



Finance Committee

Anderson Room, City Hall
6911 No. 3 Road

Monday, September 21, 2015

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 July 6, 2015.*



FINANCE AND CORPORATE SERVICES DIVISION

1. **PURCHASING POLICY AMENDMENTS**

(File Ref. No. 02-0745-00) (REDMS No. 4595006 v. 5)

FIN-9

See Page FIN-9 for full report

Designated Speaker: Syd Stowe

STAFF RECOMMENDATION

That:

- (1) *Policy 3105 (Purchasing Policy – Construction Management Projects), be rescinded;*
- (2) *Policy 3103 (Environmental Purchasing Policy) be rescinded;*
- (3) *Policy 3104 (Procurement Policy), adopted by Council on May 8, 2006 be amended as set out in Attachment 3 of the staff report titled "Purchasing Policy Amendments," dated July 21, 2015, from the Director, Finance; and*

- (4) *Policy 3709 (Financial Signing Authorities Policy), adopted by Council on May 8, 2006 be amended as set out in Attachment 4 of the staff report titled "Purchasing Policy Amendments," dated July 21, 2015, from the Director, Finance.*



2. **FINANCE POLICY AMENDMENTS AND OFFICER AND GENERAL MANAGER BYLAW AMENDMENTS**

(File Ref. No. 12-8060-20-009217) (REDMS No. 4710755)

FIN-40

[See Page FIN-40 for full report](#)

Designated Speaker: Jerry Chong

- (1) *That Council Policy 2003 (Disposal of City Assets) be amended as set out in Attachment 3 of the staff report titled "Finance Policy Amendments," dated July 28, 2015, from the Director, Finance, and Director, City Clerk's Office;*
- (2) *That Council Policy 3001 (Budget Amendments) be amended as set out in Attachment 4 of the staff report titled "Finance Policy Amendments and Officer and General Manager Bylaw Amendments," dated July 28, 2015, from the Director, Finance, and Director, City Clerk's Office; and*
- (3) *That Officer and General Manager Bylaw No. 8125, Amendment Bylaw No. 9217 be introduced and given first, second and third readings.*



3. **FINANCIAL INFORMATION – 2ND QUARTER JUNE 30, 2015**

(File Ref. No.) (REDMS No. 4668743)

FIN-54

[See Page FIN-54 for full report](#)

Designated Speaker: Cindy Gilfillan

That the staff report titled "Financial Information – 2nd Quarter June 30, 2015," dated August 22, 2015, from the Director, Finance, be received for information.



RICHMOND OLYMPIC OVAL CORPORATION

4. **2ND QUARTER 2015 – FINANCIAL INFORMATION FOR THE
RICHMOND OLYMPIC OVAL CORPORATION**

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

FIN-84

See Page **FIN-84** for full report

Designated Speaker: Rick Dusanj

STAFF RECOMMENDATION

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended June 30, 2015 from the Controller of the Richmond Olympic Oval Corporation be received for information.

☐

ADJOURNMENT

☐



Finance Committee

Date: Monday, July 6, 2015

Place: Anderson Room
Richmond City Hall

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

Call to Order: The Chair called the meeting to order at 4:30 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on June 1, 2015, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

1. **RICHMOND PUBLIC LIBRARY STRATEGIES TO REDUCE EXPENSES AND INCREASE REVENUE**

(File Ref. No. 03-0970-01) (REDMS No. 4616881)

In response to queries from Committee, Greg Buss, Chief Librarian and Secretary to the Board, Richmond Public Library, provided the following information:

- staff will monitor potential impacts occurring from the revised circulation loan policies;

1.

Finance Committee

Monday, July 6, 2015

- the \$125,000 allocation towards the library's digital collection will allow the library to address public pressure to provide a more extensive collection;
- Richmond has the second highest annual rate per capita across Canada with approximately two million visits;
- collection and/or borrowing has declined nationally;
- potential future revenue sources include corporate sponsorship and community sharing of space, programming and expertise;
- an assessment of Library costs per capita ranked Richmond the third lowest at approximately \$40; Burnaby and Vancouver were approximately \$52 and \$60 respectively;
- it is anticipated that by 2017 municipal funding will increase by approximately 3% to maintain the current level of service;
- the collective agreement does not preclude a volunteer program and any associated cost has been included in the existing operating budget;
- the primary goal for the revised fines, charges, and circulation loan policies is to promote responsible readership and to increase the availability of materials; and
- the intention of shared community services is to assist local organizations by providing a mechanism to distribute material and/or increase exposure.

Discussion ensued regarding (i) the library's value of service to the public, (ii) further revisions related to fines, charges, and circulation loan policies, (iii) service reductions, and (iv) that staff provide an update within the year detailing any potential impacts of the strategies.

It was moved and seconded

- (1) *That the staff report titled "Richmond Public Library Strategies to Reduce Expenses and Increase Revenue," dated June 18, 2015, from the Director, Finance, be received for information and considered as part of the 2016 budget process; and*
- (2) *That staff be directed to update the report within 12 months.*

CARRIED

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2. REFERRAL COUNCIL COMMUNITY INITIATIVES ACCOUNT

(File Ref. No.) (REDMS No. 4599132)

In reply to queries from Committee, Jerry Chong, Director, Finance, advised that the Council Community Initiatives Account (CCIA) has been established with an initial transfer of \$3.0 M from the City's Gaming Provision and will be augmented by an annual allocation of 2% or approximately \$300,000 of City gaming revenues. He further advised that a list of one-time funding request will be available during the budget process. Mr. Chong commented that the maximum annual distribution of 50% of the prior year's ending account balance can be amended at Council's discretion.

Discussion ensued regarding a provision that the CCIA not be used to supplement other civic grants.

It was moved and seconded

That the Terms of Reference for the Council Community Initiatives Account as presented in the staff report titled "Referral Council Community Initiatives Account," dated June 9, 2015, from the Director, Finance, be approved with the additional provision that expenditures from this account are not intended to supplement other civic grants.

CARRIED

3. 2016-2020 BUDGET PROCESS

(File Ref. No. 03-0970-01) (REDMS No. 4571733 v.6)

It was moved and seconded

- (1) That the staff report titled "2016-2020 Budget Process," dated June 15, 2015, from the Director, Finance, be received for information;*
- (2) That the service levels as presented in Attachment 2 of the staff report titled "2016-2020 Budget Process," dated June 15, 2015, from the Director, Finance, be approved as the base for the 2016 budget; and*
- (3) That the capital ranking form as presented in Attachment 3 of the staff report titled "2016-2020 Budget Process," dated June 15, 2015, from the Director, Finance, be approved for the 2016 budget.*

The question on the motion was not called as discussion ensued regarding (i) the merits of using the material provided to inform the public, (ii) the service level review schedule in relation to the budget process, (iii) quarterly service level review updates, and (iv) Council's role in the budget process.

In response to queries from Committee, Cecilia Achiam, Director, Administration and Compliance, advised that reports regarding service level review updates will be provided approximately every six months with the next report anticipated to be received by Council late 2015. Also, she advised that the service level review is a continuous improvement process of the approximately 80 service areas within a 2.5 year cycle.

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Committee directed staff to provide a service level review update in October to coincide with the budget review process.

In reply to queries from Committee, Mr. Chong stated that the Table 2 – Preliminary 2016-2020 Operating Budget Assumptions are based on forecasts and as the collective agreement negotiations are ongoing assumptions related to salaries are not available. Also, he stated that staff is working diligently to prepare the budget material for the October Committee meeting and the Open Budget App offered by Socrata has been successfully used by the City's of Edmonton, Alberta and Burlington, Ontario.

In response to a query from Committee, Ted Townsend, Senior Manager, Corporate Communications, advised that preliminary research has commenced regarding new consultation tools proposed for "Let's Talk" that may allow additional public input that could be included in the budget process.

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

4. **CONTAMINATED SITES ACCOUNTING STANDARD CHANGE UPDATE**

(File Ref. No. 03-0905-01) (REDMS No. 4615971)

It was moved and seconded

That the staff report titled, "Contaminated Sites Accounting Standard Change Update", dated June 17, 2015, from the Director, Finance, be received for information.

CARRIED

5. **ASSESSMENT AND PROPERTY TAXATION**

(File Ref. No. 03-1240-01) (REDMS No. 4632821)

It was moved and seconded

That the staff report titled "Assessment and Property Taxation," dated July 2, 2015, from the Director, Finance, be received for information.

The question on the motion was not called as in reply to queries from Committee, Ivy Wong, Manager, Revenue, noted that additional advertising and messaging informing the public on the link between property assessment and taxes will be implemented; however, the preliminary information must be general in nature so as not to be misinterpreted once the final assessment and budget rates, including other agency rates, have been determined. She further noted that advertising can encourage owners to visit BC Assessment's website to research property values within the neighbourhood.

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Discussion ensued regarding (i) BC Assessment's methodology for determining property values particularly regarding the current accelerated market in Richmond, (ii) assessment appeals, and (iii) messaging emphasizing increases in property assessment and that, where applicable, homeowners take advantage of the available grants.

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

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:42 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 July 6, 2015.

Mayor Malcolm D. Brodie
Chair

Heather Howey
Committee Clerk



City of Richmond

Report to Committee

To: Finance Committee

Date: July 21, 2015

From: Jerry Chong
Director, Finance

File: 02-0745-00/Vol 01

Re: Purchasing Policy Amendments




Staff Recommendation

That:

1. Policy 3105 (Purchasing Policy – Construction Management Projects), be rescinded;
2. Policy 3103 (Environmental Purchasing Policy) be rescinded;
3. Policy 3104 (Procurement Policy), adopted by Council on May 8, 2006 be amended as set out in Attachment 3 of the staff report titled "Purchasing Policy Amendments " dated July 21, 2015 from the Director, Finance;
4. Policy 3709 (Financial Signing Authorities Policy), adopted by Council on May 8, 2006 be amended as set out in Attachment 4 of the staff report titled "Purchasing Policy Amendments " dated July 21, 2015 from the Director, Finance.


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

Att. 6

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

Staff Report

Origin

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

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

- 7.1. Relevant and effective budget processes and policies.*
- 7.2. Well-informed and sustainable financial decision making.*
- 7.3. Transparent financial decisions that are appropriately communicated to the public.*
- 7.4. Strategic financial opportunities are optimized.*

The current approach to purchasing goods, services and construction services by City staff is directed by Council through the following Council policies and bylaws:

1. Policy 3103 - Environmental Purchasing Policy;
2. Policy 3104 - Purchasing Policy;
3. Policy 3105 - Purchasing Policy – Construction Management Projects;
4. Policy 3709 - Financial Signing Authorities Policy;
5. Bylaw 8215 - Officer and General Manager Bylaw; and
6. Bylaw 9220 - Five Year Financial Plan (2015 - 2019).

In addition, this report responds to the following referral from the October 22, 2014, Public Works and Transportation Committee meeting:

"That staff provide an update on the City's Environmental Purchasing Guide."

Staff have addressed the referral through a review of the City's current purchasing policies.

In April 2010 the Governments of British Columbia, Alberta and Saskatchewan signed the *New West Partnership Trade Agreement* (NWPTA) - an accord that creates the largest, most open and competitive, interprovincial marketplace in Canada - eliminating obstacles to trade, investment and labour mobility among the three provinces. The respective Governments have agreed to "be fully transparent, and to notify each other of any proposed measure that is covered by the Agreement."

The NWPTA purchasing rules apply to Municipalities and require open and non-discriminatory purchasing procedures where the anticipated costs are at or above the following thresholds:

- \$75,000 or greater for goods
- \$75,000 or greater for services
- \$200,000 or greater for construction

Staff have reviewed and amended Policies 3104 and 3709 (Procurement Policy and Financial Signing Authorities Policy), which includes amalgamating policies 3103 (Environmental Purchasing Policy) 3104 (Procurement Policy), and 3105 (Purchasing Policy – Construction Management Projects) into one comprehensive purchasing policy. In conjunction with the amended purchasing policy, a Purchasing Guideline and Procedures document has been drafted, which will provide additional guidance to staff.

The current Procurement Policy 3104 and Financial Signing Authorities Policy 3709 are included as Attachments 1 and 2. The proposed amended policies are included as Attachment 3 and Attachment 4.

Analysis

Purchasing Policy

Policy sets Council direction and is used as an instrument to delegate management responsibilities to staff. The updated Procurement Policy aligns the authority to award contracts and the authority to execute contract documents with the Officer and General Manager Bylaw 8215.

Purchasing process has been removed from the Policy and placed into the Purchasing Guidelines and Procedures document to allow flexibility in purchasing methodology contingent on the service, good or construction requirement.

Policy 3105 – Purchasing Policy - Construction Management Projects 3105 was adopted by Council in May, 2006 specifically to support construction projects approved by Council. Staff recommends that Policy 3105 now be rescinded as the process for acquisition of construction services is defined in the Purchasing Guidelines.

Specifically, the proposed new Purchasing Policy attached as Attachment 3 identifies:

Purpose – To ensure that through open, transparent, fair and accountable purchasing practices best value is obtained by the City when acquiring all goods and services.

Application – To contracts for the procurement of goods, services and construction entered into by the City subject to the authorities stipulated in the Officer and General Manager Bylaw.

Policy Statements – To encourage open, transparent, fair and accountable purchasing processes for all City requirements that result in best value for money spent applying strong financial controls to the purchasing process.

Purchasing Methods - The intent of the new Policy is to align the City's purchasing directive with interprovincial trade agreements specifically the *New West Partnership Trade Agreement (NWPTA)*.

Purchasing utilizes a range of bidding processes when seeking competition from the marketplace for requirements. The acquisition method selected is dependent on a combination of a

predetermined level of risk, the complexity of the requirement, lead time, supplier availability and the estimated cost of the good or service required. A collaborative approach is to be undertaken by purchasing staff and the user department when planning for acquisition of goods and services.

Authority to Award Contracts – This section complies with the Officer and General Manager Bylaw for authority to award contracts.

Sustainable and Ethical Purchasing - The City will encourage all suppliers to demonstrate innovation and leadership in sustainability, environmental stewardship and fair labour practices. This section incorporates the content of Policy 3103 – Environmental Purchasing Policy.

Financial Signing Authorities Policy

Policy 3709 defines and establishes a process for staff to initiate or approve expenditures against Council's approved expenditure bylaw (5 Year Financial Plan Bylaw). This policy supports the proposed revised Purchasing Policy and Bylaw 8215 Officer and General Manager Bylaw.

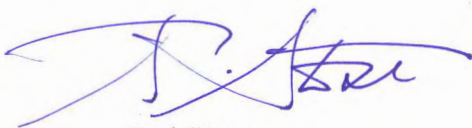
Staff recommends that the current policy be amended to reflect administrative changes and consistency with the amended Purchasing Policy.

Financial Impact

There is no financial impact.

Conclusion

Amendment and consolidation of Policies 3103, 3104, 3105 and 3709 provides staff with clear direction and assignment of authority for all purchasing activities. The proposed amended policies and guidelines reflect a prudent balance of effective corporate administration and public accountability.



Syd Stowe
Manager, Purchasing
(604-276-4061)

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- Att.1: Policy 3104 (Procurement Policy)
- Att.2: Policy 3709 (Financial Signing Authorities Policy)
- Att.3: Amended Policy 3104 (Procurement Policy)
- Att.4: Amended Policy 3709 (Financial Signing Authorities Policy)
- Att.5: Policy 3105 (Purchasing Policy-Construction Management Projects-Rescinded)
- Att.6: Policy 3103 (Environmental Purchasing Policy-Rescinded)



City of Richmond

Policy Manual

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Adopted by Council: May 8, 2006

POLICY 3104

File Ref: 01-0745-00

Procurement Policy**POLICY 3104:**

It is Council Policy that:

I. PURPOSE

The purpose of this policy is to maximize value from the procurement activities of the City of Richmond and provide safeguards for maintaining a system of quality and integrity.

II. APPLICATION

Subject to the authorities and limitations stipulated in the Officer and General Manager Bylaw, this policy applies to contracts for the procurement of supplies, services and construction entered into by the City of Richmond with the exception of the goods and services listed in Schedule 1 attached to this policy.

III. GUIDING PRINCIPLES

The following principles shall guide the procurement decisions towards the delivery of programs approved by Council in the annual Operating and Capital Budget.

1. Procurement methods used are for the purpose of encouraging competitive bidding for the supply of goods and services.
2. Procurement process is to be open, fair and consistent.
3. In the awarding of a contract, the total cost of acquisition is considered rather than the lowest bid price. The total cost of acquisition is calculated using the net present value concept and takes into account life cycle cost including all operating and maintenance costs (operating, repair, training, disposal) in addition to the initial cost of acquisition.
4. Award of bids shall be based on:
 - (i) The lowest total cost of acquisition,
 - (ii) Experience of the bidder,
 - (iii) Bidder's references of performance on previous similar contracts,
 - (iv) The bidder's financial resources,
 - (v) Bidder's capability of supervision, staffing and use of subcontractors,
 - (vi) Bidder's ability to meet City specifications and performance criteria,
 - (vii) Any additional evaluation criteria stated in the contract document.



The award of a contract resulting from a Request for Proposal will be made to the bidder whose proposal is found to be the most advantageous to the City based upon the evaluation criteria in the Request for Proposal.

The City of Richmond may enter into cooperative procurement agreements with other public sector entities for the purpose of combining requirements to increase efficiency or reduce administrative expenses in the procurement process. All cooperative procurement agreements shall comply with the principles contained in this policy.

IV. PROCUREMENT METHODS

1. **Small Purchases** (Dollar Value up to \$ 1,000) shall include but are not limited to the following:
 - (i) **Petty Cash.** Purchases of less than \$50 other than reimbursement of employee mileage, tuition, membership dues and meals may be paid from the departmental petty cash float. Reimbursement of purchases from the petty cash float shall comply with the Petty Cash procedures in effect.
 - (ii) **Purchasing Card.** Purchase of goods and services up to \$1,000 per transaction limit (taxes included), may be made by using the Corporate Purchasing Card, in accordance with the Purchasing Card procedures, when the purchase is:
 - Random in nature,
 - Within the cardholder's single transaction limit as authorized by his/her General Manager,
 - Not included in an existing supply agreement (unless p-card is a form of payment in the supply agreement),
 - Not available from inventory,
 - Not of a capital nature.

Purchases from vendors requiring Internet commerce shall be under the guidance and support of the Information Technology Division.

The purchaser is responsible for obtaining reasonable and competitive rates in the open market for the item purchased.

Authorized purchasing card transactions in excess of \$1,000 shall comply with the provisions of this policy.



(iii) **Local Purchase Order.** In lieu of a purchasing card, the purchase of goods and services not exceeding \$1,000 (taxes included), may be made using a Local Purchase Order after verification by the purchaser that the item purchased is:

- Not included in an existing supply agreement and,
- Not available from inventory,
- Not of a capital nature.

The purchaser is responsible for obtaining reasonable and competitive rates in the open market for the item purchased.

2. Verbal Price Quotations (Dollar Value \$1,001 to \$5,000)

For purchases valued more than \$1,000 but less than \$5,001, a minimum of three (3) businesses shall be solicited for price quotations. The names of businesses submitting quotations and the date and the amount of each quotation shall be recorded and maintained as public record. Duly authorized purchase requisitions are prepared for the Purchasing Section to issue a Purchase Order and appropriate contract to the selected bidder.

3. Written Price Quotations (Dollar Value \$5,001 to \$25,000)

Informal written price quotations from a minimum of three (3) businesses are to be solicited for purchases valued more than \$5,000 but less than \$25,000. Quotations submitted shall be maintained as public record. Duly authorized purchase requisitions are prepared for the Purchasing Section to issue a Purchase Order and appropriate contract to the selected bidder.

4. Formal Written Competitive Bid (Dollar Value \$25,001 to \$250,000)

Purchases valued more than \$25,001 but less than \$250,000 require a minimum of three (3) businesses be solicited by a formal quotation through Purchasing.

The requesting Department shall provide a written specification of the required goods or services to the Purchasing Section after which the Purchasing Section will assign a quotation number, determine the contract requirements and ensure proper distribution of the request to the marketplace.



Procurement Policy

Upon receipt of quotations, the Purchasing Section and the requesting Department shall jointly undertake a review and an evaluation. The requesting Department shall then complete and authorize a Purchase Requisition for the successful bidder to allow the Purchasing Section to process the contract award and issue a Purchase Order and/or formal contract, if required.

Quotations submitted shall be maintained as public record.

5. Formal Publicly Tendered Competitive Sealed Bid (Dollar Value more than \$250,000)

The purchase of goods, services, equipment or construction in excess of \$250,000 requires a formal, competitive, sealed-bidding process through the issue of an invitation to tender.

The requesting Department shall provide the Purchasing Section with written specifications of the goods or services required and any other required information to develop a formal publicly tendered contract document.

All general contractors bidding for major capital building projects will be pre-qualified using an administrative process involving the appropriate City staff and project consultants engaged (if any). Other suppliers may be pre-qualified as determined by the Manager of Purchasing, in consultation with the requesting Department.

6. Emergency Purchases

An emergency purchase occurs when a situation creates immediate and serious need which may not be reasonably met by any other procedure and includes without limitation:

- (i) A condition where lack of supplies or services may adversely affect the functioning of local government, threaten public or private property or the environment, or jeopardize the health or safety of the public;
- (ii) Interim contract arrangements following the expiration; or breach of a contract; or the receipt of unacceptable or uncompetitive bids.



Procurement Policy

A written determination of the basis for the emergency and for bidder selection require the approval of the applicable Department General Manager. Emergency purchases shall be made with such competition as is practical under the circumstances.

7. Sole/Single Source Procurement

- (i) **Sole Source.** The CAO or the applicable Department General Manager with the concurrence of the General Manager, Business and Financial Services may waive the competitive bidding process and award a contract without competition when it is determined by the requesting Department after conducting a review of available sources, that there is only one source available for the required goods, service or construction item. Negotiations shall be conducted, as appropriate, to obtain the best price, delivery and terms.
- (ii) **Single Source.** Where there is more than one source of supply in the open market but only one of these is recommended for consideration by the requesting Department on the grounds that it is more cost effective or beneficial to the City, the Department responsible shall submit a report showing the rationale for the use of the single source to the applicable Department General Manager for approval and concurrence of the General Manager, Business and Financial Services. Negotiations shall be conducted, as appropriate, to obtain the best price, delivery and terms.

8. Request for Proposals

A formal Request for Proposal may be issued for contracts with an estimated life cycle value of more than \$10,000 for professional services or to invite vendors to propose a solution to a problem, requirement or objective.

The Manager of Purchasing and the Department Manager shall prepare proposal documents setting out the City's requirements and the evaluation criteria for selection. In consultation with the Department Manager, the Manager of Purchasing shall evaluate all proposals and prepare a report summarizing the proposals and making recommendations for selection.



9. Vendor Disqualification

Vendors may be subject to disqualification if there is sufficient evidence of consistent failure to meet the specifications or requirements of the City of Richmond and any of their quotations/bids received will not be considered.

V. AWARDING OF CONTRACTS

The ability to award quotations, tenders, proposals and contracts for the procurement of goods and services is subject to the availability of sufficient funds in the appropriate accounts within Council's approved budget and the authority delegated to staff by the Officer and General Manager Bylaw.

The authority to award quotations, tenders, proposals and contracts for the provision of goods and services is:

1. **For contracts up to \$50,000** – Manager of Purchasing and/or designates in conjunction with the applicable Department Manager or their designates.
2. **For contracts of \$50,001 to \$100,000** – General Manager of the applicable Department.
3. **For contracts of \$100,001 to \$500,000** – CAO or the General Manager, Business and Financial Services and any other Department General Manager.

OR

The Manager of Purchasing and the Department General Manager may sign on behalf of the CAO and the General Manager, Business and Financial Services if the following criteria have been satisfied.

- (i) *Corporate procurement policies and procedures have been followed*
- (ii) *The funds in question have been approved as part of the budget.*
- (iii) *The contract is within the amount budgeted for the work in question.*
- (iv) *The lowest responsive and responsible bidder is being awarded the contract in question.*



4. **Prior Project Approval by Council.** Where Council has given prior budget approval for the project, the CAO and the applicable Department General Manager may award a construction contract of any value to the lowest qualified bidder when the following conditions are met:
- (i) Corporate procurement policies and procedures have been followed
 - (ii) The contract amount is within the budget approved by Council for the project.
 - (iii) The lowest responsive and responsible bidder is being awarded the contract in question.

All competitive bidding contracts valued greater than \$250,000 shall be reported to the Finance Committee.

5. **Standing Offer Agreements SOA** - Standing offer agreements are intended to facilitate increased supply service to users, provide overall cost savings in the acquisition of low value repetitively acquired goods or services and may be revoked or withdrawn at anytime. A procurement of items under the SOA is considered to be individual transaction in itself. Any contract arising from an SOA is to be treated in a similar manner as procurement of goods and services requiring the authorization referred above in items 1 to 4, V Awarding of Contracts.

A multi-year SOA may be approved and awarded by the General Manager of the applicable Department and the Manager of Purchasing for inventory replenishment, on-call maintenance contractors and cooperative purchases with other local government jurisdictions.

6. **For all other awards** - Council approval
7. **Change Orders** - A purchasing contract may include provisions for modification of the contract during performance, but no fixed price contract may be increased by more than 10% of the original contract value, without the advance approval from the appropriate level of approval authority required under Section V Awarding of Contracts in this policy and funding is available in the respective budget. The total cost of the contract including the cost of modifications is used in determining the approval level required.



8. **Sureties** – All bids for construction in excess of \$250,000 shall be accompanied by a bid bond at 10% of the bid value as a guarantee that if the contract is awarded to such bidder, that bidder will enter into the contract for the work mentioned in the bid.

In lieu of a bid bond, a bidder or contractor may provide cash, a certified cheque or an irrevocable letter of credit in the face value required by the bond.

Upon the award of any construction contracts in excess of \$250,000 the contractor shall provide the City of Richmond with a Labour and Materials Payment Bond at 50% of the contract value and a Performance Bond at 50% of the contract value.

VI. EXECUTION OF CONTRACT DOCUMENTS

Contracts shall be executed for and on behalf of the City of Richmond by the applicable authorities specified in the Awarding of Contracts section of this policy.

Where the purchase of goods and services has been authorized under this Policy, the contract shall be in a form approved by the City Solicitor.

In the event that the City Solicitor determines that a written contract shall be executed, the City Solicitor shall review and approve the contract for Division Head or General Manager/CAO signature where applicable. All Council approved contracts or agreements require the signature of the Mayor and Director, City Clerk's Office.

All contracts executed pursuant to this Policy shall be delivered to the Director, City Clerk's Office for safekeeping.

VII. BID REVIEW COMMITTEE

In the event that a proposal, quotation or tender contains an informality or irregularity, the proposal or tender shall be referred to a Bid Review Committee to determine whether the proposal, quotation or tender complies with the requirements and specifications as stated in the documents.

The Bid Committee shall be established and composed of, at a minimum, the following Richmond staff members:



- (i) Manager of Purchasing;
- (ii) A representative from the Department requiring the goods and services;
- (iii) City Solicitor.

In the event that the Bid Review Committee does not agree unanimously that the proposal or tender shall be accepted or rejected, a report shall be prepared for submission to the General Manager, Business and Financial Services for a decision.

VIII. ETHICS IN PUBLIC PROCUREMENT

All staff involved in the procurement process shall adhere to the Ethics and Conduct established by the Purchasing Management Association of Canada. These provisions supplement and do not supersede or replace other policies adopted by Council in respect to staff code of conduct or conflict of interests.

No employee of the City of Richmond who is involved in the procurement process shall have any interest directly or indirectly as a contracting party, partner, shareholder, surety or otherwise in any purchasing contract for goods and services or in any of the monies that may derived there from.

Division of one contract into two or more contracts to avoid the requirements of this policy is strictly prohibited.

The personal use of City purchased goods or services is prohibited.



SCHEDULE 1

GOODS AND SERVICES NOT SUBJECT TO THE PROCUREMENT POLICY

1. Training and Education including:
 - (i) Conferences/Seminars
 - (ii) Courses/Workshops
 - (iii) Conventions
 - (iv) Magazines
 - (v) Memberships
 - (vi) Periodicals
 - (vii) Staff Development
 - (viii) Staff Workshops
2. Labour Relations Expenses
3. Refundable Employee Expenses including:
 - (i) Cash advances
 - (ii) Meal allowances
 - (iii) Travel expenses
 - (iv) Accommodation
 - (v) Mileage allowance
4. Employer's General Expenses including:
 - (i) Payroll deduction remittances
 - (ii) Medical and dental expenses
 - (iii) Insurance premiums
 - (iv) Tax remittances
 - (v) Debt payments
 - (vi) Grants to agencies
 - (vii) Payment of damages
 - (viii) Petty cash replenishment
 - (ix) Charges to or from government bodies or Crown Corporations
 - (x) Real property payments including land, buildings, leasehold interests, easements, encroachments and licences or the like.
5. Licenses, certificates and other like required approvals .
6. Ongoing maintenance and service contracts for proprietary equipment, computer hardware and software.



7. Other Professional and Special Services including:

- (i) Additional non-recurring accounting and auditing services
- (ii) Banking services not covered by agreements.
- (iii) Group benefits
- (iv) Realty services regarding the lease, acquisition, demolition, sale of land and appraisal of land. Real property payment including payments for land, buildings, leasehold interests, easements, encroachments and licenses or the like.
- (v) Liability and property insurance premiums.
- (vi) Legal services.

8. Utilities

- (i) Postage
- (ii) Charges to other government bodies
- (iii) Hydro
- (iv) Natural gas
- (v) Telephone service charges

9. Original equipment manufactured parts for maintenance, repairs and operating.

Current Policy



City of Richmond

Policy Manual

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Adopted by Council: May 8, 2006

POLICY 3104

File Ref: 01-0745-00

Procurement Policy

APPENDIX 1 - DEFINITIONS

Award	The acceptance of a bid or a proposal by the City.
Bids	A formal price response contained in a quotation, proposal or tender.
Bid Bond	A guarantee that if a bidder's tender or proposal is accepted that the bidder will enter into the contract within the time specified.
Call	Solicitation from the City to external suppliers or providers to submit a tender, quotation, proposal, pre-qualification or expression of interest.
CAO	Chief Administrative Officer of the City of Richmond.
Capital	Expenditure or item which is City owned, has an economic useful life of three or more years and is intended to provide productive benefit to the City during its useful life.
Expression of Interest	A submission in response to a call to determine the market place interest in bidding on a particular contract contemplated by the City.
Payment Bond	A protection of all persons supplying labour and material to the contractor or its subcontractors for the performance of the work provided for in the contract.
Performance Bond	An undertaking that the contractor will complete the contract in accordance with the plans and specifications, on time and at the agreed price.
Pre-qualification	The submission of qualifications by a bidder or proponent in response to a call as part of a process to determine those bidders or proponents that would qualify to be solicited in a subsequent bid call leading to an award.
Proposal	An offer to furnish goods or services which cannot be fully defined or specified at the time of a request to the marketplace as a basis for negotiation to enter into a contract. Proposals are evaluated based upon best value.
Quotation	A request for prices of goods and/or services in respect of a project and used where bid deposit and performance bonds are not normally required. Bid at a fixed price as to total amount or on a unit basis, or both, where all of the material terms, conditions and specifications to be met for the project, aside from price and, in some cases, time for completion, are contained in the call and determined at the time a bid is opened so there is no prospect of negotiations between parties.
Responsible Bidder	A person who has the capability in all respects to perform the contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment and credit which will assure good faith performance.
Responsive Bidder	A person who has submitted a bid, which conforms in all material respects to the requirements, set forth in the invitation to bids.
Single Source	There is more than one source of supply in the open market place but only for reasons of function and service that one vendor is recommended for consideration for the particular goods and services.
Sole Source	There is only one source of supply of a particular goods and/or services.
Sureties	Undertaking to pay money or take any other action if the principal fails in the performance of a contract.
Standing Offer	A contract for the supply of goods or services on an as and when required basis.
TAG	The Senior Management Group of General Managers and the Chief Administrative Officer in the City of Richmond.
Tender	An offer in respect of a project at a price fixed as to total amount or on a unit basis, or both, and where all of the material terms, conditions and specifications to be met for the project, aside from price and, in some cases, time for completion, are contained in the call and determined at the time a bid is opened so that there is no prospect of negotiations between the parties.
Transaction Limit	Total value of an individual procurement transaction.



City of Richmond

Policy Manual

Page 1 of 3

Adopted by Council: May 8, 2006

POLICY 3709

Amended:

File Ref: 0745-00/
0775-00**Financial Signing Authorities Policy****POLICY 3709:**

It is Council Policy that:

I. PURPOSE

The purpose of this policy is as follows:

1. To define a process for establishing and monitoring spending authority.
2. To authorize the payment of accounts and expenditures.

II. FINANCIAL SIGNING AUTHORITIES

Financial signing authorities consist of spending authority and payment authority. Spending authority is the authority to commit or expend funds against the budget. Payment authority is the authority to disburse funds.

III. SPENDING AUTHORITY

The operating and capital budget approved by Council establishes the spending authority for the City of Richmond. Department General Managers and Division Heads shall ensure that expenditures do not exceed the approved budget.

Spending authority is the delegated authority to initiate and approve expenditures against the operating or capital budget within a defined dollar limit. It is not the power to directly enter into agreements with suppliers or contactors for the purchase of goods and services. The City's Procurement Policy provides the authority and the methodology of entering into contracts for the purchase of goods and services.

Council approved contracts/agreements provide the necessary authority for staff to proceed with spending. Staff in signing the vendor invoices/progress claims are not exercising spending authority but attesting to the fact that the goods and services have been received.



Employees with spending authority can

- Approve Requisition for Purchase.
- Approve Vendor invoices and cheque requisitions (payment vouchers) for goods and services listed in Schedule 1 of the Procurement Policy.
- Approve time sheets, training forms, petty cash and expense reports.
- Request the Finance Department to initiate periodic payments supported by contracts.
- Sign for purchases on the City's Purchasing Card

IV. DELEGATION OF SPENDING AUTHORITY

Spending authorities are delegated by Department General Managers/Division Heads to appropriate employees in their department for the discharge of their job duties.

The delegation of spending authorities for a single transaction against City accounts is subject to the maximum limits stated below:

- | | |
|---|-----------|
| • Authorized employees | \$1,000 |
| • Administrative Assistants | \$5,000 |
| • Supervisors/Executive Assistants | \$10,000 |
| • Managers | \$25,000 |
| • Directors/Division Heads | \$50,000 |
| • Department General Managers/CAO | \$100,000 |
| • Chief Administrative Officer and
General Manager, Business and
Financial Services | \$500,000 |

Spending authority in excess of \$500,000 requires Council approval.

V. PAYMENT AUTHORITY

The General Manager, Business and Financial Services may delegate payment authority to Finance Department Managers to pay the accounts and expenditures provided that funds are available in the Council approved operating budget or capital budget.



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Adopted by Council: May 8, 2006

POLICY 3709

Amended:

File Ref: 0745-00/
0775-00

Financial Signing Authorities Policy

Payment authority is exercised when a Finance Department employee

- Approves accounting journals in the recording of electronic fund transfer EFT.
- Approves accounting journals in the transfer of funds between City bank accounts for the City's biweekly payroll and investment
- Approves refund of security deposits.
- Approves refund of deposits for tax sale.
- Approves transfer payments to the Richmond School Board and other local government authorities for monies collected on their behalf through property taxes; approves transfer payment of hotel tax.
- Approves payment including interest and principle on the City's debentures.
- Authorizes automated payments for leases under authorized agreements.
- Authorizes payments on Council approved contracts and agreements.
- Authorizes the payment of City grants approved by Council.
- Transfer of payroll related deductions and remittances.
- Authorizes payments for utilities.

VI. DELEGATION OF PAYMENT AUTHORITY

Finance Department Managers shall delegate payment authority to appropriate employees within the Finance Department to disburse the funds as required in the performance of their duties.

Proposed Amended Policy

Page 1 of 7

Adopted by Council: May 8, 2006

POLICY 3104

File Ref: 02-0745-00

PROCUREMENT**POLICY 3104:****1.0 Purpose**

- 1.1 The City is committed to ensuring that best value is obtained for all funds expended.
- 1.2 The purpose of this Policy is to ensure that through open, fair and transparent purchasing practices, best value is obtained by the City for all goods and services required.

2.0 Scope

- 2.1 Subject to the Officer and General Manager Bylaw No. 8215 and subject to any Council resolution to the contrary, this Policy applies to contracts for the procurement of goods, services and construction management entered into by the City.

3.0 Policy Statements

- 3.1 The City will endeavour to practice an open, transparent, fair and accountable purchasing process for goods, services and construction management utilizing purchasing leading practices identified in the Purchasing Guidelines and Procedures document supplemental to this Policy.
- 3.2 The following principles shall guide procurement decisions towards the delivery of programs and services as approved by Council in the City's Financial Plan.
 - *Integrity*
 - *Best Value*
 - *Open and Fair Access*
- 3.3 Authorized City staff are required to ensure compliance with all City policies, all City Bylaws and all provincial and federal laws and regulations that apply to the purchasing of goods, services and construction.
- 3.4 Procurement planning will be undertaken as part of the City's financial processes. Departments will advise the Purchasing Section of their procurement plans and requirements for goods, services and construction in advance of program needs. Aggregating similar requirements can substantially reduce purchase prices and costs relating to maintenance, delivery, ordering and payment processing. All Departments will work with the Purchasing Section to review and identify opportunities for demand aggregation that provide overall savings to the City.

Proposed Amended Policy City of Richmond

Page 2 of 7

Adopted by Council: May 8, 2006

POLICY 3104

File Ref: 02-0745-00

PROCUREMENT

- 3.5 In order to ensure best value, the City must ensure that capital projects are fully funded.

4.0 Procurement methods

- 4.1 All City purchasing activities shall meet the terms of the following trade agreements:

5.1.1 The New West Partnership Trade Agreement; and

5.1.2 The Agreement on Internal Trade.

- 4.2 All purchases for goods and services within the established thresholds in the New West Partnership Trade Agreement shall be formally competitively bid via methods described in the Purchasing Guidelines and Procedures document.

- 4.3 All formal competitive bid opportunities will be publically advertised on the BC Provincial Government's BC Bid website.

5.0 Reporting Requirements

- 5.1 The Purchasing Section shall report to Council all new contract awards and aggregate contract extension figures on a quarterly basis for all contracts greater than \$75,000.

6.0 Authority to Award Contracts

- 6.1 The authority to award a contract as a result of a purchasing process for goods, services and construction is subject to the availability of funds within Council's approved Financial Plan and either express Council authority or the authority delegated to staff through the Officer and General Manager Bylaw No. 8215.

7.0 Execution of Contract Documents

- 7.1 Contract documents for purchases of goods, services and construction shall be executed on the City's behalf in accordance with an express resolution of Council or by the applicable authorities identified in the Officer and General Manager Bylaw No. 8215. Where the purchase of goods, services and construction has been authorized under this Policy, the contract shall be in a form approved by the City Solicitor.
- 7.2 All contracts executed pursuant to this Policy shall be delivered to the Director, City Clerk's Office.

Proposed Amended Policy City of Richmond

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Adopted by Council: May 8, 2006

POLICY 3104

File Ref: 02-0745-00

PROCUREMENT

8.0 Exclusions

- 8.1 When an unforeseeable Urgent Situation or Emergency exists and goods, services and construction cannot be obtained in time by means of open procurement procedures, the CAO or any respective General Manager may authorize procurement of goods, services and construction via single source procurement. Purchases made in these situations are subject to competition where circumstances permit and when practical.
- 8.2 The CAO and/or any respective General Manager is authorized to approve an expenditure that has been incurred for unforeseeable Urgent Situations when the expenditure can be accommodated within the Financial Plan, whether out of contingency funds or budget reallocations.
- 8.3 The CAO and/or any respective General Manager is authorized to approve an expenditure that has been incurred for an Emergency when the expenditure can be accommodated within the Financial Plan, whether out of contingency funds or budget reallocations. Emergency purchases that cannot be accommodated within the Financial Plan can be authorized by the CAO and/or any respective General Manager and will be reported to Council following the event. The Financial Plan will be amended to include the expenditure and the funding source for the expenditure.

9.0 Prohibitions

- 9.1 The following activities are prohibited under this Policy:
- i. The dividing of contracts or purchases to avoid the requirements or thresholds of this or any Policy.
 - ii. Committing the City to contract without the appropriate level of authority to do so.
 - iii. Purchases by the City of any goods or services for personal use by or on behalf of any member of City Council, appointed officers, employees of the City or their immediate families unless permitted under a separate policy.
 - iv. Purchases by the City from any member of City Council, appointed officers, employees of the City or their immediate families that could result in a conflict of interest unless that conflict has been disclosed.
 - v. Purchases made by appointed officers, employees of the City or their immediate families or from any other source that could result in a conflict of interest unless that conflict has been disclosed and approved by the CAO.

Proposed Amended Policy City of Richmond

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Adopted by Council: May 8, 2006

POLICY 3104

File Ref: 02-0745-00

PROCUREMENT

- vi. The purchase of any City goods by a member of City Council, appointed officers, employees of the City or their immediate families unless purchased through an authorized asset disposal process (e.g. auction).

10.0 Ethics in Public Purchasing

- 10.1 All purchasing staff engaged in the purchasing process for the City shall abide by the Code of Ethics established by the Supply Chain Management Association of Canada.

<http://www.scmanational.ca/en/join-scma/code-of-ethics>
- 10.2 These provisions supplement and do not supersede or replace other policies adopted by City Council with respect to staff code of conduct or conflict of interest.
- 10.3 No City employee directly involved in procurement activities shall have any interest, directly or indirectly, with or as a contracting party, surety or otherwise in any purchasing contract for goods, services or construction, or in any of the monies that may be derived there from.

11.0 Sustainable and Ethical Purchasing

- 11.1 Sustainable and ethical purchasing practice will align City's approach to purchasing with the objectives relating to people, the environment and prosperity as referenced in the City's Sustainability Policy 1400.
- 11.2 The City will encourage all suppliers within the purchasing process to demonstrate excellence and innovative leadership in sustainability, environmental stewardship and fair labour practices; and where practical will take these factors into consideration during the evaluation process.
- 11.3 The City will work collaboratively with suppliers to advance environmentally friendly products and services.
- 11.4 The City will select suppliers based on best value, including, but not limited to, the economic attributes of the supplier's products and services.
- 11.5 In order to increase the development and awareness of environmentally-sound products and services, City staff will review their contracts and tender specifications for goods and services, to ensure that wherever possible and economically feasible, specifications are amended to provide for consideration of environmental characteristics. Consideration may be given to those environmental products that are certified by an independent accredited organization.

Proposed Amended Policy City of Richmond

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Adopted by Council: May 8, 2006

POLICY 3104

File Ref: 02-0745-00

PROCUREMENT

11.6 The City will endeavor to increase its use of products and services that are more responsible to the environment in the way that they are made, used, transported, stored and packaged and disposed of. It is recognized that analysis is required in order to ensure that the products are made available at competitive prices and that the environmental benefits provided by a product or service should not significantly affect the intended use of that product or service.

11.7 The operators and caterers of City-run facilities are requested to use only certified organic, free-range or free-run whole (shell) chicken eggs.

12.0 Co-Operative Purchasing

12.1 The Manager of Purchasing may recommend the City awarding and/or entering into co-operative purchasing agreements with other public bodies for the purpose of combining requirements to increase efficiencies and reduce administrative costs in the purchasing process. All co-operative agreements shall comply with the principles contained in this policy and the Purchasing Guidelines and Procedures document, supplemental to this policy. For greater clarity and certainty, the execution of such agreements shall be governed by section 7.0 of this Policy.

13.0 Procedures & Guidelines

13.1 The Purchasing Procedures and Guidelines document is supplemental to this Policy and contain procedures and guidelines to be followed by City staff. Purchasing Procedures and Guidelines may be changed or updated as required by the General Manager, Finance and Corporate Services.

14.0 Definitions/Interpretation

14.1 All references in this Policy to City staff, an employee, official or other representative of the City are deemed to include any designate as contemplated by the Officer and General Manager Bylaw No. 8215.

14.2 In this Policy, the following terms have the following meanings:

Agreement on Internal Trade	The Agreement on Internal Trade is an intergovernmental trade agreement signed by Canadian First Ministers that came into force in 1995. Its purpose is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investment within Canada and to establish an open, efficient, and stable domestic market.
Award	The business decision by City staff authorized under City Bylaws to enter into a contract for goods, services or construction work.

Proposed Amended Policy City of Richmond

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Adopted by Council: May 8, 2006

POLICY 3104

File Ref: 02-0745-00

PROCUREMENT

Best Value	The optimal combination of compliant responses to the City's terms and conditions and contract documents; providing the City with best value in total cost of ownership including, but not limited to, economic, environmental and social aspects as determined in accordance with specific criteria established by authorized City staff.
CAO	Chief Administrative Officer of the City of Richmond. The person appointed by Council pursuant to section 1.1.1 (a) of the Officer and General Manager Bylaw as an Officer of the City under section 146 of the Community Charter.
Construction – Construction Management	Construction management is the process of professional management applied to a construction project from the project inception to completion for the purpose of controlling time, cost, scope, and quality. Construction, reconstruction, demolition repair or renovation of a building structure or other civil engineering or architectural work. Includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery (incidental to construction) related to construction.
Contract	A contract for purchase by the City of goods, services or construction, including the issuance of a purchase order or the execution of any agreement evidencing obligations.
Co-operative Purchasing	Purchasing conducted by the Manager, Purchasing on behalf of the City and other public bodies, or the involvement of the Manager, Purchasing in purchasing by other public bodies on behalf of the City.
Council	The City Council of the City of Richmond
Emergency	As defined under the Emergency Program Act of British Columbia. "emergency" means a present or imminent event or circumstance that (a) is caused by accident, fire, explosion, technical failure or by the forces of nature, and (b) requires prompt coordination of action special regulation of persons or property to protect the health, safety or welfare of a person or to limit damage to property."
Financial Plan	As defined under section 165 of the Community Charter. A municipality must have a financial plan that is adopted annually, by bylaw. The planning period for the financial plan is 5 years and will set out the following for each year of the planning period: (a) the proposed expenditures by the City; (b) the proposed funding sources; (c) the proposed transfers to or between funds The financial plan may be amended by bylaw at any time.
Formal Competitive Bid	A bid advertised on BC Bid and the City's website
Fully Funded	The entire procurement cost must be funded in the year in which the item is procured.
GM Finance and Corporate Services	The person appointed by Council pursuant to section 1.1.1 (b) of the Officer and General Manager Bylaw as an Officer of the City under section 146 of the Community Charter.
Integrity	The procurement process will be conducted with honesty, moral principles and ethical standards.
New West Partnership Trade Agreement	An accord between the Governments of British Columbia, Alberta and Saskatchewan that creates Canada's largest, barrier-free, interprovincial market

Proposed Amended Policy City of Richmond

Page 7 of 7

Adopted by Council: May 8, 2006

POLICY 3104

File Ref: 02-0745-00

PROCUREMENT

Officer and General Manager Bylaw	The Bylaw which Council has delegated responsibility for entering into contracts, procedures for tendering/purchasing and limits on spending authority within limits established by Council.
Open and Fair Access	Ensuring that the public is aware of and permitted to compete for supply opportunities in their demonstrated field of expertise.
Purchasing Guidelines and Procedures Document	The City's administrative procedure which provides information to guide staff in the process of acquiring goods and services and in the process of construction management for the City.
Purchasing Process	The City's purchasing / acquisition process, from requisition, to purchase order or contract, to product or service receipt, to payment.
Purchasing Section	The Purchasing Section operates as a centralized function that manages the acquisition of all goods and services and construction for the City through acquisition processes identified in the Purchasing Guidelines and Procedure document.
Sustainability	The term used to describe a vision and practice for making choices that meet the diverse needs of communities today and those in the future.
Total Cost of Ownership	The direct social, environmental and financial costs and benefits to the City of products, services and construction during their acquisition, use and end of life phases. All contracts will be evaluated based on the full range of costs including acquisition, maintenance, replacement, legal, disposal and training costs associated with goods or services.
Urgent situation	Means a present or imminent event or circumstance that requires immediate attention where a lack of supplies or services may adversely affect the functioning of the City.



Proposed Amended Policy

Policy Manual

Page 1 of 3

Adopted by Council: May 8, 2006

POLICY 3709

File Ref:

Financial Signing Authorities**POLICY 3709:**

It is Council Policy that:

I. PURPOSE

The purpose of this policy is:

1. To define a process for establishing and monitoring spending authority.
2. To authorize the payment of accounts and expenditures.

II. FINANCIAL SIGNING AUTHORITIES

Financial signing authorities consist of spending authority and payment authority. Spending authority is the authority to commit or expend funds against the budget. Payment authority is the authority to disburse funds.

III. SPENDING AUTHORITY

The 5 Year Financial Plan Bylaw sets out the proposed expenditures proposed funding sources, and proposed transfers to or between funds.

Spending authority is the delegated authority to initiate and approve expenditures within a defined dollar limit. It is not the power to directly enter into agreements with suppliers or contractors for the purchase of goods and services. The City's Procurement Policy 3104 provides the authority and the methodology of entering into contracts for the purchase of goods and services.

Staff, in signing the vendor invoices/progress claims, are not exercising spending authority but attesting to the fact that the goods and services have been received.



Proposed Amended Policy

City of Richmond

Policy Manual

Page 2 of 3

Adopted by Council: May 8, 2006

POLICY 3709

File Ref:

Financial Signing Authorities

Employees with spending authority can:

- Approve Requisition for Purchase
- Approve Vendor invoices and cheque requisitions (payment vouchers) for goods and services listed in the Purchasing Procedures Guidelines
- Approve petty cash and expense reports
- Request the Finance Department to initiate periodic payments supported by contracts
- Sign for purchases on the City's Purchasing Card

IV. DELEGATION OF SPENDING AUTHORITY

The delegation of spending authority is set out in the Officer and General Manager Bylaw 8215.

The maximum spending limits which are delegated to the following staff levels for a single transaction against City accounts are stated below:

- | | |
|------------------------------------|----------|
| • Authorized employees | \$1,000 |
| • Administrative Assistants | \$5,000 |
| • Supervisors/Executive Assistants | \$10,000 |
| • Managers | \$25,000 |
| • Directors/Department Heads | \$50,000 |

V. PAYMENT AUTHORITY

The General Manager, Finance and Corporate Services may delegate payment authority to designated Finance Department Managers to pay the accounts and expenditures provided that they have been included in the 5 Year Financial Plan Bylaw.



**Proposed
Amended Policy
City of Richmond**

Policy Manual

Page 3 of 3

Adopted by Council: May 8, 2006

POLICY 3709

File Ref:

Financial Signing Authorities

VI. DELEGATION OF PAYMENT AUTHORITY

Finance Department Managers may delegate payment authority to designated employees within the Finance Department to disburse the funds as required in the performance of their duties.



Policy to be Rescinded

Policy Manual

Page 1 of 1

Adopted by Council: May 8, 2006

POLICY 3105

File Ref: 01-0172-00

Purchasing Policy – Construction Management Projects

Policy 3105:

It is Council policy that:

1. Soliciting of Bids

- (a) when an unforeseeable situation of urgency exists that prevents the issue of a public tender for the purchase of goods and services, the General Manager, Engineering & Public Works, together with the City's Project Manager, may authorize the use of three or more written quotations;
- (b) when there are insufficient qualified vendors, the CAO upon recommendation from the General Manager, Engineering & Public Works and the City's Project Manager, may authorize the use of less than three written quotations; and
- (c) Council is to be notified by memorandum immediately if any processes identified in (a) and (b) of the above are utilized.

2. Change Orders

- (a) The City's Project Manager may authorize changes to a contract up to a 10% cumulative amount over the original contract value, if the funds are within the project budget and approved scope of work.
- (b) The Senior Management Group (TAG) may authorize changes to a contract greater than a 10% amount over the original contract value, if the funds are within the project budget and approved scope of work.
- (c) Any significant change order that will result in a change of scope to the project will require Council approval.

Monthly, the City's Project Manager will advise Council by memorandum of any significant change orders to the project. A summary of change orders will also be included in the Finance Department's quarterly reporting of contract change orders to the Finance Committee.



Policy to be *Rescinded*

Policy Manual

Page 1 of 1

Adopted by Council: Nov.14, 2000

POLICY 3103

Amended by Council: May 28, 2007

File Ref: 6405-00

ENVIRONMENTAL PURCHASING POLICY

POLICY 3103:

It is Council policy that:

In order to increase the development and awareness of environmentally-sound products and services, City of Richmond staff will review their contracts and tender specifications for goods and services, to ensure that wherever possible and economically feasible, specifications are amended to provide for consideration of environmental characteristics. Consideration may be given to those environmental products that are certified by an independent accredited organization.

The City of Richmond as a whole will endeavour to increase its use of products and services that are more responsible to the environment in the way that they are made, used, transported, stored and packaged and disposed of. It is recognized that analysis is required in order to ensure that the products are made available at competitive prices, and that the environmental benefits provided by a product or service should not significantly affect the intended use of that product or service.

The operators and caterers of City-run facilities be requested to use only certified organic, free-range or free-run whole (shell) chicken eggs.



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong, CPA, CA
Director, Finance
David Weber
Director, City Clerk's Office
Date: July 28, 2015
File: 8060-20-9217
Re: Finance Policy Amendments and Officer and General Manager Bylaw Amendments

Staff Recommendation

1. That Council Policy 2003 (Disposal of City Assets) be amended as set out in Attachment 3 of the staff report titled "Finance Policy Amendments" dated July 28, 2015 from the Director of Finance;
2. That Council Policy 3001 (Budget Amendments) be amended as set out in Attachment 4 of the staff report titled "Finance Policy Amendments" dated July 28, 2015 from the Director of Finance; and
3. That Officer and General Manager Bylaw No.8125, Amendment Bylaw No.9217 be introduced and given first, second and third readings.

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

David Weber
Director, City Clerk's Office
(604-276-4098)

Att. 5

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

Staff Report

Origin

Policy 2003 and 3001 were adopted by Council respectively in 1991 and 1989. Subsequent to the dates of adoption the City's Officer and General Manager Bylaw (Bylaw 8215), the Community Charter and the Public Sector Accounting Board standards came into effect. Staff are recommending amendments to these 2 policies to reflect the changes required in order to ensure consistency and compliance with bylaws and regulatory standards.

The current Disposal of Asset Policy (2003) and Budget Amendment Policy (3001) are included in **Attachment 1** and **2** respectively. The amended Disposal of Asset Policy (2003) and Budget Amendment Policy (3001) are included in **Attachment 3** and **4** respectively.

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

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

7.1. Relevant and effective budget processes and policies.

7.2. Well-informed and sustainable financial decision making.

7.3. Transparent financial decisions that are appropriately communicated to the public.

Analysis

Disposal of City Assets

This policy has been amended to ensure that internal controls are in place, the City receives the best value and consistency with the Officer and General Manager Bylaw.

The following summarizes the proposed changes to the Disposal of City Asset Policy:

- Include obsolete and damaged City assets being eligible for disposal.
- Include the availability of trading-in assets as a means of disposal in order to provide the best value to the City.
- Include offering assets to other divisions within the City in order to achieve best value.
- Include reporting to Council donation requests for assets with an original cost that were greater than \$100,000 for transparency.
- Remove redundant wording and reference to outdated accounting treatment.

Budget Amendments

This policy has been amended to ensure that the City adheres to the BC Community Charter, the Officer and General Manager Bylaw, the 5 Year Financial Plan Bylaw (5YFP Bylaw) and consistency with Public Sector Accounting Board standards.

The following summarizes the proposed changes to the Budget Amendments Policy:

- Include wording to acknowledge that changes may occur during the year and the budget amendments only be allowed if there are no increases to tax and utility rates and any change will be reported to Council when the 5YFP Bylaw is amended.
- Include allowing flexibility within the bylaw by allowing for transfers of budget resources within divisions while adhering to the Officer and General Manager Bylaw and the 5YFP Bylaw. Budget resources are the approved operating expenditures and revenues for a given year
- Include reporting to Council for transfers involving salaries, transfers between divisions and transfers that exceed \$100,000.
- Include allowing for changes to construction management capital projects up to \$500,000, if there is funding available within the respective General Manager's (GM's) operating or utility budget
- Include allowing for changes to capital projects up to \$100,000, if there is funding available within the respective GM's operating or utility budget
- Include reporting to Council if construction management capital projects and capital project changes respectively exceed \$500,000 and \$100,000 funding is not available from operating and/or utility budgets and any changes to the projects scope.
- Include closing any capital or construction management projects that have been previously approved by Council 3 years earlier, unless approved by the GM of Finance and Corporate Services.
- Include reporting out to Council on an annual basis all open capital and construction management projects.
- Remove references to contingency accounts and ensuring the policy is consistent with the limits as established in the Officer and General Manager Bylaw.
- Remove any redundancies and references to minor capital due to the introduction of Public Sector Accounting Board standards.

Officer and General Manager Bylaw

Several amendments are proposed to the Officer and General Manager Bylaw in relation to indemnities, the designation of Officers with responsibility for the FOIPPA portfolio and the updating of the title for the City's Financial Officer.

The standard wording of many legal agreements includes an indemnity. A typical indemnity requires the City to indemnify the other party for any and all losses that the other party may suffer as a result of the City's use of the product, service, or right that is the subject matter of the legal agreement. In most cases, such standard legal agreements are non-negotiable and therefore negotiating the contract to remove the indemnity is generally not an option.

Typically such indemnities are without monetary limit. The authorities in the *Officer and General Manager Bylaw* (the "Bylaw") have monetary limits. As a result, when indemnities are included in a legal agreement, the authority afforded by the Bylaw to execute such legal agreement is in question.

The proposed amendment to the Bylaw addresses this issue by allowing the officers and general managers set-out in the Bylaw to execute contracts that include an indemnity if the monetary amount of the contract is within the monetary amounts in the Bylaw, all other conditions of the Bylaw are met and the indemnity is an integral and usual part of the legal agreement.

Section 77 of the *Freedom of Information and Protection of Privacy Act* requires that a local public body designate a person or a group of persons as the head for the purposes of the Act. The effect of the proposed bylaw amendment will designate two City officers – the Chief Administrative Officer and the Corporate Officer (the Director, City Clerk's Office) - as the persons with responsibility for the administration of FOIPPA. Given the increasing complexity and importance of the program area, authority over this function is proposed to be vested with two City Officers in order to raise its status and increase administrative effectiveness and accountability. This follows a similar structure to some other cities such as Vancouver where authority for the function is vested in three senior staff members. The day-to-day administration of the function will remain unchanged and will continue to be managed by staff that have current responsibility for the role.

At the time the Officer And General Manager Bylaw was adopted, the title for the City's Financial Officer (the Officer appointed under s.149 of the Community Charter) was "General Manager, Business and Financial Services." The position title has since changed to "General Manager, Finance and Corporate Services" prompting a corresponding housekeeping update.

Financial Impact

None

Conclusion

Staff have reviewed the current finance policies and the Officer and General Manager Bylaw and propose the amendments to ensure that the policies are relevant and effective.



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



David Weber
Director, City Clerk's Office
(604-276-4098)

- Att. 1: Current Policy 2003 – Disposal of City Assets
2: Current Policy 3001 – Budget Amendments
3: Amended Policy 2003 – Disposal of City Assets
4: Amended Policy 3001 – Budget Amendments
5: Officer and General Manager Bylaw No. 8125, Amendment Bylaw No. 9217



Current Policy

Attachment 1

Policy Manual

Page 1 of 1

Adopted by Council: Feb. 25/91

Amended: Aug. 14/92

POLICY 2003

File Ref: 0640-00

DISPOSAL OF CITY ASSETS

POLICY 2003:

It is Council policy that:

1. The City Treasurer shall have the authority to dispose of all surplus City assets, exclusive of land, by tender, auction or by the best means available in the circumstances. However, when the donation of surplus City assets is requested, the City Treasurer will forward the requests to Council through the Finance and Administration Committee.
2. All requests for vehicle donations must be submitted to the City Treasurer in writing.
3. The determination as to whether assets are surplus will be made by the City Treasurer in consultation with the appropriate Department Head. Vehicles will be declared surplus only if they have no alternate approved uses.
4. Vehicles will be donated "as is", with no remedial or repair work being undertaken on them prior to transfer.
5. The City assumes no liability for the condition or road-worthiness of donated vehicles at the time of transfer.
6. When a surplus City vehicle is disposed of to an affiliated City society or City-funded organization, the Vehicle Replacement Account shall be credited with the vehicle trade-in value, and the source of funds will be the City Grant Account.

(Treasury Department)



Current Policy

Attachment 2 Policy Manual

Page 1 of 3

Adopted by Council: Oct. 10/89

POLICY 3001

File Ref: 0970-00

BUDGET AMENDMENTS

POLICY 3001:

It is Council policy that:

OPERATING BUDGET

1. The City Treasurer may approve the following budget changes at the request of a department head:
 - (a) Changes within a main heading of less than \$25,000 which do not involve salaries;
 - (b) Appropriations from the contingency account of less than \$25,000.
2. The City Treasurer may approve the following budget changes, at the request of a department head. The changes will be reported monthly to the Finance and Administration Committee:
 - (a) Changes that involve salaries;
 - (b) Changes within a main heading of \$25,000 or more, and less than \$100,000;
 - (c) Changes within a departmental responsibility up to \$100,000 which involves moving funds between main headings;
 - (d) Appropriations from the contingency account of more than \$25,000 and less than \$100,000.
3. A Council resolution is required for the following changes:
 - (a) Changes that require moving of budget amounts between departmental responsibilities;
 - (b) Changes of more than \$100,000.



CAPITAL BUDGET

Major Projects

A major capital project is any capital project with an estimated cost of over \$100,000. Council will approve the budget amount for each project prior to commencement (normally at the time the tender is awarded).

1. The City Treasurer may approve the following changes at the request of a department head, provided that funding is in place:
 - (a) Changes of up to \$25,000, or
 - (b) 5% of the total project cost, whichever is greater.
2. A resolution of Council is required for the following changes:
 - (a) Changes of more than 5% of the project cost or \$25,000, whichever is greater, or
 - (b) Changes on a project which has previously been overspent.

Minor Capital Projects

Minor capital projects are those of less than \$100,000. Council approves the annual program for public works, building construction and parks capital to be funded from the current budget. This includes a list of projects or programs and dollar values. These projects may proceed after budget approval without further Council consideration.

1. The City Treasurer may approve the following changes, at the request of a department head, if sufficient funds are available:
 - (a) Changes to a project or program total of up to \$25,000;
 - (b) New projects of up to \$25,000.



2. A resolution of Council is required for the following changes:

- (a) Changes to a project or program of \$25,000 or more;
- (b) New projects of \$25,000 or more.

Equipment Reserve Expenditures

- 1. Council approves the list of equipment at the time the Equipment Reserve Expenditure Bylaw is passed.
- 2. The City Treasurer may approve the following change if sufficient funds are available:
 - Change in the cost of an individual item of up to \$25,000.
- 3. A Council resolution is required for the following change:
 - Change in the cost of an individual item of \$25,000 or more.
- 4. Additional items not included in the schedule require an amendment to the Equipment Reserve Expenditure Bylaw.

(Treasury Department)



Proposed Amended Policy

Attachment 3 Policy Manual

Page 1 of 1

Adopted by Council: Feb. 25/91

POLICY 2003

File Ref: 0640-00

DISPOSAL OF CITY ASSETS

POLICY 2003:

It is Council policy that:

1. The General Manager of Finance and Corporate Services shall have the authority to dispose of all obsolete, damaged or surplus City assets, exclusive of land, by tender, auction, trade-in or by the best means available in the circumstances in order to provide the best value to the City.
2. The determination as to whether assets are obsolete, damaged or surplus will be made by the General Manager of Finance and Corporate Services in consultation with the appropriate Department Head.
3. All obsolete, damaged or surplus City assets shall first be offered to other divisions within the City.
4. Any request for a donation of obsolete, damaged or surplus City assets, which has an original combined cost that exceeds \$100,000 requires Council approval.

(Finance Department)



Proposed Amended Policy

Policy Manual

Page 1 of 3	Adopted by Council: Oct. 10/89 .	POLICY 3001
File Ref: 0970-00	BUDGET AMENDMENTS	

POLICY 3001:

It is Council policy that budget amendments that increase the City's expenditures are only permitted where funding is from sources other than taxation or utility fees. During the year there may be a need to change how the budget was allocated in order to ensure that City staff have appropriate authority to manage budget resources to ensure programs and services are delivered in an efficient and effective manner:

OPERATING AND UTILITY BUDGET

1. The General Manager of Finance and Corporate Services may approve the following budget changes at the request of a General Manager:
 - (a) Transfer of budget resources within a Division that does not exceed \$100,000 and that does not involve salaries. Requests must clearly identify the allocations that are proposed, the funding source and/or the budget resource that will be transferred. Any changes will be documented and reported at an upcoming Finance Committee, and included in the staff report when the City's 5 Year Financial Plan amendments are presented
2. Council approval is required for any of the following changes:
 - (a) Transfers that involve salaries;
 - (b) Transfer of budget resources between Divisions;
 - (c) Transfers that exceed \$100,000.



CAPITAL BUDGET

Council will approve the budget amount for each project prior to commencement.

1. The CAO and the General Manager of Finance and Corporate Services may approve the following changes to a construction management capital project at the request of a General Manager, provided that surplus funding (based on the restrictions above (OPERATING AND UTILITY BUDGET)) is available from the respective General Manager's Divisions Operating, Utility Budget or an approved capital project:

The lesser of:

- (a) \$500,000, or;
- (b) 5% of the original construction management capital project that was approved in the City's Capital Budget.

Any changes will be documented and reported at an upcoming Finance Committee, and included in the staff report when the City's 5 Year Financial Plan amendments are presented.

2. The General Manager of Finance and Corporate Services may approve the following changes to a capital project at the request of a General Manager, provided that surplus funding (based on the restrictions above (OPERATING AND UTILITY BUDGET)) is available from the respective General Manager's Divisions Operating, Utility Budget or an approved capital project.

The lesser of:

- (a) \$100,000, or;
- (b) 5% of the original capital project that was approved in the City's Capital Budget.

Any changes will be documented and reported at an upcoming Finance Committee, and included in the staff report when the City's 5 Year Financial Plan amendments are presented.

3. Council approval is required for any of the following:
 - (a) Funding is not available from the Operating, Utility Budget, or an approved capital project, or;
 - (b) Costs for a construction management capital project exceed the original amount that was approved in the City's Capital Budget by more than \$500,000, or;
 - (c) Costs for a capital project exceed the original amount that was approved in the City's Capital Budget by more than \$100,000, or;



- (d) Changes to project scope.

CAPITAL PROJECTS IN PROGRESS

Capital and construction management projects that were previously approved by Council 3 years or earlier, will be closed with funds returned to the original source. Any exceptions will require the General Manager of Finance and Corporate Service's approval and all capital and construction management projects work in progress will be reported annually to the Finance Committee.

(Finance Department)



**Officer and General Manager Bylaw No. 8215,
Amendment Bylaw No. 9217**

The Council of the City of Richmond enacts as follows:

1. The **Officer And General Manager Bylaw No. 8215** is amended
 - (a) by adding the following as section 1.3.1.1(j):
 - (j) the powers, duties and functions of the “head” for the purposes of the *Freedom of Information & Protection of Privacy Act*; and
 - (b) by adding the following as section 1.3.1.1(k):
 - (k) the authority in section 1.3.1.1 to execute agreements, legal instruments, contracts and licences of occupation includes the authority to grant an indemnity that is an integral and usual part of the agreement, legal instrument, contract or licence.
 - (c) by adding the following as section 1.3.2.1(d):
 - (d) the authority in section 1.3.2.1 to execute agreements and legal instruments includes the authority to grant an indemnity that is an integral and usual part of the agreement or legal instrument.
 - (d) by adding the following as section 2.2.1(i):
 - (i) the authority in section 2.2.1 to execute agreements, legal instruments and contracts includes the authority to grant an indemnity that is an integral and usual part of the agreement, legal instrument or contract.
 - (e) by deleting the word “and” at the end of sections 1.3.1.1(h), 1.3.2.1(b), and 2.2.1(g).
 - (f) by deleting the period at the end of sections 1.3.2.1(c) and 2.2.1(h) and substituting “; and”.
2. The **Officer And General Manager Bylaw No. 8215** is amended by deleting the term “**General Manager, Business and Financial Services**” everywhere such term appears in the bylaw and substituting the term “**General Manager, Finance and Corporate Services**”.

3. This Bylaw is cited as **“Officer And General Manager Bylaw No. 8215, Amendment Bylaw No. 9217”**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

MAYOR

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

CORPORATE OFFICER



City of Richmond

Report to Committee

To: Finance Committee

Date: August 22, 2015

From: Jerry Chong
Director, Finance




File:

Re: Financial Information – 2nd Quarter June 30, 2015

Staff Recommendation

That the staff report titled, "Financial Information – 2nd Quarter June 30, 2015", dated August 22, 2015 from the Director, Finance be received for information.


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

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

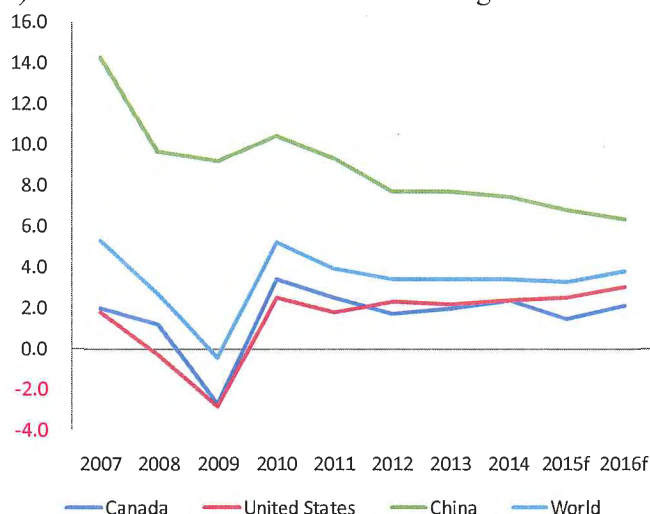
Origin

Financial information for the 2nd quarter ended June 30, 2015 is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information.

Analysis

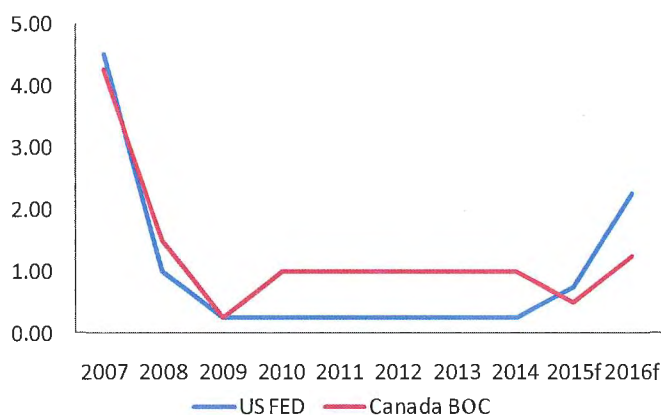
Macroeconomic Indicators & Forecast

1) Global Growth – Real GDP % Change ¹



- The global growth forecast for 2015 was adjusted down by 0.2% in Q2-2015, to 3.3% for 2015 and remains at 3.8% for 2016.
- Weakness in the advanced economies during the first half of 2015 resulted in the downward revision of both the US (by 0.6%) and Canadian (by 0.7%) growth forecasts for the year.
- The mid-August devaluation of the renminbi by the Bank of China shook world markets and introduced uncertainty for a number of currencies and national economies.

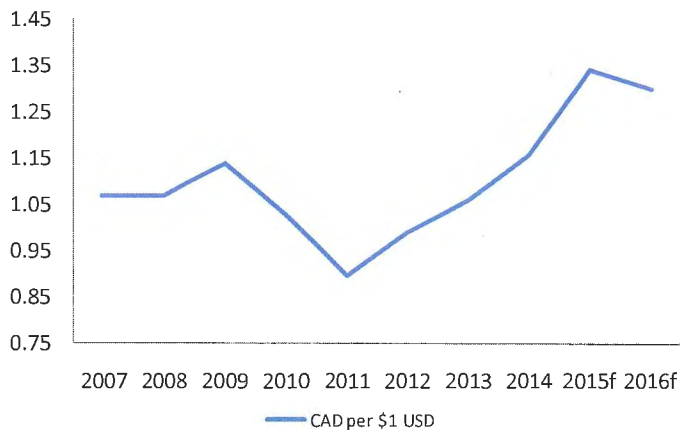
2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year-End ²



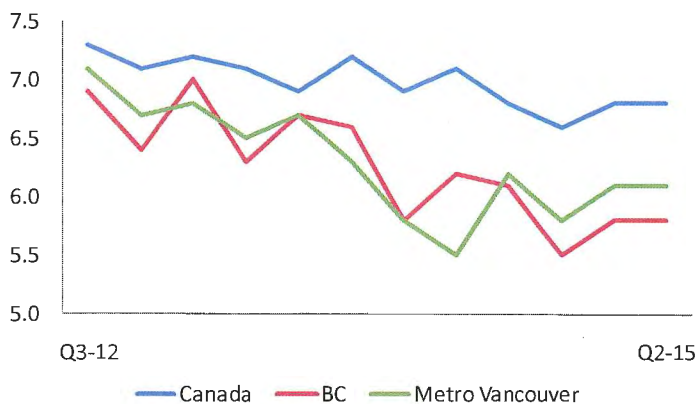
- Forecasts for interest rate hikes in both Canada and the US were adjusted down due to slower than expected growth in the first half of the year.
- Deflationary pressures generated by the devaluation of the renminbi against the US dollar will maintain low interest rates in the short term.
- A slower climb in interest rates than previously forecast is expected in 2016.

¹ International Monetary Fund, World Economic Outlook

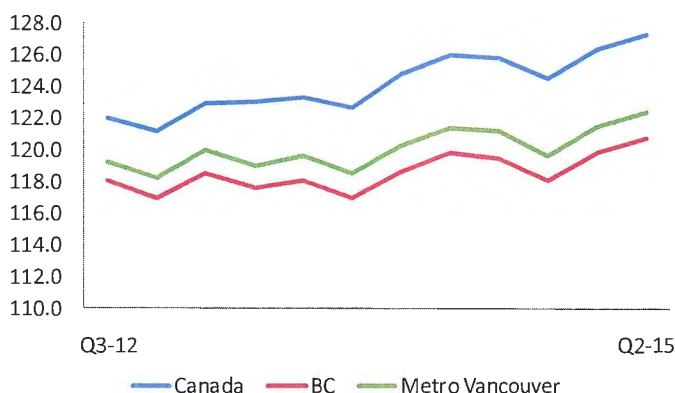
² US Federal Reserve, Bank of Canada and Royal Bank Research

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

- The continued downslide in commodity prices, including oil, signal ongoing weakness of the Canadian dollar against the US dollar.
- The Bank of China's devaluation of the renminbi has triggered impacts in all currencies and strengthening of the US and Canadian dollars against the Chinese currency. For the commodity dependent loonie, such strength is offset by low commodity prices, stabilizing its levels against the US.

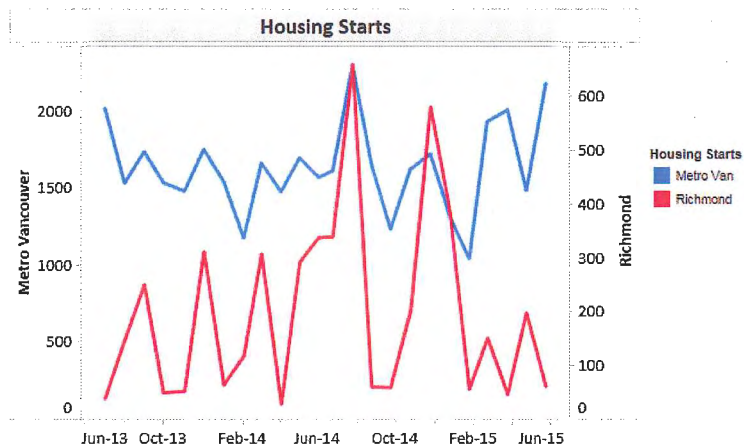
Regional & Local Economic Activity Indicators4) Unemployment ⁴

- Canadian, BC and Metro Vancouver unemployment rates held steady at 6.8%, 5.8% and 6.1% through the second quarter of 2015.
- Gains in full-time work were offset by losses in part time work.
- Job losses in the oil and gas sector were offset by job creation in trade and tourism.

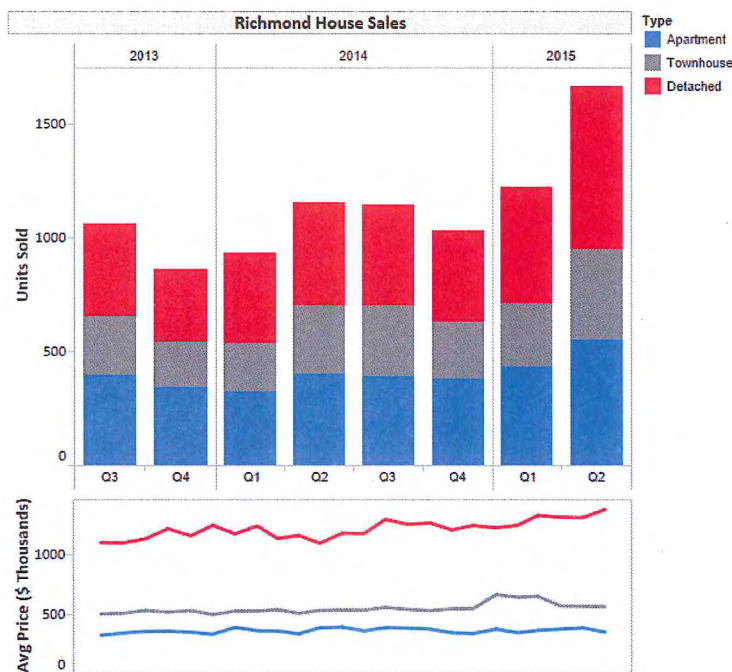
5) Consumer Price Index (CPI – 2002=100) ⁴

- With the Bank of Canada lowering the overnight interest rate in January, all of the Canadian, BC and Metro Vancouver consumer price indices (CPI) continued to increase through Q2 2015.
- Renewed deflation concerns as a result of liberalization of the renminbi may result in further interest rate reductions to maintain inflation near the Bank of Canada's 2% target.

³ Bank of Canada⁴ Statistics Canada

6) Housing Starts⁵

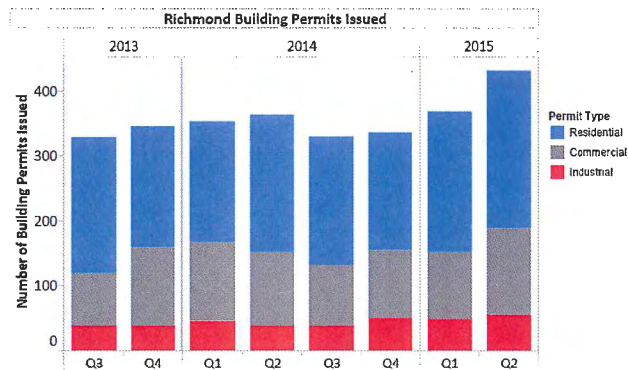
- Richmond's housing starts declined for a second consecutive quarter in 2015, down 54% in Q2 compared to Q2 2014.
- Year to date, Richmond housing starts have declined by 22% compared to a record 2014. The year to date housing starts figures are in line with 2013.
- After a moderate increase in Q1, Metro Vancouver housing starts grew by nearly 20%, registering a 9% increase year to date.

7) House Sales & Prices – Richmond⁶

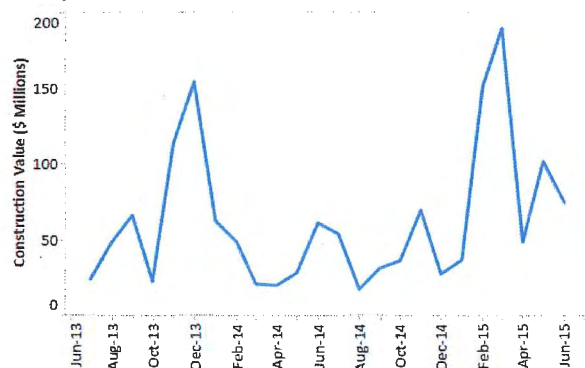
Source: CMHC & REBGV

- Q2 2015 registered yet another residential sales activity record, with sales of detached homes increasing by 58% compared to the same quarter last year. Townhouse and apartment sales also grew by 33% and 36% respectively. Year to date sales across all categories are up by 37%, with detached homes growing 45% compared to Q2 2014.
- Prices of detached homes have continued to increase to \$1.37 million, an increase of 17% from the same quarter last year. Townhouses were also priced higher, up 5% in Q2 2015 compared to Q2 2014. Saturation of the current apartment market resulted in a price decrease of 10%.

⁵ Canadian Mortgage and Housing Corporation⁶ Real Estate Board of Greater Vancouver
4668743

8) Building Permits – Richmond⁷

Source: City of Richmond



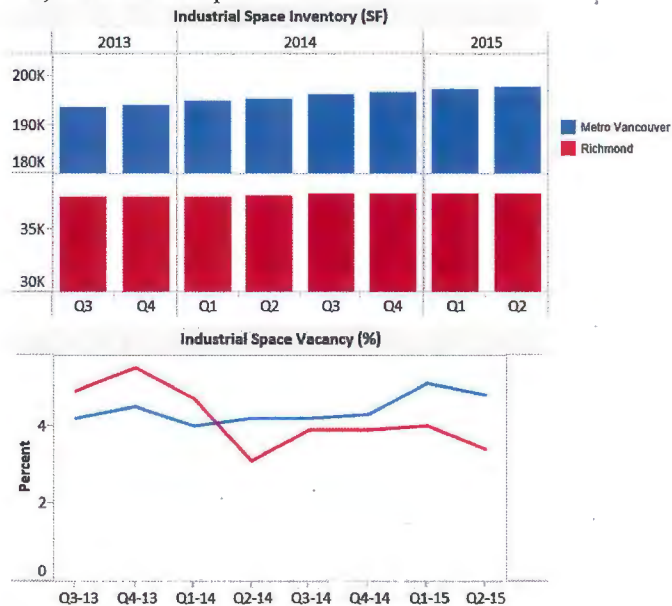
Source: City of Richmond

- The total number of building permits issued in Q2 2015 were 25% higher compared to Q2 2014.
- Industrial permits led the trend, with 44% more industrial permits issued than in Q2 2014. Year to date, residential and industrial permits issued are up, and commercial permits are the same as year to date in 2014.
- The construction value associated with building permits issued in Q2 2015 increased over 105% over Q2 2014, with year to date construction values up by 149% compared to 2014.
- Building permits issued for large residential projects by Polygon and Cressey, as well as a few large retail and industrial projects account for the increase in construction value.

⁷ City of Richmond Building Permits
4668743

9) Commercial Space⁸

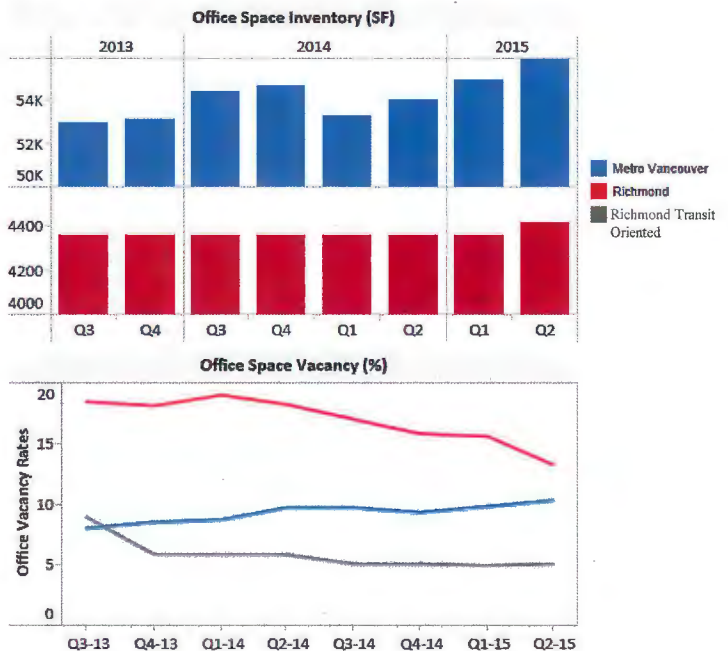
a) Industrial Space



Source: Cushman & Wakefield

- Industrial space continues to be scarce in Richmond with virtually no new inventory added since Q2 2014.
- Ongoing demand and absorption of industrial space continued the trend towards vacancy reduction, with Q2 2015 ending at 3.4% vacant industrial space.
- Industrial space continues to be in high demand and rental rates continue to be at a premium both in Richmond and in the region with available space for development continuously shrinking.

b) Office Space

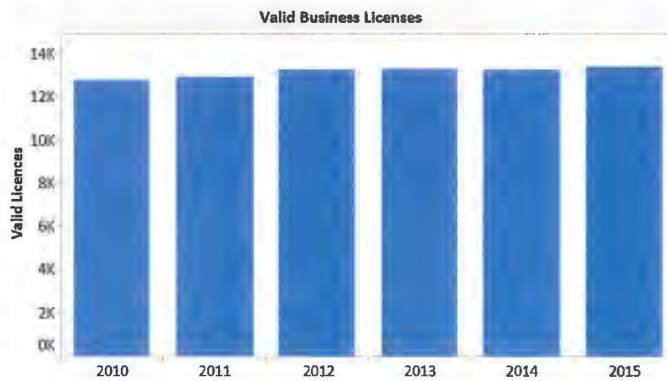


Source: Cushman & Wakefield

- Richmond's office vacancies continued to be absorbed, as the overall office vacancy rate ended the quarter at 12%, a 27% decrease from Q2 2014. Richmond office vacancies are approaching regional averages, as new premium office space in the downtown core is displacing some tenants to the suburbs.
- At 5%, the transit-oriented office space vacancy rate continued to decline, a 15% decrease from the same period last year and well below the overall Metro Vancouver of 11%.
- For the first time in over 3 years, 60,000 square feet were added to the office inventory in Richmond with the completion of the RBC space at Aberdeen Square.

10) Business Growth – Richmond⁹

a) Total Valid Business Licenses



Source: City of Richmond

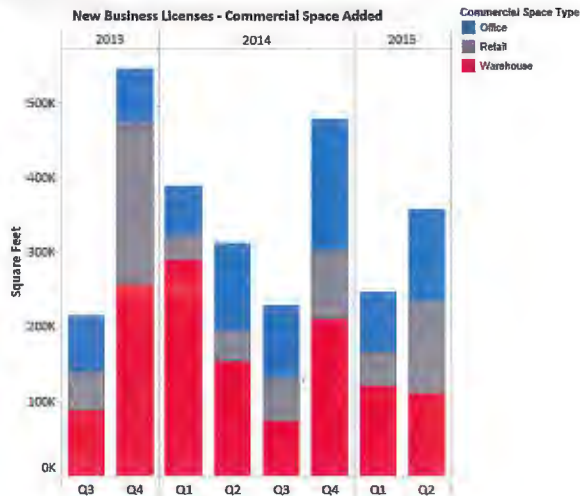
- Valid business licenses to date in 2015 are on track with 2014 levels, up 1.1% compared to last year.

b) New Business Licenses Issued



Source: City of Richmond

- There were 535 new licenses issued in Q2 2015, an increase of 16% from Q2 2014. Year to date, new licenses are up by 8% compared to last year.
- New licenses registered 1,833 employees in Q2 2015, up 16% from Q2 2014 and reversing the downward trend from Q1 2015.

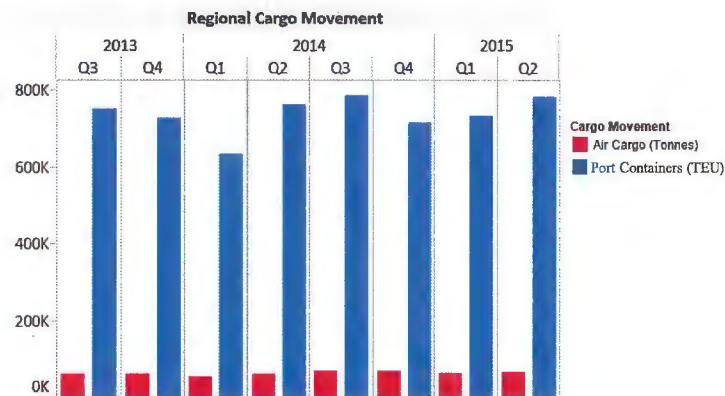


Source: City of Richmond

- Office and retail space use from new licenses grew by 5% and 209% respectively in Q2 2015 compared to Q2 2014. Leasing of retail space at The Gardens and the McArthur Glenn outlet account for the spike in retail leases.
- Industrial space added through new licenses was down 29% compared to industrial space added in Q2 2014.

⁹ City of Richmond Business Licenses
4668743

11) Goods and People Movement

a) Regional Cargo Movement¹⁰

Source: Vancouver Airport Authority, Port Metro Vancouver

- Increased export activity resulted in growth of both airport and port cargo in the first half of 2015.
- YVR cargo grew 9% in Q2 2015, compared to Q2 2014 and 13.4% year to date compared to last year.
- PMV TEU (Twenty-Foot Equivalent Unit) movements are up by 2.6% in Q2 2015, compared to Q2 2014, and up 8.3% year to date compared to last year. US labour issues are partially behind the growth.

b) Airport Passengers¹¹

Source: Vancouver Airport Authority

- Airport passenger volume registered a 6.3% growth in Q2 2015 compared to Q2 2014.
- An accelerating tourism sector and implementation of new routes to Asia and Europe are behind the continued growth of YVR passengers.

c) Richmond Hotel Room Revenue¹²

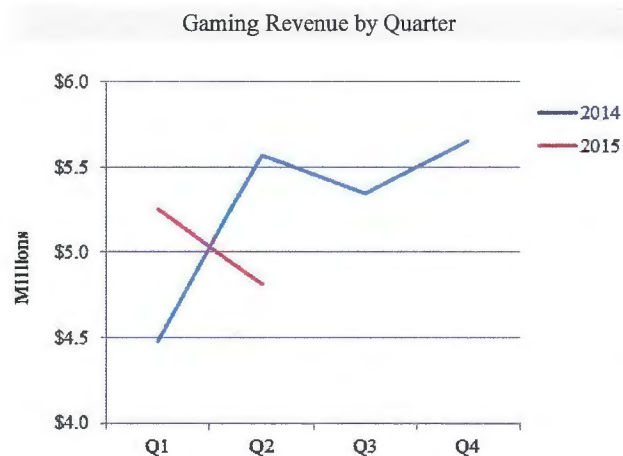
Source: City of Richmond

- After a strong 2014, with hotel room revenues climbing by 5% compared to 2013, Richmond's tourism sector is on track for an even stronger 2015. Hotel room revenues to date are up 6.9% in 2015 compared Q2 2014 and occupancy is at 80% - the highest in Canada.
- (Note: hotel room tax revenues are the basis for calculating hotel revenues. Overpayment of hotel room tax in July 2013 was compensated for in August 2013)

¹⁰ YVR & PMV Monthly Cargo Statistics¹¹ YVR Monthly Statistics¹² City of Richmond Additional Hotel Room Tax Ledger; revenue reverse calculated based on AHRT receipts representing 2% of total hotel room revenue; AHRT remittances and payments to Richmond presented to the Council in May 2015.

Gaming Revenue

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



- Gaming revenue for Q2 2015 was \$4.82M compared to \$5.57M in Q2 2014 representing a decrease of 13.5%.
- Gaming revenues at River Rock decreased by 15% in Q2 2015 compared to the Q2 2014. The decrease was mainly attributed to a decrease in high limit table play volume.¹³
- Year to date gaming revenues for 2015 are consistent with 2014 levels at \$10.07M and \$10.05M respectively.

Council approved a revised gaming revenue allocation model at the March 23, 2015 Council meeting. The budgeted revenue to be received in the year is calculated as the average of the three previous years' revenue amount. The distribution of these funds is detailed in Table 1 with any surplus revenue transferred to the major capital community facility program (Capital Building and Infrastructure Reserve).

Table 1 – Example of the proposed 2016 gaming revenue allocation

	Distribution of Gaming Revenue	2016 Proposed Allocation	2015 Budgeted Allocation	Difference
General Capital Reserves ¹	30%	5.4M	8.4M	(3.0M)
Financing Costs	Fixed	\$5.0M	\$5.0M	-
Major capital community facility replacement program	Remainder	3.9M	3.2M	0.7M
Allocation for all grants ¹	15%	2.7M	0.8M	1.9M
RCMP four officers ²	Four Officers	0.7M	0.6M	0.1M
Council Community Initiatives account	2%	0.4M	-	0.4M
Total		\$18.1M	\$18.0M	\$0.1M

¹ \$1.4M of tax funding will be reallocated within the operating budget from grants to the General Capital Reserves. The net impact from the gaming allocation and tax funding allocation is a reduction to the General Capital Reserves of \$1.6M and an increase to grants of \$0.5M.

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

Operating Activity

Table 2 presents budget, actual and commitment activity up to June 30, 2015. The net budget year-to-date (YTD) figure represents the second quarter budgeted activity accounting for seasonal demand. The net figure represents combined revenue and expense figures. Actuals includes estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received. Commitments are contracts that have been entered into but services or goods have not been received.

Table 2 – Net Operational Activity for the period January 1, to June 30, 2015

NET Operational Activity	For the period January - June 2015 in (\$'000s)					
Division/Department	Net Budget YTD ¹	YTD Actuals	YTD Commitments	YTD Total Actuals and Commitments	YTD Variance (\$)	YTD Variance (%)
Community Services	\$18,574	\$16,176	\$1,248	\$17,424	\$1,150	6.2%
Corporate Administration	3,988	3,282	373	3,655	333	8.4%
Engineering and Public Works	9,671	5,963	1,802	7,765	1,906	19.7%
Finance and Corporate Services	7,850	6,482	438	6,920	930	11.8%
Fire Rescue	15,459	14,657	346	15,003	456	2.9%
Law and Community Safety	2,634	2,002	151	2,153	481	18.3%
Library	3,330	3,075	105	3,180	150	4.5%
Planning and Development	3,121	2,253	97	2,350	771	24.7%
Policing	20,375	18,424	74	18,498	1,877	9.2%
Fiscal and Transfers	(173,536)	(166,433)	216	(166,217)	(7,319)	4.2%
Total Operating	(\$88,534)	(\$94,119)	\$4,850	(\$89,269)	\$735	
Water Utility	(\$3,232)	(\$3,623)	\$136	(\$3,487)	\$255	(7.9%)
Sanitary Utility	(2,358)	(781)	44	(737)	(1,621)	68.7%
Sanitation and Recycling Utility	(213)	(1,757)	72	(1,685)	1,472	(691.1%)
Utility Transfers	11,856	11,856	-	11,856	-	0.0%
Total Utilities	\$6,053	\$5,695	\$252	\$5,947	\$106	

¹Transfers to reserves and provisions are included in the Fiscal and Transfers line. This presentation differs from the Operating Budget where the transfers for each Division/Department are included in the respective line.

Analysis for the Division/Department lines is included after Table 3.

Table 3 presents the annual budget, annual actual forecast, anticipated transfers and adjustments, and projected surplus. The net figure represents combined revenue and expense figures. Forecast net actuals includes estimates for revenues earned and expenses incurred.

Table 3 – Net Operational Activity Forecast to December 31, 2015

NET Operational Activity	Annual Amounts for 2015 and 2014				
Division/Department	2015 Net Budget ¹	2015 Forecast Net Actuals	2015 Transfers/ Adjustments	2015 Projected Surplus (Deficit)	2014 Actual Surplus (Deficit)
Community Services	\$37,240	\$36,860	\$-	\$380	\$305
Corporate Administration	8,135	7,490	250	395	184
Engineering and Public Works	15,864	13,219	1,734	911	658
Finance and Corporate Services	16,736	14,949	500	1,287	1,243
Fire Rescue	30,895	30,207	-	688	870
Law and Community Safety	4,882	4,349	-	533	707
Library	7,152	7,000	-	152	(32)
Planning and Development	6,242	3,742	-	2,500	1,406
Policing	41,392	40,456	-	936	-
Fiscal and Transfers	(168,538)	(168,236)	-	(302)	347
Total Operating	\$0	(\$9,964)	\$2,484	\$7,480	\$5,688
Water Utility	(\$7,550)	(\$6,344)	\$1,206	\$-	\$-
Sanitary Utility	(4,306)	(3,615)	691	-	-
Sanitation and Recycling Utility	-	2,005	2,005	-	-
Utility Transfers	11,856	11,856	-	-	-
Total Utilities	\$-	\$3,902	\$3,902	\$-	\$-

¹Transfers to reserves and provisions are included in the Fiscal and Transfers line. This presentation differs from the Operating Budget where the transfers for each Division/Department are included in the respective line.

- The Community Services Division is under budget for the first half of 2015 due to contract work for dredging that is expected to be completed in the second half of the year. Recreation has received higher facility revenue relative to budget and there were vacancies in the first part of the year relating to the on-boarding of the new City Centre.
- The Corporate Administration projected surplus is due to vacant positions.
- The Engineering and Public Works variance can be attributed to the timing of preventative maintenance and programs that initiated in the latter half of the 2nd quarter and continue on into the 3rd quarter. Anticipated appropriations at year end include \$520k for facility management and \$460k project development for ongoing projects expected to be completed in 2016. \$170k is appropriated relating to Major Roads Network and Snow and Ice Control. \$288k of Fleet surplus is appropriated as per Council policy. \$296k for District Utility is appropriated to repay the initial capital investment.
- Finance and Corporate Services is projected to have a surplus due to unfilled vacant positions within Finance and IT, lower contract maintenance costs in IT and higher business licences revenue relative to budget. \$500k is appropriated for ongoing budget process improvement and internal control review.

- Richmond Fire Rescue is expected to be under budget due to vacancies. Recruitment for firefighters is currently underway and is expected to be filled in the fall of 2015.
- Law & Community Safety is expected to be under budget due to higher revenues in Bylaws and vacancies.
- Library is expected to be under budget due to savings in salaries.
- Planning and Development has recognized additional Building Permit revenue through the 2nd quarter than budgeted. The favourable variance is based on stronger multi-residential permits. It is anticipated the construction activity will remain stable through the 3rd quarter. Building permit revenue is recognized as earned and therefore the projected surplus includes an estimate of the amount that is earned in 2015 from amounts collected in previous years, offset by an estimate of the building permits received in 2015 that will be earned in future years.

The Development Applications Department has realized slightly higher than anticipated budgeted development application revenues during Q2 of 2015. The total number of Development Applications submitted to the City year to date is in keeping with anticipated application volumes. It is anticipated the development activity and revenues will continue to be stable through the 3rd quarter.

- Policing is expected to be under budget due to vacancies and contract savings.
- Fiscal and transfers is expected to be unfavourable to budget by 0.2% due to additional transfers from increased revenues and operational savings.
- Water utility surplus is due to savings in water purchase expense as a result of lower consumption. The surplus will be transferred to the water levy stabilization provision.
- Sanitary sewer utility surplus is due to lower Metro Vancouver costs relative to budget. The surplus will be transferred to the sewer levy stabilization provision.
- Sanitation and recycling utility surplus is due to the Multi Material BC revenues exceeding budget. The surplus will be transferred to the general solid waste and recycling provision.

The presentation of the figures for the Financial Statement, Statement of Operations is different than the Net Budget presentation above. The above presentation combines revenues and expenses and presents the net amount inclusive of transfers. The Statement of Operations presents the revenues and expenses separately and prior to any surplus appropriations and transfer to reserves. The Statement of Operations for the Six Month Period Ended June 30, 2015, with comparative figures for 2014 is included in Appendix 3.

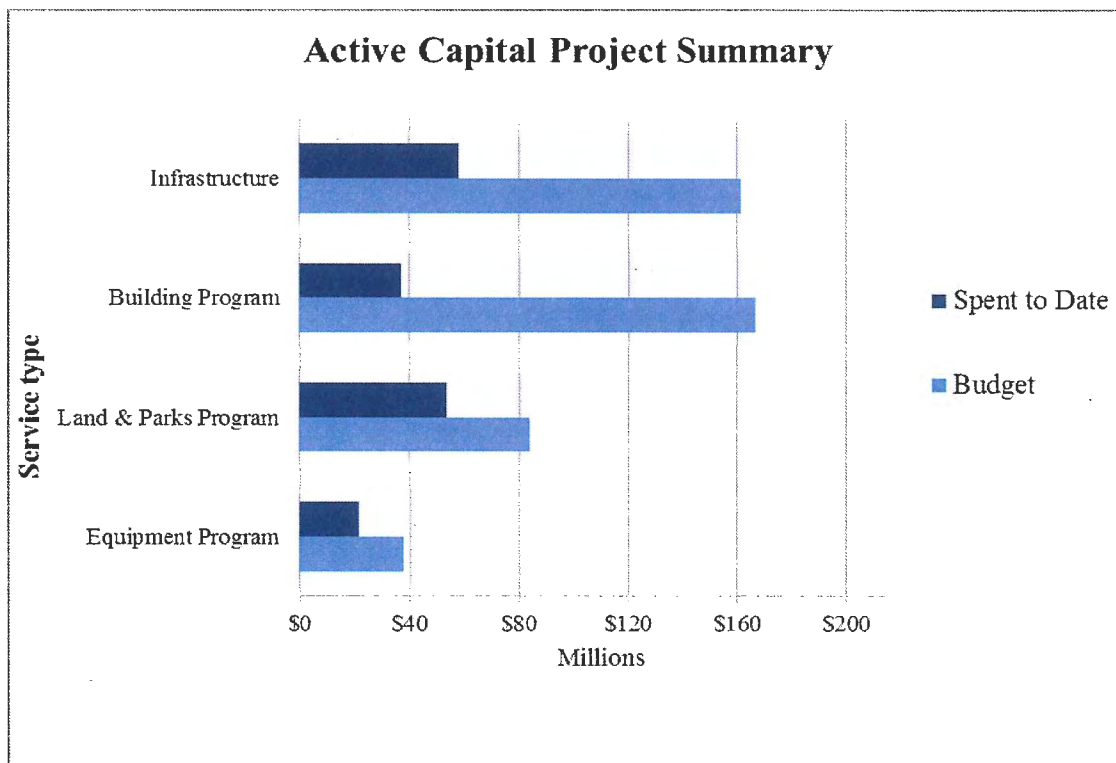
Active Capital Project Summary

The 2015 Capital Budget of \$86.5M (excluding internal transfers and debt repayments) is included in the figures below as are the amounts relating to capital projects from previous years' Capital Budgets which remain active. The current balance committed to active capital projects is \$279.7M.

Statement of Active Capital Project Expenditures

As at June 30, 2015 (in \$'000s)

	Budget	Spent to Date	Committed
Infrastructure Program	\$161,465	\$57,955	\$103,510
Building Program	166,445	37,090	129,355
Land & Parks Program	83,846	53,686	30,160
Equipment Program	37,742	21,053	16,689
Grand Total	\$449,498	\$169,784	\$279,714



Highlights of key capital projects are presented in Appendix 4.

Investment Portfolio

The City's investment portfolio at June 30, 2015 was \$852 million, with an average yield on investment of 1.97%. The current low interest rate environment and the City's cash flow projections have influenced the terms and types of investments that the City holds (Appendix 5).

Market Interest Rates (for analytical purposes only)

	June 30, 2015
3 Month Government of Canada T-Bills	0.58%
2 Year Government of Canada Bonds	0.60%
5 Year Government of Canada Bonds	0.95%
10 Year Government of Canada Bonds	1.77%

Source: Bank of Canada

Canada's economy has lost considerable momentum in response to the persistent weakness in exports of non-energy commodities and non-commodities as well as downgrades of business investment in the energy sector. The Bank of Canada revised its real GDP growth projections in Canada for 2015, making the output gap significantly larger than what was expected. The lower outlook for Canadian growth has increased the downside risks to inflation. Given the current economic environment, the Bank decided that additional monetary stimulus was required to help return the economy to full capacity and inflation sustainable to target. As such, the Bank of Canada lowered the overnight rate target to ½ per cent on July 15, 2015. It is forecast that the Bank of Canada will not raise the interest rate until early 2017.

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

Contract Awards

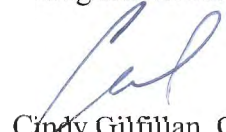
This report provides information on the formal contracts awarded by the City during the 2nd quarter. During this period, 65 contracts greater than \$25,000 were awarded totalling over \$12.01M (Appendix 6).

Financial Impact

None.

Conclusion

The City of Richmond has maintained its strong financial position through the second quarter of 2015. Building construction and development activity is consistent with previous years and revenue collection and business activity remains strong. It is expected that these trends will continue throughout 2015.



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- Att. 1: Economic Indicators
- Att. 2: Financial and Key Indicators
- Att. 3: Statement of Operations for the Six Month Period Ended June 30, 2015, with comparative figures for 2014
- Att. 4: Capital Project Highlights
- Att. 5: Investment Portfolio
- Att. 6: Contract Awards > \$25,000

Economic Indicators**June 30, 2015****Macroeconomic Indicators & Forecast**

	2013	2014	2015f	Change	2016f
1) Real GDP - % Change					
Canada	2.0	2.5	1.5	(40.0%)	2.1
United States	2.2	2.4	2.5	4.2%	3.0
China	7.8	7.4	6.8	(8.1%)	6.3
World	3.4	3.4	3.3	(2.9%)	3.8
2) Interest Rates	2013	2014	2015f	Change	2016f
Bank of Canada	1.00	1.00	0.50	(50.0%)	1.25
US FED	0.25	0.25	0.75	200.0%	2.25
3) Exchange Rate	2013	2014	2015f	Change	2016f
CAD per \$1 USD	1.06	1.16	1.34	15.5%	1.3

Regional and Local Market Indicators

4)	Unemployment (%)	Q2-2015	Q1-2015	Change	Q2-2014	Change	
	Canada	6.8	6.8	0.0%	7.1	(4.2%)	
	BC	5.8	5.8	0.0%	6.2	(6.5%)	
	Metro Vancouver	6.1	6.1	0.0%	5.5	10.9%	
5)	CPI (2002=100)	Q2-2015	Q1-2015	Change	Q2-2014	Change	
	Canada	127.2	126.3	0.7%	125.9	1.0%	
	BC	120.7	119.8	0.8%	119.8	0.8%	
	Metro Vancouver	122.4	121.5	0.7%	121.4	0.8%	
6)	Housing Starts (Units)	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
	Starts - Metro Vancouver	5,655	4,737	19.4%	9,938	9,110	9.1%
	Starts - Richmond	304	656	(53.7%)	893	1,143	(21.9%)
7)	Richmond Residential Activity	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
	Sales - Detached	718	455	57.8%	1,229	848	44.9%
	Sales - Townhouse	397	298	33.2%	674	513	31.4%
	Sales - Apartment	551	405	36.0%	986	729	35.3%
	Sales Total/Average Change	1,666	1,158	42.4%	2,889	2,090	37.2%
		YTD-2015	YTD-2014	Change			
	Average Price - Detached (\$ at QE)	1,373,000	1,177,000	16.7%			
	Average Price - Townhouse (\$ at QE)	565,000	538,000	5.0%			
	Average Price - Apartment (\$ at QE)	354,000	395,000	(10.4%)			

Economic Indicators**June 30, 2015****Regional and Local Market Indicators (continued)**

8)	Richmond Building Permits	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
	Building Permits - Residential	244	213	14.6%	461	399	15.5%
	Building Permits - Commercial	133	113	17.7%	237	235	0.9%
	Building Permits - Industrial	56	39	43.6%	105	85	23.5%
	Building Permits Total	433	365	25.3%	803	719	13.3%
	Construction Value (\$ million)	226.3	110.3	105.2%	605.7	243.3	149.0%
9)	Commercial Space (at QE)	Richmond			Metro Vancouver		
		Q2-2015	Q2-2014	Change	Q2-2015	Q2-2014	Change
	Office Vacancy (%)	12.0	16.5	(27.3%)	10.3	9.7	6.2%
	Transit Oriented Office Vacancy (%)	4.5	5.3	(15.1%)	11.2	8.4	33.3%
	Office Inventory (000 sf)	4,418	4,359	1.4%	56,104	54,061	3.8%
	Industrial Vacancy (%)	3.4	3.1	9.7%	4.8	4.2	14.3%
	Industrial Inventory (000 sf)	37,828	37,656	0.5%	197,878	195,300	1.3%
10)	Richmond Business Growth	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
	Total Valid Business Licenses (YTD)	n/a	n/a	n/a	13,473	13,322	1.1%
	New Licenses - Number Issued	535	463	15.6%	883	815	8.3%
	New Licenses - Employees	1,833	1,575	16.4%	2,859	2,739	4.4%
	New Licenses - Office Added (sf)	123,242	117,843	4.6%	204,204	183,587	11.2%
	New Licenses - Retail Added (sf)	124,716	40,377	208.9%	170,978	74,045	130.9%
	New Licenses - Industrial Added (sf)	109,379	153,458	(28.7%)	229,367	442,121	(48.1%)
	Total Space Added (sf)/Avg. Change	357,337	311,678	61.6%	604,549	699,753	31.3%
11)	Goods & People Movement	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
	YVR Air Cargo (tonnes)	66,302	60,829	9.0%	130,949	115,467	13.4%
	PMV Container Movement (TEUs)	785,075	765,206	2.6%	1,520,294	1,403,496	8.3%
	YVR Passengers (million)	5.1	4.8	6.3%	9.7	9.2	5.4%
	Richmond Hotel Revenue (\$ million)*	n/a	n/a	n/a	57.2	53.5	6.9%

* Hotel Revenue available to May only

Notes:

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

List of Sources:

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

Financial Indicators**June 30, 2015**

(All dollar amounts in \$000's)

1) Development Cost Charges Contributions	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
Roads, Water, Sewer DCC's Received	\$7,570	\$1,425	431.1%	\$12,287	\$1,711	618.1%
Parks DCC's Received	\$10,680	\$3,028	252.7%	\$15,767	\$3,243	386.2%
Total DCC Fees Received	\$18,250	\$4,453	309.8%	\$28,054	\$4,953	466.4%
DCC Reserves to date - Uncommitted	n/a	n/a	n/a	\$62,253	\$49,918	24.7%
2) Uncommitted Reserves	Q2-2015	Q2-2014	Change			
Capital Funding Reserves	\$99,020	\$55,810	77.4%			
Affordable Housing Reserves	\$1,501	\$3,472	(56.8%)			
Other Reserves	\$142,173	\$115,321	23.3%			
Total Uncommitted Reserves	\$242,694	\$174,602	39.0%			
3) Taxes to date	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
Taxes Collected	\$211,412	\$195,082	8.4%	\$221,703	\$205,514	7.9%
City Portion of Taxes Collected	\$103,592	\$95,590	8.4%	\$108,634	\$100,702	7.9%
Unpaid Taxes - Delinquent & Arrears	\$5,436	\$5,124	6.1%	\$5,436	\$5,124	6.1%
No. of Participants on Pre-authorized withdrawal	6,406	6,004	6.7%	6,406	6,004	6.7%
Pre-authorized withdrawals monthly payments	\$5,316	\$4,978	6.8%	\$13,269	\$11,817	12.3%
Interest rate % paid	0.85%	1.00%	(0.15)	0.85%	1.00%	(0.15)
<i>Sources: All data is from City of Richmond records</i>						
4) Investments	Q2-2015	Q2-2014	Change			
Total Investments	\$852,320	\$744,079	14.6%			
Average City Rate of Return on Investments %	1.97%	1.98%	(0.01)			
5) Planning and Development	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
Building Permit Fees Collected	\$3,023	\$1,838	64.5%	\$6,503	\$3,437	89.2%
Development Applications Received	49	63	(22.2%)	109	102	6.9%
Development Applications Fees	\$247	\$211	17.2%	\$586	\$335	75.1%
6) Business Licenses	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
Revenue Received for Current Year Licenses	\$1,001	\$948	5.6%	\$2,624	\$2,566	2.3%
Revenue Received for Next Year (Deferred)	\$204	\$188	8.5%	\$276	\$256	7.8%
Total License Revenue	\$1,205	\$1,136	6.0%	\$2,900	\$2,822	2.8%
<i>Year to date valid licenses and revenue include current year licenses issued in the prior year.</i>						
7) Other Revenues	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
Parking Program Revenue	\$497	\$493	0.8%	\$1,000	\$936	6.9%
Gaming Revenue	\$4,816	\$5,567	(13.5%)	\$10,072	\$10,049	0.2%
Traffic Fine Revenue to date	\$1,440	\$1,517	(5.1%)	\$2,227	\$1,517	46.8%

Notes:

a) All figures presented above are unaudited

Key Indicators**June 30, 2015**

8) Employees	Q2-2015	Q2-2014	Change			
Full Time Equivalent (FTE) Employees (City and Library)	1,426	1,435	1.7%			
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results excluding overtime.</i>						
9) Operating Indicators	Q2-2015	Q2-2014	Change	YTD-2015	YTD-2014	Change
Fire Rescue Responses	2,564	2,304	2.0%	4,938	4,632	2.0%
RCMP - Calls for Service Handled	17,204	17,434	(1.3%)	33,050	33,679	(1.9%)
Public Works calls for Service	3,753	3,157	18.9%	6,555	6,483	1.1%
10) Affordable Housing	2015	2014	Change			
Subsidized Rental (units)	477	477	0.0%			
Affordable Rental (LEMR) (units)	300	272	10.3%			
Market Rental (units)	411	411	0.0%			
Entry Level Home ownership (units)	19	19	0.0%			
Secondary Suite / Coach House (units)	148	123	20.3%			
Total Affordable Housing	1,355	1,302	3.6%			
	Q2-2015	Q2-2014	Change			
Unspent Affordable Housing Funds Allocated to Capital Projects to date (in \$ 000's)	\$7,880	\$7,285	8.2%			
Floor Space secured, unit mix & other (sq feet)	119,069	108,202	10.0%			
11) Richmond Population Estimate Year End *	2015F	2014				
	213,891	209,338				

**Estimated population figures provided by City of Richmond – Policy Planning*

Statement of Operations¹

For the Six Month Period Ended June 30, 2015, with comparative figures for 2014

(Expressed in thousands of dollars)

	Annual Budget 2015	Actuals June 30 2015	Actuals June 30 2014
Revenues:			
Taxes and levies	\$189,796	\$189,953	\$183,687
User Fees	94,695	43,736	41,484
Sales of Services	22,104	13,853	11,943
Payments-in-lieu of taxes	13,473	9,985	7,273
Provincial and federal grants	4,533	4,057	2,703
Development cost charges	-	13,515	14,598
Other capital funding sources	55,000	24,100	25,834
Other revenues:			
Investment Income	16,821	8,395	8,284
Gaming Revenue	18,030	10,072	10,049
Licenses and permits	7,874	7,338	6,138
Other	7,191	26,546	8,600
	429,515	351,550	320,592
Expenses:			
Law and Community Safety	89,958	41,258	40,196
Engineering, public works and project development	58,127	26,137	25,102
General government	58,023	29,061	26,596
Parks, recreation and community services	54,369	23,953	23,815
Utilities:			
Water supply and distribution	39,921	18,070	17,395
Sewerage collection and disposal	29,373	15,482	14,174
Sanitation and recycling services	15,057	5,933	5,168
Planning and development	13,120	6,344	5,909
Library services	9,793	4,655	4,902
	367,742	170,893	163,259
YTD Surplus (Annual Surplus) ²	61,773	180,657	157,333
Accumulated surplus, beginning of year	2,542,367	2,542,367	2,421,214
Accumulated surplus, end of June 30 ³	\$2,604,140	\$2,723,024	\$2,578,547

¹ Statement of Operations for City and Library only, does not include LIEC and Oval figures² 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.

Capital Highlights**Infrastructure***Westminster Hwy: Nelson Rd. to McMillan Way – Widening Westminster Highway:*

Approved Budget: \$10.4M (2011)

45% Complete

- Preload works are completed and the preload has been removed. The main road construction contract has been awarded and construction is ongoing.

Nelson Road Improvements – Widening Nelson Road between Blundell Road and Westminster Highway:

Approved Budget: \$4.1M (2011)

75% Complete

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

Alexandra District Energy Utility Expansion - Phase 3

Approved Budget: \$12.1M (2015)

55% Complete

- This project expands the energy capacity and distribution network of the existing utility to meet the needs of development in the service area. Works are being procured through the City's Construction Manager, Stuart Olson Construction, focusing on the Energy Plant expansion. The current construction efforts encompass the geo-exchange field and the structural and architectural for new energy center. Upcoming works include the mechanical and electrical works for the energy center.

Colbeck Road Area Watermain Replacement:

Approved Budget: \$2.8M (2014)

85% Complete

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

Bath Slough Pump Station Upgrade:

Approved Budget: \$4.2M (2013)

15% Complete

- This project consists of the upgrading of the existing Bath Slough Drainage Pump Station, and is part of a larger strategy to increase the City's drainage capacity, increase pump station reliability and reduce flooding. The construction contract has been awarded and construction has commenced.

Capital Highlights**Buildings***Japanese Fishermen's Benevolent Society Building:*

Approved Budget: \$667,000 (2013) 100% Completed

- The exterior construction and interior renovation of the Japanese Building is complete. Final occupancy of this project is tied to the completion of the Post Office Building Improvement Program, which began in mid-April; completed July 2015.

City Centre Community Centre:

Approved Budget: \$7,200,000 (2013) 100% Completed

- The construction is complete and occupancy granted August 20, 2015.

Minoru Major Facility (Integrated Minoru Aquatic Centre/Older Adults Centre):

Approved Budget: \$79.6M (2014) 18% Complete

- On November 12, 2013, Council confirmed funding and site location for the new facility to be the Minoru 2 soccer pitch. Space programming for the facility was endorsed by Council on July 28, 2014 and preliminary form and character endorsed by Council on October 27, 2014. Preload for the site is in place, ground densification is underway and the design development phase is 100% complete. Project completion is anticipated at the end of 2017. The public engagement process is continuing through to project completion.

Fire Hall No. 1:

Approved Budget: \$21.5M (2014) 13% Complete

- On November 12, 2013, Council confirmed funding and the site location for the Fire Hall No. 1 replacement. Space programming for the facility was endorsed by Council on July 28, 2014 and the preliminary form and character endorsed by Council on October 27, 2014. The relocation of Fire Hall No.1 staff and operations to City Hall West is complete. The design development phase of the project is complete. Project completion is anticipated by early 2017. Demolition of the existing fire hall started at the end of May 2015.

Fire Hall No. 3:

Approved Budget: \$20.7 (2005-2009) 20% Complete

- On July 23, 2012 Council approved construction of a new Firehall No. 3. In late 2013, a lease agreement was reached with BC Ambulance to construct Firehall No. 3 as an integrated facility, to be used jointly with Richmond Fire-Rescue. Council approved funding of \$20.7 million to construct a new Firehall No. 3 through the 2005 - 2009 Capital Programs. The design & development of Fire Hall No. 3 is completed and site development started February 2015. Project completion is anticipated by early 2017.

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

Approved Budget: \$2.3M (2013) 95% Complete

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

Terra Nova Heritage Building Restorations:

Approved Budget: \$2.0M (2005) 100% Complete

- The restoration of the Cannery Store and Edwardian Cottage are complete.

Garden City Community Park: Bike Park & Birch Park:

Approved Budget: \$500K (2012) 100% Complete

- Bike Park is completed.
- Birch Park Basketball Construction completed

Garden City Lands Phase 1:

Approved Budget: \$2.1M (2015) 2% Complete

- Construction of Phase 1 works is expected to begin in the fall of 2015.

Lang Park Development:

Approved Budget: \$800K (2015) 5% Complete

- Detailed design is nearing completion. Construction is expected to start in September and be complete by December 2015.

Middle Arm/ Hollybridge Pier:

Approved Budget: \$1.0M (2015) 10% Complete

- The design process has started.
- Detailed design to commence by the end of 2015 with construction expected to commence in 2016 and completion in 2017 in with ASPAC's adjacent development.

Capital Highlights**Community Services/Parks****The Gardens Agricultural Park:**

Approved Budget: \$316K (2012) & \$1.1M (2015) 40% Complete

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

Minoru Sports Fields Redevelopment:

Approved Budget: \$5.7M (2014) 98% Complete

- Opening ceremonies for the fields were held on April 11th.
- Tennis Courts sport surfacing was completed in May.
- Deficiency repairs for irrigation are underway.
- Practice wall at the tennis courts is scheduled to be constructed in August 2015.
- Shade shelters for the spectators viewing areas are scheduled for July/August 2015.
- PA System for the new fields is to be installed in August 2015.
- Design for perimeter fencing at the throwing zones to be completed.

Seine Net Loft Deck Repairs:

Approved Budget: \$572K (2014) 20% Complete

- Conditional assessment complete.
- Detail design complete.
- Award of tender complete.
- Construction commenced mid-July.

Britannia Shipyards Slipways:

Approved Budget: \$513K (2014) 20% Complete

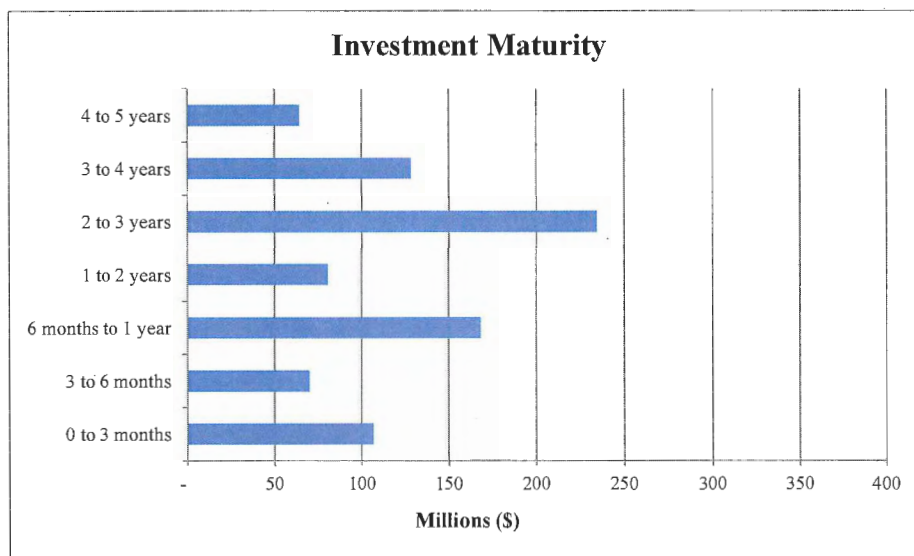
- Conditional assessment complete.
- Demolition complete.
- Detail design completed in July.
- Purchase order in process for the supply and delivery of timber materials.
- Construction scheduled for September.

Investment Portfolio

June 30, 2015 (in 000's)

Asset Class	DBRS Long Term Rating	Issuer	Year of Maturity	Investment Cost	% of Portfolio	Investment Limit (% of Portfolio)
Federal (Fixed Income*)						
	AAA	Canada Housing Trust	2016	\$ 10,119	1.19%	No Limit
			Total	\$ 10,119	1.19%	
Provincial (Fixed Income*)						
	AA (low)	Ontario	2015-2017	\$ 101,563	11.92%	50%
	AA	British Columbia	2019	65,636	7.70%	
	AAA	Alberta	2016-2019	47,913	5.62%	
	A (high)	Quebec	2017	36,223	4.25%	
	A (high)	Manitoba	2016	12,000	1.41%	
			Total	\$ 263,335	30.90%	
Chartered Banks (Fixed Income* and Deposits)						
	AA	Bank of Nova Scotia	2015-2017	\$ 52,657	6.18%	50%
	AA (low)	National Bank of Canada	2018-2020	45,855	5.38%	
	AA	Royal Bank	2016-2018	43,852	5.15%	
	AA	Bank of Montreal	2017	38,602	4.53%	
	AA	CIBC	2018	38,540	4.52%	
	AA	Wells Fargo Canada	2017	24,575	2.88%	
	AA (low)	HSBC Bank of Canada	2017	22,867	2.68%	
	A (low)	Canadian Western Bank	2016	20,000	2.35%	
	AA	TD Bank	2016	20,667	2.42%	
			Total	\$ 307,615	36.09%	
BC Credit Unions (Deposits)						
		Coast Capital Savings	< 1 Year	\$ 83,640	9.81%	30%
		Vancity	< 1 Year	74,690	8.76%	
		Gulf and Fraser	< 1 Year	49,689	5.83%	
		Westminster Savings	< 1 Year	20,420	2.40%	
			Total	\$ 228,439	26.80%	
Pooled Investments (MFA Bond Fund)						
		MFA Pooled Investment Fund		\$ 42,811	5.02%	20%
Total Investment Portfolio Balance				\$ 852,320	100.00%	

* The City's annual investment return inclusive of gains was 3.52% as of June 30, 2015



<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
1.	4589Q Watermania – Janitorial Services	Dynamic Facility Services	\$ 63,702	Community Services
2.	5197Q Supply and Delivery of Recreation and Culture Printed Materials (Inner Content), Bindery & Wrap Around Covers - Fall 2015, Winter/Spring 2016 & Summer 2016	International Web Express	\$ 28,914	Community Services
3.	5307Q On Call Fire Systems Contractor	Royal City Fire	\$ 90,000	Engineering and Public Works
4.	5333Q Supply and Delivery of Desktop Computers	Island Key Computers	\$127,120	Finance and Corporate Services
5.	5335P Consulting Service for Design of Buswell, Vulcan and Leslie Pump Station Sewermain and Forcemain Replacement	Opus Dayton Knight Consultants Ltd	\$ 193,871	Engineering and Public Works
6.	5344P Project Manager for Hansen 8.3 Upgrade	Annex Consulting Group Ltd	\$ 110,200 (Phase 1 only)	Engineering and Public Works
7.	5350P Civil Engineering Consulting Services For Ledway Road and Ryan Road Watermain Upgrades	Wedler Engineering	\$ 142,450	Engineering and Public Works
8.	5357P Lang Park Redevelopment Design Services	ISL Engineering	\$ 79,130	Community Services
9.	5379P Supply, Deliver and Install Fitness Equipment at City Centre Community Centre	Fitness Town; Life Fitness; Stak Fitness; Tower Fitness; Technogym	\$ 295,810	Community Services
10.	5389Q Richmond Ice Centre Dehumidifier Replacement	Fraser Valley Refrigeration Ltd	\$ 119,375	Engineering and Public Works
11.	5391Q Supply and Delivery of 2 (Two) Mini-Vans	Maple Ridge Chrysler	\$ 48,666	Engineering and Public Works
12.	5406Q Supply and Delivery of 3 (Three) Extended Compact Trucks with 5' (five) Feet Box	Dueck Richmond GM	\$ 69,282	Engineering and Public Works
13.	5407Q Supply and Delivery of One (1) Ton Crew Cab Truck	Metro Motors	\$ 37,084	Engineering and Public Works
14.	5411Q Gateway Theatre – Air Handling Unit Replacement	Davidson Bros Mechanical Contractor	\$ 226,126	Engineering and Public Works
15.	5418Q Minoru Arena 1 (Stadium) – Flooring Replacement	Ashton Service Group	\$ 114,517	Engineering and Public Works

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
16.	5428P Provision of Producer and Production Team Services for the Richmond World Block Party	John Donnelly & Associates Event	\$ 80,000	Community Services
17.	5438Q Supply and Delivery of Oracle Database Infrastructure	RCR Technologies Inc.	\$ 114,262	Finance and Corporate Services
18.	5439F Consulting Services for an Inmagic Upgrade & Development of a Web-based Search Interface for the Holdings at the COR Archives	Andornot Consulting Inc	\$ 36,024	Finance and Corporate Services
19.	5440F Completion of Direct Digital Controls Upgrade at City Hall	ESC Automation Inc.	\$ 160,533	Engineering and Public Works
20.	5445Q Cook Road Children's Centre Upgrades - General Contracting Services	ICE Development Ltd	\$ 50,598	Engineering and Public Works
21.	5446F Design of the Energy Transfer Station and Service Connection for Fire hall No. 3	Kerr Wood Leidal Associates Limited	\$ 28,866	Engineering and Public Works
22.	5447F Consulting Services - Festival Director for the 12th Annual Maritime Festival	Dolly Hopkins	\$ 25,600	Community Services
23.	5449F Design of Energy Transfer Station and Service Connection for Townline Oxford Lane Townhomes	Kerr Wood Leidal Associates Limited	\$ 28,866	Engineering and Public Works
24.	5453Q Supply and Installation of Monorail Support for the ADEU Phase 3 Energy Centre Expansion	Stuart Olson Construction Subcontract Structurlam	\$ 486,330	Engineering and Public Works
25.	5454F Dell PowerEdge R730 - SQL & GIS Server	Sudden Technologies	\$ 47,790	Finance and Corporate Services
26.	5455P Consulting Services for Community Services Facilities Strategic Plan	RC Strategies	\$ 157,355	Community Services
27.	5456F Jamatkhana Temple Energy Transfer Station Controls and Metering, Supply, Install and Commission	Corix Utilities Inc.	\$ 47,484	Engineering and Public Works
28.	5457S Purchase of the Google Search Appliance (hardware) and related Consulting and Support Services	Capital Technology Partners	\$ 68,126* (*USD \$36,000+ \$24,400 CAD)	Finance and Corporate Services
29.	5461F Richmond Maritime Festival - Production services	Anigraph Productions Ltd	\$ 200,000	Community Services
30.	5462Q Seine Net Loft South Deck Repair	JJM Construction Ltd	\$ 216,530	Engineering and Public Works

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
31.	5463Q Supply and installation of Structural Steel and Aluminum Screens for the ADEU Phase 3 Energy Centre expansion	Stuart Olson Construction Ltd Subcontract Crosstown and PMC	\$ 318,513	Engineering and Public Works
32.	5465F Supply and Delivery of 45,000 Metric Tonnes of River Sand	BD Hall Constructors Corp	\$ 224,550	Engineering and Public Works
33.	5467Q Tools and Supplies for Hazmat Detection Equipment Kits	Rocky Mountain Phoenix	\$ 32,554	Law and Community Safety
34.	5466P Provision of Civil Engineering Consulting Services for Riverdale Area Watermain Upgrades	Welder Engineering	\$ 93,310	Engineering and Public Works
35.	5469Q Delivery and Installation of Custom Slanted Cantilever Shade for Minoru Seat wall Spectator's viewing	Rectec Industries Inc.	\$ 34,280	Community Services
36.	5471Q Fire Hall No 1 Demolition	Stuart Olson Construction Subcontract to Matcon Demolition	\$ 454,868	Engineering and Public Works
37.	5473Q Architectural Design Services for the Sharing Farm	Andrews Architects Inc.	\$ 35,900	Engineering and Public Works
38.	5474J Cambie Community Centre Improvement Work 2015	Ashton Service Group	\$ 34,985	Engineering and Public Works
39.	5476Q ADEU Phase 3 Expansion - Géoexchange Field	Stuart Olson Construction Ltd Subcontract: Geotility	\$ 1,575,136	Engineering and Public Works
40.	5477Q ADEU Phase 3 Expansion - Architectural Works	Stuart Olson Construction Ltd Subcontract: Flynn Canada, Spectrum Painting, Kone Cranes, Shanahans and Atlas	\$ 718,875	Engineering and Public Works
41.	5478F Construction of approximately 250m of District Energy Utility Piping	Performance Contracting Ltd	\$ 143,856	Engineering and Public Works
42.	5480F Design and Construction of 300m of Watermain at Dubbert Street and Alexandra Road	Townline Group of Companies	\$ 63,620	Engineering and Public Works
43.	5481Q Sound System Components for Sound Stage Unit # 1306	Allstar Pacific Integrated Media	\$ 33,721	Engineering and Public Works

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
44.	5482S Annual Telephone/Voice Equipment Maintenance of the Voice Equipment Hardware	Telus Communications	\$ 84,038	Finance and Corporate Services
45.	5483J Underground Water Meter Installation at 8700 Bennett Rd	Ashton Service Group	\$ 36,093	Engineering and Public Works
46.	5484S Support & Delivery of MS Products	SoftChoice	\$ 65,138	Finance and Corporate Services
47.	5485Q Alexandra DEU Phase 3 - Mechanical Works	Stuart Olson Construction Ltd Subcontract Division 15 Mechanical Ltd	\$ 1,971,925	Engineering and Public Works
48.	5486Q Alexandra DEU Phase 3 - Electrical Works	Stuart Olson Construction Ltd Subcontract Western Pacific	\$ 848,509	Engineering and Public Works
49.	5487S Infor (HANSEN) Annual Support Contract Renewal	Infor Canada Ltd	\$ 85,369	Finance and Corporate Services
50.	5488Q Supply and Installation of Wifi at City Centre Community Centre	Smartedge Networks	\$ 41,815	Finance and Corporate Services
51.	5489F Environmental Investigation of Westminster Hwy	Parsons Canada Limited	\$ 37,502	Engineering and Public Works
52.	5491S The Active Network (CLASS) Annual Support and Maintenance	The Active Network	\$ 98,443	Finance and Corporate Services
53.	5492Q Alexandra DEU Phase 3 – Pre-Construction Services	Stuart Olson Construction Ltd.	\$ 121,677	Engineering and Public Works
54.	5497Q Terra Nova Children's Centre Upgrades – Roofing Contracting Services	Broadway Roofing & Sheet Metal Ltd	\$ 51,301	Engineering and Public Works
55.	5498Q Soil Densification at Cambie Fire Hall 3	Stuart Olson Construction Subcontract Vancouver Pile Driving	\$ 796,313	Engineering and Public Works
56.	5501F Supply and Delivery of Knife Gate Valve for the Fish Screen at the Bath Slough Pump Station	Dezurik of Canada Ltd	\$ 25,195	Engineering and Public Works
57.	5502S Insights On-Line Profiles	Insights Learning & Development	\$ 32,000	Corporate Administration
58.	5508Q Supply and Delivery of Stalok Fibres	Veratec	\$ 33,540	Community Services
59.	5509F Supply and Installation of Bus Shelters	Lucid Management Group	\$ 44,670	Planning and Development

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Division</i>
60.	5511J Britannia Information Technology Closet	Ashton Service Group	\$ 30,145	Engineering and Public Works
61.	5512J 4080 Garry Street 3" Multi-Family Water Meter Installation	Ashton Service Group	\$ 30,145	Engineering and Public Works
62.	5513Q Rooftop HVAC Unit Replacement at Richmond Ice Centre	Stuart Olson Construction Subcontracted to Keith Plumbing	\$ 194,821	Engineering and Public Works
63.	5517F Supply and Delivery of Turf for Cambie Community Centre	Western Turf Farms Ltd	\$ 27,216	Community Services
64.	5518Q Supply & Install 85mm Asphalt at Swinton Cr Laneway	Winvan Paving	\$ 41,640	Engineering and Public Works
65.	5519Q Supply and Install 85mm Asphalt at Dennis Cr Laneway	Winvan Paving	\$ 53,960	Engineering and Public Works



City of Richmond

Report to Committee

To: Finance Committee

Date: September 18, 2015

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

File:

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

Re: 2nd Quarter 2015 - Financial Information for the Richmond Olympic Oval Corporation

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended June 30, 2015 from the Controller of the Richmond Olympic Oval Corporation be received for information.

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

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



DATE: September 17, 2015

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

Andrew Nazareth
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills
Chief Operating Officer, Richmond Olympic Oval Corporation

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

Re: Richmond Olympic Oval Corporation – 2nd Quarter 2015 Financial information

Origin

This staff report deals with the first quarter financial results for the 3 months ended June 30, 2015 ("Q2") which was approved by the Corporation's Board of Directors.

Financial Results

Q2 was a successful quarter for the Corporation. The Q2 results were budgeted at a net amount before transfers to reserves/provisions of \$95,000 and the actual results show \$565,000, indicating a favorable variance of \$470,000 (please see page 4 for the Corporation's statement of operations). In Q2, \$269,000 was allocated to the reserves/provisions.

Highlights

The following are some of the highlights of the activities undertaken by the Corporation during Q2.

Community Use

Member Care continued to build member engagement with the Membership Challenge, which is an incentive program designed to improve retention and use of the Oval facility. The June Membership Challenge was successful as all 750 spots filled up within days of opening registration. At the end of Q2 2015, a total of 77% of Oval members were Richmond residents.

Total visitation for Q2 2015 was 246,448, a 27% increase over the same time last year. Total visitations are calculated based on the sum of the following figures: the number of paid admissions, the number of membership scans, the number of visits for those individuals in registered programs, the number of visits to the Oval's YYoga studios and the number of visits from event rentals and user groups. The event rental and user group figures are based on data obtained from the clients and programmers responsible for the respective rentals.

Sport Development and Events

High Performance Training continues to service athletes ranging from the community through to the national level. Training sessions were delivered to the Table Tennis Canada, Speed Skating Canada, Field Hockey Canada, Sail Canada, Canadian Wheelchair Sports Association, Canadian Blind Sports Association, Cycling Canada, BC Wheelchair Sports Association, Volleyball BC, Cycling BC, BC Hockey, Swim BC, SkateCanada British Columbia\Yukon, Field Hockey BC, Skiing BC, Fusion Football Club, Vancouver Futsol Association, Vancouver Pacific Wave (Synchro), Winskill Dolphins Swim Club, Vancouver Icemen, Steveston Selects, Vancouver Warriors Hockey, Vancouver Ringette Association, Air Attack Volleyball Club, Dunbar Little League, and Kerrisdale Little League.

Oval trained athlete successes in Q2 2015 included:

- Markus Thormeyer (Swimming) who was selected to the Canadian Pan Am Games team, broke several records at nationals this year.
- Mo Zhang (Table Tennis) was named to the Canadian Pan Am Games team, finishing with a bronze medal, and was named athlete of the year at the Richmond Sport Awards.
- Megan and Nicole McNamara (volleyball centre of excellence alumni) received full scholarships to UCLA this fall.
- Siobhan Finan (volleyball centre of excellence athlete) was named to the U18 Provincial Team.
- BC Wheel Chair Rugby Team won both Div 1 and 2 at the 2015 Coloplast Canadian Wheelchair Rugby Championships.
- The Vancouver Fusion Football Club had their most successful season in club history with both the U14 and U15 Girls winning the premiere level provincial cup. The club's website praises their partnership with the Richmond Olympic Oval as a key contributor to their success. "The training done at the Richmond Olympic Oval has been invaluable to give Fusion players a platform to build upon. Our players look stronger and faster than they ever have before."
- Andrew Hammond (NHL Goaltender), an Elite Goalie's Client, was nominated for the 2014-2015 Bill Masterton Trophy.
- Eddie Lack (NHL Goaltender) trained with goalie coach Alex Auld at the Oval.

Some of the highlights of sport hosting and events held at the Oval during Q2 included the following: Gran Forza Track Meet, U18 Volleyball Provincials, Workout to Conquer Cancer, BC Hockey Female U 18 HP Cup, Mountain Equipment Coop Climbing Day, Fast and Female Conference, Sport Chek Spring Equipment Demo, WUSHU Martial Arts Tournament, UROC Awards, Rhythmic Millennium Cup, Fencing Nationals, SOS Children's Village Run, Rotary Skates for the World, Corporate Champions, Relay for Life, Canadian Society for Training and Development Reception, Fencing Provincials, Olympic Day and the Pan Am Games Torch Relay Celebration.

Some of the events secured in Q2 included: Play 4 Life Basketball Tournament (Sept 2015), Trinity Western University Varsity Women's Volleyball match with UBC (Sept 2016), CBC Sports Day (Nov 2015), and Western Canadian Gymnastics Championships (May 2016).

Governance

Meetings of the Corporation's Audit & Finance Committee, Business and Budget Planning Committee and the Board took place during Q2.

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

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

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended June 30, 2015

Unaudited, prepared by management

	QTR 2 2015		\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	QTR 2 2014	YTD ended June 30, 2015		\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	YTD ended June 30, 2014	2015
	BUDGET	ACTUAL			ACTUAL	BUDGET	ACTUAL			ACTUAL	BUDGET
REVENUES											
2010 Games Operating Trust Fund	575,000	575,000	-	0%	560,129	1,150,000	1,150,000	-	0%	1,110,129	2,300,000
Contribution from City of Richmond (COR)	809,925	809,925	-	0%	801,900	1,619,850	1,619,850	-	0%	1,603,800	3,239,700
Memberships, admissions and programs	1,761,223	1,877,021	115,798	7%	1,649,806	3,748,418	3,807,174	58,756	2%	3,376,741	7,324,171
Other	385,411	463,194	77,783	20%	357,449	770,823	1,042,800	271,977	35%	677,901	1,946,717
	3,531,559	3,725,140	193,581	5%	3,369,284	7,289,091	7,619,825	330,734	5%	6,768,571	14,810,588
EXPENSES											
Memberships, admissions, and program services	1,217,479	1,231,183	(13,704)	-1%	1,073,640	2,412,909	2,338,920	73,988	3%	1,999,561	5,358,190
Facility Operations	1,083,962	1,030,243	53,719	5%	916,396	2,165,796	2,090,799	74,997	3%	1,871,940	4,337,346
Marketing	287,306	153,361	133,945	47%	87,144	401,700	258,615	143,085	36%	184,192	989,947
Admin/Finance	847,509	745,264	102,245	12%	554,833	1,644,105	1,497,104	147,001	9%	1,088,415	3,343,531
	3,436,256	3,160,051	276,204	8%	2,632,013	6,624,509	6,185,439	439,070	7%	5,144,108	14,029,013
Net before transfers to reserves/provisions	95,303	565,088	469,785		737,271	664,582	1,434,386	769,804		1,624,463	781,575
Transfers to reserves/provisions (Note 1)	175,000	268,788	93,788		327,123	325,000	537,577	212,577		654,243	700,000
Net after transfers to reserves/provisions	(79,697)	296,300	375,996		410,148	339,582	896,809	557,227		970,220	81,575

Note 1 - In Q2, \$269,000 was transferred into reserves/provisions. The transfers to capital reserves vary from quarter to quarter and are not finalized until year end by the Capital Works Committee in accordance with the operating agreement.

Numbers may be off due to rounding.