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**Finance Committee**

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

**Monday, June 6, 2016**

**Immediately following the Open General Purposes Committee  
meeting**

Pg. #      ITEM

**MINUTES**

**FIN-3**      *Motion to adopt the **minutes** of the meeting of the Special Finance Committee held on May 9, 2016.*



**FINANCE AND CORPORATE SERVICES DIVISION**

1.      **2015 ANNUAL DEVELOPMENT COST CHARGES**  
(File Ref. No. 03-0905-05-01) (REDMS No. 4955188; 4955220 v. 2)

**FIN-7**

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

*Designated Speaker: Cindy Gilfillan*

**STAFF RECOMMENDATION**

*That the staff report titled, “2015 Annual Development Cost Charges,” dated May 5, 2016 from the Director, Finance be received for information.*



2.      **2015 ANNUAL REPORT AND 2015 ANNUAL REPORT HIGHLIGHTS**  
(File Ref. No.) (REDMS No. 5001498; 5031206; 5031207)

**FIN-23**

**See Page FIN-23 for full report**

*Designated Speakers: Jerry Chong and Ted Townsend*

STAFF RECOMMENDATION

*That the reports titled, “City of Richmond 2015 Annual Report” and the “2015 Annual Report – Highlights” be approved.*

☐

3. **FINANCIAL INFORMATION – 1<sup>ST</sup> QUARTER MARCH 31, 2016**  
(File Ref. No. 03-0905-01) (REDMS No. 4998192 v. 3)

**FIN-104**

See Page **FIN-104** for full report

*Designated Speaker: Cindy Gilfillan*

STAFF RECOMMENDATION

*That the staff report titled, “Financial Information – 1st Quarter March 31, 2016”, dated May 6, 2016 from the Director, Finance be received for information.*

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RICHMOND OLYMPIC OVAL CORPORATION

4. **RICHMOND OLYMPIC OVAL CORPORATION – 1<sup>ST</sup> QUARTER 2016 FINANCIAL INFORMATION**  
(File Ref. No.) (REDMS No. 5019696)

**FIN-131**

See Page **FIN-131** for full report

*Designated Speaker: Rick Dusanj*

STAFF RECOMMENDATION

*That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2016 from the Controller of the Richmond Olympic Oval Corporation be received for information.*

☐

ADJOURNMENT

☐



## Special Finance Committee

Date: Monday, May 9, 2016

Place: Anderson Room  
Richmond City Hall

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

Call to Order: The Chair called the meeting to order at 4:19 p.m.

### MINUTES

It was moved and seconded

***That:***

- (1) the minutes of the Finance Committee held on March 7, 2016; and***
  - (2) the minutes of the special meeting of the Finance Committee held on April 11, 2016;***
- be adopted as circulated.***

**CARRIED**

**Finance Committee**  
**Monday, May 9, 2016**

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**DELEGATION**

1. C.J. James, Engagement Partner, KPMG and Archie Johnston, Client Relationship and Quality Review Partner, KPMG, were available to answer questions related to the 2015 Audit findings on the City's financial statements. Ms. James expressed appreciation to City staff for their assistance during the annual audit.

In response to a query from Committee, Ms. James advised that a liability is recorded in the financial statements at the time that remediation is required to convert a contaminated site to a productive site.

**FINANCE AND CORPORATE SERVICES DIVISION**

2. **2015 ANNUAL PROCUREMENT REPORT**

(File Ref. No. 02-0600-01) (REDMS No. 4929751 v. 2)

It was moved and seconded

*That the staff report titled "2015 Annual Procurement Report" dated March 17, 2016 from the Director of Finance be received for information.*

**CARRIED**

3. **2015 CONSOLIDATED FINANCIAL STATEMENTS**

(File Ref. No. 03-0905-01) (REDMS No. 4987755 v. 2; 4986723 v. 3; 4988765 v. 2)

In response to a query from Committee, Cindy Gilfillan, Manager, Financial Reporting and Andrew Nazareth, General Manager, Finance and Corporate Services, advised that the net decrease in the consolidated surplus resulted from the funding of several large expenditures from reserves.

It was moved and seconded

*That the City's audited consolidated financial statements for the year ended December 31, 2015 be approved.*

**CARRIED**

**LULU ISLAND ENERGY COMPANY**

4. **2015 FINANCIAL STATEMENTS FOR THE LULU ISLAND ENERGY COMPANY**

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 4957779 v. 5)

It was moved and seconded



**Finance Committee**  
**Monday, May 9, 2016**

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*That the Lulu Island Energy Company audited financial statements for the year ended December 31, 2015, in the report titled, "2015 Financial Statements for the Lulu Island Energy Company," dated April 18, 2016 from the Chief Executive Officer and Chief Financial Officer, Lulu Island Energy Company be received for information.*

**CARRIED**

**RICHMOND PUBLIC LIBRARY BOARD**

**5. 2015 FINANCIAL STATEMENTS OF THE RICHMOND PUBLIC LIBRARY BOARD**

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

Greg Buss, Chief Librarian, stated that the Richmond Library Board approved the 2015 Financial Statements at their meeting held April 27, 2016.

In response to queries from Committee, Mr. Buss stated that a public review has just been completed and the results of a web survey will be referred back to Committee in July 2016 for review. The Committee requested that all comments provided in the survey responses be submitted to Committee.

Mr. Buss also clarified that cost savings were made by adjusting expenditures throughout the year to offset reduced revenues.

It was moved and seconded

*That the 2015 Financial Statements of the Richmond Public Library Board be received for information.*

**CARRIED**

**RICHMOND OLYMPIC OVAL CORPORATION**

**6. 2015 FINANCIAL STATEMENTS AND 2015 Q4 – OVAL**

(File Ref. No.) (REDMS No. 4992045)

In response to queries from Committee, Rick Dusanj, Controller, Richmond Olympic Oval Corporation, Cathryn Volkering Carlile, General Manager, Community Services and John Mills, Chief Operating Officer, Richmond Oval provided the following information:

- Transfers to reserves/provisions stated in the report are accumulated for the full year and the capital program is funded from the surplus;
- Facilities of this nature frequently accumulate reserves to fund capital programs;

3.

## Finance Committee

### Monday, May 9, 2016

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- There has been an increase in the number of regional events year over year;
- Members are advised in advance of potential parking impacts prior to large events and Richmond Oval staff allocate designated spaces for members;
- The annual allocation from Tourism Richmond is \$400,000 and a portion is utilized to support grants to the event organizers.

It was moved and seconded

*That the report on 2015 Financial Statements and 2015 fourth quarter ended December 31, 2015 for the Richmond Olympic Oval Corporation be received from the Controller of the Richmond Olympic Oval Corporation be received for information.*

**CARRIED.**

## ADJOURNMENT

It was moved and seconded

*That the meeting adjourn (4:35 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, 2016.

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Mayor Malcolm D. Brodie  
Chair

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Amanda Welby  
Acting Legislative Services Coordinator



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 5, 2016

**From:** Jerry Chong  
Director, Finance

**File:** 03-0905-05-01/2016-  
Vol 01

**Re:** 2015 Annual Development Cost Charges

### Staff Recommendation

That the staff report titled, "2015 Annual Development Cost Charges," dated May 5, 2016 from the Director, Finance be received for information.

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

Att. 1

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

## Staff Report

### Origin

In compliance with section 937.01 of the *Local Government Act*, the City is required to prepare a Development Cost Charges (DCC) report on or before June 30<sup>th</sup>, with information from the previous year. The DCC report must include the following, reported under subsections (2) and (2.1) of section 933 for which the local government imposes development cost charges in the applicable year:

- (a) the amount of development cost charges received;*
- (b) the expenditures from the development cost charge reserve funds;*
- (c) the balance in the development cost charge reserve funds at the start and at the end of the applicable year;*
- (d) any waivers and reductions under section 933.1 (2).*

### Analysis

The City's 2015 Annual DCC Report covers the following six broad categories:

- (i) Description and principles of the City of Richmond's DCC program,
- (ii) 2015 DCC reserve fund balances;
- (iii) 2015 DCC credits;
- (iv) 2015 and 2016 DCC programs;
- (v) Waivers and reductions; and
- (vi) Municipal assist factor.

The 2015 Annual Development Cost Charges Report includes contribution amounts for which the City holds a Letter of Credit from the developer, the cash will be received in the future based on the defined payment schedule. The Report does not include amounts received as of December 31, 2015 that are not confirmed due to potential DCC credits. These amounts, if applicable, will be reported in future periods.

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

May 5, 2016

- 3 -

### **Conclusion**

The attached 2015 Annual Development Cost Charges Report is in compliance with the annual reporting requirements as prescribed under section 937.01 of the *Local Government Act*.



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

Att. 1: 2015 Annual Development Cost Charges Report



# 2015 ANNUAL DEVELOPMENT COST CHARGES REPORT

For the year ended December 31, 2015

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





## CITY OF RICHMOND

### 2015 ANNUAL DEVELOPMENT COST CHARGES REPORT

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This 2015 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. 2015 DCC Reserve Fund Balances
- III. 2015 DCC Credits
- IV. 2015 and 2016 DCC Programs
- V. Waivers and Reductions
- VI. Municipal Assist Factor

#### **I. DEVELOPMENT COST CHARGES PROGRAM**

*What are DCC's?*

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

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

*What is the purpose of the DCC Program?*

The DCC program is one of the many pieces of the City's broader community development framework. It is developed in ways that are consistent with the City's long-term planning objectives and financial strategies. The objective of the DCC program is to ensure that those people that will use and benefit from the services provided will pay their share of the costs in a fair and equitable basis. The DCC program provides the information and basis in which DCC rates are derived, allowing for information transparency and accountability to the public.

## CITY OF RICHMOND

### 2015 ANNUAL DEVELOPMENT COST CHARGES REPORT

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

Each local government has a fundamental philosophy with respect to development and the government's role in facilitating 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
- Regional Growth Strategy/Metro 2040 (Metro Vancouver)
- Official Community Plan (OCP) Bylaw
- Richmond Urban Development Forecast
- Parks, Recreation and Cultural Services Master Plan 2005 - 2015
- 2022 Parks and Open Space Strategy
- Parks Land Acquisition and Development 2006 DCC Program
- City Centre Transportation Plan
- City Centre Area Plan (CCAP)

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

*How are DCC rates derived?*

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

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

DCC's collected in 2015 were based on rates established in Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8396 effective September 15, 2010.

# CITY OF RICHMOND

## 2015 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. 2015 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 2015 fiscal year:

	<i>(amounts expressed in thousands of dollars)</i>					
	January 1 Balance	Transfers In	Interest Earned	DCC Credits	Transfers Out	December 31 Balance
Basic:						
Drainage	\$ 16,785	\$ 4,580	\$ 323	\$ -	\$ (713)	\$ 20,975
Parks Acquisition	9,418	17,297	265	(1,248)	(8,312)	17,420
Parks Development	13,487	6,721	218	(941)	(1,722)	17,763
Roads	21,413	11,219	360	(139)	(4,909)	27,944
Sewer	11,559	3,869	158	-	(87)	15,499
Water	4,269	1,246	71	-	(851)	4,735
Total Basic	\$ 76,931	\$ 44,932	\$ 1,395	\$ (2,328)	\$ (16,594)	\$ 104,336
Local Area - Alexandra:						
Drainage	\$ 805	\$ 249	\$ 17	\$ -	\$ (2)	\$ 1,069
Parks Acquisition	1,766	1,568	31	-	(1,222)	2,143
Parks Development	522	199	5	-	-	726
Roads	2,540	2,619	53	(2,409)	-	2,803
Sewer	276	71	6	-	-	353
Water	125	33	3	-	-	161
Total Local Area	\$ 6,034	\$ 4,739	\$ 115	\$ (2,409)	\$ (1,224)	\$ 7,255
Total DCC Reserve	\$ 82,965	\$ 49,671	\$ 1,510	\$ (4,737)	\$ (17,818)	\$ 111,591



**CITY OF RICHMOND**  
**2015 ANNUAL DEVELOPMENT COST CHARGES REPORT**

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**III. 2015 DCC Credits**

<b>Site Address</b>	<b>Developer</b>
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Drainage

No credits for drainage were issued during 2015.

Parkland Acquisition

9251 Alderbridge Way	Andrew Lehman
4777 McClelland Rd	Andrew Lehman
10820 No. 5 Road	Townline Gardens Inc.
10388 No. 2 Road	Polygon Kingsley Homes Ltd

Parkland Development

6951 Elmbridge Way	Onni Contracting
10820 No. 5 Road	Townline Gardens Inc.

Roads

9251 Alderbridge Way	Andrew Lehman
4588 Dubbert St	Townline Alexandra Road LP
9366 Tomicki Ave	Polygon Alexandra Court Homes Ltd.
9311 Alexandra Road	Polygon Alexandra Court Homes Ltd.
9399 Alexandra Road	Polygon Alexandra Court Homes Ltd.

Sewer

No credits for sewer were issued during 2015.

Water

No credits for water were issued during 2015.

**IV. 2015 and 2016 DCC PROGRAMS**

Drainage

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

A summary of the projects funded by the Drainage DCC's during 2015 and the projects set to begin in 2016 is contained in Appendix 1.

## CITY OF RICHMOND

### 2015 ANNUAL DEVELOPMENT COST CHARGES REPORT

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#### Parkland Acquisition and Park Development

The projects in the Parks Acquisition DCC Program include acquisition of land for parks and open space required to meet the needs of growth. The projects in the Parks Development DCC Program include park planning and design, and construction projects required to meet the needs of future growth. The types of parks include urban parks, community parks, neighbourhood parks, trails, natural areas and waterfront parks.

A summary of the projects funded by the Parks Acquisition and Parks Development DCC's during 2015 and the projects set to begin in 2016 is contained in Appendix 2.

#### Roads

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

A summary of the projects funded by the Roads DCC's during 2015 and the projects set to begin in 2016 is contained in Appendix 3.

#### Sewer

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

A summary of the projects funded by the Sewer DCC's during 2015 and the projects set to begin in 2016 is contained in Appendix 4.

#### Water

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

A summary of the projects funded by the Water DCC's during 2015 and the projects set to begin in 2016 is contained in Appendix 5.

**CITY OF RICHMOND**  
**2015 ANNUAL DEVELOPMENT COST CHARGES REPORT**

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**V. WAIVER AND REDUCTIONS**

Section 933.1 of the Local Government Act provides the option for municipalities to exempt or waive DCC's for the following classes of eligible development:

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

For the year 2015, no waivers or reductions were granted.

**VI. MUNICIPAL ASSIST FACTOR**

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

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

Based on the above factors, the City of Richmond's municipal assist factor has been set at 1%.



**DRAINAGE – 2015 Expenditures**

This table summarizes all projects approved 2015 and earlier that had expenditures funded by the Drainage DCC's during 2015:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Bath Slough	Bath Slough pump station upgrade
Peace Arch Drainage Area	Drainage replacement upgrade
No. 1 Road North	Pump station upgrade
No. 2 Road North	Pump station upgrade

**DRAINAGE – 2016 Projects**

This table summarizes all projects funded by the Drainage DCC's that have been approved in the 2016 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
n/a	n/a

**PARKS – 2015 Expenditures**

This table summarizes all projects approved in 2015 and earlier that had expenditures funded by the Parks DCC's during 2015:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Advanced design
Blundell Park	Blundell Park – Sports field upgrade
Cambie Mueller	Cambie Mueller Park
City-wide	Characterization - neighbourhood parks
Garden City Lands	Garden City lands phase 1
The Gardens	Gardens Agricultural Park
City-wide	General development
King George	King George Park master plan
Middle Arm	Middle Arm Park
City-wide	Parkland acquisition and repayment
West Cambie	Parkland acquisition and repayment (Alexandra)
Terra Nova	Terra Nova Park
City-wide	Trails

**PARKS – 2016 Projects**

This table summarizes all projects funded by the Parks DCC's that have been approved in the 2016 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Fraserwood waterfront area	Extend the width of the existing road and include a multi-use pathway
Cambie Avanti Park	New neighbourhood park
Garden City Lands	Construction of water management infrastructure and landscaping
Terra Nova	Park characterization
City-wide	Parks advance planning & design
City-wide	Parks and open space resource management planning
West Cambie Park	Development of neighbourhood park
City-wide	General development
City-wide	Parkland acquisition and repayment
West Cambie	Parkland acquisition and repayment (Alexandra)

**ROADS – 2015 Expenditures**

This table summarizes all projects approved 2015 and earlier that had expenditures funded by the Roads DCC's during 2015:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Accessible pedestrian signal program
City-wide	Active transportation improvement program
City-wide	Arterial Roadway Improvement Program
No. 3 Road	Canada line – No. 3 Road restoration
City-wide	Functional and preliminary design (Transportation)
City-wide	Infrastructure advanced design
Lansdowne Road, Alderbridge Way to Minoru Blvd	Interim Road Extension
City-wide	Lansdowne Road repayment
City-wide	Miscellaneous cycling safety enhancements
City-wide	Minor Capital - Traffic
City-wide	Neighbourhood Traffic Safety Program
City-wide	Neighbourhood Walkway Program
City-wide	Nelson Road Interchange repayment
City-wide	River Road/ North Loop repayment
No. 6 Road: Commerce Parkway to Wireless Way	Road widening
Westminster Hwy: Nelson Road to Hamilton Interchange	Road widening
Westminster Hwy: Nelson Road to McMillan Way	Road widening
City-wide	Special crosswalk program
City-wide	Traffic signal program
City-wide	Traffic calming program
City-wide	Transit related amenity improvement program
City-wide	Transit related roadway improvement program

**ROADS – 2016 Projects**

This table summarizes all projects funded by the Roads DCC's that have been approved in the 2016 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Accessible pedestrian signal program
City-wide	Active transportation improvement program
City-wide	Arterial roadway improvement program
Hamilton area	Dyke Road/Fraserwood Road widening and trail connection
City-wide	Functional and preliminary design (Transportation)
City-wide	Infrastructure advance design
City-wide	Lansdowne Road repayment
City-wide	Neighbourhood walkway program
City-wide	Nelson Road Interchange repayment
City-wide	River Road/ North Loop repayment
Steveston & No 2 Road	Roadway capacity and active transportation improvements
City-wide	Special crosswalk program
City-wide	Traffic calming program
City-wide	Transit-related amenity improvement program
City-wide	Transit-related roadway improvement program
City-wide	Traffic signal program



**SEWER – 2015 Expenditures**

This table summarizes all projects approved 2015 and earlier that had expenditures funded by the Sewer DCC's during 2015:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Minoru Rd North of Cedarbridge	Pump station upgrade
Bridgeport Area	Rehabilitation and upgrades
Terra Nova	Rehabilitation and upgrades

**SEWER – 2016 Projects**

This table summarizes all projects funded by the Sewer DCC's that have been approved in the 2016 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Spires Area	Sewer replacements and upgrades

**WATER – 2015 Expenditures**

This table summarizes all projects approved 2015 and earlier that had expenditures funded by the Water DCC's during 2015:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Cobeck Rd	Watermain replacement
Ledway	Watermain replacement
Ryan Road	Watermain replacement
Richmond Gardens	Watermain upgrades and replacements
Steveston East	Watermain upgrades and replacements
North Area	Watermain replacement
West Area	Watermain replacement
City-wide	Minor Capital

**WATER – 2016 Projects**

This table summarizes all projects funded by the Water DCC's that have been approved in the 2016 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Spires Area	Sewer replacements and upgrades
Lulu Island West Area	Watermain replacement





# City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Andrew Nazareth  
General Manager, Finance and Corporate  
Services  
**Re:** 2015 Annual Report and 2015 Annual Report - Highlights  
**Date:** May 15, 2016  
**File:**

### Staff Recommendation

That the reports titled, "City of Richmond 2015 Annual Report" and the "2015 Annual Report – Highlights" be approved.

Andrew Nazareth  
General Manager, Finance and Corporate Services Department  
(4095)

Att.

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

## **Staff Report**

### **Origin**

Pursuant to Section 98 of the Community Charter, before June 30<sup>th</sup>, in each year, a Council must:

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

### **Analysis**

The City of Richmond's annual report formally presents the audited financial statements and other relevant financial, economic and demographic indicators to the public. The report also highlights many of the City's significant achievements from 2015, in support of Council's Term Goals and objectives.

Two versions of the Annual Report are produced each year in order to reach the widest audience. The comprehensive 2015 Annual Report meets all legislative requirements for financial reporting. This version will be publicly available through the City's website and printed only on a demand basis. The comprehensive version includes the City's audited consolidated financial statements; the City's corporate objectives and success indicators, as identified through Council's Term Goals; and a listing of permissive exemptions as required under the Community Charter for British Columbia's local governments. In addition to the statutorily required information, the comprehensive version provides information on a variety of key statistical data for the year and information on City milestones from 2015, including awards and achievements.

The City also produces a condensed financial reporting document known as the 2015 Annual Report – Highlights. This shorter version which is designed to be accessible and easily understandable to the general public provides information about the City of Richmond, its services, highlights from 2015 and the City's financial condition. This condensed version will also be available through the City's website and limited copies will be mailed out and available for the general public at Richmond City Hall and Front of House.

Both copies will be submitted to the Government Finance Officers Association for consideration in their annual award program.

### **Financial Impact**

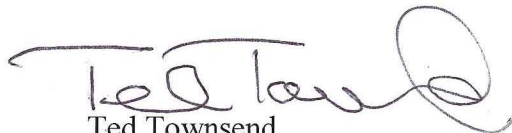
None.

## Conclusion

The City of Richmond 2015 Annual Report and the 2015 Annual Report – Highlights satisfy Community Charter requirements for financial reporting and provide important tools in ensuring public transparency and accountability for the management of City finances. The reports also provide useful information on the City's achievements during the 2015 fiscal year.



Jerry Chong  
Director, Finance  
(4064)



Ted Townsend  
Senior Manager, Corporate Communications  
(4399)





City of  
Richmond

British Columbia, Canada

# 2015 Annual Report

For the year ended December 31, 2015





# City of Richmond

British Columbia, Canada

## 2015 Annual Report

For the year ended December 31, 2015

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

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### Financial section

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For an online copy of this report please visit [www.richmond.ca](http://www.richmond.ca)  
(City Hall > Finance, Taxes & Budgets > Budgets & Financial Reporting > Annual Reports)

Cover photo: Steveston harbour, looking toward Mount Baker. *Clayton Perry Photography*

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# Message from the Mayor



2015 was a remarkable time of growth and transformation for the City of Richmond.

The bold future expressed in our ambitious Official Community Plan is beginning to be realized. New construction hit an all-time record pace, our City Centre continued its rapid evolution and we saw steady job growth with the opening of major new businesses and continued expansion of our existing business core.

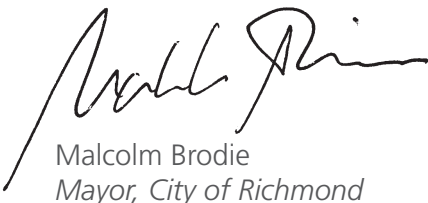
Our Council has supported continuing growth with strategies to enhance our robust economy, protect our environment and sustain Richmond's enviable quality of life. Sound financial planning has also enabled us to pursue an aggressive agenda to dramatically renew and expand our community amenities and infrastructure while we enhance civic services and innovate to improve customer service.

In the first year of a new four-year mandate Council updated its Term Goals for 2014-2018. This Annual Report highlights many of the City's achievements during 2015 that support those goals. Some of the highlights include:

- An all-time record in building activity, with nearly \$1 billion in new construction.
- The busiest filming year on record, marking Richmond as a major film hub.
- The opening of the new 28,000 sq. ft. City Centre Community Centre, providing recreation and arts opportunities for the fastest growing and most diverse area of the city.
- The official opening of the ROX (Richmond Olympic Experience) at the Richmond Olympic Oval, providing a major new community amenity and tourism attraction.
- Occupancy of the Kiwanis Towers Seniors Housing project, with 296 units of subsidized seniors rental housing.
- Commencement of construction on the City's new Minoru Complex, which will house aquatic and seniors' centres, plus additional sports and recreation amenities.
- Completion of design and construction enabling works for two new, post-disaster fire halls, which will open in 2017.

While 2015 marked many positive achievements, it was not without challenges. Thus, Council also took decisive action to address community concerns from over-sized new single-family homes to threats posed by port expansion on agricultural land.

Council, staff, our community partners and volunteers will continue to work collaboratively to build on our achievements of the past year. I invite you to contact the Mayor's Office to learn more about our accomplishments in 2015 and our plans for Richmond's future.



Malcolm Brodie  
Mayor, City of Richmond



# Richmond City Council



## Front row, left to right:

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

## Back row, left to right:

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

# City of Richmond organizational chart

Chief Administrative Office
George Duncan, CAO
Deputy Chief Administrative Office
Robert Gonzalez, Deputy CAO

Community Services	Engineering and Public Works	Finance and Corporate Services
Dave Semple, GM Cathy Volkering Carlile, GM	Robert Gonzalez, GM	Andrew Nazareth, GM

Law and Community Safety	Planning and Development
Phyllis Carlyle, GM	Joe Erceg, GM



## Civic officials

Chief Administrative Officer .....	George Duncan
Deputy Chief Administrative Officer .....	Robert Gonzalez
General Manager, Community Services .....	Cathy Volkering Carlile
General Manager, Interagency Programs and Steveston Waterfront Initiatives .....	Dave Semple
General Manager, Engineering and Public Works .....	Robert Gonzalez
General Manager, Finance and Corporate Services .....	Andrew Nazareth
General Manager, Law and Community Safety.....	Phyllis Carlyle
General Manager, Planning and Development.....	Joe Erceg
Director, City Clerk's Office.....	David Weber
City Solicitor .....	Doug Long
Chief, Richmond Fire-Rescue.....	John McGowan

## Affiliated agencies

Officer in Charge, Royal Canadian Mounted Police .....	Rendall Nessett
Chief Operating Officer, Richmond Olympic Oval .....	John Mills
Chief Librarian, Richmond Public Library.....	Greg Buss
Chief Executive Officer, Lulu Island Energy Company.....	Robert Gonzalez

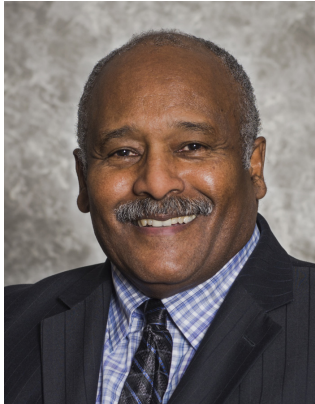
## Banker

Scotiabank

## Auditors

KPMG

# Message from the Chief Administrative Officer



I am proud to present the City of Richmond's 2015 Annual Report, which details the City's outstanding financial position, along with another extraordinary year of excellence in service delivery and innovation for our administration.

Our visionary Official Community Plan and City Centre Area Plan, along with construction of the Canada Line and the Richmond Olympic Oval, have all been catalysts for a record period of growth and transformation for Richmond, reaching an all-time record pace in 2015.

As Richmond grows, our City administration has kept pace with substantial and strategic investments in new parks, civic amenities and infrastructure to serve our community.

We've also made sustainability the foundation upon which we grow, ensuring the enviable quality of life enjoyed in Richmond today will continue for generations to come. Our award-winning district energy program continued its aggressive expansion to service thousands of residents along with major commercial and institutional users. District energy is just one part of Richmond's internationally-recognized leadership in promoting energy efficiency, putting us on target to achieve carbon neutrality for a third straight year in 2015. The City, along with the Richmond Olympic Oval, was also invited to be founding partners with AISTS (the International Academy of Sport Science Technology in Lausanne, Switzerland) to promote sustainable event planning around the globe.

The AISTS partnership is one of many examples of how Richmond continues to benefit from our significant investments in the 2010 Olympic Games and the Richmond Olympic Oval. In 2015, we realized a major goal with the opening of the ROX (Richmond Olympic Experience), which is quickly establishing itself as a major new tourist attraction.

Tourism continues to build upon the boost provided by the 2010 Games. Our local hotels enjoyed the highest occupancy rates in Canada during 2015. This success was, in part, thanks to the Richmond Sport Hosting program, which since its establishment in 2010 has now generated more than 100,000 hotel room stays, amounting to more than \$32 million in economic spinoffs.

The Richmond Olympic Oval also received a new five-year contract to become home to Canada's women's national volleyball team, further cementing its reputation as international destination of choice for elite athlete training and competition.

The accomplishments detailed in this Annual Report are made possible through prudent fiscal management and ongoing commitment to the City's innovative Long Term Financial Management Strategy. Richmond remains committed to continuous improvement and our vision to be one of Canada's best managed communities.

A stylized, handwritten signature in black ink, appearing to read 'George Duncan'.

George Duncan  
Chief Administrative Officer





Richmond Olympic Oval: IAKS "All Time Award"



# 2015 Awards

Richmond has established a strong reputation as a leader in local government service delivery and innovation. The many awards the City received in 2015 reflect this reputation and our commitment to continuous improvement. The awards included:

- The **2015 Gold Quill Award of Excellence** from the International Association of Business Communicators recognizing the extensive public information program to launch the expanded Green Cart organics waste recycling program.
- The **2015 UBCM Community Excellence Award for Partnerships** for the Kiwanis Towers Seniors Housing project.
- The **2015 Sustainable Communities Award** from the Federation of Canadian Municipalities recognizing the City Centre Area Plan as the roadmap for a highly livable, transit-oriented, urban centre with a strong mix of commercial, residential and public development.
- The Richmond Olympic Oval received the **"All Time Award"** from the International Association of Sports and Leisure Facilities (IAKS) and the International Olympic Committee (IOC). This is an award reserved for landmark sports facilities in the world over the past half-century.
- A third consecutive selection as a **Top 10 City of the Future for 2015–16** by *Foreign Direct Investment* magazine.
- A **2015 Climate and Energy Action Award** Honourable Mention for a Richmond Ice Centre project which significantly reduced greenhouse gas emissions.
- For the City's annual report, a 13th consecutive **Canadian Award for Financial Reporting** and 6th consecutive Award for **Outstanding Achievement in Popular Financial Reporting** from the Government Finance Officers Association.
- Selection of the Richmond Maritime Festival as a Finalist for **Best Public Entertainment Event or Festival in Canada** at the 2015 Canadian Event Industry Awards.
- A **Regional Citation Award** from the Canadian Society of Landscape Architects for the Terra Nova Play Environment.

# Council Term Goals: 2014 to 2018

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

The City of Richmond's objectives and success indicators are expressed through the Council Term Goals. With the beginning of a new four-year term of Council, a term goal setting process was undertaken to help Council fulfil its governance role and achieve a successful term of office. The new Council adopted a revised set of nine Term Goals, which will provide the framework for the City's programs and services through 2018.

## 1. A Safe Community

Maintain emphasis on community safety to ensure Richmond continues to be a safe community.

### 2015 Achievement

Construction began on two new post-disaster rated fire halls. When these buildings are complete in 2017, all of Richmond's public safety buildings will have been replaced or upgraded since 2002.



Rendering of Cambie fire hall currently under construction



The new City Centre Community Centre opened in 2015

## 2. A Vibrant, Active, and Connected City

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

### 2015 Achievement

The first ever Richmond World Festival, celebrating our community diversity, was a critical and popular success. The Festival was named the Most Outstanding Event in Canada in the Canadian Event Industry Awards.

The ROX (Richmond Olympic Experience) opened at the Richmond Olympic Oval, creating a new community cultural amenity and regional tourist attraction.

The new City Centre Community Centre opened. Serving Richmond's fastest growing neighbourhood, it's the City's first urban focussed community centre.

## 3. A Well-Planned Community

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

### 2015 Achievement

Guided by the City's Official Community Plan, building permit construction value reached nearly \$1billion in 2015, an all-time record.

Richmond was among the first municipalities in the province to enact bylaws providing for early termination of Land Use Contracts. The City also passed new bylaws to address community concerns about over-sized homes, placing new limits on building heights and massing.



ROX (Richmond Olympic Experience)



## 4. Leadership in Sustainability

Continue advancement of the City's sustainability framework and initiatives to improve the short and long term livability of our City, and that maintain Richmond's position as a leader in sustainable programs, practices and innovations.

### 2015 Achievement

The continued implementation of the Council approved Green Fleet Action Plan resulted in an overall 1.9% reduction in litres of fuel consumed per 100 km. driven as compared to the previous year.

## 5. Partnerships and Collaboration

Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.

### 2015 Achievement

Residents took occupancy of the new Kiwanis Towers, which includes 296 units of subsidized rental housing for seniors. The City provided

\$20.8 million in capital funding for this project. The City received the 2015 UBCM Community Excellence Award for Partnerships for the project, which involved multiple partners including community groups and government agencies.

## 6. Quality Infrastructure Networks

Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with aging systems, population growth, and environmental impact.

Site preparation works were completed for construction of the \$79 million Minoru Complex, which will house new aquatics and seniors centre and other recreational services.

### 2015 Achievement

In 2015, 1,500 new water meters were installed. 85% of single-family residences are currently metered, with all single-family homes being metered within the next three years.



Kiwanis Towers seniors' rental housing



## 7. Strong Financial Stewardship

Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.

### 2015 Achievement

The 2015 tax increase of 1.89% was among the lowest in the region, ensuring Richmond property owners continue to receive high value for their tax dollars.

## 8. Supportive Economic Development Environment

Review, develop and implement plans, policies, programs and practices to increase business and visitor appeal and promote local economic growth and resiliency.

### 2015 Achievement

The Richmond Film Office recorded its busiest filming year on record. In addition to several TV series, two major feature films, *Deadpool* and the newest *Planet of the Apes* movie, filmed for extended periods in Richmond.

## 9. Well-Informed Citizenry

Continue to develop and provide programs and services that ensure the Richmond community is well-informed and engaged on City business and decision making.

### 2015 Achievement

The City expanded its network of free Wi-Fi to now include 14 civic facilities, with more facilities to be added in 2016, improving access to information for all residents.

Additional information on the success indicators in support of these objectives can be found at: <http://www.richmond.ca/cityhall/council/goals>.



Richmond location filming of Deadpool

# Report from the General Manager, Finance and Corporate Services

I am pleased to submit the City of Richmond's consolidated financial statements for the year ended December 31, 2015, pursuant to Section 167 of the Community Charter. These statements contain the consolidated 2015 financial results for the City of Richmond, Lulu Island Energy Company Ltd., Richmond Olympic Oval Corporation and the Richmond Public Library.

Management is responsible for the preparation of the financial statements and the external auditors, KPMG LLP, have conducted an independent examination and have expressed their opinion that the consolidated financial statements present fairly, in all material respects, as at December 31, 2015 in accordance with Canadian Public Sector Accounting Standards.

The City continued to strengthen its financial position in 2015. The City's net worth reached \$2.7B (2014: \$2.6B) and cash and investments increased to \$951.4M (2014: \$864.7M). Net financial assets increased to \$664.0M (2014: \$602.6M). Statutory reserves increased to \$461.2M (2014: \$376.6M). These highlights reflect City Council's focus on long term financial sustainability guided by the Long Term Financial Management Strategy.

Revenues for 2015 were \$527.1M (2014: \$496.3M) and expenses were \$373.6M (2014: \$360.9M). The revenue increases were mainly due to increased development activity resulting in increased contributed assets, community amenity contributions and permit fees. The construction value of building permits issued in 2015 reached an all-time high of \$983.4M (2014: \$475.6M).

The expense increases were mainly due to significant contributions for affordable housing, collective agreement increases, policing and an expanded organics recycling program.

Once again, the City was recognized by the Government Finance Officers Association with two awards for annual financial reporting.

Although there are still a number of challenges to overcome such as affordable housing and ageing infrastructure, Richmond's economy continues to prosper and the current financial position is strong. The outlook is also positive as we continue to enhance the City's economic well-being for future generations without compromising the high standard of living that exists today.



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

# City of Richmond audited financial statements

Year ended December 31, 2015



KPMG LLP  
 Metro Tower I  
 4710 Kingsway, Suite 2400  
 Burnaby BC V5H 4M2  
 Canada  
 Telephone (604) 527-3600  
 Fax (604) 527-3636

## 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, 2015 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, 2015, and its consolidated results of operations, its changes in net consolidated financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

May 10, 2016

Burnaby, Canada

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# CITY OF RICHMOND

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

December 31, 2015, with comparative figures for 2014

	2015	2014 (recast - note 3)
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 21,800	\$ 30,731
Investments (note 4)	929,590	833,964
Accrued interest receivable	6,287	5,363
Accounts receivable (note 5)	30,162	28,050
Taxes receivable	8,010	7,481
Development fees receivable	21,135	25,360
Debt reserve fund - deposits (note 6)	508	708
	1,017,492	931,657
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 7)	87,701	88,331
Development cost charges (note 8)	111,591	82,965
Deposits and holdbacks (note 9)	58,896	65,103
Deferred revenue (note 10)	48,711	41,823
Debt, net of MFA sinking fund deposits (note 11)	46,583	50,815
	353,482	329,037
Net financial assets	664,010	602,620
<b>Non-Financial Assets</b>		
Tangible capital assets (note 12)	2,062,895	1,970,634
Inventory of materials and supplies	2,359	2,415
Prepaid expenses	1,930	1,971
	2,067,184	1,975,020
Accumulated surplus (note 13)	\$ 2,731,194	\$ 2,577,640

Commitments and contingencies (note 17)

See accompanying notes to consolidated financial statements.



General Manager, Finance and Corporate Services

# CITY OF RICHMOND

Consolidated Statement of Operations  
(Expressed in thousands of dollars)

Year ended December 31, 2015, with comparative figures for 2014

	2015 Budget (notes 2(m) and 23)	2015	2014 (recast - note 3)
Revenue:			
Taxation and levies	\$ 189,796	\$ 189,136	\$ 183,687
Utility fees	95,963	94,290	93,201
Sales of services	29,664	34,186	32,809
Payments-in-lieu of taxes	13,473	15,109	14,546
Provincial and federal grants	6,833	8,654	7,480
Development cost charges	23,828	17,818	18,765
Other capital funding sources	57,155	72,575	63,221
Other revenues:			
Investment income	16,821	16,303	16,568
Gaming revenue	18,030	19,555	21,047
Licenses and permits	7,874	10,747	9,819
Other (note 20)	8,904	48,755	35,194
	468,341	527,128	496,337
Expenses:			
Law and community safety	89,959	85,386	83,820
Utilities: water, sewer and sanitation	84,352	83,650	79,552
Engineering, public works and project development	58,128	56,294	55,899
Community services	54,370	68,246	65,137
General government	50,552	43,438	42,582
Planning and development	13,120	13,211	13,301
Richmond Olympic Oval	14,029	13,395	11,065
Library services	9,793	9,463	9,563
Lulu Island Energy Company	249	491	8
	374,552	373,574	360,927
Annual surplus	93,789	153,554	135,410
Accumulated surplus, beginning of year	2,577,640	2,577,640	2,442,230
Accumulated surplus, end of year	\$ 2,671,429	\$ 2,731,194	\$ 2,577,640

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, 2015, with comparative figures for 2014

	2015 Budget (notes 2(m) and 23)	2015	2014 (recast - note 3)
Surplus for the year	\$ 93,789	\$ 153,554	\$ 135,410
Acquisition of tangible capital assets	(93,041)	(86,941)	(78,947)
Acquired tangible capital assets from developers	(55,000)	(61,807)	(55,388)
Amortization of tangible capital assets	50,997	53,966	52,106
Gain on disposal of tangible capital assets	-	(5,157)	(13,744)
Proceeds on sale of tangible capital assets	-	7,678	14,615
	(3,255)	61,293	54,052
Acquisition of inventories of supplies	-	(2,359)	(2,415)
Acquisition of prepaid expenses	-	(1,930)	(1,971)
Consumption of inventories of supplies	-	2,415	2,363
Use of prepaid expenses	-	1,971	1,594
Change in net financial assets	(3,255)	61,390	53,623
Net financial assets, beginning of year	602,620	602,620	548,997
Net financial assets, end of year	\$ 599,365	\$ 664,010	\$ 602,620

See accompanying notes to consolidated financial statements.

# CITY OF RICHMOND

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

Year ended December 31, 2015, with comparative figures for 2014

	2015	2014
		(recast - note 3)
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 153,554	\$ 135,410
Items not involving cash:		
Amortization	53,966	52,106
Gain on disposal of tangible capital assets	(5,157)	(13,744)
Contributions of tangible capital assets	(61,807)	(55,388)
Change in non-cash operating working capital:		
Accrued interest receivable	(924)	(2,139)
Accounts receivable	(2,112)	(8,628)
Taxes receivable	(529)	1,966
Development fees receivable	4,225	(3,955)
Debt reserve fund - deposits	200	(508)
Prepaid expenses	41	(377)
Inventories of materials and supplies	56	(52)
Accounts payable and accrued liabilities	(608)	5,157
Deposits and holdbacks	(6,207)	13,262
Deferred revenue	6,888	5,953
Development cost charges	28,626	(4,247)
Net change in cash from operating activities	170,212	124,816
Capital activities:		
Acquisition of tangible capital assets	(86,941)	(78,947)
Proceeds on disposal of tangible capital assets	7,678	14,615
Net change in cash from capital activities	(79,263)	(64,332)
Financing activities:		
Increase (decrease) in debt	(4,232)	49,759
Principal payments on obligations under capital leases	(22)	(30)
Net change in cash from financing activities	(4,254)	49,729
Investing activities:		
Net increase in investments	(95,626)	(126,528)
Net change in cash and cash equivalents	(8,931)	(16,315)
Cash and cash equivalents, beginning of year	30,731	47,046
Cash and cash equivalents, end of year	\$ 21,800	\$ 30,731

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, 2015

## 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:

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

### (a) Basis of consolidation:

These consolidated financial statements reflect a combination of the City's General Revenue, General Capital and Loan, Waterworks and Sewerworks, and Reserve Funds consolidated with the Richmond Public Library (the "Library"), the Richmond Olympic Oval (the "Oval") and the Lulu Island Energy Company Ltd. ("LIEC"). The Library is consolidated as the Library Board is appointed by the City. The Oval and LIEC are consolidated as they are wholly owned municipal corporations of the City and operate as other government organizations. 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 tangible capital assets and work-in-progress, including engineering structures such as roads and bridges, and the related long-term debt.

#### (iii) Waterworks and Sewerworks Funds:

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

#### (iv) Reserve Funds:

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

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 2. Significant accounting policies (continued):

### (b) Basis of accounting:

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

### (c) Government transfers:

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

### (d) Cash and cash equivalents:

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

### (e) Investments:

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

### (f) Accounts receivable:

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

### (g) Development cost charges:

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

### (h) Post-employment benefits:

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

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

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 2. Significant accounting policies (continued):

### (i) Non-financial assets:

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

### (i) Tangible capital assets:

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

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

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

### (ii) Contributions of tangible capital assets:

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

### (iii) Natural resources:

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

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

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

### (v) Interest capitalization:

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

### (vi) Labour capitalization:

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

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 2. Significant accounting policies (continued):

### (i) Non-financial assets (continued):

#### (vii) Leased tangible capital assets:

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

#### (viii) Impairment of tangible capital assets:

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

#### (ix) Inventory of materials and supplies:

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

### (j) Revenue recognition:

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

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

### (k) Deferred revenue:

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

### (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.



# CITY OF RICHMOND

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

Year ended December 31, 2015

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## 2. Significant accounting policies (continued):

### (m) Budget information:

Budget information, presented on a basis consistent with that used for actual results, was included in the City of Richmond's Five Year Financial Plan and was originally adopted through Bylaw No. 9220 on April 13, 2015.

### (n) Contaminated Sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standards;
- (iii) The City is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

### (o) Adoption of new accounting policy:

On January 1, 2015, the City adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a prospective basis and resulted in the recognition of a liability of \$650,000 which has been included in accounts payable and accrued liabilities at December 31, 2015 and a corresponding increase in expenses for the year ending December 31, 2015.

### (p) Use of accounting estimates:

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

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 2. Significant accounting policies (continued):

### (q) Segment disclosures:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City of Richmond has provided definitions of segments used by the City as well as presented financial information in segment format (note 22).

### (r) Public-private partnership projects:

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

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

## 3. Recast of prior year comparative figures:

### (a) Tangible capital assets:

During the year, the City determined that certain net tangible capital assets had been omitted from its asset registers.

The impact of these immaterial errors has been recorded retrospectively and prior periods have been recast as follows:

#### Accumulated surplus at January 1, 2014:

Accumulated surplus, as previously reported	\$ 2,430,252
Net book value of tangible capital assets not previously recorded	11,978
Accumulated surplus, as recast	\$ 2,442,230

#### Annual surplus for 2014:

Annual surplus, as previously reported	\$ 123,856
Developer contributions received in 2014, not previously recorded	11,554
Annual surplus, as recast	\$ 135,410

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 3. Recast of prior year comparative figures (continued):

### (a) Tangible capital assets (continued):

#### Tangible capital assets at December 31, 2014:

Tangible capital assets, as previously reported	\$ 1,947,102
Net book value of tangible capital assets not previously recorded	23,532
<b>Tangible capital assets, as recast</b>	<b>\$ 1,970,634</b>

### (b) Cash equivalents:

During the year, the City determined that an adjustment was required to correct the classification of certain guaranteed investment certificates due to their highly liquid nature with a term to maturity of three months or less at the date of purchase.

The impact of these immaterial errors has been recorded retrospectively and prior periods have been recast as follows:

#### Cash and cash equivalents at December 31, 2014:

Cash and cash equivalents, as previously reported	\$ 22,053
Reclassification from investments to cash and cash equivalents	8,678
<b>Cash and cash equivalents, as recast</b>	<b>\$ 30,731</b>

#### Investments at December 31, 2014:

Investments, as previously reported	\$ 842,642
Reclassification from investments to cash and cash equivalents	(8,678)
<b>Investments, as recast</b>	<b>\$ 833,964</b>

## 4. Investments:

	2015		2014 (recast - note 3)	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 360,081	\$ 360,081	\$ 290,059	\$ 290,090
Government and government guaranteed bonds	220,228	227,567	261,847	265,941
Municipal Finance Authority Pooled Investment	43,212	43,212	22,527	22,527
Other Bonds	306,069	307,385	259,531	261,176
	<b>\$ 929,590</b>	<b>\$ 938,245</b>	<b>\$ 833,964</b>	<b>\$ 839,734</b>

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 5. Accounts receivable:

	2015	2014
Water and sewer utilities	\$ 11,381	\$ 10,358
Casino revenues	4,532	5,652
Capital grant	2,482	4,279
Other trade receivables	11,767	7,761
	<b>\$ 30,162</b>	<b>\$ 28,050</b>

## 6. Debt reserve fund deposits and contingent demand notes:

The City issues its debt instruments through the Municipal Finance Authority (the "MFA"). As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA in a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the City's accounts. The details of the cash deposits and contingent demand notes at December 31, 2015 are as follows:

	Cash deposits	Contingent demand notes
General Revenue Fund	\$ 508	\$ 2,447

## 7. Accounts payable and accrued liabilities:

	2015	2014
Trade and other liabilities	\$ 55,995	\$ 57,576
Post-employment benefits (note 15)	31,706	30,755
	<b>\$ 87,701</b>	<b>\$ 88,331</b>

## 8. Development cost charges:

	2015	2014
Balance, beginning of year	\$ 82,965	\$ 87,212
Contributions	44,934	13,313
Interest	1,510	1,205
Revenue recognized	(17,818)	(18,765)
Balance, end of year	<b>\$ 111,591</b>	<b>\$ 82,965</b>



# CITY OF RICHMOND

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

Year ended December 31, 2015

## 9. Deposits and holdbacks:

	Balance December 31, 2014	Deposit contributions	Refund expenditures	Balance December 31, 2015
Security deposits	\$ 48,377	\$ 16,662	\$ 24,722	\$ 40,317
Developer contribution	5,337	294	85	5,546
Contract holdbacks	1,968	4,114	3,273	2,809
Transit Oriented Development Fund	1,523	-	-	1,523
Other	7,898	22,638	21,835	8,701
	\$ 65,103	\$ 43,708	\$ 49,915	\$ 58,896

## 10. Deferred revenue:

Deferred revenue represents revenues that are collected but not earned as of December 31, 2015. These revenues will be recognized in future periods as they are earned. Deferred revenue also represents funds received from external parties for specified purposes. These revenues are recognized in the period in which the related expenses are incurred.

	Balance December 31, 2014	External restricted inflows	Revenue earned	Balance December 31, 2015
Taxes and Utilities	\$ 16,645	\$ 19,370	\$ 16,645	\$ 19,370
Building permits/development	7,481	8,018	3,414	12,085
Oval	4,316	11,170	9,888	5,598
Capital grants	3,472	11,443	10,319	4,596
Business licenses	2,403	2,071	1,965	2,509
Parking easement/leased land	2,413	48	44	2,417
Other	5,093	3,353	6,310	2,136
	\$ 41,823	\$ 55,473	\$ 48,585	\$ 48,711

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 11. Debt:

The interest rate for the year ended December 31, 2015 on the principal amount of the MFA debentures was 3.30% per annum.

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

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

	Gross amount borrowed	Repayments and actuarial adjustments	Net debt 2015	Net debt 2014
General Fund	\$ 50,815	\$ 4,232	\$ 46,583	\$ 50,815

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

	Total
2016	\$ 4,402
2017	4,578
2018	4,761
2019	4,951
2020	5,149
Thereafter	22,742
	\$ 46,583

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 12. Tangible capital assets:

Cost	Balance at December 31, 2014 (recast - note 3)	Additions and transfers	Disposals	Balance at December 31, 2015
Land	\$ 747,290	\$ 57,844	\$ (1,489)	\$ 803,645
Buildings and building improvements	360,966	14,141	(287)	374,820
Infrastructure	1,585,726	63,885	(5,405)	1,644,206
Vehicles, machinery and equipment	98,059	15,116	(3,055)	110,120
Library's collections, furniture and equipment	9,259	1,618	(1,207)	9,670
Assets under construction	66,223	(3,856)	-	62,367
	\$ 2,867,523	\$ 148,748	\$ (11,443)	\$ 3,004,828

Accumulated amortization	Balance at December 31, 2014 (recast - note 3)	Disposals	Amortization expense	Balance at December 31, 2015
Buildings and building improvements	\$ 128,204	\$ (264)	\$ 13,740	\$ 141,680
Infrastructure	700,368	(4,471)	32,220	728,117
Vehicles, machinery and equipment	63,494	(3,028)	6,339	66,805
Library's collections, furniture and equipment	4,823	(1,159)	1,667	5,331
	\$ 896,889	\$ (8,922)	\$ 53,966	\$ 941,933

	Net book value December 31, 2015	Net book value December 31, 2014 (recast - note 3)
Land	\$ 803,645	\$ 747,290
Buildings and building improvements	233,140	232,762
Infrastructure	916,089	885,358
Vehicles, machinery and equipment	43,315	34,565
Library's collection, furniture and equipment	4,339	4,436
Assets under construction (a)	62,367	66,223
Balance, end of year	\$ 2,062,895	\$ 1,970,634

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 12. Tangible capital assets (continued):

### (a) Assets under construction:

Assets under construction having a value of approximately \$62,367,664 (2014 - \$66,223,263) have not been amortized. Amortization of these assets will commence when the asset is put into service.

### (b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$61,806,695 (2014 - \$55,388,435) comprised of infrastructure in the amount of \$10,874,576 (2014 - \$18,937,542), land in the amount of \$50,606,219 (2014 - \$36,450,893), and other assets in the amount of \$325,900 (2014 - nil).

### (c) Tangible capital assets disclosed at nominal values:

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

### (d) Works of Art and Historical Treasures:

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

### (e) Write-down of tangible capital assets:

There were no write-downs of tangible capital assets during the year (2014 - nil).



# CITY OF RICHMOND

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

Year ended December 31, 2015

## 13. Accumulated surplus:

	General Funds and Reserve	Water Utility Fund	Sanitary Sewer Utility Fund	Richmond Olympic Oval	Library Services	Lulu Island Energy Co	2015 Total	2014 Total (recast - note 3)
Investment in tangible capital assets	\$ 2,041,691	\$ -	\$ -	\$ 9,447	\$ 4,341	\$ -	\$ 2,055,479	\$ 1,968,651
Reserves (note 14)	457,987	-	-	3,191	-	-	461,178	376,602
Appropriated Surplus	151,031	27,813	15,013	890	303	-	195,050	184,644
Surplus	9,567	244	6,200	502	201	551	17,265	45,410
Other equity	2,222	-	-	-	-	-	2,222	2,333
Balance, end of year	\$ 2,662,498	\$ 28,057	\$ 21,213	\$ 14,030	\$ 4,845	\$ 551	\$ 2,731,194	\$ 2,577,640

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 14. Reserves:

	2014	Change during year	2015
Reserve funds:			
Affordable housing	\$ 12,551	\$ 12,383	\$ 24,934
Arts, culture and heritage	4,362	87	4,449
Capital building and infrastructure	55,651	4,761	60,412
Capital reserve	103,806	53,972	157,778
Capstan station	8,241	1,267	9,508
Child care development	2,201	134	2,335
Community legacy and land replacement	16,720	274	16,994
Drainage improvement	44,505	8,417	52,922
Equipment replacement	17,241	(359)	16,882
Leisure facilities	3,621	1,654	5,275
Local improvements	6,643	124	6,767
Neighborhood improvement	6,724	251	6,975
Public art program	2,554	502	3,056
Sanitary sewer	39,504	2,183	41,687
Steveston off-street parking	293	6	299
Steveston road ends	623	(165)	458
Waterfront improvement	659	(17)	642
Watermain replacement	46,375	239	46,614
Oval	4,328	(1,137)	3,191
	\$ 376,602	\$ 84,576	\$ 461,178

## 15. Post-employment benefits:

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

	2015	2014
Balance, beginning of year	\$ 30,755	\$ 30,042
Current service cost	1,924	1,791
Interest cost	912	1,054
Amortization of actuarial loss	93	430
Benefits paid	(1,978)	(2,562)
Balance, end of year	\$ 31,706	\$ 30,755

# CITY OF RICHMOND

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

Year ended December 31, 2015

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

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2013 and the results are extrapolated to December 31, 2015. The difference between the actuarially determined accrued benefit obligation of approximately \$28,657,000 and the liability of approximately \$31,706,000 as at December 31, 2015 is an unamortized net actuarial gain of \$3,049,000. This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 10 years.

	2015	2014
Actuarial benefit obligation:		
Liability, end of year	\$ 31,706	\$ 30,755
Unamortized actuarial loss (gain)	(3,049)	(1,554)
Balance, end of year	\$ 28,657	\$ 29,201

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

	2015	2014
Discount rate	3.10%	3.10%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary range increases	2.50%	2.50%

## 16. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2014, the plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 16. Pension plan (continued):

The most recent valuation for the Municipal Pension Plan as at December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2015, with results available in 2016.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The City paid \$11,766,393 (2014 - \$10,649,936) for employer contributions while employees contributed \$9,736,747 (2014 - \$8,780,321) to the plan in fiscal 2015.

## 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.

### (b) Lease payments:

In addition to the obligations under capital leases, at December 31, 2015, the City was committed to operating lease payments for premises and equipment in the following approximate amounts:

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2016	\$ 5,016
2017	4,484
2018	4,243
2019	3,601
2020 and thereafter	19,704

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### (c) Litigation:

As at December 31, 2015, there were a number of claims or risk exposures in various stages of resolution. The City has made no specific provision for those where the outcome is presently not determinable.



# CITY OF RICHMOND

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

Year ended December 31, 2015

## 17. Commitments and contingencies:

### (d) Municipal Insurance Association of British Columbia:

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

### (e) Contractual obligation:

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

On October 30, 2014, Lulu Island Energy Company Ltd. ("LIEC") and Corix Utilities Inc. ("Corix") entered into a 30 year Concession Agreement (the "Agreement"), where Corix will design, construct, finance, operate, and maintain the infrastructure for the district energy utility at the Oval Village community. As part of the agreement, the infrastructure will be owned by the Corporation.

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

The City is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated ("E-Comm") whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 28 Class A and 23 Class B shares issued and outstanding as at December 31, 2015). 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.

### (g) Community Associations:

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

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 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.

	2015	2014
Richmond Community Associations	\$ 1,248	\$ 1,127

## 19. Collections for other governments:

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

	2015	2014
Province of British Columbia - Schools	\$ 146,405	\$ 134,272
Greater Vancouver Regional District and others	41,772	41,131
	\$ 188,177	\$ 175,403

## 20. Other revenue:

	2015	2014
Developer contributions	\$ 29,648	\$ 10,382
Tangible capital assets net gain on land	5,912	14,419
Taxes and fines	3,350	2,844
Parking program	2,108	1,932
Other	7,737	5,617
	\$ 48,755	\$ 35,194

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 21. Government Transfers:

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

	2015	2014
Operating		
Province of BC	\$ 24,553	\$ 25,161
TransLink	2,329	2,200
Government of Canada	1,327	1,166
Capital		
Government of Canada	3,098	2,742
TransLink	76	1,292
Province of BC	474	459
	<b>\$ 31,857</b>	<b>\$ 33,020</b>

## 22. Segmented reporting:

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

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

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

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

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 22. Segmented reporting (continued):

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

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

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

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

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

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

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 22. Segmented reporting (continued):

	Law and Community Safety	Utilities	Engineering, public works and project development	Community services	General government	Planning and development	Total City
<b>Revenues:</b>							
Taxation and levies	\$ -	\$ -	\$ -	\$ -	\$ 189,136	\$ -	\$ 189,136
Utility fees	-	82,628	11,484	-	-	-	94,112
Sales of services	5,408	3,138	3,212	9,213	3,921	1,511	26,403
Payments-in-lieu of taxes	-	-	-	-	15,109	-	15,109
Provincial and federal grants	96	16	2,506	91	3,057	13	5,779
Development cost charges	-	938	4,927	6,084	5,173	696	17,818
Other capital funding sources	-	828	15,739	1,623	53,057	508	71,755
Other revenue from own sources:	-	-	-	-	-	-	-
Investment income	-	592	-	-	15,711	-	16,303
Gaming revenue	642	-	-	-	18,913	-	19,555
Licenses and permits	299	-	101	-	3,770	6,556	10,726
Other	2,534	2,559	338	502	40,295	65	46,293
	8,979	90,699	38,307	17,513	348,142	9,349	512,989
<b>Expenses:</b>							
Wages and salaries	40,163	12,452	20,894	29,047	20,849	10,147	133,552
PW maintenance	30	6,268	8,156	2,079	(1,330)	89	15,292
Contract services	40,096	8,188	2,277	2,885	3,738	1,099	58,283
Supplies and materials	2,469	27,442	633	11,788	6,975	523	49,830
Interest and finance	40	19,064	-	1	2,243	-	21,348
Transfer from(to) capital for tangible capital assets	9	2,025	976	15,946	339	260	19,555
Amortization of tangible capital assets	2,571	7,661	23,436	6,258	10,623	1,076	51,625
Loss on disposal of tangible capital assets	8	550	(78)	242	1	17	740
	85,386	83,650	56,294	68,246	43,438	13,211	350,225
Annual surplus (deficit)	\$ (76,407)	\$ 7,049	\$ (17,987)	\$ (50,733)	\$ 304,704	\$ (3,862)	\$ 162,764



# CITY OF RICHMOND

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

Year ended December 31, 2015

## 22. Segmented reporting (continued):

	Total City (from above)	Richmond Olympic Oval	Richmond Public Library	Lulu Island Energy Company	2015 Consolidated	2014 Consolidated (recast - note 3)
<b>Revenues:</b>						
Taxation and levies	\$ 189,136	\$ -	\$ -	\$ -	\$ 189,136	\$ 183,687
Utility fees	94,112	-	-	178	94,290	93,201
Sales of services	26,403	7,643	140	-	34,186	32,809
Payments-in-lieu of taxes	15,109	-	-	-	15,109	14,546
Provincial and federal grants	5,779	2,464	411	-	8,654	7,480
Development cost charges	17,818	-	-	-	17,818	18,765
Other capital funding sources	71,755	-	-	820	72,575	63,221
Other revenue from own sources:					-	
Investment income	16,303	-	-	-	16,303	16,568
Gaming revenue	19,555	-	-	-	19,555	21,047
Licenses and permits	10,726	-	-	21	10,747	9,819
Other	46,293	2,223	239	-	48,755	35,194
	512,989	12,330	790	1,019	527,128	496,337
<b>Expenses:</b>						
Wages and salaries	133,552	7,868	6,576	-	147,996	142,169
PW maintenance	15,292	-	2	-	15,294	14,548
Contract services	58,283	112	425	345	59,165	58,121
Supplies and materials	49,830	4,809	971	48	55,658	53,749
Interest and finance	21,348	-	13	30	21,391	21,367
Transfer from(to) capital for tangible capital assets	19,555	-	(206)	-	19,349	18,192
Amortization of tangible capital assets	51,625	606	1,667	68	53,966	52,106
Loss on disposal of tangible capital assets	740	-	15	-	755	675
	350,225	13,395	9,463	491	373,574	360,927
<b>Annual surplus (deficit)</b>	<b>\$ 162,764</b>	<b>\$ (1,065)</b>	<b>\$ (8,673)</b>	<b>\$ 528</b>	<b>\$ 153,554</b>	<b>\$ 135,410</b>

# CITY OF RICHMOND

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

Year ended December 31, 2015

## 23. Budget data:

The audited budget data presented in these consolidated financial statements is based on the 2015 operating and capital budgets approved by Council on April 13, 2015 and approved budget for Richmond Public Library, Richmond Olympic Oval and Lulu Island Energy Company. Below is the reconciliation of the approved budget to the budget amount reported in these financial statements.

	Budget Amount
Revenues:	
Approved Operating and Utility Budget	\$ 438,331
Approved Capital Budget	407,216
Approved Oval Budget	14,811
Approved Library Budget	9,600
Approved LIEC Budget	1,268
Less:	
Transfer from other funds	64,645
Intercity recoveries	-
Intercompany recoveries	12,007
Capital Transfer from Other Funds and Reserves	67,058
Carried forward capital expenditures	259,175
Total revenue	468,341
Expenses:	
Approved Operating and Utility Budget	438,331
Approved Capital Budget	408,204
Approved Oval Budget	14,029
Approved Library Budget	9,793
Approved LIEC Budget	249
Less:	
Transfer to other funds	71,611
Intercity payments	-
Intercompany payments	12,007
Capital expenditures	93,041
Capital expenditures - Developer contributed assets	55,988
Debt principal payments	4,232
Carried forward capital expenditures	259,175
Total expenses	374,552
Annual surplus per statement of operations	\$ 93,789

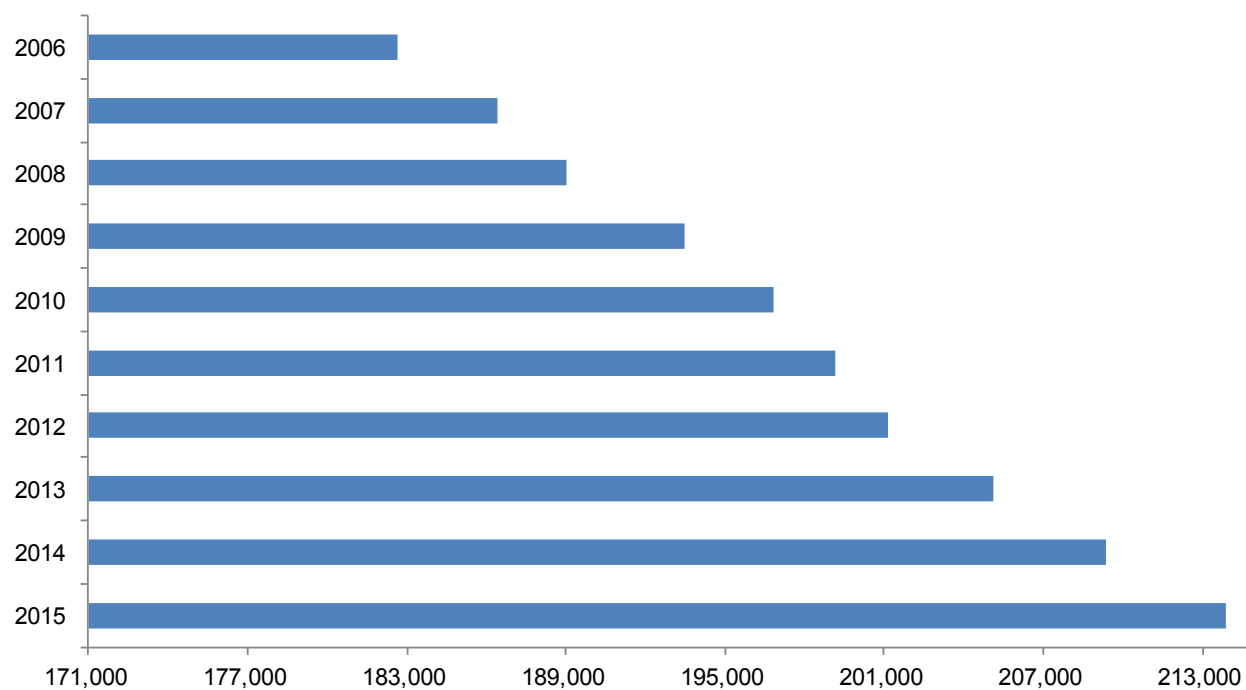


Richmond Maritime Festival was a finalist for Best Public Event in Canada.

# City of Richmond statistical data

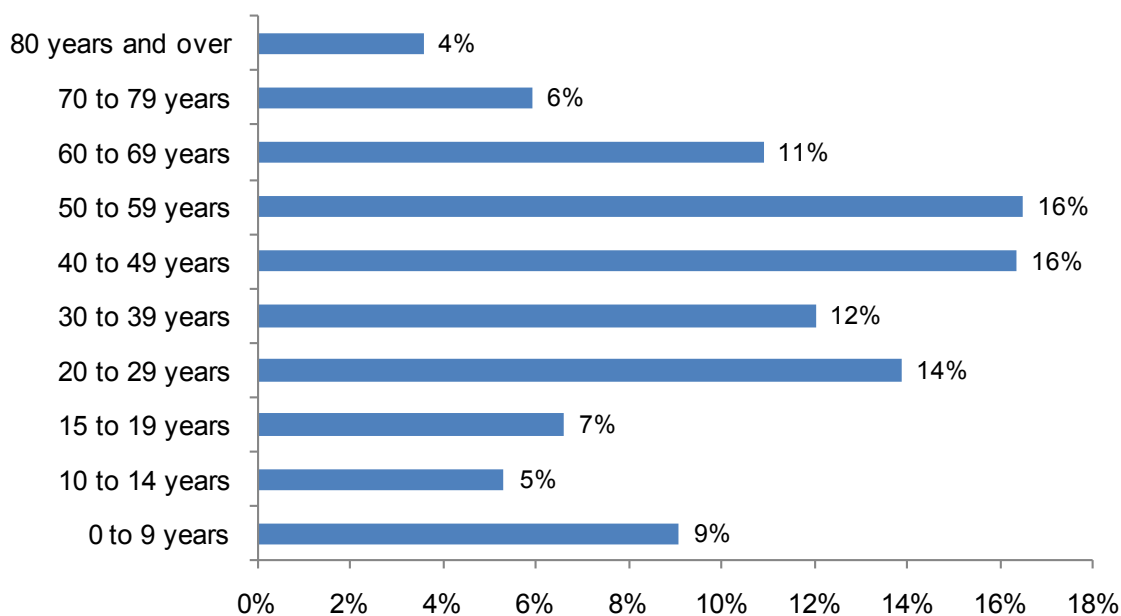
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## City of Richmond population 2006–2015



Source: City of Richmond Policy Planning Division

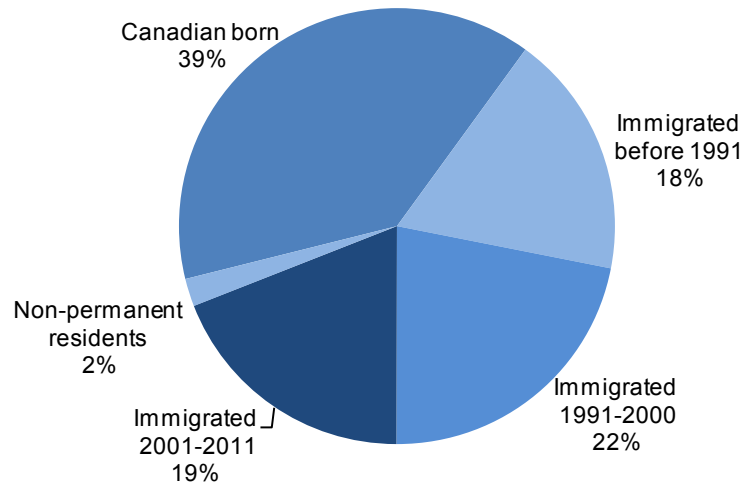
## Total population by age groups



Source: Statistics Canada 2011 Census of Population

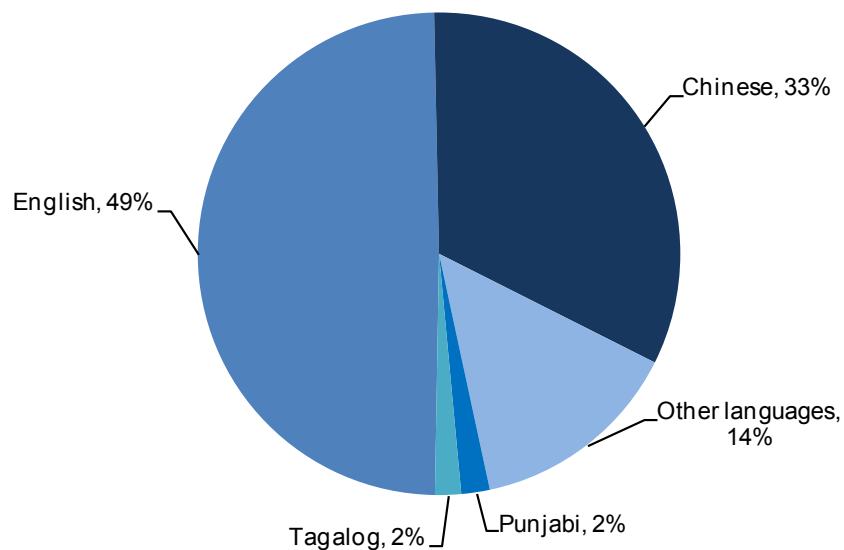


## Immigrant status of Richmond residents by period of immigration



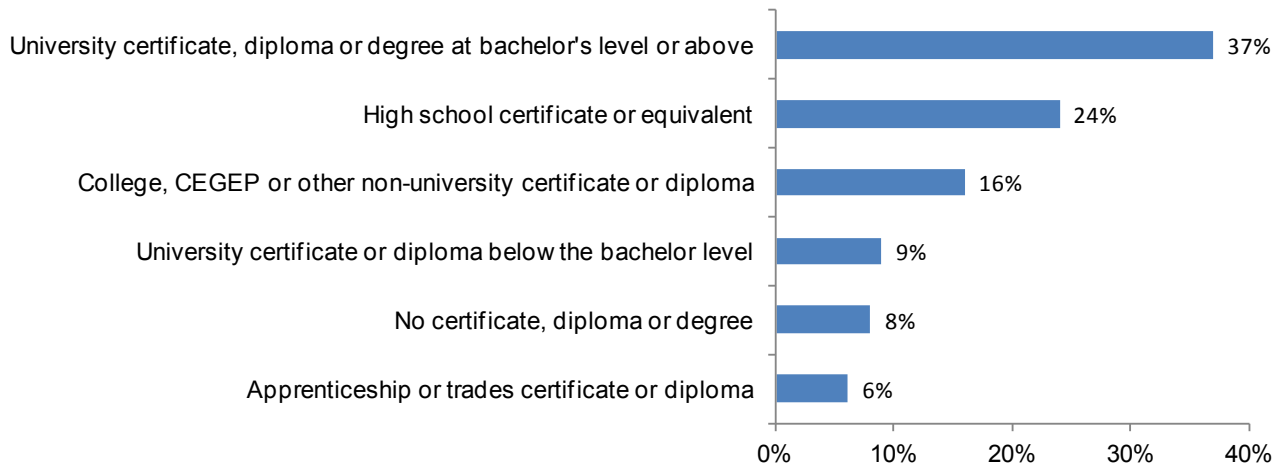
Source: Statistics Canada, 2011 National Household Survey (NHS)

## Language spoken most often at home



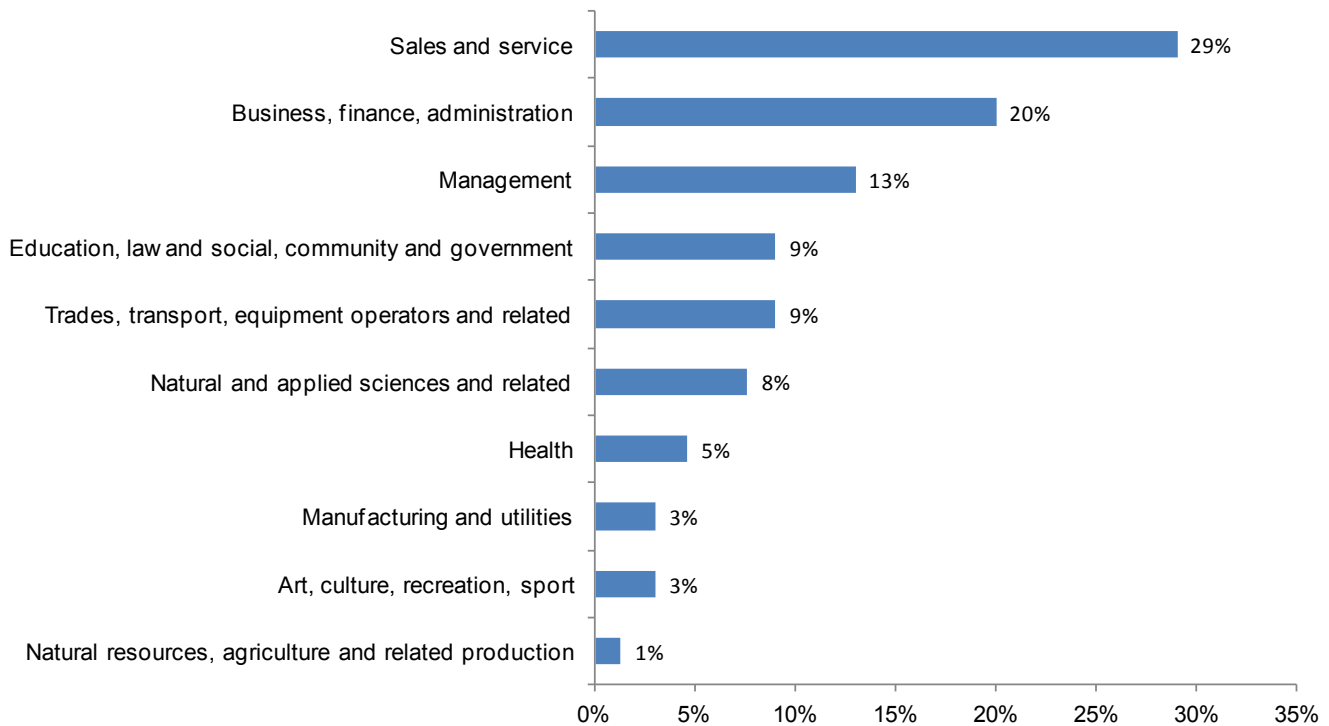
Source: Statistics Canada 2011 Census of Population

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



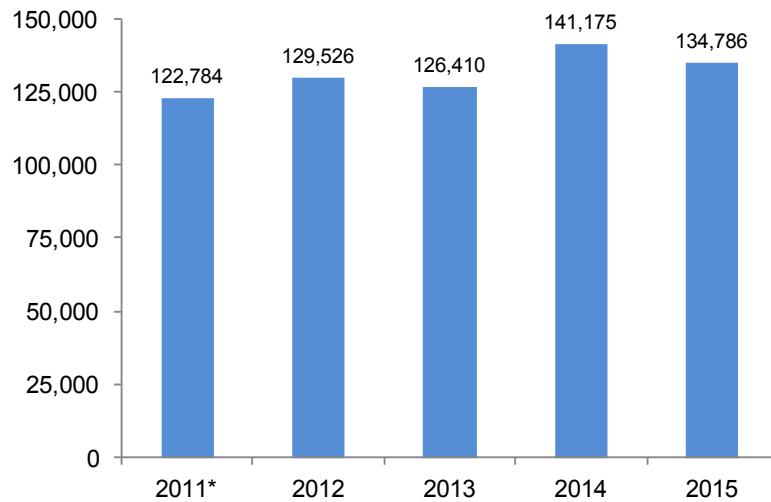
Source: Statistics Canada, 2011 National Household Survey (NHS)

## Occupations of Richmond residents



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

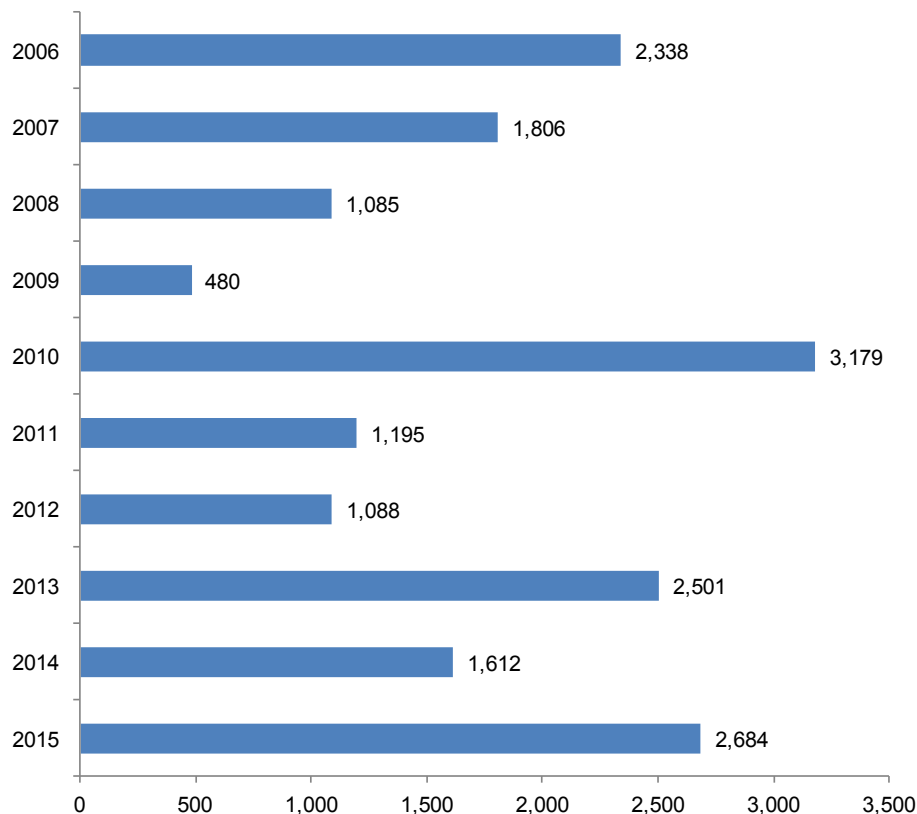
## Registration in Richmond Recreation and Cultural Services programs 2011–2015



\*Change in registration system 2011

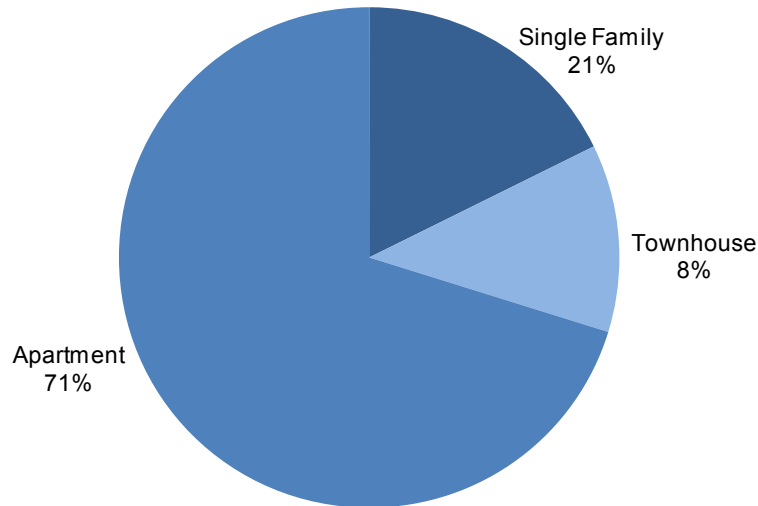
Source: City of Richmond Finance and Corporate Services

## Housing starts in Richmond 2006–2015



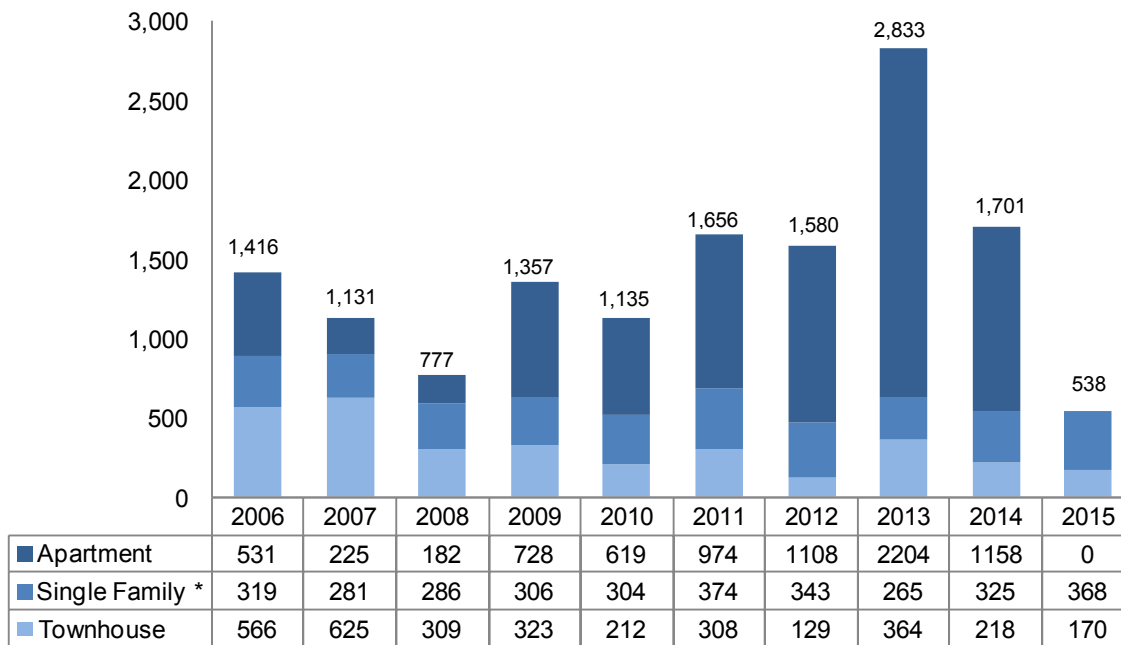
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in given year.

## Richmond housing starts by type of units 2015



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

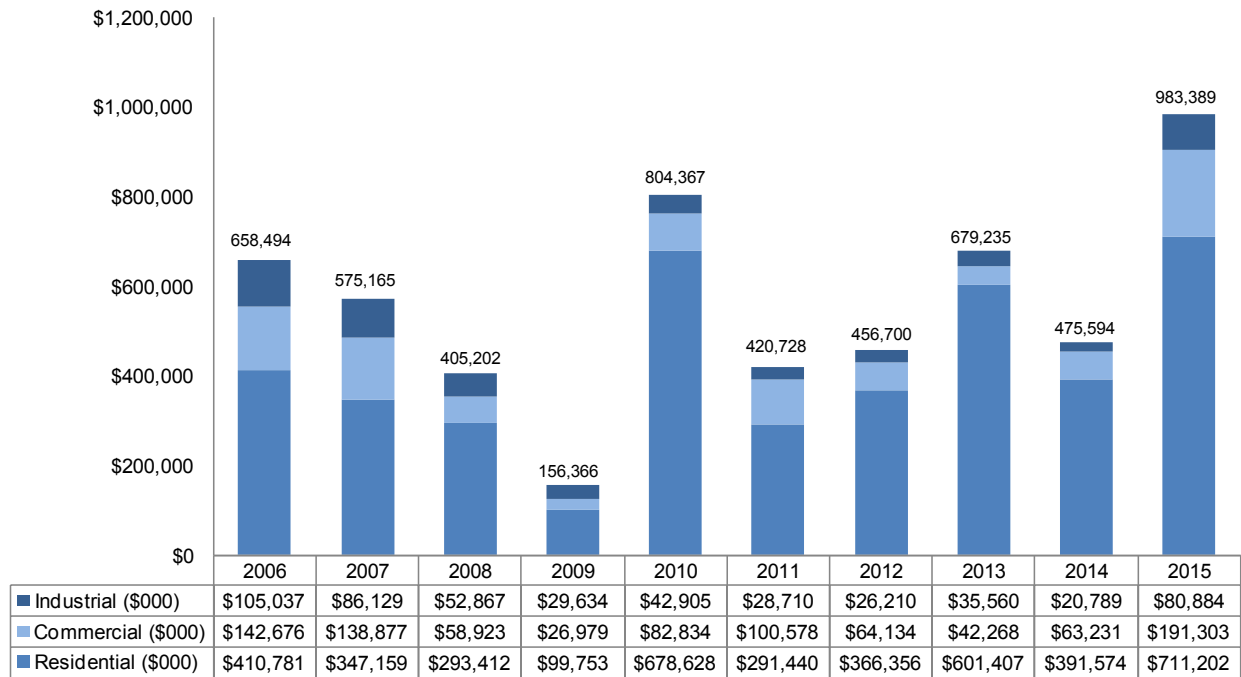
## New dwelling units constructed 2006–2015



\*Includes one family and two family dwellings

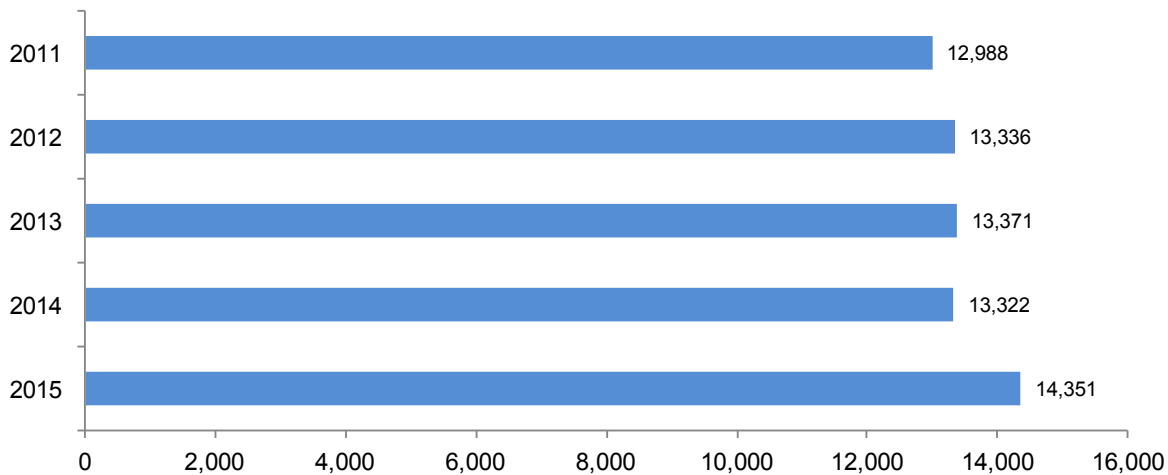
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in given year.

## Construction value of building permits issued 2006–2015 (in \$000s)



Source: City of Richmond building permit records.

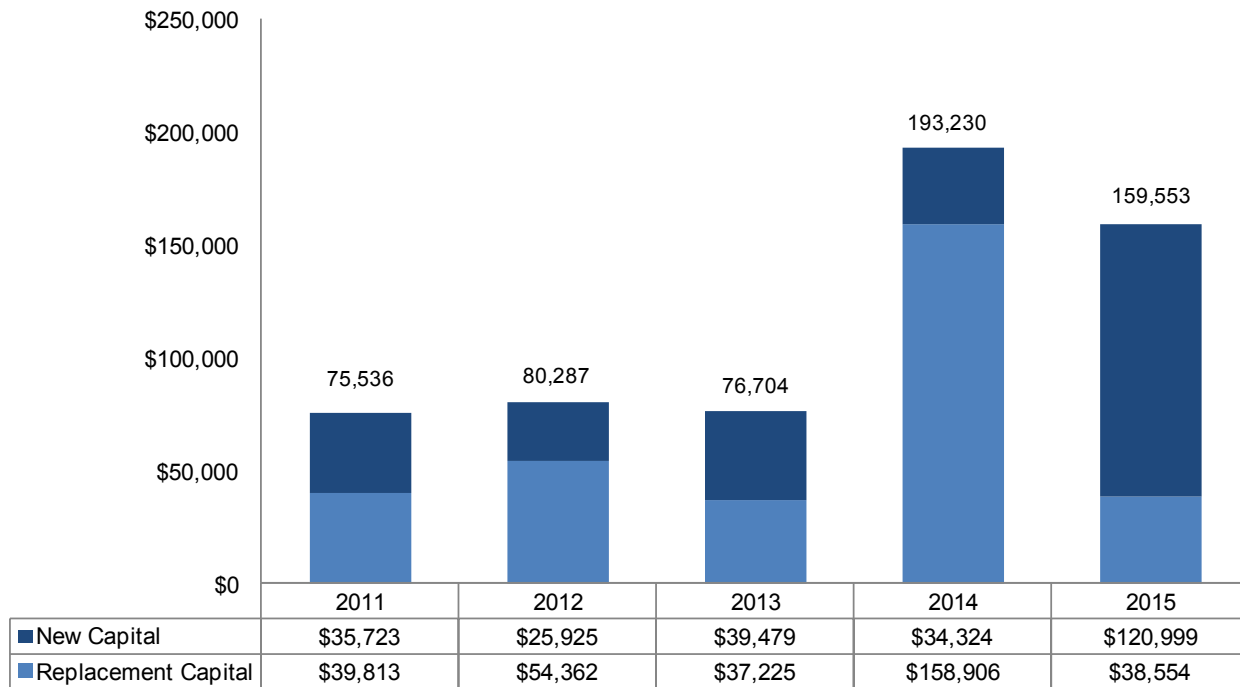
## Richmond business licences 2011–2015



Source: City of Richmond Business Licences

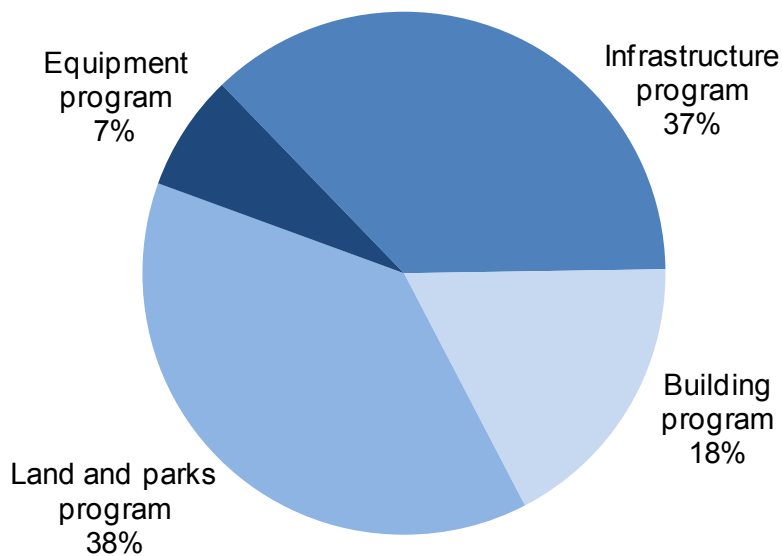


## City of Richmond budgeted capital construction costs 2011–2015 (in \$000s)



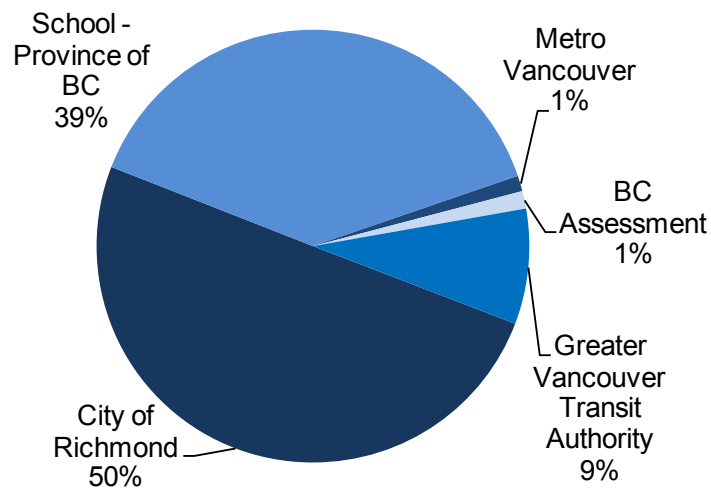
Source: City of Richmond Finance and Corporate Services

## Capital program by type 2015



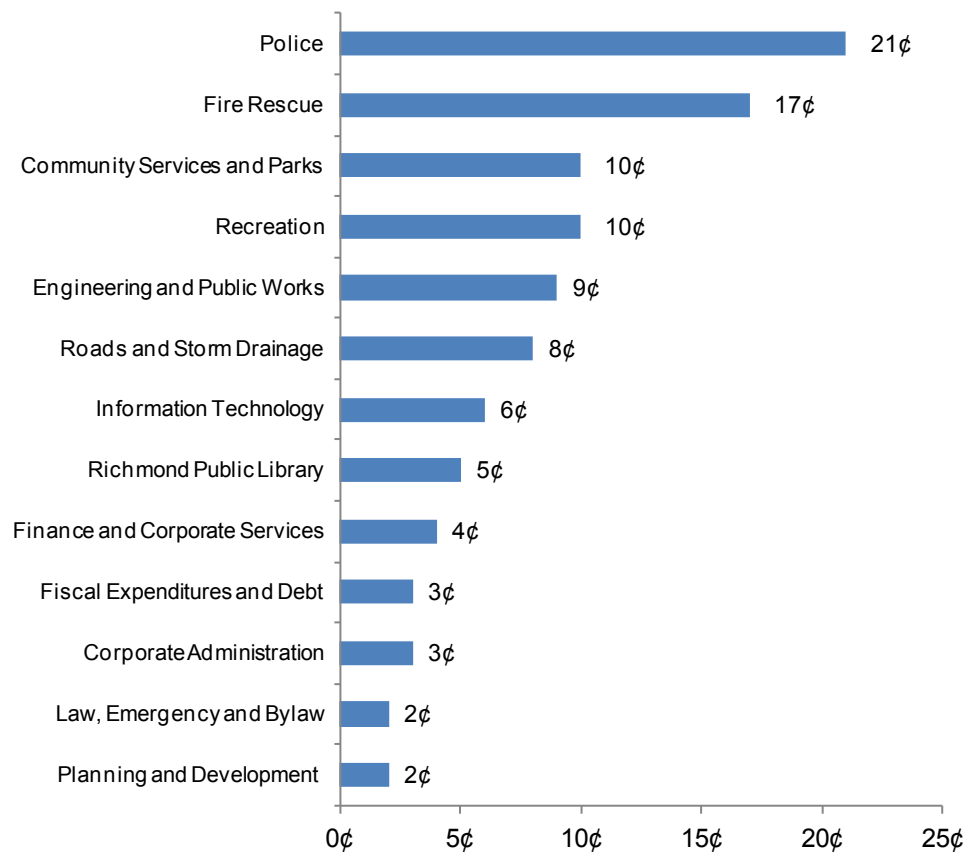
Source: City of Richmond Finance and Corporate Services

## Breakdown of residential tax bill 2015



Source: City of Richmond Finance and Corporate Services

## Breakdown of actual municipal tax dollar 2015



Source: City of Richmond Finance and Corporate Services

## 2015 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	2.18723	1.56740	0.05392	0.05960	0.00020	0.31730
Business	6.94287	5.80000	0.13209	0.16790	0.00050	1.36690
Light industrial	6.94287	5.80000	0.18331	0.16790	0.00070	1.61660
Seasonal / Recreational	1.93251	3.30000	0.05392	0.05960	0.00020	0.28850
Major industrial	12.87490	2.35000	0.18331	0.50300	0.00070	2.00160
Farm	12.67378	3.45000	0.05392	0.05960	0.00020	0.36300
Utilities	39.91245	13.60000	0.18870	0.50300	0.00070	2.60730

Source: City of Richmond Finance and Corporate Services

## 2015 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$47,402,471,266	79.39%	\$103,680,107	54.55%
Business	9,770,811,614	16.36%	67,837,475	35.69%
Light industrial	2,208,027,000	3.70%	15,330,044	8.07%
Seasonal / Recreational	144,622,410	0.24%	279,484	0.15%
Major industrial	137,264,500	0.23%	1,767,267	0.93%
Farm	26,364,056	0.04%	334,132	0.18%
Utilities	21,195,129	0.04%	845,950	0.45%
<b>Total</b>	<b>\$59,710,755,975</b>	<b>100.00%</b>	<b>\$190,074,459</b>	<b>100.00%</b>

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

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

	2011	2012	2013	2014	2015
City of Richmond	\$161,821	\$167,529	\$176,283	\$183,687	\$190,074
School Board	122,465	128,610	133,660	133,539	147,087
Metro Vancouver	3,957	4,102	4,268	4,253	4,499
BC Assessment	4,258	4,593	4,667	4,843	4,973
TransLink	29,427	30,789	30,968	31,935	32,644
Other	13	14	15	15	16
<b>Total Taxes</b>	<b>\$321,941</b>	<b>\$335,637</b>	<b>\$349,861</b>	<b>\$358,272</b>	<b>\$379,293</b>

Source: City of Richmond Finance and Corporate Services  
Amounts are based on the Revised Roll before any supplementary adjustments

## 2011–2015 general assessment by property class (in \$000s)

	2011	2012	2013	2014	2015
Residential	\$38,773,463	\$45,026,858	\$44,663,439	\$44,543,518	\$47,402,471
Business	7,753,426	8,046,568	8,197,372	9,001,342	9,770,812
Light industrial	1,480,246	1,614,402	1,902,602	2,100,089	2,208,027
Seasonal / Recreational	113,149	111,935	120,715	97,338	144,622
Major industrial	107,536	111,752	115,791	125,716	137,265
Farm	26,699	26,572	26,618	26,112	26,364
Utilities	21,094	19,685	23,064	20,888	21,195
<b>Total</b>	<b>\$48,275,613</b>	<b>\$54,957,772</b>	<b>\$55,049,601</b>	<b>\$55,915,003</b>	<b>\$59,710,756</b>

Source: City of Richmond Finance and Corporate Services

## Taxes levied on behalf of taxing authorities (in '000's)

	2011	2012	2013	2014	2015
Total Tax Levy	\$325,941	\$335,637	\$344,861	\$358,272	\$379,293
Municipal portion of Total Tax Levy	162,214	168,205	175,960	184,016	190,074
% of current collections to current levy	98.81%	98.94%	96.35%	97.81%	98.94%

Source: City of Richmond Finance and Corporate Services

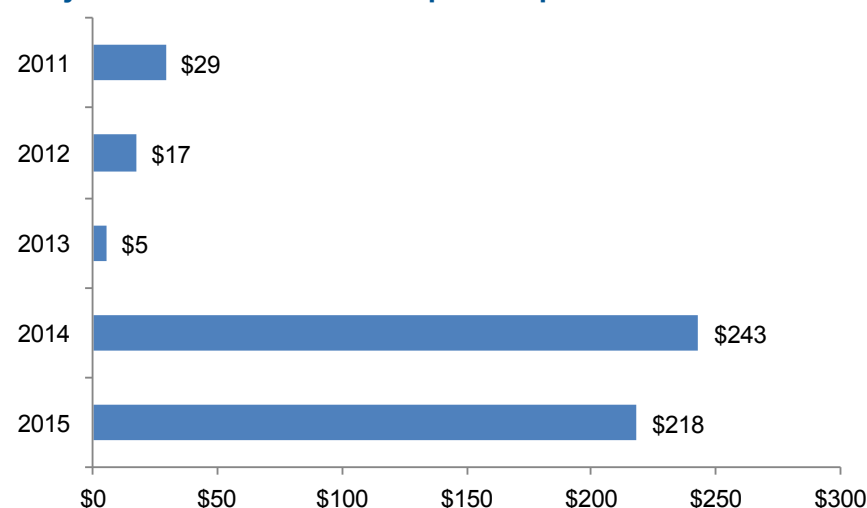
## Long-term debt repayments relative to expenditures 2011–2015 (in \$000s)

<b>General revenue fund</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Long term debt repayments	\$3,413	\$2,972	\$2,267	\$4,232	\$4,232
General expenditures	\$226,550	\$225,684	\$233,585	\$260,739	\$266,575
Repayments as % of expenditures	1.5%	1.3%	1.0%	1.6%	1.6%
<b>Sewerworks revenue fund</b>					
Long term debt repayments	\$115	\$115	\$30	\$0	\$0
Sewer expenditures	\$24,724	\$23,789	\$26,916	\$22,409	\$26,457
Repayments as % of expenditures	0.5%	0.5%	0.1%	0.0%	0.0%

Note: Expenditures do not include capital and infrastructure investments.

Source: City of Richmond Finance and Corporate Services

## City of Richmond debt per capita 2011–2015



Source: City of Richmond Finance and Corporate Services

## Net debt 2011–2015 (in \$000s)

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Net debt	\$5,808	\$3,488	\$1,056	\$50,815	\$46,583

Source: City of Richmond Finance and Corporate Services



## Expenses by function 2011–2015 (in \$000s)

	2011	2012	2013*	2014*	2015*
Law and Community Safety	\$74,563	\$75,193	\$77,649	\$83,820	\$85,386
Utilities	69,430	72,682	75,134	79,552	83,650
Engineering and Public Works	52,337	53,164	53,268	55,899	56,294
Community Services	45,957	46,796	49,753	65,137 **	68,246**
General government	42,133	38,570	41,061	42,582	43,438
Planning and Development	11,560	11,961	11,854	13,301	13,211
Richmond Olympic Oval	8,647	9,826	10,509	11,065	13,395
Library services	8,618	9,245	9,390	9,563	9,463
Lulu Island Energy Corp	-	-	-	8	491
<b>Total Expenses</b>	<b>\$313,245</b>	<b>\$317,437</b>	<b>\$328,618</b>	<b>\$360,927</b>	<b>\$373,574</b>

\* Amounts have been restated.

\*\* Includes one-time affordable housing contributions.

Source: City of Richmond Finance and Corporate Services

## Expenses by object 2011–2015 (in \$000s)

	2011	2012	2013*	2014*	2015
Wages, salaries and benefits	\$128,361	\$129,981	\$137,648	\$142,169	\$147,996
Public works maintenance	18,444	20,901	14,246	14,548	15,294
Contract services	45,687	47,945	50,539	58,121	59,165
Supplies, materials	63,765	63,684	53,222	53,749	55,658
Interest and finance	5,164	4,495	19,783	21,367	21,391
Transfer from (to) capital for tangible capital assets	2,755	1,289	2,414	18,192	19,349
Amortization of tangible capital assets	47,696	49,565	50,333	52,106	53,966
Loss/(gain) on disposal of tangible capital assets	1,373	(423)	433	675	755
<b>Total Expenses</b>	<b>\$313,245</b>	<b>\$317,437</b>	<b>\$328,618</b>	<b>\$360,927</b>	<b>\$373,574</b>

\* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

## Revenue by source 2011–2015 (in \$000s)

	2011	2012	2013*	2014*	2015
Taxation and levies	\$161,821	\$167,529	\$176,283	\$183,687	\$189,136
User fees	69,359	74,222	90,540	93,201	94,290
Sales of services	41,518	41,449	34,959	32,809	34,186
Licences and permits	7,524	8,734	9,241	9,819	10,747
Investment income	20,328	17,144	13,490	16,568	16,303
Grants including casino revenue	35,520	38,261	39,131	43,073	43,318
Development cost charges	14,321	10,480	11,730	18,765	17,818
Other capital funding sources	50,063	19,306	55,542	63,221	72,575
Other	23,588	23,186	23,946	35,194	48,755
<b>Total Revenue</b>	<b>\$424,042</b>	<b>\$400,311</b>	<b>\$454,862</b>	<b>\$496,337</b>	<b>\$527,128</b>

\*Amounts have been restated

Source: City of Richmond Finance and Corporate Services

## Accumulated surplus 2011–2015 (in \$000s)

	2011	2012	2013	2014*	2015
Accumulated surplus, beginning of year	\$2,110,337	\$2,221,134	\$2,304,008	\$2,442,230	\$2,577,640
Annual surplus	110,797	82,874	126,244	135,410	153,554
Accumulated surplus, end of year	\$2,221,134	\$2,304,008	\$2,430,252	\$2,577,640	\$2,731,194

\*Amounts have been restated

Source: City of Richmond Finance and Corporate Services

## Changes in net financial assets 2011–2015 (in \$000s)

	2011	2012	2013	2014	2015
Change in net financial assets	\$47,884	\$53,436	\$79,838	\$53,644	\$61,390
Net Financial Assets, end of year	\$415,723	\$469,159	\$548,997	\$602,620	\$664,010

Source: City of Richmond Finance and Corporate Services

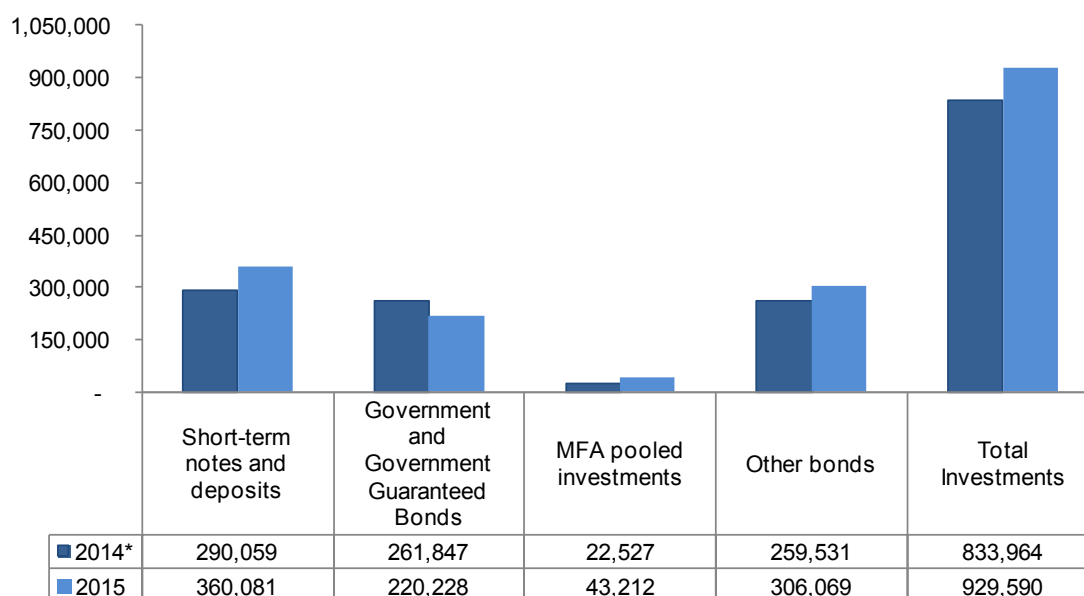
## Reserves 2011–2015 (in \$000s)

	2011	2012	2013	2014*	2015
Affordable housing	\$11,344	\$18,082	\$20,696	\$12,551	\$24,934
Arts, culture and heritage	-	-	4,379	4,362	4,449
Capital building and infrastructure	27,646	36,686	46,394	55,651	60,412
Capital reserve	81,820	78,254	101,834	103,806	157,778
Capstan Station	-	-	3,862	8,241	9,508
Child care development	2,146	1,995	2,696	2,201	2,335
Community legacy and land replacement	17,097	16,681	16,353	16,720	16,994
Drainage improvement	23,395	27,948	35,555	44,505	52,922
Equipment replacement	16,744	16,579	17,820	17,241	16,882
Leisure facilities	2,621	3,177	3,551	3,621	5,275
Local improvements	6,330	6,428	6,527	6,643	6,767
Neighbourhood improvement	6,057	6,011	6,335	6,724	6,975
Public art program	1,585	1,967	2,282	2,554	3,056
Sanitary sewer	30,254	33,672	37,233	39,504	41,687
Steveston off-street parking	277	282	287	293	299
Steveston road ends	2,723	1,347	684	623	458
Waterfront improvement	179	112	104	659	642
Watermain replacement	43,435	41,680	42,481	46,375	46,614
Oval	1,700	4,100	4,732	4,328	3,191
<b>Total reserves</b>	<b>\$275,353</b>	<b>\$295,001</b>	<b>\$353,805</b>	<b>\$376,602</b>	<b>\$461,178</b>

\* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

## Investment portfolio per type 2014–2015 (\$000s)



Source: City of Richmond Finance and Corporate Services

\* Amounts have been restated

## Ratio analysis indicators of financial condition

	2014	2015
<b>Sustainability ratios</b>		
Assets to liabilities (times)	8.7	8.8
Financial assets to liabilities (times)	2.8	2.9
Net debt to total revenues	10.2%	8.8%
Net debt to the total assessment	0.1%	0.1%
Expenses to the total assessment	0.6%	0.6%
<b>Flexibility ratios</b>		
Public debt charges to revenues	0.3%	0.3%
Net book value of capital assets to its cost	68.7%	68.7%
Own source revenue to the assessment	0.8%	0.7%
<b>Vulnerability ratios</b>		
Government transfers to total revenues	5.8%	5.4%

Source: City of Richmond Finance and Corporate Services

# 2015 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 2015. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2015 Municipal tax exempted
<b>Churches and Religious Properties</b>		
B.C. Muslim Association	12300 Blundell Road	\$ 3,438
Bakerview Gospel Chapel	8991 Francis Road	2,175
Beth Tikvah Congregation	9711 Geal Road	6,789
Bethany Baptist Church	22680 Westminster Highway	13,630
Brighthouse United Church	8151 Bennett Road	5,127
Broadmoor Baptist Church	8140 Saunders Road	6,499
Canadian Martyrs Parish	5771 Granville Avenue	8,314
Christian and Missionary Alliance	3360 Sexsmith Road	6,692
Christian Reformed Church	9280 No. 2 Road	6,899
Church in Richmond	4460 Brown Road	4,516
Church of Latter Day Saints	8440 Williams Road	9,593
Cornerstone Evangelical Baptist Church	12011 Blundell Road	949
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	2,321
Emmanuel Christian Community	10351 No. 1 Road	4,259
Faith Evangelical Church	11960 Montego Street	2,789
Fraserview Mennonite Brethren Church	11295 Mellis Drive	8,161
Fujian Evangelical Church	12200 Blundell Road	4,905
Gilmore Park United Church	8060 No. 1 Road	5,498
I Kuan Tao (Fay Chungder) Association	8866 Odlin Crescent	3,164
Immanuel Christian Reformed Church	7600 No. 4 Road	3,254
India Cultural Centre	8600 No. 5 Road	7,114
International Buddhist Society	9160 Steveston Highway	3,782
Ismaili Jamatkama & Centre	7900 Alderbridge Way	7,748
Johrei Fellowship Inc	10380 Odlin Road	5,094
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	2,406
Larch St. Gospel Meeting Room	8020 No. 5 Road	2,582
Ling Yen Mountain Temple	10060 No. 5 Road	3,456
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	3,515
North Richmond Alliance Church	9140 Granville Avenue	2,080
Our Savior Lutheran Church	6340 No. 4 Road	4,130

**Churches and Religious Properties continued . . .**

Parish of St. Alban's	7260 St. Albans Road	\$ 4,719
Patterson Road Assembly	9291 Walford Street	798
Peace Evangelical Church	8280 No. 5 Road	5,481
Peace Mennonite Church	11571 Daniels Road	9,251
Richmond Alliance Church	11371 No. 3 Road	3,268
Richmond Baptist Church	6560 Blundell Road	1,252
Richmond Baptist Church	6640 Blundell Road	4,568
Richmond Bethel Mennonite Church	10160 No. 5 Road	9,885
Richmond Chinese Alliance Church	10100 No. 1 Road	6,196
Richmond Chinese Evangelical Free Church	8040 No. 5 Road	3,007
Richmond Emmanuel Church	7451 Elmbridge Way	10,022
Richmond Pentecostal Church	9300 Westminster Highway	8,447
Richmond Pentecostal Church	9260 Westminster Highway	709
Richmond Presbyterian Church	7111 No. 2 Road	4,095
Richmond Sea Island United Church	8711 Cambie Road	10,217
Salvation Army Church	8280 Gilbert Road	2,984
Science of Spirituality SKRM Inc	11011 Shell Road	1,547
Shia Muslim Community	8580 No. 5 Road	1,878
South Arm United Church	11051 No. 3 Road	1,778
St. Anne's Anglican Church	4071 Francis Road	3,708
St. Edward's Anglican Church	10111 Bird Road	3,679
St. Gregory Armenian Apostolic Church	13780 Westminster Highway	1,987
St. Monica's Roman Catholic Church	12011 Woodhead Road	5,840
St. Paul's Roman Catholic Parish	8251 St. Albans Road	13,118
Steveston Buddhist Temple	4360 Garry Street	8,696
Steveston Congregation Jehovah's Witnesses	4260 Williams Road	4,263
Steveston United Church	3720 Broadway Street	2,893
Subramaniya Swamy Temple	8840 No. 5 Road	1,157
Thrangu Monastery Association	8140 No. 5 Road	4,425
Thrangu Monastery Association	8160 No. 5 Road	2,209
Towers Baptist Church	10311 Albion Road	5,821
Trinity Lutheran Church	7100 Granville Avenue	7,056
Trinity Pacific Church	10011 No. 5 Road	4,576
Ukrainian Catholic Church	8700 Railway Avenue	1,973
Vancouver Airport Chaplaincy	3211 Grant McConachie Way	545
Vancouver International Buddhist Progress Society	6690-8181 Cambie Road	8,922
Vancouver International Buddhist Progress Society	8271 Cambie Road	5,811
Vedic Cultural Society of B.C.	8200 No. 5 Road	2,839
West Richmond Gospel Hall	5651 Francis Road	2,617



**Recreation, Child Care, and Community Service Properties**

City Centre Community Centre	5900 Minoru Boulevard	\$	30,646
Cook Road Children's Centre	8300 Cook Road		1,728
Cranberry Children's Centre	23591 Westminster Highway		3,633
Girl Guides of Canada	4780 Blundell Road		2,374
Navy League of Canada	7411 River Road		10,076
Richmond Animal Protection Society	12071 No. 5 Road		10,711
Richmond Caring Place	7000 Minoru Boulevard		149,126
Richmond Center for Disabilities	100-5671 No. 3 Road		16,771
Richmond Family Place	8660 Ash Street		8,388
Richmond Ice Centre	14140 Triangle Road		122,424
Richmond Lawn Bowling Club	6131 Bowling Green Road		7,800
Richmond Oval	6111 River Road		1,597,603
Richmond Public Library	11580 Cambie Road		3,423
Richmond Public Library	11688 Steveston Highway		6,131
Richmond Rod and Gun Club	7760 River Road		17,371
Richmond Tennis Club	6820 Gilbert Road		12,256
Richmond Watermania	14300 Entertainment Boulevard		194,407
Richmond Winter Club	5540 Hollybridge Way		155,096
Riverside Children's Centre	5862 Dover Crescent		1,045
Scotch Pond Heritage	2220 Chatham Street		5,740
Terra Nova Children's Centre	6011 Blanchard Drive		2,019
Treehouse Learning Centre	100-5500 Andrews Road		1,474
West Cambie Childcare Centre	4033 Stolberg Street		3,316

**Private Educational Properties**

B.C. Muslim Association	12300 Blundell Road	\$	989
Choice Learning Centre	20411 Westminster Highway		1,109
Choice Learning Centre	20451 Westminster Highway		5,290
Cornerstone Christian Academy School	12011 Blundell Road		634
Richmond Christian School	10260 No. 5 Road		5,047
Richmond Christian School Association	5240 Woodward's Road		25,589
Richmond Jewish Day School	8760 No. 5 Road		11,025
St Joseph the Worker Church & School	4451 Williams Road		7,709

**Senior Citizen Housing**

Richmond Legion Senior Citizen Society	7251 Langton Road	\$	21,343
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**Community Care Facilities**

Canadian Mental Health Association	8911 Westminster Highway	\$	8,134
Development Disabilities Association	6531 Azure Road		1,994
Development Disabilities Association	8400 Robinson Road		2,735
Development Disabilities Association	7611 Langton Road		2,408
Greater Vancouver Community Service	4811 Williams Road		2,270
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive		16,155
Richmond Lions Manor	9020 Bridgeport Road		19,884
Richmond Society for Community Living	303–7560 Moffatt Road		724
Richmond Society for Community Living	4433 Francis Road		1,644
Richmond Society for Community Living	5635 Steveston Highway		5,388
Richmond Society for Community Living	9–11020 No. 1 Road		969
Richmond Society for Community Living	9580 Pendleton Road		7,554
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road		34,539

## 2015 City Centre Area transitional tax exemptions

Organization	Address	2015 Municipal tax exempted
2725312 Canada Inc	5900 No. 2 Road	\$ 44,378
2725312 Canada Inc	6191 Westminster Highway	24,807
2725312 Canada Inc	6751 Westminster Highway	37,248
Three Road Plaza Inc	4551 No. 3 Road	37,672
1016138 BC Ltd	9311 River Drive	13,400
AAA Self Storage Depot Inc	8520 Cambie Road	16,941
UEM Sunrise (Canada) Alderbridge Ltd	7960 Alderbridge Way	27,980
UEM Sunrise (Canada) Alderbridge Ltd	5333 No. 3 Road	26,397
Canada Bodhi Dharma Society	5600 Cedarbridge Way	5,270
Canadian Tire Real Estate Ltd	3500 No. 3 Road	35,554
Centro Ovalsquare Development Ltd	6791 Elmbridge Way	46,358
China Cereals & Oils Corp	8777 Odlin Road	10,928
Conway Richmond Estates Ltd	4800 No. 3 Road	15,962
EIG Alderbridge Investments Inc	7851 Alderbridge Way	41,157
Grand Long Holdings Canada Ltd	8091 Park Road	42,129
Hallmark Holdings Ltd	7811 Alderbridge Way	45,545
HGL Investments Ltd	4940 No. 3 Road	26,168
Jiatai Realty Inc	5400 Minoru Boulevard	24,029
Marisco Holdings Ltd	7680 River Road	16,066
McDonald's Restaurants of Canada Ltd	7120 No. 3 Road	21,537
Munch Holdings Co. Ltd	5660 Minoru Boulevard	15,135
PLR Holdings Ltd	5840 Minoru Boulevard	25,675
Porte Industries Ltd	5560 Minoru Boulevard	16,975
Richmond Holdings Ltd	7880 Alderbridge Way	37,005
Richmond Holdings Ltd	7111 Elmbridge Way	19,225
Richmond Holdings Ltd	7671 Alderbridge Way	28,993
Richmond Holdings Ltd	5003 Minoru Boulevard	17,371
Bene (Oval) Development Ltd	6851 Elmbridge Way	21,849
Bene (Oval) Development Ltd	6871 Elmbridge Way	18,759
Vancouver Soho Holding Ltd	5740 Minoru Boulevard	20,551

## City of Richmond contacts

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

### City of Richmond

6911 No. 3 Road  
Richmond, British Columbia  
V6Y 2C1 Canada  
Phone: 604-276-4000  
Email: [infocentre@richmond.ca](mailto:infocentre@richmond.ca)  
[www.richmond.ca](http://www.richmond.ca)

 [/CityofRichmondBC](https://www.facebook.com/CityofRichmondBC)

 [@Richmond\\_BC](https://twitter.com/Richmond_BC)

 [/CityofRichmondBC](https://www.youtube.com/CityofRichmondBC)

### Gateway Theatre

6500 Gilbert Road  
Phone: 604-270-6500  
Box Office: 604-270-1812  
[www.gatewaytheatre.com](http://www.gatewaytheatre.com)

 [/Gateway-Theatre](https://www.facebook.com/Gateway-Theatre)

 [@Gateway\\_Theatre](https://twitter.com/Gateway_Theatre)

### Richmond Public Library

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

 [/yourlibraryRichmond](https://www.facebook.com/yourlibraryRichmond)

 [@RPL\\_YourLibrary](https://twitter.com/RPL_YourLibrary)

 [/YourLibraryRichmond](https://www.youtube.com/YourLibraryRichmond)

### Richmond Olympic Oval

6111 River Road  
Phone: 778-296-1400  
[www.richmondoval.ca](http://www.richmondoval.ca)

 [/RichmondOval](https://www.facebook.com/RichmondOval)

 [@RichmondOval](https://twitter.com/RichmondOval)

### Lulu Island Energy Company

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

## Major Services Provided by the City of Richmond

### Administration

Includes the office of the Chief Administrative Officer (CAO) who oversees the overall administration of the City's operations. Also includes the Deputy Chief Administrative Officer, Human Resources, Intergovernmental Relations and Protocol (IGR), Communications and Marketing and the Corporate Planning and Programs Management Group.

### Law and Community Safety

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

### Community Services

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

### Finance and Corporate Services

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

### Engineering and Public Works

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

### Planning and Development

Incorporates the policy planning, transportation, planning, development applications and the building approvals departments. This division provides policy directions that guide growth and change in Richmond with emphasis on land use planning, development regulations, environmental protection, heritage and livability.



## City of Richmond

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

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**FIN - 91**



# City of Richmond, B.C. 2015 Annual Report Highlights

For the year ended December 31, 2015





# Richmond City Council



## Front row, left to right:

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

## Back row, left to right:

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

City of Richmond's Vision:

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

# Contents

Message from the Mayor .....2

Message from the Chief Administrative Officer .....3

2015 highlights.....4

2015 awards.....6

Financial information .....7

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***This report features highlights from Richmond’s 2015 Annual Report. For the detailed 2015 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).***

**Cover photo:** Steveston harbour, looking toward Mount Baker. *Clayton Perry Photography.*

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# Message from the Mayor



2015 was a remarkable time of growth and transformation for the City of Richmond.

The bold future expressed in our ambitious Official Community Plan is beginning to be realized. New construction hit an all-time record pace, our City Centre continued its rapid evolution and we saw steady job growth with the opening of major new businesses and continued expansion of our existing business core.

Our Council has supported continuing growth with strategies to enhance our robust economy, protect our environment and sustain Richmond's enviable quality of life. Sound financial planning has

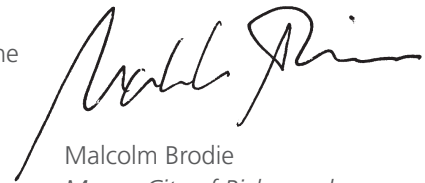
also enabled us to pursue an aggressive agenda to dramatically renew and expand our community amenities and infrastructure while we enhance civic services and innovate to improve customer service.

In the first year of a new four-year mandate Council updated its Term Goals for 2014-2018. This Annual Report highlights many of the City's achievements during 2015 that support those goals. Some of the highlights include:

- An all-time record in building activity, with nearly \$1 billion in new construction.
- The busiest filming year on record, marking Richmond as a major film hub.
- The opening of the new 28,000 sq. ft. City Centre Community Centre, providing recreation and arts opportunities for the fastest growing and most diverse area of the city.
- The official opening of the ROX (Richmond Olympic Experience) at the Richmond Olympic Oval, providing a major new community amenity and tourism attraction.
- Occupancy of the Kiwanis Towers Seniors Housing project, with 296 units of subsidized seniors rental housing.

- Commencement of construction on the City's new Minoru Complex, which will house aquatic and seniors' centres, plus additional sports and recreation amenities.
- Completion of design and construction enabling works for two new, post-disaster fire halls, which will open in 2017.

While 2015 marked many positive achievements, it was not without challenges. Thus, Council also took decisive action to address community concerns from over-sized new single-family homes to threats posed by port expansion on agricultural land. Council, staff, our community partners and volunteers will continue to work collaboratively to build on our achievements of the past year. I invite you to contact the Mayor's Office to learn more about our accomplishments in 2015 and our plans for Richmond's future.

A handwritten signature in black ink, reading "Malcolm Brodie". The signature is fluid and stylized, with a long, sweeping underline that extends to the left.

Malcolm Brodie  
Mayor, City of Richmond

# Message from the Chief Administrative Officer



I am proud to present the City of Richmond's 2015 Annual Report, which details the City's outstanding financial position, along with another extraordinary year of excellence in service delivery and innovation for our administration.

Our visionary Official Community Plan and City Centre Area Plan, along with construction of the Canada Line and the Richmond Olympic Oval, have all been catalysts for a record period of growth and transformation for Richmond, reaching an all-time record pace in 2015.

As Richmond grows, our City administration has kept pace with substantial and strategic investments in new parks, civic amenities and infrastructure to serve our community.

We've also made sustainability the foundation upon which we grow, ensuring the enviable quality of life enjoyed in Richmond today will continue for generations to come. Our award-winning district energy program continued its aggressive expansion to service thousands of residents along with major commercial and institutional users. District energy is just one part of Richmond's internationally-recognized leadership in promoting energy efficiency, putting us on target to achieve carbon neutrality for a third straight year in 2015. The City, along with the Richmond Olympic Oval, was also invited to be founding partners with AISTS (the International Academy of Sport Science Technology in Lausanne, Switzerland) to promote sustainable event planning around the globe.

The AISTS partnership is one of many examples of how Richmond continues to benefit from our significant investments in the 2010 Olympic Games and the Richmond Olympic Oval. In 2015, we realized a major goal with the opening of the ROX (Richmond Olympic Experience), which is quickly establishing itself as a major new tourist attraction.

Tourism continues to build upon the boost provided by the 2010 Games. Our local hotels enjoyed the highest occupancy rates in Canada during 2015. This success was, in part, thanks to the

Richmond Sport Hosting program, which since its establishment in 2010 has now generated more than 100,000 hotel room stays, amounting to more than \$32 million in economic spinoffs.

The Richmond Olympic Oval also received a new five-year contract to become home to Canada's women's national volleyball team, further cementing its reputation as an international destination of choice for elite athlete training and competition.

The accomplishments detailed in this Annual Report are made possible through prudent fiscal management and ongoing commitment to the City's innovative Long Term Financial Management Strategy. Richmond remains committed to continuous improvement and our vision to be one of Canada's best managed communities.

A handwritten signature in black ink, appearing to read 'George Duncan', with a long horizontal flourish extending to the right.

George Duncan  
*Chief Administrative Officer*

# 2015 highlights



*Steveston fire hall*



*Richmond World Festival*



*New City Centre Community Centre opened*

In 2015, the City achieved a number of milestones in fulfilling Council's Term Goals for 2014-2018. Some of the more significant achievements of the year are highlighted on these pages:

## **Safe Community**

Construction began on two new post-disaster rated fire halls. When these buildings are complete in 2017, all of Richmond's public safety buildings will have been replaced or upgraded since 2002.

## **Vibrant, Active, and Connected City**

The first ever Richmond World Festival, celebrating our community diversity, was a critical and popular success. The Festival was named the Most Outstanding Event in Canada in the Canadian Event Industry Awards.

The ROX (Richmond Olympic Experience) opened at the Richmond Olympic Oval, creating a new community cultural amenity and regional tourist attraction. The new City Centre Community Centre opened. Serving Richmond's fastest growing neighbourhood, it is the City's first urban focussed community centre.

## **Well-Planned Community**

Richmond was among the first municipalities in the province to enact bylaws providing for early termination of Land Use Contracts. The City also passed new bylaws to address community concerns about over-sized homes, placing new limits on building heights and massing.

Guided by the City's Official Community Plan, building permit construction value reached nearly \$1 billion in 2015, an all-time record.

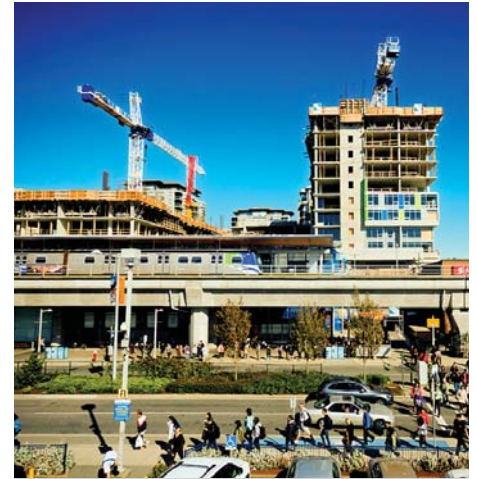




*Richmond location filming of Deadpool*



*Kiwanis Towers seniors rental housing*



*All-time record (\$1 billion) for building activity*

### Leadership in Sustainability

The continued implementation of the Council approved Green Fleet Action Plan resulted in an overall 1.9% reduction in litres of fuel consumed per 100 km. driven as compared to the previous year.

### Partnerships and Collaboration

Residents took occupancy of the new Kiwanis Towers, which includes 296 units of subsidized rental housing for seniors. The City provided \$20.8 million in capital funding for this project. The City received the 2015 UBCM Community Excellence Award for Partnerships for the project, which involved multiple partners including community groups and government agencies.

### Quality Infrastructure Networks

In 2015, 1,500 new water meters were installed. 85% of single-family residences are currently metered, with all single-family homes being metered within the next three years.

Site preparation works were completed for construction of the \$79 million Minoru Complex, which will house new aquatic and seniors' centres and other recreational services.

### Strong Financial Stewardship

The 2015 tax increase of 1.89% was among the lowest in the region, ensuring Richmond property owners continue to receive high value for their tax dollars.

### Supportive Economic Development Environment

The Richmond Film Office recorded its busiest filming year on record. In addition to several TV series, two major feature films, *Deadpool* and the newest *Planet of the Apes* movie, filmed for extended periods in Richmond.

### Well-Informed Citizenry

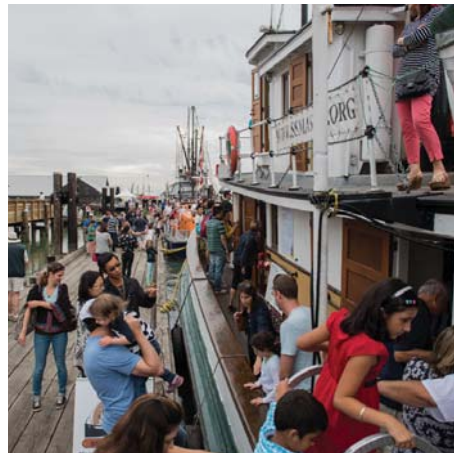
The City expanded its network of free Wi-Fi to now include 14 civic facilities, with more facilities to be added in 2016, improving access to information for all residents.



## 2015 awards



*Richmond Olympic Oval:  
IAKS "All Time Award"*



*Richmond Maritime Festival, Best  
Public Event national finalist*



*Green Cart Program: IABC  
International Gold Quill Award*

Richmond has established a strong reputation as a leader in local government service delivery and innovation. The many awards the City received in 2015 reflect this reputation and our commitment to continuous improvement. The awards included:

- The **2015 Gold Quill Award of Excellence** from the International Association of Business Communicators recognizing the extensive public information program to launch the expanded Green Cart organics waste recycling program.
- The **2015 UBCM Community Excellence Award for Partnerships** for the Kiwanis Towers Seniors Housing project.
- The **2015 Sustainable Communities Award** from the Federation of Canadian Municipalities recognizing the City Centre Area Plan as the roadmap for a highly livable, transit-oriented, urban centre with a strong mix of commercial, residential and public development.
- The Richmond Olympic Oval received the **"All Time Award"** from the International Association of Sports and Leisure Facilities (IAKS) and the International Olympic Committee (IOC). This is an award reserved for landmark sports facilities in the world over the past half-century.
- A third consecutive selection as a **Top 10 City of the Future** for 2015-16 by *Foreign Direct Investment* magazine.
- A **2015 Climate and Energy Action Award** Honourable Mention for a Richmond Ice Centre project which significantly reduced greenhouse gas emissions.
- For the City's annual report, a 13th consecutive **Canadian Award for Financial Reporting** and 6th consecutive **Award for Outstanding Achievement in Popular Financial Reporting**, from the Government Finance Officers Association.
- Selection of the Richmond Maritime Festival as a Finalist for **Best Public Entertainment Event or Festival in Canada** at the 2015 Canadian Event Industry Awards.
- A **Regional Citation Award** from the Canadian Society of Landscape Architects for the Terra Nova Play Environment.

# Financial information

The City continued to strengthen its financial position in 2015. The City's net worth reached \$2.7B (2014: \$2.6B) and cash and investments increased to \$951.4M (2014: \$864.7M). Net financial assets increased to \$664.0M (2014: \$602.6M). Statutory reserves increased to \$461.2M (2014: \$376.6M). These highlights reflect City Council's focus on long term financial sustainability guided by the Long Term Financial Management Strategy.

Revenues for 2015 were \$527.1M (2014: \$496.3M) and expenses were \$373.6M (2014: \$360.9M). The revenue increases were mainly due to increased development activity resulting in increased contributed assets, community amenity contributions and permit fees. The construction value of building permits issued in 2015 reached an all-time high of \$983.4M (2014: \$475.6M).

The expense increases were mainly due to significant contributions for affordable housing, collective agreement increases, policing and an expanded organics recycling program.

Once again, the City was recognized by the Government Finance Officers Association with two awards for annual financial reporting.

Although there are still a number of challenges to overcome such as affordable housing and ageing infrastructure, Richmond's economy continues to prosper and the current financial position is strong. The outlook is also positive as we continue to enhance the City's economic well-being for future generations without compromising the high standard of living that exists today.



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

## Balance Sheet (in \$000s)

	2015	2014
Financial Assets	\$1,017,492	\$931,657
Total Liabilities	353,482	329,037
Non-Financial Assets	2,067,184	1,975,020
<b>Accumulated Surplus</b>	<b>\$2,731,194</b>	<b>\$2,577,640</b>

A Balance Sheet provides a snapshot of what the City owns (assets) and owes (liabilities). Financial assets are similar to cash resources and are fairly liquid.

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

Accumulated surplus is an indicator of the City's overall financial health. It is equivalent to the net worth of an organization.

## Income Statement (in \$000s)

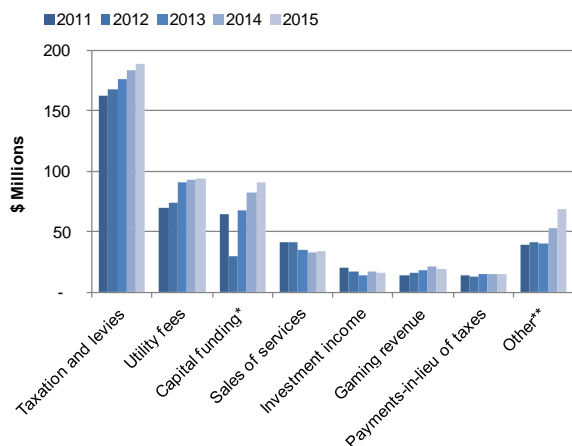
	2015	2014
Total Revenue	\$527,128	\$496,337
Total Expense	373,574	360,927
<b>Annual Surplus</b>	<b>\$153,554</b>	<b>\$135,410</b>

An Income Statement provides a summary of amounts received (revenues) and amounts spent (expenses). The difference between revenue and expenses shows the City's net position (annual surplus). A positive change in net position indicates the City had enough revenues to cover its expenditures.

The annual surplus represents the change in accumulated surplus on the Balance Sheet and includes amounts collected for transfer to reserves, recognition of restricted capital revenues and for contributed assets.

Financial data used to prepare this information is taken directly from the Consolidated Financial Statements for highlight purposes only. This information presented is in conformity with generally accepted accounting principles (GAAP). For a copy of the full 2015 Annual Report, including the Audited Financial Statements, go to [www.richmond.ca/cityhall/finance/reporting/reports](http://www.richmond.ca/cityhall/finance/reporting/reports) or contact the City of Richmond Finance Department at 604-276-4218.

## Revenue by Source 2011–2015

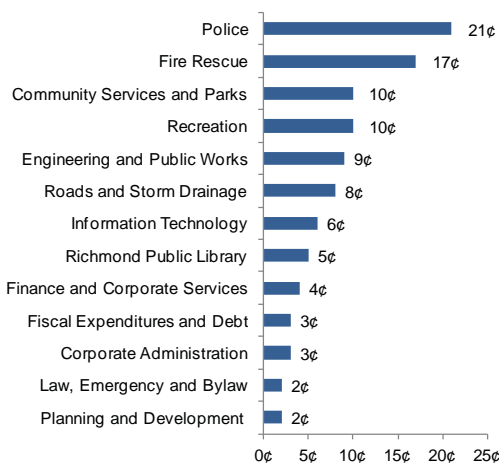


\*Capital funding includes: Development cost charges and other capital funding sources

\*\*Other includes: Provincial and federal grants, licenses and permits and other sources.

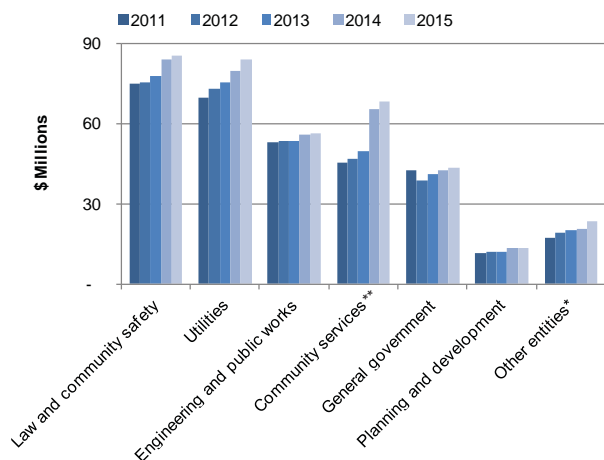
Source: City of Richmond Finance and Corporate Services

## 2015 Actual Breakdown of \$1 of Municipal Tax



Source: City of Richmond Finance and Corporate Services

## Expenses by Function 2011–2015

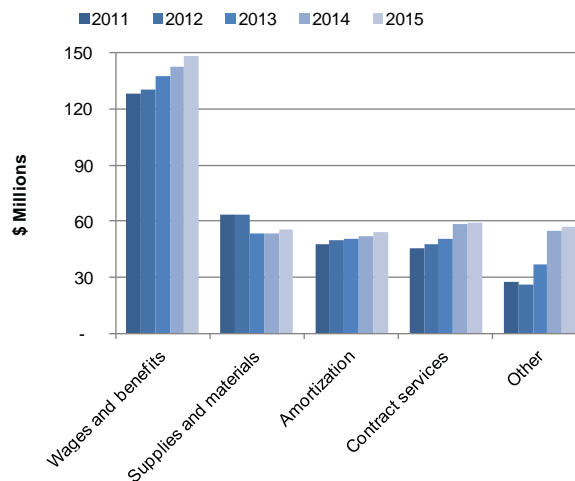


\*Other entities includes: Richmond Olympic Oval, Richmond Public Library and Lulu Island Energy Company.

\*\* Expenses for Community services include one-time contributions toward affordable housing of \$11.8m: 2014 and \$12.3m: 2015

Source: City of Richmond Finance and Corporate Services

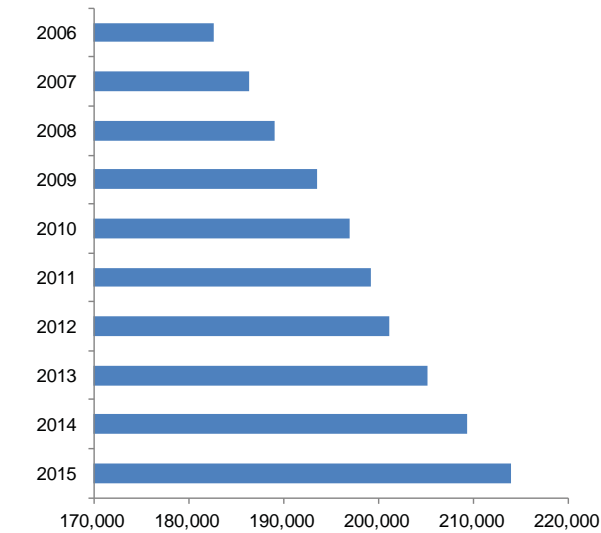
## Expenses by Object 2011–2015



Source: City of Richmond Finance and Corporate Services

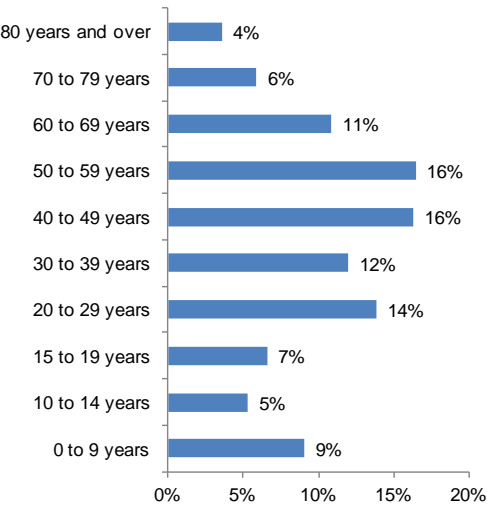
# Demographic information

Population 2006–2015



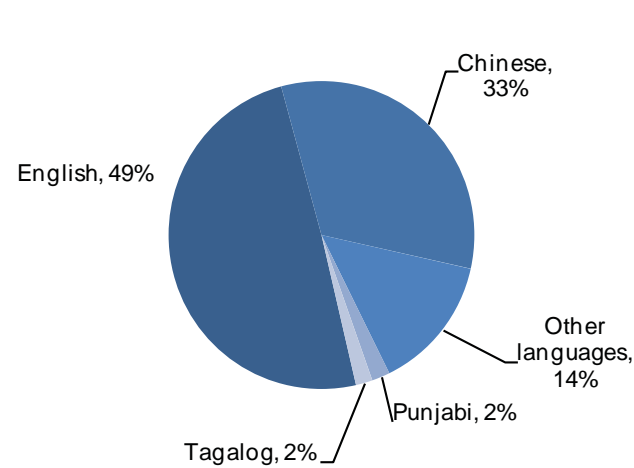
Source: City of Richmond Policy Planning Division

Total population by age group



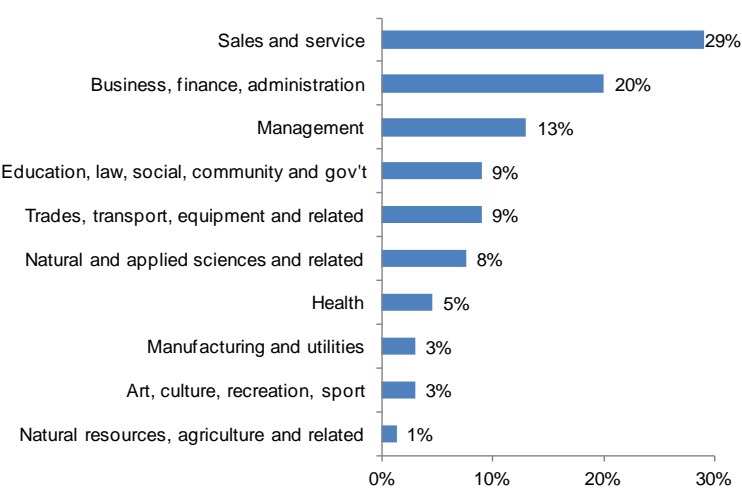
Source: Statistics Canada 2011 Census of Population

Language spoken most often at home 2006–2015



Source: Statistics Canada 2011 Census of Population

Occupations of Richmond residents



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



## City of Richmond

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

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# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 6, 2016

**From:** Jerry Chong  
Director, Finance

**File:** 03-0905-01/2016-Vol  
01

**Re:** Financial Information – 1<sup>st</sup> Quarter March 31, 2016

### Staff Recommendation

That the staff report titled, "Financial Information – 1<sup>st</sup> Quarter March 31, 2016", dated May 6, 2016 from the Director, Finance be received for information.

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

Att: 5

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	
Building Approvals	<input checked="" type="checkbox"/>	
Community Bylaws	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Economic Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Fire Rescue	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Project Development	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Recreation Services	<input checked="" type="checkbox"/>	
Library Services	<input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 



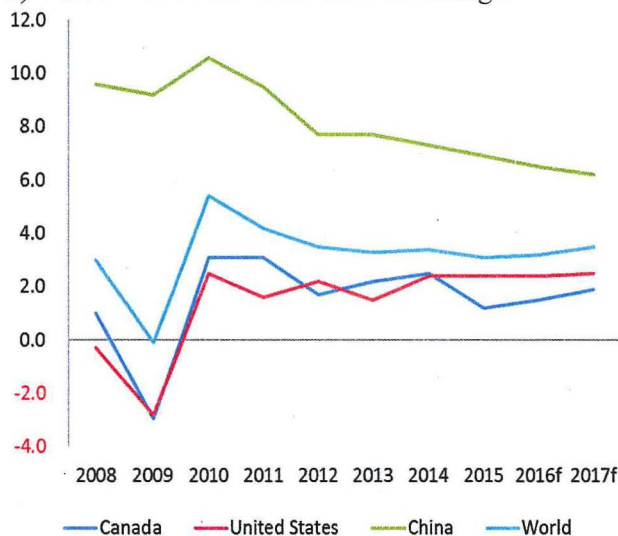
## Origin

Pre-audited financial information for the 1<sup>st</sup> quarter ended March 31, 2016 is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information. The financial information provides Council with a general sense of the City's financial results throughout the year and before the annual audited financial statements are presented.

## Analysis

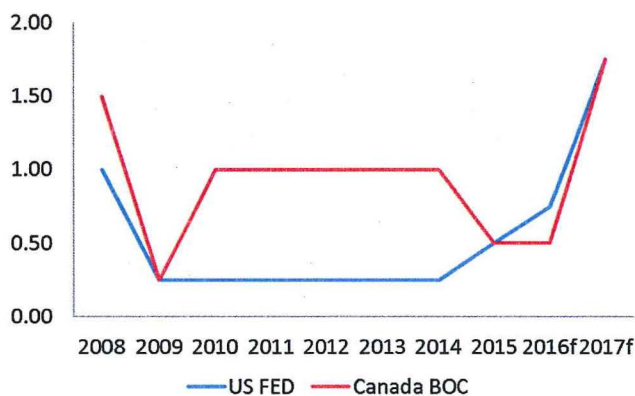
### Macroeconomic Indicators & Forecast

#### 1) Global Growth – Real GDP % Change <sup>1</sup>



- A subdued global outlook relates to a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinary monetary conditions in the U.S.
- 2016 and 2017 growth projections were adjusted down slightly for Canada's economy due to a continued reduction in resource-related investment by the private sector.
- Modest growth is forecasted because of the strengthening loonie and expected government investments.

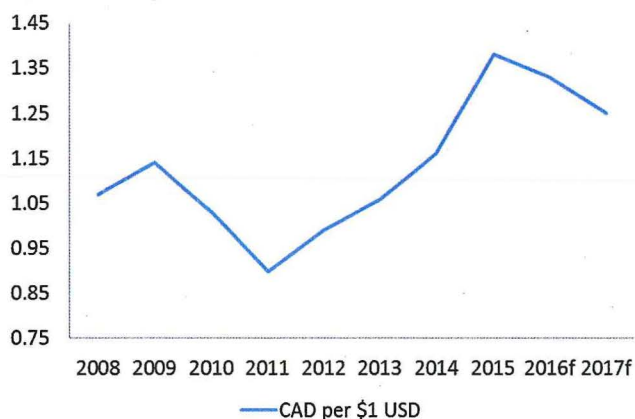
#### 2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year-End<sup>2</sup>



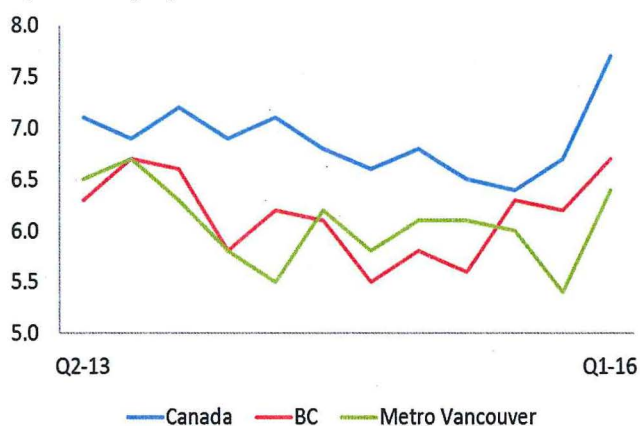
- The Bank of Canada is maintaining the overnight rate target at 0.5%, encouraging inflation to increase nearer the Bank's target of 2%. A rate increase is predicted for 2017
- The Fed has embarked on an upward U.S. overnight rate trajectory beginning in late 2016 to fulfill its mandate of achieving full employment and price stability over the medium term.

<sup>1</sup> International Monetary Fund, World Economic Outlook

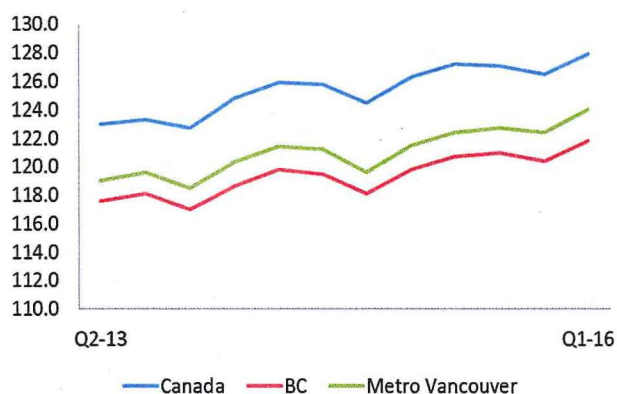
<sup>2</sup> US Federal Reserve, Bank of Canada and Royal Bank Research

3) Exchange Rates – CAD/USD at Year-End <sup>3</sup>

- The downward pressure on Canada's currency is expected to ease off as oil prices improve.
- While the Canadian dollar is expected to drift modestly higher, a relatively weaker Canadian dollar will continue to bode well for non-resource exporters and local firms are well positioned to take advantage of this trend.

Regional & Local Economic Activity Indicators4) Unemployment <sup>4</sup>

- Employment losses continue to be felt nationally and in commodity producing regions as the unemployment rates for Canada and BC have increased 4.4% and 12.1% year over year, respectively.
- British Columbia's unemployment rate continues to be amongst the lowest in the country, however, and sits at 6.5%. As a major employment center for the province, Metro Vancouver's rate is even lower at 6.4%.

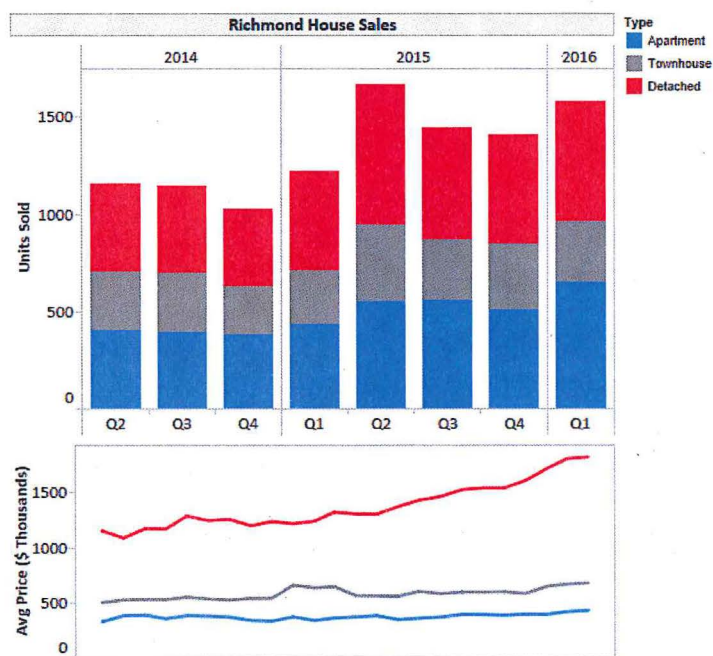
5) Consumer Price Index (CPI – 2002=100) <sup>4</sup>

- British Columbia and Metro Vancouver's consumer price indice (CPI) increases were greater than the national average year over year. At the end of Q1 2016 Metro Vancouver and BC's CPI increases were 2.1% and 1.7% respectively while Canada's was 1.3%
- The Canadian, BC and Metro Vancouver CPI all increased at similar levels this quarter over Q4 2015 at 2.1% for Metro Vancouver, 1.2% for BC and 1.1% for Canada.

<sup>3</sup> Bank of Canada<sup>4</sup> Statistics Canada

6) Housing Starts<sup>5</sup>

- After increasing steadily over the last 3 quarters of 2015, housing starts in Richmond registered a seasonal drop in Q1 2016 over Q4 2015 but maintained a 10% year over year increase.
- Metro Vancouver has seen a large increase in housing starts of 65.3% in the first quarter of 2016 over the first quarter of 2015, as the construction industry endeavors to meet current market demand.

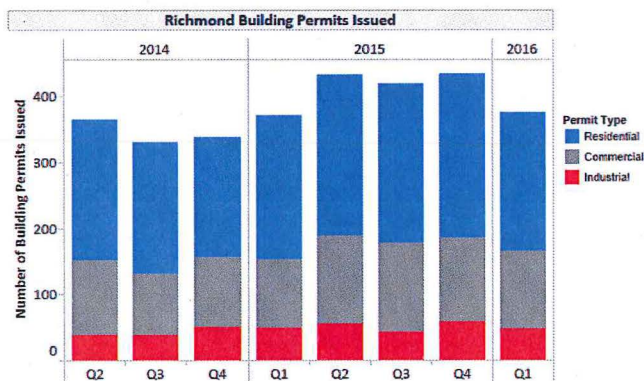
7) House Sales & Prices – Richmond<sup>6</sup>

Source: CMHC &amp; REBGV

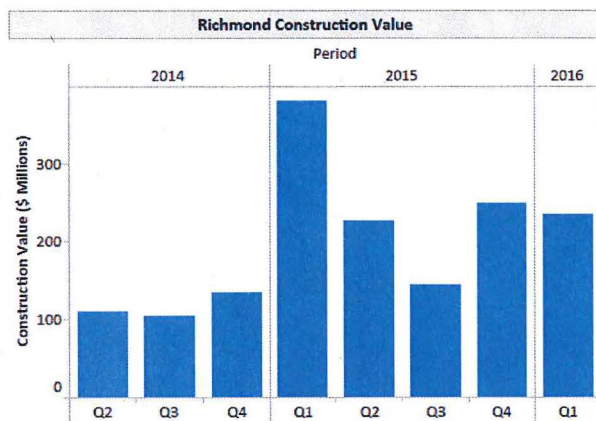
- 2016 started strongly for residential real estate sales in Richmond, with a 29% increase in sales in the first quarter of the year compared to the same period last year.
- Detached and apartment sales registered the highest increases, at 21% and 50%, respectively.
- Prices of all types of homes have increased again in the first quarter of 2016. The average price of a detached home in Richmond now sits at a record \$1.82 million, an increase of 47% over the same time last year. Townhouse and apartment prices rose by 25% and 28% and are also at all-time high average prices of \$685,000 and \$436,000 respectively.

<sup>5</sup> Canadian Mortgage and Housing Corporation<sup>6</sup> Real Estate Board of Greater Vancouver



8) Building Permits – Richmond <sup>7</sup>

Source: City of Richmond



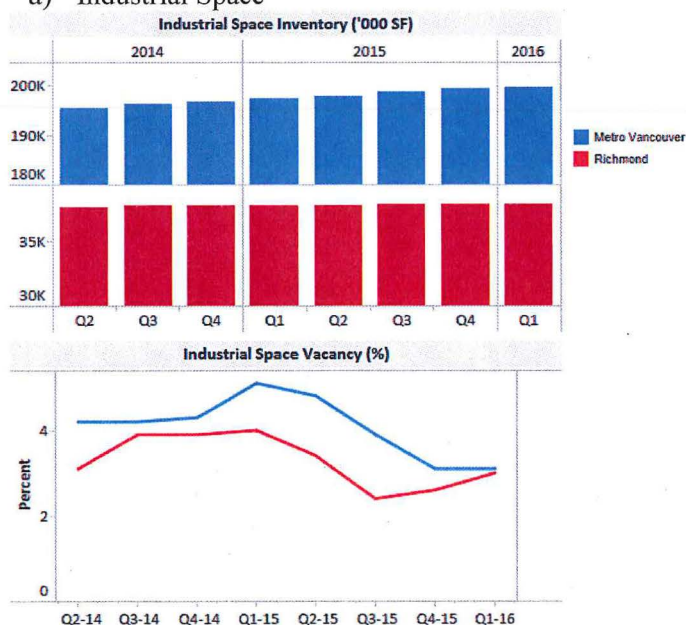
Source: City of Richmond

- A modest increase of 1.4% in building permits issued in Q1 2016 over Q1 2015 was observed. After an all-time high for building activity in 2015, this year is off to a strong start for building permit activity.
- Driving this recent growth was a 14% increase in commercial building permits over the period, making up for a 3.7% and 2% decrease in residential and industrial permits, respectively.
- After a record breaking 2015 at almost \$1 billion for the construction value of permits, construction value for the first quarter of 2016 decreased by 38% over Q1 2015, and by 5% over the previous quarter.

<sup>7</sup> City of Richmond Building Permits

9) Commercial Space<sup>8</sup>

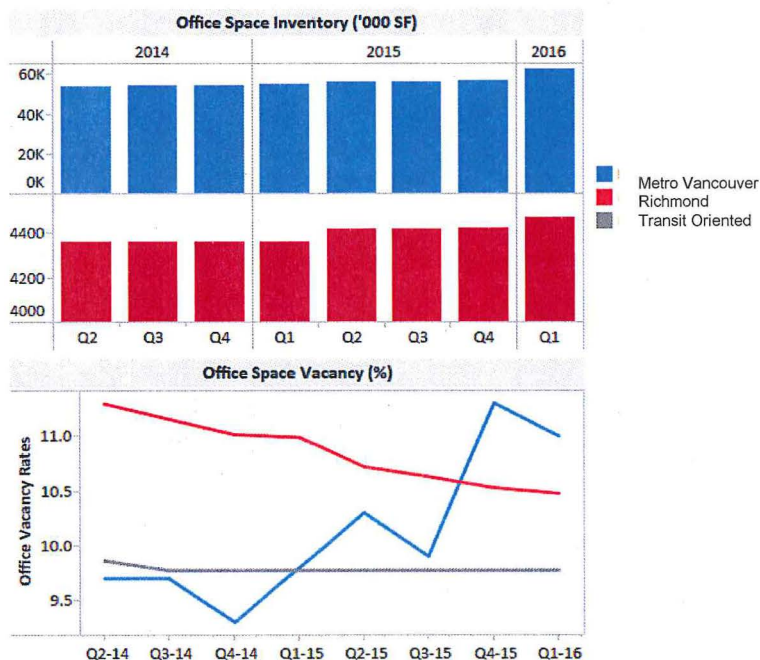
## a) Industrial Space



Source: Cushman &amp; Wakefield

- While only a modest 31,000 square feet of industrial inventory was added in Richmond over the last quarter, its inventory remains the largest in Metro Vancouver at almost 38 million square feet.
- Only 3% of that space is vacant, with the industrial vacancy rate dropping by 25% since the same time last year.
- Industrial space remained scarce in all of Metro Vancouver, with the vacancy rate falling 39% from 5.1 to 3.1% over the last year.

## b) Office Space



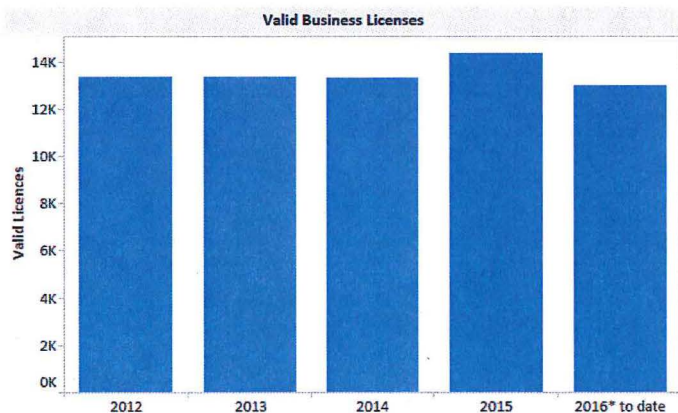
Source: Cushman &amp; Wakefield

- For the first time since the early 2000s, Richmond office vacancies are lower than regional averages, as new premium office space in the downtown core continues to displace tenants to the suburbs.
- While the vacancy rate throughout Metro Vancouver increased by 12.2%, the vacancy rate dropped by 28% in Richmond, ending at 10.1% at the end of Q1 2016.
- At 4.6%, transit-oriented office space remained well below the overall Metro Vancouver rate which is at 11.2%.

<sup>8</sup> Cushman & Wakefield Office and Industrial Market Beat Reports

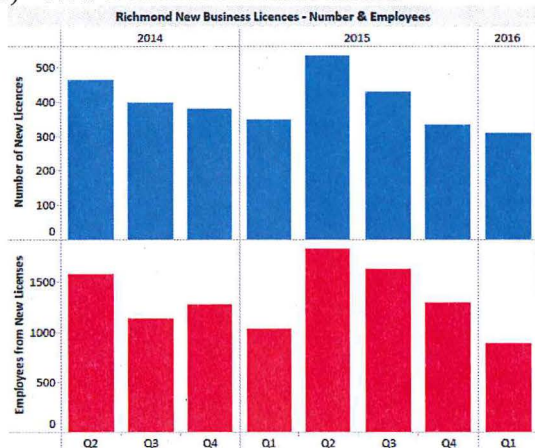
10) Business Growth – Richmond<sup>9</sup>

## a) Total Valid Business Licenses

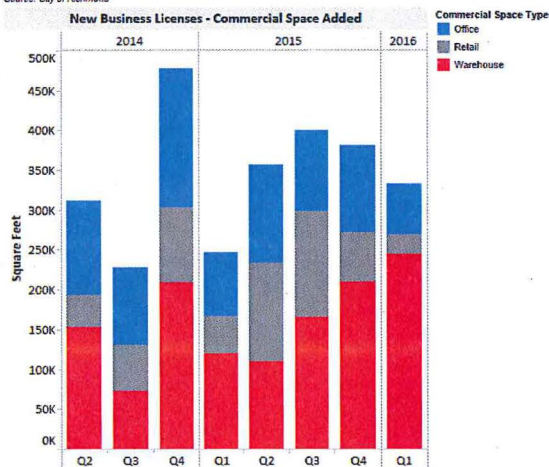


Source: City of Richmond

## b) New Business Licenses Issued



Source: City of Richmond



Source: City of Richmond

- The current number of valid business licenses as at the end of the first quarter of 2016 is 12,981, a 1% drop from the same period in 2015.
- Because of continuous business start-ups and closures throughout the year, total annual figures are calculated in December of each year.

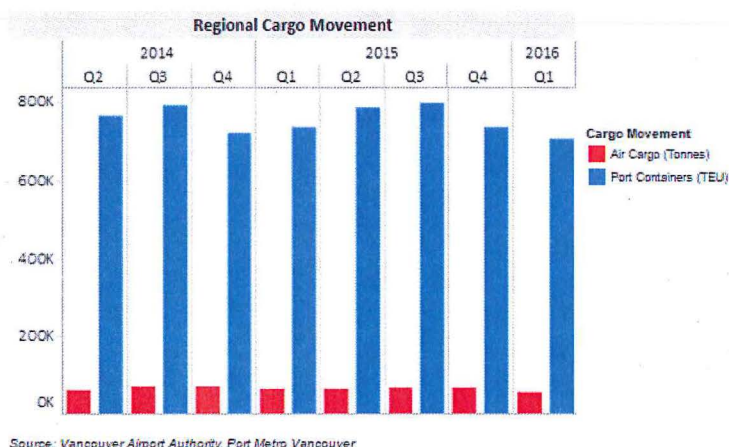
- 308 new business licenses were issued in the first quarter of 2016, down 12% over the same period last year.
- These new businesses are attributed to 884 local jobs and over 300,000 square feet of commercial space absorption.

- Industrial space usage tied to new business licenses was over 245,000 square feet in the first quarter of 2016, a 104% increase over the same period last year. Office and retail space absorption declined 21% and 47% respectively over the same period.
- Large warehouse and distribution space continues to be in high demand as Richmond expands its role as a logistics center for regional and export markets.

<sup>9</sup> City of Richmond Business License, 2015 represents year-to-date and all other figures represent year-end figures



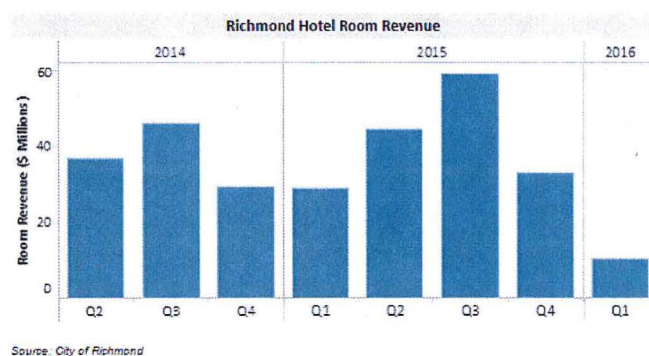
## 11) Goods and People Movement

a) Regional Cargo Movement<sup>10</sup>

- 2015 cargo movement at YVR was 4.9% higher than 2014 levels, but registered an 8.9% drop in Q1 2016 compared to Q1 2015.
- Although Port activity (measured by Twenty-Foot Equivalent Units - TEUs) was up by 5.9% overall in 2015, the first quarter of 2016 registered a 4.2% drop in activity over the same period last year

b) Airport Passengers<sup>11</sup>

- YVR experienced a record breaking year in 2015, surpassing 20 million annual passengers for the first time, with an overall volume growth of 3.6% year over year.
- 2016 is on a similar growth trajectory, registering an 8.7% growth in passengers in Q1 2016 over the same period last year.

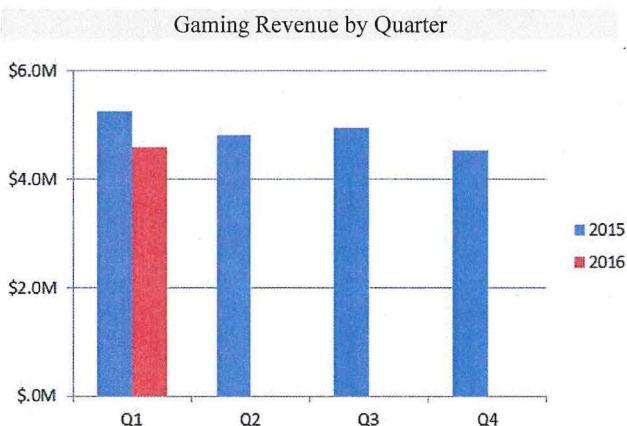
c) Richmond Hotel Room Revenue<sup>12</sup>

- 2015 overall was a strong year for tourism in Richmond with hotel room revenues climbing by 17.5% for the year compared to 2014.
- Year to date as of January, hotel room revenues were \$10.5 million, a significant increase of 24% over the same period last year - and hotel occupancy rates continue to be the highest in Canada.

<sup>10</sup> YVR & PMV Monthly Cargo Statistics<sup>11</sup> YVR Monthly Statistics<sup>12</sup> City of Richmond Additional Hotel Room Tax Ledger; revenue reverse calculated based on AHRT receipts representing 2% of total hotel room revenue; AHRT remittances and payments to Richmond presented up to a 2 month lag

## Gaming Revenue

In accordance with the Host Financial Assistance Agreement with the Province of BC, the Province pays 10% of net gaming income to the City. Gaming revenue is calculated as net win from casino games less (i) fees payable by BC Lottery Corporation (BCLC) to the service provider and (ii) BCLC's administrative and operating costs.



- Gaming revenue for Q1-2016 was down 12.6% at \$4.60M compared to \$5.26M in Q1-2015.
- Q1-2016 increased by 1.4% compared to the previous quarter Q4-2015 from \$4.53M to \$4.60M.

River Rock's revenues decreased by 16% in Q1-2016 compared to Q1-2015 mainly due to a decrease in high limit play volume.<sup>13</sup>

In the third quarter 2015, BCLC introduced conditions for certain VIP players that include a requirement to demonstrate the source of funds used to purchase chips. The effect of these conditions is not currently known, however Great Canadian Gaming Corporation believes these changes have caused and will likely lead to reduced play, and reduced revenues. The estimated portion of River Rock's revenues generated from the VIP players affected by these additional conditions over the 12 months ended September 30, 2015 was approximately \$20.0M.<sup>14</sup>

At the March 23, 2015 Council meeting, a revised gaming allocation model was approved effective January 1, 2016. The distribution of these funds is detailed in Table 1 with any surplus revenue transferred to the major capital community facility program (Capital Building and Infrastructure Reserve).

Table 1: *Distribution of the 2016 gaming revenue allocation*

	Distribution	2016 Budget
General capital reserves <sup>1</sup>	30%	\$5.4M
Financing costs	Fixed	5.0M
Major capital community facility replacement	Remainder	3.9M
Allocation for all grants <sup>1</sup>	15%	2.7M
RCMP four officers <sup>2</sup>	Four Officers	0.7M
Council Community Initiatives account	2%	0.4M
<b>Total</b>		<b>\$18.1M</b>

<sup>1</sup> \$1.4M of tax funding will be reallocated within the operating budget from grants to the general capital reserves. The net impact from the gaming allocation and tax funding allocation is a reduction to the general capital reserves of \$1.6M and an increase to grants of \$0.5M.

<sup>2</sup> The increase for the four RCMP officers is due to an estimated increase for the 2016 budget.

<sup>13</sup> Great Canadian Gaming Corporation: Management's Discussion and Analysis for the Three Month Period Ended March 31, 2016

<sup>14</sup> Ibid



### Operating Activity

Table 2 compares budget to unaudited actual activity up to March 31, 2016. The net figure represents combined revenue and expense amounts. Actuals includes estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received.

Table 2: *Net Operational Activity for the period January 1, 2016 to March 31, 2016 (in \$000's)*

NET operational activity	Unaudited 2016 results			
Division/Department	2016 YTD budget	Actuals and commitments	Variance YTD (\$)	Variance YTD(%)
Community services	\$9,684	\$8,668	\$1,015	10.5%
Corporate administration	2,164	1,980	183	8.5%
Engineering, public works and project development	4,925	3,482	1,444	29.3%
Finance and corporate services	4,238	4,451	(213)	(5.0%)
Fire rescue	8,063	8,121	(58)	(0.7%)
Law and community safety	1,620	1,225	395	24.4%
Library	1,546	1,713	(167)	(10.8%)
Planning and development	1,574	(34)	1,607	102.1%
Policing	11,370	10,443	927	8.2%
Fiscal	(55,698)	(56,570)	872	1.6%
Capital transfers and One-Time funding	56,802	60,927	(4,125)	(7.3%)
<b>Total Operating</b>	<b>\$46,288</b>	<b>\$44,406</b>	<b>\$1,882</b>	<b>4.1%</b>
Water utility	(\$2,176)	(\$3,243)	\$1,067	49.0%
Sanitary utility	(1,238)	(706)	(532)	(43.0%)
Sanitation and recycling utility	(175)	59	(234)	(133.7%)
<b>Total Utilities</b>	<b>(\$ 3,589)</b>	<b>(\$3,890)</b>	<b>\$301</b>	<b>8.4%</b>

The following section provides an explanation on a Division/Departmental basis of year to date variances in relation to the 2016 Financial Plan:

- Community services' favourable variance is due to higher facility and sponsorship revenues relative to the Q1 budget and one-time expenditures that are expected to occur in Q2 and Q3. Among the expenditures are the annual major events and Steveston channel dredging.
- Corporate administration favourable variance is due to unfilled vacant positions.
- Engineering, public works and project development favourable variance in Q1 is due to various projects within roads, facility management, and project development that have not been completed. Savings are also a result of timing of vehicle insurance renewal and

higher than budgeted public works recoveries. Storm drainage has a favourable revenue variance in receivable income for Q1.

- Finance and corporate services variance in Q1 is mainly due to IT contracts committed for work to be performed throughout the year. Finance and Corporate Services is projected to have a surplus at year end due to unfilled vacant positions within Finance and IT during Q1, higher business licences revenue relative to budget and lower contract maintenance costs in IT.
- Richmond fire rescue shows a variance to budget due to the timing of annual purchase order commitments but is expected to be on budget for 2016.
- Law & community safety expected surplus is due to vacancies and higher revenues in Bylaws for parking.
- Library has an unfavourable variance in Q1 mainly due to certain annual subscriptions and contract maintenance commitments that are paid and initiated in Q1. The Library is projected to be on budget for the year.
- Planning and development favourable variance is from building permit revenue.

The Development applications department has realized slightly higher than budgeted development application revenue during Q1 of 2016. The total number of development applications submitted to the City year to date is in keeping with anticipated application volumes. It is anticipated the development activity and revenues will continue to be stable through the 2nd quarter.

- RCMP is projected to have an annual surplus due to the time required to recruit and staff the 12 additional officers. These officers have been approved by the federal and provincial governments and the detachment will begin receiving the officers in the summer.
- Fiscal is on budget.
- Water utility surplus is due to savings in water purchase expense as a result of lower consumption. Any year end surplus will be transferred to the water levy stabilization provision.
- Sanitary sewer utility unfavourable variance is due to lower sewer revenue relative to budget in the first quarter.
- Sanitation and recycling utility unfavourable variance is due to lower garbage utility revenue relative to Q1 budget.

The presentation of the figures for the Financial Statement, Statement of Operations is different than the Net Budget presentation above. The above presentation combines revenues and expenses and presents the net amount inclusive of transfers. The Statement of Operations



presents the revenues and expenses separately and prior to any surplus appropriations and transfer to reserves. The Statement of Operations for the Three Month Period Ended March 31, 2016, with comparative figures for 2015 is included in Appendix 3.

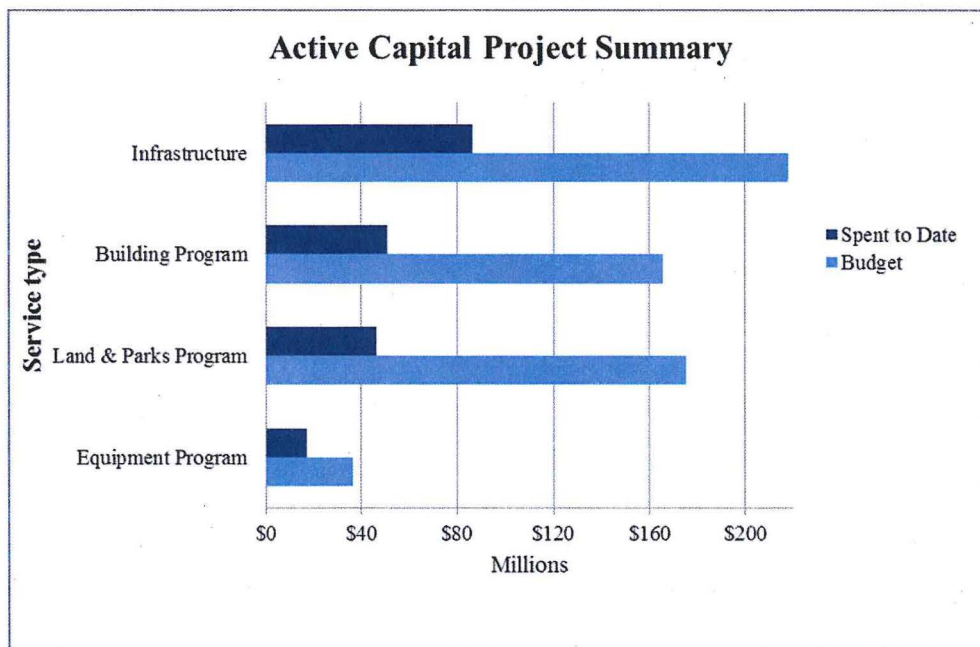
### Active Capital Project Summary

Active Capital projects represent capital projects previously approved by Council that are in various stages of completion. The 2016 Capital Budget of \$102.8M (excluding internal transfers and debt repayments) is included in the figures below, as are the amounts relating to capital projects from previous years' Capital Budgets which remain active. The current balance committed to active capital projects is \$392.7M.

Table 3: *Statement of Active Capital Project Expenditures- as at March 31, 2016 (in \$000's)*

Program	Budget	Spent to date	Committed
Infrastructure	\$212,715	\$83,294	\$129,420
Land & Parks Program	193,223	63,690	129,533
Building Program	158,385	43,718	114,668
Equipment Program	36,260	17,197	19,063
<b>Grand Total</b>	<b>\$600,583</b>	<b>\$207,899</b>	<b>\$392,684</b>

### Active Capital Project Summary



Highlights of key capital projects are presented in Attachment 4.



Active Capital Projects by Sub-Type

The following table summarizes the value of projects by project type.

Table 5: *Active Capital Projects by Sub-Type (in \$000's)*

Project Sub-Type	Amended/ adjusted budget	Actuals as at: 2016-03- 31	Committed	% Spent
Affordable housing	\$35,436	\$13,937	\$21,499	39%
Art	6,775	4,046	2,730	60%
Building	184,581	63,181	121,400	34%
Childcare	3,827	2,356	1,471	62%
Drainage	40,261	12,563	27,697	31%
Equipment	8,534	5,129	3,405	60%
Heritage	2,294	1,146	1,148	50%
Information technology	10,844	3,073	7,771	28%
Land	99,587	23,302	76,284	23%
Parks	47,599	20,050	27,549	42%
Public works minor capital	8,164	2,464	5,700	30%
Roads	57,815	25,329	32,486	44%
Sanitary sewer	25,815	4,024	21,792	16%
Transportation	4,747	2,174	2,573	46%
Vehicles	16,029	8,865	7,164	55%
Water	38,275	16,260	22,015	42%
Contingency (grants, etc.)	10,000	0	10,000	0%
<b>Grand Total</b>	<b>\$600,583</b>	<b>\$207,899</b>	<b>\$392,684</b>	<b>35%</b>

Included in the 2016-2020 Financial Plan Bylaw is an estimate of \$10M for external grants or contributions that may be received throughout the year. As external funding is confirmed, funding is transferred to approved projects.

Capital Budget Reallocations

Council Policy 3001 requires changes to the Capital Budget be reported to the Finance Committee.

All of the reallocations were within the limits set out in Policy 3001. The following reallocations from within existing approved budgets occurred during the first quarter:

Table 6: *Capital Budget Reallocations (\$000's)*

Project description	Approved budget	2016 Q1 budget transfers	Adjusted budget	Actuals as at: 2016-03-31	Variance
Fire Vehicle Purchases 2010	\$106	\$6	\$112	\$112	\$0
Fire Vehicle Purchases 2012	818	(6)	812	788	24
Drainage Minor Capital 2013	300	13	311	308	3
Drainage Minor Capital 2015	300	(13)	287	49	238
Software Deployment Replacement Solution 2016 <sup>1</sup>	115	15	130	0	130
<b>Grand Total</b>	<b>\$1,639</b>	<b>\$15</b>	<b>\$1,652</b>	<b>\$1,257</b>	<b>\$395</b>

<sup>1</sup> Transfer \$15,000 from Information Technology's 2016 Operating Budget to Software Deployment Replacement 2016 Capital Project.

### Contributed Assets

Included in the 2016-2020 Financial Plan Bylaw is an estimate of \$55M for assets that are transferred to the City by developers. These are recorded as revenue at the fair market value at the time of contribution. The following transferred assets were recorded during the quarter:

Table 7: *Contributed Assets (in \$000's)*

Contributed assets	2016 Q1
Roads	\$1,048
Storm sewer	461
Land under roads	299
Traffic signals	199
Street lighting	188
Watermain	147
Sanitary sewer	123
<b>Total</b>	<b>\$2,464</b>

### Investment Portfolio

The City's investment portfolio at March 31, 2016 was \$884.5 million, with an average yield on investment of 1.97%. The current low interest rate environment and the City's cash flow projections have influenced the terms and types of investments that the City holds (Attachment 5):

Table 8: *Market Interest Rates (for analytical purposes only)*

	March 31, 2016
2 Year Government of Canada Bonds	0.53%
5 Year Government of Canada Bonds	0.66%
10 Year Government of Canada Bonds	1.22%

Source: Bank of Canada



While a number of economic indicators pointed to a strong start for the Canadian economy in 2016, it primarily came from temporary factors that will dissipate in the second quarter. Canada is expected to face a number of negative factors impacting its economy, from slower projected global and US economic growth in the next two years to downgraded investment intentions in Canada's energy sector and a slightly stronger Canadian dollar. However, the impact from the federal budget released in March is anticipated by the Governing Council at the Bank of Canada to more than offset such negative factors and so the projected growth profile is generally higher than it was in January. Taking all these and other factors into consideration, the Bank of Canada maintained the overnight rate at 0.50% during its recent interest rate announcement on April 13, 2016.

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

#### Contract Awards

This report provides information on the formal contracts awarded by the City during the 1<sup>st</sup> quarter. In accordance with Policy 3104, 23 contracts greater than \$75,000 were awarded totalling over \$22.2M (Attachment 6).

#### **Financial Impact**

None.

#### **Conclusion**

The City of Richmond has begun 2016 on similar notes to that of 2015 with stable economic indicators. The City is maintaining its strong financial position through continued building construction and development activity and revenue collection. Capital projects are on-going and forecast to be within budget. It is expected that these trends will continue throughout 2016.



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

- Att. 1: Economic Indicators
- Att. 2: Financial and Key Indicators
- Att. 3: Statement of Operations
- Att. 4: Capital Project Highlights
- Att. 5: Investment Portfolio
- Att. 6: Contract Awards > \$75,000

**Economic Indicators****March 31, 2016****Macroeconomic Indicators & Forecast**

1)	Real GDP - % Change	2014	2015	2016f	2015/2016f Change	2017f
	Canada	2.5	1.2	1.5	25.0%	1.9
	United States	2.4	2.4	2.4	-	2.5
	China	7.3	6.9	6.5	(5.8%)	6.2
	World	3.4	3.1	3.2	3.2%	3.5

2)	Interest Rates	2014	2015	2016f	2015/2016f Change	2017f
	Bank of Canada	1.00	0.50	0.50	-	1.75
	US FED	0.25	0.50	0.75	50.0%	1.75

3)	Exchange Rate	2014	2015	2016f	2015/2016f Change	2017f
	CAD per \$1 USD	1.16	1.38	1.33	(3.6%)	1.25
	e-estimate					
	f-forecast					

**Regional and Local Market Indicators**

4)	Unemployment (%)	Q1-2016	Q4-2015	Change	Q1-2015	Change
	Canada	7.1	6.7	(6.0%)	6.8	(4.4%)
	BC	6.5	6.2	(4.8%)	5.8	12.7%
	Metro Vancouver	6.4	5.4	(18.5%)	6.1	(4.9%)

5)	CPI (2002=100)	Q1-2016	Q4-2015	Change	Q1-2015	Change
	Canada	127.9	126.5	1.1%	126.3	1.3%
	BC	121.8	120.4	1.2%	119.8	1.7%
	Metro Vancouver	124.0	122.4	1.3%	121.5	2.1%

6)	Housing Starts (Units)	Q1-2016	Q1-2015	Change
	Starts - Metro Vancouver	7,081	4,283	65.3%
	Starts - Richmond	648	435	10.0%

7)	Richmond Residential Activity	Q1-2016	Q1-2015	Change
	Sales - Detached	620	511	21.3%
	Sales - Townhouse	309	277	11.6%
	Sales - Apartment	651	435	49.7%
	<b>Sales Total/Average Change</b>	<b>1,580</b>	<b>1,223</b>	<b>29.2%</b>

	Q1-2016	Q1-2015	Change
Average Price - Detached (\$ at QE)	1,820,000	1,240,000	46.8%
Average Price - Townhouse (\$ at QE)	685,000	548,000	25.0%
Average Price - Apartment (\$ at QE)	436,000	341,000	27.9%

**Economic Indicators****March 31, 2016****Regional and Local Market Indicators (continued)**

<b>8)</b>	<b>Richmond Building Permits</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>			
	Building Permits - Residential	209	217	(3.7%)			
	Building Permits - Commercial	118	104	13.5%			
	Building Permits - Industrial	48	49	(2.0%)			
	<b>Building Permits Total</b>	<b>375</b>	<b>370</b>	<b>1.4%</b>			
	<b>Construction Value (\$ million)</b>	<b>235.2</b>	<b>379.4</b>	<b>(38.0%)</b>			
<b>9)</b>	<b>Commercial Space (at QE)</b>	<b>Richmond</b>			<b>Metro Vancouver</b>		
		<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
	Office Vacancy (%)	10.1	14.1	(28.4%)	11.0	9.8	12.2%
	Transit Oriented Office Vacancy (%)	4.6	4.6	0.0%	11.2	11.2	0.0%
	Office Inventory (000 sf)	4,470	4,359	2.5%	56,897	54,711	4.0%
	Industrial Vacancy (%)	3.0	4.0	(25.0%)	3.1	4.3	(27.9%)
	Industrial Inventory (000 sf)	37,944	37,828	0.3%	199,380	196,686	1.4%
<b>10)</b>	<b>Richmond Business Growth</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>			
	Total Valid Business Licenses (YTD)	12,981	13,118	(1.0%)			
	New Licenses - Number Issued	308	348	(11.5%)			
	New Licenses - Employees	884	1,026	(13.8%)			
	New Licenses - Office Added (sf)	63,732	80,962	(21.3%)			
	New Licenses - Retail Added (sf)	24,495	46,262	(47.1%)			
	New Licenses - Industrial Added (sf)	245,058	119,998	104.2%			
	<b>Total Space Added (sf)/Avg. Change</b>	<b>333,285</b>	<b>247,212</b>	<b>(34.8%)</b>			
<b>11)</b>	<b>Goods &amp; People Movement</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>			
	YVR Air Cargo (tonnes)	57,409	63,035	(8.9%)			
	PMV Container Movement (TEUs)*	703,388	735,219	(4.2%)			
	YVR Passengers (million)	5	4.6	8.7%			
	Richmond Hotel Revenue (\$ million)**	10.5	8.5	23.5%			

\* - PMV Container Movement data to March 2016

\*\* - Hotel Revenue available to January 2016

**Notes:**

- a) *QE indicates quarter end*  
b) *YTD indicates year to date*

**List of Sources:**

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



**Financial Indicators****March 31, 2016**

(All dollar amounts in \$000's)

<b>1) Development Cost Charges Contributions</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Roads, Water, Sewer DCC's Received	\$4,821	\$4,717	2.2%
Parks DCC's Received	\$2,536	\$5,087	(50.2%)
<b>Total DCC Fees Received</b>	<b>\$7,357</b>	<b>\$9,804</b>	<b>(25.0%)</b>
DCC Reserves to date – Uncommitted	63,212	45,013	40.4%
<b>2) Uncommitted Reserves</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Capital Funding Reserves	\$109,523	\$85,307	28.4%
Utility Reserves	84,343	80,877	4.3%
Affordable Housing Reserves	\$4,152	\$3,108	33.6%
Other Reserves	\$49,301	\$60,007	(17.8%)
<b>Total Uncommitted Reserves</b>	<b>\$247,319</b>	<b>\$229,229</b>	<b>7.9%</b>
<b>3) Taxes to date</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Taxes Collected	\$10,277	\$10,291	(0.1%)
City Portion of Taxes Collected	\$5,036	\$5,043	(0.1%)
Unpaid Taxes - Delinquent & Arrears	\$6,853	\$7,236	(5.3%)
No. of Participants on Pre-authorized withdrawal	6,374	6,454	(1.2%)
Pre-authorized withdrawals payments	\$8,145	\$7,953	2.4%
Interest rate % paid	0.70%	1.00%	(0.30)
<i>Sources: All data is from City of Richmond records</i>			
<b>4) Investments</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Total Investments	\$884,478	\$860,853	2.7%
Average City Rate of Return on Investments %	1.97%	1.97%	0%
<b>5) Planning and Development</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Building Permit Fees Collected	\$2,650	\$3,480	(23.8%)
Development Applications Received	58	60	(3.3%)
Development Applications Fees	\$375	\$338	10.8%
<b>6) Business Licenses</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Revenue Received for Current Year Licenses	\$1,604	\$1,623	(1.2%)
Revenue Received for Next Year (Deferred)	\$78	\$72	8.5%
<b>Total License Revenue</b>	<b>\$1,682</b>	<b>\$1,695</b>	<b>(0.8%)</b>
<i>Year to date valid licenses and revenue include current year licenses issued in the prior year.</i>			
<b>7) Other Revenues</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Parking Program Revenue	\$545	\$507	7.5%
Gaming Revenue	\$4,596	\$5,256	(12.6%)
Traffic Fine Revenue to date	n/a	\$787	(100%)

**Notes:**

a) All figures presented above are unaudited

**Key Indicators****March 31, 2016**

<b>8) Employees</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Full Time Equivalent (FTE) Employees (City and Library)	1,455	1,435	1.4%
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results excluding overtime.</i>			
<b>9) Operating Indicators</b>	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Fire Rescue Responses	2,546	2,374	7.2%
RCMP - Calls for Service Handled	15,999	15,846	1.0%
Public Works calls for Service	3,353	2,802	19.7 %
<b>10) Affordable Housing</b>	<b>2016</b>	<b>2015</b>	<b>Change</b>
Subsidized Rental (units)	477	477	0.0%
Affordable Rental (LEMR) (units)	320	311	2.9%
Market Rental (units)	411	411	0.0%
Entry Level Home ownership (units)	19	19	0.0%
Secondary Suite / Coach House (units)	165	159	3.8%
<b>Total Affordable Housing</b>	<b>1,392</b>	<b>1,377</b>	<b>1.1%</b>
	<b>Q1-2016</b>	<b>Q1-2015</b>	<b>Change</b>
Floor Space secured, unit mix & other (sq feet)	119,069	119,069	0.0%
<b>11) Richmond Population Estimate Year End *</b>	<b>2016F</b>	<b>2015</b>	
	218,307	213,891	
<i>*Estimated population figures provided by City of Richmond – Policy Planning</i>			

**Statement of Operations<sup>1</sup>**

For the Three Month Period Ended March 31, 2016, with comparative figures for 2015  
(Expressed in thousands of dollars)

	<b>Budget March 31 2016</b>	<b>Actuals March 31 2016</b>	<b>Actuals March 31 2015</b>
<b>Revenues:</b>			
Taxes and levies	\$49,491	\$47,364	\$45,985
User fees	24,295	22,611	21,693
Sales of services	5,728	6,896	6,463
Payments-in-lieu of taxes	3,368	2,115	2,333
Provincial and federal grants	1,044	508	2,135
Development cost charges	8,929	6,317	7,320
Other capital funding sources	15,701	2,613	13,199
Other revenues:			
Investment income	3,674	4,607	4,170
Gaming revenue	4,522	4,596	5,256
Licenses and permits	2,930	4,426	5,337
Other	1,884	5,940	2,466
	<b>121,566</b>	<b>107,993</b>	<b>116,357</b>
<b>Expenses:</b>			
Law and community safety	23,683	22,151	20,308
Engineering, public works and project development	15,301	12,687	12,536
General government	13,977	12,410	12,321
Parks, recreation and community services	11,605	11,391	11,003
Utilities:			
Water supply and distribution	9,956	8,117	8,207
Sewerage collection and disposal	7,352	7,727	7,763
Sanitation and recycling services	3,571	3,339	2,373
Planning and development	3,581	3,340	3,013
Library services	2,435	2,455	2,365
Lulu Island Energy Company	397	387	-
	<b>91,858</b>	<b>84,004</b>	<b>79,889</b>
YTD Surplus (Annual Surplus) <sup>2</sup>	29,708	23,989	36,468
Accumulated surplus, beginning of year	2,717,164	2,717,164	2,565,923
Accumulated surplus, end of March 31 <sup>3</sup>	<b>\$2,746,872</b>	<b>\$2,741,153</b>	<b>\$2,602,391</b>

<sup>1</sup> Statement of Operations for City, Library and LIEC only, does not include Oval figures

<sup>2</sup> Annual Surplus is the difference between revenues and expenses and reflects the change in the accumulated surplus on the Statement of Financial Position. Annual Surplus is prior to transfer to reserves and surplus appropriations. The revenues include capital contributions, development cost charges and other items that impact the investment in tangible capital assets within the accumulated surplus. The expenses include amortization which impacts the investment in tangible capital assets in accumulated surplus.

<sup>3</sup> Accumulated surplus is equivalent to the net worth of an organization and is comprised of investment in tangible capital assets, reserves, appropriated surplus, general surplus and other equity.



**Capital Highlights****Infrastructure***No 2. Road North Drainage Pump Station Upgrade:*

Approved Budget: \$4.4M (2013)

20% Complete

- The No. 2 Road Pump Station upgrade will increase the pumping capacity and address the station's ageing infrastructure. The design is completed and the tendering process is underway. Construction completion is scheduled for Fall 2016.

*No 2 Road Widening – Steveston Highway to Dyke Road*

Approved Budget: \$7.3M (2016)

1% Complete

- This project includes widening sections of No. 2 Road and a continuous shared pedestrian and cycling pathway between Steveston Highway and Dyke Road. The City has secured cost share funding of \$3.5 million from the Federal Government. The design of the required works is under way, and construction works are anticipated to be completed for Fall 2017.

*Alexandra District Energy Utility Expansion - Phase 4:*

Approved Budget: \$7.6M (2015)

40% Complete

- This project consists of the design and construction of a satellite energy plant to service the heating and cooling demands of the new SmartREIT (previously Smart Centres) commercial development, as well as provide additional energy capabilities for the Alexandra District Energy Utility (ADEU). Also included in this expansion is the connection of the Townline Oxford Lane residential development and the City's new Fire Hall No. 3 to the ADEU. The project scheduled for completion by the end of 2016.

*Steveston East Watermain Replacement:*

Approved Budget: \$2.59M (2013)

95% Complete

- This project consists of replacing ageing watermain that are at the end of their service life, in the Garry Street, Dunford Road and Windjammer Road area. Construction is substantially completed.

*Bath Slough Pump Station Upgrade:*

Approved Budget: \$4.2M (2013)

95% Complete

- This project consists of the upgrading of the existing Bath Slough Drainage Pump Station, and is part of a larger strategy to increase the City's drainage capacity, increase pump station reliability and reduce flooding. Construction is substantially completed.

**Capital Highlights****Buildings***Minoru Major Facility (Integrated Minoru Aquatic Centre/Older Adults Centre):*

Approved Budget: \$79.6M (2014) 30% Complete

On November 12, 2013, Council confirmed funding and site location for the new facility to be the Minoru 2 soccer pitch. Space programming for the facility was endorsed by Council on July 28, 2014 and preliminary form and character endorsed by Council on October 27, 2014. Preload and ground densification of the site is now complete. The rebar for the raft slab has been placed and the concrete for the raft slab underneath the aquatics and older adults area has been poured. Project completion is anticipated at the end of 2017. The public engagement process is continuing through to project completion.

*Fire Hall No. 1:*

Approved Budget: \$22.3M (2014) 20% Complete

On November 12, 2013, Council confirmed funding and the site location for the Fire Hall No. 1 replacement. Space programming for the facility was endorsed by Council on July 28, 2014 and the preliminary form and character endorsed by Council on October 27, 2014. The construction drawing phase of the project is complete. The preload has been removed and the ground densification has commenced. Project completion is anticipated by summer 2017.

*Fire Hall No. 3:*

Approved Budget: \$20.7M (2005-2009) 37% Complete

On July 23, 2012, Council approved construction of a new Firehall No. 3. In late 2013, a lease agreement was reached with BC Ambulance to construct Firehall No. 3 as an integrated facility, to be used jointly with Richmond Fire-Rescue. Council approved funding of \$20.7 million to construct a new Firehall No. 3 through the 2005 - 2009 Capital Programs. The design and development of Fire Hall No. 3 is completed and construction is underway. Project completion is anticipated by early 2017.



***Capital Highlights******Community Services/Parks****Railway Greenway:*

Approved Budget: \$2.9M (2013)

95% Complete

- Greenway path construction is complete
- Installation of benches and recycling / trash units will be completed early May of 2016
- Wayfinding Signage will be installed in the summer of 2016
- Additional trees will be planted in the fall of 2016 as to avoid the dry summer months, reduce the need to hand watering, and to increase the chance for healthy tree establishment
- A picnic area to be located just south of the Branscombe House is currently being planned
- Additional improved connections at Westminster Highway and River Road are also being planned

*Garden City Lands Phase 1 and 2:*

Approved Budget: \$5.2M (2015 and 2016)

10% Complete

- The Garden City Lands - Legacy Landscape Plan was completed and endorsed by Council in June 2014. The Legacy Plan provides a vision statement, guiding principles, a land use framework, a concept plan and outlines objectives and actions to guide the development of the Lands. An in-depth study of the site's hydrological and ecological conditions is underway as is the design and development for the water management infrastructure and perimeter trails. Construction of these initial phases is expected to begin in late summer 2016.

*Lang Park Development:*

Approved Budget: \$800K (2015)

15% Complete

- Detailed design is complete and a construction contract is expected to be awarded in May 2016. Construction is expected to start in spring 2016 and be complete by late summer 2016.

*Middle Arm/ Hollybridge Pier:*

Approved Budget: \$1.5M (2015)

15% Complete

*Included in Middle Arm Waterfront Park System Projects*

- The design process is underway. Parks expects to hire a consultant in May 2016 to prepare construction drawings with construction expected to commence in summer 2016, in association with ASPAC's Lot 9 construction, with completion schedule in 2017.

**Capital Highlights****Community Services/Parks***Steveston Town Square:*

Approved Budget: \$250K (2015) 90% Complete

- With the relocation of Japanese Fishermen's Benevolent Society Building to the site, a plan was developed to improve circulation, tie the park area to both the Steveston Museum and Japanese Building for programming and events, and create an opportunity to celebrate the Japanese historic connection to Steveston. The majority of the park development has been completed including new hard surface areas, seating, the Suikinkutsu water basin feature and Japanese inspired gate.

*The Gardens Agricultural Park:*

Approved Budget: \$316K (2012) &amp; \$1.95M (2014/15) 50% Complete

- City construction for Phase 1 has been partially completed along with Servicing Agreement works completed by Townline Homes in fall 2014. Staff are reviewing any impacts to the park as a result of the Massey Tunnel project.

*Minoru Sports Fields Redevelopment:*

Approved Budget: \$5.7M (2014) 99% Complete

*Included in Minoru Major Facility Integrated Project*

- Opening ceremonies for the fields were held on April 11<sup>th</sup> 2015.
- Tennis Courts sport surfacing was completed in May 2015.
- Deficiency repairs for irrigation are underway.
- Practice wall at the tennis courts is completed.
- Shade shelters for the spectators viewing areas have been installed and awaiting permit approval sign-off.
- PA System installation upgrades completed.
- Perimeter fencing at the throwing zone is completed.
- Latrace baseball field upgrades completed
- Minoru 2 "priority line" upgrades to be completed in June
- Hammer cage repairs to be completed in June

*Britannia Shipyards Slipways:*

Approved Budget: \$513K (2014) 65% Complete

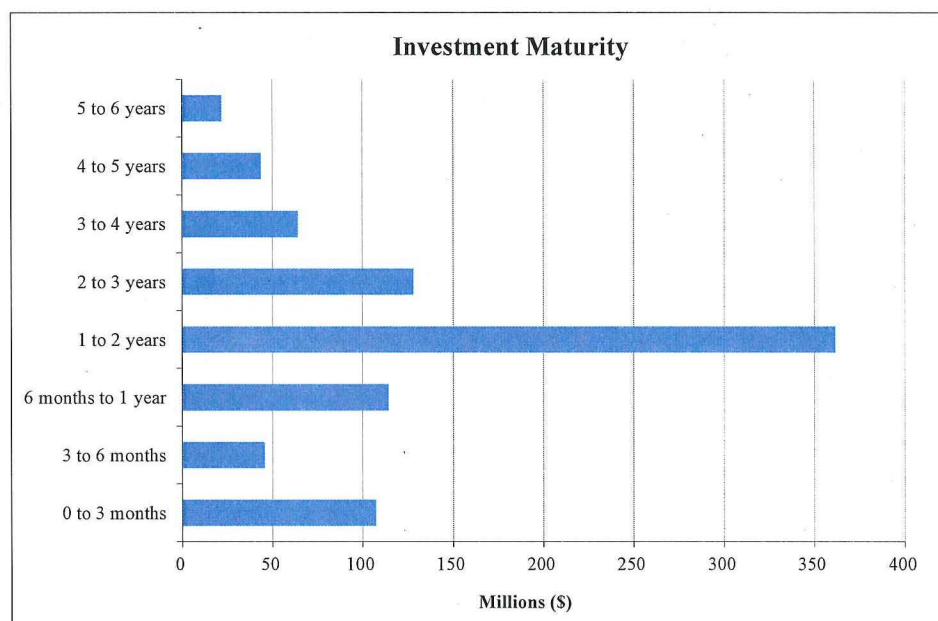
- Conditional assessment complete.
- Demolition complete.
- Detail design completed last July 2015.
- Tender of materials secured, construction in progress.
- Replacement of 12" x 12" timber runners and cross head beams in progress.
- Remaining construction operations requires and limited to low tide conditions with regular daytime working hours.
- Anticipated completion by July 2016.

## Investment Portfolio

March 31, 2016 (in 000's)

Asset Class	DBRS Long Term Rating	Issuer	Term	Net Book Value	% of Total Portfolio	Investment Limit (% of Portfolio)
<b>Provincial (Fixed Income)</b>						
	AA (high)	British Columbia	2019	\$ 65,509	7.41%	
	AA (low)	Ontario	2017	62,074	7.02%	
	AAA	Alberta*	2016-2019	40,379	4.57%	
	A (high)	Quebec	2017	35,856	4.05%	
	A (high)	Manitoba	2016	12,000	1.36%	
			Total	\$ 215,818	24.40%	24%
<b>Chartered Banks (Fixed Income and Deposits)</b>						
	AA	Bank of Nova Scotia	2016-2018	\$ 93,430	10.56%	
	AA	Bank of Montreal	2016-2017	78,541	8.88%	
	AA (low)	National Bank of Canada	2018-2020	45,775	5.18%	
	AA	TD Bank	2016-2021	41,987	4.75%	
	AA	CIBC	2018	38,502	4.35%	
	AA	Royal Bank	2016-2018	33,655	3.81%	
	AA	Wells Fargo Canada	2017	24,406	2.76%	
	A (high)	HSBC Bank of Canada	2017	22,693	2.57%	
	A (low)	Canadian Western Bank	2016	20,000	2.26%	
	A (low)	B2B/Laurentian Bank	2017	10,000	1.13%	
			Total	\$ 408,989	46.24%	46%
<b>BC Credit Unions (Deposits)</b>						
		Coast Capital Savings	2016-2018	\$ 88,235	9.98%	
		Westminster Savings	2016-2017	48,420	5.47%	
		Gulf and Fraser	2016-2018	47,506	5.37%	
		Vancity	2016	32,020	3.62%	
			Total	\$ 216,181	24.44%	25%
<b>Pooled Investments (MFA Bond Fund)</b>						
		MFA Pooled Investment Fund		\$ 43,489	4.92%	5%
<b>Total Investment Portfolio Balance</b>				<b>\$ 884,477</b>	<b>100.00%</b>	

\*The rating was downgraded from AAA to AA(high) on April 15, 2016





**Contract Awards greater than \$75,000**

January 1st to March 31st 2016

Item	#	Description	Awarded Vendor	Awarded Amount	Department
1	5725J	Underground water meter installations	Ashton Service Group	\$142,660	Engineering and Public Works
2	5724CM	Minoru Aquatic Centre/Older Adult Centre - Tender Package No 2A	Stuart Olson Construction subcontract to: Dominion Fairmile (Formwork), LMS Reinforcing (Concrete Reinforcement), Rempel (Concrete Supply), Westbridge (Structural Steel & Metal Decking), Western Archrib (Glulam Structural Units), *Strom Tech (Water Treatment), *Multivista (Construction Documentation)	\$13,918,449	Engineering and Public Works
3	5720S	CLASS Software Annual Licensing, Maintenance and Support Renewal	Active Network Ltd.	\$108,054	Finance and Corporate Services
4	5715F	Annual telephone maintenance	Telus	\$83,444	Finance and Corporate Services
5	5713F	Event Professional and Production Services	Anigraph Productions Ltd.	\$200,000	Community Services
6	5701J	Thompson Community Centre Improvement Works 2016	Ashton Service Group	\$92,430	Engineering and Public Works
7	5691F	Inspection Services	Aplin & Martin Consultants Ltd.	\$100,000	Engineering and Public Works
8	5688S	ESRI Enterprise Licence Agreement	ESRI Canada	\$140,000	Finance and Corporate Services
9	5683F	Consulting Services Lansdowne Road Extension Project	Aplin & Martin Consultants Ltd.	\$91,795	Engineering and Public Works
10	5678F	Relocation of Hydro poles on Lansdowne Road	BC Hydro & Power Authority	\$140,418	Engineering and Public Works
11	5676F	Annual software license and support services for Tempest	Tempest Development Group Inc	\$107,632	Finance and Corporate Services



Item	#	Description	Awarded Vendor	Awarded Amount	Department
12	5675F	(3) KSB submersible motor pumps	KSB Pumps Inc.	\$269,820	Engineering and Public Works
13	5666J	7400 River Road Mechanical Maintenance Improvements – 2016	Ashton Service Group	\$174,942	Engineering and Public Works
14	5665CM	Gymnastics/Rod & Gun Clubs Tennant Improvement Project	Stuart Olson subcontracted to ICE Development	\$975,053	Engineering and Public Works
15	5664F	Software Maintenance contract renewal	Open Text Corporation	\$184,810	Finance and Corporate Services
16	5660 J	Buemann Barn Construction	Ventana Construction Corporation	\$345,862	Engineering and Public Works
17	5653F	Emergency Repair Sanitary Sewer in Minoru Park	Performance Contracting Brighthouse Ltd	\$200,000	Engineering and Public Works
18	5622P	Horseshoe Slough Pump Station Upgrade	Associated Engineering (B.C.) Ltd.	\$474,671	Engineering and Public Works
19	5621Q	ADEU - Energy Transfer Station Upgrades	All-Pro Services Ltd.	\$183,838	Engineering and Public Works
20	5609Q	Supply and Delivery of 6 (Six) 3/4 Ton Super Cab with 8 (Eight) Foot Box Truck	Dams Ford Lincoln Sales Ltd	\$191,576	Engineering and Public Works
21	5597T	No. 1 Box Culvert Rehabilitation	P.W. Trenchless	\$1,993,312	Engineering and Public Works
22	5586Q	Supply and Delivery 1 (One) Regular Cab and Chassis with Utility Body and Crane	Work Truck West	\$229,594	Engineering and Public Works
23	5583T	Lockhart Rd, Marrington Rd, and Beecham Rd Upgrades	Performance Contracting Ltd.	\$1,856,438	Engineering and Public Works





# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 24, 2016

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

**File:**

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

**Re:** Richmond Olympic Oval Corporation - 1<sup>st</sup> Quarter 2016 Financial Information

### Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2016 from the Controller of the Richmond Olympic Oval Corporation be received for information.

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

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

**DATE:** May 26, 2016

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

Andrew Nazareth  
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills  
Chief Operating Officer, Richmond Olympic Oval Corporation

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

**Re:** **Richmond Olympic Oval Corporation – 1<sup>st</sup> Quarter 2016 Financial information**

**Origin**

This staff report deals with the first quarter financial results for the 3 months ended March 31, 2016 ("Q1") which was approved by the Corporation's Board of Directors.

**Highlights**

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

Community Use

Several community groups used the Oval facility in Q1. Some of the community groups from Richmond include, but are not limited to: DRIVE Basketball, Richmond Minor Hockey Association, Seafair Minor, Richmond Ringette, Richmond Rockets, Connaught Figure Skating, Richmond Ravens, UBC Boathouse, Air Attack Volleyball Club, Brazilian Soccer School, Aura Rhythmic Gymnastics, and Kajaks Track and Field.

The Member Care department continued to build member engagement with the March 'Spring into Fit' thirty day challenge which is an incentive program designed to improve retention and use of the Oval facility. The challenge filled to its capacity of 750 participants. At the end of Q1 2016, a total of 79% of Oval members were Richmond residents.

Sport Development and Events

Some of the highlights from Sport Hosting and Events held at the Oval during Q1 included the Tim Horton's 3<sup>rd</sup> annual new year's skate, Vancouver Hawks field hockey tournament, BCSRA winter trade show, wrestling provincials, karate nationals, Harry Jerome track meet, World Cup Fencing, Elite Canada rhythmic gymnastics, VFA futsal tournament, BC high school boys basketball lower

mainland championships, Judo Pacific International, Percy Williams track meet, Wheel Chair Rugby Vancouver Invitational, and the Ringette Western Canadians.

Some of the events secured by Sport Hosting in Q1 included: Dharma Talks, Wayland Cup gymnastics meet, 2016 Can-Am International martial arts championships (Wushu), 2016 Canadian university synchronized swimming league nationals, 2016 Volleyball Canada national team challenge cup (NTCC), 2016 BC Hockey U16 & U18 female strength and conditioning camp, and the 2016 Toronto FC II pre-season training camp.

The High Performance department began 2016 with two exciting events. On February 2<sup>nd</sup>, 2016, Volleyball Canada officially announced that the Women's National Team Training Centre will be based at the Richmond Olympic Oval beginning in January 2017. Secondly, on February 20<sup>th</sup>, 2016, the Oval hosted the RBC Training Ground event, which is a partnership between the Royal Bank of Canada (RBC), the Canadian Broadcast Corporation (CBC), the Canadian Olympic Committee (COC) and the Canadian Olympic Foundation (COF) whose goal is to find Canada's next great Olympian. One hundred athletes were selected from 400 applicants to execute a series of performance tests in front of various national/provincial sport organizations. Eight Oval trained athletes participated in the RBC Training Ground event with Kieanna Stephens, an Oval Hockey Camp athlete in 2015, winning the grand prize of a trip to Rio to experience the 2016 Olympic Games. The Richmond Olympic Oval was the first of four event locations across Canada to participate as a training ground.

The High Performance department continued to deliver technical coaching and integrated high performance services to teams and players at the community through national level, including but not limited to the following groups: UBC Thunderbirds Rowing, FusionFC (soccer), Vancouver Pacific Wave Synchro (swimming), Seafair Minor Hockey, India Field Hockey Club, BC Wheelchair Sports, Wheelchair Rugby Canada and Field Hockey Canada.

Notable athlete successes during Q1 included:

- Stephanie Dickinson (synchronized swimming) won Junior Figures at the National stream provincials in February. In March, Stephanie was selected for the Canadian 2016 Junior World team.
- Judo athlete Ian Ryder won Gold at the BC Winter Games.
- Speed skating athlete Chris Poljer pre-qualified for the National Senior Selection #2 event
- Speed skating athlete Lukas Macdonald placed 2nd overall at the 2016 Can West Championships
- Oval Table Tennis athletes Cherry Cheng, Mo Zhang and Jane Yan were selected to travel to Montreal for the Canadian Cup Finals, an Olympic qualifier competition. Mo Zhang was also the champion of the North American Cup in Women's singles
- Volleyball Centre of Excellence athlete Tova Rae was recruited to the Vancouver Island University Mariners Women's Volleyball Team.

### Governance

Meetings of the Corporation's Business and Budget Planning Committee and the Board of Directors took place during Q1.

### Financial

Q1 was a successful quarter for the Corporation. The Q1 results were budgeted at an income before transfers to reserves/provisions of \$483,000 and the actual results show income of \$634,000, indicating a favorable variance of \$151,000 (please see page 4 for the Corporation's balance sheet as of March 31, 2016 and page 5 for the statement of operations). In Q1, \$430,000 was allocated to the reserves/provisions.

### **Comments on the Financial Results for Q1**

#### Revenues

The Q1 portion of the estimated 2016 Games Operating Trust Fund ("GOT") distribution of \$700,000 was recognized as revenue. Memberships, admissions and programs revenue was \$2,017,000 in Q1 and other revenue of \$482,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue.

#### Expenses

Memberships, admissions and program services costs for Q1 2016 were \$1,267,000 which is \$87,000 (6%) favorable to budget. Facility Operations costs for Q1 were \$961,000 which was \$103,000 (10%) favorable to budget. Marketing expenses for Q1 were \$93,000 which was \$66,000 favorable to budget. Administration and Finance expenses for Q1 were \$739,000 being \$68,000 (8%) favorable to budget.



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

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



**RICHMOND OLYMPIC OVAL CORPORATION****Balance sheet****As at March 31, 2016****Unaudited, prepared by management**

		Mar 31, 2016
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	\$	1,445,070
Investments		6,014,960
Inventory		109,420
GOT receivable		700,000
Accounts receivable		1,166,064
		<u>9,435,513</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities		1,602,235
Deferred revenue		5,652,006
Rental deposits		9,263
		<u>7,263,503</u>
Net financial assets		2,172,010
<b>Non-Financial Assets</b>		
Tangible capital assets		11,817,975
Deferred lease costs		121,300
Prepaid expenses and other deposits		736,032
		<u>12,675,306</u>
Accumulated Surplus (Note 1)	\$	14,847,317

**Note 1 - Breakdown of accumulated surplus account is as follows:**

Investment in capital assets	9,495,878
Reserves/Provisions	4,062,727
Common Shares	1
Surplus	1,288,710
	<u>14,847,317</u>

# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Statement of Operations**

**For the quarter ended March 31, 2016**

**Unaudited, prepared by management**

	<b>QTR 1 2016</b>				<b>QTR 1 2015</b>				<b>2016 BUDGET</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>\$ Variance Fav/(Unfav)</b>	<b>% Variance Fav/(Unfav)</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>\$ Variance Fav/(Unfav)</b>	<b>% Variance Fav/(Unfav)</b>	
<b>REVENUES</b>									
2010 Games Operating Trust Fund	700,000	700,000	-	0%	575,000	575,000	-	0%	2,800,000
Contribution from City of Richmond	827,732	827,732	-	0%	809,925	809,925	-	0%	3,310,927
Memberships, admissions and programs	2,079,171	2,016,856	(62,315)	-3%	1,987,195	1,930,154	(57,041)	-3%	8,432,194
Other	473,491	481,559	8,068	2%	385,412	579,606	194,194	50%	1,638,960
	4,080,394	4,026,147	(54,247)	-1%	3,757,532	3,894,685	137,153	4%	16,182,081
<b>EXPENSES</b>									
Memberships, admissions, and program services	1,354,203	1,267,154	87,049	6%	1,164,796	1,090,523	74,273	6%	5,509,331
Facility Operations	1,064,176	961,056	103,120	10%	991,082	1,000,716	(9,634)	-1%	4,256,704
Marketing	159,494	93,153	66,341	42%	114,394	105,254	9,140	8%	989,947
Contribution to capital	-	1,524	(1,524)	-	-	82,077	(82,077)	-	-
Admin/Finance	807,467	739,253	68,213	8%	747,951	644,521	103,430	14%	3,283,509
	3,385,340	3,062,140	323,200	10%	3,018,223	2,923,091	95,132	3%	14,039,491
<b>Income before amortization and transfers</b>	695,054	964,007	268,953		739,309	971,594	232,285		2,142,590
Amortization	212,535	330,341	(117,806)	-55%	170,031	102,297	67,734	40%	850,144
<b>Income after amortization and before transfers</b>	482,519	633,666	151,147	31%	569,278	869,298	300,019	53%	1,292,446
Transfers to reserves/provisions (Note 1)	300,000	430,205	130,205		175,000	268,788	93,788		1,200,000
<b>Net after transfers to reserves/provisions</b>	182,519	203,461	20,942		394,278	600,510	206,231		92,446

**Note 1** - In Q1, \$430,000 was transferred into reserves/provisions. The total transfers to capital reserves vary from quarter to quarter and will be finalized by the Capital Works Committee in accordance with the operating agreement.

Numbers may be off due to rounding.