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## Finance Committee

Anderson Room, City Hall  
6911 No. 3 Road

Tuesday, September 6, 2011

Immediately Following the Open General Purposes Committee meeting

Pg. #      ITEM

### MINUTES

**FIN-3**      *Motion to adopt the minutes of the meeting of the Finance Committee held on Monday, June 6, 2011.*



### BUSINESS AND FINANCIAL SERVICES DEPARTMENT

**FIN-13**      1. **FINANCIAL INFORMATION – 2<sup>ND</sup> QUARTER 2011**  
(File Ref. No. 03-0970-03-01) (REDMS No. 3296245)

**TO VIEW eREPORT CLICK HERE**

See Page **FIN-13** of the Finance agenda for full hardcopy report

*Designated Speaker: Jerry Chong*

### STAFF RECOMMENDATION

*That the staff report on Financial Information for the 2<sup>nd</sup> Quarter ended June 30, 2011 be received for information.*



**FIN-33      2.      AMENDMENTS TO THE 5 YEAR FINANCIAL PLAN (2011-2015)  
BYLAW NO. 8707**

(File Ref. No. 03-0900-01) (REDMS No. 3315836)

**TO VIEW eREPORT CLICK HERE**

See Page **FIN-33** of the Finance agenda for full hardcopy report

***Designated Speaker: Jerry Chong***

**STAFF RECOMMENDATION**

- (1) That the 5 Year Financial Plan (2011 – 2015) be amended to reflect the previously approved Council changes as per the attached report;***
- (2) That the 5 Year Financial Plan (2011 – 2015) be amended to reflect the administrative changes as per the attached report; and***
- (3) That the 5 Year Financial Plan (2011 – 2015) Bylaw No. 8707, Amendment Bylaw 8809, which would incorporate and put into effect the changes to the 2011 Capital and Operating Budgets (as summarized in Attachment 1), be introduced and given first, second and third readings.***

☐

**ADJOURNMENT**

☐



## Finance Committee

Date: Monday, June 6, 2011

Place: Anderson Room  
Richmond City Hall

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

Call to Order: The Chair called the meeting to order at 4:46 p.m.

*Councillor Harold Steves left the meeting (4:50 p.m.).*

## MINUTES

It was moved and seconded

*That the minutes of the meeting of the Finance Committee held on Monday, May 9, 2011, be adopted as circulated.*

**CARRIED**

**BUSINESS AND FINANCIAL SERVICES DEPARTMENT**

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

It was moved and seconded

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

**CARRIED**

2. **2010 ANNUAL REPORT AND 2010 ANNUAL REPORT - HIGHLIGHTS**  
(File Ref. No.: ) (REDMS No. 3218525)

It was moved and seconded

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

**CARRIED**

*Councillor Harold Steves re-entered the meeting (4:51 p.m.).*

3. **RICHMOND OLYMPIC OVAL CORPORATION-2010 AUDITED FINANCIAL STATEMENTS**  
(File Ref. No.: ) (REDMS No. 3218599)

It was moved and seconded

*That the report entitled Richmond Olympic Oval Corporation - 2010 Audited Financial Statements, dated May 18, 2011, from the Chief Administrative Officer, and the General Manager, Business and Financial Services, be received for information.*

**CARRIED**

4. **2010 SURPLUS APPROPRIATION**  
(File Ref. No.: ) (REDMS No. 3211620, 3214566)

The Director, Finance, Jerry Chong, provided information concerning the criteria used in prioritizing the one time funding requests for the 2010 Surplus Appropriation.

Committee members made queries about the 2010 Surplus Appropriation and staff's rationale for including or excluding various items, and a discussion took place about:

- increasing the amount appropriated to reserves;

## **Finance Committee**

### **Monday, June 6, 2011**

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- the Gateway Theatre's request for additional funds for Theatre Box Office Printers and a Theatre Lighting Panel. It was noted that the current operating agreement between the City and Gateway Theatre, permits the Theatre to use the annual City funded grant for administrative expenses only; and
- maintenance of the Library Cultural Centre Parkade on the upper level, and the life expectancy of the parkade. Staff noted that there were no plans to demolish the structure within the next five years, and without the one time funding for the recommended maintenance, the structure would deteriorate and be shut down.

The Chair then invited members of Committee to speak to particular items they wished to have removed from or added to the 2010 Surplus Appropriation, and a discussion ensued on the following items:

- Item No. 3 - Accessible Washroom at London Heritage Farm;
- Item No. 5 - Library Cultural Centre Parkade Upper Level Maintenance;
- Item No. 7 - Consultant for Event - On line Form;
- Item No. 8 - CLASS upgrade PIN/Chip card;
- Item No. 12 - Security Access System;
- Item No. 14 - City Election Guide - increased costs to include "Candidate Profiles";
- Item No. 15 - Civic Election Public Awareness / Education Strategy;
- Item No. 16 - Mobile Solutions;
- Item No. 17 - Animal Shelter Feasibility Study;
- Item No. 20 - Community Services Department Clerical Support Funding;
- Item No. 21- Business and Financial Services Tangible Capital Asset Analysts;
- Item No. 38 - No. 3 Road Restoration / Landscaping;
- Item No. 41 - Gateway Theatre Box Office Printers;
- Item No. 42 - Gateway Theatre Lighting Board;
- Item No. 44 - Volunteer Richmond Information Services (VRIS); and
- Item No. 45 - Legal Support.

The Chair then asked for a general motion, after which he indicated he would call for any amendments to delete items from the recommended list, and there was agreement that any savings would be directed to reserves.

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It was moved and seconded

*That the December 31, 2010 surplus of \$2,452,800 be appropriated as outlined in the staff report entitled 2010 Surplus Appropriation, dated May 17, 2011, from the General Manager, Business and Financial Services.*

The question on the motion was not called as the following **amendment** was introduced:

It was moved and seconded

*That Item No. 7 - Consultant for Event - On line Form, be deleted from the list of items to be funded from the 2010 Surplus, with the recommended amount of \$60,000 placed instead into reserves.*

**CARRIED**

OPPOSED: Cllrs. Barnes

E. Halsey-Brandt

Steves

Mayor Brodie

The question on the motion was not called as the following **amendment** was introduced:

It was moved and seconded

*That Item No. 8 - CLASS upgrade PIN/Chip card, be deleted from the list of items to be funded from the 2010 Surplus, with the recommended amount of \$75,000 placed instead into reserves.*

**DEFEATED**

OPPOSED: Cllrs. Barnes

Dang

E. Halsey-Brandt

G. Halsey-Brandt

S. Halsey-Brandt

Johnston

Steves

Mayor Brodie

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The question on the motion was not called as the following **amendment** was introduced:

It was moved and seconded

*That Item No. 12 - Security Access System, be deleted from the list of items to be funded from the 2010 Surplus, with the recommended amount of \$300,000 placed instead into reserves.*

**DEFEATED**

OPPOSED: Cllrs. Barnes  
E. Halsey-Brandt  
G. Halsey-Brandt  
S. Halsey-Brandt  
Steves  
Mayor Brodie

The question on the motion was not called as the following **amendment** was introduced:

It was moved and seconded

*That Item No. 14 - City Election Guide - increased costs to include "Candidate Profiles", be deleted from the list of items to be funded from the 2010 Surplus, with the recommended amount of \$16,000 placed instead into reserves.*

**DEFEATED**

OPPOSED: Cllrs. Barnes  
E. Halsey-Brandt  
G. Halsey-Brandt  
S. Halsey-Brandt  
Steves  
Mayor Brodie

The question on the motion was not called as the following **amendment** was introduced:

It was moved and seconded

*That Item No. 15 - Civic Election Public Awareness / Education Strategy", be deleted from the list of items to be funded from the 2010 Surplus, with the recommended amount of \$25,000 placed instead into reserves.*

**DEFEATED**

OPPOSED: Cllrs. Barnes  
E. Halsey-Brandt  
G. Halsey-Brandt  
S. Halsey-Brandt  
Steves  
Mayor Brodie

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The question on the motion was not called as the following **amendment** was introduced:

It was moved and seconded

*That Item No. 16 - Mobile Solutions", be deleted from the list of items to be funded from the 2010 Surplus, with the recommended amount \$122,390, placed instead into reserves.*

**DEFEATED**

OPPOSED: Cllrs. Barnes

E. Halsey-Brandt

G. Halsey-Brandt

S. Halsey-Brandt

Steves

Mayor Brodie

The question on the motion was not called as the following **amendment** was introduced:

It was moved and seconded

*That Item No. 21- Business and Financial Services Tangible Capital Asset Analysts", be deleted from the list of items to be funded from the 2010 Surplus, with the recommended amount \$100,000, placed instead into reserves.*

**DEFEATED**

OPPOSED: Cllrs. Barnes

E. Halsey-Brandt

G. Halsey-Brandt

S. Halsey-Brandt

Steves

Mayor Brodie

The question on the motion was not called as the following **amendment** was introduced:

It was moved and seconded

*That Item No. 41 - Gateway Theatre Box Office Printers, in the amount of \$10,000, be added to the list of items to be funded from the 2010 Surplus Appropriation.*

**DEFEATED**

OPPOSED: Cllrs. Dang

G. Halsey-Brandt

Johnston

McNulty

Steves



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The question on the motion was not called as the following **amendment** was introduced:

It was moved and seconded

*That Item No. 42 - Gateway Theatre Lighting Board, in the amount of \$12,000, be added to the list of items to be funded from the 2010 Surplus Appropriation.*

**DEFEATED**

OPPOSED: Cllrs. Dang  
G. Halsey-Brandt  
Johnston  
McNulty  
Steves

The question on the main motion as amended was not put forward for the vote, therefore the motion is submitted for Council's consideration:

*That the December 31, 2010 surplus of \$2,452,800 be appropriated as outlined in the staff report entitled 2010 Surplus Appropriation, dated May 17, 2011, from the General Manager, Business and Financial Services, with Item No. 7 - Consultant for Event - On line Form, deleted from the list of items to be funded from the 2010 Surplus, and the recommended amount of \$60,000 placed instead into reserves.*

Staff were directed to provide further information by memorandum to Council on the following items prior to the next Regular Council Meeting, scheduled to be held on Monday, June 13, 2011:

- Item No. 12 - Security Access System;
- Item No. 16 - Mobile Solutions;
- Item No. 41 - Gateway Theatre Box Office Printers; and
- Item No. 42 - Gateway Theatre Lighting Board.

**5. EXTERNAL BORROWING FOR CORPORATE FACILITIES REFERRAL**

(File Ref. No.: 03-0900-01/2011-Vol 01) (REDMS No. 3218132)

It was moved and seconded

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

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Prior to the question on the motion being called, staff were requested to provide a report to the next General Purposes Committee meeting with information related to the status of the various long term capital funding projects for facilities. Reference was made to a report that had been previously presented to Council with related information, and staff was requested to provide a copy of the report as well.

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

6. **REVENUE ANTICIPATION BORROWING BYLAW NO. 8755**  
(File Ref. No.: 03-0900-01/2011-Vol 01) (REDMS No. 3193366)

It was moved and seconded

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

**CARRIED**

7. **FINANCIAL INFORMATION – 1<sup>ST</sup> QUARTER 2011**  
(File Ref. No.: 03-0970-09-01/2010-Vol 01) (REDMS No. 3206668)

It was moved and seconded

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

**CARRIED**

8. **1ST QUARTER 2011 - FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**  
(File Ref. No.: ) (REDMS No. 3218592)

It was moved and seconded

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

Prior to the question on the motion being called, John Mills, General Manager, Richmond Olympic Oval Corporation, advised that the Community Engagement Program as mentioned in the report, was underway, and it consisted of a series of meetings with sport groups, community associations, and economic interest groups such as the Chamber of Commerce and Tourism Richmond. He further noted that a report related to the Community Engagement Program was forthcoming in the near future.

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

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**ADJOURNMENT**

It was moved and seconded  
*That the meeting adjourn (6:15 p.m.).*

**CARRIED**

Certified a true and correct copy of the  
Minutes of the meeting of the Finance  
Committee of the Council of the City of  
Richmond held on Monday, June 6, 2011.

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Mayor Malcolm D. Brodie  
Chair

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Shanan Dhaliwal  
Executive Assistant  
City Clerk's Office





# City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Jerry Chong  
Director, Finance  
**Re:** Financial Information – 2<sup>nd</sup> Quarter 2011

**Date:** August 25, 2011  
**File:** 03-0970-09-01/2010-Vol  
01

### Staff Recommendation

That the report on Financial Information for the 2<sup>nd</sup> Quarter ended June 30, 2011 be received for information.

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

Att.

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

## Staff Report

### Origin

Information for the 2<sup>nd</sup> quarter ended June 30, 2011 is being provided to Council with economic updates with respect to Canada, the Province of BC, the City of Richmond, and the financial activity and position of the City.

### Analysis

#### Global Economic Overview

With several global issues occurring this year, such as the earthquakes in Japan curtailing Asian production, high crude oil prices hindering U.S. recovery, the debt crisis in Europe and the tightening of the domestic monetary policy initiatives in China, the global economy has slowed down considerably after growth of 4.5% annual change in Real GDP (Gross Domestic Product) and is now forecasted to grow by only 3.6% for 2011.

Recently, the U.S. debt ceiling controversy in conjunction with all the other global issues have led to declines in the financial and commodity markets worldwide. Economic uncertainties have affected investors, businesses and consumers confidence alike, which has resulted in further delays to the economic recovery than forecasted earlier in the year.

#### Canadian Economic Overview

The global trend is also reflected in Canada's economic forecast. According to TD Economics, the Canadian economic outlook has likely peaked and a steady growth of 2.8% in Real GDP is to be expected for the remainder of 2011. Canada's Real GDP growth for 2010 was below the global average at 3.2% but showed potential with growth of 3.9% (annualized rate) for the first quarter of 2011. Certain factors are important when looking at Canada's economic outlook:

- Slowing down of household borrowing is expected to constrain real consumer spending;
- Business investment and exports will bounce back, supported by the increase in U.S. demand;
- High Canadian dollar will impede the transition back to a more export-driven economy; and
- The Bank of Canada is not expected to raise rates until 2012.

CANADIAN ECONOMIC OUTLOOK																				
Period Over-Period Annualized Per Cent Change Unless Otherwise Indicated																				
	2011				2012				2013				Annual Average				4th Qtr/4th Qtr			
	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	10	11F	12F	13F	10	11F	12F	13F
Real GDP	3.9	1.3	2.8	2.7	2.6	2.6	2.3	2.2	2.1	2.0	2.0	2.2	3.2	2.8	2.5	2.1	3.3	2.7	2.4	2.1
Consumer Expenditure	0.2	2.5	2.0	2.5	2.4	2.2	2.0	1.7	1.8	2.0	2.1	2.1	3.3	2.3	2.3	1.9	3.2	1.9	2.1	2.0
Durable Goods	-5.0	2.6	2.7	2.5	2.0	1.5	0.8	-0.6	1.0	1.5	1.8	1.9	4.4	1.2	1.8	1.0	2.1	0.5	0.9	1.5
Labour Force	2.6	1.0	1.6	1.4	1.2	1.0	0.8	0.8	0.8	0.8	0.7	0.7	1.1	1.2	1.1	0.8	0.9	1.0	0.9	0.7
Unemployment Rate (%)	7.3	7.5	7.8	7.6	7.5	7.5	7.4	7.3	7.2	7.2	7.1	7.1	6.0	7.6	7.4	7.1	—	—	—	—
Cons. Price Index (Y/Y)	2.6	3.0	2.8	2.7	2.4	2.2	2.1	2.1	2.1	2.1	2.1	2.0	1.8	2.8	2.2	2.1	2.3	2.7	2.1	2.0
Core CPI (Y/Y)	1.3	1.6	1.8	1.9	2.1	1.9	2.0	2.0	2.2	2.1	2.0	2.0	1.7	1.7	2.0	2.1	1.8	1.9	2.0	2.0
Housing Starts ('000s)	178	176	174	172	170	169	169	169	169	170	172	174	182	176	164	171	—	—	—	—
Productivity: Real GDP / worker (Y/Y)	1.0	1.1	1.3	1.0	0.9	1.4	1.2	1.1	1.1	1.0	1.0	1.0	1.8	1.1	1.2	1.0	1.7	1.0	1.1	1.0

F: Forecast by TD Economics as of June 2011

Source: Statistics Canada, Bank of Canada, Canada Mortgage and Housing Corporation, Haver Analytics

F: Forecast by TD Economics as of June 2011

Source: Statistics Canada, Bank of Canada, Canada Mortgage and Housing Corporation, Haver Analytics

### Province of BC Economic Overview

Scotia Economics forecasts that economic growth in British Columbia will outperform the Canadian average but lag behind Saskatchewan and Alberta. The economy will be dependent on expansion of the commodity sector, in conjunction with burgeoning high-tech industries and diversification efforts by several established industries, most notably mining and forestry. Otherwise, record high home prices and weak affordability will challenge the housing sector.

The key economic drivers include:

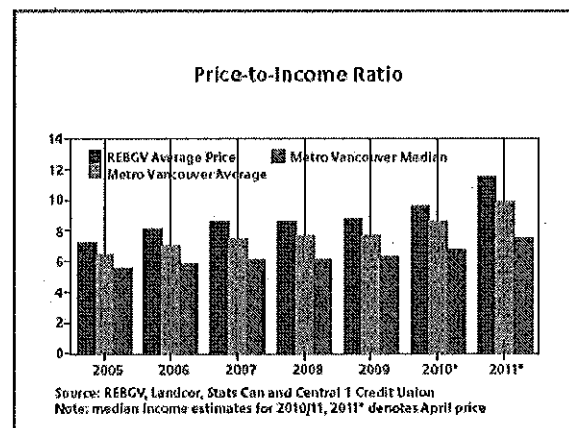
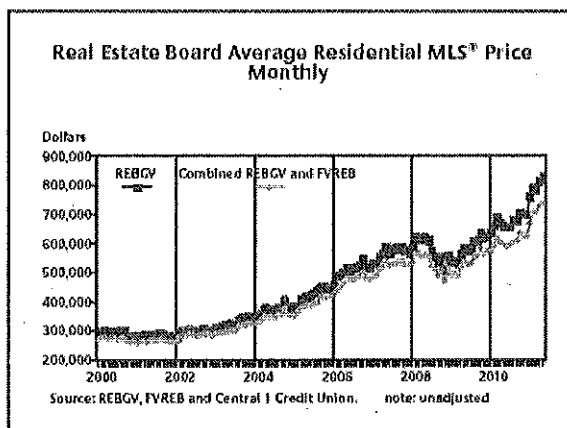
- Development of the mining industry from significant foreign and domestic investment;
- Increased production of copper and coal mining as demand increases with construction projects and infrastructure expenditures in emerging markets;
- Increased demand in the professional services segment from mining, software and film industries;
- Resurgence in exports of forestry products due to increase demand from China and from the rebuilding efforts in Japan – production is expected to increase by over 8%;
- Employment growth is expected to keep pace with the national average with notable gains in the professional services, transportation and manufacturing;
- Weak retail sales performance due to high debt accumulation;
- Harmonized Sales Tax (HST) referendum may be pushing consumers to postpone large discretionary purchases; and
- Housing market, particularly in the Greater Vancouver area is stable from the support of favourable demographics, tight supply and foreign-buyer interest but due to weak affordability, activity will decrease, especially among the first-time buyers.

Forecast Summary: British Columbia					
	2009	2010	2011E	2012E	2013E
Real GDP, % chg.	1.3	3.4	2.9	3.7	2.7
Domestic GDP, % chg.	1.4	7.0	5.7	5.9	6.0
Employment, % chg.	2.4	2.0	2.2	2.5	2.1
Unemployment Rate, %	7.6	7.6	7.3	6.7	6.1
Population, % chg.	1.7	1.6	1.6	1.6	1.4
Housing Starts, units, 000s	16.1	16.3	16.5	16.9	17.0
Retail Sales, % chg.	-4.4	6.7	6.1	6.7	6.0
Personal Income, % chg.	0.1	5.9	5.2	5.6	5.4
Consumer Price Index, % chg.	0	1.5	2.1	1.7	1.6

Statistics Canada, Central 1 Credit Union

## City of Richmond Overview

There are similarities in the economic forecasts of the Canadian and BC outlook. These factors may impact municipalities, especially regarding the housing market. Economists are predicting a decrease in the housing market primarily due to the maximization of debt accumulation and dramatic increases in housing prices during the last few years which affects affordability and is measured by the price-to-income ratio. This increase has especially affected first-time buyers as the ratio for Metro Vancouver average in 2011 has reached above 9.0. Comparatively, Canada's national average ratio at the end of April 2011 is just under 4.5 <sup>(1)</sup>. Since June 2010, Richmond housing prices have reached increases of 19.0% for single family detached homes, 11.0% for townhouses and 6.7% for apartments as their median selling prices are currently just under \$1.0M, \$0.6M and \$0.4M, respectively.



Economists are predicting a downturn in the housing market, however the City of Richmond has avoided this so far as statistics have shown. Even with the increasing prices, sales have stayed relatively steady as this year's 2,667 units is in line with last year's sales to date of 2,679 units. Housing starts to date are also indicating that the housing market has not declined as greatly in Richmond as other areas within the Greater Vancouver Regional District, with the number of starts for this year of 552 is comparable to that in 2010 of 621.

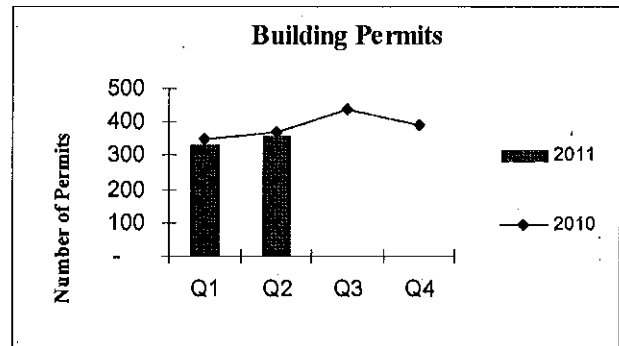
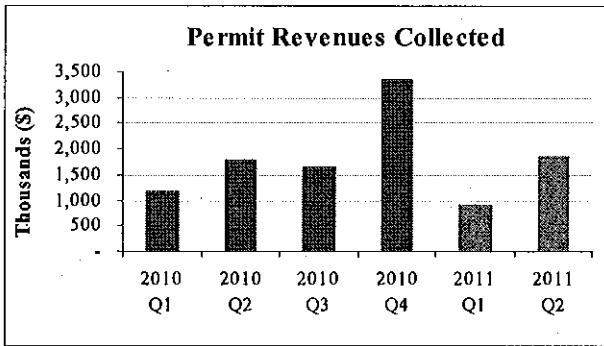
The housing market stability in the City can also be evidenced by the increase in building permit revenues for the current quarter, which are higher than the same period last year by 13.2% from \$1.5M to \$1.9M. The year-to-date building permits issued of 696 and revenues of \$2.4M are in line with last year when it reached peak levels not seen since the pre-recession years of 2008 and earlier.

Richmond has also realized an increase in business activity especially for the industrial sector as the vacancy rates have decreased from a rate of 5.7% in 2010 to 4.4% in 2011. This vacancy rate decrease is still occurring while total new space available has increased by over 250,000 square feet. Office space vacancy remains a challenge as the total square feet of vacant space has increased by 10.8% from year to year.

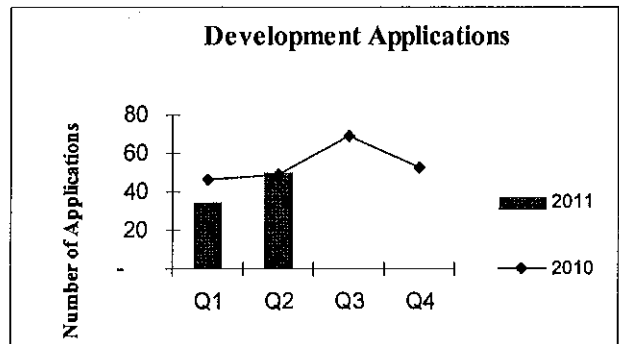
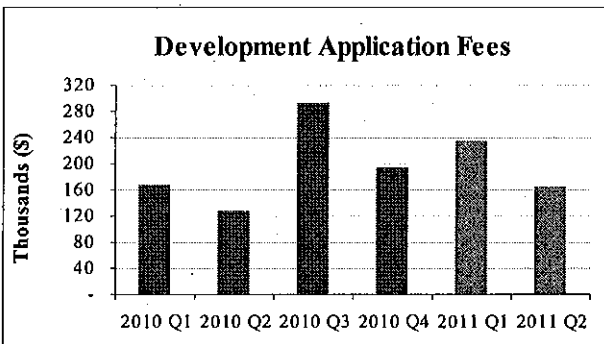
(1) Source: Statistics Canada, Teranet-NB, Royal LePage, Bank of Canada calculations



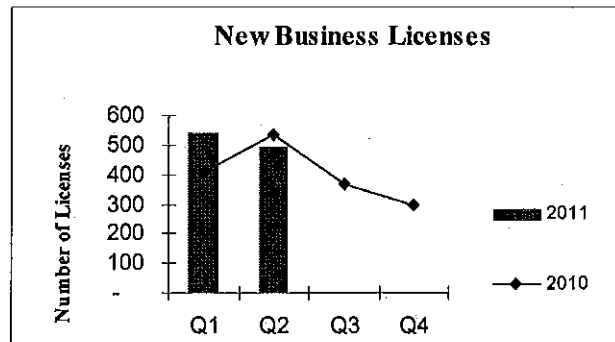
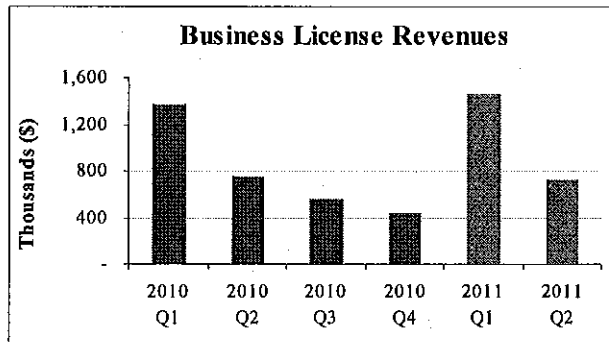
The value of building construction for permits issued during the 2<sup>nd</sup> quarter of 2011 decreased slightly but comparatively is 47.9% higher in value on a year-to-date basis as compared to 2010. The total construction value for 2011 is \$174.5M versus \$118.0M for 2010. This reflects the current trend of higher value construction projects, predominantly as mixed-use residential and commercial buildings are starting to complete. This trend should continue for the next few years as the City Centre Area begins to transition.



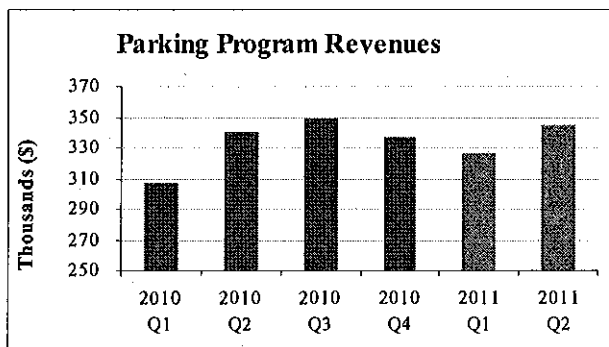
Although the number of development applications received in the 2<sup>nd</sup> quarter and year-to-date in 2011 has stayed constant with the levels in 2010, related revenues have significantly increased. Revenues collected to date in 2011 of \$0.4M is 36.7% higher than in 2010 of \$0.3M. The additional revenues in the 1<sup>st</sup> quarter, provided by the administration fees related to the completion of Servicing Agreements, has continued into the current quarter.



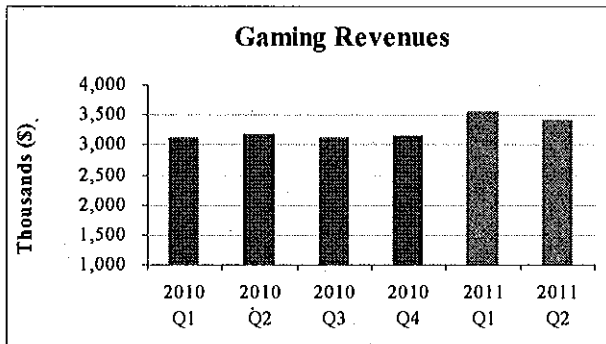
The total number of business licences issued to date in 2011 are comparable to last year, 13,068 to 13,178 licences, respectively. With the increased enforcement and collections of outstanding receivables during the 1<sup>st</sup> quarter, the current year-to-date revenues of \$2.2M have stayed relatively equal to last year. The increase in the number of new licences in 2011 of 1,038 from 940 last year (10.4% increase), is indicative of the growth that Richmond is experiencing.



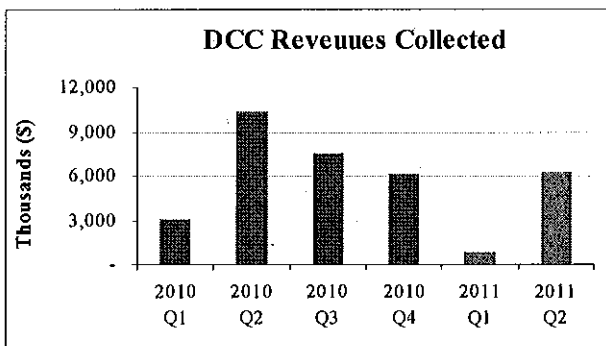
The permit and enforcement (Parking Program) revenues of \$0.3M and \$0.7M for the quarter and year-to-date, respectively are slightly higher than the same periods last year due largely to the efforts of the parking enforcement staff.



Gaming revenues of \$3.4M for the 2<sup>nd</sup> quarter and \$7.0M for the year have increased from the same periods in 2010, by 7.3% and 10.7%, respectively. Great Canadian Gaming Corporation has reported an increase in revenues of \$3.7M in their 2<sup>nd</sup> quarter results compared to 2010 for River Rock Casino due mainly to the 19% improvement in table drop.



Although DCC contributions received to date are still lower than last year, the overall trend is comparable to the 2008 levels. For the 2<sup>nd</sup> quarter, revenues collected increased significantly as compared to the 1<sup>st</sup> quarter from \$0.8M to \$6.3M, but is still 39.4% lower than \$10.4M collected in the same quarter of 2010. Year-to-date contributions of \$7.1M in 2011 compared to \$13.4M in 2010 results in a decrease of 47.0%. These decreases compared to last year can be attributed to the unusual circumstances surrounding DCC activity in 2010 as a result of major developments approved and the push by developers to move quickly before the anticipated increase in DCC rates that occurred in September 2010.



**Statement of (net revenues)/expenditures for  
Quarter ended June 30, 2011**

<b>Operating (in \$'000s)</b>	<b>Budget Year to Date June 30, 2011</b>	<b>Actual Year to Date June 30, 2011 (unaudited)</b>	<b>Variance</b>	<b>Forecast For December 31, 2011</b>
RCMP	17,713	17,510	203	300
Fire Rescue	14,738	14,108	630	650
Parks & Recreation	12,354	10,961	1,393	-
Engineering & Public Works	9,739	7,909	1,830	-
Corporate Services	7,535	6,891	644	-
Project Development & Facility Maintenance	4,272	4,148	124	-
Library	3,794	3,683	111	-
Planning & Development Services	2,935	1,673	1,262	500
Community Services	3,562	2,970	592	50
Corporate Administration	2,153	1,759	394	-
Law & Community Safety	1,562	1,345	217	-
Business and Financial Services	1,490	314	1,176	200
Fiscal & Transfer to Reserves	(81,847)	(84,391)	2,544	-
	<b>\$ -</b>	<b>\$ (11,120)</b>	<b>\$ 11,120</b>	<b>\$ 1,700</b>

*The variance for Q2 is consistent with prior years and is mainly attributable to timing and seasonality. This should not be used as an indicator for annual results.*

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

- After receiving the realized savings from the 2010/11 contract in Q1, RCMP is now slightly favourable. Due to vacancies of administrative positions, a surplus of \$0.3M is forecasted for the end of the year.
- Fire Rescue has a favourable variance to budget due to a staffing delay which has resulted in surplus salary, fringe, overtime, and training costs. A surplus of \$0.65M is forecasted for the end of the year.
- Parks and Recreation has a favourable variance for Q2 due to the seasonal nature of operating expenditures (e.g. utilities and maintenance) which will be incurred in the 2<sup>nd</sup> half of the year. It is anticipated to be on budget at the end of the year.
- Engineering and Public Works are due to be on budget by the end of the year. The favourable variance can be attributed to the Major Road Network (MRN), road maintenance and dyke programs having had incurred no major costs to date. It is anticipated that most of the expenditures will occur in Q3.
- Corporate Services has a favourable variance in Q2 due to the timing of operating expenses which will be spent by the end of the year. It is anticipated to be on budget at the end of the year.

- Project Development and Facility Maintenance is on budget and is anticipated to be on budget at the end of the year.
- Library is on budget and is anticipated to be on budget at the end of the year.
- Planning and Development has recognized higher than budgeted building permit revenues and servicing agreement fees. Also contributing to the favourable variance are lower operating costs from the management of vacant positions, however, as the need to provide services associated with new building permit revenues arises, there will be a need to fill vacant positions. With the higher revenues and vacancies, a \$0.5M surplus is anticipated at the end of the year.
- Community Services has a favourable variance as at Q2. The timing of expenditures for key community events and operating expenditures is expected to be incurred in the latter half of the year. Because there are also vacant positions that have not been filled, a small surplus is anticipated by the end of the year.
- Corporate Administration has a favourable variance due to vacancies. It is anticipated to be on budget at the end of the year.
- Law and Community Safety is on budget and is anticipated to be on budget at the end of the year.
- Business and Financial Services has a favourable variance due to the majority of the Business Licences revenue having been received in Q1 and the vacant positions within the Financial Services department. It is forecasted to have a surplus of \$0.2M by the end of the year.
- Fiscal is favourable for Q2 with anticipated expenditures to follow in the latter half of 2011.

#### Utilities

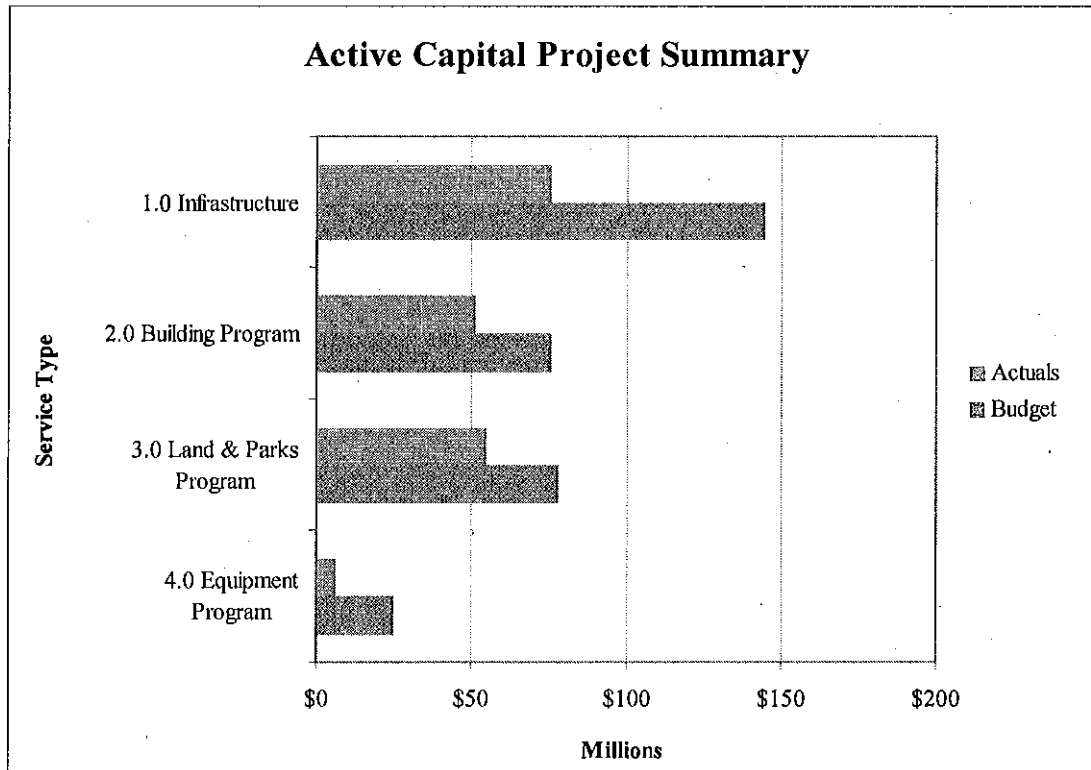
- Water Utility is currently on budget with water consumption increasing as the high usage summer months are starting. Also, increased receivable activity costs have been matched with increased receivable income. It is anticipated to have a balanced budget at the end of the year.
- Sewer Utility is on budget and is anticipated to have a balanced budget at the end of the year.
- Sanitation & Recycling Utility is on budget, with a noticeable shift from garbage utility to recycling as residents are starting to be more environmentally conscious. It is anticipated to have a balanced budget at the end of the year.

### Active Capital Project Summary

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

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

<b>Statement of Active Capital Project Expenditures</b> (\$'000s)			
	<b>Budget</b>	<b>Spent to Date</b>	<b>Commitment</b>
1.0 Infrastructure	144,900	75,779	69,121
2.0 Building Program	76,034	51,119	24,915
3.0 Land & Parks Program	78,482	54,620	23,862
4.0 Equipment Program	25,122	6,292	18,830
<b>Grand Total</b>	<b>\$324,538</b>	<b>\$187,810</b>	<b>\$136,728</b>

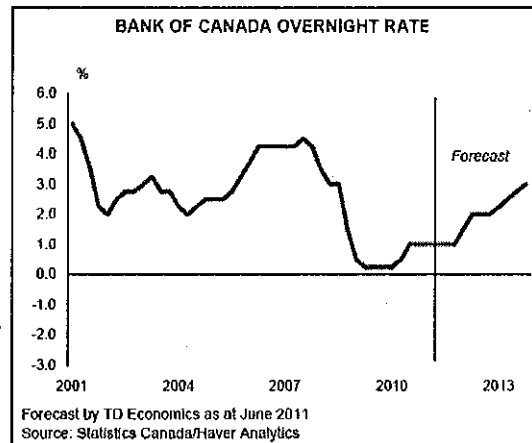


Cash and Investment Portfolio

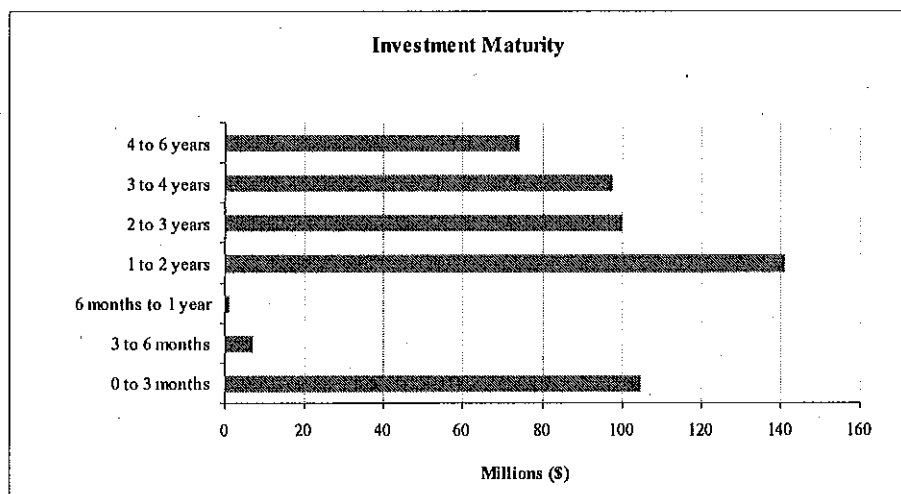
The City's cash and investment portfolio at June 30, 2011 was \$604.6M, with an average actual return on investment for the 2<sup>nd</sup> quarter of 2.4%. The current low interest rate environment and the City's cash flow projections have influenced the terms and types of investments that the City holds, which is reflected in the return.

Investment \$'000s	Value	% of Portfolio
<b>Prov Gov and Prov Crown Corp</b>		
Province of Ontario	\$ 52,645	8.71%
Province of BC	\$ 31,132	5.15%
Province of Manitoba	\$ 21,321	3.53%
<b>Total Prov Gov and Prov Crown Corp.</b>	<b>\$ 105,098</b>	<b>17.39%</b>
<b>Fed Gov and Fed Crown Corp</b>		
Canadian Mortgage and Housing Corporation	\$ 172,855	28.59%
Government of Canada	\$ 100,562	16.63%
Canadian Wheat Board	\$ 5,191	0.86%
<b>Total Fed Gov and Fed Crown Corp</b>	<b>\$ 278,608</b>	<b>46.08%</b>
<b>Schedule I Banks</b>		
TD Financial	\$ 17,102	2.83%
Royal Bank of Canada	\$ 10,308	1.70%
CIBC	\$ 9,603	1.59%
Scotia Bank	\$ 7,915	1.31%
First Bank	\$ 603	0.10%
National Bank of Canada	\$ 528	0.09%
<b>Total Schedule I Banks</b>	<b>\$ 46,059</b>	<b>7.62%</b>
<b>Credit Unions</b>		
Vancity Savings Credit Union	\$ 29,616	4.90%
Gulf & Fraser Financial Group	\$ 25,169	4.16%
Coast Capital Savings	\$ 20,000	3.31%
<b>Total Credit Unions</b>	<b>\$ 74,785</b>	<b>12.37%</b>
<b>Pooled Investments</b>		
Municipal Finance Authority	\$ 20,982	3.47%
<b>Total Pooled Investments</b>	<b>\$ 20,982</b>	<b>3.47%</b>
<b>Total Investments</b>	<b>\$ 525,532</b>	<b>86.93%</b>
<b>Cash and cash equivalents</b>	<b>\$ 79,080</b>	<b>13.07%</b>
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 604,612</b>	<b>100.00%</b>

The fallout from the Japanese earthquake has caused worldwide supply chain disruptions and the sovereign credit defaults in Europe have continued to push growth forecasts lower across the globe. The Canadian economy is expected to grow at a steady pace in the second half of 2011, but remains vulnerable due to a weaker U.S. economy. The Bank of Canada held rates constant at 1.0% because of the fear of a slower rate of growth in the Canadian economy, partly due to the slower than expected recovery in the U.S. The downgrade of the U.S. credit ratings may potentially delay any interest rate increase in the near future. It is forecasted that an interest rate increase will not likely happen until early or even mid 2012. A forecast of the interest rate movement is illustrated in the graph below.



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





### **Key Indicators (Appendix 1)**

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

### **Contract Awards (Appendix 2)**

This report provides Committee members information with regard to the formal contracts awarded by the City during the 2<sup>nd</sup> quarter.

### **Financial Impact**

None

### **Conclusion**

The City of Richmond's 2<sup>nd</sup> quarter 2011 financial results indicate that the City's revenues are trending favourably as evidenced by the increase in the number of housing starts, development applications received and business licences issued as compared to the previous quarter. This increased activity has generated revenues but because of the timing of costs incurring related to maintenance programs, vacant positions and major contracts, the City is in a surplus position. The costs are expected to increase as planned when the operational programs are fully underway during the second half of the year. Staff will continue to monitor the results and update the Committee on a quarterly basis.



Lisa Skippen  
Manager, Finance System Support  
(604-204-8660)

## Key Indicators



## City of Richmond

## Key Indicators - June 30, 2011

All \$ in 000s	Q2 2011 Apr-June 2011	Q2 2010 Apr-June 2010	% Change	Year to Date Jan-Jun 2011	Year to Date Jan-June 2010	Year to date % change
<b>Housing Starts</b>						
Number of Housing Starts (number of units)	374	249	50.2%	552	621	(11.1%)
Number of Demolitions	185	157	17.8%	309	279	10.8%
Net Housing Units Added	189	92	105.4%	243	342	(28.9%)
<b>Building Permits</b>						
Number of Building Permits Issued	361	371	(2.7%)	696	719	(3.2%)
Permit Revenues Collected (includes deferred revenue)	\$1,857	\$1,640	13.2%	\$2,785	\$2,768	0.6%
Value of Building Construction for Permits Issued	\$85,989	\$91,132	(5.7%)	\$174,474	\$118,001	47.9%
<b>Development Applications</b>						
Development Applications Received	50	49	2.0%	85	95	(10.5%)
Development Applications Revenue	\$168	\$127	30.5%	\$402	\$294	36.7%
<b>Business Licenses</b>						
Number of New Business Licenses Issued	496	533	(6.9%)	1,038	940	10.4%
Number of Employees Reported - New Licenses	1,311	1,412	(7.2%)	2,876	3,441	(16.4%)
Total Valid Licenses Renewed/(Discontinued)	(16)	174	(109.2%)	12,600	13,178	(4.4%)
Revenue Received for Current Year Licenses	\$621	\$760	(18.3%)	\$2,080	\$2,141	(2.8%)
Revenue Received for Next Year (Deferred)	\$105	\$139	(24.4%)	\$156	\$188	(16.9%)
Total License Revenue	\$726	\$899	(19.2%)	\$2,236	\$2,328	(4.0%)
Year to date valid licenses and revenue include current year licenses issued in the prior year.						
<b>Other Revenues</b>						
Parking Program Revenue	\$345	\$340	1.3%	\$671	\$647	3.7%
Gaming Revenue	\$3,412	\$3,181	7.3%	\$6,967	\$6,294	10.7%
Traffic Fine Revenue to date	\$894	\$893	11.4%	\$1,277	\$1,024	24.7%
<b>Development Cost Charges Income</b>						
Roads, Water, Sewer DCC's Received	\$3,084	\$5,080	(39.3%)	\$3,484	\$6,634	(47.5%)
Parks DCC's Received	\$3,209	\$5,306	(39.5%)	\$3,636	\$6,812	(46.6%)
Total DCC Fees Received	\$6,294	\$10,386	(39.4%)	\$7,121	\$13,446	(47.0%)
<b>Uncommitted Reserves</b>						
DCC Reserves to date	\$27,653	\$19,472	42.0%	\$27,653	\$19,472	42.0%
Capital Funding Reserves to date	\$50,679	\$23,027	120.1%	\$50,679	\$23,027	120.1%
Affordable Housing Reserves to date	\$1,830	\$1,003	82.5%	\$1,830	\$1,003	82.5%
Other Reserves to date	\$73,862	\$62,815	17.6%	\$73,862	\$62,815	17.6%
Total Uncommitted Reserves to date	\$154,024	\$106,318	44.9%	\$154,024	\$106,318	44.9%
<b>Taxes to date</b>						
Taxes Collected	\$140,795	\$127,507	10.4%	\$148,025	\$136,438	8.5%
City Portion of Taxes Collected	\$68,989	\$62,478	10.4%	\$72,532	\$66,854	8.5%
Unpaid Taxes - Delinquent & Arrears	\$4,077	\$4,016	1.5%	\$4,077	\$4,016	1.5%
No. of Participants on PAWS (Pre authorized withdrawal)	5,655	5,444	3.9%	5,655	5,444	3.9%
PAWS <sup>(1)</sup>	\$3,458	\$1,770	95.4%	\$8,696	\$7,139	21.8%
Interest Rate Paid to PAWS	1.00%	0.25%	0.75%	1.00%	0.25%	0.75%

Sources: All data is from City of Richmond records

(1) PAWS period changed from July - April in 2010 to August - May in 2011, which explains the increase and therefore is not comparable

All \$ in 000s	Q2 2011 Apr-June 2011	Q2 2010 Apr-June 2010	% Change	Year to Date Jan-Jun 2011	Year to Date Jan-June 2010	Year to date % change
<b>Employees</b>						
Number of City Employees (City and Library)	1,897	1,898	(0.1%)	1,897	1,898	(0.1%)
<b>Fire Rescue Responses</b>	2,251	2,181	3.2%	4,482	4,322	3.7%
<b>RCMP - Calls for Service Handled</b>	18,291	22,331	(18.1%)	35,533	41,700	(14.8%)
<b>Affordable Housing</b>						
Affordable Rental Units	8	0	100.0%	8	0	100.0%
Secondary Suite/Coach House Units	6	0	100.0%	11	0	100.0%
Market Rental Units	0	18	(100.0%)	0	26	(100.0%)
Unspent Funds Allocated to Capital Projects to date	\$9,198	\$9,198	0.0%	\$9,198	\$9,198	0.0%
<b>Investments</b>						
Total Investments	\$607,877	\$552,803	10.0%	\$607,877	\$552,803	10.0%
<b>Interest Earned on Investments</b>						
Average City Rate of Return on Investments	2.40%	2.60%	(0.20%)	2.83%	2.60%	0.23%
<i>Sources: All data is from City of Richmond records</i>						
<b>Market Indicators</b>						
<b>Median Residential Selling Prices - Richmond</b>						
Single Family Detached	\$970	\$825	17.6%	\$989	\$831	19.0%
Townhouse	\$557	\$500	11.4%	\$547	\$492	11.0%
Apartment*	\$358	\$338	6.6%	\$356	\$333	6.7%
Number of Sales (all housing types)	1,141	1,392	(18.0%)	2,667	2,679	(0.4%)
<i>Source: Real Estate Board of Greater Vancouver</i>						
<b>Unemployment Rate-Greater Vancouver</b>	7.3%	7.7%	(0.4%)	7.8%	7.7%	0.0%
<i>Regional Unemployment Rate (3 month moving average)</i>						
<i>Source: Statistics Canada &amp; BC Stats (Data not available for Richmond)</i>						
<b>Economic Development</b>						
Total sq. ft space Office YTD	4,319,927	4,365,067	(1.0%)	4,319,927	4,365,067	(1.0%)
Total sq. ft vacant space available Office YTD	850,682	767,427	10.8%	850,682	767,427	10.8%
Vacancy rate - Office (in %) YTD	19.69%	17.58%	12.0%	19.69%	17.58%	12.0%
Total sq. ft space Industrial YTD	36,246,862	35,989,013	0.7%	36,246,862	35,989,013	0.7%
Total sq. ft vacant space available Industrial YTD	1,594,862	1,649,765	(3.3%)	1,594,862	1,649,765	(3.3%)
Vacancy rate - Industrial (in %) YTD	4.40%	5.66%	(22.3%)	4.40%	5.66%	(22.3%)
<i>Source: Cushman &amp; Wakefield Ltd. - Market Report</i>						
<b>Richmond Population Estimate Year End*</b>	<b>2010:</b>	196,858	<b>2009:</b>	193,505		
<i>*Note: These population estimates include an estimate of the Census undercount. Amounts rounded to the nearest thousand.</i>						

**Contract Awards > \$ 25,000**  
**April 1, 2011 – June 30, 2011**

	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department or Division</b>
1.	3969 P Sanitary Sewer Assessment for the Terra Nova Study Area	M.J. Pawlowski	\$ 371,284	Video inspection of the sanitary sewer system in the Terra Nova area to identify sewers that require repairs or replacement	Engineering & Public Works
2.	4023 P Development of an Emergency & Business Continuity Department Plan for Richmond Fire-Rescue	KPMG LLP	\$ 40,000	Preparation of an emergency and business continuity plan for Richmond Fire-Rescue that is based on Richmond's Emergency Plan	Fire-Rescue
3.	4075 T RCMP CSB: Commercial Glazing RCMP Building	Concept Aluminum Products Inc	\$ 1,008,451	Glazing for the RCMP building	Project Development & Facilities Services
4.	4077 T RCMP CSB: Concrete and Concrete Masonry RCMP Community Safety Building	Athens Masonry	\$ 171,400	Concrete and masonry work for the RCMP building	Project Development & Facilities Services
5.	4214 Q RCMP CSB: Supply and Delivery of Tiling	Greyston Tile & Stone	\$ 117,333	Supply & install of tile at the RCMP building	Project Development & Facilities Services
6.	4200 P Social Planning Strategy	HB Lanarc Consultants Ltd	\$ 62,500	Consulting services 10 Year Richmond Social Planning Strategy	Community Services
7.	4223Q On Call Roofing Contractor	Marine Roofing	\$ 100,000	Contract for annual roofing inspections and maintenance	Project Development & Facilities Services
8.	4225 Q On Call Plumbing	Ashton Mechanical Group	\$ 300,000	Contract for annual plumbing inspections and maintenance	Project Development & Facilities Services
9.	4227 T RCMP CSB: Drywall, steel stud and acoustic ceiling	Benchmark LTD	\$ 614,950	Supply & install of drywall, steep stud and acoustic ceiling for the RCMP building	Project Development & Facilities Services
10.	4228 Q Supply & Install Backup Power - Richmond Ice Centre	Nightingale Electric	\$ 120,500	July 20, contracts awarded, site work to commence fall '11	Parks & Recreation
11.	4235 Q Supply and Delivery of Uniforms, Accessories and Recreational Clothing (Inventory) for Richmond Fire-Rescue	Award to multiple vendors	\$ 37,360	Contract to supply of uniform clothing items, accessories and gear for fire fighters Required under the collective agreement	Fire-Rescue
12.	4237 Q Supply and Delivery of Stationwear for Richmond Fire-Rescue	Canadian Linen	\$ 60,037	Contract to supply protective uniform stationwear (pants & shirts) for fire fighters Required under the collective agreement	Fire-Rescue
13.	4239 Q On Call Electrical Contractor	Western Integrated Electrical	\$ 25,000	Contract for annual electrical inspections yearly estimate	Project Development & Facilities Services
14.	4240 F RCMP CSB: Mechanical Excavation & Electrical Work	Hazelmere Contracting Ltd	\$ 96,188	Mechanical, Excavation and Electrical work being done for the new RCMP building	Project Development & Facilities Services
15.	4243 T RCMP CSB: Painting	M&L Painting LTD	\$ 120,950	Painting work at the new RCMP building	Project Development & Facilities Services
16.	4249 Q Supply and Delivery of one (1) Aerial Lift Electrical Truck	Altec Industries	\$ 138,222	Vehicle Replacement for unit 916 – Roads/Electrical	Engineering & Public Works (Fleet)

	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department or Division</b>
17.	4254 Q Supply and Delivery of one (1) Excavator	Great West Equipment	\$ 345,333	Vehicle Replacement for unit 732 – Fleet Operations Excavator	Engineering & Public Works (Fleet)
18.	4256 Q Supply and Delivery of one (1) Passenger Bus	Kirkman Bus Sales	\$ 98,332	Vehicle Replacement for unit 891 – Seniors' Centre Bus	Engineering & Public Works (Fleet)
19.	4257 Q Supply and Delivery of one (1) extended Cab & Chassis (1) One Tonne Flat Bed Truck	Richmond Chrysler	\$ 42,125	Vehicle Replacement for unit 917 – Roads/Crack Sealing	Engineering & Public Works (Fleet)
20.	4260 T RCMP CSB; Electrical	Elgar Electrical	\$ 1,699,500	Supply & install of electrical at the new RCMP building	Project Development & Facilities Services
21.	4275 Q Supply and Delivery of one (1) Crew Cab Flat Deck Truck	Richmond Chrysler Jeep	\$ 71,257	Vehicle Replacement for unit 943 – Roads/Paving	Engineering & Public Works (Fleet)
22.	4287 Q RCMP: Millwork	Colwin Design Ltd	\$ 99,719	Supply & install of millwork at the new RCMP building	Project Development & Facilities Services
23.	4290 Q Supply and Delivery of One (1) Full Size Cargo Van (shorty)	Metro Motors	\$ 28,839	Vehicle Replacement for unit 896 – Administration/Radio Communications	Engineering & Public Works (Fleet)
24.	4296 Q Supply and Install Blundell and Dixon School Tot Lots	Suttle Recreation Inc - Blundell School Rec Tec Industries - Dixon School	\$ 38,519 (Blundell) \$40,697 (Dixon)	Supply and installation of playground equipment to replace existing equipment that no longer meets current safety standards	Parks & Recreation
25.	4299 F Sewer back up repairs - Fire Hall #5	On Side Restoration	\$ 44,246	Sewer back up repairs	Project Development & Facilities Services
26.	4300 F Flow control - various pump stations	McRae's Environmental Services	\$ 205,009	Pump truck services required to perform emergency repairs and install temporary bypass for the Lansdowne Forcemain due to grease blockages	Sewerage/Drainage
27.	4301 F IT software/ hardware/ Training/ Labour	SoftChoice Corporation	\$ 51,693	Microsoft annual maintenance for server and client software licenses (all systems)	Information Technology
28.	4302 F RCMP CSB: Metal Cladding & Column Cladding	Rite-way Metals	\$ 63,950	Supply & install of metal & column cladding at the new RCMP building	Project Development & Facilities Services
29.	4303 Q Supply & Install Fibre Optic Cable - Ironwood	Plan Group	\$ 70,344	City data & voice network extension to support City (RCMP support) staff who will be moving to Ironwood along with the RCMP	Information Technology
30.	4308 Q 2011 Exterior Repainting	A. Craig and Son Ltd	\$ 55,823	Paint Contract for City Buildings listed on Exterior Paint Program	Project Development & Facilities Services
31.	4309 F IT software/ hardware/ Training/ Labour	Dell	\$ 55,997	Dell servers for Peoplesoft upgrade project; replacing old HP servers	Information Technology
32.	4310 Q Supply and Install of Tot Lot at Currie Elementary School	Habitat Systems Inc	\$ 81,890	Supply and installation of playground equipment to replace existing equipment that no longer meets current safety standards	Parks & Recreation
33.	4312 F Emergency design services - Lansdowne	McElhanney Consulting Services Ltd	\$ 25,000	Design services for the Emergency Replacement of the Lansdowne Forcemain due to grease blockages	Engineering & Public Works
34.	4313 F Supply and Install of unglazed solar panels at South Arm Pool	Hot Sun Industries Ltd	\$ 69,500	Installation completed May 31, 2011	Project Development & Facilities Services

	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department or Division</b>
35.	4314 F Supply and Install of solar heating panels at Centennial Pool	Hot Sun Industries Ltd	\$ 75,000	Supply and Install of solar heating panels	Project Development & Facilities Services
36.	4318 F Design/build Alexandra District Energy Utility	Oris Geo Energy	\$ 3,500,000	Design and construction of the Alexandra District Energy Utility Phase 1, including geothermal wellfield, Energy Centre and distribution piping	Engineering & Public Works
37.	4319 F Annual support for REDMS DM and RM	Open Text	\$ 153,467	Open Text annual maintenance for server and client software licenses (REDMS system)	Information Technology
38.	4320 F Supply and Install: two (2) boilers at South Arm Pool	Ashton Service Group	\$ 77,500	Boiler installation completed May 31, 2011	Project Development & Facilities Services
39.	4321 F RCMP CSB: Supply and install of overhead doors	Valmart Door Sales	\$ 36,487	Supply & install of overhead doors at the new RCMP building	Project Development & Facilities Services
40.	4322 F Supply and Delivery of one (1) Bobcat	Bobcat Country Inc	\$ 39,320	Equipment Replacement for unit 1381 – Parks/Chipper	Engineering & Public Works (Fleet)
41.	4323 F Annual Powder Post Beetle Remediation	Entech Consultants Ltd	\$ 50,000	Pest control	Project Development & Facilities Services
42.	4327 F RCMP CSB: Furniture & Moving	Heritage Office Furnishings	\$ 253,202	Costs to relocate existing furniture to the RCMP building	Project Development & Facilities Services
43.	4328 F Landscape Architectural Consulting Services - Oval West Waterfront Park	Phillips Farevaag Smallerberg	\$ 95,000	Consulting services for detailed design, tender documents and specifications	Parks & Recreation
44.	4329 F Supply and Install Temporary Sewer Bypass at Lansdowne Road from Cederbridge to Hollybridge	PW Trenchless Construction Ltd	\$ 46,351	Emergency temporary bypass of the Lansdowne Forcemain due to grease blockages	Sewerage/Drainage
45.	4331 Q Supply and Delivery Leisure Guide Wrap Inner Content Printing	International Web Express	\$ 66,932	Printing and binding of three Parks, Recreation and Culture Guides (@ 22,000 copies each x 160 pages)	Parks & Recreation
46.	4332 F RCMP CSB: Interior Carpentry	Vertegic Construction	\$ 36,700	Supply & install of interior carpentry work	Project Development & Facilities Services
47.	4335 F Supply and Install: RCMP CSB: Supply Entry Mats, Counter Shutters, Lockers, Corner guards and Crash Rails	Shanahans Ltd	\$ 65,625	Supply & install Entry Mats, Counter Shutters, Lockers, Corner guards and Crash Rails	Project Development & Facilities Services
48.	4337 F Janitorial Services (April/11) - Thompson, Steveston, West Richmond Community Centres	Acom Building Maintenance	\$ 26,622	Contract cleaning for Community Centres for work beyond that which is typically done by in-house staff	Project Development & Facilities Services
49.	4338 J Reassemble Double Wide Trailer at Public Works Yard (from Fire Hall 2)	RMT Contracting	\$ 45,572	Relocation & minor renovation of existing modular building	Project Development & Facilities Services
50.	4339 F Janitorial Services (February/11) - West Richmond, Thompson, Steveston Community Centre	Acom Building Maintenance	\$ 26,622	Contract cleaning for Community Centres for work beyond that which is typically done by in-house staff	Project Development & Facilities Services
51.	4340 F Inspections on City's Pump Stations	TND Technical Services	\$ 50,000	Provide electrical inspection and assessment on pump stations	Sewerage/Drainage

	<b>Contract Name</b>	<b>Award</b>	<b>Amount</b>	<b>Description</b>	<b>Department or Division</b>
52.	4341 F Consulting Services - PC Evergreen Work Process Review	Beyond Tech Solutions	\$ 33,696	Consulting services to refine work process and to identify line-of-business & DT applications for software inventory	Information Technology
53.	4545 F Supply and Delivery of HDPE pipe and fusion equipment for Lansdowne Forcemain	Sandale Utility Products	\$ 78,763	HDPE pipe for the Emergency Replacement of the Lansdowne Forcemain due to grease blockages	Engineering & Public Works
54.	4549 F Supply and Install Solar System at South Arm Pool	Ashton Service Group	\$ 35,457	Improve energy efficiency of the hot water supply for the pool and shower facilities by installing new high energy efficiency boilers augmented by solar panels to take advantage of fossil fuel and green house gas free alternative energy source	Community Services
55.	4551 F Hansen Annual Maintenance Contract	Hansen Information Technologies (Canada)	\$ 92,375	Hansen annual maintenance for server and client software licenses (Hansen work-order system)	Information Technology
56.	4554 F RCMP CSB: Fireproofing	Greer Contracting Ltd	\$ 49,600	Supply & install of fireproofing	Project Development
57.	4556 F King George Park Master Plan Update	Damon Oriente Ltd	\$ 25,000	Consulting services for design development for the master plan update	Parks & Recreation
58.	4557 F Supply and Install Anti-Skid coating to No 6 Road and Granville Ave	Lafrentz Road Marking	\$ 60,000	Installation of anti-skid coating to the s-curves on No 6 Rd to improve public safety	Engineering & Public Works
59.	4558 F PHASE 2 - Supply and Install: Mechanical & Supply and Delivery of six (6) Trolleys - Richmond Brighthouse Branch Expansion at Brighthouse Library	Lyngose Systems Inc	\$ 38,582	Phase 2 of the extension of the Automated Materials Handling system project for the Circulation department of the Richmond Public Library	Library
60.	4563 F Election Services: Web Hosting & Management Services	Comprint Systems Inc-Data Fix	\$ 76,900	Web Hosting & Management Services	Corporate Services
61.	4564 J Garratt Wellness Centre - Upgrades & Renovation	RMT Contracting Ltd	\$ 220,798	Asbestos abatement, new floors, plumbing upgrade, washroom upgrades	Project Development & Facilities Services
62.	4565 J Tennis Net Shed Upgrades	RMT Contracting Ltd	\$ 93,762	Expansion of storage area on south wall and new garage door	Project Development & Facilities Services
63.	4566 F Supply and install roof top garden Richmond Library Cultural Centre	C.L.C.S. Ltd	\$ 105,881	Renovation of 2 <sup>nd</sup> floor patio including installation of green roof	Project Development & Facilities Services







# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** August 22, 2011

**From:** Andrew Nazareth  
General Manager, Business & Financial Services

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

**Re:** Amendments to the 5 Year Financial Plan (2011-2015) Bylaw No. 8707

### Staff Recommendation

1. That the 5 Year Financial Plan (2011 – 2015) be amended to reflect the previously approved Council changes as per the attached report.
2. That the 5 Year Financial Plan (2011 – 2015) be amended to reflect the administrative changes as per the attached report.
3. That the 5 Year Financial Plan (2011 – 2015) Bylaw No. 8707, Amendment Bylaw 8809, which would incorporate and put into effect the changes to the 2011 Capital and Operating Budgets (as summarized in Attachment 1), be introduced and given first, second and third readings.

Andrew Nazareth  
General Manager, Business & Financial Services  
(604-276-4095)

### FOR ORIGINATING DEPARTMENT USE ONLY

ROUTED TO:		CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Community Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Clerks	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Engineering	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Information Technology	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Real Estate Services	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
<b>REVIEWED BY TAG</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<b>REVIEWED BY CAO</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

## Staff Report

### Origin

The 5 Year Financial Plan (2011-2015) Bylaw No. 8707 was adopted April 11, 2011. Included in the 5 Year Financial Plan (5YFP) are the 2011 Capital and 2011 Operating Budgets.

Subsection 165(2) of the Community Charter allows for amendments of the financial plan by bylaw and Section 137(1)b directs that the power to amend or repeal must be exercised by bylaw and is subject to the same approval and other requirements, if any, as the power to adopt a new bylaw under that authority.

### Analysis

Subsequent to the adoption of the 5 Year Financial Plan (2011-2015) Bylaw No. 8707 on April 11, 2011, additional opportunities and projects have emerged. The current expenditure bylaw does not include these amounts and staff recommends that these amendments to the 5YFP be approved. There is **no tax impact** for any of these amendments.

Several reports have been presented at Council detailing amendments to the 5YFP. The Council approved changes are:

1. a. At the Council meeting on February 28, 2011, Council approved: *"That \$88,000 in additional funding be provided from the Council Provision Account to implement a "vote anywhere / super poll" initiative for the 2011 civic election."*
- b. At the Closed Council meeting on March 14, 2011, Council approved the acquisition of a parkland property at a total cost of \$8,434,375 (including fees). The funding approved for this acquisition is the existing Strategic Land Acquisition capital projects until funds are collected within the Parkland Acquisition DCC program. At this point, there is \$6,650,000 that can be repaid to the Industrial Use Reserve. (\$6,254,325 from City-Wide Parkland DCCs and \$395,675 Capital Reserve assist factor).
- c. At the Council meeting on May 24, 2011, Council approved: *"That the Williams Road Area Lane Upgrade projects be funded through the Asphalt Capping Provision account and the 2011 Asphalt Capping Program"* These lanes have been identified as a priority for upgrade due to drainage and rideability issues. The total value of this project is \$767,000 with \$696,067 funded from the Asphalt Capping Provision and \$70,933 funded from the existing 2011 Asphalt Capping Program. This will result in an overall increase to the 2011 Capital Budget by \$696,067.
- d. At the Closed Council meeting on June 13, 2011, Council approved the acquisition of a parkland property with a cash amount of \$1,536,167 (including fees). This amount will increase the 2011 Capital Budget funded from the Industrial Use Reserve.

- e. At the Council meeting on June 13, 2011, Council approved the following One Time Additional Expenditures:

*“That the December 31, 2010 surplus of \$2,452,800 be appropriated as outlined in the staff report entitled 2010 Surplus Appropriation, dated May 17, 2011, from the General Manager, Business and Financial Services; provided that:*

- (1) Item No. 41 - Gateway Theatre Box Office Printers, in the amount of \$10,000, be added to the list of items to be funded from the 2010 Surplus Appropriation; and*
- (2) Item No. 42 - Gateway Theatre Lighting Board, in the amount of \$12,000, be added to the list of items to be funded from the 2010 Surplus Appropriation.*

*and the contributions to the reserves be revised accordingly.”*

- Transfer to Reserves (\$478,000)
- Security Access System\* (\$290,000)
- Sister City Plan 2011-2013 (\$234,410)
- Initiation of a Dike Master Plan (\$200,000)
- Pesticide Use Control Bylaw No. 8514 (\$145,000)
- Mobile Solutions\* (\$122,390)
- Steveston Tennis Building\* (\$105,000)
- Business and Financial Services Tangible Capital Asset Analysts (\$100,000)
- Noise Bylaw (\$100,000)
- Accessible Washroom at London Heritage Farm (\$80,000)
- CLASS upgrade PIN/Chip card\* (\$75,000)
- Library Cultural Centre Parkade Upper Level Maintenance (\$70,000)
- Consultant for Event – On Line Form (\$60,000)
- Vehicles for Animal Control\* (\$60,000)
- Animal Shelter Feasibility Study (\$50,000)
- On Line License (\$50,000)
- Tempest Software\* (\$50,000)
- Fire Rescue Additional Equipment (\$45,000)
- Energy Management (\$35,000)
- Civic Election Public Awareness / Education Strategy (\$25,000)
- Community Services Department Clerical Support Funding (\$25,000)
- City Election Guide – increase costs to include “Candidate Profiles” (\$16,000)
- Recreation Fee Subsidy (\$15,000)
- Gateway Theatre Lighting Board Replacement (\$12,000)
- Gateway Theatre Printers (\$10,000)

\*Items totalling \$702,390 are considered capital and will be included as amendments to the 2011 Capital Budget. The remaining items totalling \$1,750,410 will be included as amendments to the 2011 Operating Budget.

- f. At the Council meeting on June 27, 2011, Council approved: *"That an increase to the project scope for a video surveillance upgrade required for the RCMP Community Safety Building (CSB) project to meet the new 2012 proposed standards for police buildings valued at \$179,000, be approved as part of the RCMP CSB project; and, that an increase to the project scope for a secure room required for the RCMP's Live Scan system valued at \$20,000, be approved as part of the RCMP CSB project, and be funded from the Capital Building and Infrastructure Reserve."* This results in an overall increase to the 2011 Capital Budget of \$199,000, with \$179,000 funded by the operating surplus of the contract between the City and RCMP and \$20,000 from the Capital Building and Infrastructure Reserve.
- g. At the Closed Council meeting on July 11, 2011, Council approved the acquisition of a strategic property at a total cost of \$7,751,950 (including fees). The 2011 Capital Budget will be increased by \$7,751,950 funded from the Industrial Use Reserve.
- h. At the Closed Council meeting on July 25, 2011, Council approved the acquisition of a parkland property at a total cost of \$3,070,000 (including fees). The 2011 Capital Budget will be amended by \$1,368,730, funded by \$487,866 from West Cambie Parkland Acquisition DCCs, \$30,864 from Capital Reserve assist factor, and \$850,000 from the Industrial Use Reserve. The remaining balance of \$1,701,270 can be accommodated within existing approved Strategic Land Acquisition capital projects.
- i. At the Council meeting on July 25, 2011, Council approved: *"That \$372,600 be allocated from the approved Interurban Tram Restoration (2011) project to fund the Steveston Tram Building Project (2011); and, that (an additional) \$427,400 be allocated from the Steveston Road Ends."* This results in the Steveston Tram Building Project increasing by \$800,000 with a net overall increase to the 2011 Capital Budget of \$427,400.

Throughout the course of the year the expenditure pattern can vary from the original 5 Year Financial Plan Bylaw. This can be due to additional amounts received, re-classification of costs or unexpected expenditures. The following amendments represent administrative changes:

- 2. a. At the May 9, 2011 Finance Committee meeting, the report titled "Future Reserves and Surplus and Future Construction" indicated that \$1,000,000 for RCMP CSB moving expenses was to be funded from the Revolving Fund Capital Reserve. Upon further review, it is estimated that \$230,000 of these are non-capital in nature. The costs that are considered capital, in the amount of \$770,000 will be included in the 2011 Capital Budget funded from the Revolving Fund Capital Reserve. The non-capital costs in the amount of \$230,000 will be included in the 2011 Operating Budget funded from a reduction to the transfer to reserves. Overall, the ending balance of the Revolving Fund Capital Reserve is unchanged and the expenditures are budgeted in the appropriate Budgets.

- b. Include \$490,000 in the 2011 Capital Budget for a data storage system funded from the Computer Equipment Provision. The City data storage system is essential to the delivery of effective City computer services. Centralizing data storage is also essential to the cost-effective delivery of those services. The current data storage system is obsolete, at full capacity and a replacement system is required. Generally accepted accounting principles necessitates including computer equipment in the Capital Budget.
- c. Relocate the Sports Hosting function to the Oval Corporation in the amount of \$344,813. Tourism Richmond is seeking improved performance as they fully fund this function. Moving this function to the Oval creates synergies with other sport functions resulting in increased operating efficiencies. Oval management have relationships with sporting bodies in Canada and worldwide, thus enhancing the ability of the Sports Hosting Office to achieve its objectives.
- d. Include the balance of the Election Provision of \$238,016 in the 2011 Operating Budget for anticipated costs relating to the 2011 civic election. This balance is in addition to the 2011 annual allocation of \$117,800 resulting in a total available budgeted amount of \$355,816.
- e. Include \$50,000 for the cost of consulting and associated expenses to assist with Facilities and Community Services staff with development of the City-owned child care facilities, funded from the Child Care Reserve. The primary focus is on the facility to be established on lands obtained through the rezoning of the TransLink maintenance facility in Hamilton.
- f. Include \$30,000 for the costs associated to consulting services to assist with the review and update of the Richmond Affordable Housing Strategy, funded from the Affordable Housing Operating Reserve. The initial areas of focus are the assessment of Affordable Housing Contribution Rates and the Affordable Housing Reserve Fund review, analysis and best use forecast.

## Financial Impact

The proposed 2011 budget amendments will have **no tax impact**. Overall, there is an increase of \$20,671,704 to the 2011 Capital Budget and \$1,811,613 to the 2011 Operating Budget. Each of these annual budgets combine to form part of the 2011-2015 5YFP. The 2011-2015 5YFP schedule, capital program and funding sources can be found in **Attachments 1 - 3**.

2011 Capital Budget - Summary of Changes		(in \$000's)
<b>Capital Budget as at April 11, 2011</b>		<b>\$ 72,699</b>
Land acquisitions	17,307	
RCMP building moving costs - capital (gross \$1,000)	770	
Additional level expenditures – 2010 surplus (gross \$2,453)	703	
Williams Rd area lane upgrades (gross \$767)	696	
Data storage system	490	
Steveston tram building (gross \$800)	427	
RCMP video surveillance and live scan	199	
Reserve transfers to Operating Budget	80	
<b>Total amendments</b>		<b>20,672</b>
<b>Total Capital Budget including amendments</b>		<b>\$93,371</b>

2011 Operating Budget - Summary of Changes		(in \$000's)
<b>Operating Budget as at April 11, 2011</b>		<b>\$ 397,245</b>
Additional level expenditures – 2010 surplus (gross \$2,453)	1,750	
Transfer sports hosting to Oval Corporation	(345)	
Election provision	238	
RCMP moving expenses	230	
Reduction of transfer to reserves (RCMP moving)	(230)	
Elections “vote anywhere”	88	
Transfer to statutory reserves (child care and affordable housing)	80	
<b>Total amendments</b>		<b>1,811</b>
<b>Total Operating Budget including amendments</b>		<b>\$399,056</b>

## Conclusion

Staff recommend that Council approve the 2011 Capital and Operating Budget amendments to accommodate the expenditures within the 5 Year Financial Plan Bylaw. The proposed 2011 budget amendments will have no tax impact. Overall, there is an increase of \$20,671,704 to the 2011 Capital Budget and \$1,811,613 to the 2011 Operating Budget.

As required in Section 166 of the Community Charter staff will conduct a process of public consultation prior to final reading September 26, 2011.

per. 

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

JC:cg

**CITY OF RICHMOND**  
**5 YEAR FINANCIAL PLAN (2011 – 2015)**  
(in 000's)

	2011	2012	2013	2014	2015
<b>Revenues</b>					
Property Taxes	161,335	168,343	175,485	181,890	188,562
Transfer from Capital Equity	46,821	54,931	61,127	67,498	74,247
Fees & Charges	26,147	27,223	29,044	30,879	31,796
Grant-in-lieu	11,770	11,920	12,070	12,320	12,420
Grants	3,715	3,789	3,865	3,942	4,021
Gaming Revenue	11,113	11,146	11,174	11,204	11,242
Investment Income	16,205	15,400	13,650	12,800	11,200
Penalties and Interest on Taxes	990	995	1,000	1,005	1,010
Miscellaneous Fiscal Earnings	27,791	23,222	23,038	23,664	24,238
Utilities	85,460	90,477	95,311	99,752	104,392
Transfer from Capital Equity	7,709	8,597	9,565	10,629	11,740
Capital Plan					
Transfer from DCC Reserve	18,526	12,432	10,206	9,556	8,242
Transfer from Other Funds and Reserves	74,846	100,044	54,443	42,000	28,178
Carry Forward Prior Years	143,382	64,824	53,190	35,352	26,072
<b>TOTAL REVENUES</b>	<b>\$635,810</b>	<b>\$593,343</b>	<b>\$553,168</b>	<b>\$542,491</b>	<b>\$537,360</b>
<b>Expenditures</b>					
Law & Community Safety	80,218	82,361	84,841	87,162	89,883
Parks & Recreation	36,970	39,680	41,460	43,505	45,340
Engineering & Public Works	55,316	59,946	64,005	68,507	73,043
Community Services	21,154	22,101	23,231	24,529	25,637
Corporate Services	17,785	17,562	18,209	18,990	19,605
Project Development & Facility Maintenance	11,802	11,882	12,205	12,582	12,885
Planning & Development Services	12,150	12,512	13,080	13,777	14,303
Business and Financial Services	7,080	7,059	7,305	7,617	7,820
Corporate Administration	4,343	4,414	4,555	4,735	4,849
Fiscal	24,786	24,761	27,700	31,020	33,735
Transfer to Funds: Statutory Reserves	29,759	30,389	30,392	31,356	31,636
Utilities	93,169	99,074	104,876	110,381	116,132
Municipal Debt					
Debt Interest	3,223	3,137	2,359	844	-
Debt Principal	1,301	1,165	1,111	578	-
Capital Plan					
Current Year Capital Expenditures	93,372	112,476	64,649	51,556	36,420
Carry Forward Prior Years	143,382	64,824	53,190	35,352	26,072
<b>TOTAL EXPENDITURES</b>	<b>\$635,810</b>	<b>\$593,343</b>	<b>\$553,168</b>	<b>\$542,491</b>	<b>\$537,360</b>
<b>Proposed Property Tax Increase</b>	<b>2.95%</b>	<b>3.10%</b>	<b>3.05%</b>	<b>3.08%</b>	<b>3.12%</b>



**CITY OF RICHMOND**  
**5 YEAR FINANCIAL PLAN**  
**CAPITAL PROGRAM (2011-2015)**  
(in \$000's)

	2011	2012	2013	2014	2015
<b><u>Infrastructure Program</u></b>					
Drainage	5,151	4,985	2,191	3,317	3,800
Infrastructure Advanced Design & Land	969	907	1,189	767	750
LIP/NIC	750	750	750	750	750
Minor Public Works	800	1,100	1,100	1,100	1,100
Roads	9,807	9,633	9,067	6,710	4,603
Sanitary Sewer	3,218	2,232	1,990	6,426	2,570
Water Main Replacement	10,988	7,777	11,680	12,464	8,975
<b>Total Infrastructure Program</b>	<b>31,683</b>	<b>27,384</b>	<b>27,967</b>	<b>31,534</b>	<b>22,548</b>
<b><u>Building Program</u></b>					
Community Safety Building	3,201	-	15,800	-	-
Major Building	2,247	63,550	-	100	-
Minor Building	1,570	600	600	600	600
<b>Total Building Program</b>	<b>7,018</b>	<b>64,150</b>	<b>16,400</b>	<b>700</b>	<b>600</b>
<b><u>Parks Program</u></b>					
Major Parks/Streetscapes	2,452	1,935	1,500	1,700	700
Minor Parks	600	850	550	350	550
Parkland Acquisition	6,305	3,500	4,500	3,500	3,500
<b>Total Parks Program</b>	<b>9,357</b>	<b>6,285</b>	<b>6,550</b>	<b>5,550</b>	<b>4,750</b>
<b><u>Land Program</u></b>					
Land Acquisition	12,752	-	-	-	-
<b>Total Land Program</b>	<b>12,752</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Equipment Program</u></b>					
Annual Fleet Replacement	1,563	1,000	1,255	1,478	1,600
Communication Equipment	-	-	595	-	-
Computer Capital/Software	2,270	1,105	1,105	1,105	1,105
Fire Dept Vehicles	1,240	1,250	80	800	800
Miscellaneous Equipment	8,032	1,170	1,370	1,800	1,170
Technology	-	300	220	-	-
Vehicle Equipment	954	-	-	-	-
<b>Total Equipment Program</b>	<b>14,059</b>	<b>4,825</b>	<b>4,625</b>	<b>5,183</b>	<b>4,675</b>
<b><u>Child Care Program</u></b>					
Child Care Program	295	225	-	-	-
<b>Total Child Care Program</b>	<b>295</b>	<b>225</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Internal Transfers/Debt Payment</u></b>					
Internal Transfers/Debt Payment	18,207	9,607	9,107	8,589	3,847
<b>Total Internal Transfers/Debt Payment</b>	<b>18,207</b>	<b>9,607</b>	<b>9,107</b>	<b>8,589</b>	<b>3,847</b>
<b>Total Capital Program</b>	<b>\$93,371</b>	<b>\$112,476</b>	<b>\$64,649</b>	<b>\$51,556</b>	<b>\$36,420</b>

**CITY OF RICHMOND**  
**5 YEAR FINANCIAL PLAN**  
**CAPITAL FUNDING SOURCES (2011-2015)**  
(in 000's)

	2011	2012	2013	2014	2015
<b><u>DCC Reserves</u></b>					
Drainage	539	1,248	167	403	-
Parks Acquisition	9,940	3,292	4,232	3,292	3,292
Parks Development	1,458	2,102	1,693	1,881	943
Roads	5,126	4,766	3,601	2,991	3,336
Sanitary Sewer	746	580	143	652	-
Water	717	444	370	337	671
<b>Total DCC Reserves</b>	<b>18,526</b>	<b>12,432</b>	<b>10,206</b>	<b>9,556</b>	<b>8,242</b>
<b><u>Statutory Reserves</u></b>					
Affordable Housing Reserve Fund	30	-	-	-	-
Capital Building and Infrastructure Reserve Fund	320	8,500	7,300	-	-
Capital Reserve Fund	27,688	32,898	14,004	9,464	2,691
Child Care Development Reserve Fund	345	225	-	-	-
Drainage Improvement Reserve Fund	4,251	3,921	2,182	2,964	4,050
Equipment Replacement Reserve Fund	3,483	2,250	1,535	2,278	2,400
Leisure Facilities	-	-	-	-	-
Local Improvements Reserve Fund	750	750	750	750	750
Public Art Program Reserve Fund	349	-	-	-	-
Sanitary Sewer Reserve Fund	2,938	18,127	2,375	2,893	2,970
Steveston Road Ends Reserve Fund	1,257	-	-	-	-
Watermain Replacement Reserve Fund	13,466	21,490	12,000	7,500	7,504
<b>Total Statutory Reserves</b>	<b>54,876</b>	<b>88,161</b>	<b>40,146</b>	<b>25,849</b>	<b>20,365</b>
<b><u>Other Sources</u></b>					
Appropriated Surplus/Surplus	8,729	6,088	6,088	6,088	6,088
Enterprise	1,466	-	-	-	-
Grant, Developer and Community Contributions	6,054	4,195	6,609	8,463	125
Utility Levy	420	-	-	-	-
Water Metering Provision	3,300	1,600	1,600	1,600	1,600
<b>Total Other Sources</b>	<b>19,969</b>	<b>11,883</b>	<b>14,297</b>	<b>16,151</b>	<b>7,813</b>
<b>Total Capital Plan Contributions</b>	<b>\$93,371</b>	<b>\$112,476</b>	<b>\$64,649</b>	<b>\$51,556</b>	<b>\$36,420</b>



# City of Richmond

## Bylaw 8809

### 5 Year Financial Plan (2011-2015) Bylaw 8707, Amendment Bylaw 8809

The Council of the City of Richmond enacts as follows:

1. Schedule "A", Schedule "B" and Schedule "C" of the 5 Year Financial Plan (2011-2015) Bylaw 8707, are deleted and replaced with Schedule "A", Schedule "B" and Schedule "C" attached to and forming part of this amendment bylaw.
2. This Bylaw is cited as **"5 Year Financial Plan (2011 – 2015) Bylaw 8707, Amendment Bylaw 8809"**.

FIRST READING


SECOND READING

THIRD READING

ADOPTED

\_\_\_\_\_  
MAYOR

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

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


CITY OF RICHMOND  
5 YEAR FINANCIAL PLAN (2011 – 2015)  
(in 000's)

	2011	2012	2013	2014	2015
<b>Revenues</b>					
Property Taxes	161,335	168,343	175,485	181,890	188,562
Transfer from Capital Equity	46,821	54,931	61,127	67,498	74,247
Fees & Charges	26,147	27,223	29,044	30,879	31,796
Grant-in-lieu	11,770	11,920	12,070	12,320	12,420
Grants	3,715	3,789	3,865	3,942	4,021
Gaming Revenue	11,113	11,146	11,174	11,204	11,242
Investment Income	16,205	15,400	13,650	12,800	11,200
Penalties and Interest on Taxes	990	995	1,000	1,005	1,010
Miscellaneous Fiscal Earnings	27,791	23,222	23,038	23,664	24,238
Utilities	85,460	90,477	95,311	99,752	104,392
Transfer from Capital Equity	7,709	8,597	9,565	10,629	11,740
Capital Plan					
Transfer from DCC Reserve	18,526	12,432	10,206	9,556	8,242
Transfer from Other Funds and Reserves	74,846	100,044	54,443	42,000	28,178
Carry Forward Prior Years	143,382	64,824	53,190	35,352	26,072
<b>TOTAL REVENUES</b>	<b>\$635,810</b>	<b>\$593,343</b>	<b>\$553,168</b>	<b>\$542,491</b>	<b>\$537,360</b>
<b>Expenditures</b>					
Law & Community Safety	80,218	82,361	84,841	87,162	89,883
Parks & Recreation	36,970	39,680	41,460	43,505	45,340
Engineering & Public Works	55,316	59,946	64,005	68,507	73,043
Community Services	21,154	22,101	23,231	24,529	25,637
Corporate Services	17,785	17,562	18,209	18,990	19,605
Project Development & Facility Maintenance	11,802	11,882	12,205	12,582	12,885
Planning & Development Services	12,150	12,512	13,080	13,777	14,303
Business and Financial Services	7,080	7,059	7,305	7,617	7,820
Corporate Administration	4,343	4,414	4,555	4,735	4,849
Fiscal	24,786	24,761	27,700	31,020	33,735
Transfer to Funds: Statutory Reserves	29,759	30,389	30,392	31,356	31,636
Utilities	93,169	99,074	104,876	110,381	116,132
Municipal Debt					
Debt Interest	3,223	3,137	2,359	844	-
Debt Principal	1,301	1,165	1,111	578	-
Capital Plan					
Current Year Capital Expenditures	93,372	112,476	64,649	51,556	36,420
Carry Forward Prior Years	143,382	64,824	53,190	35,352	26,072
<b>TOTAL EXPENDITURES</b>	<b>\$635,810</b>	<b>\$593,343</b>	<b>\$553,168</b>	<b>\$542,491</b>	<b>\$537,360</b>
<b>Proposed Property Tax Increase</b>	<b>2.95%</b>	<b>3.10%</b>	<b>3.05%</b>	<b>3.08%</b>	<b>3.12%</b>

**CITY OF RICHMOND  
5 YEAR FINANCIAL PLAN  
FUNDING SOURCES (2011 – 2015)  
(in 000's)**

	2011	2012	2013	2014	2015
<b><u>DCC Reserves</u></b>					
Drainage	539	1,248	167	403	-
Parks Acquisition	9,940	3,292	4,232	3,292	3,292
Parks Development	1,458	2,102	1,693	1,881	943
Roads	5,126	4,766	3,601	2,991	3,336
Sanitary Sewer	746	580	143	652	-
Water	717	444	370	337	671
<b>Total DCC Reserves</b>	<b>18,526</b>	<b>12,432</b>	<b>10,206</b>	<b>9,556</b>	<b>8,242</b>
<b><u>Statutory Reserves</u></b>					
Affordable Housing Reserve Fund	30	-	-	-	-
Capital Building and Infrastructure Reserve Fund	320	8,500	7,300	-	-
Capital Reserve Fund	27,688	32,898	14,004	9,464	2,691
Child Care Development Reserve Fund	345	225	-	-	-
Drainage Improvement Reserve Fund	4,251	3,921	2,182	2,964	4,050
Equipment Replacement Reserve Fund	3,483	2,250	1,535	2,278	2,400
Leisure Facilities	-	-	-	-	-
Local Improvements Reserve Fund	750	750	750	750	750
Public Art Program Reserve Fund	349	-	-	-	-
Sanitary Sewer Reserve Fund	2,938	18,127	2,375	2,893	2,970
Steveston Road Ends Reserve Fund	1,257	-	-	-	-
Watermain Replacement Reserve Fund	13,466	21,490	12,000	7,500	7,504
<b>Total Statutory Reserves</b>	<b>54,876</b>	<b>88,161</b>	<b>40,146</b>	<b>25,849</b>	<b>20,365</b>
<b><u>Other Sources</u></b>					
Appropriated Surplus/Surplus	8,729	6,088	6,088	6,088	6,088
Enterprise	1,466	-	-	-	-
Grant, Developer and Community Contributions	6,054	4,195	6,609	8,463	125
Utility Levy	420	-	-	-	-
Water Metering Provision	3,300	1,600	1,600	1,600	1,600
<b>Total Other Sources</b>	<b>19,969</b>	<b>11,883</b>	<b>14,297</b>	<b>16,151</b>	<b>7,813</b>
<b>Total Capital Plan Contributions</b>	<b>\$93,371</b>	<b>\$112,476</b>	<b>\$64,649</b>	<b>\$51,556</b>	<b>\$36,420</b>

**City of Richmond  
2011-2015 Financial Plan  
Statement of Policies and Objectives**

**Revenue Proportions By Funding Source**

Property taxes are the largest portion of revenue for any municipality. Taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as community safety, general government, libraries and park maintenance.

**Objective:**

- Maintain revenue proportion from property taxes at current level or lower

**Policies:**

- Annually, review and increase user fee levels by consumer price index (CPI).
- Any increase in alternative revenues and economic development beyond all financial strategy targets can be utilized for increased levels of service or to reduce tax rate.

Table 1:

<b>Revenue Source</b>	<b>% of Total Revenue*</b>
Property Taxes	62.3%
Other Sources	11.1%
Fees & Charges	10.1%
Investment Income	6.3%
Grant-in-lieu of Taxes	4.5%
Gaming Revenue	4.3%
Grants	1.4%
<b>Total</b>	<b>100.0%</b>

*\*Total Revenue consists of general revenues*

Table 1 shows the proportion of total general revenue proposed to be raised from each funding source in 2011. Utility revenue that is billed on a cost recovery basis is not included in this table.

**Distribution of Property Taxes**

Table 2 provides the estimated 2011 distribution of property tax revenue among the property classes.

**Objective:**

- Maintain the City's business to residential tax ratio in the middle in comparison to other municipalities. This will ensure that the City will remain competitive with other municipalities in attracting and retaining businesses.

**Policies:**

- Regularly review and compare the City's tax ratio between residential property owners and business property owners relative to other municipalities in Metro Vancouver.
- Continue economic development initiatives to attract businesses to the City of Richmond.

Table 2: (based on the 2011 Preliminary Roll figures)

<b>Property Class</b>	<b>% of Tax Burden</b>
Residential (1)	53.5%
Business (6)	37.6%
Light Industry (5)	7.6%
Others (2,4,8 & 9)	1.3%
Total	100.0%

**Permissive Tax Exemptions****Objective:**

- Council passes the annual permissive exemption bylaw to exempt certain properties from property tax in accordance with guidelines set out by Council Policy and the Community Charter. There is no legal obligation to grant exemptions.
- Permissive exemptions are evaluated with consideration to minimizing the tax burden to be shifted to the general taxpayer.

**Policy:**

- Exemptions are reviewed on an annual basis and are granted to those organizations meeting the requirements as set out under Council Policy 3561 and Sections 220 and 224 of the Community Charter.