ 50,000,000	\$ 4,770,000	3.10%
\$ 100,000,000	\$ 9,540,000	6.20%

For every 1.00% increase in the MFA borrowing rate, both the annual liabilities servicing cost and the annual tax impact will increase by approximately 10.50%. (e.g. \$50,000,000 @ 5.54% will result in annual liabilities servicing cost of \$5,267,000 and annual tax impact of 3.40%)

## 2. Referendum Questions in Conjunction with 2011 Civic Election

As discussed above, elector approval is only required prior to adoption of a loan authorization bylaw if the amount of borrowing will cause the City's annual liability servicing costs to exceed the "approval-free liability zone" (i.e. the borrowing exceeds approximately \$100 million as illustrated above).

There are two possible methods for obtaining elector approval:

- (a) Referendum, either in conjunction with a general election or on a standalone basis; or
- (b) Alternative approval process under section 86 of the *Community Charter*.

### *Referendum*

A referendum is a vote on an opinion question, proposal or bylaw that is organized and run to all intents and purposes under the same statutory rules, requirements and procedural parameters as a general local election.

Based on experiences of past referenda held by the City of Richmond and other municipalities, where voters were asked to vote on their opinion on whether external funding should be used to finance specific public facility/facilities, it is noted that the three main categories of public facilities that typically are more successful in obtaining elector's approval for external financing, in the order of the probability of success from high to low, are:

1. Community Safety Facilities
2. Public Use Facilities
3. Civic Services Facilities



Although it is possible to include the referendum question(s) relating to obtaining external financing to fund the City's capital projects in the upcoming 2011 Civic Election, it should be noted that in order for the referendum to be ready by November 19<sup>th</sup>, 2011, the loan authorization process must begin immediately, where the specific capital project(s) and the amounts (design and construction costs etc.) to be funded by debt must first be determined.

After the project(s) and the amount(s) are determined, Council's approval of three readings of the loan authorization bylaw must be completed no later than July 25<sup>th</sup>, 2011, which is the last scheduled council meeting before the end of August deadline in order for the City to meet the statutory timing requirements for a referendum. (Refer to **Attachment 1** for an estimated timeline of the entire external borrowing process.)

Given the existing time constraint for loan authorization bylaw preparation and referendum planning in conjunction with the 2011 Civic Election, the City, as an alternative, can hold a standalone referendum for a loan authorization bylaw. A standalone referendum is more flexible as it can take place on any Saturday during the year. The downside is that a standalone referendum typically attracts a lower voter turn-out than a civic election. In addition, a referendum that is held in conjunction with a civic election generally would not incur any significant incremental costs over what is budgeted for the election; however, a basic standalone referendum with 5 to 10 voting places throughout the City would require an additional budget of at least \$75,000 to \$100,000.

#### *Alternative Approval Process*

The City may also seek elector approval for a loan authorization bylaw by using the alternative approval process under section 86 of the *Community Charter* (formerly known as the counter-petition process), which can take place any time during the year. Under this process, eligible electors have the option to submit prescribed response forms in opposition to the loan authorization bylaw within a 30-day response window. If the number of valid forms received exceeds 10% of all eligible electors, then the bylaw is deemed to have failed. If the number of forms received falls short of the 10% threshold, then the bylaw is deemed to have received elector approval. The costs for this process for statutory advertising and general administration are considered negligible and can be absorbed into existing budgets.


#### **Financial Impact**

None.



## **Conclusion**

The need for new and/or replacement public facilities will continue to grow as the demand for public spaces and services continue to increase. The decision to finance the costs of these public facilities either internally or externally should be evaluated carefully to ensure that the City will continue to operate in a financially sustainable manner, while continuing to meet the growing needs of the public.



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



## Attachment 1

**Estimated Timeline of External Borrowing Process**  
 (If referendum in conjunction with 2011 Civic Election is involved)

Estimated Dates	Event	Parties Responsible
May 2011	Determine the specific capital project(s) and the amounts (design and construction costs etc.) to be funded by external borrowing	City (All relevant departments and Council)
May/Jun 2011	Loan Authorization Bylaw Preparation	City (Finance)
July 25 <sup>th</sup> , 2011 (last Council meeting before summer break)	1 <sup>st</sup> , 2 <sup>nd</sup> , and 3 <sup>rd</sup> readings of Loan Authorization Bylaw by Council	City (Council)
Late July 2011	Submission to Ministry of Community Services for approval by the Inspector of Municipalities	City (Clerk's Office)
Aug 31 <sup>st</sup> , 2011	Receive approval letter from the Inspector of Municipalities	Province*
Sep / Oct 2011	Election/referendum planning and preparation	City (Clerk's Office)
Nov 19 <sup>th</sup> , 2011	Election Day	City (Clerk's Office)
Nov 28 <sup>th</sup> , 2011	If referendum passes, adoption of Loan Authorization Bylaw by Council	City (Council)
Dec 2011	1 month quashing period	City (All)
Early Jan 2012	Submission to Ministry of Community Services to apply for Certificate of Approval	City (Clerk's Office)
Mid Jan 2012	Receive Certificate of Approval from Inspector of Municipalities	Province*
Mid Jan 2012	City Council passes Municipal Security Issuing Resolution to Metro Vancouver and MFA	City (Council)
Late Jan 2012	Metro Vancouver prepares Regional District Security Issuing Bylaw	Metro Vancouver*
Early Feb 2012	1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> readings by the Board of Metro Vancouver, followed by adoption of Bylaw	Metro Vancouver*
Early Feb 2012	10 days quashing period	Metro Vancouver*
Mid Feb 2012	Submission to the Ministry of Community Services to apply for Certificate of Approval	Metro Vancouver*
Mid Feb 2012	Receive Certificate of Approval from Inspector of Municipalities	Province*
Feb 28, 2012 (MFA deadline)	Metro Vancouver forwards all information to MFA for funding on or before the spring issue deadline (next offering: fall issue, with deadline of August 31, 2012)	Metro Vancouver*

\*Timing of these events is estimated based on best-case scenario. As scheduling of these events performed by other parties are out of City's span of control, any delay of these events may result in changes to the timeline. Staff will work closely with the Province and Metro Vancouver to ensure that the MFA deadline of Feb 28, 2012 will be met.





# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 16, 2011

**From:** Jerry Chong  
Director, Finance

**File:** 03-0900-01/2011-Vol  
01

**Re:** Revenue Anticipation Borrowing Bylaw No. 8755

### Staff Recommendation

That Revenue Anticipation Borrowing Bylaw No. 8755 be introduced and given first, second, and third readings.

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

FOR ORIGINATING DEPARTMENT USE ONLY			
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>	
Budgets	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Law	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<b>REVIEWED BY CAO</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
		DEPUTY	



## Staff Report

### Origin

The City is renewing the credit facility agreement with its bank and is seeking Council's authorization, through the adoption of Revenue Anticipation Borrowing Bylaw No. 8755 (attached), to obtain from the bank a \$7,500,000 credit facility. The credit facility will be available in the form of up to \$3,000,000 in standby letters of credit, demand promissory notes or bank overdraft, and up to \$4,500,000 in leasing lines of credit.

### Analysis

The \$7,500,000 credit facility arrangement aforementioned meets the definition of revenue anticipation borrowing as per Section 177 of the *Community Charter*. Under that section, Council may, by bylaw, provide the authority to borrow money that may be necessary to meet current lawful expenditures and to pay amounts required to meet the City's taxing obligations in relation to other local governments or public bodies. If money is borrowed pursuant to a revenue anticipation borrowing bylaw, any money to be collected from property taxes must be used to repay the money borrowed.

The maximum amount of borrowing allowed for revenue anticipation borrowing is the sum of the unpaid taxes for the current year and the money remaining due from other governments (e.g. payment in lieu of taxes and grants etc.). Therefore, the bylaw amount of \$7,500,000 is well below the limit imposed under Section 177 of the *Community Charter*.

The purpose of obtaining the \$3,000,000 operating lines of credit is to ensure that the City has a secondary source of credit in place to protect its bank accounts from the unlikely event of going into an overdraft position. Staff has and will continue to regularly monitor the City's cashflow position to prevent the possibility of having to draw down on the credit facility. The purpose of obtaining the \$4,500,000 leasing lines of credit is to ensure that a leasing facility is available for the City when needed.

### Financial Impact

Both types of credit facilities, if they remain unused, will be free of charge for the City to maintain.

In the event where the operating lines of credit will be drawn upon, the interest rate will be at the bank's prime lending rate minus 0.50% with interest payable monthly.

In the event where the leasing line will be drawn upon, the interest rate will be either floating at the bank's leasing prime rate or at a fixed rate of the bank's leasing base rate plus 0.60%, with payments payable monthly.

Should any of these credit facilities be drawn down in the future for a consecutive period of more than 2 weeks, staff will prepare a report to Council to inform Council of such financial activity.



## **Conclusion**

Staff recommend that Revenue Anticipation Borrowing Bylaw No. 8755 be introduced and given first, second, and third readings.



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





**REVENUE ANTICIPATION BORROWING BYLAW NO. 8755**

The Council of the City of Richmond enacts as follows:

1. Council shall be and is hereby empowered and authorized to borrow upon the credit of the City, from a financial institution, a sum not exceeding \$7,500,000 at such times as may be required.
2. The form of obligation to be given as acknowledgement of the liability shall be \$3,000,000 in the form of standby letters of credit, demand promissory notes or bank overdraft, and \$4,500,000 in the form of leasing lines of credit, bearing the corporate seal and signed by the authorized signing officers for the City, pursuant to Council's banking resolution.
3. All unpaid taxes and the taxes of the current year (2011) when levied or so much thereof as may be necessary shall, when collected, be used to repay the money so borrowed.
4. This Bylaw is cited as **"Revenue Anticipation Borrowing Bylaw No. 8755"**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

\_\_\_\_\_  
MAYOR

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

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





# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 18, 2011

**From:** Jerry Chong  
Director, Finance

**File:** 03-0970-09-01/2010-Vol  
01

**Re:** Financial Information – 1st Quarter 2011

### Staff Recommendation

That the report on Financial Information for the 1st Quarter ended March 31, 2011 be received for information.

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

Att.

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:		CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Enterprise Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Information Technology	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Engineering	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Sewerage and Drainage	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Water Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Fire Rescue	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
RCMP	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Parks and Recreation	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Building Approvals	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Development Applications	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Project Development	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Community Bylaws	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Transportation	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
REVIEWED BY TAG		YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	REVIEWED BY CAO
			DEPUTY YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>



## Staff Report

### Origin

Information for the 1<sup>st</sup> quarter ended March 31, 2011 is being provided to Council with economic updates with respect to Canada, the Province of BC, the City of Richmond, and the financial activity and position of the City.

### Analysis

#### Canadian Economic Overview

Scotiabank Economics reported that consumer inflation increased to a 2 ½ year high of 3.3% with the biggest contributor being the rising costs of energy. Rising energy and non-energy commodity prices may begin to infiltrate broader price trends. However for the time being, continued excess capacity, strength in the Canadian dollar, limited retail pricing power and well anchored inflation expectation will keep underlying price pressures in check. As excess capacity is gradually absorbed, rising manufacturing cost may put pressure on wholesale and retail margins and inflation could trend upward.

#### Province of BC Economic Overview

Central 1 Credit Union forecasts that economic growth in British Columbia will remain modest. The economy will be dependent on domestic growth given the high Canadian dollar on trade-related activities. While employment growth slowed in the latter half of 2010, job creation is forecast to pick up over the next few years. In contrast to the last two years, full-time employment is expected to rise faster than part-time in the next three years.

#### **Forecast Summary: British Columbia**

	2008	2009	2010	2011	2012	2013
<b>Real GDP, % change</b>	0.20	(1.80)	3.60	2.90	3.10	2.70
<b>Nominal GDP, % change</b>	2.90	(3.40)	7.00	5.70	5.90	6.00
<b>Employment, %</b>	2.10	(2.40)	2.00	2.20	2.50	2.10
<b>Unemployment %</b>	4.60	7.60	7.60	7.30	6.70	6.10
<b>Population, % change</b>	1.70	1.70	1.60	1.60	1.60	1.42
<b>Housing Starts 000's</b>	34.30	16.10	26.30	26.50	28.90	32.90
<b>Retail Sales, % change</b>	1.50	(4.40)	6.70	6.10	6.70	6.00
<b>Personal Income, % change</b>	3.70	(0.01)	5.90	5.20	5.60	5.40
<b>Corporate Pre-Tax Profits, % change</b>	5.70	(21.30)	16.00	9.30	5.30	8.40
<b>Consumer Price Index, % change</b>	2.10	0.00	1.50	2.10	1.70	1.90

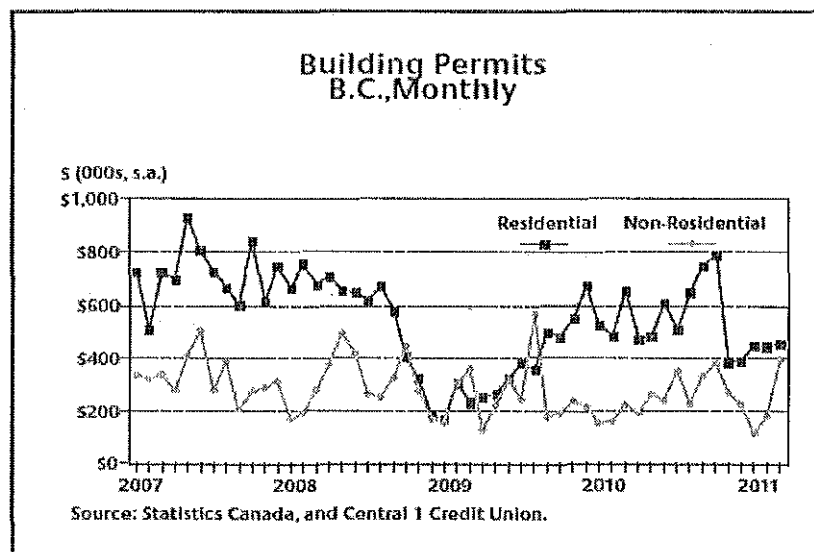
*Forecast commences 2011. Source: Statistics Canada, Central 1 CU*



Provincial housing starts are forecast to remain unchanged at 26,500 units in 2011. While aggregate starts remain stable, an increase in construction in multi-family units will offset lower single-detached units. While population levels continue to grow, the rising mortgage rate environment, tightening federal mortgage insurance criteria and high prices will likely contain new home activity in the medium term.

Building permits in BC surged in March following four months of weak activity. Non-residential building permits more than doubled from February, pushing total permits in the province up by 36% to \$851.7 million. In contrast, the residential sector held down growth as residential permits have been low since November.

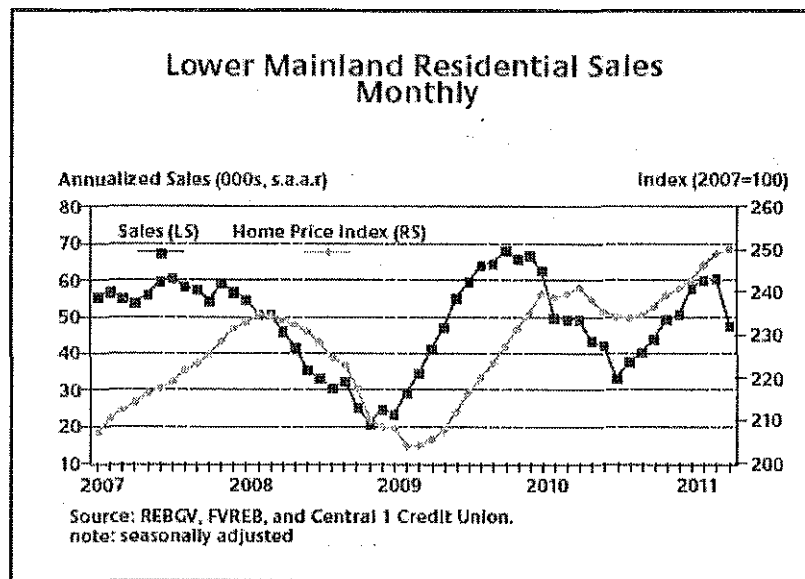
The largest relative gains were observed in commercial building permits which rose 179% from February, while industrial permits rose 106%. Institutional and government permits remained low relative to 2010 peaks, but advanced 12% from February.



Following eight consecutive monthly gains, home sales pulled back sharply in the combined Metro Vancouver and Abbotsford-Mission region in April. Total sales during the month fell 21% from March to a seasonally-adjusted annualized rate of 47,800 units.

While an April sales decline was projected, reflecting a pull-forward in purchases by buyers looking to close their deals prior to the commencement of more restrictive mortgage insurance in March, the magnitude was larger than anticipated.

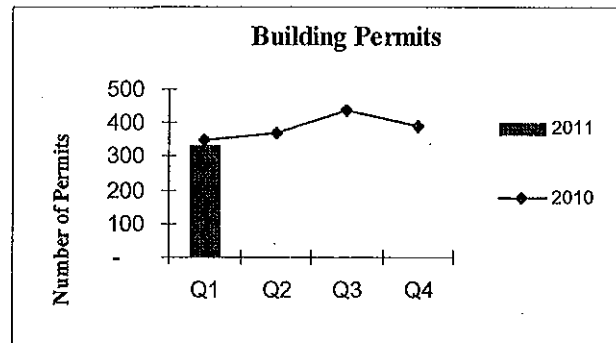
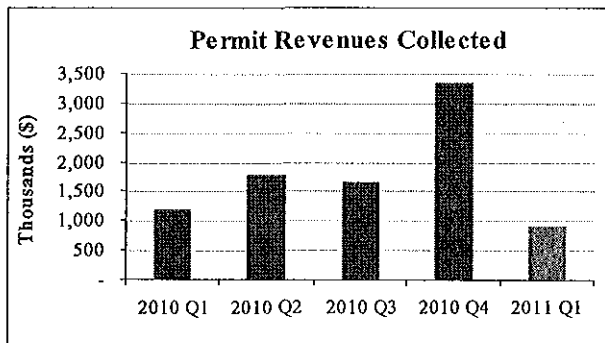




### City of Richmond Overview

335 building permits were issued in the 1st quarter, which is a slight decrease of 3.7% compared to the 348 permits issued in Q1 2010. Building permit revenues for Q1 are \$0.9M, a year over year decrease of 17.6% compared to 2010.

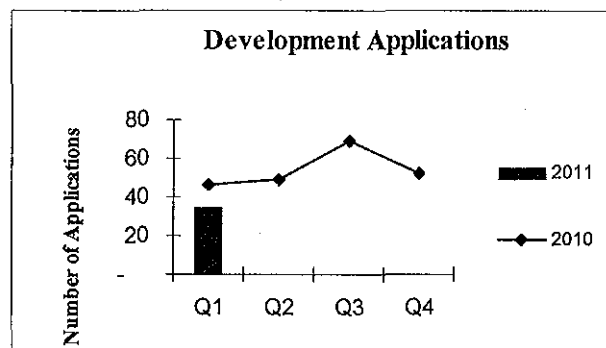
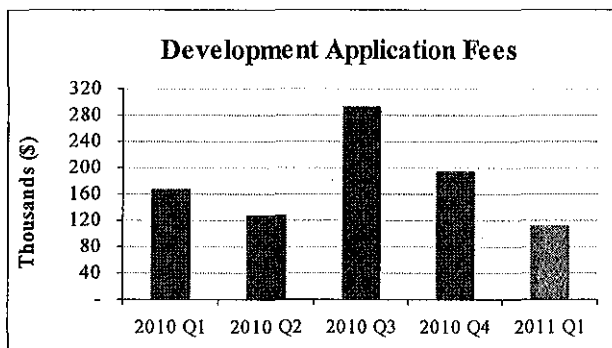
The value of building construction for permits issued increased during the 1st quarter of 2011. Permits issued in 2011 have a construction value of \$97.6M as compared to \$88.5M in 2010, a 10.5% increase.



35 development applications were received in the 1st quarter, which is a decrease of 23.9% as compared to 2010. Year to date revenues of \$0.1M are 32.4% lower than 2010.

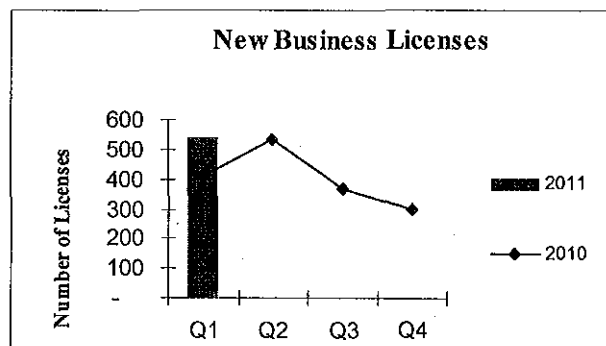
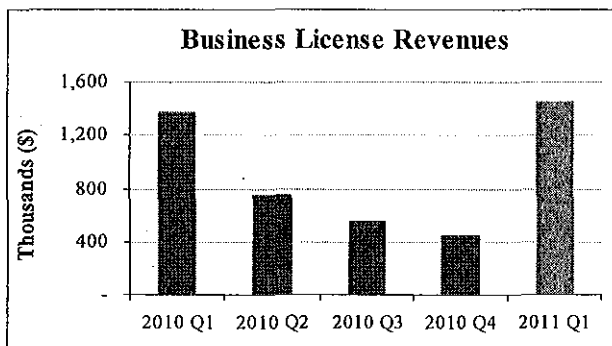
While the number of development applications and revenue in the 1st quarter is down, the administration fees related to the completion of Servicing Agreements is more than making up for the reduction in development application revenue.



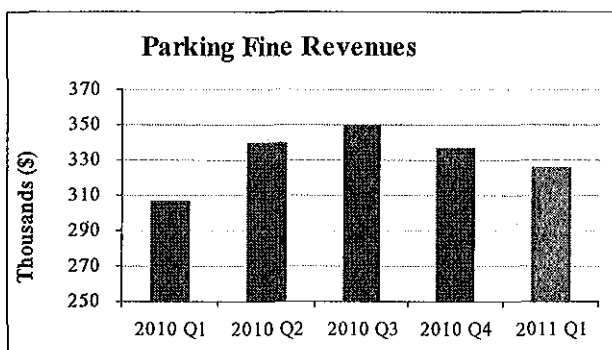


Business license revenues of \$1.5M increased by 5.7% year over year as compared to 2010 due to increased enforcement, collections (outstanding receivables) and from ongoing activity.

The total number of valid licenses renewed for Q1 2011 is up 408 from Q1 2010 to 12,616 due to increased business activity and enforcement.

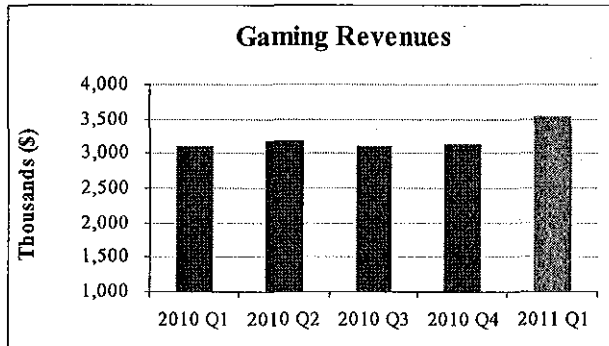


The total monthly permit and enforcement (Parking Fine) revenues of \$0.3M are slightly higher than 2010 due largely to the efforts of the parking enforcement staff. Meter revenues have declined due to meter rate increases resulting in drivers seeking alternative parking arrangements.

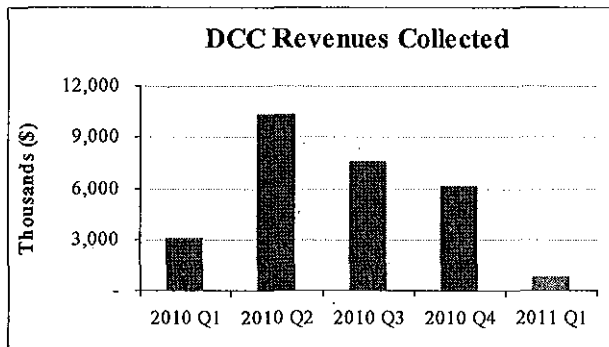




Year-to-date gaming revenues of \$3.6M are 14.2% higher than the corresponding period in 2010 and 32.0% higher than the current year-to date budget of \$2.8M. Revenues at the River Rock Casino Resort have been increasing since the opening of the Canada Line and the completion of redevelopment and enhancements.



DCC contributions received in the 1st quarter are 73.0% lower than the same quarter of last year. Year-to-date contributions are \$0.8M as compared to \$3.1M in 2010. Last year's DCC was the highest in Richmond's history as result of major developments approved and the push by developers to move quickly before the increase in DCCs rates last fall.





## Statement of (net revenues)/expenditures for

Quarter ended March 31, 2011

Operating (in \$'000s)	Budget Year to Date March 31, 2011	Actual Year to Date March 31, 2011 (unaudited)	Variance
RCMP	8,775	7,875	900
Fire Rescue	7,328	6,949	379
Parks & Recreation	6,101	5,127	974
Engineering & Public Works	4,842	3,101	1,741
Corporate Services	3,730	3,348	382
Project Development & Facility Maintenance	2,121	2,124	(3)
Library	1,886	1,912	(26)
Planning & Development Services	1,460	1,040	420
Community Services	1,806	1,508	298
Corporate Administration	911	897	14
Law & Community Safety	809	724	85
Business and Financial Services	712	(165)	877
Fiscal & Transfer to Reserves	(40,481)	(44,408)	3,927
	\$ -	\$ (9,968)	\$ 9,968

*The variance for Q1 is consistent with prior years and is mainly attributable to timing and seasonality. This should not be used as an indicator for annual results.*

The following are the explanations for net expenditure variances at the departmental level.

- The RCMP realized savings from the 2010/11 contract in the amount of \$740,000 which was received in the first quarter of 2011. The additional variance is attributed to a delay in the timing of expenditures that will occur throughout the balance of the year.
- Fire Rescue is on budget for the first quarter.
- Parks and Recreation revenues are on budget with a favourable variance in expenditures at Q1. Seasonal maintenance and recreational expenditures will be incurred in Q2 and Q3. Parks and Recreation is anticipated to be on budget.
- Engineering and Public Works revenues are higher than budgeted due to the completion and closure of outstanding receivables and engineering inspection fees. The road programs have been awarded and initiated but to date no costs have incurred.
- Project Development and Facility Maintenance is on budget.
- Library grants revenues are anticipated to be received mid year. Overall, the Library is on budget.



- Planning and Development is on target. While the number of rezoning and development permits is temporarily down in the 1<sup>st</sup> quarter, the administration fees related to completion of servicing agreements is offsetting any declines in building permit and development application revenues. The number of Business Permits and revenue was a record in 2010, and 2011 is unlikely to match last year's record.
- Community Services has a favourable variance as at Q1. The timing of expenditures for key community events and consultant reviews on strategic initiatives in Sustainability and Arts, Culture, and Heritage is anticipated to materialize in Q2 and Q3.
- Law and Community Safety is primarily on budget for Q1.
- Corporate Administration is on budget.
- Business and Financial Services has a surplus due to the fact that Business Licenses revenues are predominately received in Q1.
- Fiscal is favourable for Q1 with anticipated expenditure to follow in the latter part of 2011.

#### Utilities

- Water Utility is currently on budget with water consumption anticipated to peak through the high usage summer months. Increased receivable activity costs have been matched with increased receivable income.
- Sewer Utility is on budget.
- Sanitation & Recycling Utility is on budget.

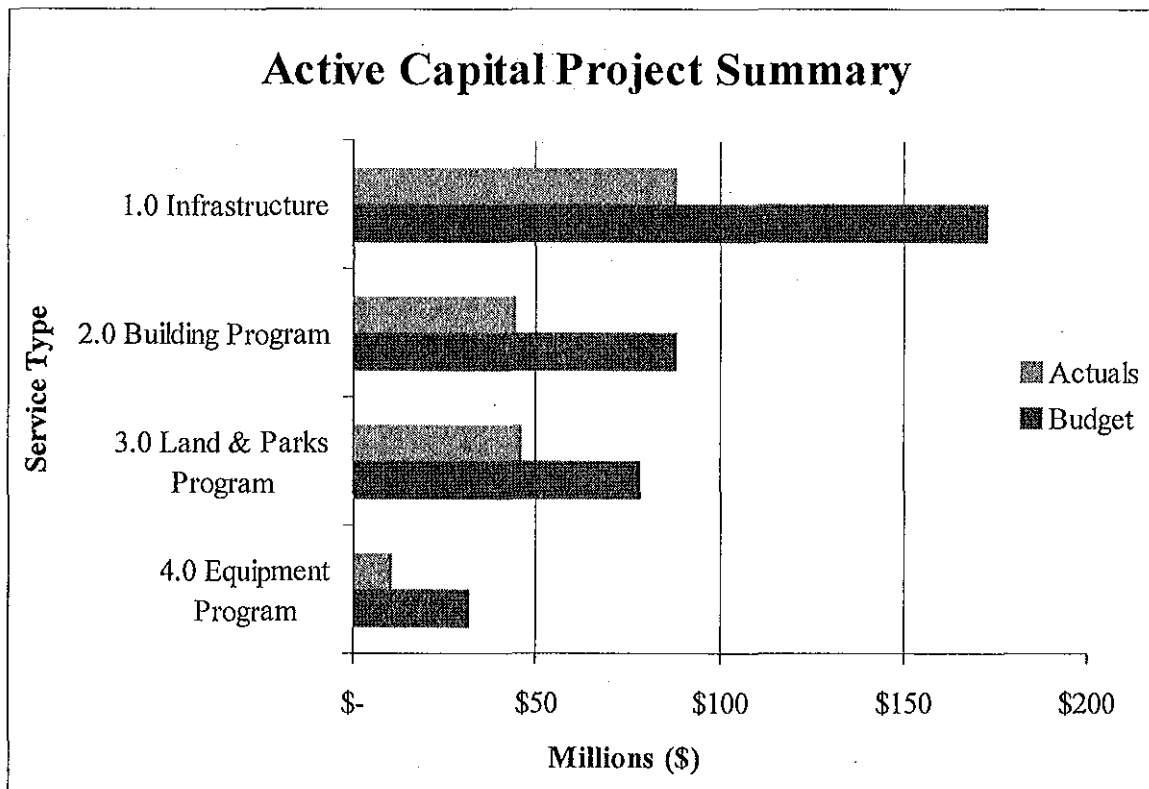
#### Active Capital Project Summary

The approved 2011 Capital Budget of \$61.2M (excluding internal payment transfers and debt repayments) are included in the figures below as are amounts relating to capital projects from previous years' Capital budgets that remain active.



The projects within the Infrastructure, Building, Land & Parks and Equipment Programs are in progress.

<b>Statement of Active Capital Project Expenditures</b>			
<b>\$'000s</b>			
	<b>Budget</b>	<b>Spent to Date</b>	<b>Commitment</b>
1.0 Infrastructure	173,330	88,464	84,866
2.0 Building Program	87,996	44,122	43,874
3.0 Land & Parks Program	78,302	45,879	32,423
4.0 Equipment Program	31,743	10,571	21,172
<b>Grand Total</b>	<b>\$371,371</b>	<b>\$189,036</b>	<b>\$182,335</b>





Cash and Investment Portfolio

The City's cash and investment portfolio at March 31, 2011 was \$520M, with an average actual return on investment for the 1st quarter of 3.27%. The current economic environment (as described below) and cash flow projections have influenced the terms and types of investments that the City holds, which is reflected in the return.

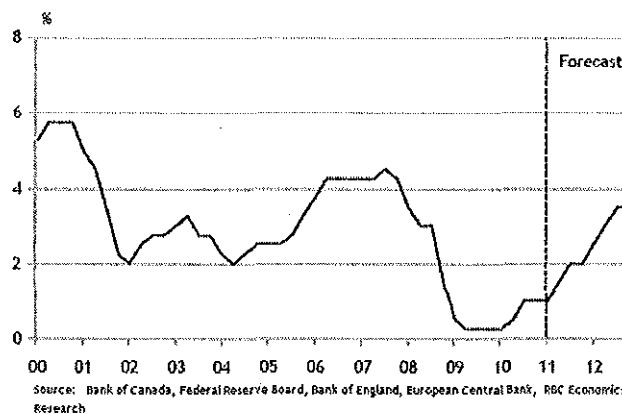
Investment \$'000s	Value	% of Portfolio
<b>Prov Gov and Prov Crown Corp</b>		
Prov of Ontario	\$ 33,797	6.49%
Prov of BC	\$ 31,551	6.07%
Prov of Manitoba	\$ 21,453	4.13%
Total Prov Gov and Prov Crown Corp.	\$ 86,802	16.70%
<b>Fed Gov and Fed Crown Corp</b>		
CMHC	\$ 184,657	35.52%
Government of Canada	\$ 100,549	19.34%
Canadian Wheat Board	\$ 8,725	1.68%
Total Fed Gov and Fed Crown Corp	\$ 293,931	56.54%
<b>Schedule I Banks</b>		
TD Financial	\$ 17,048	3.28%
Royal Bank of Canada	\$ 10,305	1.98%
CIBC	\$ 9,602	1.85%
Scotia Bank	\$ 7,952	1.53%
First Bank	\$ 599	0.12%
National Bank of Canada	\$ 527	0.10%
Total Schedule I Banks	\$ 46,034	8.85%
<b>Credit Unions</b>		
Vancity Savings Credit Union	\$ 29,022	5.58%
Gulf & Fraser Financial Group	\$ 15,169	2.92%
Total Credit Unions	\$ 44,191	8.50%
<b>Pooled Investments</b>		
Municipal Finance Authority	\$ 20,809	4.00%
Total Pooled Investments	\$ 20,809	4.00%
Total Investments	\$ 491,767	
Cash and cash equivalents	\$ 28,138	5.41%
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 519,905</b>	<b>100.00%</b>



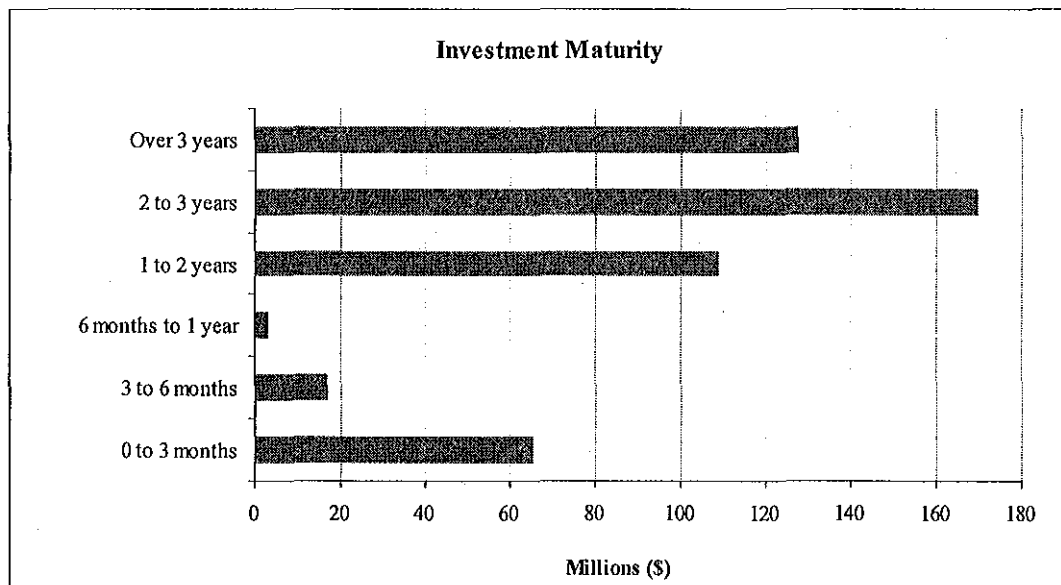
The rate of growth in the Canadian economy has been slow but steady during the 1st quarter of 2011. The slowdown was partially the result of various global events such as the devastating earthquake in Japan, the political and economic destabilization of the Middle East, and the heightening of the risk of sovereign credit defaults in Europe etc. The Bank of Canada left the overnight target rate unchanged at both scheduled meetings during the 1st quarter of 2011.

It is projected that the Bank of Canada will not make any changes to its current monetary policy until at least after Q2 of 2011. Despite of the current slow down of the economic recovery, economic data still suggests that both the global and Canadian growth will remain optimistic, as reflected in the forecasted Bank of Canada overnight rate below.

**Bank of Canada overnight rate**



The City continues to be in compliance with its Investment Policy (3702), where the City is required to carry a diversified investment mix with strong credit quality and at the same time meeting the objectives of managing its investment activities in a manner that seeks to preserve capital along and to realize a reasonable rate of return.





Key Indicators (Appendix 1)

This appendix provides information with regard to various financial and market indicators for the year 2011 as compared to 2010.

Contract Awards (Appendix 2)

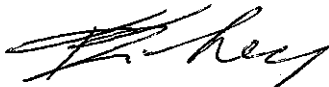
This report provides Committee members information with regard to the formal contracts awarded by the City during the 1st quarter.

**Financial Impact**

None

**Conclusion**

The City of Richmond's 1<sup>st</sup> quarter, 2011 financial results indicate that the pace of growth is slower than the prior quarter as evidenced by the decrease in revenues from building permits, development applications, and DCC contributions. Due to programs and projects in progress, unplanned and planned leave benefits and delayed hirings, actual expenditures are less than budget in various divisions. Staff will continue to monitor the results and update the Committee on a quarterly basis.



Katherine Lecy  
Manager, Payroll & Accounts Payable  
(604-247-4628)



## Key Indicators



## City of Richmond

## Key Indicators - March 31, 2011

All \$ in 000s	Q1 2011 Jan-Mar 2011	Q1 2010 Jan-Mar 2010	% Change	Year to Date Jan-Mar 2011	Year to Date Jan-Mar 2010	Year to date % change
<b>Housing Starts</b>						
Number of Housing Starts (number of units)	178	371	(52.0%)	178	371	(52.0%)
Number of Demolitions	124	152	(18.4%)	124	152	(18.4%)
Net Housing Units Added	54	219	(75.3%)	54	219	(75.3%)
<b>Building Permits</b>						
Number of Building Permits Issued	335	348	(3.7%)	335	348	(3.7%)
Permit Revenues Collected (includes deferred revenue)	\$929	\$1,128	(17.6%)	\$929	\$1,128	(17.6%)
Value of Building Construction for Permits Issued	\$97,830	\$88,505	10.5%	\$97,830	\$88,505	10.5%
<b>Development Applications</b>						
Development Applications Received	35	46	(23.9%)	35	46	(23.9%)
Development Applications Revenue	\$113	\$167	(32.4%)	\$113	\$167	(32.4%)
<b>Business Licenses</b>						
Number of New Business Licenses Issued	542	407	33.2%	542	407	33.2%
Number of Employees Reported - New Licenses	1,565	2,029	(22.9%)	1,565	2,029	(22.9%)
Total Valid Licenses Renewed/(Discontinued)	12,616	12,018	5.0%	12,616	12,018	5.0%
Revenue Received for Current Year Licenses	\$1,459	\$1,381	5.7%	\$1,459	\$1,381	5.7%
Revenue Received for Next Year (Deferred)	\$51	\$49	4.1%	\$51	\$49	4.1%
Total License Revenue	\$1,510	\$1,430	5.6%	\$1,510	\$1,430	5.6%
Year to date valid licenses and revenue include current year licenses issued in the prior year.						
<b>Other Revenues</b>						
Parking Fine Revenue	\$326	\$307	6.3%	\$326	\$307	6.3%
Gaming Revenue	\$3,555	\$3,113	14.2%	\$3,555	\$3,113	14.2%
Traffic Fine Revenue to date	\$283	\$289	(2.0%)	\$283	\$289	(2.0%)
<b>Development Cost Charges Income</b>						
Roads, Water, Sewer DCC's Received	\$400	\$1,554	(74.3%)	\$400	\$1,554	(74.3%)
Parks DCC's Received	\$427	\$1,505	(71.6%)	\$427	\$1,505	(71.6%)
Total DCC Fees Received	\$827	\$3,059	(73.0%)	\$827	\$3,059	(73.0%)
<b>Uncommitted Reserves</b>						
DCC Reserves to date	\$23,098	\$18,470	25.1%	\$23,098	\$18,470	25.1%
Capital Funding Reserves to date	\$60,846	\$58,238	4.5%	\$60,846	\$58,238	4.5%
Affordable Housing Reserves to date	\$1,530	\$1,106	38.3%	\$1,530	\$1,106	38.3%
Other Reserves to date	\$92,863	\$107,747	(13.8%)	\$92,863	\$107,747	(13.8%)
Total Uncommitted Reserves to date	\$178,337	\$185,561	(3.9%)	\$178,337	\$185,561	(3.9%)
<b>Taxes to date</b>						
Taxes Collected	\$7,230	\$8,931	(19.0%)	\$7,230	\$8,931	(19.0%)
City Portion of Taxes Collected	\$3,543	\$4,376	(19.0%)	\$3,543	\$4,376	(19.0%)
Unpaid Taxes - Delinquent & Arrears	\$5,478	\$5,729	(4.4%)	\$5,478	\$5,729	(4.4%)
No. of Participants on PAWS (Pre authorized withdrawal)	5,745	5,477	4.9%	5,745	5,477	4.9%
PAWS	\$5,238	\$5,369	(2.4%)	\$5,238	\$5,369	(2.4%)
Interest Rate Paid to PAWS	1.00%	0.25%	0.75%	1.00%	0.25%	0.75%

Sources: All data is from City of Richmond records



All \$ in 000s	Q1 2011 Jan-Mar 2011	Q1 2010 Jan-Mar 2010	% Change	Year to Date Jan-Mar 2011	Year to Date Jan-Mar 2010	Year to date % change
<b>Employees</b>						
Number of City Employees (City and Library)	1,855	1,870	(0.8%)	1,855	1,870	(0.8%)
<b>Fire Rescue Responses</b>	2,231	2,141	4.2%	2,231	2,141	4.2%
<b>RCMP - Calls for Service Handled</b>	17,242	21,939	(21.4%)	17,242	21,939	(21.4%)
<b>Affordable Housing</b>						
Affordable Rental Units	-	41	(100.0%)	-	41	(100.0%)
Secondary Suite/Coach House Units	5	12	(58.3%)	5	12	(58.3%)
Market Rental Units	-	2	(100.0%)	-	2	(100.0%)
Unspent Funds Allocated to Capital Projects to date	\$9,198	\$9,430	(2.5%)	\$9,198	\$9,430	(2.5%)
<b>Investments</b>						
Total Investments	\$519,640	\$403,699	28.7%	\$519,640	\$403,699	28.7%
<b>Interest Earned on Investments</b>						
Average City Rate of Return on Investments	3.27%	2.87%	0.40%	3.27%	2.87%	0.40%
<i>Sources: All data is from City of Richmond records</i>						
<b>Market Indicators</b>						
<b>Median Residential Selling Prices - Richmond</b>						
Single Family Detached	\$1,008	\$838	20.4%	\$1,008	\$838	20.4%
Townhouse	\$537	\$485	10.7%	\$537	\$485	10.7%
Apartment*	\$353	\$331	6.8%	\$353	\$331	6.8%
Number of Sales (all housing types)	1,526	1,287	18.6%	1,526	1,287	18.6%
<i>Source: Real Estate Board of Greater Vancouver</i>						
<b>Unemployment Rate-Greater Vancouver</b>	8.2%	7.4%	0.8%	8.2%	7.0%	1.2%
<i>Regional Unemployment Rate (3 month moving average)</i>						
<i>Source: Statistics Canada &amp; BC Stats (Data not available for Richmond)</i>						
<b>Economic Development</b>						
Total sq. ft space Office YTD	4,365,067	4,143,963	5.3%	4,365,067	4,143,963	5.3%
Total sq. ft vacant space available Office YTD	865,935	728,611	18.8%	865,935	728,611	18.8%
Vacancy rate - Office (in %) YTD	19.84%	17.88%	10.9%	19.84%	17.88%	10.9%
Total sq. ft space Industrial YTD	36,208,363	35,989,013	0.6%	36,208,363	35,989,013	0.6%
Total sq. ft vacant space available Industrial YTD	1,693,863	1,623,118	4.4%	1,693,863	1,623,118	4.4%
Vacancy rate - Industrial (in %) YTD	4.68%	5.26%	(11.0%)	4.68%	5.26%	(11.0%)
<i>Source: Cushman &amp; Wakefield Ltd. - Market Report</i>						
<b>Richmond Population Estimate Year End*</b>	<b>2010:</b>	196,858	<b>2009:</b>	193,505		
<i>*Note: These population estimates include an estimate of the Census undercount. Amounts rounded to the nearest thousand.</i>						



**Contract Awards**  
**January 1, 2011 – March 31, 2011**  
**(Sorted by Award Date)**

	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department</b>
1.	4010 EOI Snow Goose Hazing Program – Canine	EBB Environmental Consulting Inc.	\$40,000.00	On call services to clear geese from parks and school fields using dogs to chase geese away.	Parks and Recreation
2.	4046 P Parks Open Space Strategy	Dillon Consulting Ltd.	\$101,907.20	Development of a Parks and Open Space Strategy with a clear vision, guiding principles, policies, and a ten (10) year implementation plan.	Parks and Recreation
3.	4062 P Remediation Plan for Westminster Highway	EBA Engineering Consultants Ltd.	\$60,590.00	Development of a remediation plan for City land along Westminster Highway that has been contaminated by hydrocarbons.	Environmental Programs
4.	4069 T RCMP CSB: Pre-Qualified Roofing Contractors RCMP Public Safety Building	Pacific Restoration	\$458,627.00	Pre-qualification of roofing contractors for the RCMP Public Safety Building	Project Development & Facilities Services
5.	4080 Q Janitorial Services - Watermania	Nutech Facility Services Ltd	\$91,664.76	Janitorial services for Watermania	Watermania
6.	4191 Q Gangway Ramps for Garry Point Park	Fjord Equipment Ltd.	\$79,200.00	Supply and delivery of ramps for marine infrastructure requirements for the maritime festival.	Parks
7.	4194 J East Richmond Community Hall additional work to remove asbestos floor covering and plywood subfloor IR2010JA.1	RMT Contracting	\$34,584.06	Renovation work at East Richmond Community Hall, required asbestos floor to be removed.	Project Development
8.	4200 P Social Planning Strategy	HB Lanarc Consultants Ltd.	\$62,500.00	Preparation of a ten (10) Year Social Planning Strategy.	Community Services
9.	4203 F Paving Project - 11000 - 11600 block Seahurst Lane	Imperial Paving	\$144,279.83	Final paving of Seahurst Lane capital project.	Engineering
10.	4204 T 2011 Asphaltic Paving Contract	Imperial Paving	\$2,932,200.00	Annual asphaltic pavement road restoration program.	PW - Engineering
11.	4206 F Seine Net Loft: Electrical	Action Electric Ltd	\$44,476.00	New electrical service and fixtures in the Seine Net Loft for the Lubzinski Exhibit.	Project Development & Facilities Services
12.	4207 F Supply and Install electrical service @ Hamilton Sanitary Pump station (T.3987)	BC Hydro	\$42,399.00	BC Hydro costs for upgraded power service to the new sanitary pump station.	PW - Engineering
13.	4208 F Construction @ Seine Net Loft (window & Cladding, platform and gate)	Central West	\$78,184.00	Work required for mounting the Lubzinski Exhibit and allows for public viewing.	Project Development & Facilities Services



	Contract Name	Award	Amount	Description	Department
14.	4215 Q Pile Installation - Garry Point Park	Pacific Industrial and Marine Ltd.	\$130,026.00	Supply and installation of piling for marine infrastructure requirements for the maritime festival.	Parks
15.	4220 F Offset BC Hydro ducts in conflict with new proposed storm main on Bonavista Dr. and Ransford	BC Hydro	\$137,010.00	Moving a BC Hydro ductbank to accommodate storm sewer upgrades.	PW-Engineering
16.	4222 F RCMP CSB: Mechanical Contractor Design Assist Services	Broadway Refrigeration	\$25,000.00	Design services for the mechanical for the RCMP Community Safety Building	Project Development & Facilities Services
17.	4224 F ROO Legacy: Lounge Glazing Retrofit	PDF Construction	\$41,200.00	Lounge Glazing Retrofit at the Richmond Olympic Oval	Project Development & Facilities Services
18.	4226 F ROO Legacy: Sport Surface Covering	Caliber Sport Systems	\$77,950.00	Sport Surface Covering at the Richmond Olympic Oval	Project Development
19.	4227 T RCMP CSB: Drywall, steel stud and acoustic ceiling	Benchmark LTD	\$614,950.00	Drywall, steel stud and acoustic ceiling for the RCMP Community Safety Building	Project Development & Facilities Services
20.	4229 P PS HCM 9.1 Upgrade - Technical Consultant	Ronald C.T. Lee Systems Consulting Inc.	\$120,000.00	PeopleSoft Technical Consultant	IT
21.	4231 F RCMP CSB: Concrete Demo	Dallas Watt Demo LTD	\$96,144.70	Concrete demolition for the RCMP Community Safety Building	Project Development & Facilities Services
22.	4246 F Orthophotos	McElhanney Consulting Services LTD	\$27,155.00	Provide colour digital orthophoto and updated DEM covering The City of Richmond	IT
23.	4247 F Technical, equipment and labour (contracting) for Winterfest Weekend 2011	Purchase and Associates	\$98,029.96	Contract to Vancouver Event Management, owned by Purchase and Associates. Covered all fencing, toilets, transportation, security, stage, light rigging, stage ramping and elements, lighting, sound, video, camera work, large screen, booths, drape, security, plumbing, electrical site management, audio, visual and camera technical labour, professional crew labour, and stage management labour charges. Some tenting charges also included.	Community Services
24.	4262 F Alexandra DEU GHX Design and Construction Overview Services	Hemmera Energy	\$48,215.00	Acting as Owner's Engineer for the Design / Build Alexandra District Energy Utility Phase 1 Project.	PW - Engineering
25.	4263 F Design services – Watermain replacement on Williams Road	Delcan Corporation	\$37,010.00	Design of watermain replacement on Williams Road.	PW - Engineering



	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department</b>
26.	4266 F Steveston Tennis Net Shed - Structural Upgrades CA2011A	RMT Contracting	\$272,954.79	Remedial structural work and new exit doors and emergency exit signs.	Project Development & Facilities Services
27.	4268 Q RCMP CSB: Kone Elevator	Kone Elevator	\$68,978.00	Build elevator for the RCMP Community Safety Building	Project Development & Facilities Services
28.	4269 F RCMP CSB: Supply and install of elevator sump	Kenco Construction LTD	\$41,500.00	Elevator sump for the RCMP Community Safety Building	Project Development & Facilities Services
29.	4270 F Supply and install audiovisual systems in multipurpose room, meeting room, fitness room and lobby	Genesis Integration Inc	\$28,240.54	Projection, LCD TV and Audio equipment Installations for Hamilton Community Centre expansion.	IT
30.	4284 F Restoration Justice Program for 2011	Touchstone Family Association	\$95,000.00	Annual contract for restorative Justice Program for Richmond	Fire-Rescue
31.	4285 F Annual facility assessments and data entry	VFA Canada Corporation	\$50,000.00	Assessment of the condition of roofs, mechanical, electrical and life safety systems for life cycle replacement & repairs.	Project Development & Facilities Services
32.	4299 F Sewer back up repairs	On Side Restoration	\$44,246.07	Repairs required Fire Hall 5 due to sewage backup into building. Drywall replacement, Painting and Cabinet replacement	Project Development & Facilities Services
33.	4300 F Flow control - various pump stations vacuum trucks service from Feb 24th/11 to Feb 27th/11	McRae's Environmental Services	\$205,009.87	Lansdowne force main break, 5 lift stations were taken off line until a by-pass system could be installed.	Sewerage/Drainage
34.	4301 F IT software/ hardware/ Training/ Labour	SoftChoice Corporation	\$51,693.29	Software assurance on server software (last year of 3 <sup>rd</sup> year contract)	I.T.
35.	4302 F RCMP CSB: Metal Cladding	Rite-way Metals	\$34,450.00	Metal cladding for the RCMP Community Safety Building	Project Development & Facilities Services









# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 18, 2011

**From:** George Duncan  
Chief Administrative Officer  
& President and CEO  
Richmond Olympic Oval

**File:**

Andrew Nazareth  
General Manager, Business and Financial Services  
& Chief Financial Officer, Richmond Olympic Oval

**Re:** 1<sup>st</sup> Quarter 2011 - 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, 2011 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, Business and Financial Services  
& Chief Financial Officer, Richmond Olympic Oval

REVIEWED BY TAG

YES

NO

☒

☐





**DATE:** May 25, 2011

**TO:** George Duncan  
Chief Executive Officer, Richmond Olympic Oval Corporation

Andrew Nazareth  
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills  
General Manager, Richmond Olympic Oval Corporation

**FROM:** Rick Dusanj, CA  
Controller, Richmond Olympic Oval Corporation

**Re:** Richmond Olympic Oval Corporation – 1<sup>st</sup> Quarter 2011 Financial Information

---

**Origin**

Section 7.3 of the Operating Agreement between the City of Richmond (the "City") and the Richmond Olympic Oval Corporation (the "Corporation") requires reporting with respect to business plans, budgets, audited financial statements, and quarterly comparisons of actual results to budget along with projections to fiscal year end. This staff report deals with the first quarter business plan and financial results for the 3 months ended March 31, 2011 ("Q1").

**Business Plans and Planning**

Highlights of the activities undertaken by Oval staff during Q1 are described below.

Community use

A Community Engagement Program was launched in February 2011 in order to develop greater interest and community involvement in the use of the Oval facilities.

Some of the major events that took place during Q1 were Winterfest, the Canadian Fencing Federation National Championships and two indoor track meets, the first in Metro Vancouver in 20 years.

High Performance Sport

The programs run by the Center of Excellence include the Volleyball Centre of Excellence and the Table Tennis Centre of Excellence. These continue to grow and attract participants.



### Leasing

LifeMark Sports Medicine officially opened operations in May 2011. Oval staff continues to work with the leasing agent to source other suitable tenants.

### Legacy Partners ("Sponsors")

Sponsorship payments were received during Q1.

### Governance

A meeting of the Corporation's Board of Directors took place on February 8, 2011 at which the 2011 Budget was approved. In addition meetings of the Audit & Finance Committee and the Business & Budget Planning Committee took place during Q1.

### **Comments on the Financial Results for Q1**

**Basis of Accounting** – The unaudited financial statements and budget have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) on a full accrual basis. The one exception to this is the transfer of \$425,000 to the Capital Reserve which represents one-quarter of the \$1.7M that is required in accordance with the Richmond Oval Agreement between the City and the Oval. The Company will be adopting Public Sector Accounting Board ("PSAB") standards of accounting in 2011. These Q1 financial statements and the budget have not been converted to PSAB. The plan is to have the PSAB compliant statements prepared for Q2. The statements incorporate the following concepts:

- 1) The 2011 approved budget is based on fiscal 2011 having operating revenues and operating expenses at levels for a normal year's uninterrupted operations.
- 2) The contribution received from the City of \$3.0 million in March and the 2010 Annual Distributable Amount from the 2010 Games Operating Trust ("GOT") of \$2.7 million are deferred and amortized to revenue at a rate of 1/12 per month. Cash in excess of current needs has been invested by the City.

### **Analysis of Significant Variances for Q1:**

**Revenues** from memberships and admissions of \$434,000 had a positive variance of \$22,000 when compared to the budget. Registered programs revenue was \$182,000 and had a positive variance of \$18,000 when compared to budget. Event and room rental revenue during Q1 was \$423,000 and a positive variance of \$10,000 to budget. Other Revenue of \$190,000 was recorded during the quarter which mainly included \$91,000 of Sponsorship, \$46,000 of parking and \$44,000 of Space leasing.

**3 months Salaries and Benefits** for Q1 were \$130,000 (9%) under budget. The favorable variance was attributable to the following:

- Membership Sales salaries and benefits were \$53,000 under budget primarily due to the maternity leave of the Program Services Manager (since the beginning of 2010-Q2) and being one full time staff short in the Membership Sales department;



- Sport Services salaries and benefits were \$35,000 under budget primarily due to fewer casual Sports staff being hired in Q1 than expected;
- Salaries and benefits for the Centre of Excellence was under budget by \$17,000 as the manager was hired towards the end of Q1, in March 2011; and
- The salaries and benefits of the Operations department were \$28,000 under budget as a result of fewer casual operation staff being hired in Q1.

Aggregate **Program Services** costs over the first quarter of 2011, excluding marketing, were \$588,000, which is \$144,000 (20%) under budget mainly due to salaries being under budget as previously explained.

**Marketing** costs in Q1 were \$52,000 under budget mainly due to favorable variances in the Membership and Registered Programs marketing budget.

**Facility Operations** expenses were \$59,000 under budget during Q1 mainly due to lower salaries (\$28,000), and lower supplies (\$24,000).

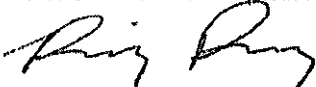
**Utilities** show a positive variance of \$137,000 (41%) for the current fiscal year due to a conservative budget for electricity and natural gas for Q1.

**Administration and Finance** expenses for the first quarter were \$533,000 being \$15,000 (3%) over budget due mainly to the following: \$15,000 over budget for salaries and benefits mainly due to under budgeted amounts for the new Business Development role, \$16,000 over budget for professional/consultant fees mainly due to legal costs for a lease termination, offset by being under budget \$9,000 for training costs and \$8,000 for professional development.

The total expenses in Q1 for controllable costs in the **Program Services, Facility Operations and Administration and Finance Departments**, before utilities and amortization, showed a positive variance of \$240,000.

#### Summary

The 3 months ended March 31, 2011 was budgeted at a net income of \$25,000 and the actual results show a net income before transfers of \$425,000 to the Capital Reserve of \$583,000, a favorable variance of \$558,000. This is mainly due to favorable variances as discussed above. The approved budget for fiscal year 2011 is projected to have net income of \$601,000 before any transfers to the Capital Reserve.



Rick Dusanj, CA  
Controller, Richmond Olympic Oval Corporation

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



# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Statement of Earnings**

**For the three months ended March 31, 2011**

**Unaudited, prepared by management**

	<b>QTR 1 2011</b>		<b>\$ Variance</b>	<b>% Variance</b>	<b>Approved Budget 2011</b>
	<b>BUDGET</b>	<b>ACTUALS</b>	<b>Fav/(Unfav)</b>	<b>Fav/(Unfav)</b>	
<b>Revenue from operations:</b>					
Membership/admission	\$ 411,998	\$ 434,393	22,395	5%	\$ 2,123,987
Registered program	164,141	181,940	17,799	11%	758,072
Rental of rooms/equipment and events	412,251	422,732	10,481	3%	1,269,495
Funding from GOT	625,000	684,850	59,850	10%	2,500,000
City of Richmond contributions	755,625	755,625	-	0%	3,022,500
Other	199,546	189,869	(9,676)	-5%	881,337
<b>Total revenue</b>	<b>2,568,561</b>	<b>2,669,409</b>	<b>100,848</b>	<b>4%</b>	<b>10,555,391</b>
<b>Expenses:</b>					
<b>Program services:</b>					
Client services	155,645	132,824	22,821	15%	622,575
Event services	38,063	52,790	(14,727)	-39%	152,252
Sport services	289,649	215,666	73,983	26%	1,171,772
Fitness services	147,777	137,901	9,875	7%	583,416
Special events	-	-	-	-	-
General program and membership sales	100,838	49,266	51,572	51%	388,148
Marketing	153,741	101,920	51,820	34%	614,960
<b>Total program expenses</b>	<b>885,712</b>	<b>690,367</b>	<b>195,345</b>	<b>22%</b>	<b>3,533,123</b>
<b>Facility Operations</b>	<b>602,419</b>	<b>543,615</b>	<b>58,805</b>	<b>10%</b>	<b>2,415,081</b>
<b>Utilities</b>	<b>332,325</b>	<b>195,763</b>	<b>136,562</b>	<b>41%</b>	<b>1,107,750</b>
<b>Admin/Finance</b>	<b>518,687</b>	<b>533,293</b>	<b>(14,606)</b>	<b>-3%</b>	<b>2,078,605</b>
<b>Contingencies</b>	<b>80,418</b>	<b>-</b>	<b>80,418</b>	<b>100%</b>	<b>321,674</b>
<b>Amortization</b>	<b>124,549</b>	<b>123,552</b>	<b>996</b>	<b>1%</b>	<b>498,195</b>
<b>Total expenses</b>	<b>2,544,110</b>	<b>2,086,589</b>	<b>457,521</b>	<b>18%</b>	<b>9,954,428</b>
<b>Net earnings (loss) for the period before transfers</b>	<b>\$ 24,451</b>	<b>582,820</b>	<b>558,369</b>		<b>\$ 600,963</b>
Transfer to Capital Reserve **		425,000			
<b>Net earnings (loss) for the period after transfers</b>	<b>\$ 24,451</b>	<b>157,820</b>			

\*\* This represents one-quarter of the \$1.7M transfer to the Capital Reserve in accordance with the Richmond Oval Agreement between the City and the Oval.

### **NOTE:**

- 1) Numbers may be off due to rounding.
- 2) See accompanying comments on the results for the first quarter and the fiscal year 2011.