



**Finance Committee
Electronic Meeting**

**Council Chambers, City Hall
6911 No. 3 Road**

Monday, June 6, 2022

Immediately following the General Purposes Committee meeting

Pg. # ITEM

MINUTES

FIN-4 *Motion to adopt the **minutes** of the meeting of the Finance Committee held on May 2, 2022.*



NEXT COMMITTEE MEETING DATE

July 4, 2022, (tentative date) at 4:00 p.m. in Council Chambers.

FINANCE AND CORPORATE SERVICES DIVISION

1. **2021 ANNUAL REPORT AND 2021 ANNUAL REPORT HIGHLIGHTS**
(File Ref. No. 01-0375-01) (REDMS No. 6898968)

FIN-8

See Page FIN-8 for full report

Designated Speaker: Ivy Wong and Clay Adams

STAFF RECOMMENDATION

That the reports titled “2021 Annual Report” and “2021 Annual Report – Highlights” be approved.



2. **FINANCIAL INFORMATION – 1ST QUARTER MARCH 31, 2022**
(File Ref. No.) (REDMS No. 6886157)

FIN-107

[See Page FIN-107 for full report](#)

Designated Speaker: Cindy Gilfillan

STAFF RECOMMENDATION

That the staff report titled “Financial Information – 1st Quarter March 31, 2022”, dated May 6, 2022, from the Acting Director, Finance, be received for information.



3. **ACTIVE CAPITAL PROJECTS INFORMATION - 1ST QUARTER MARCH 31, 2022**
(File Ref. No. 03-0975-01) (REDMS No. 6849315)

FIN-132

[See Page FIN-132 for full report](#)

Designated Speaker: Jenny Ho

STAFF RECOMMENDATION

That the staff report titled “Active Capital Projects Information – 1st Quarter March 31, 2022”, dated May 10, 2022, from the Acting Director, Finance, be received for information.



LULU ISLAND ENERGY COMPANY

4. **2022 Q1 FINANCIAL INFORMATION FOR THE LULU ISLAND ENERGY COMPANY**
(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 6900046)

FIN-162

[See Page FIN-162 for full report](#)

Designated Speaker: Alen Postolka and Helen Zhao

STAFF RECOMMENDATION

That the Lulu Island Energy Company report titled “2022 Q1 Financial Information for the Lulu Island Energy Company”, dated May 12, 2022, from the Chief Executive Officer and Chief Financial Officer, be received for information.



RICHMOND OLYMPIC OVAL CORPORATION

5. **RICHMOND OLYMPIC OVAL CORPORATION - 1ST QUARTER
2022 FINANCIAL INFORMATION**
(File Ref. No. 03-1200-09) (REDMS No. 6903177)

FIN-170

[See Page FIN-170 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 ending March 31, 2022, from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation, be received for information.

☐

ADJOURNMENT

☐



Finance Committee

Date: May, 2, 2022

Place: Council Chambers
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day
Councillor Andy Hobbs
Councillor Alexa Loo (by teleconference)
Councillor Bill McNulty
Councillor Linda McPhail (by teleconference)
Councillor Harold Steves (by teleconference)
Councillor Michael Wolfe

Call to Order: The Chair called the meeting to order at 4:38 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Special Finance Committee held on April 19, 2022, be adopted as circulated.

CARRIED

DELEGATIONS

1. C.J. James, Partner, KPMG LLP, presented the audit findings on the City's 2021 Consolidated Financial Statements and thanked the staff for their cooperation in completing the audit.

The Auditor noted that the audit was clean and includes an unqualified opinion.

Finance Committee
Monday, May 2, 2022

It was moved and seconded

That the Auditor's report on the findings of the audit on the City's 2021 Consolidated Financial Statements be received for information.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

2. 2021 CONSOLIDATED FINANCIAL STATEMENTS

(File Ref. No. 03-0905-01) (REDMS No. 6877541)

It was moved and seconded

That the 2021 City of Richmond Consolidated Financial Statements as presented in Attachment 2 be approved.

CARRIED

3. MUNICIPAL SECURITY ISSUING RESOLUTION

(File Ref. No. 03-0900-01) (REDMS No. 6850735)

In response to queries, staff advised (i) the funding will be received in October 2022, (ii) the project is in progress and funding is available for current expenditures, and (iii) it is anticipated that construction will commence prior to loan repayments.

It was moved and seconded

- (1) That a 20-year term \$96 million borrowing with a 20-year amortization period from the Municipal Finance Authority of British Columbia's (MFA's) 2022 Fall Borrowing Session, as authorized through Steveston Community Centre and Branch Library Loan Authorization Bylaw No. 10334, be approved;*
- (2) That the Metro Vancouver Regional District (MVRD) be requested to consent and to include the City of Richmond's 20-year term \$96 million borrowing with a 20-year amortization period in MVRD's Security Issuing Bylaw; and*
- (3) That the Consolidated 5-Year Financial Plan (2022-2026) be amended accordingly.*

CARRIED

RICHMOND PUBLIC LIBRARY

4. **2021 FINANCIAL STATEMENTS FOR THE RICHMOND PUBLIC LIBRARY**

(File Ref. No. 03-0905-01) (REDMS No. 6879809)

It was moved and seconded

That the 2021 Richmond Public Library audited financial statements for the year ended December 31, 2021, as presented in the attached report from the Chief Librarian, be received for information.

CARRIED

LULU ISLAND ENERGY COMPANY

5. **2021 FINANCIAL STATEMENTS FOR THE LULU ISLAND ENERGY COMPANY**

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 6880091)

In response to queries, staff advised (i) salaries for City managers working on the project will be recovered through the Lulu Island Energy Company (LIC), (ii) the electrical systems are designed to operate at high efficiency, and (iii) the use of biogas procured through the LIC is being considered.

It was moved and seconded

That the Lulu Island Energy Company report titled "2021 Financial Statements for the Lulu Island Energy Company", dated April 13, 2022, from the Chief Executive Officer and Chief Financial Officer, be received for information.

CARRIED

RICHMOND OLYMPIC OVAL CORPORATION

6. **RICHMOND OLYMPIC OVAL CORPORATION 2021 AUDITED FINANCIAL STATEMENTS**

(File Ref. No.) (REDMS No. 6885036)

In response to queries, staff advised (i) the Richmond Olympic Oval currently employs 65 full time staff and 150 to 200 auxiliary staff, and (ii) cash flow and investment rates are monitored continuously.

Finance Committee
Monday, May 2, 2022

It was moved and seconded

That the report on the 2021 Audited Financial Statements for the Richmond Olympic Oval Corporation from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:08 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 2, 2022.

Mayor Malcolm D. Brodie
Chair

Haely Lindau
Recording Secretary



City of Richmond

Report to Committee




To: Finance Committee **Date:** May 12, 2022
From: Jerry Chong **File:** 01-0375-01/2022-Vol
Acting General Manager, Finance and Corporate 01
Services
Re: 2021 Annual Report and 2021 Annual Report Highlights

Staff Recommendation

That the reports titled, "2021 Annual Report and 2021 Annual Report – Highlights" be approved.

Jerry Chong
Acting General Manager, Finance and Corporate Services
(604-276-4064)

Att. 2

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER  Acting GM, F&CS	
SENIOR MANAGEMENT TEAM REVIEW	INITIALS: 
APPROVED BY CAO 	

Staff Report

Origin

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

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

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

5.1 Maintain a strong and robust financial position.

This report supports Council's Strategic Plan 2018-2022 Strategy #8 An Engaged and Informed Community:

Ensure that the citizenry of Richmond is well-informed and engaged about City business and decision-making.

8.2 Ensure citizens are well-informed with timely, accurate and easily accessible communication using a variety of methods and tools.

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 and milestones from 2021.

Two versions of the Annual Report are produced each year in order to reach the different audiences interested in this information. The comprehensive 2021 Annual Report meets all legislative requirements for financial reporting as required under the Community Charter for British Columbia's local governments. This version will be publicly available through the City's website at www.richmond.ca 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. In addition to the statutorily required information, the comprehensive version provides information on the City's milestones from 2021, including awards and achievements and a variety of key corporate financial and community demographic statistical data for the year.

For a broader audience, the City also produces a condensed financial reporting document known as the 2021 Annual Report – Highlights. This shorter version, which is designed to be accessible

and easily understandable for a general audience, provides information about the City of Richmond, its services, highlights from 2021 and the City's financial condition. In order to support sustainable practices the condensed version is available through the City's website and distribution will be done electronically. There will be limited printed copies for presentation purposes and to fulfill statutory obligations.

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

The reports are produced entirely in house through the joint efforts of the Finance Department and the Corporate Communications and Marketing Department.

Financial Impact

None.

Conclusion

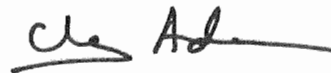
The City of Richmond 2021 Annual Report and the 2021 Annual Report – Highlights satisfy the Community Charter requirements for financial reporting and are important instruments in ensuring public transparency and accountability for the management of City finances. The reports also provide useful information on the City's achievements and milestones during the 2021 fiscal year.



Ivy Wong
Acting Director, Finance

(4046)

IW:nm



Clay Adams
Director, Corporate Communications and
Marketing
(4399)

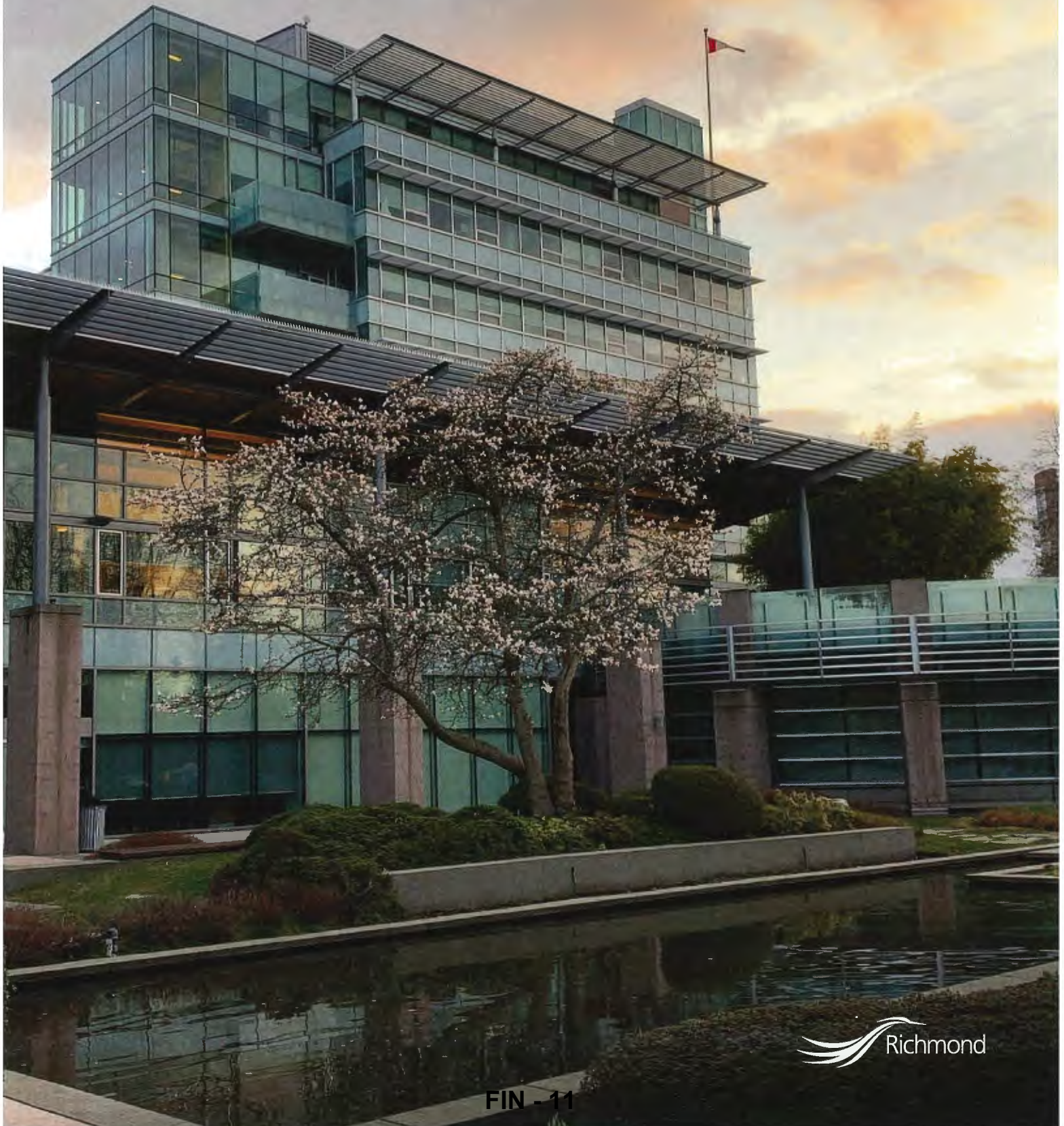
- Att. 1: 2021 Annual Report
2: 2021 Annual Report – Highlights



**City of
Richmond**
British Columbia, Canada

2021 Annual Report

For the year ended December 31, 2021





City of Richmond

British Columbia, Canada

2021 Annual Report

For the year ended December 31, 2021

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

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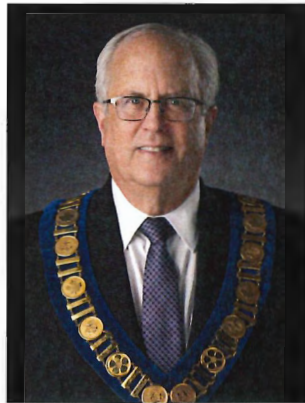
For an online copy of this report, please visit www.richmond.ca/cityhall/finance/reporting/reports



The City of Richmond is proud of its diverse and committed workforce. This year, we asked our employees to take photos and send us images of “their Richmond” for this report. Photos with the camera icon are just some of the submissions, and we are delighted to share them with you. None are professional photographers.

COVER PHOTO: CITY HALL IN SPRING AFTER MORNING RAIN
PHOTO BY LUC LUK, BUILDING SYSTEM MAINTENANCE LEAD HAND, FACILITY SERVICES
CITY EMPLOYEE SINCE 2003

Message from the Mayor



The City of Richmond is proud of our high quality of life. Through its actions, City Council has always sought to provide infrastructure that preserves our rich and vibrant cultural identity.

Events of the past two years have further heightened the need to focus on how we provide a sustainable future. Many think of sustainability only from an environmental perspective. Climate change is obviously a major concern as shown by extreme weather events in 2021. Through long-term investments in flood protection infrastructure as well as award-winning initiatives such as our Lulu Island District Energy program, Richmond is building a green and safe future for its residents.

However, the term “sustainability” has a much greater meaning in Richmond. It encompasses the development of policies, services and supports to ensure that current and future generations maintain a sense of community and belonging. It also includes having a strong economy that supports businesses, their employees

and families. It involves different concepts such as ensuring safety for residents and businesses, providing adequate infrastructure as well as protecting our diverse culture.

Protecting our community is paramount as demonstrated by Richmond, statistically in the region, having some of the lowest incidence of COVID-19 cases throughout the pandemic. Closely regulating access and activities to City facilities played a role, as did our Council-led mask mandate and a vaccination requirement for City employees. All of Council—as well as almost all City staff—recognized the importance of protecting themselves, their colleagues and the community through vaccination against COVID-19.

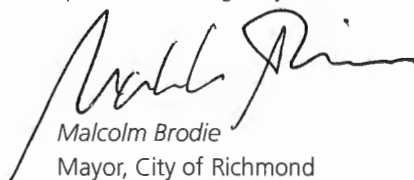
The recent opening of the City Centre Community Police Office for RCMP operations, along with adding 51 officers and 36 firefighters this term are examples of Council’s commitment to public safety. In 2021, the RCMP Fox 80 Mental Health Car completed its second full year in partnership with Vancouver Coastal Health by responding to approximately 800 calls. This program reduced high-risk situations through the interaction of a mental health professional.

City Council also supported the RCMP “No Place for Hate” campaign to encourage awareness of racism and hate crimes and provide tools to help victims, their families and friends. It has been heartening to see the push against racism grow following Council’s Statement Against Racism and Violence in 2020, offering further momentum to eradicate such unacceptable behaviour.

Richmond is proud of its rich cultural heritage and diversity. It honoured Canada’s first National Day for Truth and Reconciliation with a flag lowering, educational programs and interactive displays. In partnership with Richmond Community Associations and other partners, Richmond again supported a range of activities to promote Pride Week and our LGBTQ2S+ community. With a wide range of topics, the City’s second Diversity Symposium was attended by over 200 individuals from across BC, Canada and internationally.

While many long-running, popular events and festivals remained cancelled to maintain public safety, there was growing acceptance of the transition to online programs and events. For instance, the popular Doors Open Richmond event went online again, attracting over 25,000 interactions with 35 virtual locations. Council recognizes the importance and value of engagement to build a strong community. Maintaining such events—even if virtual—supports that commitment.

To ensure a bright and sustainable future, it is important to take action and make wise investments today. Richmond’s success, despite the challenges of COVID-19, is a credit to those who contribute to making our city a better place. This includes our staff, volunteers and businesses as well as our community and government partners. Our Annual Report contains examples of our goals and achievements. As always, I invite your comments and questions through my office.



Malcolm Brodie
Mayor, City of Richmond

Richmond City Council



Top row, left to right:

Councillor Chak Au, Councillor Carol Day, Councillor Andy Hobbs (elected May 2021),
Councillor Alexa Loo

Centre:

Mayor Malcolm Brodie

Bottom row, left to right:

Councillor Bill McNulty, Councillor Linda McPhail, Councillor Harold Steves,
Councillor Michael Wolfe

Connect with Richmond City Council

To contact Council, email MayorAndCouncillors@richmond.ca or call 604-276-4000.
For Council Meetings agendas and minutes, visit www.richmond.ca/cityhall/council/agendas.
To live stream Council meetings or view videos of past meetings, visit
www.richmond.ca/WatchOnline.

City of Richmond Senior Management Team 2021

Chief Administrative Officer

George Duncan

Community Safety

Cecilia Achiam

Deputy CAO/Community Services

Serena Lusk

Engineering and Public Works

John Irving

Finance and Corporate Services

Andrew Nazareth

Law and Legislative Services

Tony Capuccinello Iraci

Planning and Development

Joe Erceg

Chief Administrative Officer George Duncan
 Deputy Chief Administrative Officer/General Manager, Community Services..... Serena Lusk
 General Manager, Community Safety..... Cecilia Achiam
 General Manager, Engineering and Public Works John Irving
 General Manager, Finance and Corporate Services Andrew Nazareth
 General Manager, Finance and Corporate Services (Acting) Jerry Chong
 General Manager, Planning and Development..... Joe Erceg
 General Manager, Law and Legislative Services..... Tony Capuccinello Iraci

Public safety agencies

Chief, Richmond Fire-Rescue Tim Wilkinson
 Officer in Charge, Royal Canadian Mounted Police Will Ng

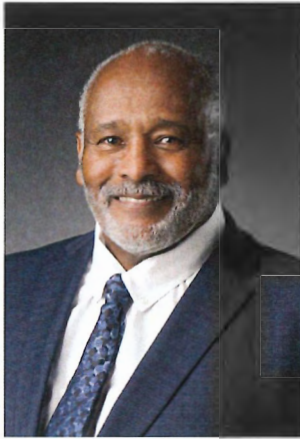
Banker

Scotiabank

Auditors

KPMG

Message from the Chief Administrative Officer



I am pleased to present the City of Richmond's Annual Report for 2021. It details our strong financial position and outlines many of the initiatives we are undertaking to achieve our vision of making Richmond Canada's best-managed city.

The past year continued to present challenges due to the ongoing pandemic and extreme weather situations. In both cases, the City was well prepared and able to mitigate the impact due to strong leadership, forward planning and sound investment. Many of those actions and achievements are highlighted throughout this report.

As the pandemic entered its second year, City administration and staff remained focused on the need to maintain public safety. That required difficult decisions. With the support of Council, strategies were implemented to ensure vital City services remained in place and staff could contribute to sustaining the local economy.

Services transitioned smoothly to online access as the City switched seamlessly to a hybrid or remote working model. Not only was this in keeping with provincial health orders, it demonstrated the dedication and resiliency of employees as they adjusted to new work environments while maintaining high levels of productivity and reliability.

Their commitment to safety was further demonstrated when Council enacted a proof of vaccination requirement for all staff. Almost 99 per cent confirmed full vaccination status, with most vaccinated long before the mandate was in place. It was this conscious recognition of the need to protect themselves, colleagues, family and residents that kept Richmond's COVID-19 case counts among the lowest in the region.

2021 also saw terms such as "heat dome" and "atmospheric river" become part of our vocabulary. Record summer temperatures saw Richmond develop an emergency cooling strategy. Should extreme heat events become more common, the City is ready to provide respite for our most vulnerable citizens from potentially life threatening heat waves.

Richmond was also subject to extreme rainfall events (atmospheric rivers) in November. In one instance, over 130 millimetres (five inches) of rain fell in just three days. Thanks to long term planning and investment in flood protection, the City emerged relatively unscathed. Sadly, not all British Columbia communities were as fortunate.

Our capacity to handle the situation was not only due to the \$120 million investment in flood protection over the years, but also the City employees who worked 24/7 in sometimes difficult and dangerous situations to keep our 39 pump stations clear and operational, and our 49 kilometres of dikes secure.

Of course, one of the foundations for any successful organization is its ability to demonstrate strong financial stewardship. The City's long-term financial strategy remained a hallmark of our administration and enabled us to continue to maintain effective and responsive service levels as this report shows.

The City of Richmond remains a strong, culturally proud community and is committed to continued growth and success within a framework of diversity, sustainability and value for our taxpayers.

Finally, this will be my last Annual Report message as CAO. I announced plans to retire in mid-2022 and expect to hand over responsibilities to a new Chief Administrative Officer prior to that. During my 34+ years with the City, I have seen dramatic change and progress. I am proud to have played a role in bringing the Canada Line rapid transit to our community and in enabling construction of the internationally renowned Richmond Olympic Oval.

While initially built as a speed-skating competition arena for the 2010 Olympic Winter Games—for which Richmond was an official Host Venue—the Oval was transformed into a community sport, recreation and elite athletics facility that now welcomes thousands of residents of all ages and abilities annually. It is a true legacy from one of my most memorable times as CAO.

But what I am most proud of is the people. The staff, leadership team and Council who continued to give their all to ensure Richmond was always a better, safer and more welcoming place. As I leave, I know the City is in a sound position and more than ready to maintain its journey as the most appealing, livable and well-managed community in Canada.

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

George Duncan
Chief Administrative Officer

Council Strategic Plan: 2018 to 2022

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

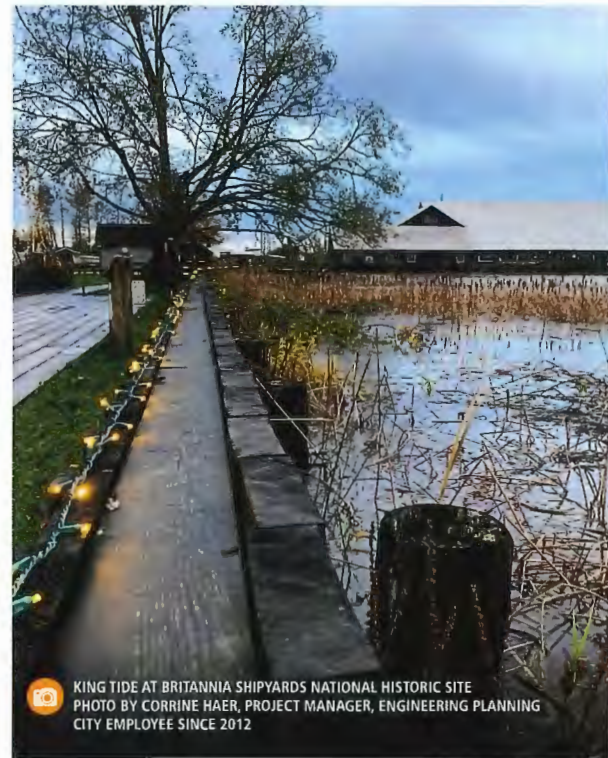
The City of Richmond's objectives and success indicators are expressed through the Council Strategic Plan. Soon after Council began its four-year term in October 2018, it undertook a strategic planning process to help fulfill its governance role and achieve a successful term of office. Through that process, Council adopted a revised set of eight Strategic Focus areas, which provided the framework for the City's programs and services during 2021.

1. A Safe and Resilient Community

Enhance and protect the safety and well-being of Richmond.

2021 Achievement

City Council made full COVID-19 vaccination mandatory for all City employees as an added safety measure to protect residents, visitors and staff. By year-end, almost 99 per cent of City staff and every Council member complied. Council also added funding for an additional 16 RCMP officers and 12 firefighters to complete Richmond's Safe Community Strategy, as well as unveiled the new City Centre Community Police Office. These and other initiatives saw break and enter crimes drop 33 per cent for residences and 15 per cent for businesses.



2. A Sustainable and Environmentally Conscious City

Environmentally conscious decision-making that demonstrates leadership in implementing innovative, sustainable practices and supports the City's unique biodiversity and island ecology.

2021 Achievement

Ongoing investment in dike and flood protection infrastructure saw the island city withstand one of the province's most devastating floods on record. Richmond's 39 pump stations moved 90 cubic metres of water per second (1.4 million US gallons per minute) – the equivalent of over two Olympic swimming pools every 60 seconds. The City also became one of only 15 local governments across Canada selected to participate in the Canadian Circular Cities and Regions Initiative, a peer-to-peer network bringing communities together to exchange best practices for implementing circular economy strategies and policies.



3. One Community Together

Vibrant and diverse arts and cultural activities and opportunities for community engagement and connection.

2021 Achievement

The City invested over \$1 million in grants to local non-profit arts and culture organizations, community service groups, as well as grassroots providers in childcare, health and social services, and parks, recreation and community events. Richmond's 14th annual Doors Open festival offered a rare glimpse inside places of worship, civic centres, museums and local businesses throughout the community. Over 25,000 social media interactions and 13,000 views were logged for the week-long online event.

4. An Active and Thriving Richmond

An active and thriving community characterized by diverse social and wellness programs, services and spaces that foster health and well-being for all.

2021 Achievement

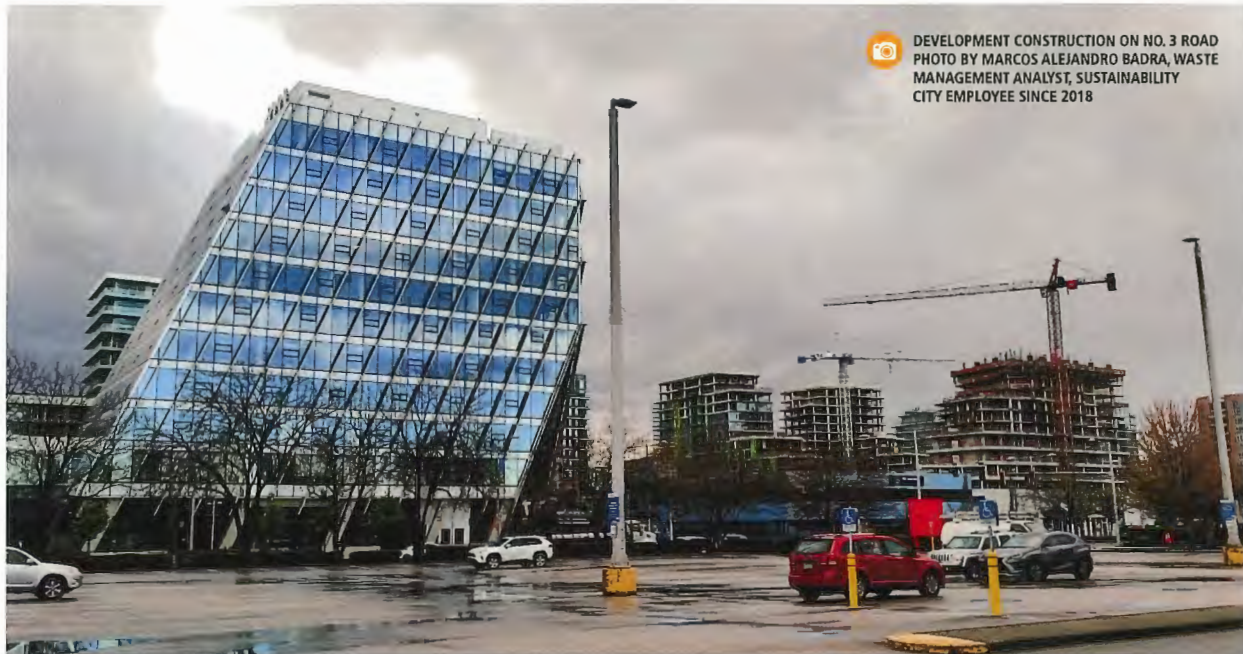
Council amended the City's Affordable Housing Policy to increase the number of affordable rental units in new City Centre residential projects containing at least 60 units from 10 per cent to 15 per cent – among the highest level in the region. Over 1,500 affordable housing units in new developments across Richmond have been confirmed since the policy was introduced, with more underway. Council also continued to advocate for affordable, accessible, quality child care, opening two new innovative Early Childhood Development Hubs with 199 spaces to add to the more than 7,000 childcare spaces already in place to support the needs of children, families and employers in the city.

5. Sound Financial Management

Accountable, transparent and responsible financial management that supports the needs of the community into the future.

2021 Achievement

Council supported a budget that enabled several key infrastructure projects, initially deferred due to the pandemic, to proceed, as well as ensuring operating resources for key community safety priorities. While utilizing reserves to mitigate cost increases, the budget maintained a one per cent commitment to investment for future capital needs. The City maintained a position of financial resiliency and service while keeping the overall impact to property owners to a tax change of around 27 cents per day.



DEVELOPMENT CONSTRUCTION ON NO. 3 ROAD
PHOTO BY MARCOS ALEJANDRO BADRA, WASTE
MANAGEMENT ANALYST, SUSTAINABILITY
CITY EMPLOYEE SINCE 2018

6. Strategic and Well-Planned Growth

Leadership in effective and sustainable growth that supports Richmond's physical and social needs.

2021 Achievement

Richmond issued development and construction permits for 587 residential, 333 commercial and 217 industrial buildings – a 23 per cent increase from the previous year. With \$719 million in new construction value, this was higher than the City's 10-year average. The City also collected over \$16.2 million in development cost charges in 2021 to help finance future infrastructure and amenities such as parks and roads.

7. A Supported Economic Sector

Facilitate diversified economic growth through innovative and sustainable policies, practices and partnerships.

2021 Achievement

Prior investment, along with initiatives such as Richmond's Business Resilience and Supply Chain program and the Expedited Temporary Patio

Program, helped local businesses deal with the challenges of the pandemic. The number of new business licences issued in 2021 rose 15 per cent from the previous year, signaling continued economic recovery and renewal.

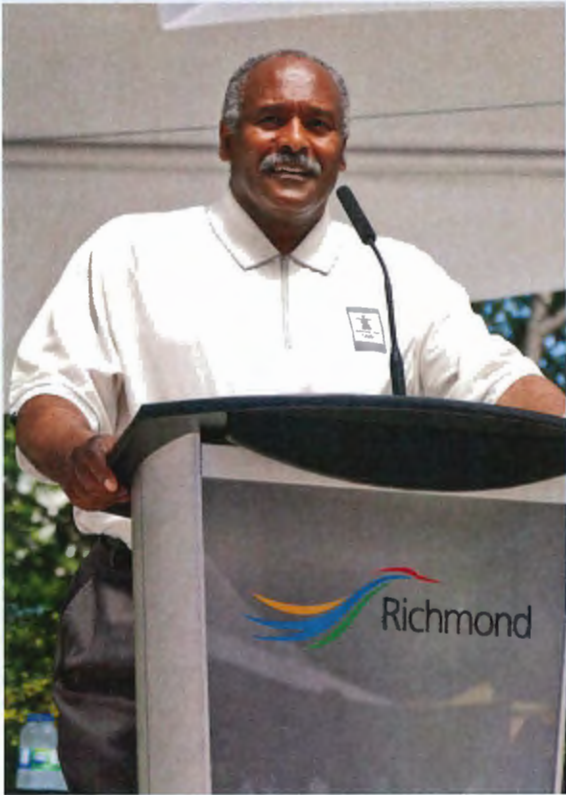
8. An Engaged and Informed Community

Ensure that the citizenry of Richmond is well-informed and engaged about City business and decision-making.

2021 Achievement

Connecting with one of the most culturally diverse and unique populations in Canada can be challenging. Over 35,000 users participated in almost 40 engagement initiatives on the City's [LetsTalkRichmond.ca](https://letsTalkRichmond.ca) platform, a 44 per cent increase. The City's social media platforms also saw steady growth with a 23 per cent increase in Facebook followers, a 47 per cent rise on Instagram and a 50 per cent jump in YouTube subscribers. The City's website logged over 3.4 million visits, a 64 per cent increase from 2020.

Long-serving CAO bids farewell



Richmond's long-serving Chief Administrative Officer, George Duncan, will retire from his position on June 30, 2022.

The 2021 City of Richmond Annual Report will be the last completed under his full year of leadership, which has spanned over three decades.

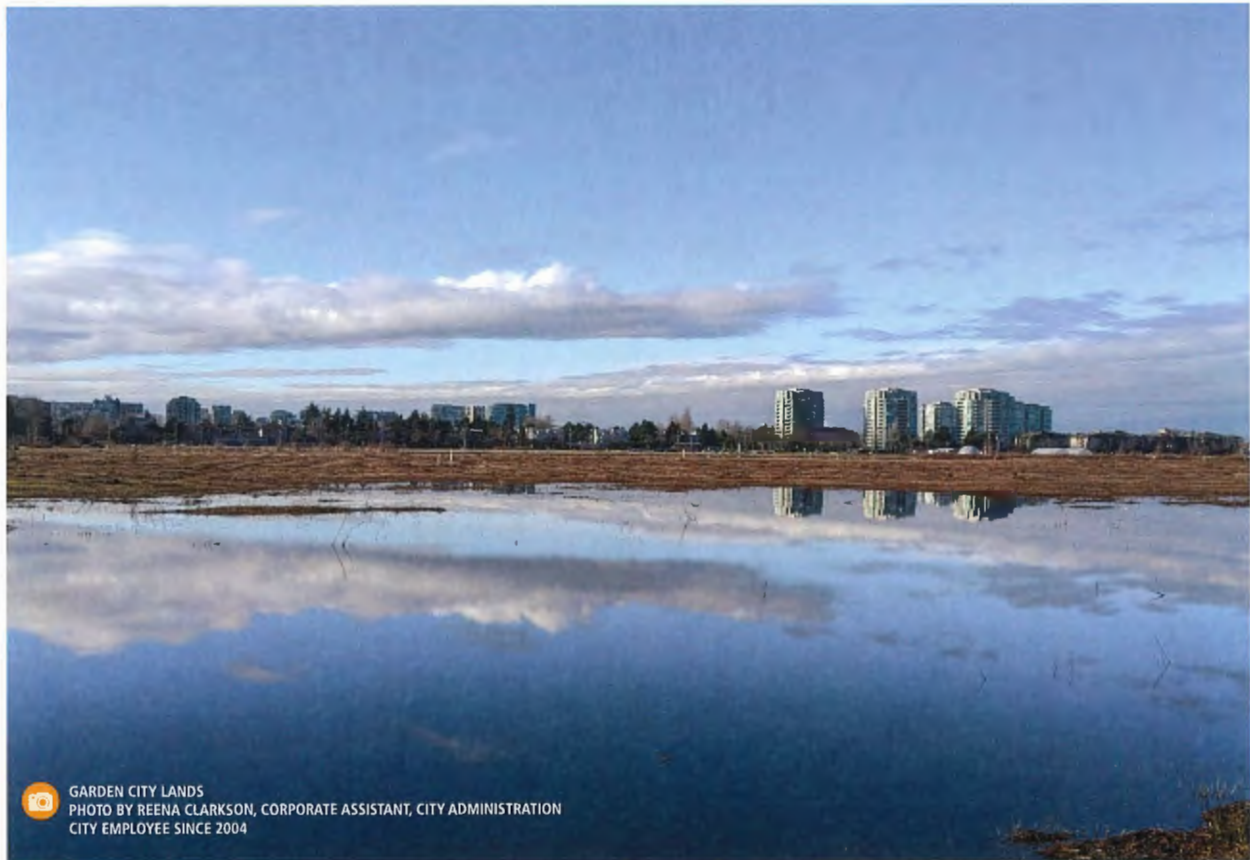
Announcing the retirement, Mayor Malcolm Brodie said George will be missed by both the organization and the community. "George has made a major impact on our city," he said. "Under his leadership, Richmond has become an award-winning leader in civic administration, sustainability, community safety and operations. One only has to look around to see how our city has grown into a diverse, dynamic and well-managed community to see his contributions and legacy."

Examples of those contributions include the key role he played in bringing rapid transit to Richmond with the introduction of the Canada Line, as well as Richmond becoming a Host Venue for the 2010 Olympic Winter Games. He was instrumental in securing the design and construction of the world-renowned Richmond Olympic Oval and its successful transition from a competition speed skating venue for the Games to a state-of-the-art multi-purpose community facility and sports complex benefiting local recreational and elite athletes alike.

Mayor Brodie also commended George for his commitment to public safety, in particular his vital leadership during the COVID-19 pandemic. "Council has always seen the safety and well-being of our community as paramount," he said. "When the pandemic hit Richmond, George mobilized teams and resources to ensure City services and staff were well positioned to keep key services in place and to protect the safety of employees, residents and businesses. That Richmond is on the road to economic and community recovery so quickly is due, in large part, to George's experienced leadership and commitment during those challenging times."

Joining the City in 1987, George was appointed CAO a decade later after taking on a series of progressive management roles and responsibilities. Under his leadership, the City and its staff have received over 200 awards for various programs and initiatives. These include two prestigious Canadian Association of Municipal Administrators (CAMA) Willis Awards for Excellence in Administration and Innovation, CAMA awards for Environmental Leadership and Sustainability and Professional Development, an Award of Excellence from the BC Human Resources Management Association, and awards from the International City/County Management Association.

Richmond: ensuring a sustainable future



GARDEN CITY LANDS
PHOTO BY REENA CLARKSON, CORPORATE ASSISTANT, CITY ADMINISTRATION
CITY EMPLOYEE SINCE 2004

While 2021 brought new challenges to many parts of British Columbia, the City of Richmond was well positioned to meet them head on thanks to a lengthy history of infrastructure investment, planning and effective leadership.

Due in large part to a multi-year investment of over \$120 million in dikes and flood protection strategies, Richmond was successful in preventing large-scale damage when three devastating atmospheric rivers hit in November. The City's 39 pump stations, combined with 49 kilometres of dikes, 165 kilometres of watercourses, 61 kilometres of box culverts and 585 kilometres of drainage pipes, kept rising waters at bay.

The existing dike network can withstand high water events such as spring freshet and king tides, and handle a 500-year return period (estimated average time between) flooding event. However, recognizing the rapid impact of climate

change, Council authorized an acceleration of the plan to raise the dikes well ahead of current sea level rise projections over the next 50 years.

Earlier in the year, Richmond experienced another unexpected weather phenomenon—the heat dome. Several days of unrelenting record-setting temperatures arrived in July, prompting the development of a cooling centre strategy and mobilization of emergency services to protect the most vulnerable.

With the pandemic continuing to keep a grip on the community and economy, the City worked to find sustainable, innovative ways to support residents and businesses. The City, along with Tourism Richmond and the Richmond Hotel Association, unveiled a tourism plan to reinvigorate and revitalize the ailing industry that brought over \$2 billion to the city pre-pandemic. Richmond Sport Hosting still managed to support

20 events generating 2,700 room nights in 2021, and tourism numbers continued to rise as travel and pandemic restrictions eased by year-end.

Council took many decisive steps to assist in preserving Richmond's rich agricultural heritage and promote a sustainable farming sector. Adoption of a new Soil Deposit and Removal Bylaw expanded the City's regulatory framework with incentives for sourcing new soil from within Richmond while increasing fines for non-compliance. The bylaw provides enhanced enforcement in environmentally sensitive areas and supports other Council-endorsed strategies such as the Ecological Network Management Strategy, the Farming First Strategy and Invasive Species Action Plan. The move was timely as future soil deposits increase as the City raises the level of the land for further protection.

Development and construction offered visible evidence of economic recovery and sustainability with \$719 million in new construction value approved. This was higher than Richmond's 10-year average. Council instilled further confidence in economic recovery with several key projects including approval of the \$95 million replacement of the Steveston Community Centre and Branch Library; the opening of the new River Parkway traffic and cycling corridor to alleviate



THE PUBLIC PROVIDED INPUT TO UPDATE THE POPULAR CITY-WIDE CYCLING NETWORK



NUMEROUS NON-RESIDENTIAL PATHWAYS WERE PAVED WITH RECYCLED MATERIALS

congestion in the busy City Centre; and updates to the popular city-wide cycling network.

The Provincial Government announced plans to build a new Steveston Highway Interchange and replace the aging George Massey Tunnel with an eight-lane immersed tunnel. The project recognizes Council's long-standing recommendation for how to address the heavily congested road corridor, reducing travel time and improving transit access.

Following the success of an innovative road paving project using 40 per cent recycled materials, the City expanded the technology to pave 20 non-residential pathways across Richmond, with more planned. Such innovation, combined with the continued growth of Richmond's award-winning district energy infrastructure that reduces 7,800 tonnes of greenhouse gasses annually, reinforce Richmond's commitment to a sustainable, environmentally friendly future.

The City of Richmond has always been a leader with bold, innovative programs and strategies that reflect our character and reputation as a safe, sustainable and culturally diverse city that makes it one of the most appealing, livable and well-managed communities in Canada.

2021 Awards



A measurement of the City's success in achieving its goals are the honours and recognition from our peers and others. In 2021, Richmond again received numerous international, national and provincial awards recognizing our commitment to excellence and innovation.

District energy

Recipient of over a dozen awards in the past decade, Richmond's District Energy Program continues to collect accolades for its innovation, efficiency and green sustainability. In 2021, it received the Community Energy Association's Climate and Energy Action Award. With 22 buildings and over five million square feet of floor space, the innovative District Energy Program is reducing greenhouse gas emissions by over 7,800 tonnes—the equivalent of removing 2,000 cars from our roads—each year.

Accessibility by design

The Minoru Centre for Active Living, the City of Richmond's state-of-the-art fitness and aquatic facility, received the 2021 Architecture Prize for Accessibility from the International Olympic Committee, International Paralympic Committee, and International Association for Sports and Leisure Facilities. The annual Distinction for Accessibility Award aims to increase the accessibility of all sports and leisure facilities and architectural structures worldwide so that everyone has an opportunity to practice and view sport freely and without barriers.

Financial reporting

Once again, the Government Finance Officers Association of the US and Canada presented Richmond with the Canadian Award for Financial Reporting (the 19th year in a row) and the Outstanding Achievement in Popular Financial Reporting Award (the 12th successive year) for its 2020 Annual Reports.

Sustainability

The Union of BC Municipalities, which represents and advocates to government on behalf of municipalities across British Columbia, presented the City of Richmond with an Honourable Mention in the Community Excellence Award—Service Delivery category for customer-friendly upgrades to its Works Yard Recycling Depot. The \$1.58 million upgrades to aging infrastructure improved operations by providing a larger site, expanding the number of hazardous waste materials collected, adding tent coverings and steel awnings to shield recyclers and staff from the weather, as well as the purchase of new heavy equipment for moving recycled materials.

Protecting our environment

The Environmental Manager's Association of BC recognized Richmond's environmental stewardship with two prestigious awards. The City's Corporate Hazardous Materials Management Training initiative was honoured in the Regulatory Challenge category at the organization's 2021 Environmental Awards Gala, while its Mitchell Island Stewardship Initiative received the Discharge Control Award. Both programs demonstrate the City's commitment to protecting our environment and putting processes and systems in place to protect and maintain valuable ecosystems.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Richmond

British Columbia

For its Annual Financial Report
for the Fiscal Year Ended

December 31, 2020

Christopher P. Morrell

Executive Director/CEO



Report from the General Manager, Finance and Corporate Services

Mayor Malcom Brodie and Members of Richmond City Council,

I am pleased to submit the Consolidated Financial Statements and Auditors' Report for the fiscal year ended December 31, 2021 for the City of Richmond, pursuant to Section 98 and 167 of the Community Charter. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Preparation of the financial statements is management's responsibility.

KPMG LLP was appointed by City Council to independently audit the City's consolidated financial statements. They have expressed an opinion that the City's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2021 and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flows for the year ended in accordance with Canadian public sector accounting standards.

These financial statements combine the accounts of the City of Richmond, Richmond Olympic Oval and Richmond Public Library (collectively referred to as the "City"), as well as the City's investment in Lulu Island Energy Company, which is accounted for as a Government Business Enterprise.

Consolidated statement of financial position (in \$000s)

	2021 Actual	2020 Actual	Change
Financial Assets	\$ 1,468,241	\$ 1,471,442	\$(3,201)
Liabilities	528,238	582,457	(54,219)
Net Financial Assets	940,003	888,985	51,018
Non-Financial Assets	2,547,884	2,495,221	52,663
Accumulated Surplus	\$3,487,887	\$ 3,384,206	\$103,681

The City's overall financial position improved by \$103.7 million, with accumulated surplus (similar to net worth of a corporation) totaling \$3.5 billion. A significant part of this increase is due to additions to capital assets and statutory reserves, as well as a reduction in liabilities, especially a reduction in accounts payable relating to postponed remittances to other governments relating to COVID-19 paid in 2021.

The City's cash and investments are \$1.4 billion while long-term debt continues to decline with an outstanding balance at the end of 2021 of \$17.4 million. Meanwhile, the City's tangible capital assets increased by \$51.1 million, which includes \$61.0 million of in-kind contributions from development as conditions of re-zoning.

Statutory reserves (in \$000s)

	2017	2018	2019	2020	2021
Total Reserves	\$484,883	\$540,153	\$557,576	\$609,533	\$647,209

Statutory reserves are established by Bylaw for specific purposes, mainly capital expenditures.

The increase in the balance to \$647.2 million is mainly attributable to the timing of these capital expenditures and contributions. There are annual transfers through the City's utility and operating budget, as well as through other respective entities' annual budget. Council's Long Term Financial Management Strategy also states that increases in transfers through the City's operating budget be done annually.

Consolidated statement of operations (in \$000s)

	2021 Budget	2021 Actual	2020 Actual
Revenue	\$575,688	\$576,698	\$579,052
Expenses	507,765	473,017	434,188
Annual Surplus	\$67,923	\$103,681	\$144,864

The City's consolidated revenue for the year totaled \$576.7 million, a decrease of \$2.4 million from 2020 mainly due to a decrease in the gain on sale of land offset by revenue increases related to facility re-openings from the COVID-19 closures.

Expenses increased by \$38.8 million from prior year mainly due to related facility re-openings from the COVID-19 closures.

The annual surplus for 2021 was \$103.7 million and represents the change in investment in tangible capital assets, reserves and other accumulated surplus.

Budget variance

Consolidated revenue of \$576.7M was greater than budgeted revenue by \$1.0M mainly due to:

- \$6.7M in developer cash contributions and \$0.7M in gain on sale of land that are not budgeted.
- \$5.7M higher than budgeted gaming revenue mainly due to the mid-year re-opening of the River Rock Casino that was previously closed due to COVID-19.
- \$2.6M higher than budgeted payments-in-lieu of taxes due to higher than expected payments from other agencies.
- \$4.4M lower than budgeted sales of services mainly due to reduced community services programs due to COVID-19.
- \$8.4M lower than budgeted Development Cost Charges (DCC) revenue due to the timing of capital expenditures. Revenue is recognized when the amounts are spent while the budget represents the 2021 allocation of DCCs towards capital projects that can be spent over multiple years.

Consolidated expenses of \$473.0M were lower than budgeted by \$34.7M. The main variances include:

- \$13.7M lower than budgeted community services costs mainly due to reduced community services programming due to COVID-19.
- \$9.7M lower than budgeted general government costs due to vacant positions, realized savings due to lower expenditures and staff redeployment due to COVID-19.
- \$3.9M lower than budgeted community safety costs mainly due to salary savings relating to filling new fire fighter and officer positions approved in 2021.

The City's consolidated annual surplus of \$103.7 million exceeded the budgeted annual surplus of \$67.9 million by \$59.6 million, prior to transfers to reserves and other accumulated surplus.

Year over year change

Consolidated revenue of \$576.7M decreased by \$2.4M from 2020 mainly due to:

- an increase of \$15.8M in property taxes due to the approved rate increase and growth related to new development.
- a decrease of \$7.3M in other revenue mainly due to reductions in developer cash contributions of \$2.5M and gain on sale of land of \$5.8M.
- an increase of \$6.5M in sales of service revenue mainly due to the re-opening of facilities closed due to COVID-19.
- a decrease of \$6.4M in other capital funding mainly due to external capital grants.
- a decrease of \$5.4M in licences and permits mainly due to building permits revenue recognized on large scale development construction completed in 2020.
- a decrease of \$5.2M in investment income due to the low interest rate environment.

Consolidated expenses of \$473.0M increased by \$38.8M over 2020 mainly due to:

- \$10.3M increase in community safety costs mainly due to police contract increases and additional firefighter and officer positions.
- \$9.0M increase in community services costs mainly due to the re-opening of community facilities closed due to COVID-19.

Financial sustainability

2021 saw the easing of COVID-19 challenges through the continued re-opening of community recreation facilities and resumption of gaming revenues from the re-opening of the River Rock Casino resulting in the City maintaining its excellent financial position.

Respectfully submitted,



Jerry Chong, CPA, CA
Acting General Manager, Finance and Corporate Services
May 9, 2022

City of Richmond audited financial statements

Year ended December 31, 2021



KPMG LLP
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Canada
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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Richmond

Opinion

We have audited the consolidated financial statements of the City of Richmond (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2021, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International (limited), a private English company limited by guarantee.



City of Richmond
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



City of Richmond
Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada
May 9, 2022

CITY OF RICHMOND

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

December 31, 2021, with comparative information for 2020

	2021	2020
Financial Assets		
Cash and cash equivalents	\$ 672,031	\$ 530,034
Investments (note 3)	696,886	834,010
Investment in Lulu Island Energy Company ("LIEC") (note 4)	33,647	32,736
Accrued interest receivable	8,932	9,697
Accounts receivable (note 5)	29,655	21,521
Taxes receivable	14,157	14,419
Development fees receivable	12,425	28,517
Debt reserve fund - deposits (note 6)	508	508
	1,468,241	1,471,442
Liabilities		
Accounts payable and accrued liabilities	86,575	156,975
Post-employment benefits (note 14)	37,395	35,121
Development cost charges (note 7)	224,655	221,151
Deposits and holdbacks (note 8)	106,041	97,445
Deferred revenue (note 9)	56,186	49,024
Debt, net of MFA sinking fund deposits (note 10)	17,386	22,741
	528,238	582,457
Net financial assets	940,003	888,985
Non-Financial Assets		
Tangible capital assets (note 11)	2,539,267	2,488,139
Inventory of materials and supplies	4,696	4,285
Prepaid expenses	3,921	2,797
	2,547,884	2,495,221
Accumulated surplus (note 12)	\$ 3,487,887	\$ 3,384,206

Contingent demand notes (note 6)
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, 2021, with comparative information for 2020

	2021 Budget (notes 2(p) and 23)	2021	2020
Revenue:			
Taxation and levies (note 19)	\$ 255,366	\$ 255,837	\$ 239,991
Utility fees	117,674	118,144	114,335
Sales of services	40,000	35,601	29,090
Payments-in-lieu of taxes	12,142	14,789	16,820
Provincial and federal contributions	10,855	12,704	16,953
Development cost charges (note 7)	24,669	16,223	16,737
Other capital funding sources	75,943	64,695	71,051
Other revenue:			
Investment income	13,290	14,968	20,175
Gaming revenue	-	5,700	2,705
Licenses and permits	11,403	13,995	19,407
Other (note 20)	12,808	23,131	30,466
Equity income in LIEC (note 4)	1,538	911	1,322
	575,688	576,698	579,052
Expenses:			
Community safety	127,108	123,232	112,895
Utilities: water, sewer and sanitation	109,787	106,519	102,824
Engineering, public works and project development	82,833	80,083	75,314
Community services	73,610	59,873	50,833
General government	63,976	54,249	51,495
Planning and development	24,409	25,166	19,201
Richmond Olympic Oval	14,844	14,079	12,586
Richmond Public Library	11,198	9,816	9,040
	507,765	473,017	434,188
Annual surplus	67,923	103,681	144,864
Accumulated surplus, beginning of year	3,384,206	3,384,206	3,239,342
Accumulated surplus, end of year	\$ 3,452,129	\$ 3,487,887	\$ 3,384,206

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, 2021, with comparative information for 2020

	2021 Budget (notes 2(p) and 23)	2021	2020
Annual surplus for the year	\$ 67,923	\$ 103,681	\$ 144,864
Acquisition of tangible capital assets	(106,483)	(61,150)	(70,726)
Contributed tangible capital assets	(61,479)	(61,004)	(58,240)
Amortization of tangible capital assets	67,458	68,519	66,254
Net loss (gain) on disposal of tangible capital assets	-	1,714	(6,136)
Proceeds on sale of tangible capital assets	-	793	8,507
	(32,581)	52,553	84,523
Acquisition of inventory of materials and supplies	-	(4,696)	(4,285)
Acquisition of prepaid expenses	-	(3,921)	(2,797)
Consumption of inventory of materials and supplies	-	4,285	2,961
Use of prepaid expenses	-	2,797	2,714
Change in net financial assets	(32,581)	51,018	83,116
Net financial assets, beginning of year	888,985	888,985	805,869
Net financial assets, end of year	\$ 856,404	\$ 940,003	\$ 888,985

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 103,681	\$ 144,864
Items not involving cash:		
Amortization of tangible capital assets	68,519	66,254
Net loss (gain) on disposal of tangible capital assets	1,714	(6,136)
Contributions of tangible capital assets	(61,004)	(58,240)
Equity income in LIEC	(911)	(1,322)
Changes in non-cash operating working capital:		
Accrued interest receivable	765	(1,916)
Accounts receivable	(8,134)	6,886
Taxes receivable	262	(3,386)
Development fees receivable	16,092	(7,373)
Inventory of materials and supplies	(411)	(1,324)
Prepaid expenses	(1,124)	(83)
Accounts payable and accrued liabilities	(70,400)	83,572
Post-employment benefits	2,274	934
Development cost charges	3,504	23,480
Deposits and holdbacks	8,596	(19,919)
Deferred revenue	7,162	(15,338)
Net change in cash from operating activities	70,585	210,953
Capital activities:		
Cash used to acquire tangible capital assets	(61,150)	(70,726)
Proceeds on disposal of tangible capital assets	793	8,507
Net change in cash from capital activities	(60,357)	(62,219)
Financing activities:		
Repayments of debt	(5,355)	(5,150)
Investing activities:		
Net sale (purchase) of investments	137,124	(3,114)
Net change in cash	141,997	140,470
Cash and cash equivalents, beginning of year	530,034	389,564
Cash and cash equivalents, end of year	\$ 672,031	\$ 530,034

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

Year ended December 31, 2021

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, infrastructure, environmental, recreational, water, sewer, and drainage.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including the Canadian federal and provincial governments enacting emergency measures to combat the spread of the virus. The economic conditions and the City's response to the pandemic had a material impact on the City's operating results and financial position in 2020 and continued in 2021 affecting both revenues and expenses. The City temporarily closed civic facilities, including recreation and community centres, managed workforce challenges, including the implementation of systems and processes to facilitate remote work, and workforce adjustments, such as delayed hiring, reallocation of staff resources and temporary layoffs. The primary impact was on parks, recreation and facilities. The situation is still dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the City is not known at this time.

2. Significant accounting policies:

The consolidated financial statements of the City have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada.

(a) Basis of consolidation:

The consolidated financial statements reflect a combination of the City's General Revenue, General Capital and Loan, Waterworks and Sewerworks, and Reserve Funds consolidated with the Richmond Public Library (the "Library") and the Richmond Olympic Oval (the "Oval"). The Library is consolidated as the Library Board is appointed by the City. The Oval is consolidated as they are a wholly owned municipal corporation of the City. Interfund transactions, fund balances and activities have been eliminated on consolidation. The City's investment in Lulu Island Energy Company ("LIEC"), a wholly owned government business enterprise ("GBE"), is accounted for using the modified equity method.

(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.

CITY OF RICHMOND

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

Year ended December 31, 2021

2. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(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 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 tangible capital assets and 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.

(b) Basis of accounting:

The City follows the accrual method of accounting for revenue and expenses. Revenue is recognized in the year in which it is 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.

(f) Investment in government business enterprises:

Government business enterprises are recorded using the modified equity method of accounting. The City's investment in the GBE is recorded as the value of the GBE's shareholder's equity. The investment's income or loss is recognized by the City when it is earned by the GBE. Inter-organizational transactions and balances are not eliminated, except for any gains or losses on assets remaining within the City.

CITY OF RICHMOND

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

Year ended December 31, 2021

2. Significant accounting policies (continued):

(g) Accounts receivable:

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

(h) 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.

(i) 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.

(j) 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 initially recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the assets. The cost, less estimated 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.

CITY OF RICHMOND

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

Year ended December 31, 2021

2. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(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, works of art, and cultural and historic assets:

Natural resources, works of art, and cultural and historic assets are not recorded as assets in the consolidated financial statements.

(iv) Interest capitalization:

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

(v) Labour capitalization:

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

(vi) Leased tangible capital assets:

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

(vii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City'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 consolidated statement of operations.

(viii) 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.

CITY OF RICHMOND

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

Year ended December 31, 2021

2. Significant accounting policies (continued):

(k) Revenue recognition:

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is 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 revenue.

(l) Property taxes:

The City establishes property tax rates based on assessed market values provided by the British Columbia Assessment Authority (BCA). Market values are determined as of July 1st of each year. The City records taxation revenue at the time the property tax bills are issued. The City is entitled to collect interest and penalties on overdue taxes.

(m) 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, other related expenses are incurred or services are provided.

Deferred revenue also represents funds received from external parties for specified purposes. This revenue is recognized in the period in which the related expenses are incurred.

(n) 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 expenses are incurred, deposits are recognized as revenue at amounts equal to the qualifying expenses.

(o) Debt:

Debt is recorded net of related sinking fund balances.

(p) Budget information:

Budget information, presented on a basis consistent with that used for actual results, was included in the City's Consolidated 5 Year Financial Plan (2021-2025) ("Consolidated Financial Plan") and was adopted through Bylaw No. 10239 on March 22, 2021.

CITY OF RICHMOND

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

Year ended December 31, 2021

2. Significant accounting policies (continued):

(q) Contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material of 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 standard;
- (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.

(r) Use of accounting estimates:

The preparation of consolidated 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 consolidated financial statements and the reported amount of revenue and expenditures during the reporting period. Areas requiring the use of management estimates relate to performing the actuarial valuation of employee future benefits, the value of contributed tangible capital assets, value of developer contributions, useful lives for amortization, determination of provisions for accrued liabilities, performing the 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 consolidated 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.

(s) 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 has provided definitions of segments as well as presented financial information in segment format.

CITY OF RICHMOND

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

Year ended December 31, 2021

3. Investments:

	2021		2020	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 257,701	\$ 257,701	\$ 339,607	\$ 339,695
Government and government guaranteed bonds	280,063	280,802	326,838	334,579
Other bonds	159,122	159,283	167,565	171,729
	\$ 696,886	\$ 697,786	\$ 834,010	\$ 846,003

4. Investment in Lulu Island Energy Company Ltd:

The City owns 100% of the issued and outstanding shares of LIEC, which was incorporated under the British Columbia Business Corporations Act on August 19, 2013. LIEC develops, manages and operates district energy utilities in the City of Richmond, on the City's behalf, including but not limited to energy production, generation or exchange, transmission, distribution, maintenance, marketing and sales to customers, customer service, profit generation, financial management and advisory services for energy and infrastructure.

Summarized financial information relating to LIEC is as follows:

	2021	2020
Cash, cash equivalents, and investments	\$ 15,755	\$ 12,619
Accounts receivable	1,676	3,034
Tangible capital assets	39,203	37,360
Total assets	56,634	53,013
Accounts payable and accrued liabilities	2,672	1,792
Deferred contributions	8,051	7,352
Concession liability	12,264	11,133
Total liabilities	22,987	20,277
Shareholder's equity	\$ 33,647	\$ 32,736
Total revenue	\$ 6,431	\$ 5,591
Total expenses	5,520	4,269
Net income	\$ 911	\$ 1,322

CITY OF RICHMOND

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

Year ended December 31, 2021

4. Investment in Lulu Island Energy Company Ltd (continued):

Included in accounts payable and accrued liabilities in the City's consolidated statement of financial position are payables to LIEC in the amount of \$151,454 (2020 - \$323,020).

On October 30, 2014, LIEC and the Oval Village district energy utility developer ("the Concessionaire") entered into a 30-year Concession Agreement, which is a public-private partnership project ("P3"), where the Concessionaire 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 LIEC.

On October 30, 2014, the Concessionaire and the City entered into a Limited Guarantee Agreement. The City is the Guarantor and guarantees the performance of some of LIEC's obligations under the Concession Agreement to a maximum of \$18.2 million (2020 - \$18.2 million).

5. Accounts receivable:

	2021	2020
Water and sewer utilities	\$ 13,243	\$ 11,760
Casino revenue	2,701	-
Capital grants	6,873	4,278
Other trade receivables	6,838	5,483
	<u>\$ 29,655</u>	<u>\$ 21,521</u>

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, 2021 and 2020 are as follows:

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

CITY OF RICHMOND

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

Year ended December 31, 2021

7. Development cost charges:

	2021	2020
Balance, beginning of year	\$ 221,151	\$ 197,671
Contributions	16,873	36,800
Interest	2,854	3,417
Revenue recognized	(16,223)	(16,737)
Balance, end of year	\$ 224,655	\$ 221,151

8. Deposits and holdbacks:

	Balance December 31, 2020	Deposit contributions/ interest earned	Refund/ expenditures	Balance December 31, 2021
Security deposits	\$ 74,977	\$ 136,664	\$ (127,545)	\$ 84,096
Developer contributions	7,797	130	(15)	7,912
Damage deposits	5,589	6,513	(6,309)	5,793
Contract holdbacks	5,267	4,916	(6,323)	3,860
Other	3,815	1,183	(618)	4,380
	\$ 97,445	\$ 149,406	\$ (140,810)	\$ 106,041

9. Deferred revenue:

	Balance December 31, 2020	Externally restricted inflows	Revenue earned	Balance December 31, 2021
Taxes and utilities	\$ 23,221	\$ 25,116	\$ (23,221)	\$ 25,116
Building permits/development	14,117	6,846	(6,698)	14,265
Oval	1,216	325	10	1,551
Capital grants	2,219	7,546	(3,691)	6,074
Business licenses	2,603	2,262	(2,228)	2,637
Parking easement/leased land	2,431	36	(49)	2,418
Other	3,217	312	596	4,125
	\$ 49,024	\$ 42,443	\$ (35,281)	\$ 56,186

CITY OF RICHMOND

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

Year ended December 31, 2021

10. Debt, net of MFA sinking fund deposits:

The interest rate for the year ended December 31, 2021 on the principal amount of the MFA debenture was 3.30% (2020 - 3.30%) per annum. Interest expense incurred for the year on the long-term debt was \$1,676,895 (2020 - \$1,676,895). The maturity date of the MFA debt is April 7, 2024.

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 2021	Net debt 2020
General Fund	\$ 50,815	\$ 33,429	\$ 17,386	\$ 22,741

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

2022	\$ 5,570
2023	5,792
2024	6,024
	\$ 17,386

CITY OF RICHMOND

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

Year ended December 31, 2021

11. Tangible capital assets:

Cost	Balance December 31, 2020	Additions and transfers	Disposals	Balance December 31, 2021
Land	\$ 1,060,180	\$ 17,074	\$ -	\$ 1,077,254
Building and building improvements	552,624	33,162	(9,034)	576,752
Infrastructure	1,834,488	83,814	(5,924)	1,912,378
Vehicles, machinery and equipment	158,164	9,851	(1,884)	166,131
Library's collections, furniture and equipment	9,945	1,155	(390)	10,710
Assets under construction	83,592	(22,902)	-	60,690
	\$ 3,698,993	\$ 122,154	\$ (17,232)	\$ 3,803,915

Accumulated amortization	Balance December 31, 2020	Disposals	Amortization expense	Balance December 31, 2021
Building and building improvements	\$ 217,342	\$ (7,225)	\$ 19,316	\$ 229,433
Infrastructure	884,269	(5,352)	37,428	916,345
Vehicles, machinery and equipment	102,159	(1,758)	10,815	111,216
Library's collections, furniture and equipment	7,084	(390)	960	7,654
	\$ 1,210,854	\$ (14,725)	\$ 68,519	\$ 1,264,648

Net book value	December 31, 2021	December 31, 2020
Land	\$ 1,077,254	\$ 1,060,180
Buildings and building improvements	347,319	335,282
Infrastructure	996,033	950,219
Vehicles, machinery and equipment	54,915	56,005
Library's collection, furniture and equipment	3,056	2,861
Assets under construction	60,690	83,592
Balance, end of year	\$ 2,539,267	\$ 2,488,139

CITY OF RICHMOND

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

Year ended December 31, 2021

11. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of \$60,690,017 (2020 - \$83,592,534) 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 and recorded in other capital funding revenue on the statement of operations. The value of contributed assets received during the year is \$61,004,232 (2020 - \$58,239,544) comprised of land in the amount of \$17,281,008 (2020 - \$38,682,057), infrastructure in the amount of \$20,810,489 (2020 - \$16,979,272), buildings in the amount of \$22,682,598 (2020 - \$2,578,215), and machinery in the amount of \$230,137 (2020 - 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-down of tangible capital assets in 2021 (2020 - nil).

12. Accumulated surplus:

	General and Reserve Funds	Waterworks Utility Fund	Sewerworks Utility Fund	Richmond Olympic Oval	Library	2021 Total	2020 Total
Investment in tangible capital assets	\$ 2,510,069	\$ -	\$ -	\$ 8,503	\$ 3,057	\$ 2,521,629	\$ 2,465,108
Reserves (note 13)	639,109	-	-	8,100	-	647,209	609,533
Appropriated surplus	223,365	18,508	9,981	1,559	2,607	256,020	253,790
Investment in LIEC	33,647	-	-	-	-	33,647	32,736
Surplus	16,181	408	6,295	606	1,336	24,826	18,908
Other equity	4,556	-	-	-	-	4,556	4,131
Balance, end of year	\$ 3,426,927	\$ 18,916	\$ 16,276	\$ 18,768	\$ 7,000	\$ 3,487,887	\$ 3,384,206

CITY OF RICHMOND

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

Year ended December 31, 2021

13. Reserves:

	Balance, December 31, 2020	Change during year	Balance, December 31, 2021
Affordable housing	\$ 12,250	\$ 2,043	\$ 14,293
Arts, culture and heritage	3,721	(195)	3,526
Capital building and infrastructure	111,528	11,192	122,720
Capital reserve	222,778	21,667	244,445
Capstan station	11,477	(328)	11,149
Child care development	10,055	23	10,078
Community legacy and land replacement	1,387	71	1,458
Drainage improvement	60,597	(3,438)	57,159
Equipment replacement	22,577	2,629	25,206
Hamilton area plan community amenity	2,762	245	3,007
Leisure facilities	18,097	873	18,970
Local improvements	7,459	112	7,571
Neighborhood improvement	7,919	118	8,037
Oval	7,810	290	8,100
Public art program	4,582	(177)	4,405
Sanitary sewer	48,903	708	49,611
Steveston off-street parking	331	5	336
Steveston road ends	153	2	155
Waterfront improvement	195	(8)	187
Watermain replacement	54,952	1,844	56,796
	\$ 609,533	\$ 37,676	\$ 647,209

14. Post-employment benefits:

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

	2021	2020
Accrued benefit obligation, beginning of year	\$ 35,414	\$ 35,184
Current service cost	2,644	2,446
Interest cost	728	853
Past service cost	992	-
Benefits paid	(2,035)	(2,262)
Actuarial gain	(2,419)	(807)
Accrued benefit obligation, end of year	\$ 35,324	\$ 35,414

CITY OF RICHMOND

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

Year ended December 31, 2021

14. Post-employment benefits (continued):

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2020. This actuarial loss is being amortized over a period equal to the employees' expected average remaining service lifetime of 11 years.

	2021	2020
Accrued benefit obligation, end of year	\$ 35,324	\$ 35,414
Unamortized net actuarial gain (loss)	2,071	(293)
Accrued benefit liability, end of year	\$ 37,395	\$ 35,121

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

	2021	2020
Discount rate	2.40%	2.00%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary range increases	2.50% to 3.00%	2.50% to 3.00%

15. 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, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

CITY OF RICHMOND

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

Year ended December 31, 2021

15. Pension plan (continued):

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$14,125,356 (2020 - \$13,343,310) for employer contributions while employees contributed \$11,777,413 (2020 - \$11,199,779) to the plan in fiscal 2021.

The next valuation will be as at December 31, 2021, with results available in 2022.

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.

16. Contingent assets and contractual rights:

(a) Contingent assets:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the City's control occurs or fails to occur.

The City has legal claims, service agreements, and land dedications that may qualify as contingent assets. Amounts cannot be estimated as of December 31, 2021. Contingent assets are not recorded in the consolidated financial statements.

(b) Contractual rights:

The City has entered into contracts or agreements in the normal course of operations that it expects will result in revenue and assets in future fiscal years. The City's contractual rights are comprised of leases, licenses, grants and various other agreements, including the provision of police services with the Vancouver Airport Authority. The following table summarizes the expected revenue from the City's contractual rights:

2022	\$ 27,333
2023	11,110
2024	3,671
2025	2,393
2026	401
Thereafter	7,988

The City is entitled to receive revenue from certain other agreements. The revenue from these agreements cannot be quantified and has not been included in the amounts noted above.

CITY OF RICHMOND

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

Year ended December 31, 2021

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 Metro 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:

The City is committed to operating lease payments for premises and equipment in the following approximate amounts:

2022	\$ 2,670
2023	2,657
2024	2,487
2025	2,487
2026 and thereafter	3,542

(c) Litigation:

As at December 31, 2021, there were a number of claims or risk exposures in various stages of resolution. The City has made no specific provision for those where the outcome is presently not determinable.

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

The City is a participant in 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.

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2021

17. Commitments and contingencies (continued):

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

The City is a shareholder of the 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 36 Class A and 19 Class B shares issued and outstanding as at December 31, 2021). 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 agreements with the various community associations which operate the community centers throughout the City. The City generally provides the buildings and grounds, pays the operating costs of the facilities, and provides certain staff and other services such as information technology. Typically the community associations are responsible for providing programming and services to the community. The community associations retain all revenue which they receive.

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 consolidated financial statements.

	2021	2020
Richmond Community Associations	\$ 1,928	\$ 1,909

CITY OF RICHMOND

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

Year ended December 31, 2021

19. Taxation and levies:

	2021	2020
Taxes collected:		
Property taxes	\$ 496,172	\$ 413,302
Payment-in-lieu of taxes and grants	24,326	22,375
Local improvement levies	84	88
	520,582	435,765
Less transfers to other authorities:		
Province of British Columbia - School taxes	(192,631)	(123,333)
TransLink	(42,926)	(41,992)
Metro Vancouver	(8,029)	(7,267)
BC Assessment Authority	(6,297)	(6,286)
Other	(30)	(29)
	(249,913)	(178,907)
Less payment-in-lieu of taxes retained by the City	(14,832)	(16,867)
	\$ 255,837	\$ 239,991

20. Other revenue:

	2021	2020
Developer contributions	\$ 6,580	\$ 9,044
Tangible capital assets gain on sale of land	722	6,513
Penalties and fines	4,210	3,180
Parking program	1,343	1,204
Other	10,276	10,525
	\$ 23,131	\$ 30,466

CITY OF RICHMOND

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

Year ended December 31, 2021

21. Government transfers:

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

	2021	2020
Operating		
Province of British Columbia	\$ 12,590	\$ 17,534
TransLink	3,815	546
Government of Canada	1,999	1,579
Capital		
Province of British Columbia	6,069	9,965
TransLink	2,947	2,125
Government of Canada	567	-
	\$ 27,987	\$ 31,749

22. Segmented reporting:

The City 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:

- (a) **Community Safety** brings together the City's public safety providers such as Police (RCMP), Fire-Rescue, Emergency Programs, and Community Bylaws. It is responsible for ensuring safe communities by providing protection services with a focus on law enforcement, crime prevention, emergency response, and protection of life and properties.
- (b) **Utilities** provide such services as planning, designing, constructing, operating, and maintaining the City's infrastructure of water, sewer, drainage and diking networks and sanitation and recycling.
- (c) **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, 2021

22. Segmented reporting (continued):

- (d) **Community Services** comprises of Parks, Recreation, Arts, and Culture and Heritage Services. These departments ensure recreation opportunities in Richmond by maintaining a variety of facilities such as arenas, community centres, pools, etc. It designs, constructs and maintains parks and sports fields to ensure there is adequate open green space and sports fields available for Richmond residents. It also addresses the economic, arts, culture, and community issues that the City encounters.
- (e) **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, legal services, providing sound management of human resources, information technology, City finance, and ensuring high quality services to Richmond residents.
- (f) **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, and community social development.
- (g) **Richmond Olympic Oval Corporation** 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.
- (h) **Richmond Public Library** provides public access to information by maintaining 5 branches throughout the City.

CITY OF RICHMOND

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

Year ended December 31, 2021

22. Segmented reporting (continued):

	Community safety	Utilities	Engineering, public works and project development	Community services	General government	Planning and development	Total City subtotal
Revenue:							
Taxation and levies	\$ -	\$ -	\$ -	\$ -	\$ 255,837	\$ -	\$ 255,837
User fees	-	104,864	13,280	-	-	-	118,144
Sales of services	6,294	2,577	2,169	7,630	9,365	2,091	30,126
Payments-in-lieu of taxes	-	-	-	-	14,789	-	14,789
Provincial and federal grants	103	15	4,103	49	4,044	85	8,399
Development cost charges	-	795	4,801	3,319	2,202	5,106	16,223
Other capital funding sources	1	5,754	12,816	2,054	17,281	26,789	64,695
Other revenue:							
Investment income	-	272	-	-	14,682	-	14,954
Gaming revenue	-	-	-	-	5,700	-	5,700
Licenses and permits	4,429	32	588	-	47	8,899	13,995
Other	2,239	3,774	953	626	13,952	260	21,804
Equity income	-	-	-	-	911	-	911
	13,066	118,083	38,710	13,678	338,810	43,230	565,577
Expenses:							
Wages and salaries	50,092	14,609	27,679	30,710	29,025	12,447	164,562
Public works maintenance	31	6,707	4,906	2,038	(1,473)	788	12,997
Contract services	66,373	9,840	4,547	2,166	3,910	1,923	88,759
Supplies and materials	3,028	37,317	1,226	10,194	9,821	1,008	62,594
Interest and finance	91	27,494	10	123	2,576	2	30,296
Transfer from (to) capital for tangible capital assets	(54)	1,909	9,438	3,383	758	6,206	21,640
Amortization of tangible capital assets	3,025	8,626	31,645	10,249	9,517	2,758	65,820
Loss (gain) on disposal of tangible capital assets	646	17	632	1,010	115	34	2,454
	123,232	106,519	80,083	59,873	54,249	25,166	449,122
Annual surplus (deficit)	\$ (110,166)	\$ 11,564	\$ (41,373)	\$ (46,195)	\$ 284,561	\$ 18,064	\$ 116,455

CITY OF RICHMOND

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

Year ended December 31, 2021

22. Segmented reporting (continued):

	Total City subtotal	Richmond Public Library	Richmond Olympic Oval	2021 Consolidated	2020 Consolidated
Revenue:					
Taxation and levies	\$ 255,837	\$ -	\$ -	\$ 255,837	\$ 239,991
User fees	118,144	-	-	118,144	114,335
Sales of services	30,126	16	5,459	35,601	29,090
Payments-in-lieu of taxes	14,789	-	-	14,789	16,820
Provincial and federal grants	8,399	377	3,928	12,704	16,953
Development cost charges	16,223	-	-	16,223	16,737
Other capital funding sources	64,695	-	-	64,695	71,051
Other revenue:					
Investment income	14,954	14	-	14,968	20,175
Gaming revenue	5,700	-	-	5,700	2,705
Licenses and permits	13,995	-	-	13,995	19,407
Other	21,804	191	1,136	23,131	30,466
Equity income	911	-	-	911	1,322
	565,577	598	10,523	576,698	579,052
Expenses:					
Wages and salaries	164,562	7,156	8,789	180,507	164,788
Public works maintenance	12,997	19	-	13,016	13,343
Contract services	88,759	327	-	89,086	81,642
Supplies and materials	62,594	1,911	3,551	68,056	64,437
Interest and finance	30,296	5	-	30,301	29,779
Transfer from (to) capital for tangible capital assets	21,640	(544)	-	21,096	13,568
Amortization of tangible capital assets	65,820	960	1,739	68,519	66,254
Loss (gain) on disposal of tangible capital assets	2,454	(18)	-	2,436	377
	449,122	9,816	14,079	473,017	434,188
Annual surplus (deficit)	\$ 116,455	\$ (9,218)	\$ (3,556)	\$ 103,681	\$ 144,864

CITY OF RICHMOND

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

Year ended December 31, 2021

23. Budget data:

The budget data presented in these consolidated financial statements is based on the Consolidated Financial Plan adopted by Council on March 22, 2021. The table below reconciles the adopted Consolidated Financial Plan to the budget amounts reported in these consolidated financial statements.

	Financial plan Bylaw No. 10239	Financial statement budget
Consolidated financial plan:		
Revenue	\$ 575,688	\$ 575,688
Expenses	507,765	507,765
Annual surplus	67,923	67,923
Less:		
Acquisition of tangible capital assets	(272,899)	-
Contributed tangible capital assets	(61,479)	-
Transfer to reserves	(64,560)	-
Debt principal	(5,355)	-
Add:		
Capital funding	316,724	-
Transfer from surplus	19,646	-
Annual surplus	\$ -	\$ 67,923

CITY OF RICHMOND

Unaudited Statement of Safe Restart Grant
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2021

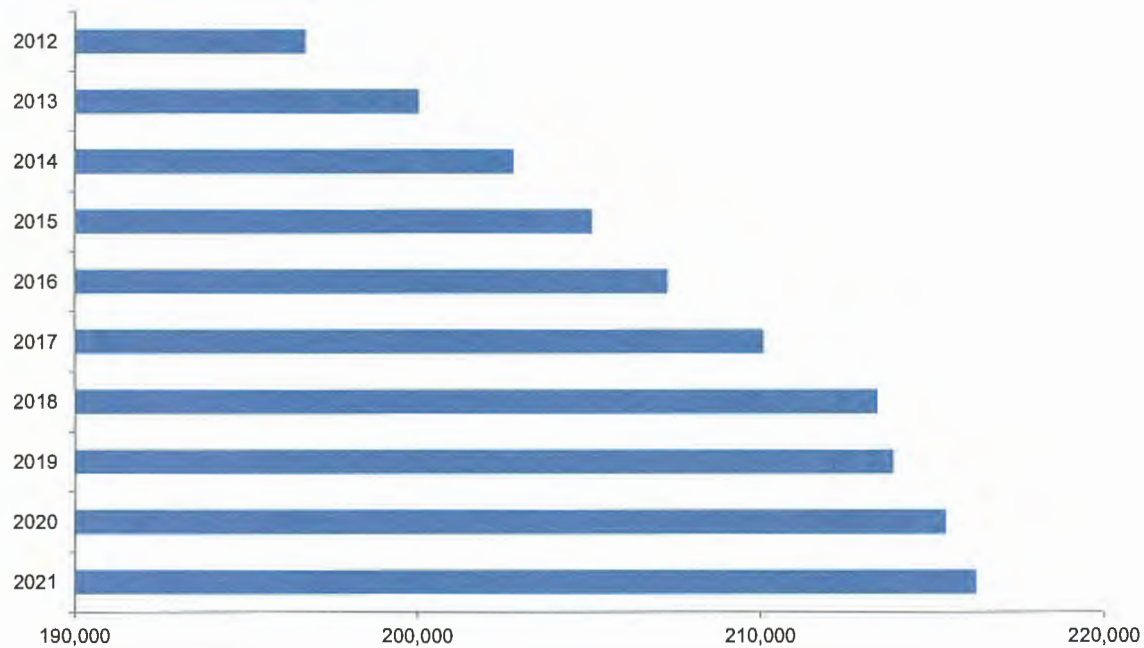
The Safe Restart Grant was received November 2020 from the Province of British Columbia. A requirement of the Safe Restart Grant is to include a schedule to the financial statements presenting the amount of funding received, use of funds and year end balance of unused funds. This schedule has been included in order to comply with the conditions of the grant.

	2021	2020
Safe Restart Grant received	\$ -	\$ 9,331
Total eligible costs incurred:		
Recreation facility revenue shortfall	3,372	-
City grants program	2,613	-
Gaming revenue shortfall	1,300	-
Other revenue shortfall	1,034	-
Equipment technology	1,012	-
Balance, end of year	\$ -	\$ 9,331

City of Richmond statistical data

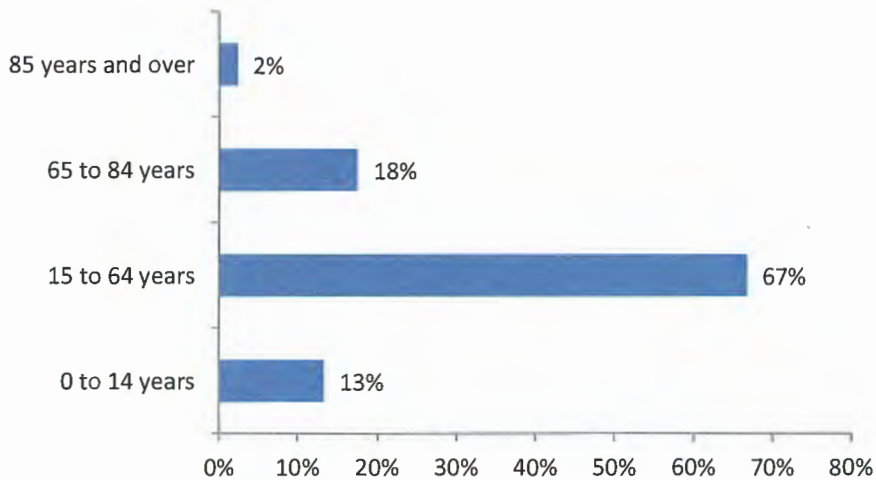
City of Richmond population 2012–2021	50
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City of Richmond population 2012–2021



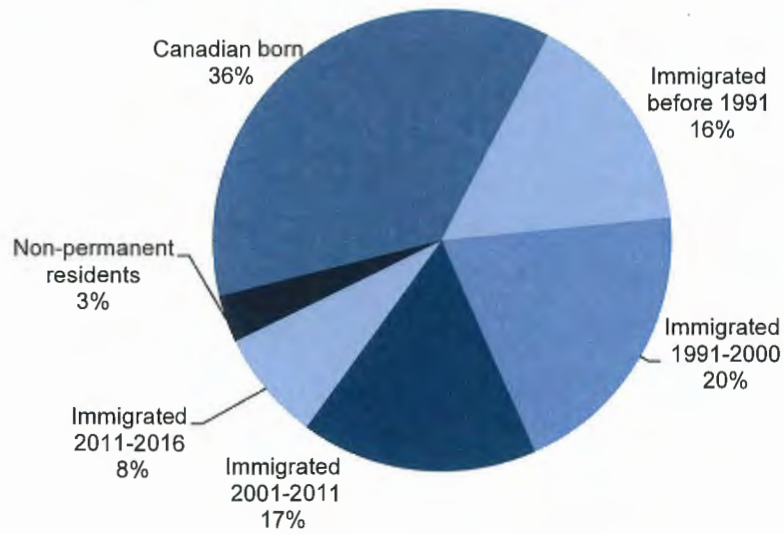
Numbers were revised for 2019–restated based on BC Stats estimates.
Source: BC Stats population figures

Total population by age groups



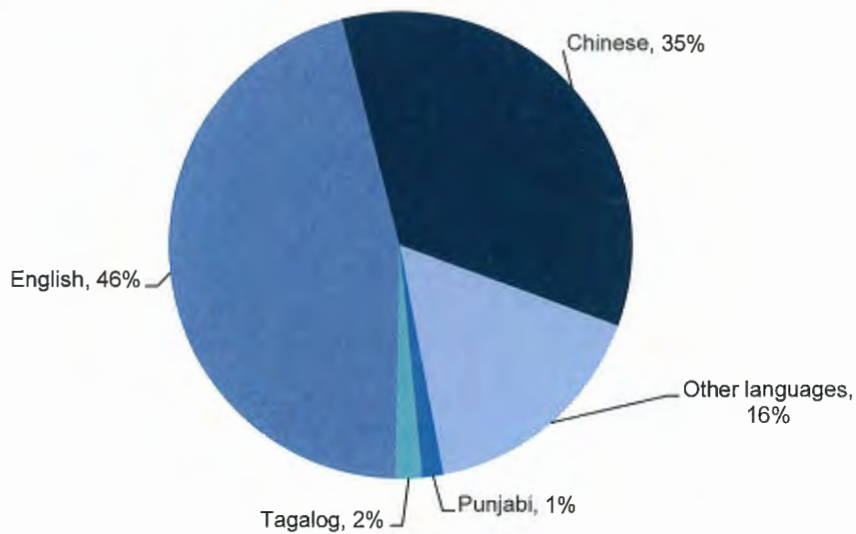
Source: Statistics Canada, 2021 Census of Population

Immigrant status of Richmond residents by period of immigration



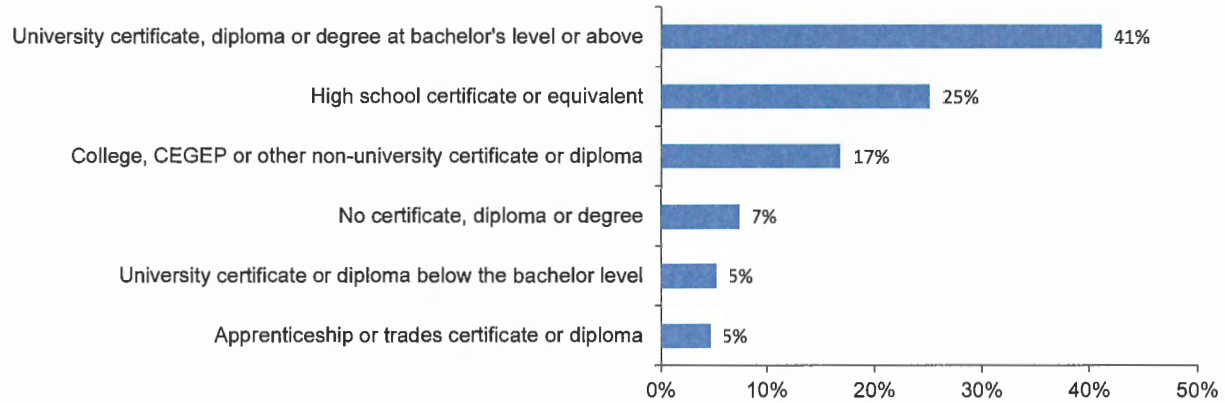
Source: Statistics Canada, 2016 Census of Population

Language spoken most often at home



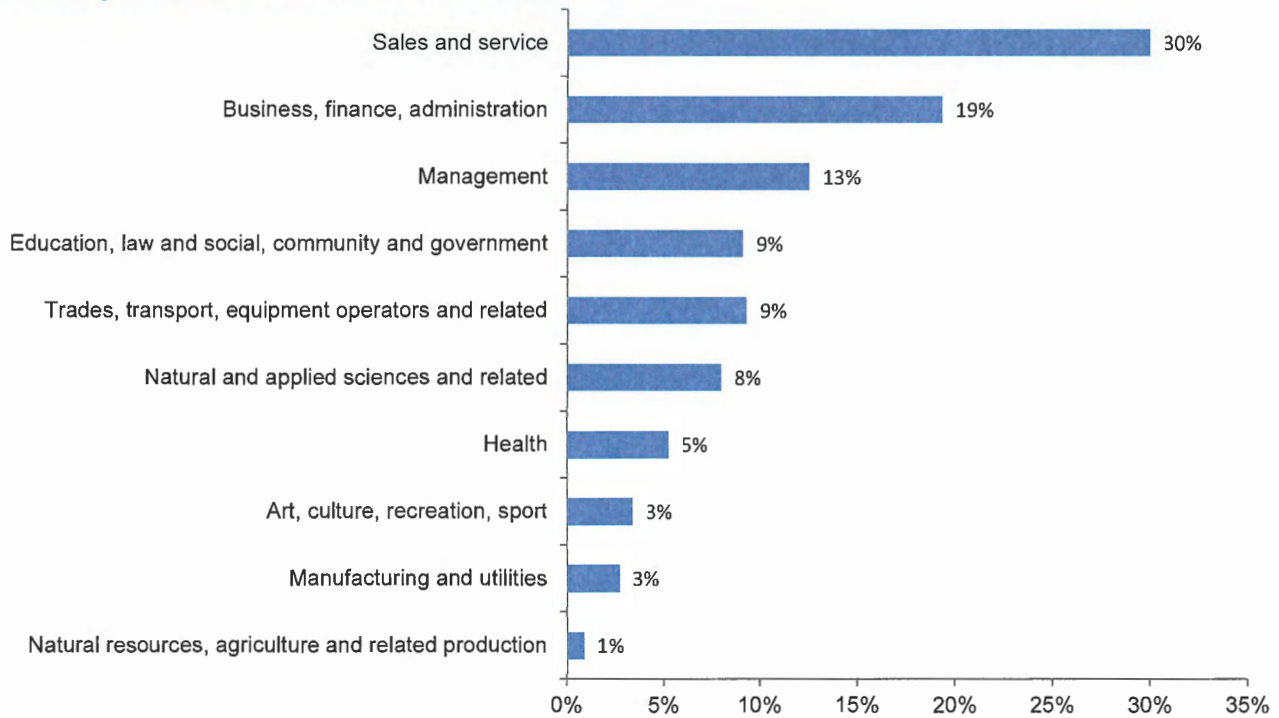
Source: Statistics Canada, 2016 Census of Population

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



Source: Statistics Canada, 2016 Census of Population

Occupations of Richmond residents

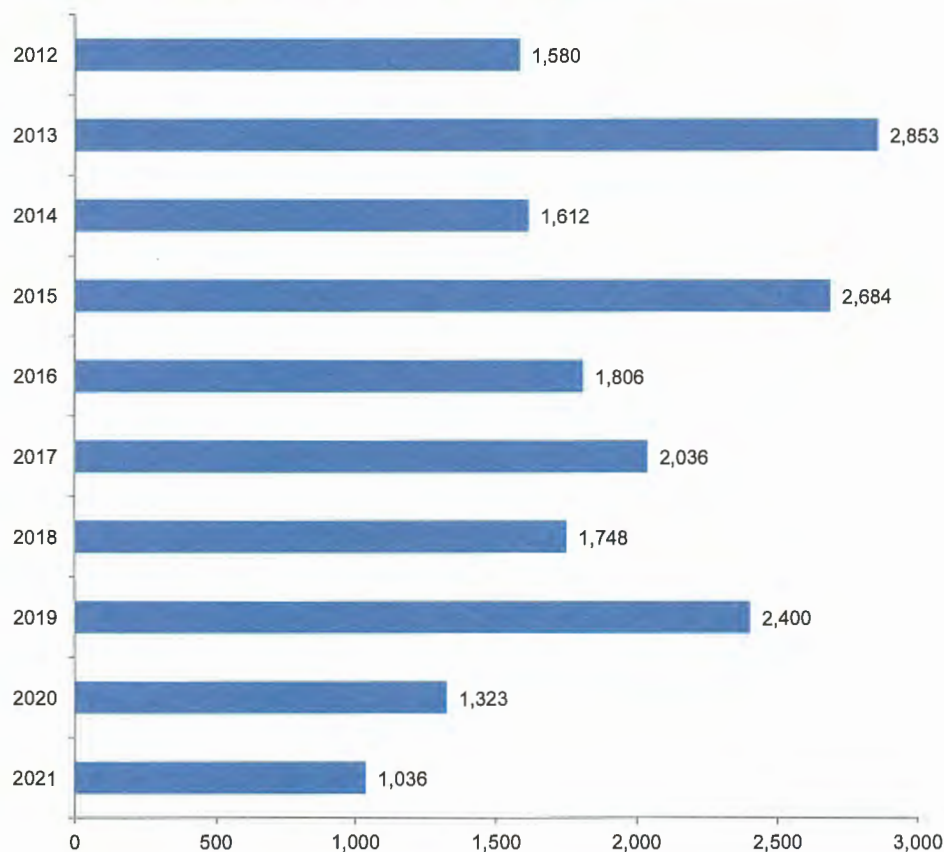


Source: Statistics Canada, 2016 Census of Population

Top 10 largest employers in Richmond (in alphabetical order)

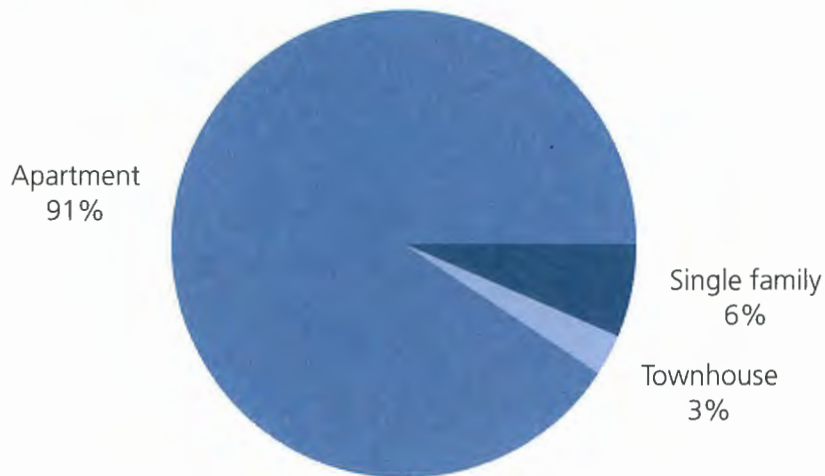
- Air Canada
- Allied Universal
- Amazon Canada
- Change Healthcare
- City of Richmond
- London Drugs
- MDA Systems
- River Rock Casino Resort
- School District No. 38 (Richmond)
- Vancouver Coastal Health

Housing starts in Richmond 2012–2021



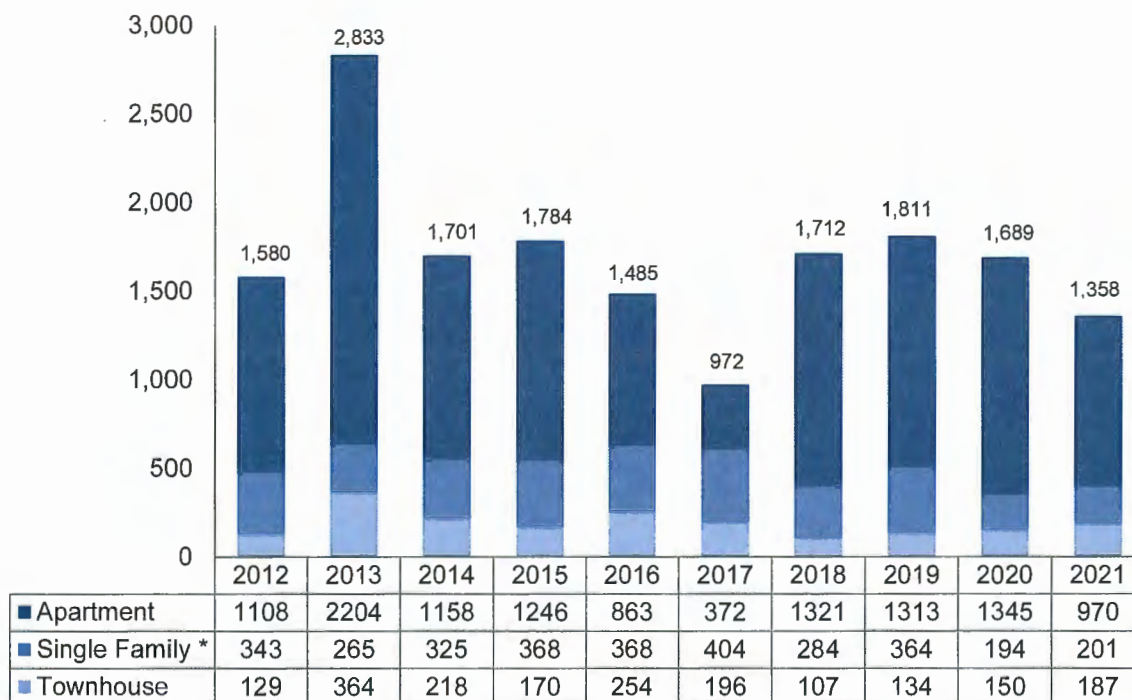
*Includes only projects for new residential construction receiving final building permit in given year.
Source: City of Richmond building permit records.*

Richmond housing starts by type of units 2021



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

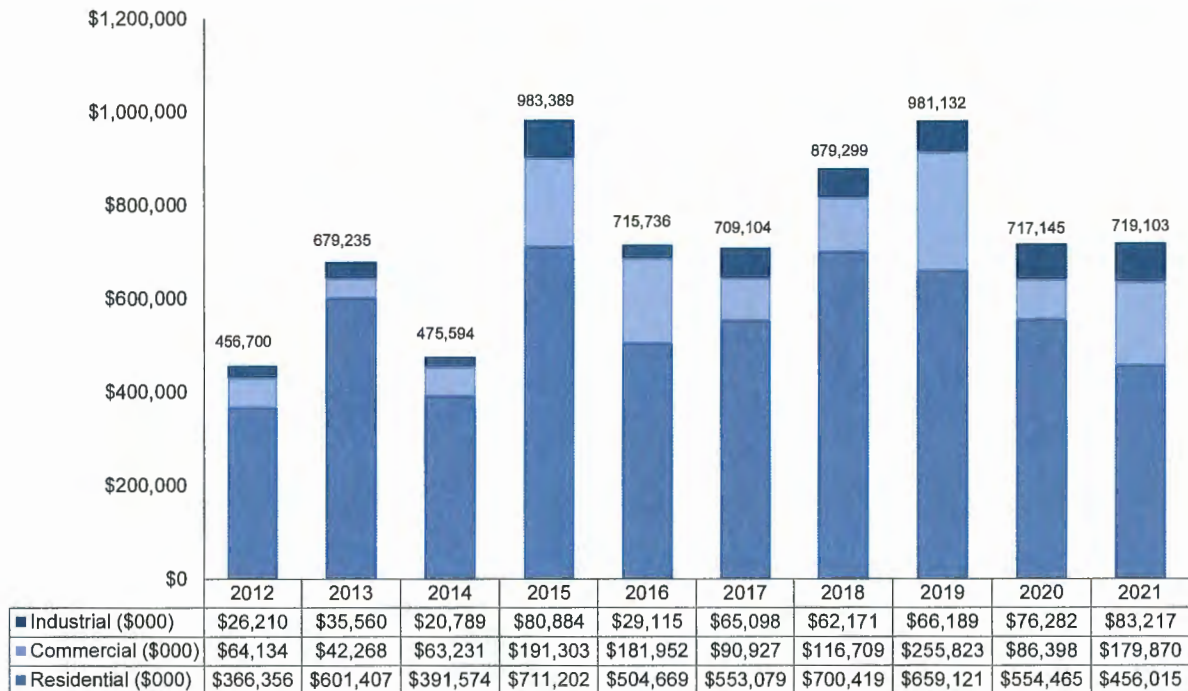
New dwelling units constructed 2012–2021



* Includes one family and two family dwellings.

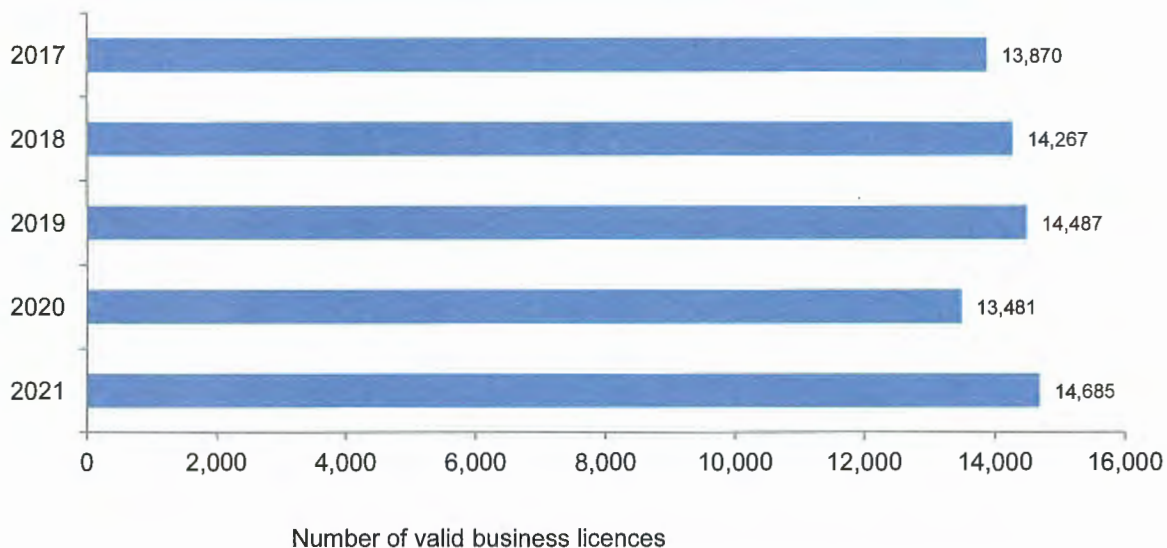
*Includes only projects for new residential construction receiving final building permit in given year.
Source: City of Richmond building permit records*

Construction value of building permits issued 2012–2021 (in \$000s)



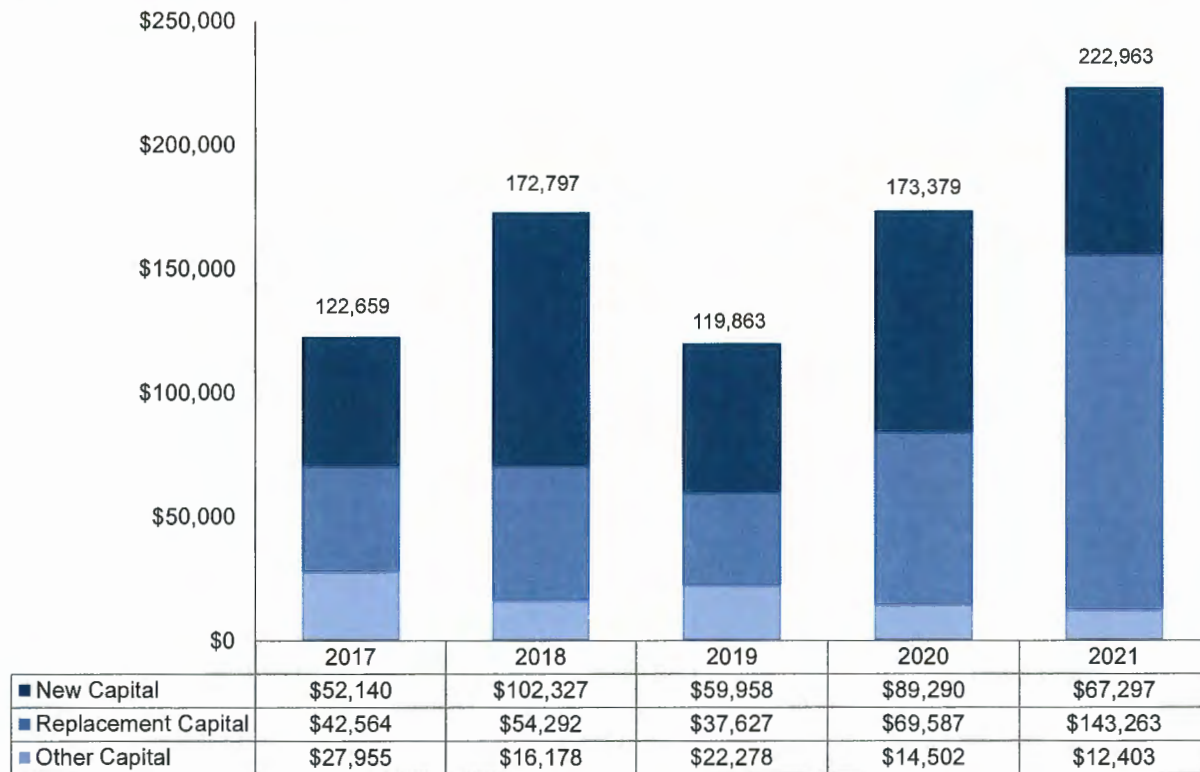
Source: City of Richmond building permit records

Richmond business licences 2017–2021



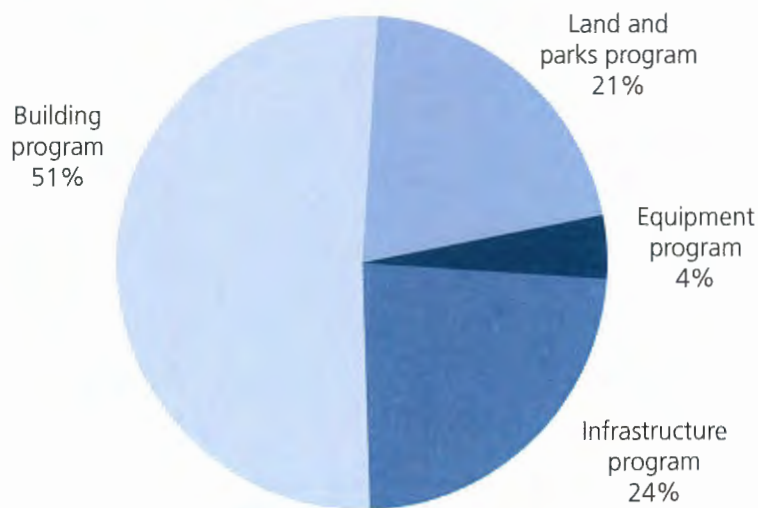
Source: 2021 City of Richmond business licences

City of Richmond budgeted capital costs 2017–2021 (in \$000s)



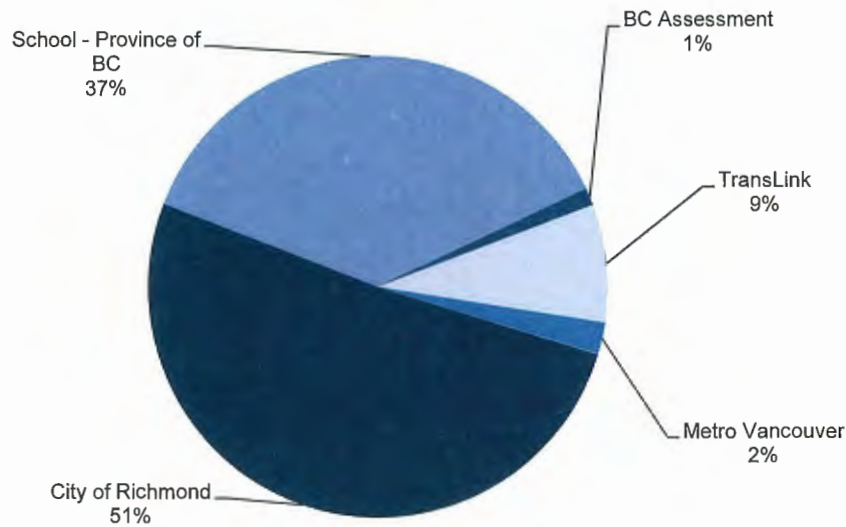
Source: City of Richmond Finance and Corporate Services

Capital program by type 2021



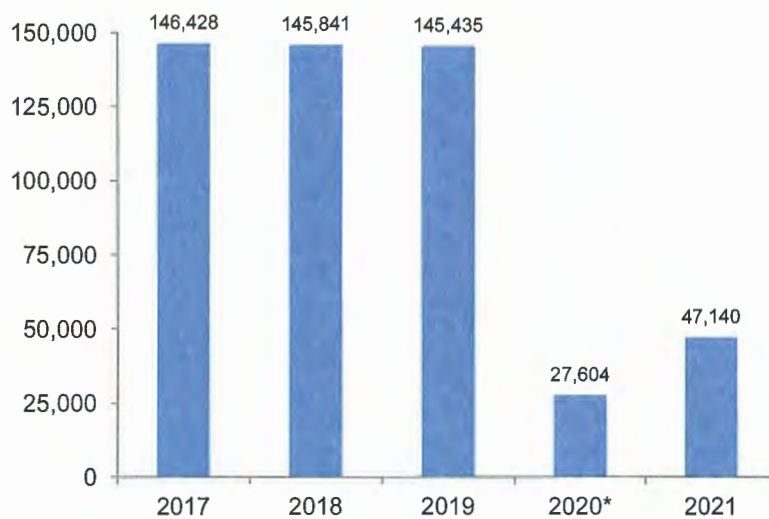
Source: City of Richmond Finance and Corporate Services

Breakdown of residential tax bill 2021



Source: City of Richmond Finance and Corporate Services

Registration in Richmond Recreation and Cultural Services programs 2017–2021



*2020 figure has been restated.

Source: City of Richmond Finance and Corporate Services

2021 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	1.85381	1.14900	0.05473	0.04110	0.00020	0.25860
Business	4.56788	3.86000	0.13409	0.11370	0.00050	0.86900
Light industrial	4.56788	3.86000	0.18609	0.11370	0.00070	0.93930
Seasonal / Recreational	1.58020	2.33000	0.05473	0.04110	0.00020	0.18880
Major industrial	8.36729	1.54400	0.18609	0.47310	0.00070	1.52540
Farm	15.31813	3.45500	0.05473	0.04110	0.00020	0.35630
Utilities	39.95085	12.86000	0.19156	0.47310	0.00070	2.36290

Source: City of Richmond Finance and Corporate Services

2021 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$78,838,953	76.84%	\$146,152	56.85%
Business	18,856,561	18.38%	86,135	33.50%
Light industrial	4,286,605	4.18%	19,581	7.62%
Seasonal / Recreational	213,776	0.21%	338	0.13%
Major industrial	336,999	0.33%	2,820	1.09%
Farm	26,044	0.02%	399	0.16%
Utilities	41,633	0.04%	1,663	0.65%
Total	\$102,600,571	100.00%	\$257,088	100.00%

Amounts are based on billing.

Source: City of Richmond Finance and Corporate Services

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

	2017	2018	2019	2020	2021
City of Richmond	\$207,802	\$216,908	\$231,100	\$241,739	\$257,088
School Board	162,120	169,005	181,863	121,559	186,528
Metro Vancouver	5,216	5,915	6,922	9,145	11,146
BC Assessment	5,517	5,737	5,894	6,008	6,088
TransLink	34,380	35,991	38,863	40,189	41,576
Other	23	26	29	116	112
Total Taxes	\$415,058	\$433,582	\$464,671	\$418,756	\$502,538

Amounts are less supplementary adjustments.

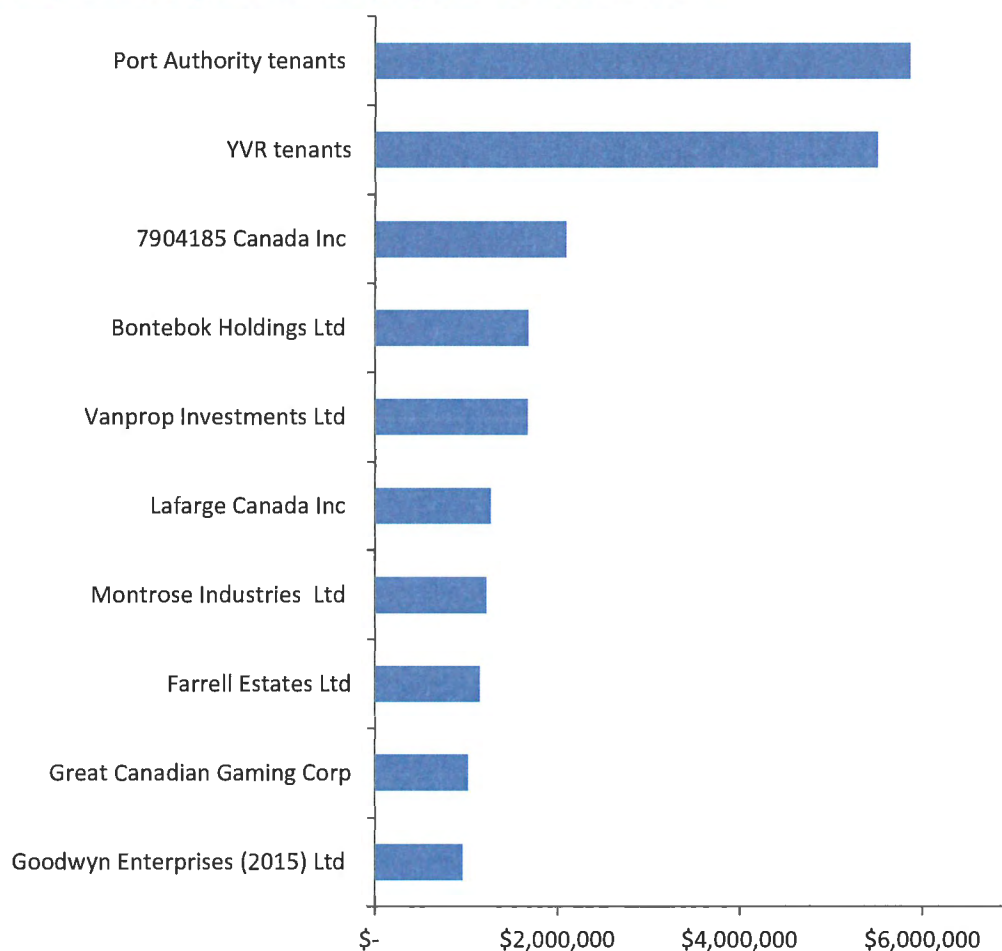
Source: City of Richmond Finance and Corporate Services

2017–2021 general assessment by property class (in \$000s)

	2017	2018	2019	2020	2021
Residential	\$73,414,252	\$80,530,838	\$84,391,147	\$75,895,923	\$78,838,953
Business	13,093,222	15,848,533	18,964,170	19,613,458	18,856,561
Light industrial	2,624,855	2,998,757	3,528,011	3,850,127	4,286,605
Seasonal / recreational	183,360	200,893	221,291	211,659	213,776
Major industrial	215,246	204,542	259,457	289,800	336,999
Farm	26,566	26,297	26,166	26,103	26,044
Utilities	26,541	29,250	35,869	55,674	41,633
Total	\$89,584,042	\$99,839,110	\$107,426,111	\$99,942,744	\$102,600,571

Source: City of Richmond Finance and Corporate Services

Top 10 corporate taxpayers in Richmond



Source: City of Richmond Finance and Corporate Services

Debt servicing costs compared to general taxation revenue 2017–2021 (in \$000s)

	2017	2018	2019	2020	2021
Debt servicing costs	5,909	5,909	6,628	6,826	7,032
General taxation revenue	\$206,901	\$216,908	\$230,198	\$239,991	\$255,837
Debt servicing costs as a % of general taxation revenue	2.86%	2.72%	2.88%	2.84%	2.75%

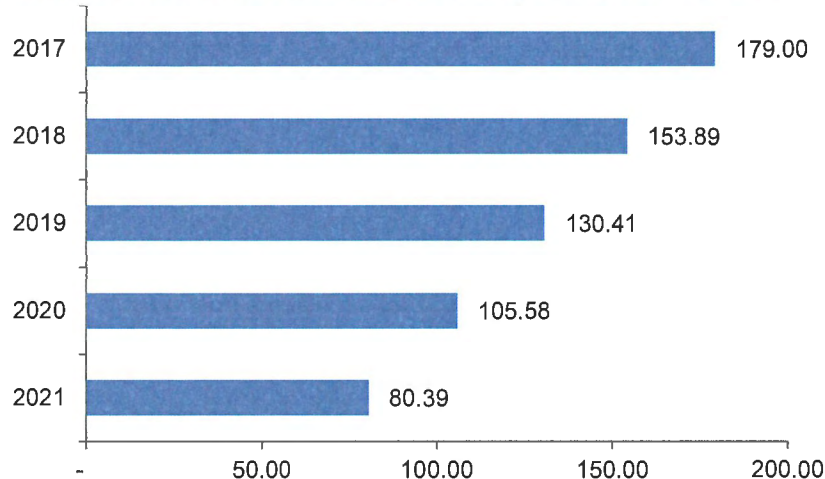
Source: City of Richmond Finance and Corporate Services

Liability servicing limit 2017–2021 (in \$000s)

	2017	2018	2019	2020	2021
Liability servicing limit	\$107,316	\$114,285	\$117,239	\$113,768	\$113,663

The liability servicing limit is a calculated amount based on 25% of specific municipal revenues.
Source: City of Richmond Finance and Corporate Services

City of Richmond debt per capita 2017–2021



Source: City of Richmond Finance and Corporate Services

Net debt 2017–2021 (in \$000s)

	2017	2018	2019	2020	2021
Net debt	\$37,603	\$32,842	\$27,891	\$22,741	\$17,386

Source: City of Richmond Finance and Corporate Services

Expenses by function 2017–2021 (in \$000s)

	2017	2018	2019	2020	2021
Community Safety	\$89,933	\$98,500	\$106,209	\$112,895	\$123,232
Engineering and Public Works	66,120	68,793	80,940	75,314	80,083
Community Services	77,387*	63,882	67,522	50,833	59,873
General government	51,720	52,549	55,689	51,495	54,249
Utilities	87,757	89,959	98,653	102,824	106,519
Planning and Development	15,417	15,368	48,104**	19,201	25,166
Library services	9,619	9,981	10,601	9,040	14,079
Richmond Olympic Oval	15,331	15,424	15,972	12,586	9,816
Total expenses	\$413,284	\$414,456	\$483,690	\$434,188	\$473,017

* Includes one-time affordable housing contributions.

** Includes one-time TransLink contribution for Capstan Station.

Source: City of Richmond Finance and Corporate Services

Expenses by object 2017–2021 (in \$000s)

	2017	2018	2019	2020	2021
Wages, salaries and benefits	\$159,576	\$162,331	\$177,363	\$164,788	\$180,507
Public works maintenance	14,973	13,405	15,299	13,343	13,016
Contract services	64,912	73,479	79,098	81,642	89,086
Supplies, materials	65,959	67,919	68,801	64,437	68,056
Interest and finance	23,216	23,149	26,089	29,779	30,301
Transfer from (to) capital for tangible capital assets	25,712	13,307	52,244	13,568	21,096
Amortization of tangible capital assets	58,012	60,542	64,228	66,254	68,519
Loss/(gain) on disposal of tangible capital assets	924	324	568	377	2,436
Total expenses	\$413,284	\$414,456	\$483,690	\$434,188	\$473,017

Source: City of Richmond Finance and Corporate Services

Revenue by source 2017–2021 (in \$000s)

	2017	2018	2019	2020	2021
Taxation and levies	\$206,901	\$216,908	\$230,198	\$239,991	\$255,837
User fees	99,493	102,915	111,472	114,335	118,144
Sales of services	39,430	39,111	42,747	29,090	35,601
Licences and permits	13,011	13,637	13,030	19,407	13,995
Investment income	17,832	20,705	25,142	20,175	14,968
Grants including casino revenue	40,676	42,681	42,104	16,953	18,404
Development cost charges	15,710	17,432	13,802	16,737	15,223
Capital funding	57,570	95,859	39,028	71,051	64,695
Other	32,544	50,169	64,419	51,313	39,831
Total revenue	\$523,167	\$599,417	\$581,942	\$579,052	\$576,698

Source: City of Richmond Finance and Corporate Services

Accumulated surplus 2017–2021 (in \$000s)

	2017*	2018	2019	2020	2021
Accumulated surplus, beginning of year	\$2,846,246	\$2,956,129	\$3,141,090	\$3,239,342	\$3,384,206
Annual surplus	109,883	184,961	98,252	144,864	103,681
Accumulated surplus, end of year	\$2,956,129	\$3,141,090	\$3,239,342	\$3,384,206	\$3,487,887

* Opening adjustment for change in accounting treatment for a government business enterprise.

Source: City of Richmond Finance and Corporate Services

Changes in net financial assets 2017–2021 (in \$000s)

	2017	2018	2019	2020	2021
Change in net financial assets	\$35,351	\$65,031	\$42,748	\$83,116	\$51,018
Net financial assets, end of year	\$698,090	\$763,121	\$805,869	\$888,985	\$940,003

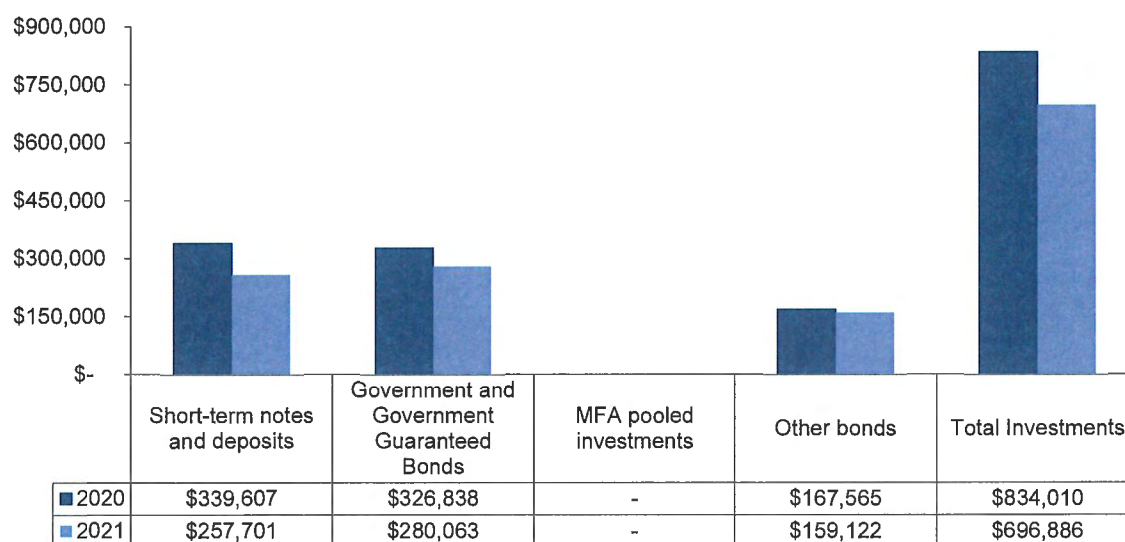
Source: City of Richmond Finance and Corporate Services

Reserves 2017–2021 (in \$000s)

	2017	2018	2019	2020	2021
Affordable housing	\$10,168	\$10,836	\$11,705	\$12,250	\$14,293
Arts, culture and heritage	4,183	4,003	3,726	3,721	3,526
Capital building and infrastructure	69,731	81,763	100,686	111,528	122,720
Capital reserve	163,599	176,142	171,976	222,778	244,445
Capstan Station	19,725	32,332	32,318	11,477	11,149
Child care development	3,006	6,806	8,922	10,055	10,078
Community legacy and land replacement	8,623	8,852	1,310	1,387	1,458
Drainage improvement	56,956	56,132	55,645	60,597	57,159
Equipment replacement	22,168	19,600	20,203	22,577	25,206
Hamilton area plan community amenity	735	752	1,720	2,762	3,007
Leisure facilities	6,765	18,765	17,676	18,097	18,970
Local improvements	6,047	7,155	7,327	7,459	7,571
Neighbourhood improvement	7,100	7,520	7,860	7,919	8,037
Richmond Olympic Oval	4,749	6,324	8,856	7,810	8,100
Public art program	3,861	4,860	4,858	4,582	4,405
Sanitary sewer	42,909	44,107	47,731	48,903	49,611
Steveston off-street parking	310	317	325	331	336
Steveston road ends	211	155	150	153	155
Waterfront improvement	344	317	202	195	187
Watermain replacement	53,693	53,415	54,380	54,952	56,796
Total reserves	\$484,883	\$540,153	\$557,576	\$609,533	\$647,209

Source: City of Richmond Finance and Corporate Services

Investment portfolio per type 2020–2021 (in \$000s)



Source: City of Richmond Finance and Corporate Services

Ratio analysis indicators of financial condition

	2021	2020
Sustainability ratios		
Assets to liabilities (times)	7.6	6.8
Financial assets to liabilities (times)	2.8	2.5
Net debt to total revenues	3.0%	3.9%
Net debt to the total assessment	0.02%	0.02%
Expenses to the total assessment	0.5%	0.6%
Flexibility ratios		
Public debt charges to revenues	0.3%	0.3%
Net book value of capital assets to its cost	66.8%	67.3%
Own source revenue to the assessment	0.5%	0.5%
Vulnerability ratios		
Government transfers to total revenues	3.2%	3.4%

Source: City of Richmond Finance and Corporate Services

2021 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 2021. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2021 Municipal tax exempted
Churches and religious properties		
Aga Khan Foundation Canada	4000 May Drive	\$ 16,843
BC Muslim Association	12300 Blundell Road	2,127
Bakerview Gospel Chapel	8991 Francis Road	2,840
Beth Tikvah Congregation	9711 Geal Road	17,029
Bethany Baptist Church	22680 Westminster Highway	6,127
Brighthouse United Church	8151 Bennett Road	14,981
Broadmoor Baptist Church	8140 Saunders Road	9,885
Canadian Martyrs Parish	5771 Granville Avenue	22,955
Christian and Missionary Alliance	3360 Sexmith Road	11,988
Christian Reformed Church	9280 No. 2 Road	20,360
Church in Richmond	4460 Brown Road	2,764
Church of Latter Day Saints	8440 Williams Road	19,386
Cornerstone Evangelical Baptist Church	12011 Blundell Road	676
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	1,143
Emmanuel Christian Community	10351 No. 1 Road	9,337
Faith Evangelical Church	11960 Montego Street	3,868
Fraserview Mennonite Brethren Church	11295 Mellis Drive	6,143
Fujian Evangelical Church	12200 Blundell Road	2,942
Gilmore Park United Church	8060 No. 1 Road	3,526
I Kuan Tao (Fayi Chungder) Association	8866 Odlin Crescent	3,752
Immanuel Christian Reformed Church	7600 No. 4 Road	3,325
India Cultural Centre	8600 No. 5 Road	2,901
International Buddhist Society	9160 Steveston Highway	4,634
Johrei Fellowship Inc.	10380 Odlin Road	6,644
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	2,892
Larch St. Gospel Meeting Room	8020 No. 5 Road	2,439
Ling Yen Mountain Temple	10060 No. 5 Road	5,230
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	2,375
North Richmond Alliance Church	9140 Granville Avenue	5,230
Our Savior Lutheran Church	6340 No. 4 Road	3,203
Parish of St. Alban's	7260 St. Albans Road	15,208

Churches and religious properties conitnued . . .

Patterson Road Assembly	9291 Walford Street	\$ 1,150
Peace Evangelical Church	8280 No. 5 Road	1,155
Peace Mennonite Church	11571 Daniels Road	13,625
Richmond Alliance Church	11371 No. 3 Road	2,340
Richmond Baptist Church	6560 Blundell Road	3,624
Richmond Baptist Church	6640 Blundell Road	12,035
Richmond Bethel Mennonite Church	10160 No. 5 Road	3,962
Richmond Chinese Alliance Church	10100 No. 1 Road	15,028
Richmond Chinese Evangelical Free Church	8040 No. 5 Road	2,371
Richmond Emmanuel Church	7451 Elmbridge Way	6,514
Richmond Pentecostal Church	9260 Westminster Highway	1,810
Richmond Pentecostal Church	9300 Westminster Highway	3,090
Richmond Presbyterian Church	7111 No. 2 Road	11,873
Richmond Sea Island United Church	8711 Cambie Road	20,617
Salvation Army Church	8280 Gilbert Road	3,764
Science of Spirituality SKRM Inc.	11011 Shell Road	1,263
Shia Muslim Community	8580 No. 5 Road	1,814
South Arm United Church	11051 No. 3 Road	1,117
St. Anne's Anglican Church	4071 Francis Road	6,295
St. Gregory Armenian Apostolic Church	13780 Westminster Highway	1,064
St. Joseph the Worker Roman Catholic Church	4451 Williams Road	43,165
St. Monica's Roman Catholic Church	12011 Woodhead Road	8,290
St. Paul's Roman Catholic Parish	8251 St. Albans Road	16,425
Steveston Buddhist Temple	4360 Garry Street	17,775
Steveston Congregation Jehovah's Witnesses	4260 Williams Road	10,587
Steveston United Church	3720 Broadway Street	4,404
Subramaniya Swamy Temple	8840 No. 5 Road	1,470
Thrangu Monastery Association	8140 No. 5 Road	3,565
Thrangu Monastery Association	8160 No. 5 Road	1,502
Towers Baptist Church	10311 Albion Road	10,593
Trinity Lutheran Church	7100 Granville Avenue	16,414
Trinity Pacific Church	10011 No. 5 Road	7,422
Ukrainian Catholic Church	8700 Railway Avenue	3,666
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road	10,719
Vancouver International Buddhist Progress Society	8271 Cambie Road	11,597
Vedic Cultural Society of BC	8200 No. 5 Road	3,447
West Richmond Gospel Hall	5651 Francis Road	4,630

Recreation, child care and community service properties

Atira Women's Resource Society	650 - 5688 Hollybridge Way	\$ 6,599
Cook Road Children's Centre	8300 Cook Road	1,892
Cranberry Children's Centre	23591 Westminster Highway	5,792
Gardens Children's Centre	10640 No. 5 Road	4,639
Girl Guides of Canada	4780 Blundell Road	6,050
Girl Guides of Canada	11551 Dyke Road	31,146
Navy League of Canada	7411 River Road	8,435
Regional Animal Protection Society	12071 No. 5 Road	18,058
Richmond Caring Place	7000 Minoru Boulevard	99,846
Richmond Family Place	8660 Ash Street	6,691
Richmond Lawn Bowling Club	6131 Bowling Green Road	35,634
Richmond Gymnastics Association	140 - 7400 River Road	13,999
Richmond Public Library	11580 Cambie Road	3,748
Richmond Public Library	11688 Steveston Highway	4,198
Richmond Rod and Gun Club	7760 River Road	30,752
Richmond Rod and Gun Club	140 - 7400 River Road	6,999
Richmond Tennis Club	6820 Gilbert Road	40,916
Richmond Winter Club	5540 Hollybridge Way	180,804
River Run Early Care and Learning Centre	10277 River Drive	8,348
Riverside Children's Centre	5862 Dover Crescent	1,005
Scotch Pond Heritage	2220 Chatham Street	2,636
Seasoning Child Care Centre	10380 No. 2 Road	14,847
Sharing Farm	2900 River Road	17,130
Terra Nova Children's Centre	6011 Blanchard Drive	2,121
Treehouse Learning Centre	100 - 5500 Andrews Road	1,818
Watermania	14300 Entertainment Boulevard	145,518
West Cambie Childcare Centre	4033 Stolberg Street	3,483

Senior citizen housing

Richmond Legion Senior Citizen Society	7251 Langton Road	\$ 29,016
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Community care facilities

Developmental Disabilities Association	6531 Azure Road	\$ 2,645
Developmental Disabilities Association	8400 Robinson Road	3,288
Developmental Disabilities Association	7611 Langton Road	3,237
Greater Vancouver Community Service	4811 Williams Road	2,994
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive	13,923
Richmond Lions Manor	9020 Bridgeport Road	27,076
Richmond Society for Community Living	5728 Woodward's Road	2,670
Richmond Society for Community Living	303 - 7560 Moffatt Road	1,030
Richmond Society for Community Living	4433 Francis Road	2,147
Richmond Society for Community Living	9580 Pendleton Road	3,171
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road	34,784
Western Recovery Foundation	10411 Odlin Road	2,865

Major services provided by the City of Richmond

Administration

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

Community Safety

Brings together the City's public safety providers including RCMP, Fire-Rescue, Emergency Programs, Community Bylaws and Business Licences.

Community Services

Coordinates, supports and develops Richmond's community services including Parks Services, Recreation and Sport Services and Arts, Culture and Heritage Services.

Engineering and Public Works

The Engineering and Public Works Departments deliver public works services and utilities and engineering planning, design, construction and maintenance services for all utility and City building infrastructure.

Finance and Corporate Services

Includes Customer Service, Information Technology, Finance, Economic Development, Real Estate Services and Corporate Business Service Solutions.

Planning and Development

Includes the Policy Planning, Transportation, Development Applications, Building Approvals and Community Social Development 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.

Law and Legislative Services

Includes the Law Department and the City Clerk's Office.

Other City entities

Gateway Theatre

Operates the City's performing arts theatre.

Lulu Island Energy Company

Operates the City's district energy utilities.

Richmond Olympic Oval Corporation

Operates the Richmond Olympic Oval and the Richmond Sport Hosting program.

Richmond Public Library



Operates Richmond's public library, including four branches.

City of Richmond contacts

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




City of Richmond

6911 No. 3 Road
Richmond, BC V6Y 2C1
Phone: 604-276-4000
Email: InfoCentre@Richmond.ca
www.richmond.ca

 @CityofRichmondBC
 @Richmond_BC
 @CityofRichmondBC
 /CityofRichmondBC

Gateway Theatre

6500 Gilbert Road
Richmond, BC V7C 3V4
Phone: 604-270-6500
Box Office: 604-270-1812
www.GatewayTheatre.com






 @GatewayThtr
 @GatewayThtr
 @GatewayThtr

Lulu Island Energy Company

6911 No. 3 Road
Richmond, BC V6Y 2C1
Phone: 604-276-4011
Email: Info@LuluIslandEnergy.ca
www.LuluIslandEnergy.ca




Richmond Public Library

100-7700 Minoru Gate (Brighthouse Branch)
Richmond, BC V6Y 1R8
Library Hours Line: 604-231-6401
www.YourLibrary.ca

 @YourLibraryRichmond
 @RPLBC
 @RPLBC
 /YourLibraryRichmond
 Account: RPLYourlibrary1

Richmond Olympic Oval

6111 River Road
Richmond, BC V7C 0A2
Phone: 778-296-1400
Email: Info@RichmondOval.ca
www.RichmondOval.ca

 @RichmondOval
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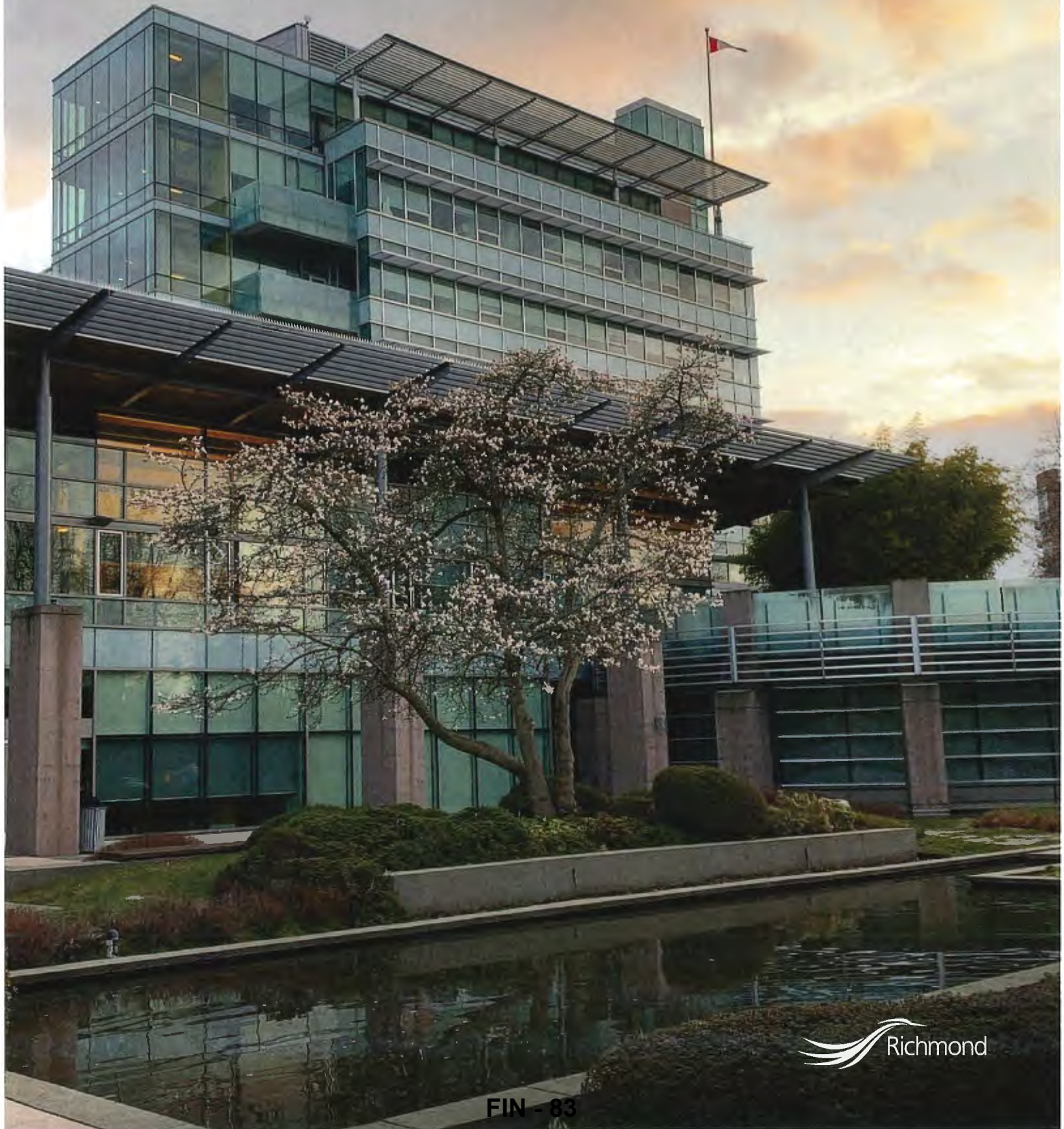
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**City of
Richmond**
British Columbia, Canada

2021 Annual Report Highlights

For the year ended December 31, 2021



RICHMOND CITY COUNCIL



Top row, left to right: Councillor Chak Au, Councillor Carol Day, Councillor Andy Hobbs (elected May 2021), Councillor Alexa Loo

Centre: Mayor Malcolm Brodie

Bottom row, left to right: Councillor Bill McNulty, Councillor Linda McPhail, Councillor Harold Steves, Councillor Michael Wolfe

CONNECT WITH RICHMOND CITY COUNCIL

To contact Council, email MayorAndCouncillors@richmond.ca or call 604-276-4000.

For Council meeting agendas and minutes, visit www.richmond.ca/cityhall/council/agendas.

To live stream Council meetings or view videos of past meetings, visit www.richmond.ca/WatchOnline.



The City of Richmond is proud of its diverse and committed workforce. This year, we asked our employees to take photos and send us images of “their Richmond” for this report. Photos with the camera icon are just some of the submissions, and we are delighted to share them with you. None are professional photographers.

COVER PHOTO: CITY HALL IN SPRING AFTER MORNING RAIN
PHOTO BY LUC LUK, BUILDING SYSTEM MAINTENANCE LEAD HAND, FACILITY SERVICES
CITY EMPLOYEE SINCE 2003

CITY OF RICHMOND, BRITISH COLUMBIA 2021 ANNUAL REPORT HIGHLIGHTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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This report features highlights from Richmond's 2021 Annual Report. For the detailed 2021 Annual Report that meets legislated requirements, or for an online copy of this highlights report, please visit www.richmond.ca/cityhall/finance/reporting/reports.

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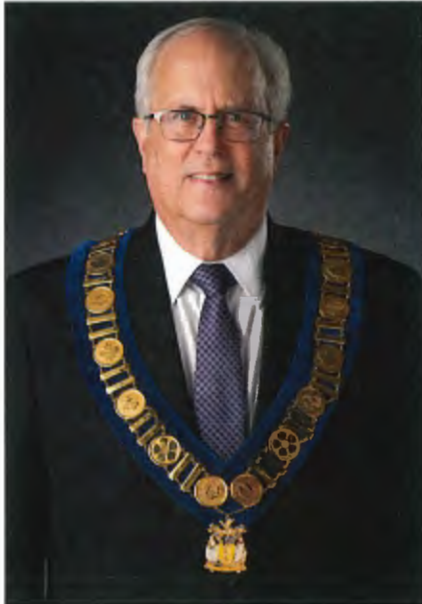
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"Our vision is
to be the most
appealing, livable
and well-managed
community in
Canada."



PHOTO BY CHRIS HICKS, BUILDING SYSTEMS
MAINTENANCE WORKER, FACILITY SERVICES
CITY EMPLOYEE SINCE 2019

MESSAGE FROM THE MAYOR



The City of Richmond is proud of our high quality of life. Through its actions, City Council has always sought to provide infrastructure that preserves our rich and vibrant cultural identity.

Events of the past two years have further heightened the need to focus on how we provide a sustainable future. Many think of sustainability only from an environmental perspective. Climate change is obviously a major concern as shown by extreme weather events in 2021. Through long-term investments in flood protection infrastructure as well as award-winning initiatives such as our Lulu Island District Energy program, Richmond is building a green and safe future for its residents.

However, the term “sustainability” has a much greater meaning in Richmond. It encompasses the development of policies, services and supports to ensure that current and future generations maintain

a sense of community and belonging. It also includes having a strong economy that supports businesses, their employees and families. It involves different concepts such as ensuring safety for residents and businesses, providing adequate infrastructure as well as protecting our diverse culture.

Protecting our community is paramount as demonstrated by Richmond, statistically in the region, having some of the lowest incidence of COVID-19 cases throughout the pandemic. Closely regulating access and activities to City facilities played a role, as did our Council-led mask mandate and a vaccination requirement for City employees. All of Council – as well as almost all City staff – recognized the importance of protecting themselves, their colleagues and the community through vaccination against COVID-19.

The recent opening of the City Centre



Community Police Office for RCMP operations, along with adding 51 officers and 36 firefighters this term are examples of Council's commitment to public safety. In 2021, the RCMP Fox 80 Mental Health Car completed its second full year in partnership with Vancouver Coastal Health by responding to approximately 800 calls. This program reduced high-risk situations through the interaction of a mental health professional.

City Council also supported the RCMP "No Place for Hate" campaign to encourage awareness of racism and hate crimes and provide tools to help victims, their families and friends. It has been heartening to see the push against racism grow following Council's Statement Against Racism and Violence in 2020, offering further momentum to eradicate such unacceptable behaviour.

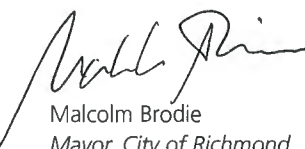
Richmond is proud of its rich cultural

heritage and diversity. It honoured Canada's first National Day for Truth and Reconciliation with a flag lowering, educational programs and interactive displays. In partnership with Richmond Community Associations and other partners, Richmond again supported a range of activities to promote Pride Week and our LGBTQ2S+ community. With a wide range of topics, the City's second Diversity Symposium was attended by over 200 individuals from across BC, Canada and internationally.

While many long-running, popular events and festivals remained cancelled to maintain public safety, there was growing acceptance of the transition to online programs and events. For instance, the popular Doors Open Richmond event went online again, attracting over 25,000 interactions with 35 virtual locations. Council recognizes the importance and

value of engagement to build a strong community. Maintaining such events—even if virtual—supports that commitment.

To ensure a bright and sustainable future, it is important to take action and make wise investments today. Richmond's success, despite the challenges of COVID-19, is a credit to those who contribute to making our city a better place. This includes our staff, volunteers and businesses as well as our community and government partners. Our Annual Report contains examples of our goals and achievements. As always, I invite your comments and questions through my office.


Malcolm Brodie
Mayor, City of Richmond



CITY CENTRE COMMUNITY POLICE OFFICE

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



I am pleased to present the City of Richmond's Annual Report for 2021. It details our strong financial position and outlines many of the initiatives we are undertaking to achieve our vision of making Richmond Canada's best-managed city.

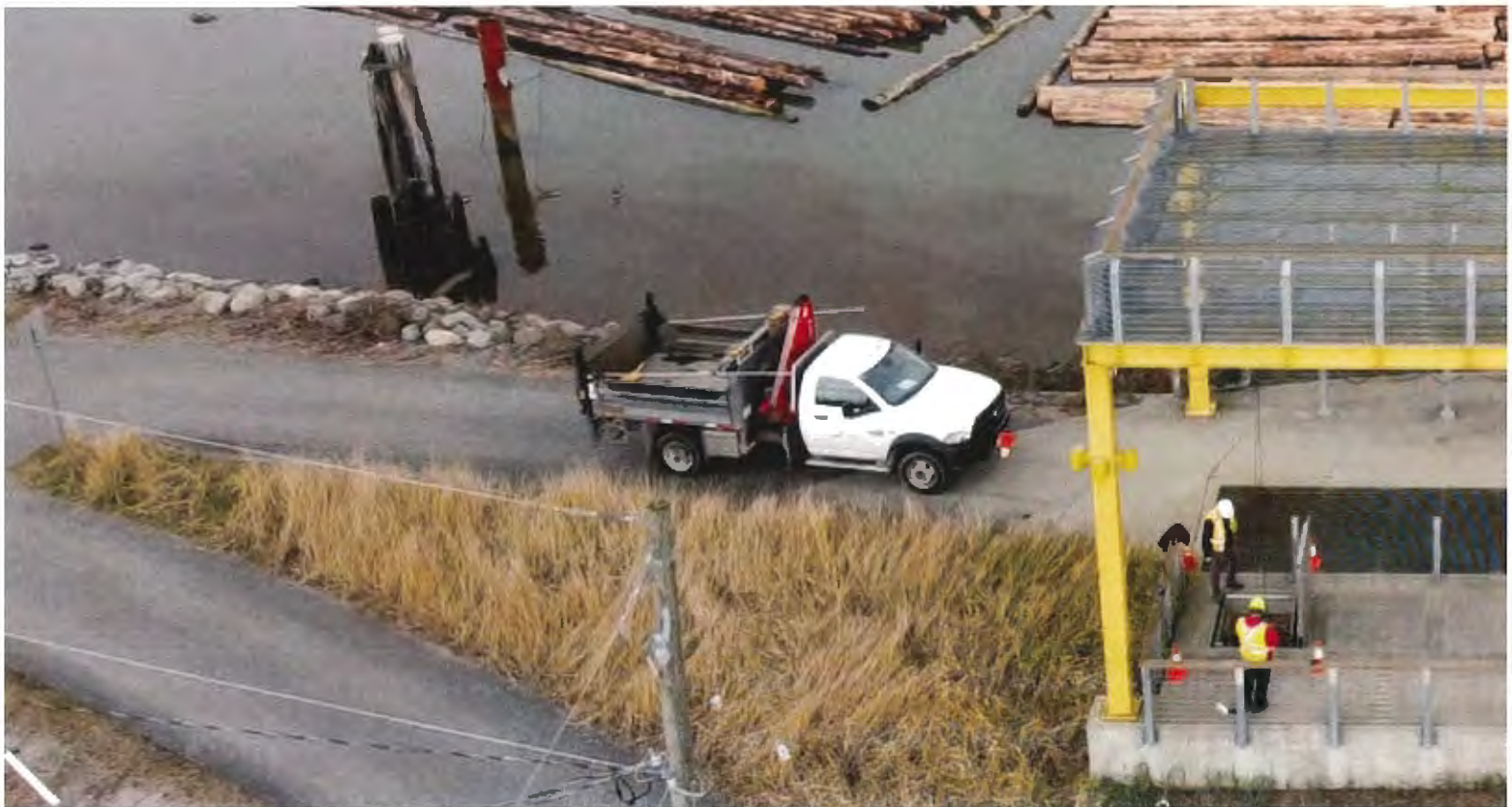
The past year continued to present challenges due to the ongoing pandemic and extreme weather situations. In both cases, the City was well prepared and able to mitigate the impact due to strong leadership, forward planning and sound investment. Many of those actions and achievements are highlighted throughout this report.

As the pandemic entered its second year, City administration and staff remained focused on the need to maintain public safety. That required difficult decisions. With the support of Council, strategies were implemented to ensure vital City services remained in place and staff could contribute to sustaining the local economy.

Services transitioned smoothly to online access as the City switched seamlessly to a hybrid or remote working model. Not only was this in keeping with provincial health orders, it demonstrated the dedication and resiliency of employees as they adjusted to new work environments while maintaining high levels of productivity and reliability.

Their commitment to safety was further demonstrated when Council enacted a proof of vaccination requirement for all staff. Almost 99 per cent confirmed full vaccination status, with most vaccinated long before the mandate was in place. It was this conscious recognition of the need to protect themselves, colleagues, family and residents that kept Richmond's COVID-19 case counts among the lowest in the region.

2021 also saw terms such as "heat dome" and "atmospheric river" become part of our vocabulary. Record summer temperatures saw Richmond develop an emergency cooling strategy. Should extreme



heat events become more common, the City is ready to provide respite for our most vulnerable citizens from potentially life threatening heat waves.

Richmond was also subject to extreme rainfall events (atmospheric rivers) in November. In one instance, over 130 millimetres (five inches) of rain fell in just three days. Thanks to long term planning and investment in flood protection, the City emerged relatively unscathed. Sadly, not all British Columbia communities were as fortunate.

Our capacity to handle the situation was not only due to the \$120 million investment in flood protection over the years, but also the City employees who worked 24/7 in sometimes difficult and dangerous situations to keep our 39 pump stations clear and operational, and our 49 kilometres of dikes secure.

Of course, one of the foundations for any successful organization is its ability to demonstrate strong financial stewardship.

The City's long-term financial strategy remained a hallmark of our administration and enabled us to continue to maintain effective and responsive service levels as this report shows.

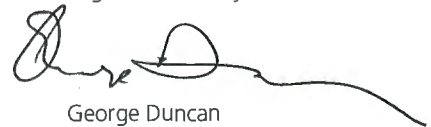
The City of Richmond remains a strong, culturally proud community and is committed to continued growth and success within a framework of diversity, sustainability and value for our taxpayers.

Finally, this will be my last Annual Report message as CAO. I announced plans to retire in mid-2022 and expect to hand over responsibilities to a new Chief Administrative Officer prior to that. During my 34+ years with the City, I have seen dramatic change and progress. I am proud to have played a role in bringing the Canada Line rapid transit to our community and in enabling construction of the internationally renowned Richmond Olympic Oval.

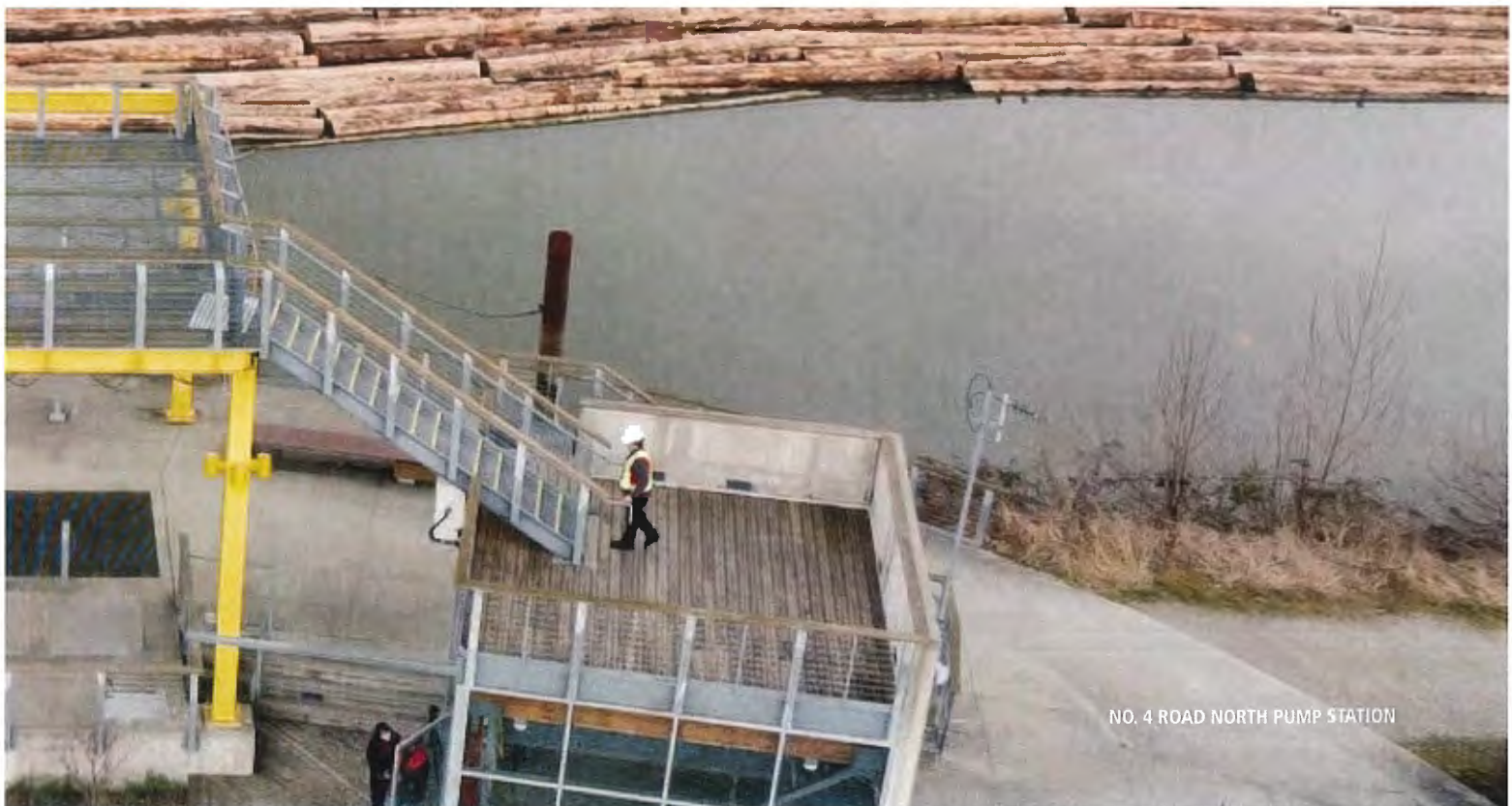
While initially built as a speed-skating competition arena for the 2010 Olympic

Winter Games—for which Richmond was an official Host Venue—the Oval was transformed into a community sport, recreation and elite athletics facility that now welcomes thousands of residents of all ages and abilities annually. It is a true legacy from one of my most memorable times as CAO.


But what I am most proud of is the people. The staff, leadership team and Council who continued to give their all to ensure Richmond was always a better, safer and more welcoming place. As I leave, I know the City is in a sound position and more than ready to maintain its journey as the most appealing, livable and well-managed community in Canada.



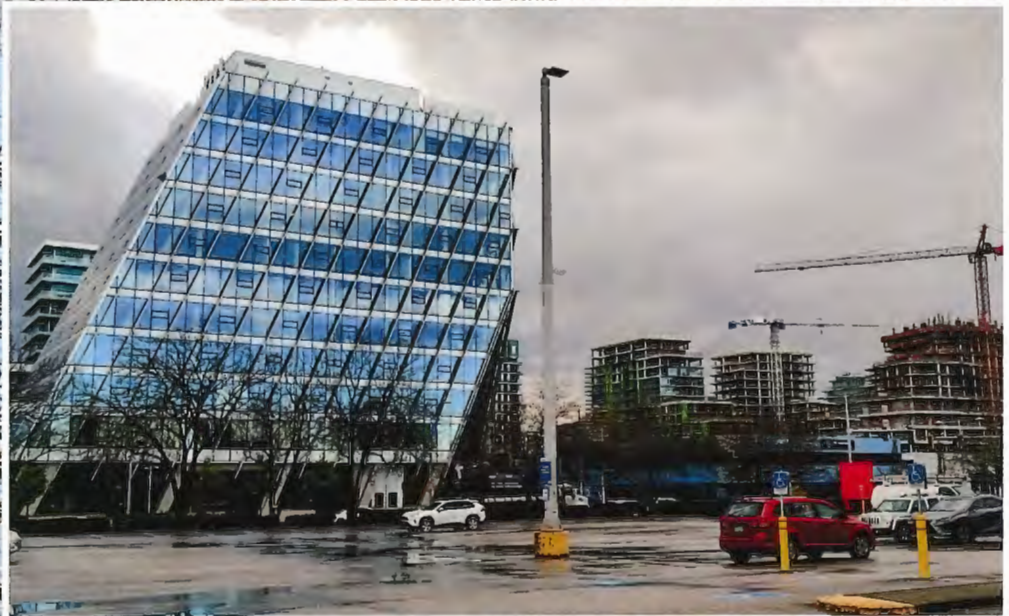
George Duncan
Chief Administrative Officer





 KING TIDE AT BRITANNIA SHIPYARDS NATIONAL HISTORIC SITE
PHOTO BY CORRINE HAER, PROJECT MANAGER, ENGINEERING PLANNING
CITY EMPLOYEE SINCE 2012

2021 Achievement highlights



ABOVE: DEVELOPMENT CONSTRUCTION ON NO. 3 ROAD
PHOTO BY MARCOS ALEJANDRO BADRA, WASTE MANAGEMENT ANALYST, SUSTAINABILITY
CITY EMPLOYEE SINCE 2018

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

The City of Richmond's objectives and success indicators are expressed through the Council Strategic Plan. Soon after Council began its four-year term in October 2018, it undertook a strategic planning process to help fulfill its governance role and achieve a successful term of office. Through that process, Council adopted a revised set of eight Strategic Focus areas, which provided the framework for the City's programs and services during 2021.

1. A SAFE AND RESILIENT COMMUNITY

City Council made full COVID-19 vaccination mandatory for all City employees as an added safety measure to protect residents, visitors and staff. By year-end, almost 99 per cent of City staff and every Council member complied. Council also added funding for an additional 16 RCMP officers and 12 firefighters to complete Richmond's Safe Community Strategy, as well as unveiled the new City Centre Community Police Office. These and other initiatives saw break and enter crimes drop 33 per cent for residences and 15 per cent for businesses.

2. A SUSTAINABLE AND ENVIRONMENTALLY CONSCIOUS CITY

Ongoing investment in dike and flood protection infrastructure saw the island city withstand one of the province's most devastating floods on record. Richmond's 39 pump stations moved 90 cubic metres of water per second (1.4 million US gallons per minute)—the equivalent of over two Olympic swimming pools every 60 seconds. The City also became one of only 15 local governments across Canada selected to participate in the Canadian Circular Cities and Regions Initiative, a peer-to-peer network bringing communities together to exchange best practices for implementing circular economy strategies and policies.

3. ONE COMMUNITY TOGETHER

The City invested over \$1 million in grants to local non-profit arts and culture organizations, community service groups, as well as grassroots providers in childcare, health and social services, and parks, recreation and community events. Richmond's 14th annual Doors Open festival offered a rare glimpse inside places of worship, civic centres, museums and local businesses throughout the community. Over 25,000 social media interactions and 13,000 views were logged for the week-long online event.

4. AN ACTIVE AND THRIVING RICHMOND

Council amended the City's Affordable Housing Policy to increase the number of affordable rental units in new City Centre residential projects containing at least 60 units from 10 per cent to 15 per cent—among the highest level in the region. Over 1,500 affordable housing units in new developments across Richmond have been confirmed since the policy was introduced, with more underway. Council also continued to advocate for affordable, accessible, quality child care, opening two new innovative Early Childhood Development Hubs with 199 spaces to add to the more than 7,000 childcare spaces already in place to support the needs of children, families and employers in the city.

5. SOUND FINANCIAL MANAGEMENT

Council supported a budget that enabled several key infrastructure projects, initially deferred due to the pandemic, to proceed, as well as ensuring operating resources for key community safety priorities. While utilizing reserves to mitigate cost increases, the budget maintained a one per cent commitment to investment for future capital needs.

The City maintained a position of financial resiliency and service while keeping the overall impact to property owners to a tax change of around 27 cents per day.

6. STRATEGIC AND WELL-PLANNED GROWTH

Richmond issued development and construction permits for 587 residential, 333 commercial and 217 industrial buildings—a 23 per cent increase from the previous year. With \$719 million in new construction value, this was higher than the City's 10-year average. The City also collected over \$16.2 million in development cost charges in 2021 to help finance future infrastructure and amenities such as parks and roads.

7. A SUPPORTED ECONOMIC SECTOR

Prior investment, along with initiatives such as Richmond's Business Resilience and Supply Chain program and the Expedited Temporary Patio Program, helped local businesses deal with the challenges of the pandemic. The number of new business licences issued in 2021 rose 15 per cent from the previous year, signaling continued economic recovery and renewal.

8. AN ENGAGED AND INFORMED COMMUNITY

Connecting with one of the most culturally diverse and unique populations in Canada can be challenging. Over 35,000 users participated in almost 40 engagement initiatives on the City's LetsTalkRichmond.ca platform, a 44 per cent increase. The City's social media platforms also saw steady growth with a 23 per cent increase in Facebook followers, a 47 per cent rise on Instagram and a 50 per cent jump in YouTube subscribers. The City's website logged over 3.4 million visits, a 64 per cent increase from 2020.



RICHMOND FIRE-RESCUE'S FIREFIGHTERS DEMONSTRATING TEAMWORK
PHOTO BY KYLIE MACDONALD, FIRE AND LIFE SAFETY EDUCATOR, RICHMOND FIRE-RESCUE
CITY EMPLOYEE SINCE 2008

Richmond: ensuring a sustainable future

While 2021 brought new challenges to many parts of British Columbia, the City of Richmond was well positioned to meet them head on thanks to a lengthy history of infrastructure investment, planning and effective leadership.

Due in large part to a multi-year investment of over \$120 million in dikes and flood protection strategies, Richmond was successful in preventing large-scale damage when three devastating atmospheric rivers hit in November. The City's 39 pump stations, combined with 49 kilometres of dikes, 165 kilometres of watercourses, 61 kilometres of box culverts and 585 kilometres of drainage pipes, kept rising waters at bay.

The existing dike network can withstand high water events such as spring freshet and king tides, and handle a 500-year return period (estimated average time between) flooding event. However, recognizing the rapid impact of climate change, Council authorized an acceleration of the plan to raise the dikes well ahead of current sea level rise projections over the next 50 years.

Earlier in the year, Richmond experienced another unexpected weather phenomenon—the heat dome. Several days of unrelenting record-setting temperatures arrived in July, prompting the development of a cooling centre strategy and mobilization of emergency services to protect the most vulnerable.

With the pandemic continuing to keep a grip on the community and economy, the City worked to find sustainable, innovative ways to support residents and businesses. The City, along with Tourism Richmond and the Richmond Hotel Association, unveiled a tourism plan to reinvigorate and revitalize the ailing industry that brought over \$2 billion to the city pre-pandemic. Richmond Sport Hosting still managed to support 20 events generating 2,700 room nights in 2021, and tourism numbers continued to rise as travel and pandemic restrictions eased by year-end.

Council took many decisive steps to assist in preserving Richmond's rich agricultural heritage and promote a sustainable farming sector. Adoption of



GARDEN CITY LANDS

PHOTO BY REENA CLARKSON, CORPORATE ASSISTANT, CITY ADMINISTRATION
CITY EMPLOYEE SINCE 2004

a new Soil Deposit and Removal Bylaw expanded the City's regulatory framework with incentives for sourcing new soil from within Richmond while increasing fines for non-compliance. The bylaw provides enhanced enforcement in environmentally sensitive areas and supports other Council-endorsed strategies such as the Ecological Network Management Strategy, the Farming First Strategy and Invasive Species Action Plan. The move was timely as future soil deposits increase as the City raises the level of the land for further protection.

Development and construction offered visible evidence of economic recovery and sustainability with \$719 million in new construction value approved. This was higher than Richmond's 10-year average.

Council instilled further confidence in economic recovery with several key projects including approval of the \$95 million replacement of the Steveston Community Centre and Branch Library; the opening of the new River Parkway traffic and cycling corridor to alleviate congestion in the busy City Centre; and updates to the popular city-wide cycling network.

The Provincial Government announced plans to build a new Steveston Highway Interchange and replace the aging George Massey Tunnel with an eight-lane immersed tunnel. The project recognizes Council's long-standing recommendation for how to address the heavily congested road corridor, reducing travel time and improving transit access.

Following the success of an innovative road paving project using 40 per cent recycled materials, the City expanded the technology to pave 20 non-residential pathways across Richmond, with more planned. Such innovation, combined with the continued growth of Richmond's award-winning district energy infrastructure that reduces 7,800 tonnes of greenhouse gases annually, reinforce Richmond's commitment to a sustainable, environmentally friendly future.

The City of Richmond has always been a leader with bold, innovative programs and strategies that reflect our character and reputation as a safe, sustainable and culturally diverse city that makes it one of the most appealing, livable and well-managed communities in Canada.



LONG-SERVING CAO BIDS FAREWELL



Richmond's long-serving Chief Administrative Officer, George Duncan, will retire from his position on June 30, 2022.

The 2021 City of Richmond Annual Report will be the last completed under his full year of leadership, which has spanned over three decades.

Announcing the retirement, Mayor Malcolm Brodie said George will be missed by both the organization and the community. "George has made a major impact on our city," he said. "Under his leadership, Richmond has become an award-winning leader in civic administration, sustainability, community safety and operations. One only has to look around to see how our city has grown into a diverse, dynamic and well-managed community to see his contributions and legacy."

Examples of those contributions include the key role he played in bringing rapid transit to Richmond with the introduction of the Canada Line, as well

as Richmond becoming a Host Venue for the 2010 Olympic Winter Games. He was instrumental in securing the design and construction of the world-renowned Richmond Olympic Oval and its successful transition from a competition speed skating venue for the Games to a state-of-the-art multi-purpose community facility and sports complex benefiting local recreational and elite athletes alike.

Mayor Brodie also commended George for his commitment to public safety, in particular his vital leadership during the COVID-19 pandemic. "Council has always seen the safety and well-being of our community as paramount," he said. "When the pandemic hit Richmond, George mobilized teams and resources to ensure City services and staff were well positioned to keep key services in place and to protect the safety of employees, residents and businesses. That Richmond is on the road to economic and community recovery so quickly is due, in large part, to George's experienced leadership and commitment during those challenging times."

Joining the City in 1987, George was appointed CAO a decade later after taking on a series of progressive management roles and responsibilities. Under his leadership, the City and its staff have received over 200 awards for various programs and initiatives. These include two prestigious Canadian Association of Municipal Administrators (CAMA) Willis Awards for Excellence in Administration and Innovation, CAMA awards for Environmental Leadership and Sustainability and Professional Development, an Award of Excellence from the BC Human Resources Management Association, and awards from the International City/County Management Association.

2021 Awards

A measurement of the City's success in achieving its goals are the honours and recognition from our peers and others. In 2021, Richmond again received numerous international, national and provincial awards recognizing our commitment to excellence and innovation.

PROTECTING OUR ENVIRONMENT

The Environmental Manager's Association of BC recognized Richmond's environmental stewardship with two prestigious awards. The City's Corporate Hazardous Materials Management Training initiative was honoured in the Regulatory Challenge category at the organization's 2021 Environmental Awards Gala, while its Mitchell Island Stewardship Initiative received the Discharge Control Award. Both programs demonstrate the City's commitment to protecting our environment and putting processes and systems in place to protect and maintain valuable ecosystems.



IMPERIAL LANDING

PHOTO BY CHARLES LEUNG, MANAGER, INFORMATION TECHNOLOGY, RICHMOND PUBLIC LIBRARY
RICHMOND PUBLIC LIBRARY EMPLOYEE SINCE 2022

AWARDS CONTINUED . . .

DISTRICT ENERGY

Recipient of over a dozen awards in the past decade, Richmond's District Energy Program continues to collect accolades for its innovation, efficiency and green sustainability. In 2021, it received the Community Energy Association's Climate and Energy Action Award. With 22 buildings and over five million square feet of floor space, the innovative District Energy Program is reducing greenhouse gas emissions by over 7,800 tonnes—the equivalent of removing 2,000 cars from our roads—each year.

ACCESSIBILITY BY DESIGN

The Minoru Centre for Active Living, the City of Richmond's state-of-the-art fitness and aquatic facility, received the 2021 Architecture Prize for Accessibility from the International Olympic Committee, International Paralympic Committee, and International Association for Sports and Leisure Facilities. The annual Distinction for Accessibility Award aims to increase the accessibility of all sports and leisure facilities and architectural structures worldwide so that everyone has an opportunity to practice and view sport freely and without barriers.

FINANCIAL REPORTING

Once again, the Government Finance Officers Association of the US and Canada presented Richmond with the Canadian Award for Financial Reporting (the 19th year in a row) and the Outstanding Achievement in Popular Financial Reporting Award (the 12th successive year) for its 2020 Annual Reports.

ALEXANDRA DISTRICT ENERGY UTILITY

SUSTAINABILITY

The Union of BC Municipalities, which represents and advocates to government on behalf of municipalities across British Columbia, presented the City of Richmond with an Honourable Mention in the Community Excellence Award – Service Delivery category for customer-friendly upgrades to its Works Yard Recycling Depot. The \$1.58 million upgrades to aging infrastructure improved operations by providing a larger site, expanding the number of hazardous waste materials collected, adding tent coverings and steel awnings to shield recyclers and staff from the weather, as well as the purchase of new heavy equipment for moving recycled materials.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Richmond

British Columbia

For its Annual Financial Report
for the Fiscal Year Ended

December 31, 2020

Christopher P. Morrell

Executive Director/CEO

REPORT FROM THE GENERAL MANAGER, FINANCE AND CORPORATE SERVICES

Mayor Malcom Brodie and Members of Richmond City Council,

I am pleased to submit the Consolidated Financial Statements and Auditors' Report for the fiscal year ended December 31, 2021 for the City of Richmond, pursuant to Section 98 and 167 of the Community Charter. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Preparation of the financial statements is management's responsibility.

KPMG LLP was appointed by City Council to independently audit the City's consolidated financial statements. They have expressed an opinion that the City's consolidated financial statements present fairly, in all material respects, the

consolidated financial position of the City of Richmond as at December 31, 2021 and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flows for the year ended in accordance with Canadian public sector accounting standards.

These financial statements combine the accounts of the City of Richmond, Richmond Olympic Oval and Richmond Public Library (collectively referred to as the "City"), as well as the City's investment in Lulu Island Energy Company, which is accounted for as a Government Business Enterprise.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN \$000s)

	2021 Actual	2020 Actual	Change
Financial Assets	\$ 1,468,241	\$ 1,471,442	\$(3,201)
Liabilities	528,238	582,457	(54,219)
Net Financial Assets	940,003	888,985	51,018
Non-Financial Assets	2,547,884	2,495,221	52,663
Accumulated Surplus	\$3,487,887	\$ 3,384,206	\$103,681

The City's overall financial position improved by \$103.7 million, with accumulated surplus (similar to net worth of a corporation) totaling \$3.5 billion. A significant part of this increase is due to additions to capital assets and statutory reserves, as well as a reduction in liabilities, especially a reduction in accounts payable relating to postponed remittances to other governments relating to COVID-19 paid in 2021.

The City's cash and investments are \$1.4 billion while long-term debt continues to decline with an outstanding balance at the end of 2021 of \$17.4 million. Meanwhile, the City's tangible capital assets increased by \$51.1 million, which includes \$61.0 million of in-kind contributions from development as conditions of re-zoning.

CONSOLIDATED STATEMENT OF OPERATIONS (IN \$000s)

	2021 Budget	2021 Actual	2020 Actual
Revenue	\$575,688	\$576,698	\$579,052
Expenses	507,765	473,017	434,188
Annual Surplus	\$67,923	\$103,681	\$144,864

The City's consolidated revenue for the year totaled \$576.7 million, a decrease of \$2.4 million from 2020 mainly due to a decrease in the gain on sale of land offset by revenue increases related to facility re-openings from the COVID-19 closures.

Expenses increased by \$38.8 million from prior year mainly due to related facility re-openings from the COVID-19 closures.

The annual surplus for 2021 was \$103.7 million and represents the change in investment in tangible capital assets, reserves and other accumulated surplus.


FINANCIAL SUSTAINABILITY

2021 saw the easing of COVID-19 challenges through the continued re-opening of community recreation facilities and resumption of gaming revenues from the re-opening of the River Rock Casino resulting in the City maintaining its excellent financial position.

Respectfully submitted,

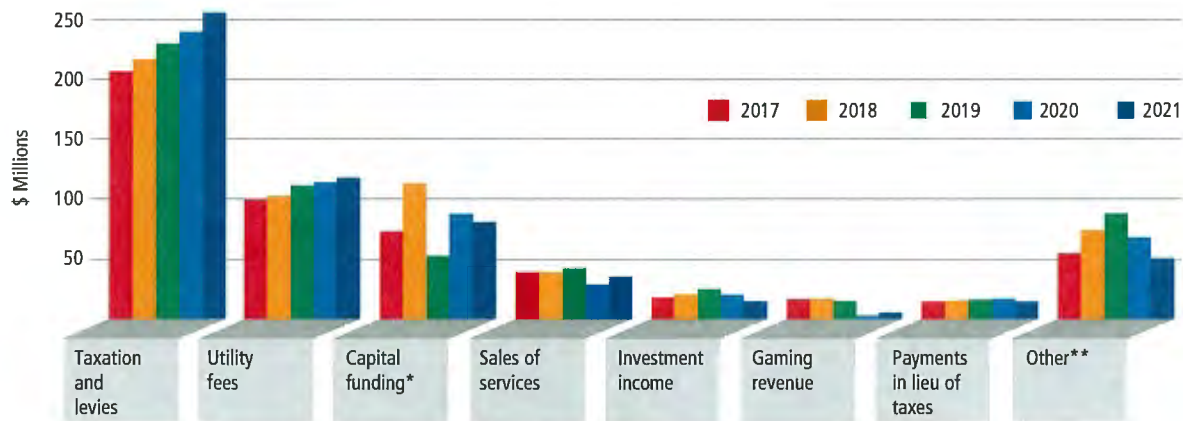


Jerry Chong, CPA, CA
Acting General Manager, Finance and Corporate Services
May 9, 2022

 PHOTO BY SHANNON UNRAU,
DEPARTMENTAL ASSOCIATE 2,
TRANSPORTATION
CITY EMPLOYEE SINCE 2016



REVENUE BY SOURCE 2017–2021

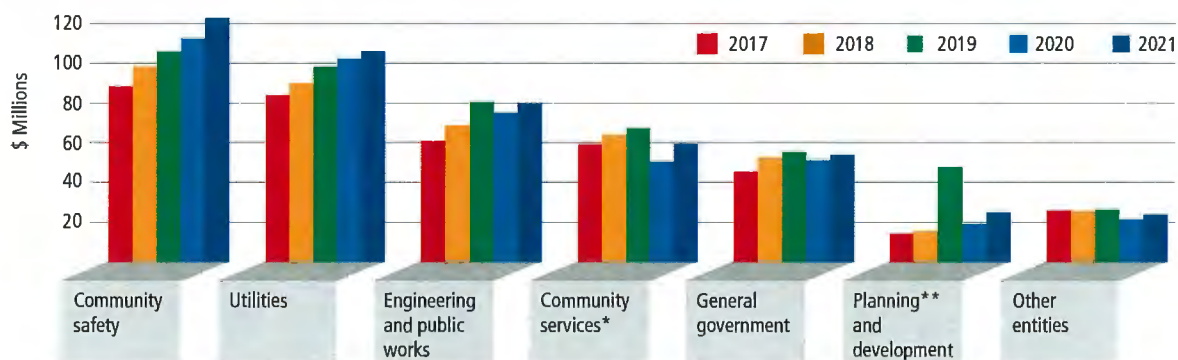


Source: City of Richmond Finance and Corporate Services

* Capital funding includes: Development Cost Charges and other capital funding sources.

** Other includes: provincial and federal grants, licences and permits and other sources.

EXPENSES BY FUNCTION 2017–2021



Source: City of Richmond Finance and Corporate Services

* Expenses for Community Services include a one-time contribution towards affordable housing of \$17.0M in 2017.

** Expenses for Planning and Development for 2019 include a one-time \$28.1M contribution towards the Canada Line Capstan Station.

Richmond at a glance

216,280

2021 POPULATION

November 10, 1879

INCORPORATED AS MUNICIPALITY

129.27

SIZE OF CITY IN
SQUARE KM

17

ISLANDS COMPRISING
THE CITY

December 3, 1990

DESIGNATED AS CITY OF RICHMOND

Fast facts

\$719 million

NEW CONSTRUCTION VALUE
IN 2021—HIGHER THAN THE
CITY'S 10-YEAR AVERAGE

39

PERCENTAGE OF THE CITY
WITHIN THE AGRICULTURAL
LAND RESERVE (ALR)

1,966

HECTARES THAT MAKE UP THE
CITY'S 145 PARKS

807

HECTARES OF CRANBERRY
FIELDS IN PRODUCTION

49

KILOMETRES OF DIKES FOR
FLOOD PROTECTION

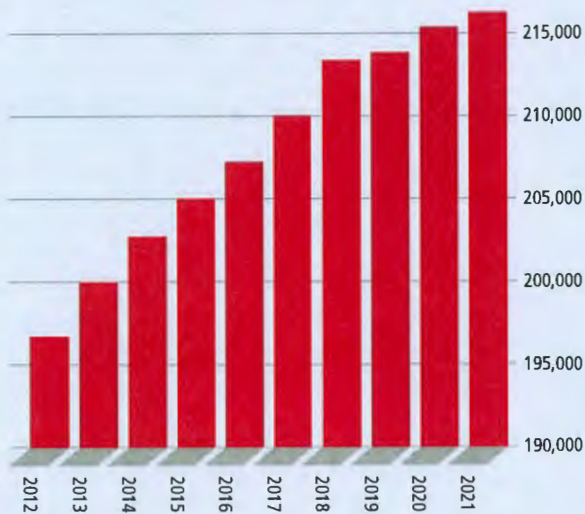
135

KILOMETRES OF WALKING,
ROLLING AND CYCLING TRAILS

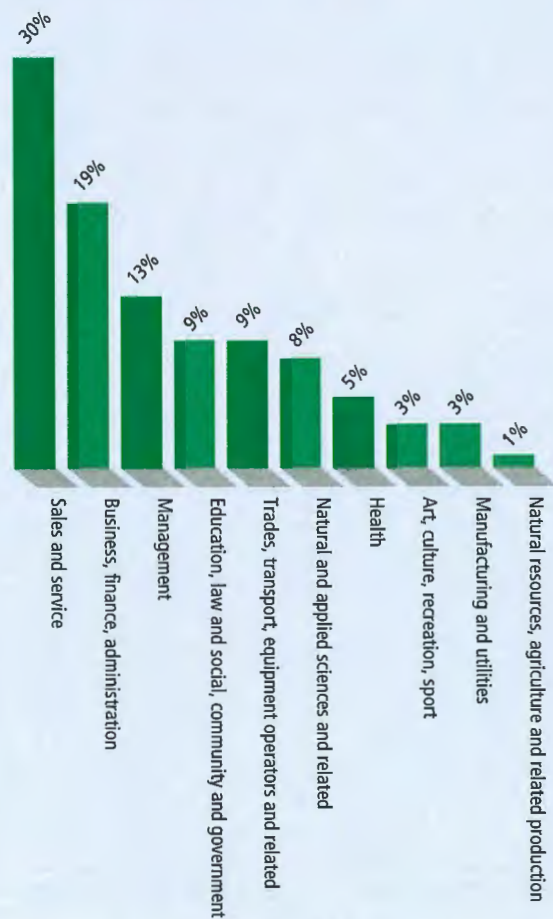
60.2

PERCENTAGE OF THE CITY'S
POPULATION BORN OUTSIDE
OF CANADA

CITY OF RICHMOND POPULATION 2012–2021

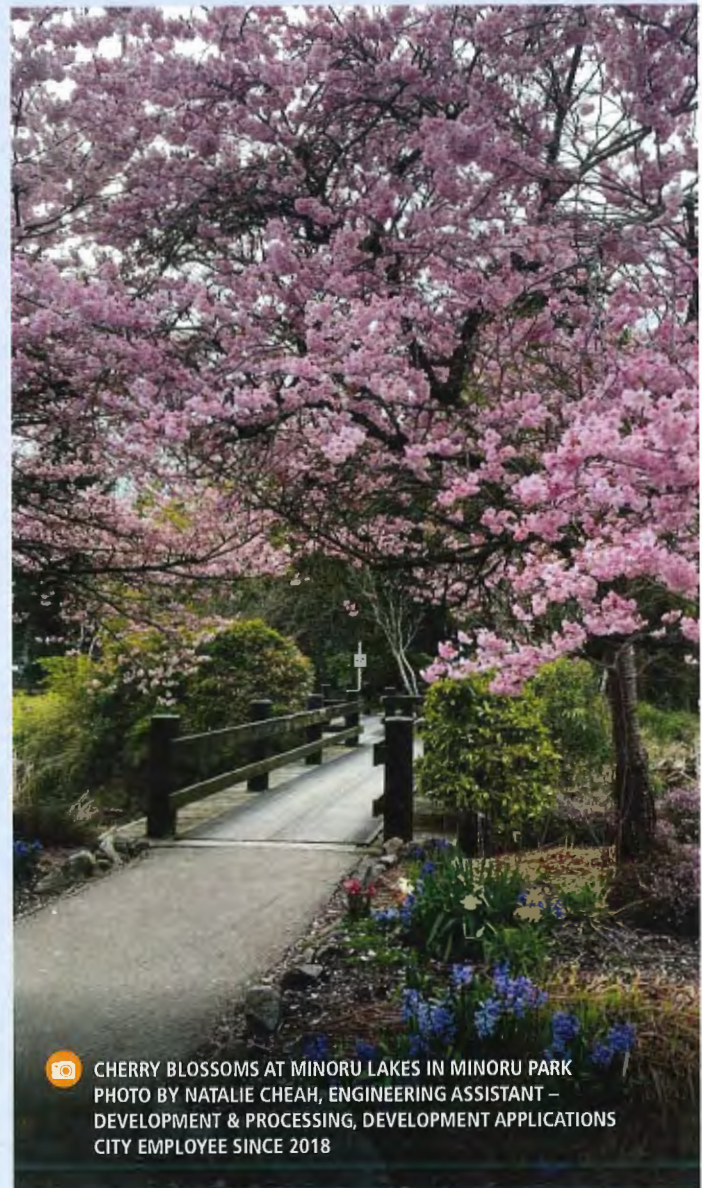



OCCUPATIONS OF RICHMOND RESIDENTS



TOP 10 LARGEST EMPLOYERS IN RICHMOND (IN ALPHABETICAL ORDER)

- Air Canada
- Allied Universal
- Amazon Canada
- Change Healthcare
- City of Richmond
- London Drugs
- MDA Systems
- River Rock Casino Resort
- School District No. 38 (Richmond)
- Vancouver Coastal Health



 CHERRY BLOSSOMS AT MINORU LAKES IN MINORU PARK
PHOTO BY NATALIE CHEAH, ENGINEERING ASSISTANT –
DEVELOPMENT & PROCESSING, DEVELOPMENT APPLICATIONS
CITY EMPLOYEE SINCE 2018

Sources: Statistics Canada, City of Richmond, Vancouver International Airport Authority, Steveston Harbour Authority, Metro Vancouver, Richmond School District.

MAJOR SERVICES PROVIDED BY THE CITY OF RICHMOND

ADMINISTRATION

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

COMMUNITY SAFETY

Brings together the City's public safety providers including RCMP, Fire-Rescue, Emergency Programs, Community Bylaws and Business Licences.

COMMUNITY SERVICES

Coordinates, supports and develops Richmond's community services including Parks Services, Recreation and Sport Services and Arts, Culture and Heritage Services.

ENGINEERING AND PUBLIC WORKS

The Engineering and Public Works Departments deliver public works services and utilities and engineering planning, design, construction and maintenance services for all utility and City building infrastructure.

FINANCE AND CORPORATE SERVICES

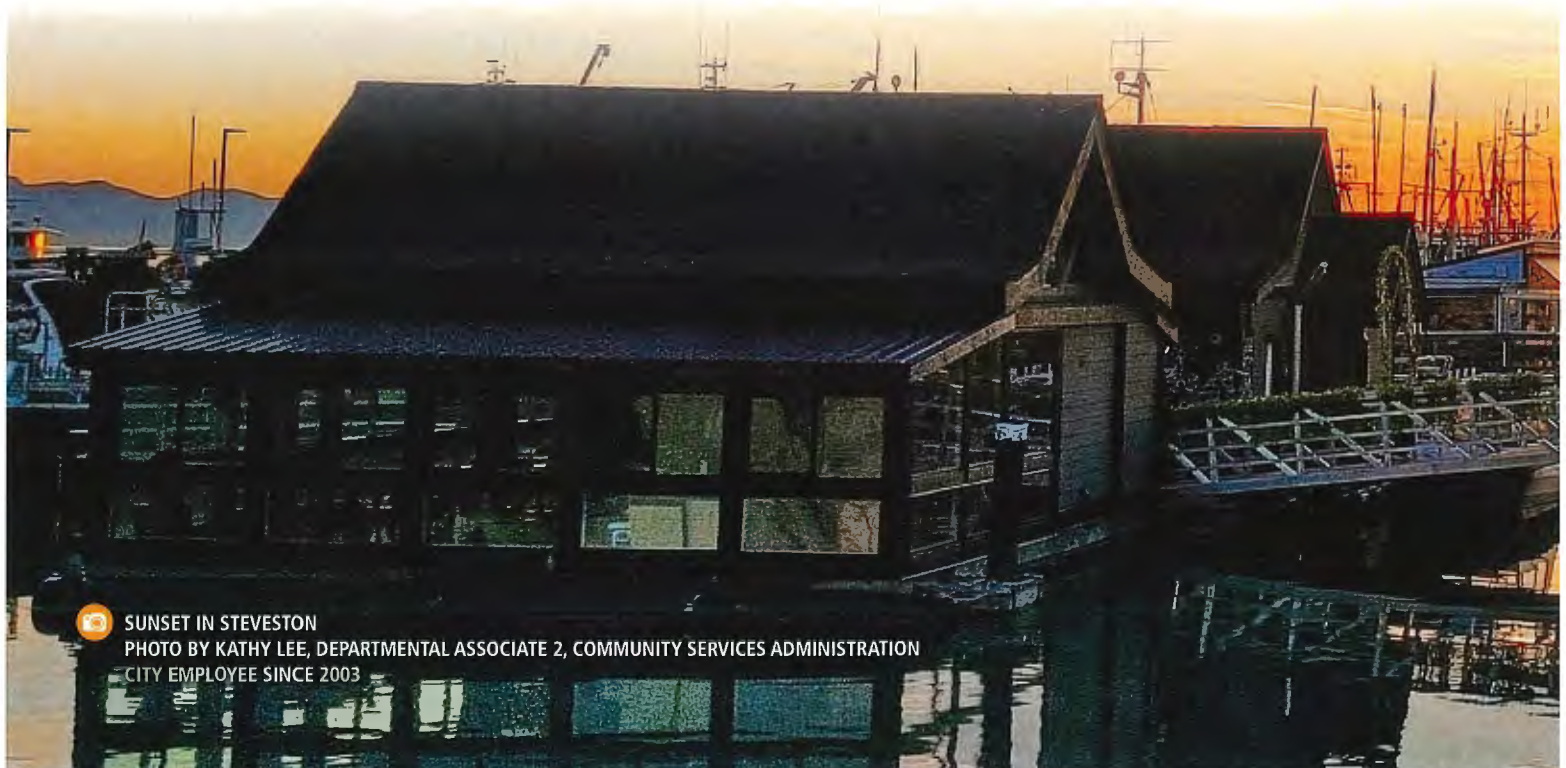
Includes Customer Service, Information Technology, Finance, Economic Development, Real Estate Services and Corporate Business Service Solutions.

PLANNING AND DEVELOPMENT

Includes the Policy Planning, Transportation, Development Applications, Building Approvals and Community Social Development 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.

LAW AND LEGISLATIVE SERVICES

Includes the Law Department and the City Clerk's Office.



SUNSET IN STEVESTON

PHOTO BY KATHY LEE, DEPARTMENTAL ASSOCIATE 2, COMMUNITY SERVICES ADMINISTRATION
CITY EMPLOYEE SINCE 2003

CITY OF RICHMOND CONTACTS

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

CITY OF RICHMOND

6911 No. 3 Road
Richmond, BC V6Y 2C1
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Email: InfoCentre@Richmond.ca
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 @CityofRichmondBC
 @Richmond_BC
 @CityofRichmondBC
 /CityofRichmondBC






GATEWAY THEATRE

6500 Gilbert Road
Richmond, BC V7C 3V4
Phone: 604-270-6500
Box Office: 604-270-1812
www.GatewayTheatre.com
 @GatewayThtr
 @GatewayThtr
 @GatewayThtr

LULU ISLAND ENERGY COMPANY

6911 No. 3 Road
Richmond, BC V6Y 2C1
Phone: 604-276-4011
Email: Info@LuluIslandEnergy.ca
www.LuluIslandEnergy.ca

RICHMOND PUBLIC LIBRARY

100-7700 Minoru Gate (Brighthouse Branch)
Richmond, BC V6Y 1R8
Library Hours Line: 604-231-6401
www.YourLibrary.ca
 @YourLibraryRichmond
 @RPLBC
 @RPLBC
 /YourLibraryRichmond
 Account: RPLYourlibrary1

RICHMOND OLYMPIC OVAL

6111 River Road
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Email: Info@RichmondOval.ca
www.RichmondOval.ca
 @RichmondOval
 @RichmondOval
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City of Richmond

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City of Richmond

Report to Committee

To: Finance Committee

Date: May 6, 2022

From: Ivy Wong
Acting Director, Finance

File:

Re: Financial Information – 1st Quarter March 31, 2022

Staff Recommendation

That the staff report titled, “Financial Information – 1st Quarter March 31, 2022”, dated May 6, 2022 from the Acting Director, Finance be received for information.

Ivy Wong, CPA, CMA
Acting Director, Finance
(604-276-4046)

Att: 4

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Arts, Culture & Heritage Services	<input checked="" type="checkbox"/>	 Acting GM, F&CS
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"/>	
Facilities and Project Development	<input checked="" type="checkbox"/>	
Fire Rescue	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	
Recreation & Sport Services	<input checked="" type="checkbox"/>	
Sustainability & District Energy	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
Library Services	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Origin

Pre-audited financial information for the 1st quarter ended on March 31, 2022 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 an overview of the City of Richmond's (the City) financial results throughout the year and before the annual audited financial statements are presented.

This report supports Council's Strategic Plan 2018-2022 Strategic Focus Area #5 Sound Financial Management and #8 An Engaged and Informed Community:

5.1 Maintain a strong and robust financial position.

5.2 Clear accountability through transparent budgeting practices and effective public communication.

8.2 Ensure citizens are well-informed with timely, accurate and easily accessible communication using a variety of methods and tools.

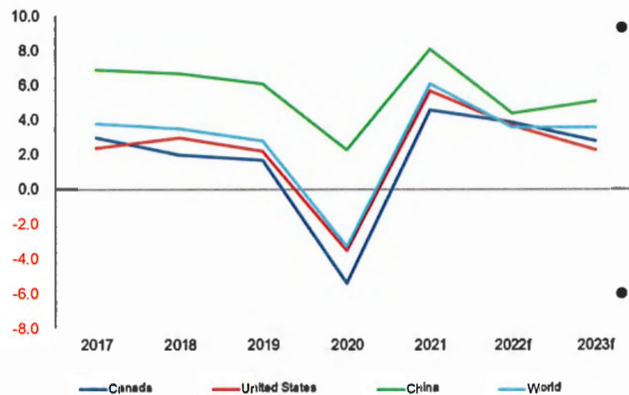
Analysis

Macroeconomic Indicators & Forecast

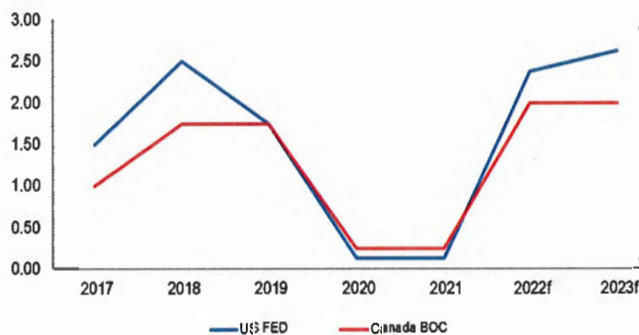
As global economies continue to weather the varying impacts of COVID-19, the current war in Ukraine has created a costly humanitarian crisis and substantial economic damage that is, and will continue to be, felt globally. A significant slowdown in global growth is expected in 2022, along with increasing inflation. In Canada, as like globally, the central bank faces the challenging balance between containing price pressures and safeguarding growth, as the rapid increase in food and fuel prices affects vulnerable populations most severely.

In the near term, Canada is expected to face weaker external demand from the United States, its top trading partner, and globally, employment and output are expected to remain below pre-pandemic trends through 2026. That said, labour markets are tight in Canada, and businesses report challenges in meeting demand. Recent lockdowns in key manufacturing and trade centres in China will likely contribute to ongoing supply disruptions.

Current projections for the global growth slowdown and increased inflation are subject to much uncertainty. An escalation or further spread of the war, increased sanctions on Russia, and any potential new and/or more virulent virus strains could affect the expected trajectory.

1) Global Growth – Real Gross Domestic Product (GDP) % Change¹

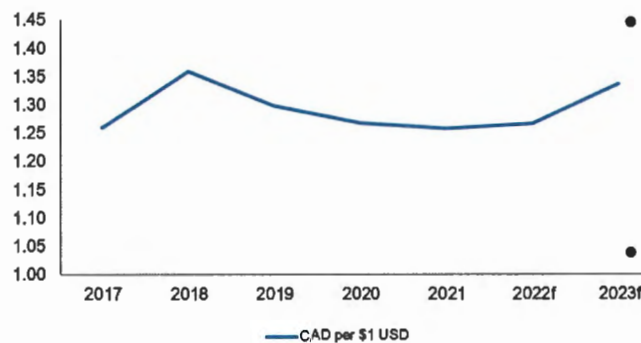
- The International Monetary Fund (IMF) projects global Gross Domestic Product (GDP) will decrease from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. Beyond 2023, global growth is expected to decline further to 3.3% over the medium term.
- In 2022, Canadian GDP is forecasted to grow by 3.9%, with U.S. and China GDP growth forecasts of 3.7% and 4.4%, respectively.
- These growth forecasts have all been recently revised downward, with China's expected growth in 2022 now almost half of its 2021 GDP growth rate.

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

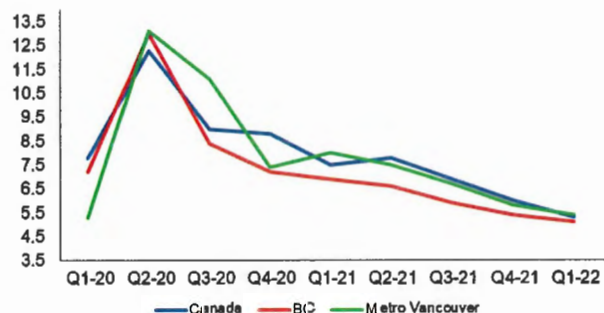
- For the second time this year, the Bank of Canada (BoC) increased rates (April 13, 2022), bringing its overnight lending rate to 1% as part of a substantial upward revision to the Bank's outlook for inflation in Canada.
- The U.S. Federal Reserve (U.S. FED) rate also increased to 0.33%, and additional increases are expected as part of the move toward quantitative tightening.
- As both the BoC and U.S. FED respond to growing inflation, it is expected that the BoC rate will reach 2% by the end of 2022, with the U.S. FED ending the year around 2.38%.

¹ International Monetary Fund, World Economic Outlook (April 2022)

² US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (March 2022)

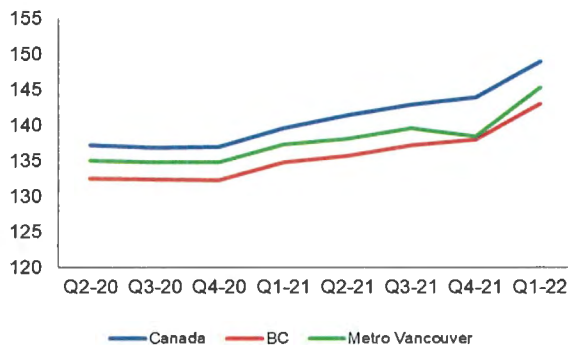
3) Exchange Rates – CAD/USD at Year-End³

- The Canadian dollar (CAD) is forecasted to remain steady against the US Dollar in the near term, with a Q1 2022 exchange rate of \$1.25 CAD / \$1 USD projected to increase only slightly to \$1.27 CAD/ \$1 USD by year end.
- While rising commodity prices would usually strengthen the Canadian dollar (as Canada is a net commodity exporter), the CAD/ USD exchange rate has remained relatively unchanged over the past months. This could be due in part to the BoC and U.S. FED indicating similar intentions to control inflation.

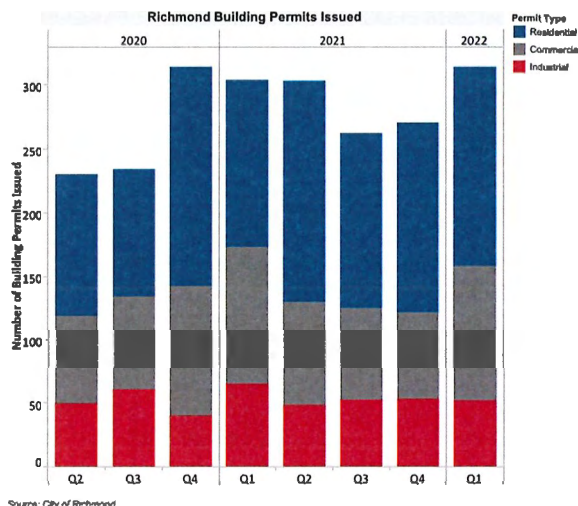
Regional & Local Economic Activity Indicators4) Unemployment⁴

- According to Statistics Canada's March 2022 Labour Market Survey, Canadian unemployment has fallen to the lowest rate on record. Strong employment growth since September 2021, COVID-19 labour market impacts, recruitment challenges, and ongoing demographic trends are contributing factors.
- In B.C., unemployment was up slightly in March even though it was the third lowest in Canada. Full-time employment increased among those aged 55 and over, but decreased for those aged 15-24 and 25-54. Private sector employment and self-employment continue to increase.
- At the end of Q1 2022, the Canadian, B.C., and Metro Vancouver unemployment rates were 5.3%, 5.1%, and 5.4%, respectively.

³ Royal Bank Economic Research Forecast (April 2022)⁴ Statistics Canada

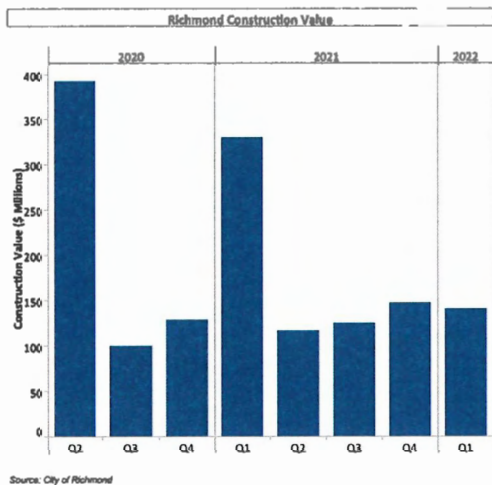
5) Consumer Price Index (CPI – 2002=100)⁵

- By the end of Q1 2022, the Consumer Price Index had increased by 6.7% in Canada, 6% in British Columbia and 5.7% in Metro Vancouver, the largest year-over-year increase in 30 years.
- Significant increases within the last quarter are consistent with supply constraints and pricing pressures related to fuel, food (including wheat, among others), wages, and durable goods, impacted by the ongoing war in Ukraine and supply chain disruptions.

6) Building Permits – Richmond⁶

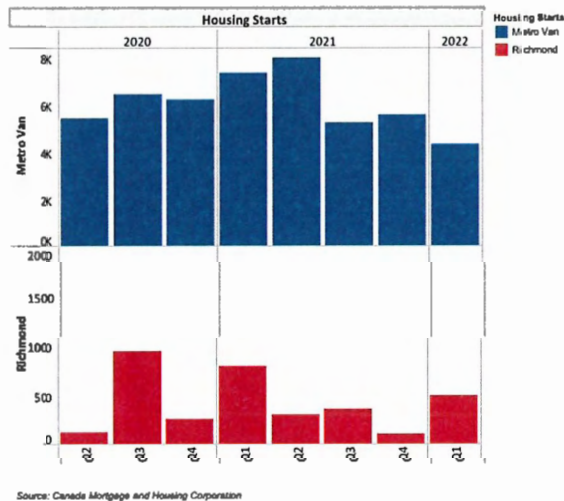
- During the first quarter of 2022, there were 156 residential, 107 commercial, and 51 industrial building permits issued in Richmond.
- This represents a 3.3% increase in the total number of building permits issued over the same period in 2021, even though there was a 20.3% decline in industrial building permits issued.
- 132 new units are being added to the local housing supply in Q1 2022, which represents an 80.2% decrease as compared to the same period in 2021. This is due to a predominance of single-family dwellings, as well as the longer development cycles for multi-family homes, which result in substantial quarter-over-quarter fluctuations in the number of new units.

⁵ Statistics Canada⁶ City of Richmond Building Permits



- \$141 million in construction value was registered in Q1 2022, a decrease of 57.3% from the same period last year. That said, construction value has been steady quarter-over-quarter for the past four quarters. Construction values will often show large variations between quarters reflecting those times when multiple, high value projects are approved during the same period.
- While there are anticipated supply constraints in construction, including higher cost materials and labour shortages, demand remains strong.

7) Housing Starts⁷



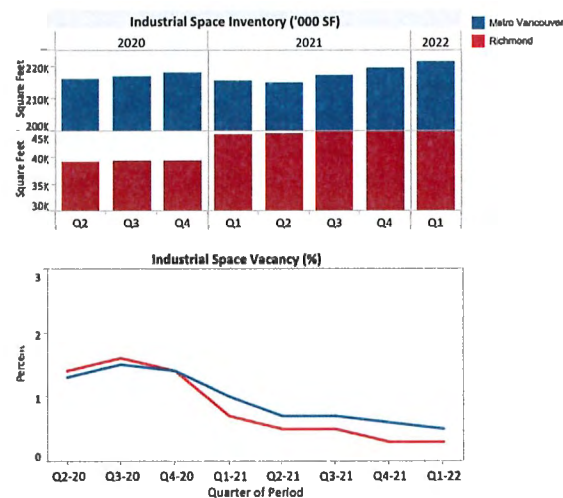
- In Q1 2022, there were 482 housing starts in Richmond and 4,308 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on verification that construction work has commenced⁸.
- Year to date housing starts decreased in Richmond by 38.4% and in Metro Vancouver by 41.2% over the same period in 2021. There has been a fair amount of fluctuation over the past year, quarter by quarter.
- CMHC predicts that supply constraints on construction will continue to impact major urban centres, including Vancouver. Housing starts are expected to moderate but remain high in 2022.

⁷ Canada Mortgage and Housing Corporation

⁸ Housing Start is defined as the beginning of construction work on a building, generally when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

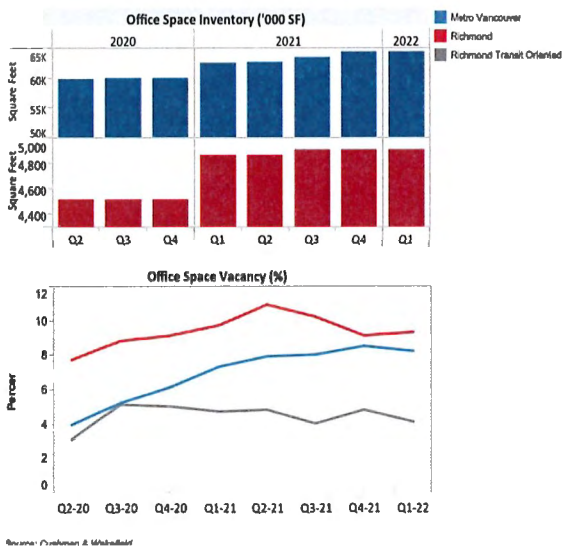
8) Commercial Space⁹

a) Industrial Space



- Industrial sales and leasing activity in Metro Vancouver continued to be strong in Q1 2022, with industrial vacancy rates at a historic low of 0.5%. The lack of available space and scarcity of developable land has also led to a 13% increase in rental rates.
- In Richmond, the industrial vacancy rate is even lower than Metro Vancouver – at 0.3% in Q1 2022.
- 46,000 square feet of industrial space was added to Richmond's inventory during the first quarter of 2022.
- Global e-commerce and third-party logistics companies continue to absorb industrial space at an accelerated rate, which makes it even more challenging for small to mid-size industrial tenants looking for space.

b) Office Space

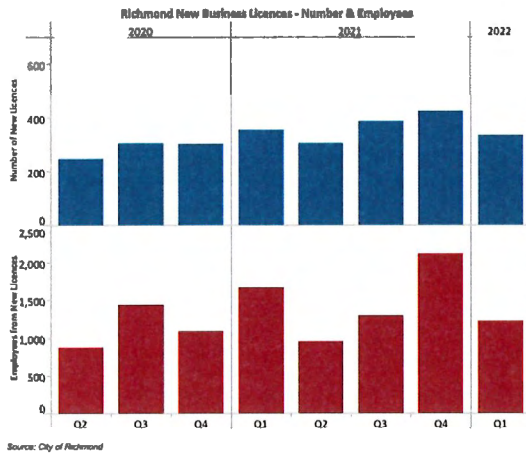


- At the end of Q1 2022, the office vacancy rate was 9.3% in Richmond and 8.2% in Metro Vancouver. The vacancy rate for office space near transit is even more constrained and currently sits at 4.1% for Richmond.
- In Richmond, office vacancy rates have declined (by 4.1%) since the same time last year, though in Metro Vancouver, the trend has reflected an increase in availability (by 12.3%).
- Demand for office space from the technology sector is strong (as it has been for the last eleven quarters) and is expected to continue.
- There were increases in asking rents this quarter, especially for higher classes of space (Class A and AAA). In Richmond, there was a 5.2% increase, resulting from a lack of Class A space in the City Centre.

⁹ Cushman & Wakefield Office and Industrial Market Beat Reports

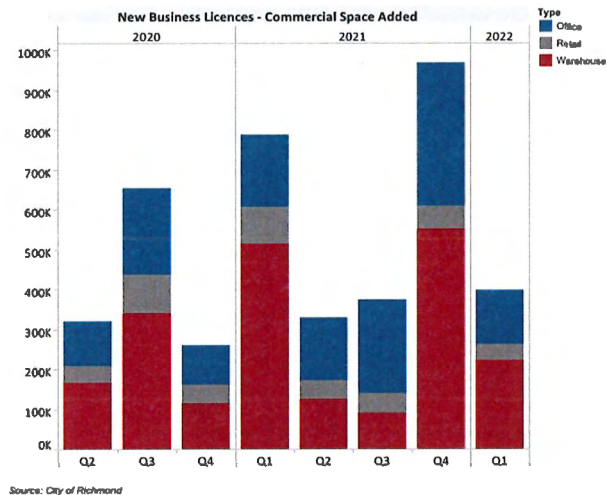
9) Business Growth – Richmond

a) Total Valid Business Licences & New Business Licences Issued



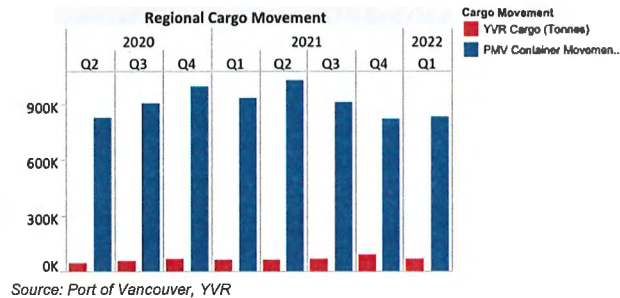
- 335 new business licenses (representing 1,223 jobs) were issued by the City of Richmond in Q1 2022, a 5.1% decrease from the same period last year.
- The number of total valid business licenses at the end of Q1 2022 reflects an upward trend, at 13,662, or 2.4% higher than Q1 2021. This demonstrates improved business health, as the pandemic trajectory and associated restrictions have changed.

b) New Business Licences – Commercial Space



- 397,302 square feet of commercial space absorption was tied to the new business licenses issued during Q1 2022.
- While the amount of space absorbed is down by 49.6% from a year prior (and has seen substantial quarter-over-quarter fluctuations), the type of space required is similar, with industrial space representing the largest share of absorption, at 220,571 square feet, followed by office (135,437 square feet), and retail (41,294 square feet).

10) Goods and People Movement

a) Regional Cargo Movement¹⁰

- In Q1 2022, cargo volumes handled by the Port of Vancouver, as measured by Twenty Foot Equivalents (TEUs), decreased by 10.4% from the same time period last year.
- During Q1 2022, 66,742 tonnes of air cargo passed through the Vancouver International Airport (YVR), which is an increase of 9.4% from the same time period last year.

b) Airport Passengers¹¹

- With a loosening of COVID-19 pandemic restrictions, YVR is seeing a substantial increase in travelers. In the first quarter of 2022, 2.8 million passengers moved through the airport, which is a 344% increase over the same time period last year.

c) Richmond Hotel Room Revenue¹²

- As a sign that tourism continues to recover from the most severe impacts of the COVID-19 pandemic, room revenues in Richmond for January 2022 were \$12.1M, which is double the revenues for January 2021.
- Travelers are arriving from both within the province and further afield. Environics Analytics reports that, for the week ending March 27, 2022, B.C.'s weekly domestic overnight visitation increased by 21% compared to the same week in 2019.

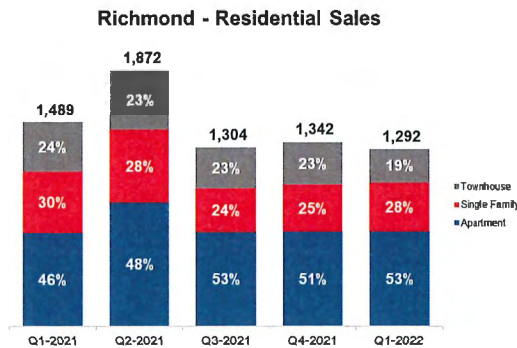
¹⁰ Port of Vancouver Monthly Cargo Statistics

¹¹ YVR Monthly Statistics

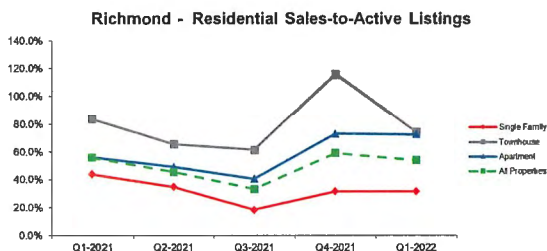
¹² City of Richmond Additional Hotel Room Tax Ledger; Destination BC – Richmond Hotel Revenue for Q1 2021 includes January data only.

Residential Real Estate¹³

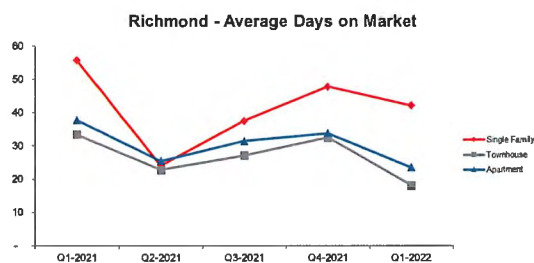
In the first quarter of 2022, home sales activity remained elevated in Richmond's housing market, although down slightly compared to last years numbers. Sales activity in the first part of the second quarter is slowing down in response to increases in the interest rate. In the first quarter, Richmond is still seeing an upward pressure on prices across all housing categories due to low supply.



- Single family detached (SFD) home sales decreased by 20% compared to Q1 2021.
- Townhouse and apartment sales have decreased 33% and increased 1.3%, respectively, compared to Q1 2021.
- Townhouse sales comprise 19% of the residential home sales in Richmond. SFD and apartment sales account for 28% and 53%, respectively, of home sales in Richmond.
- There were 1,292 residential home sales in Richmond in Q1 2022, a 13% decrease compared to the same period last year.

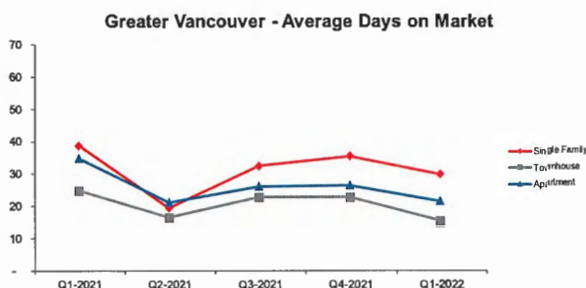


- Richmond residential properties had a sales-to-active listings ratio of 54% as of March 31, 2022 representing a sellers market.



- At Q1 2022, SFD properties in Richmond had an average of 42 days on the market, a 25% decrease compared to Q1 2021.
- Townhouses and apartments had an average of 18 and 23 days on the market, respectively, representing a 46% and 38% decrease respectively over the same period last year.

¹³ Real Estate Board of Greater Vancouver



- At Q1 2022, SFD properties in the GVRD had an average of 30 days on the market, which represents a 23% decrease compared to Q1 2021.
- Townhouses and apartments in the GVRD had an average of 16 and 22 days on the market, which represents a decrease of 37% and 38% respectively, over the same period in 2021.

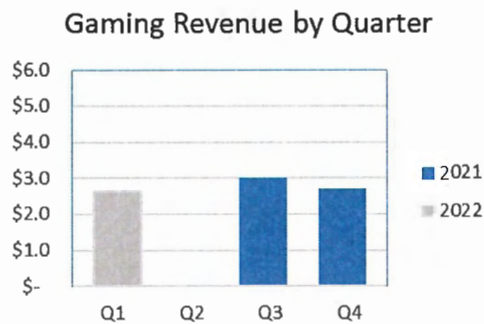


- The Home Price Index (HPI)¹⁴ for SFD properties in Richmond at Q1 2022 was \$2,181,700, a 25% increase compared to Q1 2021. The GVRD housing market has also increased with SFD properties priced at \$2,118,600, which was a 25% increase compared to the same quarter last year.
- At Q1 2022, the HPI for townhouse properties in Richmond was \$1,100,600, an increase of 27% compared to Q1 2021. The HPI for townhome properties in the GVRD was \$1,138,300, which represented a 31% increase compared to the same time last year.
- The HPI for apartments in Richmond was \$828,100, an increase of 19% compared to Q1 2021. GVRD's apartment prices increased to \$835,500, which was a 17% increase from Q1 2021.

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. Net 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. Distributions are subject to volatility due to fluctuations in net win from casino games, operating costs and accounting adjustments.

¹⁴ Home Price Index is a tool to measure home prices trends in Metro Vancouver and other major markets in the country. It is an alternative measure of real estate prices that provides the market trends over traditional tools such as mean or median average prices.



- The River Rock casino reopened July 1, 2021, after being closed since March 16, 2020.
- Gaming revenue for Q1 2022 was \$2,651,401; it was \$nil for Q1 2021 as the casino remained closed.
- The 2022 budget for Gaming revenues is \$14,500,000 based amounts received pre-Covid.

On March 16, 2020, the Attorney General ordered the temporary closure of all gambling facilities in British Columbia in consultation with and on the advice of the Provincial Health Officer. This action was taken in order to protect British Columbians and ensure that the province was in the best position to effectively respond to the COVID-19 pandemic. The closure of gambling facilities has directly impacted casino revenue since March 2020.

On June 29, 2021, the provincial government announced that certain businesses can reopen, such as casinos. The Great Canadian Gaming Corporation reopened the River Rock Casino Resort on Thursday, July 1, 2021. The City received \$5,700,108 as payments for the third and fourth quarters in 2021.

The City will continue to monitor the impact of COVID-19 and the allocation of gaming revenue accordingly.

Operating Activity

Table 1 compares budget to unaudited actual activity up to March 31, 2022. 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 1: *Net Operational Activity for the period January 1, 2022 to March 31, 2022 (in \$000's)*

Division/Department ¹	Q1 YTD Net Budget ²	Q1 YTD Actuals and Commitments ³	Q1 YTD Variance (\$)	Q1 YTD Variance (%)
Community Safety ⁴	\$(962)	\$(1,093)	\$131	14%
Community Services	12,870	12,000	870	7%
Corporate Administration	2,406	2,065	341	14%
Engineering and Public Works	26,097	25,920	177	1%
Finance and Corporate Services	6,682	5,842	840	13%
Fire Rescue	12,055	11,557	498	4%
Library	3,297	3,214	83	3%
Planning and Development	2,337	2,243	94	4%
Policing	17,495	17,035	460	3%
Fiscal	(27,118)	(27,174)	56	0%
Law and Legislative Services	1,141	1,083	58	5%
Total	\$56,300	\$52,692	\$3,608	6%
Water Utility	7,672	7,221	451	6%
Sanitary Sewer Utility	5,288	5,206	82	2%
Sanitation and Recycling Utility	97	47	50	52%
Utilities Total	\$13,057	\$12,474	\$583	4%

¹Net Operational Activity does not include amounts related to capital such as: contributed assets, developer contributions, amortization, etc. It does not represent Generally Accepted Accounting Principles, but is presented on a modified cash basis.

²The Net Budget is based on the budget approved by Council on January 24, 2022.

³Includes budgeted equity transactions such as transfer to reserves, transfer to provision etc.

⁴Includes Community Safety Administration, Business Licences, Community Bylaws and Emergency Programs.

The following section provides an explanation on a Divisional/Departmental basis of year to date variances in relation to the 2022 Revised Financial Plan:

- Community Safety (excluding fire rescue and policing) has a favourable variance due to vacant positions and lower year to date operating spending offset by lower parking revenues due to COVID-19.
- Community Services' favourable variance is due to a combination of vacant positions and timing of operating expenditures that are anticipated to be made up in the second and third quarters of the year.
- Corporate Administration's favourable variance is mainly due to vacant positions.
- Engineering and Public Works is on budget.

- Finance and Corporate Services' favourable variance is mainly due to vacant positions, which is partly attributable to recruitment challenges and favourable general operating expenses.
- Fire Rescue's favourable variance is due to lower actual salaries for Firefighters than what was budgeted due to the timing of pay increases, vacant positions and the timing of operating spending.
- The Library's favourable variance is mainly due to vacant positions. Any surplus at year-end will be appropriated for future use within Library operations.
- Planning and Development is on budget.
- Policing favourable variance is due to the timing of RCMP Contract costs and municipal employee vacant positions.
- Fiscal is on budget.
- Law and Legislative Services' favorable variance is mainly due to vacant positions.
- Water Utility's favorable variance is due to seasonal variances.
- Sanitary Sewer Utility is on budget.
- Sanitation and Recycling Utility's favourable variance is mainly due to higher than expected revenue.

The presentation of the figures for the Financial Statement, Statement of Operations is different from 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 appropriations and transfer to reserves. The Statement of Operations for the Three Month Period Ended March 31, 2022, with comparative figures for 2021 is included in Attachment 3.

Cash and Investment Portfolio

For the first time in two years since the start of the Covid-19 pandemic, the Bank of Canada (the Bank) increased the overnight interest rate by 0.25% at the March 2, 2022 interest rate announcement. The soaring inflation that was reported at a historical high level of 6.7% for Q1 2022 has prompted the Bank to further increase the overnight interest rate by 0.50% on April 13, 2022 as a policy tool to tighten money supply.

It is anticipated that the interest rate will continue to rise as the spike in energy and other commodity prices in the wake of Russia's invasion of Ukraine and supply chain disruptions are driving inflation higher than expected. Next interest rate announcement is scheduled to take place on June 1, 2022 where further interest rate hike is anticipated.

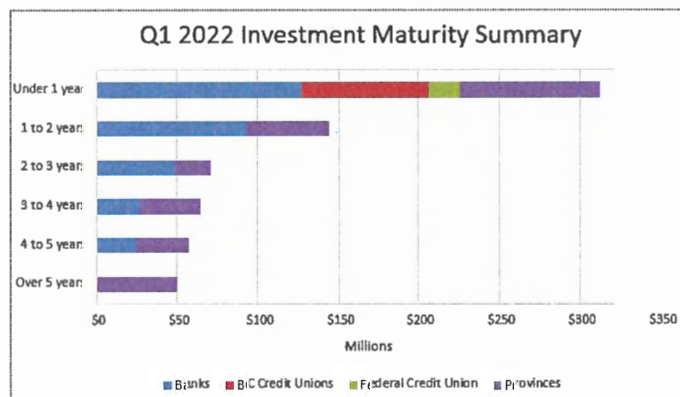
Table 2: Market Interest Rates (for analytical purposes only)

	March 31, 2022 (current quarter)	December 31, 2021 (previous quarter)
2 Year Government of Canada Bonds	2.31%	0.99%
5 Year Government of Canada Bonds	2.42%	1.30%
10 Year Government of Canada Bonds	2.43%	1.47%

Source: Bank of Canada

The City's cash and investment balance of \$1.32 billion as of March 31, 2022 was comprised of \$700.2 million in investments and \$622.7 million in high interest savings cash account, with a weighted average interest yield of 1.55%. The interest yield is anticipated to improve over the remainder of the year as the portfolio is being repositioned gradually for yield optimization in the projected rising interest rate environment.

The City's overall credit risk exposure remains low because the City continues to maintain a diversified and high credit quality investment portfolio comprising of 40% in provincial government bonds, 46% in chartered banks, 3% in federal credit union and 11% in local credit unions. As shown in the investment maturity summary in the chart below, the City has been strategically positioned with heavier weighting on cashable and short-term interest bearing products in order to allow for more flexible reinvestment opportunities in a rising interest rate environment.



Q1 2022 Investment Maturity Summary

Staff will continue to monitor the interest rate movement and will strategically reposition its cash and investments to ensure that, amongst its investment policy objectives, capital preservation and liquidity continue to be the most critical considerations for all municipal investment decisions.

All investment activities have been conducted in compliance with the City's Investment Policy 3703. Based on independent ESG rating of the City's fixed income portfolio, the City continues to receive high ESG Rating of "AA" as of Q1 2022.

Contract Awards

In accordance with Policy 3104, this report provides information on new contract awards and aggregate contract extensions greater than \$75,000. During the first quarter, 33 contracts greater than \$75,000 were awarded totalling over \$26.6 million (Attachment 4).

Financial Impact

None.

Conclusion

The March 31, 2022 financial information report provides details on the economic environment, financial results and other key indicator information to the Finance Committee for review.



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Manager, Financial Reporting
(604) 276-4077

- Att. 1: Economic Indicators
- Att. 2: Financial and Key Indicators
- Att. 3: Unaudited Statement of Operations
- Att. 4: Contract Awards greater than \$75,000

Economic Indicators**March 31, 2022****Macroeconomic Indicators & Forecast**

1) Real GDP (% at YE)	2020	2021	Change	2022f	2023f
Canada	(5.4)	4.6	(185.2%)	3.9	2.8
United States	(3.5)	5.7	(262.2%)	3.7	2.3
China	2.3	8.1	252.2%	4.4	5.1
World	(3.3)	6.1	(284.8%)	3.6	3.6
2) Interest Rates (at YE)	2020	2021	Change	2022f	2023f
Bank of Canada	0.25	0.25	0.0%	2.0	2.0
US FED	0.13	0.13	0.0%	2.38	2.63
3) Exchange Rate (at YE)	2020	2021	Change	2022f	2023f
CAD per \$1 USD	1.27	1.26	(0.8%)	1.27	1.34

Regional and Local Market Indicators

4)	Unemployment (% at QE)	Q1-2022	Q4-2021	Change	Q1-2021	Change	
	Canada	5.3	6.0	(11.7%)	7.5	(29.3%)	
	BC	5.1	5.4	(5.6%)	6.9	(26.1%)	
	Metro Vancouver	5.4	5.8	(6.9%)	8.0	(32.5%)	
5)	CPI (2002=100) (at QE)	Q1-2022	Q4-2021	Change	Q1-2021	Change	
	Canada	148.9	144.0	3.4%	139.6	6.7%	
	BC	143.0	138.0	3.6%	134.9	6.0%	
	Metro Vancouver	145.3	138.5	4.9%	137.4	5.7%	
6)	Richmond Building Permits	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
	Residential – New Construction^	75	63	19.0%	75	63	19.0%
	Residential – Alterations	81	68	19.1%	81	68	19.1%
	Residential Total	156	131	19.1%	156	131	19.1%
	^ Number of units from new residential construction	132	668	(80.2%)	132	668	(80.2%)
	Residential	156	131	19.1%	156	131	19.1%
	Commercial	107	109	(1.8%)	107	109	(1.8%)
	Industrial	51	64	(20.3%)	51	64	(20.3%)
	Building Permits Total	314	304	3.3%	314	304	3.3%
	Construction Value (\$ million)	141.0	330.0	(57.3%)	141.0	330.0	(57.3%)
7)	Housing Starts (Units)	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
	Starts - Metro Vancouver	4,308	7,322	(41.2%)	4,308	7,322	(41.2%)
	Starts - Richmond	482	783	(38.4%)	482	783	(38.4%)
8)	Richmond Residential Sales Activity	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
	Sales - Detached	357	444	(19.6%)	357	444	(19.6%)
	Sales - Townhouse	244	363	(32.8%)	244	363	(32.8%)
	Sales - Apartment	691	682	1.3%	691	682	1.3%
	Sales - Total	1,292	1,489	(13.2%)	1,292	1,489	(13.2%)

Economic Indicators**March 31, 2022****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings Ratio (% at QE)**

	Q1-2022	Q1-2021	Change
Single Family Detached	31.4%	43.8%	(28.3)
Townhouse	73.9%	83.3%	(11.3)
Apartment	72.2%	56.0%	28.9
Total	53.8%	55.6%	(3.2)

10) Average Days on Market

Property Type	Richmond			Metro Vancouver		
	Q1-2022	Q1-2021	Change	Q1-2022	Q1-2021	Change
Single Family Detached	42	56	(25.0%)	30	39	(23.1%)
Townhouse	18	33	(45.5%)	16	25	(36.0%)
Apartment	23	38	(39.5%)	22	35	(37.1%)

11) Home Price Index (\$000 at QE)

Property Type	Richmond			Metro Vancouver		
	Q1-2022	Q1-2021	Change	Q1-2022	Q1-2021	Change
Single Family Detached	2,182	1,748	24.8%	2,119	1,700	24.6%
Townhouse	1,101	865	27.3%	1,138	872	30.5%
Apartment	828	696	19.0%	836	716	16.8%

12) Commercial Space (at QE)

	Richmond			Metro Vancouver		
	Q1-2022	Q1-2021	Change	Q1-2022	Q1-2021	Change
Office Vacancy (%)	9.3	9.7	(4.1%)	8.2	7.3	12.3%
Transit Oriented Office Vacancy (%)	4.1	4.7	(12.8%)	N/A	N/A	N/A
Office Inventory (000 sf)	4,903	4,863	0.8%	64,314	62,419	3.0%
Industrial Vacancy (%)	0.3	0.7	(57.1%)	0.5	1.0	(50.0%)
Industrial Inventory (000 sf)	44,797	44,390	0.9%	221,419	215,520	2.7%

13) Richmond Business Growth

	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
Total Valid Business Licences (at QE)	13,662	13,341	2.4%	13,662	13,341	2.4%
New Licences - Number Issued	335	353	(5.1%)	335	353	(5.1%)
New Licences - Employees	1,223	1,674	(26.9%)	1,223	1,674	(26.9%)
New Licences - Office Added (sf)	135,437	181,493	(25.4%)	135,437	181,493	(25.4%)
New Licences - Retail Added (sf)	41,294	92,856	(55.5%)	41,294	92,856	(55.5%)
New Licences - Industrial Added (sf)	220,571	513,963	(57.1%)	220,571	513,963	(57.1%)
Total Space Added (sf)/Avg. Change	397,302	788,312	(49.6%)	397,302	788,312	(49.6%)

Economic Indicators**March 31, 2022****Regional and Local Market Indicators (continued)**

14) Goods & People Movement	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
YVR Air Cargo (tonnes)**	66,742	61,005	9.4%	66,742	61,005	9.4%
PMV Container Movement (TEUs)	836,143	932,963	(10.4%)	836,143	932,963	(10.4%)
YVR Passengers (million)**	2.8	0.63	344.4%	2.8	0.63	344.4%
Richmond Hotel Revenue (\$ million)***	12.1	6.0	101.7%	12.1	6.0	101.7%

Notes:

- a) QE indicates quarter end; YE indicates year end
b) f - forecast to year-end
c) * - Figures have been updated to reflect changes in source data.
d) ** YVR data for Q1 includes January to March 2022 figures.
e) ***Hotel Room Revenue for Q1 includes January 2022 data only

List of Sources:

- 1) International Monetary Fund, World Economic Outlook (April 2022)
2) & 3) US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (March 2022)
4) & 5) Statistics Canada
6) City of Richmond Building Permits
7) Canada Mortgage and Housing Corporation
8), 9) & 10) Real Estate Board of Greater Vancouver
11) Cushman & Wakefield Office and Industrial Market Beat Reports
12) City of Richmond Business Licences
Port of Vancouver Monthly Cargo Statistics
13) YVR monthly statistics
City of Richmond Additional Hotel Room Tax Ledger, Destination BC

Financial and Key Indicators**March 31, 2022**

(All dollar amounts in \$000's)

1) Development Cost Charges Contributions	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
Roads, Water, Sewer DCC's Received	\$2,076	\$4,062	(48.9%)	\$2,076	\$4,062	(48.9%)
Parks DCC's Received	\$1,412	\$2,800	(49.6%)	\$1,412	\$2,800	(49.6%)
Total DCC Fees Received	\$3,488	\$6,862	(49.2%)	\$3,488	\$6,862	(49.2%)
DCC Reserves – Uncommitted balance at QE	\$141,384	\$139,688	1.2%	n/a	n/a	n/a
2) Uncommitted Reserves (at QE)	Q1-2022	Q1-2021	Change			
Capital Funding Reserves	\$122,919	\$205,389	(40.2%)			
Utility Reserves	\$108,091	\$105,546	2.4%			
Affordable Housing Reserves	\$9,157	\$5,448	68.1%			
Other Reserves	\$81,382	\$68,380	19.0%			
Total Uncommitted Reserves	\$321,548	\$384,762	(16.4%)			
3) Taxes to date	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
Taxes Collected	\$14,134	\$12,566	12.5%	\$14,134	\$12,566	12.5%
City Portion of Taxes Collected	\$7,208	\$6,157	17.1%	\$7,208	\$6,157	17.1%
Unpaid Taxes - Delinquent & Arrears (at QE)	\$11,504	\$11,415	0.8%	\$11,504	n/a	0.8%
No. of Participants on Pre-authorized withdrawal (at QE)	6,271	6,382	(1.7%)	6,271	n/a	(1.7%)
Pre-authorized withdrawals payments	\$11,761	\$8,361	40.7%	\$11,761	\$8,361	40.7%
Interest rate % paid	0.45%	0.45%	0.0%	0.45%	0.45%	0.0%
<i>Sources: All data is from City of Richmond records</i>						
4) Cash and Investments	Q1-2022	Q1-2021	Change			
Investments	\$700,219	\$790,449	(11.4%)			
Cash (includes high interest savings accounts)	\$622,129	\$447,681	39.0%			
Total Cash and Investments	\$1,322,348	\$1,238,130	6.8%			
Average City Rate of Return on Investments %	1.55%	1.46%	6.2%			

Financial and Key Indicators**March 31, 2022**

(All dollar amounts in \$000's)

Financial and Key Indicators (continued)

5) Planning and Development	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
Building Permit Fees Collected	\$1,670	\$3,403	(50.9%)	\$1,670	\$3,403	(50.9%)
Development Applications Received	27	25	8.0%	27	25	8.0%
Development Applications Fees	\$72	\$172	(58.1%)	\$72	\$172	(58.1%)
6) Business Licences	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
Revenue Received for Current Year Licences	\$1,914	\$1,816	5.4%	\$1,914	\$1,816	5.4%
Revenue Received for Next Year (Deferred)	\$100	\$93	7.5%	\$100	\$93	7.5%
Total Licence Revenue	\$2,014	\$1,909	5.5%	\$2,014	\$1,909	5.5%
<i>Year to date valid licences and revenue include current year licences issued in the prior year.</i>						
7) Other Revenues	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
Parking Program Revenue	\$348	\$291	19.6%	\$348	\$291	19.6%
Gaming Revenue	\$2,651	\$0	0.0%	\$2,651	\$0	0.0%
Traffic Fine Revenue	\$0	\$0	0.0%	\$0	\$0	0.0%
8) Employees	Q1-2022	Q1-2021	Change			
Full Time Equivalent (FTE) Employees (at QE)	1,520	1,398	8.7%			
<i>(City and Library)</i>						
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.</i>						
9) Operating Indicators	Q1-2022	Q1-2021	Change	YTD-2022	YTD-2021	Change
RCMP - Calls for Service Handled	12,612	14,452	(12.7%)	12,612	14,452	(12.7%)
Community Bylaws	1,081	895	20.8%	1,081	895	20.8%
Fire Incidents	2,381	1,920	24.0%	2,381	1,920	24.0%
Public Works calls for Service	3,314	3,416	(3.0%)	3,314	3,416	(3.0%)

Financial and Key Indicators**March 31, 2022**

(All dollar amounts in \$000's)

Financial and Key Indicators (continued)

10) Housing Units Secured Since 2007 (at QE)	Q1-2022	Q1-2021	Change
<u>Affordable Housing</u>			
Non-Market Rental (units)	569	529	7.6%
Affordable Rental (LEMR**) (units)	919	906	1.4%
ARTS Rental (units)	37	37	0.0%
Entry Level Home Ownership (units)	25	25	0.0%
<u>Market Housing</u>			
Market Rental (units)	1,150	979	17.5%
Secondary Suite / Coach House (units)	322	301	7.0%
Total Housing Units	3,022	2,777*	8.8%

* Figures have been updated to reflect changes in source data and methodology.

** LEMR units refer to Low End Market Rental units.

*** The floor space secured refers to square footage negotiated through phased developments. The number remains unchanged, as the development applications for subsequent phases have not come forward at this time with the unit breakdown and mix. LEMR units are still consistently secured through standard rezoning and development applications.

11) Richmond Population Estimate Year End	2022f	2021
	222,099	216,280

Population figures from BC Stats

Notes:

- a) All figures presented above are unaudited
- b) f - forecast to year-end

Unaudited Statement of Operations¹

For the Three Month Period Ended March 31, 2022, with comparative figures for 2021.

(Expressed in thousands of dollars)

	Budget March 31 2022	Actuals March 31 2022	Actuals March 31 2021
Revenue:			
Taxes and levies	\$64,203	\$64,203	\$60,190
Utility fees	30,657	28,757	27,605
Sales of services	11,236	7,538	7,228
Payments-in-lieu of taxes	3,663	3,335	3,058
Provincial and federal grants	2,671	1,151	3,075
Development cost charges	4,437	4,702	4,837
Other capital funding sources	17,790	8,084	4,605
Other revenue:			
Investment income	3,288	3,406	3,252
Gaming revenue	3,625	2,651	-
Licences and permits	2,625	4,023	3,882
Other	4,383	10,945	2,408
Equity income	173	520	451
	148,751	139,315	120,591
Expenses:			
Community safety	33,463	31,237	28,779
Utilities: water, sewer and sanitation	28,039	24,395	23,475
Engineering, public works and project development	20,334	20,170	16,612
Community services	17,881	13,594	12,687
General government	20,058	19,081	16,332
Planning and development	6,468	5,292	4,293
Library services	2,829	2,738	2,234
	129,072	116,507	104,412
YTD Surplus (Annual Surplus) ²	19,679	22,808	16,179
Accumulated surplus, beginning of year	3,272,200	3,272,200	3,256,021
Accumulated surplus, end of March 31 ³	\$3,291,879	\$3,295,008	\$3,272,200

¹ Statement of Operations for City and Library after intercompany eliminations, includes investment in Lulu Island Energy Company but excludes Oval results.

² 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.

³ 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.

Contract Awards greater than \$75,000

January 1st to March 31st, 2022

Item	Description	Awarded Vendor	Awarded Amount	Division
1	Design and Contract Administration Services for the Richmond Ice Centre Infrastructure Replacements Phase 2	HDR Architecture Associates, Inc.	221,165	Engineering & Public Works
2	Construction Services for No. 9 Road South Dike Upgrade Capital Project	RTR Terra Contracting Ltd.	1,063,077	Engineering & Public Works
3	Supply and Delivery of Two (2) Hybrid and/or Fully Electric Low Roof Vans with Rear Cargo Doors	Mainland Ford Ltd.	139,062	Engineering & Public Works
4	Open Text Contract Renewal	Open Text Corporation	211,129	Finance & Corporate Services
5	Arc Maintenance and Support Renewal Contract	ESRI Canada Ltd.	192,900	Finance & Corporate Services
6	House Demolition at 4831 Steveston Highway	Renov8t.com Construction Inc.	75,400	Engineering & Public Works
7	Leadership Training Curriculum	The Corker Collective Inc.	114,000	Corporate Administration
8	VMware Licensing Including Support and Maintenance Services	Turning Point Technology Services Inc.	78,170	Finance & Corporate Services
9	Construction Services for City Works Yard Improvements - Phase 2	Boston Construction Corp.	702,232	Engineering & Public Works
10	Gateway Theatre - Rolling Doors Replacement Project	Boston Construction Corp.	160,624	Engineering & Public Works
11	Data Visualization and Analytics Solution	Tibco Software Ireland Ltd.	1,512,047	Finance & Corporate Services
12	Richmond Ice Centre Infrastructure Renewals - Phase 1	PCL Constructors Westcoast Inc.	4,472,818	Engineering & Public Works
13	Capstan Station Integration - Development of Conceptual Designs	Dialog BC Architecture Engineering	482,340	Planning & Development
14	Preventative and Repair Maintenance of Direct Digital Control Systems	ESC Automation	278,695	Engineering & Public Works
15	Cisco Smartnet/Licensing Network Renewal	Telus Communications Inc.	109,345	Finance & Corporate Services
16	Supply of Drainage Pumps, Parts and Services Agreement	KSB Pumps Inc.	2,510,000	Engineering & Public Works
17	Provision of Civil Engineering Consulting Services for No. 2 Road Multi-Use Pathway and Bus Speed and Reliability Programs	Associated Engineering (BC) Ltd.	306,586	Engineering & Public Works

Contract Awards greater than \$75,000 (continued)January 1st to March 31st, 2022

Item	Description	Awarded Vendor	Awarded Amount	Division
18	PerfectMind Licensing and Support Renewal Contract	PerfectMind Inc.	995,000	Finance & Corporate Services
19	Supply and Installation of Dehumidification Coils and Associated Works at Minoru Centre for Active Living	Entity Mechanical Ltd.	147,313	Engineering & Public Works
20	City of Richmond City Hall Infrastructure Replacement	Elemental Architecture and Interiors Inc.	119,750	Engineering & Public Works
21	Flood Protection Public Engagement Specialist	EPI Ecoplan International Inc.	85,730	Engineering & Public Works
22	Minoru Arenas System Renewal - Construction Services	Heatherbrae Builders Co. Ltd.	671,597	Engineering & Public Works
23	Supply and Delivery of LED Street Name Signs	Image Sign & Lighting Inc.	470,771	Engineering & Public Works
24	Operation of Restorative Justice Program - 2022	Touchstone Family Association	100,700	Community Safety
25	Construction Services for Minoru Lakes Renewal	Wilco Civil Inc.	8,469,553	Community Services
26	Burkeville Utility Upgrades - Phases 2&4 - Sanitary Sewer Pipe Bursting	PW Trenchless Construction Inc.	491,365	Engineering & Public Works
27	Oracle Database Software and Solaris Hardware Purchase	Eclipsys Solutions	774,433	Finance & Corporate Services
28	Supply and Delivery of CO2 and Tank Rental for Minoru Centre for Active Living 2022 - 2025	Linde Canada Inc.	164,353	Community Services
29	Load Balancer Hardware Including Support and Maintenance Services	Compugen Inc.	160,211	Finance & Corporate Services
30	Supply and Delivery of SQL Servers	Turning Point Technology Services Inc. and CDW Canada Corp.	245,711	Finance & Corporate Services
31	Oracle - PeopleSoft Annual Maintenance and Support (License Renewal for HCM and FSCM)	Oracle	634,564	Finance & Corporate Services
32	Janitorial Services at Community Safety Building	Nutech Facility Services Ltd.	360,000	Engineering & Public Works
33	Amanda (Municipal Property Management System) Software Support and Maintenance	CSDC Systems Inc.	116,027	Finance & Corporate Services
Total contracts awarded greater than \$75,000			\$26,636,668	



City of Richmond

Report to Committee




To: Finance Committee
From: Ivy Wong, CPA, CMA
Acting Director, Finance
Date: May 10, 2022
File: 03-0975-01/2022-Vol
01
Re: Active Capital Projects Information - 1st Quarter March 31, 2022

Staff Recommendation

That the staff report titled, "Active Capital Projects Information – 1st Quarter March 31, 2022", dated May 10, 2022 from the Acting Director, Finance, be received for information.

Ivy Wong, CPA, CMA
Acting Director, Finance
(604-276-4046)

Att. 2

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE
Information Technology	<input checked="" type="checkbox"/>	Sustainability & District Energy <input checked="" type="checkbox"/>
Real Estate Services	<input checked="" type="checkbox"/>	Fire Rescue <input checked="" type="checkbox"/>
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	Community Bylaws <input checked="" type="checkbox"/>
Community Social Development	<input checked="" type="checkbox"/>	Transportation <input checked="" type="checkbox"/>
Parks Services	<input checked="" type="checkbox"/>	
Recreation and Sport Services	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
Facility Services & Project Development	<input checked="" type="checkbox"/>	 Acting GM, F&CS
Fleet & Environmental Programs	<input checked="" type="checkbox"/>	
Roads & Construction	<input checked="" type="checkbox"/>	
Sewerage & Drainage	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

Active Capital Project Information for the 1st Quarter (ended March 31, 2022) is provided to the Finance Committee for information purposes. This report includes the approved 2022 Capital Budget and other previously approved capital projects.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

5.2 Clear accountability through transparent budgeting practices and effective public communication.

Analysis

SUMMARY OF ACTIVE CAPITAL PROJECTS

Active capital projects represent construction, non-construction and acquisition (e.g. equipment and land) capital projects previously approved by Council. A capital project is considered active for the purpose of this report if the project falls within one of the following project completion stages:

- Planning and Design – includes projects that were previously approved and are undergoing design specifications, design approvals, or public consultation.
- Contract Award – this includes preparing and issuing a request for proposal, evaluating proposals received, and finalizing contract award agreements.
- Construction – includes build out of the approved design either by City workforce or under executed agreements.
- Functional Completion – certain projects are completed in phases that allow for portions of the project to be functionally complete while the next phase is initiated.
- Project Completion – may include fully functional assets that are in their final inspection and acceptance stage, assets that may still require minor deficiencies to be addressed, as-built drawings to be received, collection of external funding and fulfillment of audit requirements, where applicable.

Capital projects also include amounts set aside for land acquisition, public art, child care and affordable housing which are dependent upon external factors such as market conditions, availability and external partners. Therefore, these projects are presented to Council prior to final approval.

The approved 2022 Capital Budget of \$103.1M (excluding internal transfers and debt repayments) and other previously approved active capital projects are summarized by program in Table 1. The current balance committed to active capital projects is \$535.2M.

Table 1: Active Capital Projects by Program (in \$'000s)

Program	Plan Year	Number of Active Projects	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
Infrastructure Program	2022	47	\$47,606	\$284	\$47,322
	2021	49	48,304	10,389	37,915
	2020	53	66,970	31,868	35,102
	2019	25	26,777	16,080	10,697
	2018 & older	19	101,684	79,902	21,782
Infrastructure Program Total		193	\$291,341	\$138,523	\$152,818
Building Program	2022	9	21,424	4	21,420
	2021	13	109,686	3,700	105,986
	2020	8	17,317	3,412	13,905
	2019	13	18,443	7,365	11,078
	2018 & older	13	155,135	115,502	39,633
Building Program Total		56	\$322,005	\$129,983	\$192,022
Parks Program	2022	10	7,492	-	7,492
	2021	11	12,450	700	11,750
	2020	8	10,480	1,448	9,032
	2019	11	12,322	5,218	7,104
	2018 & older	25	35,892	23,777	12,115
Parks Program Total		65	\$78,636	\$31,143	\$47,493
Construction Related Programs		314	\$691,982	\$299,649	\$392,333

Table 1: Active Capital Projects by Program (in \$'000s) - continued

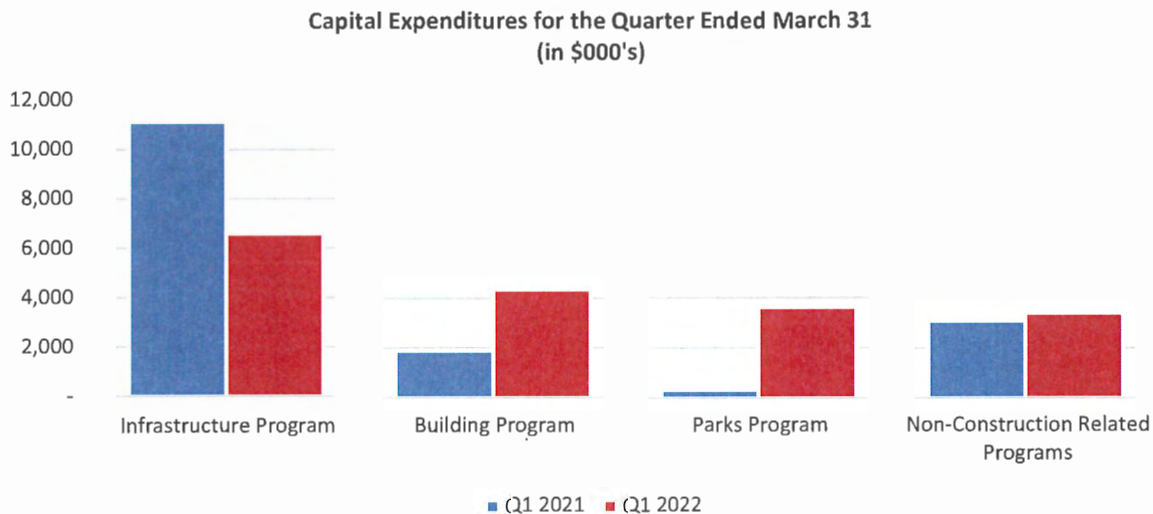
Program	Plan Year	Number of Active Projects	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
Affordable Housing Program	2022	1	400	-	400
	2021	3	3,999	172	3,827
	2020	1	400	31	369
	2019	2	425	-	425
	2018 & older	2	3,000	114	2,886
Affordable Housing Program Total		9	\$8,224	\$317	\$7,907
Child Care Program	2022	3	260	57	203
	2021	1	112	66	46
	2018 & older	1	100	11	89
Child Care Program Total		5	\$472	\$134	\$338
Equipment Program	2022	16	10,686	20	10,666
	2021	11	8,444	2,445	5,999
	2020	8	5,577	2,730	2,847
	2019	11	13,941	7,189	6,752
	2018 & older	14	13,087	8,295	4,792
Equipment Program Total		60	\$51,735	\$20,679	\$31,056
Land Program	2022	1	5,000	-	5,000
	2021	2	30,000	-	30,000
	2020	1	10,000	1,759	8,241
	2019	1	10,000	-	10,000
	2018 & older	4	52,044	13,124	38,920
Land Program Total		9	\$107,044	\$14,883	\$92,161
Public Art Program	2022	1	201	7	194
	2021	1	185	168	17
	2020	1	745	496	249
	2019	1	563	144	419
	2018 & older	3	5,434	4,569	865
Public Art Program Total		7	\$7,128	\$5,384	\$1,744
Contingent External Contribution	2022	1	9,693	-	9,693
Contingent External Contribution Total		1	\$9,693	\$-	\$9,693
Non-construction Related Programs		91	\$184,296	\$41,397	\$142,899
Grand Total		405	\$876,278	\$341,046	\$535,232

An estimate of \$10M was included in the 2022 Capital Plan (2022-2026 Financial Plan Bylaw) for external grants or contributions that may be received throughout the year. Funding is transferred to the approved applicable projects only when funding is confirmed. As of March 31, 2022, \$307,000 was received and the budget for Contingent External Contribution was adjusted to \$9,693,000.

YEAR TO DATE CAPITAL EXPENDITURES

The following is an overview of the actual capital expenditures on a cash-basis for the quarter ended March 31.

Figure 1 – Capital Expenditures for the Quarter Ended March 31



Infrastructure Program:

The \$4.5M year-over-year decrease in Q1 capital expenditure is mainly driven by \$3.0M in funding for the Canada Line Capstan Station and \$1.0M for Eckersley B Sanitary Pump Station incurred in 2021.

Building Program:

The \$2.5M year-over-year increase is mainly driven by \$1.2M for Animal Shelter Replacement and \$0.9M for Richmond Curling Club.

Parks Program:

The \$3.3M year-over-year increase is mainly driven by \$2.3M of parkland acquisition at 8528 Ash Street and \$0.7M of work for Aberdeen Park.

Non-Construction Related Programs:

The \$0.3M increase is mainly driven by \$2.6M spent on fire vehicle purchases in Q1 2022 offset against \$2.3M in spending for other vehicle purchases and equipment in Q1 2021.

The following are capital projects with the highest current year-to-date capital expenditures (actuals on a cash-basis) as at March 31, 2022.

Table 2: Capital projects with the highest current year-to-date capital expenditures (in \$'000s)

Project Name	Current Year-to-Date Actuals
Parkland Acquisition (2017)	\$2,320
Fire Vehicle Replacement Reserve Purchases (2019)	1,509
Animal Shelter Replacement (2018)	1,252
Fire Vehicle (2019)	1,120
Richmond Curling Club Ice Plant Replacement & Other Systems (2021)	955
Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2020)	785
Watermain Replacement Upgrades Program (2021)	737
Thompson Community Centre & Hall Infrastructure Renewals (2021)	490
Burkeville Utility Improvements Drainage (2021)	474
Minor Building Capital Improvement (2020)	444

INFLATION AND COST ESCALATION

Due to the COVID-19 pandemic, there are material supply shortages and pressure on the tight labour market. This in turn has resulted in price volatility of construction materials. According to Statistics Canada, the non-residential construction price index in Vancouver has increased by 8.8% from Q1 2021 to Q1 2022, which exceeded the Vancouver Consumer Price Index increase of 5.7% from March 2021 to March 2022. This trend will continue in the short term due to continued high inflation and extreme energy prices brought on by the war in Ukraine, and could impact the construction cost of existing capital projects. Staff will continue to evaluate its impact and attempt to contain costs within the approved capital program by reallocating budget between existing approved capital projects. All budget reallocations will be reported to Council through the active capital projects quarterly information report and the budget amendment report. Should staff no longer be able to contain costs within the existing approved project budget, staff will bring forward a separate report to Council to discuss potential funding options.

CAPITAL BUDGET REALLOCATIONS

Council Policy 3001 requires changes to the Capital Budget be reported to the Finance Committee. The following reallocations were recorded in the first quarter of 2022:

Table 3: Budget Reallocations (in \$'000s)

Program	Transfer From	Transfer To	Amount
Contingent External Contribution & Infrastructure	Contingent External Contribution (2022)	Public Works Infrastructure Advanced Design (2021)	\$250
Contingent External Contribution & Infrastructure	Contingent External Contribution (2022)	Arterial Roadway Improvement Program (2019)	56
Equipment	Workforce Management (2016)	PeopleSoft HCM 9.2 Update (2020)	10
Contingent External Contribution & Public Art	Contingent External Contribution (2022)	Public Art Program (2022)	1
Total Budget Reallocations			\$317

During the first quarter, the City also received the following grant payments from various funding partners:

- \$151,377 from Government of Canada under the Investing in Canada Infrastructure Program – COVID-19 Resilience Infrastructure Stream for Thompson Community Centre and Hall Infrastructure Renewals
- \$139,040 from BC Hydro under the CleanBC grant for the replacement of equipment in existing buildings to reduce Greenhouse Gas (GHG) emissions
- \$88,750 from Coast Mountain Bus Company to fund the Transit-Related Roadway Improvement Program under the 2021 Transit Related Road Infrastructure Program
- \$77,275 from Canadian Heritage to fund the renovation of Steveston Museum Main Room
- \$75,318 from Transport Canada for the implementation of road and rail safety measures at Williams Road and Shell Road

These external grants have already been considered in the approved capital project budgets and no budget reallocations are requested at this time.

GRANT APPLICATIONS

Council has approved the following grant applications and the City is currently awaiting results. As such, the budget in Table 1 does not reflect the following amounts:

- Investing in Canada Infrastructure Program Green Infrastructure Environmental Quality Stream grant for drainage infrastructure and capacity enhancement components in Minoru Park for a funding of \$2,310,000
- Government of Canada Active Transportation Fund for City Centre cycling network expansion for a funding of \$4,110,000
- Investing in Canada Infrastructure Program - Community, Culture and Recreation (CCR) Intake Phase 2 for the Cultural Centre Annex for a maximum available funding of \$2,400,000

- National Disaster Mitigation Program (NDMP) for Mitigation Planning – the Steveston Island Preliminary Dike Design submission for a maximum available funding of \$500,000
- ICBC 2021 Road Improvement Program - Funding will be determined at the point of grant approval

HIGHLIGHTS OF KEY CAPITAL PROJECTS

Information on key capital projects include the adjusted project budgets including transfers from other projects and budget amendments, actuals on a cash-basis, and remaining commitments as at March 31, 2022.

INFRASTRUCTURE

The City's Infrastructure program includes construction for roads, lanes, street systems, public walkways and paths, street lighting, water distribution networks, sanitary sewer systems, and drainage and flood protection systems. Many of the active infrastructure projects are in the design and permitting stages. With the current Provincial and Federal regulatory framework, the design and approval process for many drainage projects (including pump stations and dike upgrades) can take between one to two years.

There are continued upgrades for drainage and sanitary pump stations, dikes and roads throughout the City along with infrastructure improvements in the Burkeville area, Steveston area and various other locations. Table 4 provides the highlights for the key infrastructure capital projects.

Table 4: Key Infrastructure Capital Projects (in \$'000s)

Program	Project Name	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
Drainage	Drainage Pump Station and Diking Upgrades – Federal Grant (2020-2022)	\$12,216	\$2,903	\$9,313
Drainage	Burkeville Area Drainage and Utility Improvements - Phase 3 (2020)	2,236	2,002	234
Road & Drainage	No. 4 Road Reconstruction and Box Culvert Repair (2018, 2020)	2,786	1,240	1,546
Road	Annual Asphalt Re-Paving Program - MRN and Non MRN (2021)	4,933	743	4,190
Road	Annual Asphalt Re-Paving Program - MRN and Non MRN (2022)	5,032	-	5,032
Sanitary	Steveston Laneway Sanitary Sewer Rehabilitation (2020-2022)	7,400	824	6,576
Water	Watermain Replacement Program (2021)	6,196	1,723	4,473
Total Key Infrastructure Capital Projects		\$40,799	\$9,435	\$31,364

BUILDING

The Building Program includes major building construction and renovation projects as well as minor facility upgrades. Table 5 provides the highlights for the key building capital projects.

Table 5: Key Building Capital Projects (in \$'000s)

Project Name	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
Animal Shelter Replacement (2018)	\$8,000	\$5,112	\$2,888
Richmond Curling Club - Priority 1 Repairs (2022)	650	-	650
Richmond Ice Centre Infrastructure Renewals - Phase 1 (2020)	6,850	1,191	5,659
Richmond Nature Park Infrastructure Renewals (2022)	4,775	-	4,775
Community Safety Building (2020)	1,420	84	1,336
Richmond Courthouse (2019-2020)	1,932	143	1,789
South Arm Community Centre Infrastructure Renewals (2022)	1,900	-	1,900
Britannia Shipyards Envelope & Mechanical System Renewals (2022)	2,125	4	2,121
Watermania Mechanical and Pool Equipment Renewals (2022)	2,200	-	2,200
Minoru Arenas (2019, 2021)	4,580	1,880	2,700
City Hall Infrastructure Replacement (2020-2021)	4,270	129	4,141
Works Yard Improvements (2018-2019)	4,222	1,486	2,736
Steveston Community Centre and Branch Library (2021)	95,000	-	95,000
Total Key Building Capital Projects	\$137,924	\$10,029	\$127,895

Attachment 1 includes the Q1 2022 Construction Update on Engineering and Public Works Capital Projects as well as the project budget and the scheduled construction completion.

PARKS

The Parks program includes the development and replacement of parks, trails, community garden and natural areas in Richmond. Key Parks capital projects are summarized in Table 6 below with the project highlights outlined in Attachment 2.

Table 6: Key Parks Capital Projects (in \$'000s)

Project Name	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
Alexandra Park (formerly West Cambie Park) (2019)	\$1,770	\$1,304	\$466
Aberdeen Park Phase 2 and 3 (2018, 2019)	2,050	1,652	398
Garden City Lands Phase 2 and 3 (2016-2018)	6,170	3,151	3,019
Riverport and Cook Community Gardens (2020)	180	149	31
Minoru Lakes Renewal (2019-2021)	9,810	318	9,492
King George Park Rugby Field Upgrades (2013)	374	202	172
Lang Park Completion (2020)	250	145	105
London Heritage Farm Master Plan Phase 1 (2022)	612	-	612
Dog Park Upgrades (2021)	200	1	199
London/Steveston Park Enhancements (2017, 2019-2020)	950	669	281
Hollybridge Pier/Middle Arm (2010, 2012, 2015)	2,350	2,012	338
The Gardens Agricultural Park (2015)	1,100	598	502
South Arm Park Renewal (2021)	300	-	300
Playground Improvement & Replacement (2018, 2020-2022)	2,050	952	1,098
Parks Aging Infrastructure (2018-2022)	2,720	1,797	923
Parks General Development (2020-2022)	1,350	324	1,026
Parks Identity Signage Program (2021-2022)	200	30	170
Total Key Parks Capital Projects	\$32,436	\$13,304	\$19,132

TRANSPORTATION

The Transportation department implements a range of capital projects each year throughout Richmond, including new or widening of existing arterial roads, traffic signals, sidewalks, walkways, bicycle lanes, upgrades to transit-related road infrastructures and traffic safety and traffic calming projects. Table 7 provides the highlights for the key Transportation capital projects.

Garden City Pedestrian and Cyclist Enhancements, Westminster Highway to Lansdowne Road

This project adds separated cycling and pedestrian facilities along a popular cycling route to improve public safety and contribute to the City's long-term objective of providing physical separation between cyclists and motor vehicles along arterial roads. The addition of an extruded curb and paving of a 1.8m wide cycling path have been completed. This adds an additional 350m of separated cycling path to the City network, while maintaining the existing number of vehicle travel lanes.

Arterial Road Improvement Program

Through the Arterial Road Improvement Program, Transportation has been making improvements to reduce collisions and improve pedestrian and cycling safety at intersections, such as the removal of channelized right-turn islands. At the northwest intersection of Garden City Road and Lansdowne Road, the channelized right-turn lane and corresponding island were removed and replaced with a standard curb return and pedestrian facilities. A 40m section of the

southbound on-street bike lane was also upgraded to an off-street bike path including an additional 25m of treed landscaped boulevard. This project connects to the work on the west side of Garden City Road between Lansdowne Road and Westminster Highway where the paved shoulder was upgraded to a protected multi-use pathway. Two other channelized island removals within this project are slated to be completed by Q4 2022.

Table 7: Key Transportation Capital Projects (in \$'000s)

Project Name	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
Garden City Road Pedestrian and Cyclist Enhancements, Westminster Highway to Lansdowne Road (2019)	\$1,000	\$688	\$312
Arterial Roadway Improvement Program (2020)	800	255	545
Total Key Transportation Capital Projects	\$1,800	\$943	\$857

AFFORDABLE HOUSING

The affordable housing program supports the creation of affordable housing in partnership with senior levels of government, non-profit organizations and the private sector. The key affordable housing capital projects are highlighted below and summarized in Table 8.

Bridgeport Supportive Housing

The City has partnered with BC Housing to develop 40 units of supportive housing on City-owned land on Smith Street. The Bridgeport Supportive Housing will provide housing and on-site support to help Richmond residents experiencing homelessness transition to housing stability. Building occupancy is targeted for summer 2022.

Pathways Affordable Housing

The City is partnering with BC Housing and Pathways Clubhouse to build new affordable housing on City-owned land at 5491 No. 2 Road. The six-storey building will provide 80 new homes for single people, families and seniors. Rental rates will accommodate both low-income and moderate-income households. Construction is scheduled to start in 2022.

Table 8: Key Affordable Housing Capital Projects (in \$'000s)

Project Name	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
Affordable Housing Projects – City Wide (2017)	\$2,600	\$114	\$2,486
Bridgeport Supportive housing (2021)	250	-	250
Total Key Affordable Housing Capital Projects	\$2,850	\$114	\$2,736

CHILD CARE

The Child Care program supports the creation of child care spaces by accepting voluntary contributions from developers in the form of built child care facilities or cash-in-lieu contribution to the Child Care Statutory Reserves. The key Child Care projects are highlighted below and summarized in Table 9.

Child Care Projects - City-wide (Capital Grants)

A total of \$50,000 in Child Care Capital Grants was approved and distributed to eight child care programs in Richmond. These funds will support the non-profit child care providers with the purchase of essential items including furniture, play equipment, couches, furnaces, etc. These items will enhance the quality of programs for children and will ensure compliance with child care regulations.

Child Care Projects - City-wide Non-Capital Grants

A Child Care Professional and Program Development Grant totalling \$7,400 was approved and distributed to a non-profit organization. These funds will be used to purchase resources for the Supported Child Development Program's resource lending library. Materials in this library are available to families and child care providers to support the development and inclusion of children who require extra support in order to participate in child care in Richmond.

Table 9: Key Child Care Capital Projects (in \$'000s)

Project Name	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
Child Care Projects - City-wide (Capital Grants) (2022)	\$50	\$50	\$-
Child Care Projects - City-wide Non-Capital Grants (2022)	10	7	3
Total Key Child Care Capital Projects	\$60	\$57	\$3

EQUIPMENT

The equipment program includes machinery and vehicles for Public Works (PW), Fire Rescue Services, City Hall computer hardware, software and other miscellaneous equipment. Table 10 provides the highlight for the key equipment capital projects.

Energy Management Projects (2017)

The mechanical update at Richmond Library Cultural Centre (LCC) involved implementing a deep greenhouse gas emission and energy-efficient retrofit of heating and cooling systems. The replacement of LCC's mechanical system will ensure reliability and continuity of the facility's heating and cooling services, resulting in a 60% GHG reduction (160 tonnes CO₂e) annually over its lifecycle. The project was funded by CleanBC (BC Hydro) and Federation of Canadian Municipalities. The project is almost complete.

Energy Management Projects - Gas Equipment Replacement and Upgrade Phase 1 (2019)

This project involves an upgrade to the heating and cooling control system equipment at the Steveston Tennis Shed, two buildings within the City's Operation Works Yard, and one building in the Britannia Shipyard. This capital project budget also covers the heating replacement at Richmond City Hall and Thompson Community Centre. The project is at the early stage of the design.

Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet)

Annual Replacement of vehicles and equipment are eligible due to age and conditions in accordance with Sustainable Green Fleet Policy 2020. The process for replacing aging fleet is to establish needs and develop specifications for vehicles and equipment replacements. Steps include: sending bid information out to marketplace, evaluating submissions, and awarding accordingly. This specific project involves the acquisition of over 40 vehicles and pieces of equipment identified for replacement. As of Q1 2022, 6 units have been completed, 7 units are on order, 15 units are awaiting contract award sign offs, and 1 unit is in the process of obtaining three quotes.

Level 2 Electric Vehicle Charging Expansion

This project involves the installation of 20 chargers at 8 different locations throughout the city. As of Q1 2022, all construction have been completed. Reporting requirements are in progress as part of the grant funding process with Natural Resources Canada.

Master Customer Data

There is an increasing expectation from Richmond residents and businesses to access City online services at any time and from any location, and the City's Digital Strategy has provided a wide range of benefits to users including increased availability and access to streamlined processes. The latest initiative to support this objective is the plan to launch the MyBusiness module of MyRichmond in Q3 2022. It will offer business owners a comprehensive dashboard of information and available services at a glance, allowing them to apply for, obtain approvals and pay for business licenses without leaving the comfort of their home or office.

Business Continuity Transition to Laptops

This project invests in the technical infrastructure required to support staff to be able to work remotely and ensure the City has the capacity to operate business services during emergency events and planned site interruptions. This project was significant to continuing business operations during the recent COVID-19 pandemic and has mostly completed its deployment, with estimated completion in Q2 2022.

Field Devices

This initiative supports equipping City field workers with devices to securely interface with Public Works asset management systems, allowing remote access and the ability to update service status while away from the office. Completion is expected by Q3 2022.

Oracle RAC Enterprise and Solaris SPARC Server Upgrades

Oracle Real Application Clusters (RAC) are mission-critical database component services used in the City's financial, payroll, taxation, Public Works asset management, identity access management and Geographic Information Systems (GIS). This project will implement a cost-effective, highly available and modernized Oracle Database RAC infrastructure. Equipment installation is complete, and production databases are in the process of being migrated with estimated completion by Q4 2022.

Annual Hardware Refresh

This is a planned annual replacement program for end-of-service City computer hardware, which includes desktops, laptops, backup printers, monitors, cellular phones and iPads. This approach maintains business productivity, reduces maintenance costs and ensures computer hardware is technically appropriate for the software applications used in City business services and practices. Equipment is scheduled for ongoing replacement during the year.

Table 10: Key Equipment Capital Projects (in \$'000s)

Project Name	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
Energy Management Projects (2017)	\$3,290	\$2,968	\$322
Energy Management Projects - Gas Equipment Replacement and Upgrade Phase 1 (2019)	675	7	668
Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet) (2021)	2,949	247	2,702
Public Electric Vehicle Charging Expansion (2019)	700	483	217
Master Customer Data (2015)	900	290	610
Business Continuity Transition to Laptops (2021)	365	262	103
Field devices (2021)	281	204	77
Oracle RAC Enterprise and Solaris SPARC Server Upgrades (2021)	850	772	78
Annual Hardware Refresh (2021-2022)	1,041	232	809
Total Key Equipment Capital Projects	\$11,051	\$5,465	\$5,586

PUBLIC ART

The Public Art Program is a self-sustaining project funded by private development contributions to the Public Art Reserve. The key Public Art capital project is highlighted below in Table 11.

West Cambie Neighbourhood Park Public Art Project (2018)

The functional artwork, installed at Alexandra Park, is based on the theme of "Connectivity, Ecology, Infrastructure and History". Inspired by its landscape setting, the artwork will provide shelter for park visitors enjoying picnics, taking part in exercises, or watching performance. The installation is currently underway with completion expected in Q2 2022.

Table 11: Key Public Art Capital Projects (in \$'000s)

Project Name	Budget	Actuals as at March 31, 2022	Expected Commitments / Work In Progress
West Cambie Neighbourhood Park Public Art Project (2018)	\$725	\$353	\$372
Total Key Public Art Capital Projects	\$725	\$353	\$372

CAPITAL PROJECTS EXPECTED TO BE COMPLETED IN NEXT QUARTER

The following active capital projects are expected to be completed in Q2 2022.

Table 12: Capital projects expected to be completed in next quarter

Program	Project Name
Infrastructure Program	Brazilian Elodea Management (2018)
	Cambie Road Improvement, River Road to No. 3 Road (2018)
	Laneway Drainage Upgrade (2020)
	Public Works Minor Capital - Sanitation & Recycling (2019)
	River Parkway Road Extension - Gilbert Road to Cambie Road (2018)
	Sanitary Sewer Replacement - 6000 Block Buswell Street (2020)
	Street Light LED Upgrade Program (2020)
	Water Metering Program (2020)
Building Program	Welding Shop Office Relocation and Equipment Upgrades (2021)
	Thompson Community Centre & Hall Infrastructure Renewals (2021)
Equipment Program	Electric Vehicle DC Fast Charging Network Development (2017)

CAPITAL PROJECTS COMPLETED IN THE QUARTER

The following active capital projects were closed in the first quarter. Any unspent funding will be returned to the original source (e.g. Reserve Fund) for distribution toward future projects.

Table 13: Projects Closed in the Quarter Ended March 31, 2022 (in \$'000s)

Project Name	Budget	Actuals as at March 31, 2022	Remaining Budget
City Hall Annex Renovation (2018)	\$5,700	\$5,432	\$268
Minoru Centre for Active Living - Lap Pool 1 Reconstruction (2020)	3,000	1,694	1,306
Watermania Aging Mechanical and Building Envelope Infrastructure Replacement (2018)	1,000	905	95
East Richmond Community Hall Envelope and Mechanical System Renewals (2019)	402	360	42
Public Works Minor Capital - Drainage (2020)	400	398	2
Public Works Minor Capital - Sanitary (2020)	400	399	1
London Farm House Envelope Renewals (2019)	376	362	14
Fleet Minor Capital (2020)	280	278	2
Works Yard Salt Shed Repairs (2019)	266	217	49
Public Works Minor Capital - Traffic (2020)	250	250	-
Traffic Signal Power Backup System (UPS) (2021)	200	200	-
Gravity Sewer Assessment Program (2020)	150	148	2
Development Coordinated Works - Sanitary (2019)*	150	-	150

*\$150K for Development Coordinated Works - Sanitary was approved by Council to leverage development that is no longer anticipated.

CONTRIBUTED ASSETS

Included in the Consolidated 5 Year Financial Plan (2022-2026) Bylaw was an estimated \$54.8M for assets that are transferred to the City by developers and third parties. Under the Public Sector Accounting Standards, these are recorded as revenue at the fair market value at the time of contribution. Any variance between the budgeted and the actual contributed assets received will be included in the annual surplus reported on the financial statements. For the quarter ended March 31, 2022, the following assets were transferred to the City:

- Property at 6533 Park Road with a fair market value of \$8.1M
- Storm sewer capital works at 8395 Ruskin Place with a fair market value of \$0.3M

Financial Impact

None.

May 10, 2022

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Conclusion

This report provides information on active capital projects that were previously approved by Council. All previously approved active capital projects are currently within budget.



Jenny Ho, CPA, CGA
Manager, Tangible Capital Assets
(604-276-4223)

JH:sx

- Att. 1: Q1 2022 Construction Update on Engineering and Public Works Capital Projects
- 2: Q1 2022 Construction Update on Parks Capital Projects

Q1 2022 Construction Update on Engineering and Public Works Capital Projects

Flood Protection

Drainage Pump Station and Diking Upgrades – Federal Grant

The City secured \$13.8 million from the Federal Government through the Disaster Mitigation and Adaptation Fund Grant to contribute towards the multi-year \$34.45M Flood Protection Program that are budgeted from 2020 to 2025. This project includes the upgrades of various drainage pump station and diking upgrades. The construction of the Steveston Highway and Gilbert Road drainage pump station is scheduled to be completed by the end of Q2 2022 and the South Dike Upgrades from No. 3 Road to west of No. 4 Road is scheduled to be completed by Q3 2022. Construction for the South Dike Upgrade at No. 9 Road has commenced, with construction completion anticipated in Q4 2023. The design of the South Dike Upgrade at No. 4 Road to No. 5 Road is currently underway and construction is planned to commence in 2023.

Burkeville Area Drainage, Watermain and Sanitary Sewer Upgrades

This project consists of upgrades to the City's storm sewer capacity. Aging watermain and sanitary sewers will also be upgraded at the same time to minimize ongoing disruption to residents and overall construction costs. This project will be performed in phases over 5 to 10 years. Phase 3 construction is underway and is anticipated to be complete by Q3 2022. Phase 4 will commence Q4 2022.

Roads

No. 4 Road Reconstruction and Box Culvert Repair from Blundell Road to Granville Avenue

This project involves the reconstruction of the northbound lanes of No. 4 Road from Blundell Road to Granville Avenue. This section has undergone settlement over the years resulting in road surface deterioration. In addition, the joints in the drainage box culvert located on the west side of No. 4 Road are failing which will also be repaired through this project. Construction is ongoing and completion is scheduled for Q2 2022.

Paving Program – Various Locations – City-Wide

The annual Paving Program works have commenced and enabling concrete works are underway. Upcoming locations include 5000 - 6000 Block Granville Avenue, No. 5 Road / North of Cambie Road, 7411 No. 1 Road, and various spot repairs.

Sanitary Sewers

Steveston Sanitary Sewer

This project includes the rehabilitation and upgrades to the City's sanitary sewer in the Steveston catchment. This project will be performed in phases over a 5 to 10 year period. Ongoing work includes pipe condition assessment and preliminary field investigation. This project utilizes trenchless technology which will reduce disruption to nearby residents and businesses during construction. The next phase of construction includes sanitary works in the back laneways of Regent Street, west of 4th Avenue and Hunt Street, east of 4th Avenue and is scheduled to commence in Q3 2022.

Water

Watermain Replacement Program

This project replaces and upsizes aging watermains at the end of their service life with PVC pipe, in line with the City's Aging Infrastructure Replacement Strategy. This will minimize unplanned maintenance and improve fire protection. Construction in the Springfield area is substantially completed and Monteith Road has commenced.

Thompson Gate Pressure Reducing Valve (PRV) Station

This project includes the construction of a new PRV station on Boundary Road and Thompson Gate to connect the neighbourhood's watermain system to Metro Vancouver's Annacis transmission main. Completion of the project is required to provide adequate flows to support upcoming development in the area. Construction is nearing completion.

Buildings

Richmond Animal Shelter

The project scope includes upgrading the existing 4,580 sq. ft. facility and building a new 1,600 sq. ft. addition. This work will support the growing population of Richmond, while providing improved facilities, amenities and a high quality environment for animal care. Construction is mostly complete and an Occupancy Permit has been received. Transitioning of the animals to their new spaces is anticipated to be complete by Q2 2022.

Richmond Curling Club

The ammonia ice plant at the Richmond Curling Club was replaced with a new energy efficient, low ammonia system to meet current engineering code and provincial operating regulations. Construction of the ice plant was completed in Q1 2022.

The Richmond Curling Club also requires significant repairs to the building envelope to stop current water ingress and prevent future water damage. The repair work will include roofing works and the replacement of various building envelope components including drains, window sills, and doors. Additionally, several critical pieces of mechanical equipment will be replaced with new higher efficiency units to ensure the health and safety of all occupants and visitors. Construction is anticipated for completion by Q2 2023.

Richmond Ice Centre

Richmond Ice Centre is a 105,000 sq. ft. facility that includes six ice rinks, change rooms, a restaurant and concession, as well as retail spaces. Existing aging equipment and infrastructure will be replaced with new and more efficient alternatives. This includes the roof, ice rink floors and various mechanical equipment. The equipment and infrastructure replacements will minimize unplanned maintenance and enhance life and safety for the users and operators. The construction started in Q1 2022 and is anticipated for completion in Q4 2023. To enhance the public experience, this project is multi-phased to minimize impact on programming, operations and service levels.

Richmond Nature Park

The Richmond Nature Park consists of 200 acres of raised peat bog habitat that once covered large portions of Lulu Island. Multiple building components in the various buildings will be replaced with new energy efficient equipment and components. Renewals will include fire alarm system replacement, on-site septic system replacement, envelope repair and replacement, and various building interior upgrades. Construction is anticipated to begin in Q4 2022 with completion in Q3 2023.

Community Safety Building

The heat pump system has reached the end of its life expectancy. This is the last phase of the heat pump replacement works, which will prevent service disruption and potential closure for this building. The design has been completed and construction is planned to commence in Q2 2022.

Richmond Courthouse

The two-storey, 64,000 sq. ft. Courthouse and Annex buildings were originally built in 1975 and include spaces for the Attorney General Office, Richmond Community Corrections and Richmond Family Justice Centre. Aging rooftop mechanical equipment and the electrical panel will be replaced with new and more efficient alternatives. Structural seismic upgrades will be done to enhance life and safety for the users and operators. The perimeter drainage system, floor slab repairs and releveling and minor building envelope repairs will also be completed. Staff have procured the design team and contractor, with design completed in Q1 2022 and anticipated construction start in Q3 2022.

Child Care Centres

Funding was collected through both the Development Cost Charges and Community Amenities Charges. Design and construction for these projects are the responsibility of the developer.

- Seedlings Early Childhood Development Hub - Keltic Canada Development Co. Ltd. (Title was transferred in December 2021 and construction deficiencies were completed in Q1 2022).
- Hummingbird Child Care - Aspac Development Ltd. (Construction completion anticipated by Q3 2022).

South Arm Community Centre

South Arm Community Centre is located on Williams Road between Garden City and No. 3 Road. Multiple building components within the facility will be replaced with new energy efficient equipment and components. The renewals will include but is not limited to fire alarm system replacement, flooring replacement and HVAC upgrades. Construction is scheduled to begin in Q4 2022 with construction completion anticipated in Q3 2023.

Britannia Shipyards

Within the Britannia Shipyard National Historical Site, there are many buildings that require exterior maintenance, roofing and cladding repairs. Additionally, a new dust extraction system will be installed in the Richmond Boat Builders Building, restoring the building's use as a

functional workshop. Construction will begin in Q3 2022 with anticipated completion in Q2 2023.

Watermania

Watermania is part of the Riverport Sports and Entertainment Complex, and offers a complete aquatic and fitness experience. Multiple building components in this facility will be replaced with new energy efficient equipment and components. Improvements will include upgrades to heat exchangers, pool equipment, building envelope and all washrooms and change rooms. Construction completion is anticipated in Q4 2023.

Minoru Arenas

Building infrastructure renewals and replacements include mechanical and electrical upgrades, life and safety equipment upgrades and architectural improvements of the mezzanine viewing area and change rooms. Construction has commenced and anticipated for completion in Q3 2022.

City Hall

Electrical room cooling units, Council Chambers fan coil and hot water control valves at City Hall will be replaced with modern energy efficient systems. Most of the work will occur within unoccupied space such as the main mechanical and electrical rooms and will have minimal disruption to normal City operations. Other work includes replacement of the sewage ejector pump, renewal of the underground parking lines and replacement of various life-safety devices. Construction completion is anticipated by Q4 2022.

In addition, the green roof membrane above Council Chambers and the fifth floor terrace roof has failed and is starting to leak. Roof replacement work will be completed from the building exterior and no disruption to normal Council Chamber business is anticipated. The work will be completed by Q4 2022.

Public Works Yard

Buildings in general at the Works Yard have aged beyond their expected lifespan. In advance of a broader rebuilding program being finalised and funded, there are many building components within each of the active Works Yard facilities that require replacement in order to maintain operability. Design is complete and construction is in progress. Construction is estimated to be complete by Q3 2023.

Steveston Community Centre and Branch Library

The Major Facility Phase 2 project is progressing with the approval of the site location, program totaling 60,350 sq. ft., concept design, capital budget and most recently the award of contracts for Architectural Services and Pre-Construction Construction Manager Services. Enabling Works for site preparation are anticipated to begin by Q4 2022. The current facility will be demolished after the three-storey replacement building is complete, which is anticipated by Q1 2026.

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
INFRASTRUCTURE - ENGINEERING				
ROADS				
1	No. 4 Road Reconstruction from Blundell Road to Granville Ave (2018)	Granville Avenue to Blundell Road	\$2,786	Q2 2022
	Box Culvert Repair (2020)			
2	Alderbridge Way Multi-Use Pathway, No. 4 Road to Shell Road (2018)	Alderbridge Way Multi-Use Pathway (MUP) - Shell Road to No. 4 Road	\$1,200	Q2 2022
3	Arterial Roadway Improvement Program (2019)	Railway Greenway - Intersection Improvements for Pedestrians and Cyclists at Blundell, Francis, and Williams	\$450	Q3 2022
4	Active Transportation Improvement Program (2018)	Charles Street MUP - Sexsmith to Bridgeport Canada Line Station, Browngate Road, Garden City Road (Francis Rd-Williams Rd): rebuild MUP on west side	\$2,000	Q4 2022
	Active Transportation Improvement Program (2019)			
5	Annual Asphalt Re-Paving Program - MRN (2021)	Annual asphalt re-paving	\$1,589	Q4 2022
6	Annual Asphalt Re-Paving Program - Non-MRN (2021)	Annual asphalt re-paving	\$3,344	Q4 2022
7	Steveston Highway Multi-Use Pathway, Shell Road to Mortfield Gate (2019)	Steveston Highway Multi-Use Pathway – Shell Road to Mortfield Gate	\$2,000	Q4 2022
8	Arterial Roadway Improvement Program (2018)	River Road Sidewalk - No. 6 Road to Burdette Street, Sidewalk Upgrades - Lucas at No. 3 Road	\$350	Q4 2022
9	Cambie Road / No. 5 Road – Intersection Improvements (2020)	Intersection safety improvement at Cambie Road and No. 5 Road, including Left Turn (LT) lanes on all 4 legs and MUPs	\$2,760	Q4 2022
10	Bridge Rehabilitation Program (2019)	Various locations Citywide including West Dike Trail Bridge and Bird Road Bridge	\$300	Q4 2022
11	Annual Asphalt Re-Paving Program - MRN (2022)	Annual asphalt re-paving	\$1,621	Q2 2023
12	Annual Asphalt Re-Paving Program - Non-MRN (2022)	Annual asphalt re-paving	\$3,411	Q2 2023

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
DRAINAGE				
13	Steveston Highway Multi-Use Pathway, Mortfield Gate to No. 2 Road (2020)	Steveston Highway Multi-Use Pathway - Mortfield Gate to No. 2 Road	\$6,000	Q3 2023
14	Street Light LED Upgrade Program (2022)	City-wide Light Emitting Diode (LED) street light replacement program	\$490	Q3 2023
15	Steveston Highway & No. 3 Road Pump Station Upgrade (2019)	Upgrades to the existing drainage pump station at Steveston Highway and No. 3 Road	\$2,439	Q2 2022
16	Storm Main Drainage Upgrade (2021)	Drainage improvements at the intersection of Gilbert Road and Steveston Highway	\$950	Q3 2022
17	Burkeville Utility Improvements Drainage (2021)	Burkeville Drainage Upgrades (Third phase of construction)	\$2,026	Q3 2022
18	Laneway Drainage Upgrade (2021)	Laneway drainage upgrade at Railway Avenue East Lane	\$800	Q3 2022
19	Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2020)	First phase of drainage pump station upgrades and perimeter dike raising design including pump stations at Steveston Highway and Gilbert Road, and south dike upgrades from No. 3 Road to Finn Slough	\$4,516	Q3 2022
20	Laneway Drainage Upgrade (2022)	Ashwood Drive/Francis Road Lane and Seaton Road North Lane	\$1,183	Q4 2022
21	Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2021)	Second phase of drainage pump station upgrades and perimeter dike raising design including dike upgrades from No. 3 Road to Finn Slough, and dike upgrades from No. 9 Road to Dyke Road	\$5,000	Q4 2023
22	Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2022)	Third phase of drainage pump station upgrades and perimeter dike raising design including dike upgrades from No. 4 Road to No. 5 Road	\$2,700	Q4 2024
23	Hamilton Area Sanitary Sewer and Pump Station (2020)	Sanitary pump station located in Hamilton VLA Park	\$2,800	Q2 2022
24	Sanitary Sewer Tie-in and Restoration (2021)	Sanitary sewer tie-in and restoration	\$150	Q2 2023

SANITARY				
	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
25	Steveston Gravity Sewer Replacement and Rehabilitation (2020)	Multi-year sanitary rehabilitation and upgrade program in the Steveston area	\$7,400	Q3 2023
	Gravity Sewer Rehabilitation and Upgrades (2021)			
	Steveston Sanitary Sewer and Hammersmith Forcemain Rehabilitation (2022)			
WATER				
26	Thompson Gate Pressure Reducing Valve Station (2020)	Water pressure reducing valve station to reduce Metro Vancouver's distribution pressure to local pressure to provide additional water service to the East Richmond area	\$1,500	Q2 2022
27	Watermain Replacement Upgrades Program (2020)	Watermain Replacement Program - Monteith Area	\$5,793	Q2 2022
28	Watermain Tie-in and Restoration (2021)	Watermain tie-in and restoration	\$200	Q2 2023
29	Watermain Replacement Upgrades Program (2021)	Watermain Replacement Program - Nevis/Petts Area, Danube/Minler Area, Springfield Area, No. 3 Road, Terra Nova Park and Granville Avenue	\$6,196	Q3 2023
30	Watermain Replacement Upgrades Program (2022)	Watermain Replacement Program - Sealord Neighbourhood 2, No. 7 Road, and Montego/Aztec	\$5,566	Q3 2024
BUILDINGS - PROJECT DEVELOPMENT				
31	Richmond Curling Club Ice Plant Replacement & Other Systems (2021)	Ice Plant Replacement	\$1,500	Complete
32	Animal Shelter Replacement (2018)	Replacement	\$8,000	Complete
33	Thompson Community Centre & Hall Infrastructure Renewals (2021)	Infrastructure Upgrades	\$900	Q2 2022
34	Minoru Arenas - Mechanical & Life Safety System Renewals (2021)	Mechanical and Life Safety Renewals	\$1,280	Q3 2022
35	Hamilton Community Centre - HVAC Replacement (2021)	Heating, Ventilation, and Air Conditioning (HVAC) Replacements	\$500	Q3 2022

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
36	Works Yard Mechanical Replacements (2019)	Mechanical Systems Replacement	\$1,707	Q4 2022
37	Works Yard Aging Mechanical and Building Envelope Infrastructure Replacement (2018)	Site wide infrastructure replacements	\$2,515	Q4 2022
38	Minor Capital Buildings Project Development	46 projects (roof replacement, flooring, mechanical equipment, etc.)	\$4,613	Q4 2022
39	Community Safety Building - Mechanical Component Replacements and Associated Works (2020)	Components Replacement	\$1,420	Q4 2022
40	City Hall - Replacement of Mechanical, Life/Safety, and Envelope Components and Associated Works (2020)	Replacement Components	\$2,630	Q4 2022
41	City Hall Council Chamber Roof Replacement (2021)	Council Chamber Roof Replacement	\$1,640	Q4 2022
42	Community Safety Building Emergency Power and Interior Upgrades (2021)	Emergency Power Upgrades	\$890	Q1 2023
43	Richmond Courthouse - Mechanical Components Replacements, Envelope Renewals, Electrical Replacements, Structural Renewals and Associated Works (2020)	Infrastructure Replacements	\$1,932	Q2 2023
	Richmond Courthouse - Mechanical Components Replacements, Envelope Renewals, Electrical Replacements, Structural Renewals and Associated Works (2019)			
44	Minoru Place Activity Centre Program - Implementation (2019)	Repurposing	\$3,326	Q2 2023
45	Richmond Curling Club - Priority 1 Repairs (2022)	Infrastructure Repairs and Replacements	\$650	Q2 2023
46	Britannia Shipyards Envelope & Mechanical System Renewals (2022)	Infrastructure and Envelope Upgrades	\$2,125	Q2 2023

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
47	Works Yard Electrical Service Upgrade and EV Infrastructure (2020)	Electrical Upgrade and Electric vehicle (EV) Infrastructure	\$1,888	Q3 2023
48	Richmond Nature Park Infrastructure Renewals (2022)	Infrastructure Renewals	\$4,775	Q3 2023
49	South Arm Community Centre Infrastructure Renewals (2022)	Infrastructure Renewals	\$1,900	Q3 2023
50	Richmond Ice Centre Infrastructure Renewals - Phase 1 (2020)	Infrastructure Renewals	\$13,700	Q4 2023
	Richmond Ice Centre Renewals - Phase 2 Design and associated works (2021)			
	Richmond Ice Centre Renewals - Phase 2 Construction and associated works (2022)			
51	Watermania Aging Mechanical and Building Envelope Infrastructure Replacement Phase 2 (2019)	Mechanical and Envelope Replacement	\$1,341	Q4 2023
52	Watermania Mechanical and Pool Equipment Renewals (2022)	Infrastructure Renewals	\$2,200	Q4 2023
53	West Richmond Community Centre - HVAC and Mechanical renewals (2021)	HVAC Renewals	\$1,330	Q4 2023
54	Steveston Community Centre and Branch Library (2021)	Replacement of Existing Facility	\$95,000	Q1 2026
	Steveston Community Centre and Branch Library Contingency (2021)			

Q1 2022 Construction Update on Parks Capital Projects

Alexandra Neighbourhood Park

Alexandra Neighbourhood Park is located in the newly established Alexandra neighbourhood, at the intersection of Odlin Road and May Drive. In March 2019, Council approved the re-naming of this park from West Cambie Park to Alexandra Neighbourhood Park. Request for Proposals (RFPs) for the work was issued in **Q2 2020**, and the construction contract was awarded in **Q2 2021**. Park construction is approximately 95% complete, and the park is expected to open to the public by **mid-Q2 2022**.

Aberdeen Neighbourhood Park – Phase 2

Aberdeen Neighbourhood Park is located at the intersection of Cambie Road and Hazelbridge Way. In July 2017, Council approved the naming of this new park from Cambie City Centre to Aberdeen Neighbourhood Park. The RFP for Phase 2 works was issued in **Q3 2020**. Purchasing staff identified a lead proponent, and cost savings opportunities were finalized with the prospective contractor and consultant team. The construction contract was awarded in **Q2 2021**. Park construction is now underway. Some pandemic-related supply chain issues were encountered, which delayed progress slightly. Park construction is approximately 90% complete, with an opening to the public anticipated in **Q2 2022**.

Garden City Lands (GCL)

The construction of the community gardens is complete and is now officially open to gardeners. An extensive contaminated sites testing program commenced in **Q4 2021** with a Qualified Environmental Professional (QEP) engaged. The QEP will take soil samples for testing and further analysis. Staff have installed benches along the Perimeter Recreational Trail, and additional native tree and shrub plantings will be installed in **Q2 2022** along the same trail, in the vicinity of No. 4 Road and a portion of Alderbridge Way. The scale and extent of this planting effort will be similar to what was successfully completed in 2018. Planting along Westminster Highway and Garden City Road is expected to proceed in **Q4 2022**. Soil from the Polygon Talisman site will be imported and placed on site beginning in **Q2 2022**, and again in **Q3 2022**; soil will be placed on the KPU farm site. Soil screening will also proceed to ensure the highest quality of soil is placed on site. The Perimeter Recreational Trail will remain open to residents to enjoy the site during this time.

City-wide Community Gardens

Several new community gardens are being planned for construction throughout the City in 2022. As per Council direction, three new community gardens will be built along the Railway Greenway. Prior to construction, public consultation and engagement by staff with the immediate neighbouring residents will take place in **Q2 2022**, with construction proceeding on all three Council approved sites in the same period. An expansion of the Cook Community Gardens will also proceed in **Q2 2022** with all projects expected to complete in **Q3 2022**. Staff will continue to update Council as the project proceeds.

Minoru Lakes Renewal

The Minoru Lakes Renewal construction services contract was awarded and the contractor started site preparations in **late Q1 2022** as planned. The site will be closed during construction and a communications strategy has been deployed by staff to inform park visitors and residents of closures. The project and key deliverables remain on schedule with project completion expected in **Q1 2023**.

King George Park – Artificial Turf Field Replacement

Synthetic sports fields generally last 8 to 12 years depending on the usage and the maintenance of the fields. Installed in 2008, the King George field is at the end of its expected lifespan and is failing to meet minimum operating safety standards for shock attenuation, but remains safe for play in the short term. The RFP process has been completed and the contract has been awarded. This project is anticipated to start in **late Q2 2022** as a result of scheduling demands from the user groups and delays with the availability of materials.

Lang Park Redevelopment Plan – Phase 3 Completion

The current construction phase of the Lang Park Redevelopment Plan includes an overhead shelter, table tennis tables and a community book exchange kiosk as part of the approved park program to address the needs of the community. The table tennis table installations and book exchange kiosk were completed in **Q1 2021**. Fabrication of the overhead shelter steel frame was completed in **Q3 2021**. Installation of the roof assembly will begin in **late Q2 2022**.

London Heritage Farm – Master Plan Phase 1

Council approved the Heritage Alteration Permit (HAP) in **Q1 2022**, and components of the project are underway including an apiary expansion, chicken run renovations, and signage improvements. Construction activities such as earthworks and pathway improvements are planned for **Q3 2022** to minimize impacts to site operations, such as the allotment gardens and heritage programs.

Dog Park Upgrades

The existing Steveston Dogs Off-Leash Area is slated to be upgraded in 2022. Upgrades are expected to include improved surfacing, play features, tree planting, site furnishings, and a drinking fountain. Detailed design has started in **Q1 2022**. Prior to construction, public consultation and engagement by staff with the Steveston Community will take place. The construction is anticipated to start in **Q3 2022**.

London/Steveston Neighbourhood Park

London/Steveston Neighbourhood Park enhancements are being implemented in phases. The first phase was completed in 2018 and included greenway connections to No. 2 Road. The second phase, completed in 2019, included a pathway loop, trees, landforms, and stormwater detention ponds. The third phase of the project includes a playground, half-court basketball plaza and park shelter. Construction of the playground and the half-court basketball plaza was completed in 2020. The park shelter was installed in **Q1 2021**. The fourth and final phase of enhancements include an off-leash dog park. The off-leash area will include a variety of surface treatments, fencing, play elements, tree planting and site furnishings. Preliminary planning and design work is expected to commence in **Q3 2022**.

Hollybridge Pier/Middle Arm

This project is the continuation of the Oval West waterfront development as part of the Middle Arm waterfront with a new public pier at the end of Hollybridge Way. The project has been halted as the City has received a final decision letter from the Ministry of Forest, Lands, Natural Resources Operations and Rural Development (FLNRORD), stating that the City's application to construct a public pier has been rejected. **Further consultation is required for the potential next steps to move the project forward.**

The Gardens Agricultural Park

Rehabilitation of the existing park features has been completed, including pathways, a bridge, planting and site furnishings. The northern section of the park was previously closed off to the public for safety reasons, and has now been reopened following completion of pathway and landscape improvements. As the Province has recently announced the approval of the George Massey Crossing Project, staff will study its impact to the implementation of the approved park concept.

South Arm Community Park Renewal

South Arm Community Park Renewal includes enhanced trail connections, a plaza with park shelter, expanded picnic areas, new furnishings and shade trees. Detailed design is currently underway with the playground improvement project, with construction anticipated to start after playground construction is complete in 2022.

Playground Improvement and Replacement

- South Arm Community Park Playground – The RFP was issued to market in **Q4 2021**. Construction is expected to start in **Q3 2022**.
- Steveston Community Park Playground Renewal – A staff report on the Steveston Community Park Playground Next Steps received Council support in **Q1 2021**. The RFP was issued to market in **Q1 2022**. Bid evaluation has completed and contract award is expected in **Q2 2022**. The project is on schedule for detailed design to start in **Q2 2022**.
- Odlin Park Playground – Construction was completed in **Q4 2021**.
- Burkeville Park Playground – The existing zip line was removed and replaced with a new product to meet current safety standards and guidelines. Existing park swings have also been removed due to stability concerns. Installation of new swings was completed in **Q4 2021**.

Parks Aging Infrastructure

- Gibbons Park – Installation of a new storm drainage system on the baseball diamond field was completed in **Q4 2021**.
- No. 3 Road Pier – A conditional assessment of the pier was completed in 2021. Minor repairs to the piled foundation is underway and more damage has been identified due to the storms experienced this past fall & winter season. Further repairs to the sheer boom and piled dolphins are scheduled for completion by **Q3 2022**.
- No. 2 Road Pier – A Structural Conditional Assessment was completed in August 2018. Phase 1 repairs for the pile foundation repairs were completed in **Q3 2020**. Replacement

of the perimeter rail fence was completed in **Q4 2020**. Planning for Phase 2 of the pile foundation replacement is now anticipated for 2023. A capital submission will be submitted for consideration in the future year's budget process.

- Terra Nova/Spul'u'Kwuks Park Tennis Courts – Minor crack repairs are scheduled for **Q2 2022** (weather dependent).
- King George Park caretaker's house and public washrooms drainage upgrades are underway and are expected to be completed in **Q2 2022**.

Parks General Development

- McDonald Beach Park – As a result of the ongoing erosion along the beach waterfront, a new pathway will be constructed from the parking lot to the east end of the beach as part of an alternate trail system. The construction of this new path is expected to be completed in **Q2 2022**.
- Terra Nova Park – New fencing around the community gardens to be constructed in **Q2-3 2022**.

Parks Identity Signage Program

This project consists of the design and fabrication of various Park and Open Space signage including wayfinding and identity signs. Completed sites for the signage include various neighbourhood park locations in the Thompson area, e.g., Brighthouse, Dover, Gibbons, Thompson, McCallan, Terra Nova School, Terra Nova South and Quilchena.

Fabrication and installation of new bases and signs are currently underway for Birch, Blundell, General Currie, Gilmore, Grauer, Katsura, McKay, Morris, Palmer, and Paulik parks. An additional 12 park identification signage locations are currently being reviewed, and site plans are being developed for parks west of No. 2 Road, between Francis Road and Williams Road. Additional works are also in progress for the Garden City Park Arboretum interpretation signage upgrade.



City of Richmond

Report to Committee

To: Finance Committee
From: John Irving, P.Eng., MPA
General Manager, Engineering and Public Works
Chief Executive Officer, Lulu Island Energy
Company

Date: May 12, 2022
File: 01-0060-20-LIEC1/2022-
Vol 01

Jerry Chong, CPA, CA
Acting General Manager, Finance and
Corporate Services
Chief Financial Officer, Lulu Island Energy
Company

Re: 2022 Q1 Financial Information for the Lulu Island Energy Company

Staff Recommendation

That the Lulu Island Energy Company report titled "2022 Q1 Financial Information for the Lulu Island Energy Company", dated May 12, 2022, from the Chief Executive Officer and Chief Financial Officer, be received for information.

John Irving, P.Eng., MPA
General Manager, Engineering
and Public Works
Chief Executive Officer,
Lulu Island Energy Company
(604-276-4140)

Jerry Chong, CPA, CA
Acting General Manager, Finance
and Corporate Services
Chief Financial Officer,
Lulu Island Energy Company
(604-276-4064)

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY SMT	INITIALS:
APPROVED BY CAO 	



Report

To: Board of Directors**Date:** April 27, 2022**From:** Jerry Chong, CPA, CA,
Chief Financial Officer**Re:** Lulu Island Energy Company – 2022 1st Quarter Financial Information

Staff Recommendation

That the 1st Quarter Financial Information as presented in the report titled “Lulu Island Energy Company – 2022 1st Quarter Financial Information”, dated April 27, 2022, be approved.

Background

Lulu Island Energy Company (LIEC), a corporation wholly-owned by the City of Richmond, was established to provide district energy services on behalf of the City. This report is prepared with the objective to provide pre-audited financial information to the Board of Directors and LIEC’s shareholder, represented by Richmond City Council.

Analysis

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). LIEC’s pre-audited Q1 financial information consists of the interim statement of the financial position as of March 31, 2022 (Attachment 1) and the interim income statement for the period ended March 31, 2022 (Attachment 2).

Financial Position

The interim statement of the financial position provides a summary of assets, liabilities and shareholder’s equity. Total assets are comprised of current assets (cash, investments and receivables) \$16,834,598 and non-current assets (plant and equipment) \$42,433,133. The total assets are \$59,267,731. The total liabilities of \$25,100,580 include outstanding invoices, deferred contributions and concession liabilities. Included in the accrued liabilities is an amount totalling \$ 563,384, which pertains to the unplanned environmental remediation work related to pipe construction defect, which resulted in a leak and subsequent clean up of the released heat transfer fluid in the Alexandra DEU service area. The prompt response and excellent spill management procedures resulted in the quick leak repair and expedient remediation of the spill. The expenses were accrued in the prior year and there are no additional accruals in the first quarter. The

investigation is ongoing and LIEC staff are assessing cost recovery options. The shareholder's equity represents the net worth of the company. It is equal to the total assets minus its total liabilities and measures the company's financial health. As of March 31, 2022, LIEC's shareholder equity is \$34,167,151, showing good financial health of the company. Year-to-date budget to actual numbers are shown in Attachment 3.

Revenues

The metered billing revenue is the total energy sales of Alexandra District Energy Utility (ADEU), Oval Village District Energy Utility (OVDEU) and Interim City Center District Energy Utility (ICCDEU) service areas. The year to date metered billings revenue is \$684,732 from the ADEU, \$857,671 from the OVDEU and \$61,000 from the ICCDEU. Overall, the first three months of metered billing revenue of \$1,603,403 increased by 15% over 2021. This reflects the addition of one new building connection, increased energy use from customers due to increased occupancy, and the approved 2022 rates. The year-to-date metered billings revenue is slightly above budget due to increased energy use as a result of increased occupancy.

Cost of Sales

The cost of sales is the accumulated total of expenses attributable to the metered billing revenue, which includes contract services, utilities (electricity and natural gas), and amortization expenses. The contract expense increased by 5% over 2021 due to the additional operations and maintenance work as a result of more buildings being serviced. The growth in energy demand, due to the addition of more buildings, resulted in an increased use of electricity and natural gas to run distribution pumps, geo-exchange heat pumps, auxiliary equipment and boilers, which are used to deliver energy to customers' buildings. This increased demand paired with electricity and gas rate increases caused the utility expense to increase 9% compared to 2021. The amortization expense increased due to capital asset additions. The year-over-year cost of sales has increased by 16%. The gross margin as a percentage of revenue is 48%, which is in line with last year.

General and Administration Expenses

General and administration (G&A) expenses are expenditures that LIEC incurs with respect to supporting operations which includes salaries and benefits, administration expenses, professional fees, etc.. Salaries and benefits are in line with last year, but below budget due to three vacant positions which are in the process of being filled. The administration expense includes the overhead allocation paid to the City of Richmond for the day-to-day support that LIEC receives from City staff. Insurance expense increased due to the general insurance rate increase and additional DEU assets being insured. Professional fees increased in comparison to Q1 2021 due to the timing of invoicing and the additional audit work required due to the increase in LIEC's financial position. Overall, the G&A expenses as a percentage of revenues is 16%, which is in line with last year.

Contributions and Financing Expenses

The contributions and financing expense section represents other sources of income and costs for the business. The developer contributions are higher than 2021 due to additional onsite assets placed into service. The developers' contributions are below budget due to the difference between estimated and actual value of the equipment contributed by the developers.

Other income is made up of energy model review fees. The energy modeling review fee revenues are lower than 2021's due to less than anticipated building permit reviews. The net finance cost is the result of year-to-date finance costs on concession liabilities, offset by interest income, which is higher than 2021 mainly due to the increase in the concession liability. The additional capital expenditure for OVDEU infrastructure has resulted in a higher balance of concession liability compared to the prior year, which also resulted in the additional assets.

LIEC's EBITA (earnings before interest, tax, and amortization), used as a proxy to measure the company's financial performance, increased by 18% compared to the first three months of 2021. EBITA as a percentage of revenue increased to 58% for 2022 compared to 56% in 2021.

The year-to-date net income of \$519,609 has exceeded budget, while as a percentage of revenue is 28% which is line with 2021. Consistent with the company's financial plan objectives, any net income will be maintained in LIEC's equity in order to fund future capital projects and infrastructure replacements.

Financial Impact

None.

Conclusion

The pre-audited financial information shows that LIEC's financial position is positive. This report will be presented to Council for information.



Helen Zhao
Controller
(604-276-4053)

- Att. 1: Interim Statement of Financial Position as of March 31, 2022 (unaudited)
2: Interim Income Statement for the period ending March 31, 2022 (unaudited)
3: Year-To-Date Budget vs. Actual Comparison (unaudited)

Interim Statement of Financial Position (Unaudited)

	As of March 31 2022	As of December 31 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,695,963	\$11,707,794
Accounts receivable	2,076,217	1,676,423
Other investments	4,062,418	4,047,518
	16,834,598	17,431,735
Non-current assets:		
Plant and equipment	42,433,133	38,905,146
	\$ 59,267,731	\$ 56,336,881
Liabilities and Shareholder's Equity		
Current and non-current liabilities:		
Accounts payable and accrued liabilities	\$ 1,599,822	\$ 2,671,416
Deferred developer contributions	11,268,898	7,753,538
Concession liability	12,231,860	12,264,387
	25,100,580	22,689,341
Shareholder's equity:		
Share capital and contributed surplus	27,397,115	27,397,115
Retained earnings	6,770,036	6,250,425
	34,167,151	33,647,540
	\$ 59,267,731	\$ 56,336,881

Interim Income Statement (Unaudited)

	March 31 2022	March 31 2021	\$ Changes	% Change
Revenues				
Metered Billings (Quarterly)	\$ 1,603,403	\$ 1,391,323	\$ 212,080	15%
Service fee	245,375	245,250	125	0%
	1,848,778	1,636,573	212,205	13%
Cost of Sales				
Contracts	177,277	168,080	9,197	5%
Utilities	394,165	361,011	33,154	9%
Amortization	394,502	307,062	87,440	28%
	965,944	836,153	129,791	16%
Gross margin	882,834	800,420	82,414	10%
General and Administration Expenses				
Salaries and benefits	208,573	208,346	227	0%
Administration expenses	21,093	20,523	570	3%
Insurance	28,750	28,750	-	-%
Professional Fees	33,750	18,730	15,020	80%
	292,166	276,349	15,817	6%
Net income before other items	590,668	524,071	66,597	13%
Contributions and Financing expense				
Developer contributions	85,539	53,683	31,856	59%
Other income	1,944	25,104	(23,160)	(92%)
Net financing cost	(158,542)	(151,624)	(6,918)	5%
	(71,059)	(72,837)	1,778	(2%)
Net Income	\$519,609	\$451,234	68,325	15%
Earnings before interest, taxes and amortization (EBITA)				
Net income per above	\$ 519,609	\$ 451,234	68,375	15%
Net Financing cost	158,542	151,624	6,918	5%
Amortization expense	394,502	307,062	87,440	28%
EBITA	\$ 1,072,653	\$ 909,920	\$ 162,733	18%

Notes:

	Ending March 31 2022	Ending March 31 2021
Percentage of Revenue		
Gross margin percentage	48%	49%
General and administration percentage	16%	17%
Net income percentage	28%	28%
EBITA percentage	58%	56%

Year-To-Date Budget vs. Actual Comparison (Unaudited)

	2022 Q1 Budget	2022 Q1 Actual	\$ Variance	%Variance
Revenues				
Metered Billings (Quarterly)	\$ 1,575,765	\$ 1,603,403	27,638	2%
Service fee	245,375	245,375	-	-%
	1,821,140	1,848,778	27,638	2%
Cost of Sales				
Contracts	350,137	177,277	(172,860)	(49%)
Utilities	383,553	394,165	10,612	3%
Amortization	447,762	394,502	(53,260)	(12%)
	1,181,452	965,944	(215,508)	(18%)
Gross margin	639,688	882,834	243,146	38%
General and Administration Expenses				
Salaries and benefits	240,782	208,573	(32,209)	(13%)
Administration expenses	36,501	21,093	(15,408)	(42%)
Insurance	30,000	28,750	(1,250)	(4%)
Professional Fees	40,000	33,750	(6,250)	(16%)
	347,283	292,166	(55,117)	(16%)
Net income before other items	292,405	590,668	298,263	102%
Contributions and Financing expense				
Developer contributions	129,993	85,539	(44,454)	(34%)
Other income	12,000	1,944	(10,056)	(84%)
Other expenses	(104,500)	-	104,500	(100%)
Net financing cost	(156,992)	(158,542)	(1,550)	1%
	(119,499)	(71,059)	48,440	(41%)
Net Income	\$172,906	\$519,609	\$346,703	201%
Earnings before interest, taxes and amortization (EBITA)				
Net income per above	\$ 172,906	\$ 519,609	\$ 346,703	201%
Net Financing cost	156,992	158,542	1,550	1%
Amortization expense	447,762	394,502	(53,260)	(12%)
EBITA	\$ 777,660	\$ 1,072,653	\$ 294,993	38%



City of Richmond

Report to Committee

To: Finance Committee

Date: May 19, 2022

From: George Duncan
Chief Administrative Officer

File: 03-1200-09/2022-Vol
01

Re: **Richmond Olympic Oval Corporation – 1st Quarter 2022 Financial
Information**

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ending March 31, 2022 from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

George Duncan
Chief Administrative Officer

(604-276-4338)

DATE: May 18, 2022

TO: George Duncan
Chief Administrative Officer, City of Richmond

FROM: Rick Dusanj, CPA, CA
Director of Finance, Innovation & Technology, Richmond Olympic Oval Corporation

Re: **Richmond Olympic Oval Corporation – 1st Quarter 2022 Financial information**

Origin

This staff report addresses the first quarter financial results for the 3 months ended March 31, 2022 (“Q1”) which was endorsed by the Corporation’s Board of Directors.

During Q1 the Corporation continued its gradual restoration of services approach to the COVID-19 pandemic. With safety and community health as our guiding principles, the Corporation remained agile and continued to make operational adjustments to adhere to evolving provincial health orders and province wide restrictions. Below are some of the highlights of the activities undertaken by the Corporation during Q1.

Q1 Highlights

Community Use

In Q1 2022, changes to the Public Health Order restrictions on fitness activities and event hosting occurred, which allowed these activities to resume and take place within the facility in a limited capacity.

The Oval’s youth sport programs continued to prove popular in the community. In Q1 2022, the Oval Learn to Skate programs registered 553 participants. Oval Camps saw high demand over the Spring Break period with 446 registrations over two weeks in climbing, skating, and multi-sport camps.

Numerous community groups utilized the Oval to operate their programs and services for ages ranging from tots to seniors. These programs and services include the following sports: aikido, basketball, figure skating, gymnastics, hockey, karate, volleyball, climbing, speed skating, wheelchair basketball and soccer.

In accordance with the Richmond Oval Agreement between the City of Richmond (“City”) and the Corporation, the funding that is received from the City on an annual basis is required for the Corporation to fulfill the operating objectives which include the Corporation providing facilities, programs and services for quality sport, fitness, recreational uses and wellness services for the Richmond community, neighbouring communities and the general public. Without the Oval and the annual contribution from the City, these facilities, programs and services would have to be provided elsewhere.

Sport Development and Events

In Q1, events that took place in compliance with health orders included: Lead and Speed Climbing Nationals, Wheelchair Rugby Provincial Team Camp, Speed Skating Canada Junior Cup Final, Rhythmic Gymnastics BC Elite Event, and BC Short Track Speed Skating Championships. Some of the future new events secured in Q1 by Events and Sport Hosting included: Cars and Hoops Charity Festival, 2022 Canadian Championships in Men's and Women's Artistic Gymnastics, 2022 Climbing Provincial Championships, and the 2022 North American Climbing Series.

National and Provincial Team training that occurred in Q1 included: BC Wheelchair Sports Association, Field Hockey Canada Next Generation and Targeted Athlete Program, BC Swimming, Para-Curling Team Canada, BC Wheelchair Rugby Training Camp, Team China Hockey, Team BC Volleyball, and Team Ontario Volleyball.

Governance

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

Financial

Although the Oval's operations are trending in a positive direction, the Corporation's gross revenues from memberships, admissions, programs and services for 2021 were approximately \$3.8M less than they were compared to 2019 during pre-pandemic times. For Q1, the Corporation continued to exceed cautious budget targets that were established during the pandemic. The results for the 3 months ended March 31, 2022 show income of \$42,000 after amortization compared to a budgeted loss of \$294,000, indicating a favorable variance of \$336,000 (please see page 4 for the Corporation's balance sheet as of March 31, 2022 and page 5 for the statement of operations). In Q1, \$229,000 was allocated to the reserves/equity.

Comments on the Financial Results for Q1

Revenues

The Q1 portion of the estimated 2022 Games Operating Trust Fund ("GOT") distribution of \$931,000 was recognized as revenue. Memberships, admissions and programs revenue was \$1,729,000 in Q1 and other revenue of \$293,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue. Overall, revenue was \$335,000 favorable to budget.

Expenses

Memberships, admissions and program services costs for Q1 2022 were \$1,424,000, facility operations costs were \$1,104,000, marketing expenses were \$137,000, and administration and finance expenses were \$743,000. Overall, expenditures were \$2,000 favorable to budget.



Rick Dusanj, CPA, CA

Director of Finance, Innovation & Technology, Richmond Olympic Oval Corporation

RICHMOND OLYMPIC OVAL CORPORATION**Balance sheet****As at Mar 31, 2022****Unaudited, prepared by management**

		Mar 31, 2022
ASSETS		
Financial Assets		
Cash	\$	990,955
Investments		15,608,144
Inventory		163,534
Accounts receivable		493,722
		<u>18,187,606</u>
Financial Liabilities		
Accounts payable and accrued liabilities		1,546,739
Deferred revenue		10,342,618
Rental deposits		7,373
		<u>11,896,730</u>
Net financial assets		6,290,876
Non-Financial Assets		
Tangible capital assets		11,908,464
Prepaid expenses and other deposits		610,575
		<u>12,519,039</u>
Accumulated Surplus (Note 1)	\$	18,809,915

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

Investment in capital assets	8,299,921
Reserves/Provisions	9,648,673
Common Shares	1
Surplus	861,320
	<u>18,809,915</u>

The Accumulated Surplus shown above represents the Corporation's Shareholder's Equity. The investment in capital assets represents funding that has already been spent on existing capital assets currently being depreciated. The reserves/provisions balance primarily includes committed funding for approved capital projects as well as funding required for future minor capital expenditures. In addition, at the end of each year, the majority of the surplus balance is transferred to the capital reserves to primarily fund the Oval's future minor capital program, which has averaged \$2.00M annually over the past 5 years. The amount transferred each quarter varies and the final amount is determined by the Capital Works Committee in accordance with the operating agreement.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended March 31, 2022

Unaudited, prepared by management

	QTR 1 2022				QTR 1 2021				2022 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	
REVENUES									
2010 Games Operating Trust Fund	931,250	931,250	-	0%	931,250	931,250	-	0%	3,725,000
Contribution from City of Richmond	938,573	938,573	-	0%	917,471	917,471	-	0%	3,754,292
Memberships, admissions and programs	1,400,727	1,729,043	328,316	23%	972,452	1,125,546	153,094	16%	5,854,079
Other	287,179	293,404	6,225	2%	287,643	297,226	9,583	3%	1,174,859
	3,557,729	3,892,270	334,541	9%	3,108,816	3,271,493	162,677	5%	14,508,230
EXPENSES									
Memberships, admissions and program services	1,337,283	1,423,514	(86,231)	-6%	1,126,750	1,103,757	22,993	2%	5,544,075
Facility Operations	1,110,732	1,103,899	6,833	1%	958,451	952,951	5,500	1%	4,608,583
Marketing	141,167	137,106	4,061	3%	107,008	95,499	11,509	11%	545,155
Admin/Finance	776,707	742,888	33,819	4%	714,161	633,986	80,175	11%	3,391,864
Amortization	485,910	442,572	43,338	9%	442,016	431,252	10,764	2%	2,200,000
	3,851,799	3,849,979	1,820	0%	3,348,386	3,217,445	130,941	4%	16,289,677
Net Income/(Loss) (Note 1)	(294,070)	42,291	336,361	114%	(239,570)	54,048	293,618	123%	(1,781,447)

Note 1 - In Q1, \$0.23M was transferred into reserves/equity mainly for future minor capital programs. The total transfers vary from quarter to quarter and will be finalized by the Capital Works Committee in accordance with the operating agreement. The Oval Corporation's minor capital program, which is primarily funded from the Capital Reserves, has averaged \$2.00M annually over the past 5 years.

Numbers may be off due to rounding.