



Finance Committee

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

Tuesday, September 8, 2020

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 June 1, 2020.*



FINANCE AND CORPORATE SERVICES DIVISION

**1. EXTENSION OF NON-ACCEPTANCE OF CASH TRANSACTIONS
AT CITY HALL**

(File Ref. No. 03-1240-01) (REDMS No. 6513797)

FIN-8

See Page FIN-8 for full report

Designated Speaker: Ivy Wong

STAFF RECOMMENDATION

That Council extends non-acceptance of cash transactions at City Hall until March 31, 2021.



Finance Committee Agenda – Tuesday, September 8, 2020

Pg. #

ITEM

2. **FINANCIAL INFORMATION – 2ND QUARTER JUNE 30, 2020**

(File Ref. No. 03-0970-09-01) (REDMS No. 6502299 v. 7)

FIN-12

See Page **FIN-12** for full report

Designated Speaker: Cindy Gilfillan

STAFF RECOMMENDATION

That the staff report titled, “Financial Information – 2nd Quarter June 30, 2020”, dated August 21, 2020 from the Director, Finance be received for information.



3. **ACTIVE CAPITAL PROJECTS INFORMATION - 2ND QUARTER JUNE 30, 2020**

(File Ref. No. 03-0975-01) (REDMS No. 6493962 v. 15)

FIN-44

See Page **FIN-44** for full report

Designated Speaker: Melissa Shiau

STAFF RECOMMENDATION

That the staff report titled, “Active Capital Projects Information – 2nd Quarter June 30, 2020”, dated August 21, 2020 from the Director, Finance be received for information.



LULU ISLAND ENERGY COMPANY

4. **LULU ISLAND ENERGY COMPANY – 2ND QUARTER JUNE 30, 2020 FINANCIAL INFORMATION**

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 6515586 v. 2)

FIN-70

See Page **FIN-70** for full report

Designated Speakers: John Irving and Jerry Chong

STAFF RECOMMENDATION

That the Lulu Island Energy Company report titled “2020 2nd Quarter Financial Information for the Lulu Island Energy Company” dated July 31, 2020 from the Chief Executive Officer and Chief Financial Officer, be received for information.



RICHMOND OLYMPIC OVAL CORPORATION

5. **RICHMOND OLYMPIC OVAL CORPORATION – 2ND QUARTER JUNE 30, 2020 FINANCIAL INFORMATION**

(File Ref. No.) (REDMS No. 6519716)

FIN-79

See Page FIN-79 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, 2020 from the Interim Senior Manager, Finance & Administration, Richmond Olympic Oval Corporation be received for information.



ADJOURNMENT





Finance Committee

Date: Monday, June 1, 2020

Place: Council Chambers
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day (attending via teleconference)
Councillor Kelly Greene (attending via teleconference)
Councillor Alexa Loo (attending via teleconference)
Councillor Bill McNulty (attending via teleconference)
Councillor Linda McPhail (attending via teleconference)
Councillor Harold Steves (attending via teleconference)
Councillor Michael Wolfe (attending via teleconference)

Call to Order: The Chair called the meeting to order at 4:44 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on May 4, 2020 and May 11, 2020, be adopted as circulated.

CARRIED

LULU ISLAND ENERGY COMPANY

1. **LULU ISLAND ENERGY COMPANY – 1ST QUARTER MARCH 31, 2020 FINANCIAL INFORMATION**
(File Ref. No. 10-0060-20/2020) (REDMS No. 6467036)

It was moved and seconded

That the Lulu Island Energy Company report titled “2020 1st Quarter Financial Information for the Lulu Island Energy Company” dated April 22, 2020 from the Chief Executive Officer and Chief Financial Officer, be received for information.

Finance Committee
Monday, June 1, 2020

The motion was not called as discussion ensued regarding the investments of Lulu Island Energy Company.

In response to a query from Committee, staff noted that the investments are term deposits held at various institutions and future quarterly reporting can list the various institutions for information.

The motion was then called and it was **CARRIED**

RICHMOND OLYMPIC OVAL CORPORATION

2. RICHMOND OLYMPIC OVAL CORPORATION - 1ST QUARTER MARCH 31, 2020 FINANCIAL INFORMATION

(File Ref. No.) (REDMS No. 6467028)

It was moved and seconded

That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2020 from the Interim Senior Manager, Finance & Administration, Richmond Olympic Oval Corporation be received for information.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

3. ACTIVE CAPITAL PROJECTS INFORMATION - 1ST QUARTER MARCH 31, 2020

(File Ref. No. 03-0975-01/2020) (REDMS No. 6448848 v.8)

In response to queries from Committee, staff noted that (i) funding for previously approved capital projects have committed funds, (ii) staff are preparing the priority list of projects for submission towards federal funding, (iii) the federal announcement regarding the fuel tax will primarily go towards TransLink and a small share towards Union B.C. of Municipalities (UBCM), (iv) the Garden Agricultural Park is in progress and staff are working on the final design as well as awaiting direction from B.C. Hydro, and (v) the northern section of the Garden Agricultural Park will be completed later this year.

Cllr. Au left the meeting (4:54 p.m.)

Finance Committee
Monday, June 1, 2020

It was moved and seconded

That the staff report titled, "Active Capital Projects Information – 1st Quarter March 31, 2020", dated April 15, 2020 from the Director, Finance be received for information.

The motion was not called as discussion ensued regarding delays of projects due to COVID-19.

In response to a query from Committee, staff noted that there have not been many impacts to projects due to COVID-19 and the construction of the pool at Minoru Centre for Active Living is close to completion.

Staff was also requested to provide information relative to the savings that have been realized from the layoffs due to the COVID-19 pandemic.

The motion was then called and it was **CARRIED**

4. **FINANCIAL INFORMATION – 1ST QUARTER MARCH 31, 2020**

(File Ref. No. 03-0970-09-01/2020) (REDMS No. 6453932 v.19)

It was moved and seconded

That the staff report titled, "Financial Information – 1st Quarter March 31, 2020", dated May 20, 2020 from the Director, Finance be received for information.

CARRIED

Cllr. Au returned to the meeting (4:57 p.m.)

5. **2019 CITY ANNUAL REPORT AND 2019 ANNUAL REPORT HIGHLIGHTS**

(File Ref. No. 03-0905-01) (REDMS No. 6464975)

It was suggested that links to City initiatives and strategies be integrated into online PDF formats of the City Annual Report going forward.

It was moved and seconded

That the reports titled "2019 Annual Report and 2019 Annual Report – Highlights" be approved.

CARRIED

Finance Committee
Monday, June 1, 2020

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:58 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 1, 2020.

Mayor Malcolm D. Brodie
Chair

Stephanie Walrond
Legislative Services Associate



City of Richmond

Report to Committee

To: Finance Committee

Date: August 10, 2020

From: Jerry Chong
Director of Finance

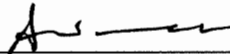


File: 03-1240-01/2020-Vol
01

Re: Extension of Non-Acceptance of Cash Transactions at City Hall

Staff Recommendation

That Council extends non-acceptance of cash transactions at City Hall until March 31, 2021.

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

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
SENIOR STAFF REPORT REVIEW	INITIALS: 
APPROVED BY CAO  (Acting)	

Staff Report

Origin

At the Special General Purposes Committee meeting on March 23, 2020, the report titled “Cessation of Cash Transactions During Covid-19 Outbreak” was brought forward and received Council’s support for the cessation of cash transactions until September 30, 2020. This report provides an update of the situation and a request for an extension to March 31, 2021.

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

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

Analysis

Richmond City Hall was closed to the public effective March 23rd and reopened on June 8th for the collection of tax and utility payments. The following table provides the number of transactions received and where the payments originated between March 23rd to July 31st:

2020 Payment Details by Transaction					
	City			Financial Institution	Total Transactions
	In Person or Mail-in Payment	Self Serve Online credit card / eHOG	Total Transactions Paid Through City	Online & Over The Counter Banking	
Mar 24-31	498	629	1,127	4,678	5,805
April	1,812	626	2,438	977	3,415
May	2,611	11,581	14,192	13,496	27,688
June	13,916	19,633	33,549	33,909	67,458
July	9,429	5,267	14,696	18,675	33,371
Total	28,266	37,736	66,002	71,735	137,737

In the 4 months since the City ceased to accept cash, the City continued to accept over 66K transactions in person and online via the City’s website. The number of in-person payments totalling 28,266 includes all payments dropped through the City’s drop box, walk-in customers, and Canada Post mail processed onsite. The number of self-service customers during this period totalled 37,736. This includes online credit card payments and electronic Home Owner Grant applications (“eHOGs”) claimed through the City’s website. In comparison, the number of payments made through financial institutions totalled 71,735.

Even though the City advertised extensively that City Hall does not accept cash payments, customers who are accustomed to the practice still asked to pay by cash. Usually, once staff

explained the rationale behind the decision, most customers understood and found other means of making payment.

In total, less than 10 customers expressed their displeasure and insisted on transacting by cash. All cash payments were not accepted and customers were advised to go through their financial institution if they wish to use that form of payment. The following is a breakdown of the payments by percentage:

2020 Payment Details				
	City			Financial Institution
	<i>In Person or Mail-in Payment*</i>	<i>Self Serve Online credit card / eHOG</i>	<i>Total Paid Through City Options</i>	<i>Online & Over The Counter Banking</i>
March	9%	11%	19%	81%
April	53%	18%	71%	29%
May	9%	42%	51%	49%
June	21%	29%	50%	50%
July	28%	16%	44%	56%
Total	21%	27%	48%	52%

*Majority of payments processed at City Hall were made via mail or drop box. Due to COVID restrictions, in person payment was less than 15% of total transactions processed at City Hall.

Overall, in 2020, 52% of the tax and utility payments were made through financial institutions and 48% were through City services. In comparison, the 2019 table is as follows:

2019 Payment Details by Percentage				
	City			Financial Institution
	<i>In Person or Mail-in Payment</i>	<i>Self Serve Online credit card / eHOG</i>	<i>Total Paid Through City</i>	<i>Online & Over The Counter Banking</i>
Mar 24-31	28%	0%	28%	72%
April	52%	19%	71%	29%
May	24%	23%	47%	53%
June	20%	30%	50%	50%
July	54%	14%	68%	32%
Total	30%	24%	53%	47%

In 2019, when the City was open to the public, the trends were reversed in that 47% of the payments were made through financial institutions while 53% of the payments were made through City services.

With the current COVID-19 situation in BC, social distancing measures continue to be encouraged. The rationales for not accepting cash at City Hall in March 2020, still exists today.

August 10, 2020

- 4 -

Many local businesses also encourage cashless payments in order to minimize the risk of touching cash that someone else has handled and customers have largely accepted this practice.

The extension of non-acceptance of cash at City Hall until March 31, 2021 would continue to support social distancing and anti-money laundering in the community.

Financial Impact

None

Conclusion

That Council extends non-acceptance of cash transactions at City Hall until March 31, 2021.

A handwritten signature in black ink, appearing to be 'Ivy Wong', with a stylized, looped design.

Ivy Wong
Manager, Revenue
(604-276-4046)

IW:iw



City of Richmond

Report to Committee

To: Finance Committee

Date: August 21, 2020

From: Jerry Chong
Director, Finance

File: 03-0970-09-01/2020-
Vol 01




Re: Financial Information – 2nd Quarter June 30, 2020

Staff Recommendation

That the staff report titled, “Financial Information – 2nd Quarter June 30, 2020”, dated August 21, 2020 from the Director, Finance be received for information.

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

Att: 6

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	
Building Approvals	<input checked="" type="checkbox"/>	
Community Bylaws	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Economic Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Facilities and Project Development	<input checked="" type="checkbox"/>	
Fire Rescue	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	
Recreation Services	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
Library Services	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO  (Acting)

Origin

Pre-audited financial information for the 2nd quarter ended on June 30, 2020 is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information. The financial information provides Council with an overview of the City of Richmond's (the City) financial results throughout the year and before the annual audited financial statements are presented.

The COVID-19 pandemic began to impact the City's financial results in mid-March by closure of public facilities, including libraries, community and recreation centres, and cultural facilities. Effective May 20, 2020, Council has endorsed the Restoring Richmond Plan for the gradual reimplementation of program and services through a step-by-step approach to reopening various City services, amenities and facilities while maintaining physical distancing and public health guidelines. Due to the pandemic, the City continues to experience reductions in revenue such as gaming revenues and investment income, which will have a significant impact on future quarterly results. The length of the economic disruption and recovery is uncertain at this time.

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

5.1 Maintain a strong and robust financial position.

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

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

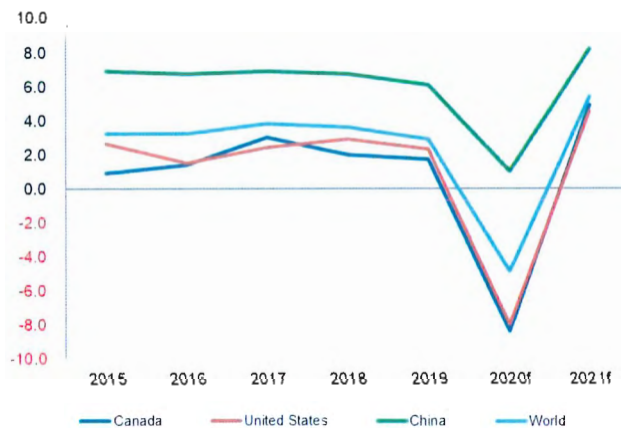
Analysis

Macroeconomic Indicators & Forecast

The COVID-19 pandemic continues to have a significant impact on regional, national and global economies as necessary public health protection measures are drastically impacting daily life and economic activity.

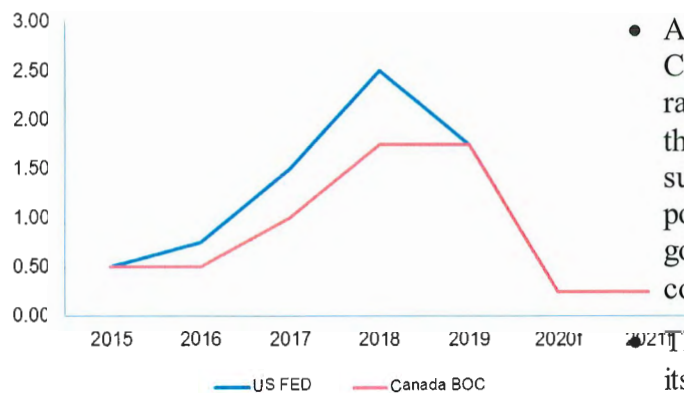
The timing and extent of global and domestic economic recovery will depend on the effectiveness of public health measures and the impact of targeted policy support.

1) Global Growth – Real GDP % Change¹



- The International Monetary Fund (IMF) projects the global economy will contract by 4.9% in 2020. This was revised downward from the previous forecast of a 3.0% decline.
- Following the release of the IMF's April 2020 outlook, the pandemic rapidly intensified in some countries and caused even larger disruptions to activity than predicted.
- In Canada, the GDP is forecast to decline by 8.4% in 2020 and the U.S. GDP is forecast to decline by 8.0%.
- Global GDP growth is forecast to slowly rebound at 5.4% in 2021. Canadian and U.S. GDP growth forecasts are 4.9% and 4.5%, respectively for 2021.

¹ International Monetary Fund, *World Economic Outlook* (June 2020)

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

- At the end of Q1 2020, the Bank of Canada (BoC) cut the overnight lending rate to 0.25%, where it has remained throughout Q2 2020. This was part of a suite of aggressive monetary and fiscal policy measures by the Canadian government to combat difficult economic conditions resulting from COVID-19.

The BoC rate is forecasted to remain at its lower bound at the end of 2020 and throughout 2021 as gradual economic recovery occurs.

- The U.S. Federal Reserve (US FED) rate continued at 0.25% where it is expected to remain at the end of 2020 and throughout 2021.

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

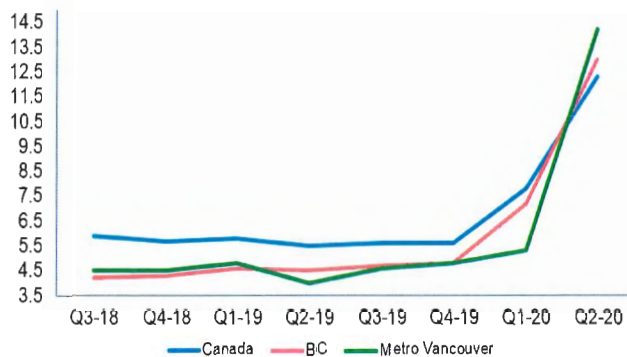
- The decline in oil prices had a negative impact on the value of the Canadian currency prior to the global pandemic.
- The Canadian dollar (CAD) is expected to further depreciate against the US dollar in the mid-term, ending 2020 at \$1.40 CAD per \$1 USD and rebounding partially in 2021 to \$1.35 CAD per \$1 USD.
- The weaker Canadian dollar may benefit non-commodity exports as the economy recovers.

² US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (June 2020)

³ Royal Bank Economic Research Forecast (June 2020)

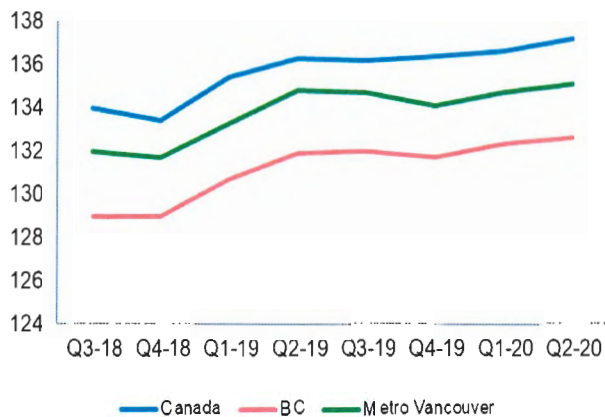
Regional & Local Economic Activity Indicators

4) Unemployment⁴



- From February to April 2020, 5.5 million Canadian workers were affected by the COVID-19 economic shutdown.
- Jobs in aviation, accommodation, hospitality, entertainment and cultural industries have so far been most significantly impacted.
- At the end of Q2 2020, Canada, BC and Metro Vancouver unemployment rates increased to 12.3%, 13.0% and 13.1%, respectively.
- The extent of the temporary and permanent job losses that will occur as a result of the economic downturn is not determinable at this time.

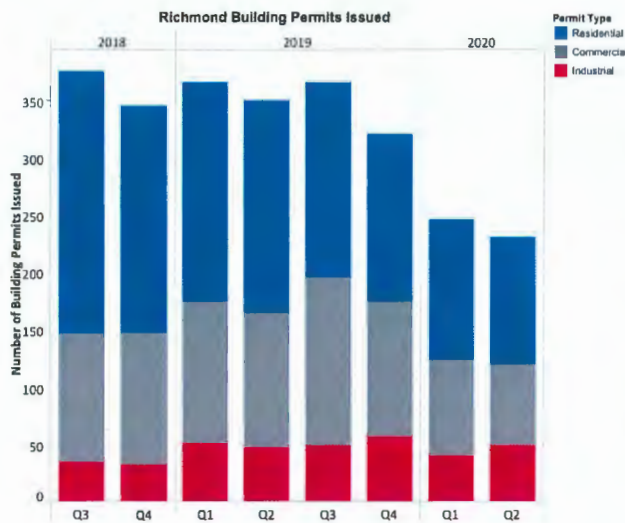
5) Consumer Price Index (CPI – 2002=100)⁵



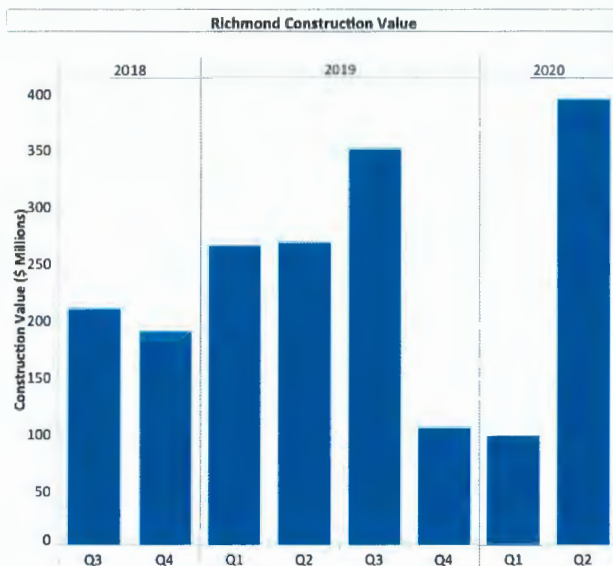
- At the end of Q2 2020, the CPI climbed by 0.7% in Canada, 0.5% in British Columbia and 0.2% in Metro Vancouver, compared to the same period last year.
- The direct and indirect effects of COVID-19 have dragged CPI inflation below BoC's targeted range between 1 and 3 percent.
- Despite an increased demand for groceries and household items, travel limitations and temporary business closures have resulted in lower prices for items such as gasoline, clothing and footwear.

⁴ Statistics Canada

⁵ Statistics Canada

6) Building Permits – Richmond⁶

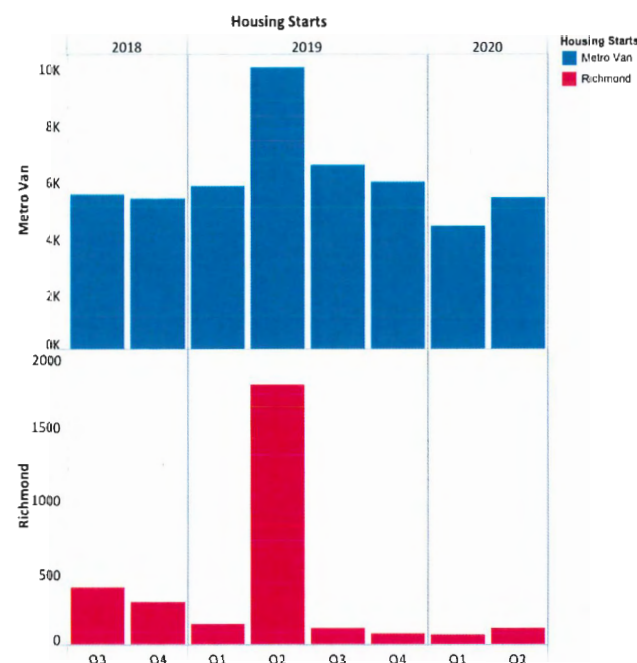
- In Q2 2020, there were 111 residential, 70 commercial, and 49 industrial building permits issued in Richmond.
- This represents a 34% decrease in the number of building permits issued over the same period last year, however, this is not indicative of the number of permits that are in-stream and under review as the number of applications received has increased over the same period in 2019.
- This trend indicates fewer, but larger and more complex multi-family project applications, which take significantly longer to process. These applications may result in lower permit issuances in certain periods, but will ultimately result in more housing units and higher construction value.



\$392 million in construction value was registered in Q2 2020, an increase of 47% over the same period last year further supporting the trend toward larger and more complex projects of higher value.

- During the first six months of 2020, the value of construction activity in Richmond decreased by 8.0% over the same period last year, down from \$530 million to \$487 million.

⁶ City of Richmond Building Permits

7) Housing Starts⁷

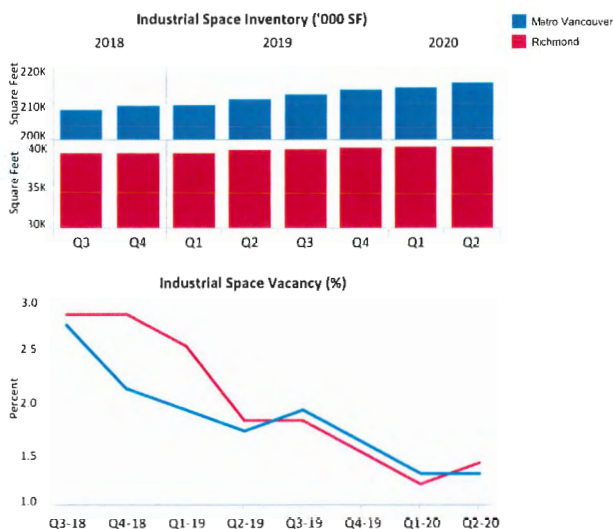
- In Q2 2020, there were 114 housing starts in Richmond and 5,384 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on their verification that construction work has commenced⁸.
- Year to date housing starts in Richmond and Metro Vancouver declined by 90% and 38% respectively, over the same six-month period in 2019.
- The change in CHMC's housing start data for Richmond in Q2 2020 does not directly compare to the change in residential building permits issued by the City. This is mainly due to the varying timing between issuing a residential building permit and determining a housing start.

⁷ Canada Mortgage and Housing Corporation

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

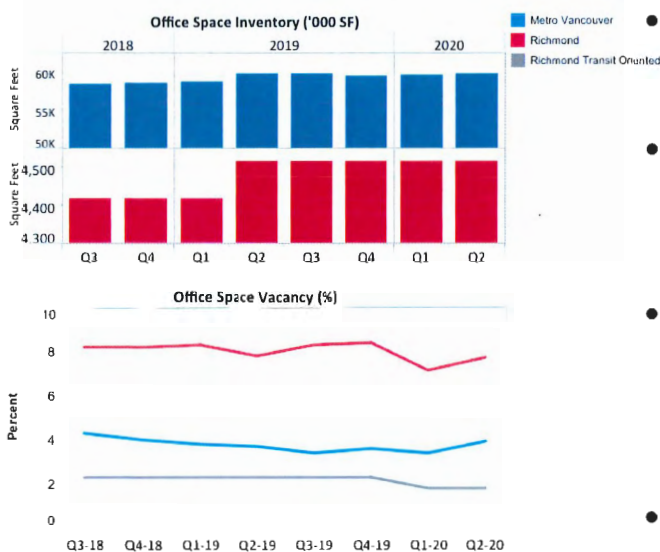
8) Commercial Space⁹

a) Industrial Space



- In Q2 2020, industrial sales and leasing activity has remained relatively stable despite COVID-19 disruptions, when compared to the retail and office markets.
- 312,000 square feet of industrial space has been added to Richmond's inventory over the last year with projects in progress including the Richmond Industrial Center phased development.
- Notwithstanding the addition of this new industrial product, the vacancy rate has declined to 1.4% in Q2 2020.
- The region continues to face an acute shortage of industrial land and the industrial vacancy rate in Metro Vancouver was 1.3% at the end of Q2 2020.

b) Office Space

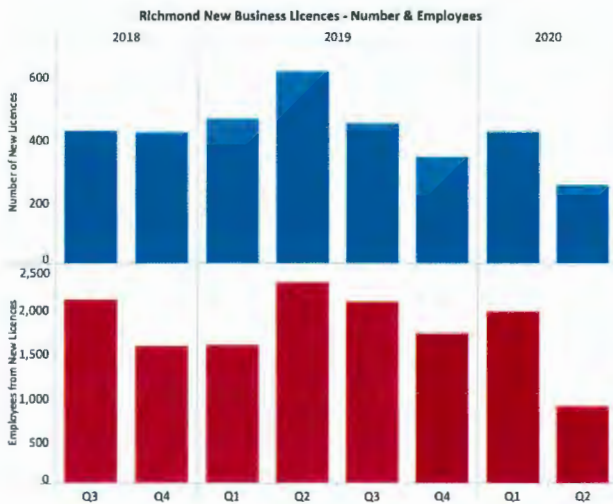


- The pre-pandemic office market in Metro Vancouver was strong and the vacancy rate had been steadily decreasing since 2015.
- COVID-19 has required employees to work from home where possible, causing many office based businesses to rethink their real estate footprints.
- While some tenants may make the decision to downsize, others may lease additional space to ensure safe distancing protocols or add satellite office space closer to their employees.
- The office space situation remains very fluid. At the end of Q2 2020, the office vacancy rate was 7.7% in Richmond and 3.9% in Metro Vancouver.

⁹ Cushman & Wakefield Office and Industrial Market Beat Reports

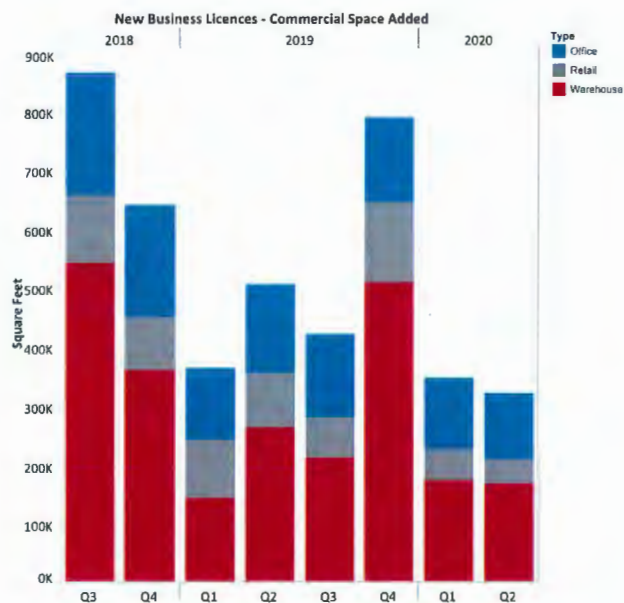
9) Business Growth – Richmond

a) New Business Licences



- 246 new business licences were issued by the City of Richmond in the second quarter of 2020, a decrease of 60% compared to the same period last year. The decrease is mainly due to the cancellation of the Night Market.
- The number of total valid business licences has dropped for the second consecutive quarter as a higher number of businesses did not renew their licences.
- At the end of Q2 2020 there were 13,670 businesses licensed in Richmond compared to 14,039 in Q1 2020 and 14,487 in Q4 2019.

b) New Business Licences – Commercial Space



- The absorption of 320,000 square feet of commercial space was attributed to new business licences issued in Q2 2020.
- As industrial users typically require more space, 52% of total commercial space absorption was warehouse-type industrial space.
- 35% of commercial absorption in Q2 2020 was related to office-based businesses, while 13% of commercial space absorption throughout this period was from retail businesses.

10) Goods and People Movement

a) Regional Cargo Movement¹⁰

- The Port of Vancouver experienced declines in cargo volumes of 2.7% in Q2 2020 over the same period in 2019, as measured by Twenty Foot Equivalents (TEUs). Cargo volumes in the first six months of 2020 decreased by 7.7% compared to the same period in 2019.
- At the Vancouver International Airport (YVR), 106,550 tonnes of air cargo was handled throughout the first six months of 2020, a decrease of 28% over the same period last year.
- In Q2 2020, YVR recorded a decline of 43% in air cargo volumes over the same period in 2019.

b) Airport Passengers¹¹

- After a record year of passenger volumes at YVR in 2019, 2020 took a turn as the global pandemic severely impacted air travel.
- Passenger volumes in the first six months of 2020 were 5.3 million, down by 59% over the same period last year.
- Q2 2020 experienced a decline in air passenger volumes of 95% over the same period in 2019.

¹⁰ Port of Vancouver Monthly Cargo Statistics

¹¹ YVR Monthly Statistics

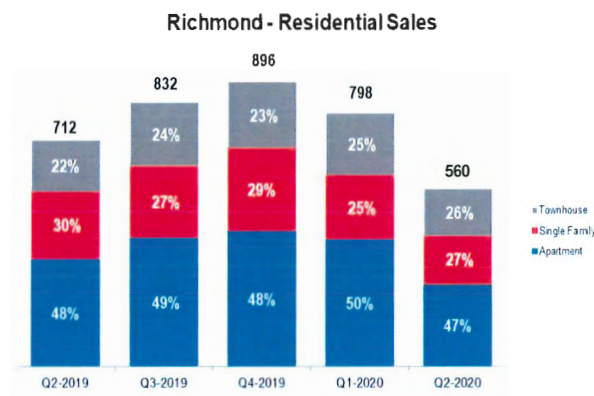
c) Richmond Hotel Room Revenue¹²

*Hotel Room Revenue is unavailable for Q1 and Q2 2020 due to COVID-19 pandemic impacts.

- The accommodation sector is another that has been particularly hard hit by COVID-19 as necessary restrictions on travel have been imposed.
- As the Province has allowed the deferral of Municipal & Regional District Tax (MRDT) payments for hotel tax, monthly hotel room revenue cannot be calculated at this time.
- Destination BC estimates that the April hotel occupancy rate in Richmond was 26% in April 2020, a decrease in 67% percentage points over the same period last year.

Residential Real Estate¹³

In Q2 2020, home buyers and sellers have gradually become more active in each month during the COVID-19 pandemic. In June 2020, home sale and listing activity in Metro Vancouver returned to more historically typical levels.



- With the impact of COVID-19 public movement restrictions, single family detached (SFD), townhouse and apartment home sales decreased by 29%, 7.5% and 23%, respectively, compared to Q2 2019.
- Apartment sales comprised 47% of the residential home sales in Richmond. SFD and townhouse sales account for 27% and 26% of home sales in Richmond, respectively.
- There were 1,358 residential home sales in Richmond during the first six months of 2020, a 17% increase compared to the same period last year.

¹² City of Richmond Additional Hotel Room Tax Ledger; Destination BC

¹³ Real Estate Board of Greater Vancouver



- At the end of Q2 2020, Richmond's sales-to-active listing ratio for SFD was 14%. Both townhouse and apartment were at 20%.
- Richmond's overall residential properties had sales-to-active listing ratio of 18% as at June 30, 2020 representing a balanced market.



- The Home Price Index (HPI)¹⁴ for SFD properties in Richmond at Q2 2020 was \$1,511,400, an increase of 1.8% compared to Q2 2019.
- At Q2 2020, the HPI for townhouse properties in Richmond was \$791,100, an increase of 1.5% compared to Q2 2019.
- The HPI for apartment was \$650,700, an increase of 3.5% compared to Q2 2019.

Gaming Revenue

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



- Due to closures of casinos, there was no gaming revenue allocated to the City in Q2 2020.
- Gaming revenue for Q2 2020 decreased by 100.0% to \$nil compared to \$3.7M in Q2 2019.
- At the end of Q2 2020, the City received 18.7% of the 2020 annual budgeted of \$14.5M for gaming revenue.

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

On March 16, 2020, the Attorney General ordered the temporary closure of all gambling facilities in British Columbia in consultation with and on the advice of the Provincial Health Officer. This action was taken in order to protect British Columbians and ensure the province was in the best position to effectively respond to the COVID-19 pandemic. The closure of gambling facilities has directly impacted casino revenue for this quarter. Gaming revenue for Q2 2020 was \$nil.

On May 2, 2020, the Provincial Health Officer announced gambling facilities will be the last on the list to consider for re-opening the economy. British Columbia Gaming Industry Association is working with the British Columbia Lottery Corporation on developing a plan for reopening, which will then be submitted to the provincial health officer. The focus will be on worker and customer safety. As of August 17, 2020, River Rock Casino continues to suspend its operations. It is not known when operations may resume.

Prior to the pandemic, Council adopted the Consolidated 5 Year Financial Plan (2020-2024) on January 27, 2020, which included the budgeted gaming revenue allocation for 2020. The distribution of these funds is detailed in Table 1 with any surplus revenue transferred to the Capital Building and Infrastructure Reserve. The distribution is consistent with the 2019 budgeted gaming revenue allocation. No changes were proposed for the 2020 gaming revenue allocation in the Revised Consolidated 5 Year Financial Plan (2020-2024) adopted on May 11, 2020.

Since it is likely that the City will receive significantly less gaming revenue than the \$14.5M included in the 2020 gaming revenue allocation, the allocations have been grouped by priority order where the highest priority items will receive the gaming allocation up to the prescribed distribution % allocation first, then the lower priority items will receive any remaining funds received in the year. The high priority items, ranked as 1 in Table 1 below are considered as such due to it being mandatory or already executed.

Table 1: *Distribution of the 2020 gaming revenue allocation*

	Distribution	Priority	Reason	2020 Budget
Debt Servicing	Fixed	1	Utilized	\$5.0M
Grants	15%	1	Utilized	2.2M
RCMP – General Duty Officers	Four Officers	2	Operating	0.7M
Capital Reserves	30%	3	Future items	4.3M
Council Community Initiatives Account	2%	3	Future items	0.3M
		4	Contingent	2.0M
Capital Building and Infrastructure Reserve	Remainder		on revenues	
Total				\$14.5M

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

Operating Activity

Table 2 compares budget to unaudited actual activity up to June 30, 2020. The net figure represents combined revenue and expense amounts. Actuals includes estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received.

The impact of COVID-19 is included within the second quarter results, most notably through a reduction in gaming revenue, facility revenue, parking revenue and grant revenue as well as increased cleaning and other costs incurred to prevent the spread of the coronavirus. Wherever possible, these impacts have been mitigated by senior management through reduced expenditures such as staff layoffs, redeployments, reduced seasonal staff, cancellation of special events and projects, and general operating costs reductions.

Table 2: *Net Operational Activity for the period January 1, 2020 to June 30, 2020 (in \$000's)*

Net operational activity ^{1,7}	Unaudited 2020 results			
Division/Department ²	2020 YTD Net Budget ^{3,6}	2020 YTD Actuals and Commitments ⁴	Variance YTD (\$)	Variance YTD(%)
Community Safety ⁵	(\$1,335)	(\$841)	(\$494)	37%
Community Services	21,472	19,838	1,634	8%
Corporate Administration	6,797	6,203	594	9%
Engineering and Public Works	21,700	20,808	892	4%
Finance and Corporate Services	11,470	10,700	770	7%
Fire Rescue	20,635	19,709	926	4%
Library	5,356	4,729	627	12%
Planning and Development	3,823	2,155	1,668	44%
Policing	28,215	28,021	194	1%
Fiscal	(104,734)	(99,513)	(5,221)	5%
Total Operating	\$13,399	\$11,809	\$1,590	
Water utility	878	(286)	1,164	133%
Sanitary sewer utility	542	(542)	1,084	200%
Sanitation and recycling utility	240	(905)	1,145	477%
Total Utilities	\$1,660	(\$1,733)	\$3,393	

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

²Based on organizational structure in place as of June 30, 2020.

³The Net Revised Budget is based on the revised operating budget approved by Council on May 11, 2020.

⁴Includes budgeted equity transactions such as transfer to reserves, transfer to provision etc.

⁵Includes Community Safety Administration, Business Licences, Community Bylaws and Emergency Programs.

⁶Transfers to reserves are prorated evenly throughout the year.

⁷Presentation and assumptions may differ from previous reports.

The following section provides an explanation on a Divisional/Departmental basis of year to date variances in relation to the 2020 Revised Financial Plan:

- Community Safety's (excluding fire and policing) unfavourable variance is due to the additional salaries being incurred for the Community Ambassador Program as staff have been redeployed from other areas, lower revenues for business licences, other permits and parking revenue due to COVID-19 pandemic impacts, offset by timing required to fill vacant positions.
- Community Services' favourable variance is due to unfilled vacant positions, salaries being transferred to other divisions due to redeployments, and auxiliary staff layoffs as well as lower operating expenses as a result of facility closure, offset by lower revenues also as a result of facility closure.
- Corporate Administration's favourable variance is mainly due to vacant positions.
- Engineering and Public Works' favourable net operating variance is mainly due to timing of Public Work maintenance expenses and unbudgeted underpinning revenue.
- Finance and Corporate Services' favourable variance is mainly due to vacant positions.
- Fire Rescue's favourable variance is mainly due to timing required to hire the additional 12 firefighter positions, which were filled in early March 2020; other vacant positions resulted from retirements and an increase in external recovery revenues.
- The Library's favourable variance is due to vacant positions and reduced operating costs.
- Planning and Development's favourable variance is primarily due to building permit revenue related to multiunit residential building and vacant positions.
- Policing's favourable variance is primarily driven by RCMP contract savings and municipal vacant positions.
- Fiscal's unfavourable variance is mainly due to lower gaming revenue due to the closure of River Rock casino which is utilized to fund external debt, community grants and transfer to reserves.
- Water Utility's favourable variance is mainly driven by unbudgeted revenue received from developers for fees during construction of new residential developments.
- Sanitary Sewer Utility's favourable variance is mainly due to unbudgeted revenue received from developers for sanitary sewer user fees during construction of new residential developments and timing of Public Work maintenance expenses offset against lower metered billing revenue than budgeted.
- Sanitation and Recycling Utility's favourable variance is mainly due to higher than budgeted revenue from Recycle BC, more blue box recycling and garbage revenue due to more units and less processing fees.

The presentation of the figures for the Financial Statement, Statement of Operations is different from the Net Budget presentation above. The above presentation combines revenues and expenses and presents the net amount inclusive of transfers. The Statement of Operations presents the revenues and expenses separately and prior to any appropriations and transfer to reserves. The Statement of Operations for the Six Month Period Ended June 30, 2020, with comparative figures for 2019 is included in Attachment 3.

Financial impacts during the COVID-19 response stage:

The City's Operating Budget has been impacted in a number of revenue and expenditure categories. The decrease in revenues experienced for the period from the declaration of the Provincial state of emergency on March 18, 2020 to the current date as a result of physical distancing restrictions, city facility closures, business closures and travel restrictions have been used as a guide in formulating the assumptions used to determine the monthly financial impacts.

The assumptions in Table 3 indicate the updated expectation of revenue impacts relating to the COVID-19 pandemic based on year-to-date experience.

Table 3: COVID-19 Revenue Impact by object

	Percentage of revenue decline during COVID-19 pandemic	
Building and Other Permits	0%	No change
Business Licences	25%	Decrease
Development fees	0%	No change
Gaming	100%	Decrease
Investment Income	25%	Decrease
Parking	50%	Decrease
Receivable Income	0%	No change
Recreation Fees*	100%	Decrease
Rental and Lease	25%	Decrease
Other Revenues	25%	Decrease

*Recreation fees collected are based on the current closure of facilities and are expected to increase as Steps 3-5 of the Restoring Richmond plan are implemented.

It is anticipated that these figures will need to be continually adjusted throughout the impacted period as the situation evolves and new information becomes available. The situation remains dynamic, where external factors such as changes to legislation from senior levels of government, the ability of taxpayers to pay their property taxes, timing of reopening of the closed facilities, rehiring of staff, economic conditions and other variables may influence the financial results.

Certain expenditures have decreased as a result of facility closures and service changes, including staffing cost decreases from elimination of auxiliary staffing, deferred replacement of vacancies, facility and other costs. There are anticipated reductions to the transfer to reserves that relate to corresponding reductions in the non-tax and non-utility revenues. While some of the direct costs to fight the COVID-19 Pandemic are recoverable from the Province through

Emergency Management British Columbia, the degree that the City will be reimbursed is yet to be determined.

While the immediate impacts to the City's revenues due to the changes to operations resulting from the pandemic are substantial, the timing and shape of the recovery are also important factors in the assessment of the overall financial impact.

The cumulative revenue shortfall is estimated at approximately \$3.4-\$4.0 million per month. In order to mitigate this shortfall, the City has undertaken a number of actions including releasing Auxiliary staff or not recalling any for duty, not filling vacancies and not hiring seasonal workers, reducing equivalent transfers to reserves for sources that are directly impacted and other expense reductions relating to facility closures. As the City's closed facilities are gradually reopened, there will be additional costs reintroduced that may increase the anticipated monthly deficit relating to the COVID-19 impact.

The monthly budget impact noted above will be increased as City subsidized services are restarted. Staff are also looking at possible offsets in the budgeted transfers to reserves, funding from General Surplus and Rate Stabilization accounts, rather than borrowing from capital reserves if required.

A significant factor to the monthly financial surplus/deficit is the potential delinquency rate on payment of property taxes. At this time the rate which property taxpayers will be delinquent in payment of property taxes is difficult to predict. Ultimately, if the taxes are unpaid after three years, a property will be auctioned at tax sale, however, the shortfall of cash may have a direct impact to the City in funding its programs and services.

The long-term impact of COVID-19 at this point is not known but could result in adjustments to the programs and services offered by the City for any new future requirements and/or change in demand, economic development impact to industries currently residing in Richmond and associated revenue impacts.

Cash Flow Projections

Since the start of the COVID-19 pandemic, Council has passed a number of important measures to support residents, local business and the non-profit sector facing hardship. These important policy decisions have provided the much needed predictability in evaluating the City's expected cash flow timing and requirements.

Some of the key 2020 cash flow deadlines include:

- 2020 flat rate utility deadline extended from March 31, 2020 to June 30, 2020;
- 2020 Q1 metered utility deadline extended from June 12, 2020 to July 30, 2020;
- Property taxes due date remains on July 2, 2020, with late payment penalties postponed to October 1, 2020;

- 100% remittances to be made to all other taxing agencies (OTA's) before August 2020, except for school tax remittance that will be deferred until the end of 2020; and
- All PILT notices due in 2020 have been requested to the respective government agencies.

Actual collection statistics up to August 21, 2020 are shown as listed:

- 2020 flat rate utility (due June 30) – 95% collected
- 2020 Q1 metered utility (due July 30) – 94% collected
- 2020 property taxes (due July 2, until September 30 without penalties) – 71% collected

Summaries of the actual cash-flow up to June 30, 2020 and the cash-flow projection for the remainder of the year are presented in Attachment 4.

The City remains resilient with its solid cash position supplemented with a healthy investment portfolio balance of approximately \$770 million. The City is continuing the strategy of maintaining a highly liquid cash portfolio to ensure that the City is able to be flexible in meeting cash flow requirements during this uncertain time period.

The percentage of collection-to-date has remained relatively consistent with historical collection statistics. As collection continues to take place over the next few months, the next critical milestone will be September 30, 2020 (last day to pay property taxes before penalties are assessed on October 1, 2020), where staff will be able to provide analysis for how the City's revenue collection rate was affected by the fallout of the pandemic.

Cash and Investment Portfolio

As of June 30, 2020, the City's total cash and investment balance totalled \$1.29 billion with a weighted average yield of 1.94%. The overall cash and investment balance is comprised of \$769.5 million in investments and \$517.6 million in interest bearing cash account (Attachment 5).

Table 4: *Market Interest Rates (for analytical purposes only)*

	June 30, 2020	March 31, 2020
2 Year Government of Canada Bonds	0.30%	0.62%
5 Year Government of Canada Bonds	0.38%	0.78%
10 Year Government of Canada Bonds	0.54%	0.88%

Source: Bank of Canada

Following three 0.50% interest rate cuts by a total of 1.50% during March 2020, the Bank of Canada kept the overnight interest rate unchanged at 0.25% at its scheduled April, June and July interest rate announcements.

As published in the Bank of Canada's latest Monetary Policy Report, Governor Tiff Macklem stated that as the economy moves from reopening to recuperation, extraordinary monetary policy support will continue to be required. The Governing Council will hold the policy interest rate until economic slack is absorbed so that the 2% inflation target is sustainably achieved. In addition, to reinforce this commitment and keep interest rates low across the yield curve, the

Bank of Canada is continuing its large-scale asset purchase program in making borrowing more affordable for households and businesses until the recovery is well underway.

The magnitude of the current recession is unprecedented. It is anticipated that this historical low interest rate level will persist and thus will significantly reduce the City's investment income by at least 30% in 2020 as compared to the prior year's level. As safety protocols for COVID-19 continue, the fallout and impact of this pandemic to local and global economies will continued to unfold, which will also be reflected in the City's investment performance for the months or years to come.

Since the start of the pandemic, the City has responded accordingly by reviewing its investment holdings and strategically repositioning its cash and investments to ensure that, amongst its investment policy objectives, capital preservation and liquidity continue to be the most critical considerations for all municipal investment decisions.

In order to reduce potential risk exposure and to enhance flexibility and liquidity to support the City's ongoing operations, the City held approximately 54.6% of investments in Canadian banks as of June 30, 2020, which was over the permitted limit of 50% under the City's Investment Policy 3703. The over limit position has since been reduced in July 2020 as investments reached their maturities. Any deviations from the prescribed issuer's limits are temporary. They are expected to be adjusted by the end of the year as staff reposition the City's investment portfolio in response to the rapidly changing market conditions and policy decisions, which have direct impacts to the City's projected cash-flow requirements.

The City's overall credit risk exposure remains low because the City continues to maintain a diversified portfolio of strong credit quality investments. The City's primary investment objectives of capital preservation, liquidity, risk diversification and yield enhancement will continue to be the guiding principles as staff reposition the City's investment portfolio.

Contract Awards

In accordance with Policy 3104, this report provides information on new contract awards and aggregate contract extensions greater than \$75,000. During the second quarter, 30 contracts greater than \$75,000 were awarded totalling over \$13.3 million (Attachment 6).

Financial Impact

None.

Conclusion

At the end of the second quarter, the City initiated the Restoring Richmond Plan while maintaining public health protection protocols to minimize the spread of COVID-19. Staff are closely monitoring the situation and making adjustments where applicable to mitigate the impacts. The upcoming tax collection due date of September 30, 2020 will indicate if additional adjustments are necessary.



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- Att. 1: Economic Indicators
- Att. 2: Financial and Key Indicators
- Att. 3: Unaudited Statement of Operations
- Att. 4: Cash Flow Projections: COVID-19 Impacts
- Att. 5: Cash and Investment Portfolio
- Att. 6: Contract Awards greater than \$75,000

Economic Indicators**June 30, 2020****Macroeconomic Indicators & Forecast**

	2018	2019	Change	2020f	2021f
1) Real GDP (% at YE)					
Canada	2.0*	1.7*	(15.0%)	(8.4)	4.9
United States	2.9	2.3	(20.7%)	(8.0)	4.5
China	6.7*	6.1	(9.0%)	1.0	8.2
World	3.6	2.9	(19.4%)	(4.9)	5.4
2) Interest Rates (at YE)					
Bank of Canada	1.75	1.75	0.0%	0.25	0.25
US FED	2.50	1.75	(30.0%)	0.25	0.25
3) Exchange Rate (at YE)					
CAD per \$1 USD	1.36	1.30	(4.4%)	1.40	1.35

Regional and Local Market Indicators

4)	Unemployment (% at QE)	Q2-2020	Q1-2020	Change	Q2-2019	Change	
	Canada	12.3	7.8	57.7%	5.5	123.6%	
	BC	13.0	7.2	80.6%	4.5	188.9%	
	Metro Vancouver	13.1	5.3	147.2%	4.0	227.5%	
5)	CPI (2002=100) (at QE)	Q2-2020	Q1-2020	Change	Q2-2019	Change	
	Canada	137.2	136.6	0.4%	136.3	0.7%	
	BC	132.6	132.3	0.2%	131.9	0.5%	
	Metro Vancouver	135.1	134.7	0.3%	134.8	0.2%	
6)	Richmond Building Permits	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
	Residential – New Construction^	64	49	30.6%	95	122	(22.1%)
	Residential – Alterations	47	137	(65.7%)	139	255	(45.5%)
	Residential Total	111	186	(40.3%)	234	377	(37.9%)
	^ Number of units from new residential construction	878	861	2.0%	909	1,458	(37.7%)
	Residential	111	186	(40.3%)	234	377	(37.9%)
	Commercial	70	117	(40.2%)	153	240	(36.3%)
	Industrial	49	47	4.3%	89	98	(9.2%)
	Building Permits Total	230	350	(34.3%)	476	715	(33.4%)
	Construction Value (\$ million)	392.1	266.1	47.4%	487.3	529.5	(8.0%)
7)	Housing Starts (Units)	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
	Starts - Metro Vancouver	5,384	9,951	(45.9%)	9,764	15,723	(37.9%)
	Starts - Richmond	114	1,760	(93.5%)	186	1,902	(90.2%)
8)	Richmond Residential Sales Activity	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
	Sales - Detached	152	213	(28.6%)	353	333	6.0%
	Sales - Townhouse	147	159	(7.5%)	342	243	40.7%
	Sales - Apartment	261	340	(23.2%)	663	589	12.6%
	Sales - Total	560	712	(21.3%)	1,358	1,165	16.6%

Economic Indicators**June 30, 2020****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings Ratio (% at QE)**

	Q2-2020	Q2-2019**	Change
Single Family Detached	13.8	9.8	40.8%
Townhouse	20.1	12.5	60.8%
Apartment	20.1	13.1	53.4%
Total	17.8	11.7	52.1%

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

Property Type	Q2-2020	Q2-2019	Change
Single Family Detached	1,511	1,485	1.8%
Townhouse	791	779	1.5%
Apartment	651	629	3.5%

11) Commercial Space (at QE)

	Richmond			Metro Vancouver		
	Q2-2020	Q2-2019	Change	Q2-2020	Q2-2019	Change
Office Vacancy (%)	7.7	7.8	(1.3%)	3.9	3.7	5.4%
Transit Oriented Office Vacancy (%)	1.8	2.3	(21.7%)	4.3	13.6	(68.4%)
Office Inventory (000 sf)	4,517	4,517	0.0%	59,775	59,678	0.2%
Industrial Vacancy (%)	1.4	1.8	(22.2%)	1.3	1.7	(23.5%)
Industrial Inventory (000 sf)	39,189	38,877	0.8%	216,044	211,126	2.3%

12) Richmond Business Growth

	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
Total Valid Business Licences (at QE)	n/a	n/a	n/a	13,670	14,737	(7.2%)
New Licences - Number Issued	246	611	(59.7%)	663	1,070	(38.0%)
New Licences - Employees	868	2,281	(61.9%)	2,820	3,846	(26.7%)
New Licences - Office Added (sf)	111,071	151,327	(26.6%)	231,713	273,711	(15.3%)
New Licences - Retail Added (sf)	41,790	91,977	(54.6%)	93,686	189,681	(50.6%)
New Licences - Industrial Added (sf)	166,691	261,708	(36.3%)	339,355	405,301	(16.3%)
Total Space Added (sf)/Avg. Change	319,552	505,012	(36.7%)	664,754	868,693	(23.5%)

Economic Indicators**June 30, 2020****Regional and Local Market Indicators (continued)**

13) Goods & People Movement	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
YVR Air Cargo (tonnes)	43,919	76,601	(42.7%)	106,550*	147,130*	(27.6%)
PMV Container Movement (TEUs)	829,624	852,336	(2.7%)	1,564,479	1,695,375	(7.7%)
YVR Passengers (million)	0.35	6.7	(95.0%)	5.3	12.7	(58.7%)
Richmond Hotel Revenue (\$ million)	n/a	68.7*	n/a	n/a	113.5*	n/a

Notes:

- a) QE indicates quarter end; YE indicates year end
b) f - forecast to year-end
c) * - Figures have been updated to reflect changes in source data.
d) ** - Figures have been updated for comparability.

List of Sources:

- 1) International Monetary Fund, World Economic Outlook (June 2020)
2) & 3) US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (June 2020)
4) & 5) Statistics Canada
6) City of Richmond Building Permits
7) Canada Mortgage and Housing Corporation
8), 9) & 10) Real Estate Board of Greater Vancouver
11) Cushman & Wakefield Office and Industrial Market Beat Reports
12) City of Richmond Business Licences
Port of Vancouver Monthly Cargo Statistics
13) YVR monthly statistics
City of Richmond Additional Hotel Room Tax Ledger, DestinationBC

Financial and Key Indicators**June 30, 2020**

(All dollar amounts in \$000's)

1) Development Cost Charges Contributions	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
Roads, Water, Sewer DCC's Received	\$2,553	\$6,444	(60.4%)	\$13,362	\$17,348	(23.0%)
Parks DCC's Received	\$1,893	\$4,366	(56.6%)	\$7,601	\$9,997	(24.0%)
Total DCC Fees Received	\$4,446	\$10,810	(58.9%)	\$20,963	\$27,345	(23.3%)
DCC Reserves – Uncommitted balance at QE	\$137,782	\$116,778	18.0%	n/a	n/a	n/a
2) Uncommitted Reserves (at QE)	Q2-2020	Q2-2019	Change			
Capital Funding Reserves	\$146,797	\$151,925	(3.4%)			
Utility Reserves	\$72,823	\$103,924	(29.9%)			
Affordable Housing Reserves	\$5,355	\$3,316	61.5%			
Other Reserves	\$63,526	\$84,291	(24.6%)			
Total Uncommitted Reserves	\$288,501	\$343,456	(16.0%)			
3) Taxes to date	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
Taxes Collected	\$182,165	\$276,038	(34.0%)	\$194,174	\$287,205	(32.4%)
City Portion of Taxes Collected	\$89,261	\$135,259	(34.0%)	\$95,145	\$140,731	(32.4%)
Unpaid Taxes - Delinquent & Arrears (at QE)	\$6,751	\$6,348	6.3%	n/a	n/a	n/a
No. of Participants on Pre-authorized withdrawal (at QE)	6,423	6,308	1.8%	n/a	n/a	n/a
Pre-authorized withdrawals payments	\$6,617	\$5,967	10.9%	\$16,746	\$14,826	13.0%
Interest rate % paid	0.95%	1.95%	(51.3%)	0.95%	1.95%	(51.3%)
Sources: All data is from City of Richmond records						
4) Cash and Investments	Q2-2020	Q2-2019	Change			
Investments	\$769,542	\$801,334	(4.0%)			
Cash (includes high interest savings accounts)	\$517,615	\$533,290*	(2.9%)			
Total Cash and Investments	\$1,287,157	\$1,334,624	(3.6%)			
Average City Rate of Return on Investments %	1.94%	2.50%	(22.4%)			

Financial and Key Indicators**June 30, 2020**

(All dollar amounts in \$000's)

Financial and Key Indicators (continued)

5) Planning and Development	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
Building Permit Fees Collected	\$3,141	\$1,857	69.1%	\$5,370	\$4,732	13.5%
Development Applications Received	33	44	(25.0%)	83	82	1.2%
Development Applications Fees	\$232	\$150	54.7%	\$414	\$344	20.3%
6) Business Licences	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
Revenue Received for Current Year Licences	\$1,147	\$1,191	(3.7%)	\$2,981	\$3,128	(4.7%)
Revenue Received for Next Year (Deferred)	\$230	\$307	(25.1%)	\$319	\$367	(13.1%)
Total Licence Revenue	\$1,377	\$1,498	(8.1%)	\$3,300	\$3,495	(5.6%)
<i>Year to date valid licences and revenue include current year licences issued in the prior year.</i>						
7) Other Revenues	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
Parking Program Revenue	\$193	\$544	(64.5%)	\$635	\$1,076	(41.0%)
Gaming Revenue	\$0	\$3,702	(100.0%)	\$2,705	\$7,402	(63.5%)
Traffic Fine Revenue	\$729	\$1,926	(62.1%)	\$2,508	\$1,926	30.2%
8) Employees	Q2-2020	Q2-2019	Change			
Full Time Equivalent (FTE) Employees (at QE) (City and Library)	1,543	1,577	(2.2%)			
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.</i>						
9) Operating Indicators	Q2-2020	Q2-2019	Change	YTD-2020	YTD-2019	Change
Fire Rescue Responses	n/a	2,326	n/a	n/a	4,612	n/a
RCMP - Calls for Service Handled	10,753	19,699	(45.4%)	26,559	38,032	(30.2%)
Public Works calls for Service	3,317	4,053	(18.2%)	6,514	7,181	(9.3%)

Financial and Key Indicators**June 30, 2020**

(All dollar amounts in \$000's)

Financial and Key Indicators (continued)

10) Housing Units Secured Since 2007 (at QE)	Q2-2020	Q2-2019	Change
<u>Affordable Housing</u>			
Non-Market Rental (units)	529	529	0.0%
Affordable Rental (LEMR**) (units)	825	798	3.4%
ARTS Rental (units)	37	37	0.0%
Entry Level Home Ownership (units)	25	25	0.0%
<u>Market Housing</u>			
Market Rental (units)	925	726	27.4%
Secondary Suite / Coach House (units)	294	283*	3.9%
Total Housing Units	2,635	2,398*	9.9%

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

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

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

11) Richmond Population Estimate Year End	2020f	2019
	231,690	212,276

Population figures provided by City of Richmond – Policy Planning

Notes:

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

Unaudited Statement of Operations¹

For the Six Month Period Ended June 30, 2020, with comparative figures for 2019.

(Expressed in thousands of dollars)

	Budget June 30 2020	Actuals June 30 2020	Actuals⁴ June 30 2019
Revenue:			
Taxes and levies	\$119,678	\$120,423	\$115,185
Utility fees	55,356	57,343	52,269
Sales of services	17,378	12,612	16,275
Payments-in-lieu of taxes	-	-	7,744
Provincial and federal grants	4,465	3,563	4,293
Development cost charges	15,415	5,901	9,765
Other capital funding sources	33,137	30,616	9,837
Other revenue:			
Investment income	9,550	9,510	11,210
Gaming revenue	7,250	2,705	7,402
Licences and permits	7,279	7,795	8,585
Other	5,194	11,107	35,206
Equity income	-	814	682
	274,702	262,389	278,453
Expenses:			
Community safety	58,890	54,728	50,294
Utilities: water, sewer and sanitation	50,562	49,122	44,697
Engineering, public works and project development	39,183	33,188	32,810
Community services	35,286	24,677	28,945
General government	33,100	29,024	30,458
Planning and development	12,105	8,848	9,508
Library services	5,577	4,745	5,306
	234,703	204,332	202,648
YTD Surplus (Annual Surplus) ²	39,999	58,057	75,805
Accumulated surplus, beginning of year	3,215,461	3,215,461	3,119,119
Accumulated surplus, end of June 30 ³	\$3,255,460	\$3,273,518	\$3,194,924

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

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

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

⁴ Statement of Operation figures for 2019 were adjusted for comparative purposes.

Cash Flow Projections: COVID-19 Impacts

January 1 to June 30, 2020 Actual Cash Flow

	Amount (\$ million)
Jan 1, 2020 Opening Cash Balance	\$ 363.3
Cash Inflow	
Property Taxes	191.4
Other Financial Deposits	82.1
Utility Payments	66.2
Casino Revenue*	6.6
Payment in Lieu of Taxes	6.4
Total Cash Inflow	352.7
Cash Outflow	
Operating and Capital Expenditures	(147.1)
Salaries and Benefits Expenses	(84.8)
Remittance to Other Taxing Agencies	(12.6)
Total Cash Outflow	(244.5)
Net Investment Cash Flow	46.1
Total Cash Balance	\$ 517.6
Total Investment Balance	\$ 769.5
Jun 30, 2020 Cash and Investment Balance (Actual)	\$ 1,287.1

*Includes Q4 2019 gaming revenue payment made in Q1 2020

Cash Flow Projections: COVID-19 Impacts (continued)

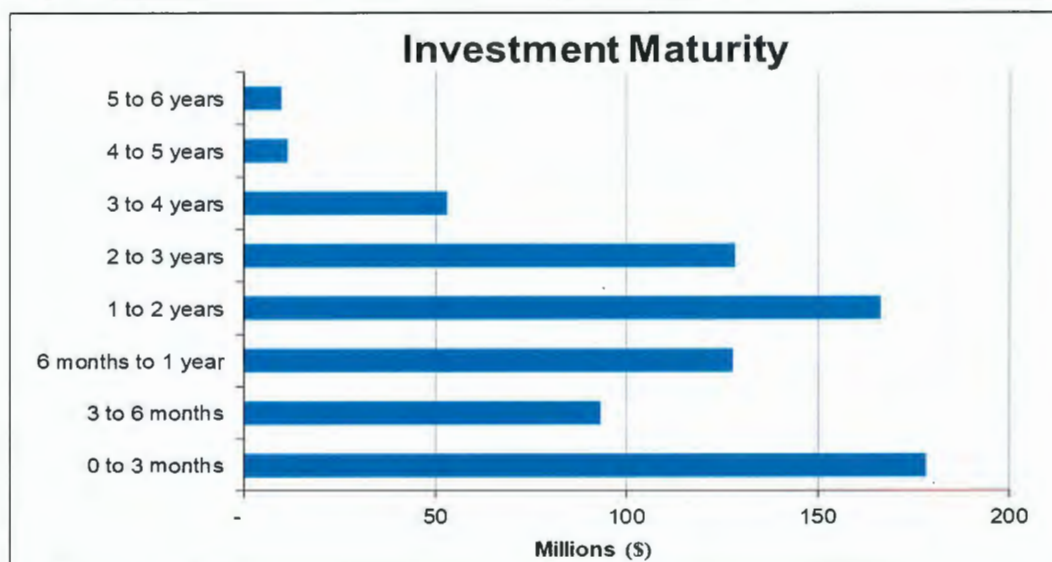
Jul 1 to Dec 31, 2020 Cash Flow Projection

	Amount (\$ million)
Jun 30, 2020 Opening Cash Balance (Actual)	\$ 517.6
Cash Inflow	
Property Taxes	180.0
Other Financial Deposits	34.4
Utility Payments	40.0
Casino Revenue	-
Payment in Lieu of Taxes	14.3
Total Cash Inflow	268.7
Cash Outflow	
Operating and Capital Expenditures	(128.0)
Salaries and Benefits Expenses	(86.8)
Remittance to Other Taxing Agencies	(176.9)
Total Cash Outflow	(391.7)
Net Investment Transfer	(50.0)
Total Cash Balance	\$ 344.6
Total Investment Balance	\$ 819.5
Dec 31, 2020 Cash and Investment Balance (Projected)	\$ 1,164.1

Cash and Investment Portfolio

June 30, 2020 (in 000's)

Asset Class	DBRS Long Term Rating	Issuer	Term	Net Book Value	% of Total Portfolio	Investment Limit (% of Portfolio)
Provincial						
	AA (low)	Alberta	2022-2023	\$ 50,226	6.53%	
	A (high)	Manitoba	2021-2023	25,644	3.33%	
	AA (high)	British Columbia	2021-2024	23,192	3.01%	
	AA (low)	Ontario	2022-2024	22,677	2.95%	
	AA (low)	Quebec	2022-2023	22,096	2.87%	
	A (high)	Nova Scotia	2021	20,602	2.68%	
	A (high)	New Brunswick	2021	15,347	1.99%	
	AA	Saskatchewan	2020	10,000	1.30%	
		Total		\$ 189,784	24.66%	50%
Chartered Banks						
	AA	Bank of Montreal	2020-2025	\$ 134,970	17.54%	
	AA	Bank of Nova Scotia	2020-2022	97,501	12.67%	
	AA (high)	Royal Bank	2020-2023	54,999	7.15%	
	AA	TD Bank	2021	41,115	5.34%	
	A (high)	HSBC Bank of Canada	2021-2023	32,046	4.16%	
	A (low)	Canadian Western Bank	2021	24,549	3.19%	
	AA	CIBC	2020-2022	19,996	2.60%	
	AA (low)	National Bank of Canada	2021	15,002	1.95%	
		Total		\$ 420,178	54.60%	50%
BC Credit Unions						
	BC	Vancity	2020-2021	\$ 63,616	8.27%	
	BC	Gulf and Fraser	2020-2021	42,669	5.54%	
	Federal	Coast Capital Savings	2020-2021	24,000	3.12%	
	BC	Westminster Savings	2020-2021	18,397	2.39%	
	BC	Blue Shore Financial	2020	10,898	1.42%	
		Total		\$ 159,580	20.74%	30%
Total Investment Portfolio Balance				\$ 769,542	100.00%	
Cash Balance (includes high interest saving products with terms less than 90 days)				\$ 517,615		
Total Cash and Investment Balance				\$ 1,287,157		



Contract Awards greater than \$75,000April 1st to June 30th, 2020

Item	Description	Awarded Vendor	Awarded Amount	Division
1	Consulting Services Related to the Development, Implementation and Support of a Job Order Contracting ("JOC") Program - 2020 Term Renewal	The Gordian Group Inc.	100,000	Engineering & Public Works
2	Operation of Restorative Justice Program - 2020	Touchstone Family Association	100,700	Community Safety
3	Supply and Installation of Sport Surfacing at South Arm Park and Hugh Boyd Park for Sport Court Construction	Tomko Sports Systems Inc.	90,633	Community Services
4	Supply and Delivery of One (1) 2021 Model 220 Peterbilt Single Axle Cab Over and Chassis	Peterbilt Pacific Inc.	168,735	Engineering & Public Works
5	Supply and Installation of Chain Link Fence at South Arm Park and Hugh Boyd Park	Progressive Fence Installations Ltd.	113,281	Community Services
6	Calytera Amanda Annual Support Contract Renewal 2020 - 2021	Calytera Software Inc.	94,303	Finance & Corporate Services
7	Sanitary Sewer Sinkhole Repair - 6000 Block Buswell Street	Hexcel Construction Ltd.	482,987	Engineering & Public Works
8	Design and Build Three (3) Hook lift Pods for RFR Stellar Flex 36 84-10 Hoists	Commercial Truck Equipment Co.	158,654	Community Safety
9	Supply of New AED Units and Training	Iridia Medical Corporation	85,830	Community Services
10	Supply & Delivery of One (1) Regenerative Sweeper Body on a City Provided Cab Over	Vimar Equipment Ltd.	219,542	Engineering & Public Works
11	Demolition of 3680 Sexsmith Road	MWL Demolition Ltd.	89,333	Community Safety
12	Microsoft Licensing with Software Assurance Quotation 2020 - 2022	CDW Canada Inc.	196,282	Finance & Corporate Services
13	Artificial Turf Field Replacement - Minoru Oval Field	Astro Turf West Distributors Ltd.	998,000	Community Services
14	Supply and Delivery of One (1) Single Sided Edge Banding Machine	Weinig Holz-Her Canada Inc.	78,900	Engineering & Public Works
15	Provision of Aggregate Crushing Services	Eurovia British Columbia Inc.	382,050	Engineering & Public Works
16	Supply and Delivery of Two (2) Crew-Cab Chassis	Metro Motors Ltd.	215,589	Community Safety
17	Design and Contract Administration Services for the Renovation and Expansion of the Richmond Animal Shelter	Chernoff Thompson Architects	393,770	Engineering & Public Works

Contract Awards greater than \$75,000 (continued)April 1st to June 30th, 2020

Item	Description	Awarded Vendor	Awarded Amount	Division
18	Works Yard Recycling Depot Enhancements	TYBO Constructors Ltd.	999,446	Engineering & Public Works
19	Supply and Delivery of One (1) Wide Area Mower Complete with Enclosed Cab	Rollins Machinery Ltd.	140,750	Engineering & Public Works
20	EFAP Program	FSEAP Vancouver	353,430	CAO's Office
21	Two (2) Single Axle Dump Trucks	Drive Products	103,090	Engineering & Public Works
22	Oracle Software Licences 2020	Oracle Canada ULC	320,040	Finance & Corporate Services
23	Maintenance and Support Renewal for Infor Software Subscription & Services	Infor Canada Ltd.	370,806	Finance & Corporate Services
24	Supply and Delivery of Assembly of Park Bleachers	RecTec Industries Inc.	121,235	Community Services
25	Gravity and Forcemain Pipe Works for Eckersley B Sanitary Pump Station	Merletti Construction Ltd.	3,625,900	Engineering & Public Works
26	Supply and Delivery of One (1) Trailer Mounted Hydro Excavator	Westerra Equipment Ltd.	126,370	Engineering & Public Works
27	Supply and Delivery of One (1) Quint, Hazardous Materials Response Truck, Initial Attack Fire Apparatus and Engine for Richmond Fire-Rescue	Commercial Truck Equipment Co.	2,417,373	Community Safety
28	Supply, Implementation and Consulting Services for an Emergency Notification System	Everbridge Inc.	358,033	Community Safety
29	On Call Fire System Contract	Elite Fire Protection Ltd.	303,975	Engineering & Public Works
30	Supply and Delivery of Auto Extrication Rescue Tools	Rescue Tools Canada	114,042	Community Safety
Total contracts awarded greater than \$75,000			\$13,323,079	



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong, CPA, CA
Director, Finance

Date: August 21, 2020
File: 03-0975-01/2020-Vol
01

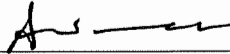


Re: Active Capital Projects Information - 2nd Quarter June 30, 2020

Staff Recommendation

That the staff report titled, "Active Capital Projects Information – 2nd Quarter June 30, 2020", dated August 21, 2020 from the Director, Finance be received for information.

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

Att. 2

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Arts Culture Heritage	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Facility Services and Project Development	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Real Estate	<input checked="" type="checkbox"/>	
Recreation	<input checked="" type="checkbox"/>	
Roads & Construction	<input checked="" type="checkbox"/>	
Sewerage & Drainage	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO  (Acting)

Staff Report

Origin

Active Capital Project Information for the 2nd Quarter (ended June 30, 2020) is being provided to the Finance Committee for information. This report includes the approved 2020 Capital Budget as approved by Council on May 11, 2020 and other previously approved capital projects.

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

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

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

Analysis

Active Capital Projects Summary

Active Capital projects represent capital projects previously approved by Council. Projects include construction, non-construction and acquisition (e.g. equipment and land) projects that are in various stages of completion:

Planning and Design – includes projects that were approved in the 2020 budget and other previously approved projects that are undergoing design specifications, design approvals, or public consultation.

Contract Award – this includes preparing to issue a request for proposal, evaluating the proposals received, and finalizing contract award agreements.

Construction – includes build out of the approved design either by City forces or under the executed agreements.

Functional Completion – certain projects are completed in phases that allow for portions of the project to be functionally complete while the next phase is initiated.

Project Completion – may include fully functional assets that are in their final inspection and acceptance stage, which may still require minor deficiencies to be addressed, as-built drawings to be received, collection of external funding and fulfillment of audit requirements, where applicable.

Final Completion – All aspects of the project are complete including the one year deficiency period which leads to the project removal from the active capital project list and return of any unspent funds to its original funding sources.

A Capital Project is considered active for the purposes of this report if the project is in any of the above stages (except Final Completion). Generally, projects are completed within three years; however due to complexities at each stage it is not unusual for a project to take longer than three years to see through to Final Completion.

Projects also include amounts set aside for Land acquisition, Public Art, Child Care and Affordable Housing which are dependent upon external factors such as market conditions, availability and external partners. Therefore, these projects are presented to Council prior to final project approval.

The approved 2020 Capital Budget as approved by Council on May 11, 2020 of \$161.2M (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 \$376.3M.

The Building Program projects approved in or prior to 2016 includes \$12.3M in committed active capital projects mainly for the Minoru Centre for Active Living, Fire Hall No. 1 and the Major Facilities Phase I Multi Project Contingency and Construction Escalation Contingency. The tables in this report are presented on a cash-basis, that is, actual progress payments that have been made up to June 30, 2020.

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

Program	Plan Year	Adjusted Budget	Actuals as at June 30, 2020	Expected Commitments / Work in Progress
Infrastructure Program	2020	\$68,232	\$3,676	\$64,556
	2019	37,564	15,941	21,623
	2018	92,140	61,919	30,221
	2017	23,682	17,885	5,797
	2016 & older	46,693	28,282	18,411
Infrastructure Program Total		\$268,311	\$127,703	\$140,608
Building Program	2020	17,690	1,756	15,934
	2019	19,898	3,164	16,734
	2018	57,107	17,794	39,313
	2017	6,438	3,783	2,655
	2016 & older	115,281	102,937	12,344
Building Program Total		\$216,414	\$129,434	\$86,980
Parks Program	2020	12,180	337	11,843
	2019	11,620	2,837	8,783
	2018	10,430	2,577	7,853
	2017	7,630	1,873	5,757
	2016 & older	22,976	16,935	6,041
Parks Program Total		\$64,836	\$24,559	\$40,277
Construction Related Programs		\$549,561	\$281,696	\$267,865
Affordable Housing Program	2020	400	-	400
	2019	775	-	775
	2018	400	-	400
	2017	4,960	147	4,813
Affordable Housing Program Total		\$6,535	\$147	\$6,388
Child Care Program	2020	120	4	116
	2019	100	37	63
	2018	100	5	95
Child Care Program Total		\$320	\$46	\$274
Equipment Program	2020	6,409	464	5,945
	2019	15,027	1,897	13,130
	2018	10,197	5,424	4,773
	2017	8,061	5,488	2,573
	2016 & older	5,154	2,168	2,986
Equipment Program Total		\$44,848	\$15,441	\$29,407
Land Program	2020	10,000	-	10,000
	2019	10,000	-	10,000
	2018	10,000	-	10,000
	2017	16,020	5,137	10,883
	2016 & older	26,024	7,320	18,704
Land Program Total		\$72,044	\$12,457	\$59,587
Public Art Program	2020	745	235	510
	2019	563	144	419
	2018	1,125	312	813
	2017	931	692	239
	2016 & older	4,709	3,835	874
Public Art Program Total		\$8,073	\$5,218	\$2,855
Contingent External Contribution	2020	9,887	-	9,887
Contingent External Contribution Total		\$9,887	\$-	\$9,887
Non-construction Related Programs		\$141,707	\$33,309	\$108,398
Grand Total		\$691,268	\$315,005	\$376,263

Included in the Revised Consolidated 5 Year Financial Plan (2020-2024) Bylaw is an estimate of \$10M for external grants or contributions that may be received throughout the year. As external funding is confirmed, funding is transferred to the approved applicable projects. As of June 30, 2020, \$112,500 has been received and the budget for Contingent External Contribution has been adjusted to \$9,887,500.

Capital Budget Reallocations

Council Policy 3001 requires changes to the Capital Budget be reported to the Finance Committee. The following reallocations were recorded in the second quarter ended June 30, 2020:

Table 2: Budget Reallocations (in \$'000s)

Program	Transfer From	Transfer To	Amount
Sanitary Sewer	Sanitary Sewer Replacement - 6000 Block Buswell Street (2020)*	Pilot Sewer Grease and Heat Recovery Facility (2018)	\$1,500
Building	Community Safety Building Mechanical Upgrades (2017)	Community Safety Building - Mechanical Component Replacements and Associated Works (2020)	70
Equipment	WiFi Network Expansion Phase II (2016)	Network Refresh for City Facilities (Phase 1 of 3) (2020)	12
Equipment	Wifi Network Expansion (2017)	Network Refresh for City Facilities (Phase 1 of 3) (2020)	6
Equipment	Log Management Implementation Payment Card Industry Compliance (2016)	Microsoft Exchange 2016 Upgrade (2017)	3
Water	Development Coordinated Works - Water (2019)	Development Coordinated Works - Water (2018)	1
Total Budget Reallocations			\$1,592

* On January 13, 2020, Council approved \$1.5M from the Sewer Utility Reserve to fund the Sanitary Sewer Replacement – 6000 Block Buswell Street. The budget for this project was included in the Revised Consolidated 5 Year Financial Plan (2020-2024) which was adopted on May 11, 2020. This project now returned the funding temporarily borrowed from the Pilot Sewer Grease and Heat Recovery Facility (2018), which enabled the project to commence.

Highlights of Key Construction Related Capital Projects

Information on key capital projects includes the project budget, inclusive of transfers from other projects and budget amendments, actuals on a cash-basis, and the remaining commitments as at June 30, 2020.

INFRASTRUCTURE

The City's Infrastructure program includes construction for roads, lanes, street systems, public walkways and paths, street lighting, water distribution networks, sanitary sewer systems, and drainage and flood protection systems. Many of the active infrastructure projects are in the design and permitting stage. With the current Provincial and Federal regulatory framework, the

design and approval process for many drainage projects (including pump stations and dike upgrades) can take one to two years.

There are continued upgrades for pump stations, dikes and roads city wide along with infrastructure improvements in the Burkeville area, Steveston area and various other locations.

Table 3: Key Infrastructure Capital Projects (in \$'000s)

Program	Project Name	Adjusted Budget	Actuals as at June 30, 2020	Expected Commitments / Work In Progress
Other	Canada Line Capstan Station (2018)	\$31,000	\$29,173	\$1,827
Drainage	Drainage Pump Station & Diking Upgrades incl. Provincial Grant (2016)*	28,230	11,668	16,562
Road & Water	River Parkway Extension (2017, 2018)	15,045	6,015	9,030
Water	Watermain Replacement Program (2020)	5,793	1,102	4,691
Drainage & Sanitary	Burkeville Area Drainage and Utility Improvements - Phase 1 (2018, 2019)	3,133	2,125	1,008
Sanitary	Steveston Laneway Sanitary Sewer Rehabilitation (2018, 2020)	3,039	452	2,587
Sanitary	Hamilton Sanitary Pump Station (2020)	2,800	3	2,797
Sanitary	Sanitary Sewer Replacement – 6000 Block Buswell Street (2020)	1,500	302	1,198
Drainage	Laneway Drainage Upgrades (2020)	1,460	298	1,162
Total Key Infrastructure Capital Projects		\$92,000	\$51,138	\$40,862

*Adjusted budget for Drainage Pump Station & Diking Upgrades includes: i) \$16.6M from the Provincial Government under the Flood Protection Program and ii) a budget transfer of \$ 0.18M from Public Works Infrastructure Advanced Design (2013 and 2016) for the completed works relating to the Flood Protection Program.

Please see Attachment 1 for the Q2 2020 Construction Update. This attachment includes the project budget and the scheduled construction completion.

BUILDING

The Building Program includes major building construction and renovation projects as well as minor facility upgrades.

The City has moved forward with the advanced design of Major Facilities Capital Plan Phase 2 which includes:

- Animal Shelter – on July 22, 2019, Council approved moving forward with the renovation of the existing 4,580 square foot building and the addition of an approximately 1,600 square foot structure. Procurement of an architect has been completed and design has commenced.
- Minoru Lawn Bowling Clubhouse – on May 27, 2019, Council approved moving forward with the 4,900 square foot single storey facility and associated budget amendment. An Architect was hired in September 2019 and design is progressing, including completion of the form and character for Council consideration.

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

Project Name	Adjusted Budget	Actuals as at June 30, 2020	Expected Commitments / Work In Progress
Minoru Centre for Active Living (2014)	\$83,138	\$79,524	\$3,614
Phoenix Net Loft (2018)	19,440	450	18,990
Gateway Infrastructure Replacement (2017, 2018, 2019)*	8,095	6,012	2,083
Minoru Place Activity Centre (2019)	2,511	179	2,332
Solar Energy Systems for Fire Hall 1 (2017)	455	18	437
Total Key Building Capital Projects	\$113,639	\$86,183	\$27,456

*Adjusted budget for Gateway Infrastructure Replacement combines the following budgets: Gateway Theatre Main Stage Lighting Replacement approved as a 2017 One-Time Expenditure (\$385K); Gateway Theatre Infrastructure Replacements – First Stage (\$3,337K) and Gateway Theatre Lighting Infrastructure and System Renewal (\$673K) approved in 2018; Gateway Theatre Infrastructure Replacement Phase 2 (\$3,700K) approved in 2019.

Please see Attachment 1 for the Q2 2020 Construction Update. This attachment includes the project budget and the scheduled construction completion.

The key parks capital projects are summarized below and the project highlights are included in Attachment 2. Note that the percentage of completion in Attachment 2 takes into account the status of contract awards and may not be reflective of actual spending to date.

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

Project Name	Adjusted Budget	Actuals as at June 30, 2020	Expected Commitments / Work In Progress
Minoru Lakes Renewal 2020 (2018-2020)	\$6,060	\$338	\$5,722
Garden City Lands Phase 2 and 3 (2016-2018)	5,995	2,803	3,192
Hollybridge Pier/Middle Arm (2010, 2012, 2015)*	2,350	1,800	550
Aberdeen Park Phase 2 and 3 (2018, 2019)	2,050	149	1,901
Hugh Boyd Fields – Artificial Turf Replacement (2019)	1,800	1,494	306
Alexandra Park (formerly West Cambie Park) (2010, 2016 & 2019)	1,704	391	1,313
The Gardens Agricultural Park (2015)	1,100	381	719
Playground Improvement & Replacement (2018, 2020)	1,100	181	919
Minoru Oval – Replacement of the Artificial Sports Surfacing System (2020)	1,030	-	1,030
Parks Aging Infrastructure (2018)	900	754	146
Parks Aging Infrastructure (2020)	590	1	589
London / Steveston Park Enhancements (2017, 2019)	550	210	340
Parks Aging Infrastructure (2019)	550	294	256
Parks General Development (2020)	400	36	364

Table 5: Key Parks Capital Projects (in \$'000s) - Continued

Project Name	Adjusted Budget	Actuals as at June 30, 2020	Expected Commitments / Work In Progress
Parks Identity Signage Program (2019, 2020)	300	134	166
Lang Park Completion (2020)	250	8	242
Total Key Parks Capital Projects	\$26,729	\$8,974	\$17,755

*Adjusted budget for Hollybridge Pier/Middle Arm includes \$100K allocated from Middlearm Gateway Park (2010-2011) and \$1,250K from Oval West Waterfront Park - Phase 1 2012 approved budget.

Capital Projects Completed in the Quarter

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

Table 6: Projects Closed in the Quarter Ended June 30, 2020 (in \$'000s)

Project Name	Adjusted Budget	Actuals as at June 30, 2020	Remaining Budget*
Water Metering Program (2018)	\$6,506	\$4,809	\$1,697
Server Refresh (2017)	595	591	4
Community Safety Building Mechanical Upgrades (2017)	505	505	-
Headwall Replacement and Ditch Infills (2018)	500	492	8
Public Works Minor Capital - Drainage (2019)	475	468	7
Minoru Park - Track Resurfacing (2014)	450	449	1
Telephone System Equipment Replacement (2018)	402	399	3
Microsoft Exchange 2016 Upgrade (2017)	326	326	-
Public Works Minor Capital - Sanitation & Recycling (2018)	300	299	1
Modular Housing Project (2018)	282	30	252
Development Coordinated Works - Water (2018)	251	251	-
Development Coordinated Works - Drainage (2017)	250	250	-
Wifi Network Expansion (2017)	244	244	-
Drainage Pump Station Rehabilitation (2017)	225	225	-
West Cambie Child Care Facility (2012)	209	140	69
City Tree Planting Program (2018)	200	200	-
WiFi Network Expansion Phase II (2016)	193	193	-
Public Works Minor Capital - Roads (2019)	159	159	-
Tree Planting/Urban Forest Advance Design Program (2014)	150	116	34

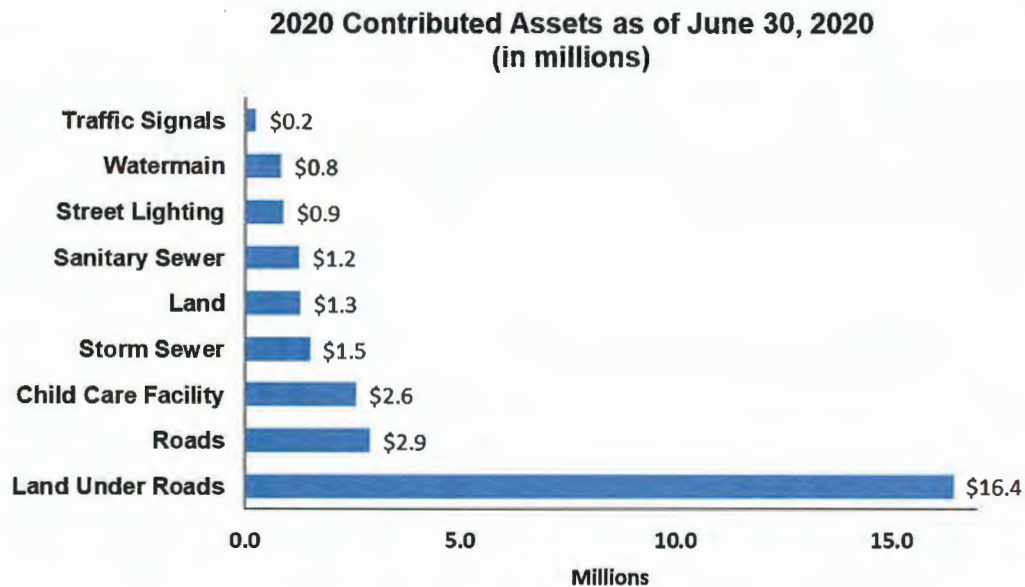
Table 6: Projects Closed in the Quarter Ended June 30, 2020 (in \$'000s) - Continued

Project Name	Adjusted Budget	Actuals as at June 30, 2020	Remaining Budget*
SCADA System Improvements (2019)	150	144	6
Log Management Implementation Payment Card Industry Compliance (2016)	128	121	7
Total	\$12,500	\$10,411	\$2,089

* Unspent funds are returned to the original source of funding.

Contributed Assets

Included in the Revised Consolidated 5 Year Financial Plan (2020-2024) Bylaw is an estimate of \$50.0M for assets that are transferred to the City by developers. Under the Public Sector Accounting Standards, these are recorded as revenue at the fair market value at the time of contribution. The following assets totalling \$27.9M have been recorded as of June 30, 2020:



Included in Land Under Roads is the road extension of Minoru Boulevard from Alderbridge Way to River Road as part of the rezoning application for the property at 7811 Alderbridge Way recorded at the fair market value of \$15.9M.

Developer community contributions of child care amenities with a combined total of 77,000 sq. ft. are underway or were completed within the second quarter. Ownership of the River Run Early Care and Learning Centre located at 10277 River Drive was transferred to the City and the lease with the operator commenced on May 1, 2020. The operator will proceed with opening 12 spaces for infants and toddlers and 25 full day spaces for 3-5 year olds in August. The 24 school age spaces and the 20 preschool spaces will follow later this year. A total of 81 child care spaces will be available when fully operational. Please see Attachment 1 for the Q2 2020 Construction Update.

Financial Impact

None.

Conclusion

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



Melissa Shiau, CPA, CA
Manager, Financial Planning and Analysis
(604-276-4231)

MS:sx

Att. 1: Q2 2020 Construction Update
2: Capital Highlights

Q2 2020 Construction Update

Flood Protection

Drainage Pump Station and Diking Upgrades – Provincial Grant

The City secured \$16.6 million from the Provincial Government under the Flood Protection Program. This project includes the upgrades of four drainage pump stations and diking upgrades. Construction for the South Dike upgrade (Gilbert Road to No. 3 Road) is substantially complete. Construction for the Horseshoe Slough drainage pump station, No. 7 Road South drainage pump station, and Shell Road North drainage pump station upgrade are underway.

Burkeville Area Drainage, Watermain and Sanitary Sewer Upgrades

This project consists of upgrades to the City's storm sewer capacity. Ageing watermain and sanitary sewers will also be upgraded at the same time to minimize ongoing disruption to residents and overall construction costs. This project will be performed in phases over 5 to 10 years with construction currently ongoing.

Laneway Drainage Upgrades

This project consists of upgrades to laneways in the Broadmoor area to reduce local flood risks by increasing the City's storm system capacity. Locations include Greenlees Road East laneway, Bates Road West laneway, and Bates Road South laneway. Construction is ongoing.

Roads

River Parkway Extension

The scope of this project includes the construction of an interim two-lane road along the former railway corridor, from 200m northeast of Gilbert Road to Cambie Road. The new road will connect to the existing Leslie Road, Gilbert Road, Cambie Road and future Minoru Boulevard as well as access to the future Middle Arm Waterfront Park. When completed this new road would replace the existing River Road between Gilbert Road and Cambie Road and provide a continuous alternate route to No. 3 Road and existing River Road. The construction work is ongoing.

Sanitary Sewers

Hamilton Sanitary Pump Station

This project includes the construction of the new Hamilton Sanitary Pump Station located at the southeast corner of Hamilton VLA Park and installation of new sanitary utility in the area. The purpose of the project is to provide sanitary service for the Willet sanitary catchment in order to support population densities projected by the Hamilton Official Community Plan Update. This area does not have an existing City sanitary system and is currently serviced by septic systems. The construction contract is awarded and is scheduled to commence summer 2020.

Sanitary Sewer Replacement – 6000 Block Buswell Street

During maintenance of the sanitary sewers around Buswell Street and Cooney Road, staff discovered a section of failed sanitary sewer in the 6000 Block of Buswell Street. Measures have

been put in place to provide continuous sewer service to the surrounding properties. Construction is ongoing.

Steveston Laneway Sanitary Sewer Rehabilitation

This project includes the replacement and rehabilitation of aging sanitary sewer mains at the end of their service life in the Steveston area, and is in line with the City's Aging Infrastructure Replacement Strategy. Construction at Second Avenue East laneway is complete. Construction at Georgia Street South laneway and Third Avenue East laneway is ongoing.

Water

Watermain Replacement Program

This project replaces and upsizes ageing watermains at the end of their service life with PVC pipe, and is in line with the City's Ageing Infrastructure Replacement Strategy. This will minimize unplanned maintenance and improve fire protection. This project includes construction of 7000 Block No. 4 Road, Bridgeport/Olafsen area, Chatsworth/Chemsford area, and 6000 Block Monteith Road. The construction of 7000 Block No. 4 Road is underway.

Buildings

Minoru Centre for Active Living

The Minoru Centre for Active Living project remains on budget. Omicron Construction has completed Lap Pool 1 reconstruction with costs paid by insurance. Civil Lawsuit Claims responses were coordinated with the Law department and external counsel. The aquatics portion of the facility is now fully operational and Vancouver Coastal Health has authorized staff access for training. The Seniors Centre and Event Centre opened to the public on March 11, 2019 and the Fitness Centre opened on January 1, 2020. As a result of COVID-19 precautions, the entire facility was closed to the public on March 18, 2020.

Fire Hall No.1

In support of the Solar Friendly Richmond Framework, photovoltaic panels have been installed on the roof of Brighthouse Fire Hall No. 1 facility. The contract for construction services has been completed as of the end of July 2020.

Child Care Centres

A combined total of approximately 77,000 sq. ft. has been designed to accommodate about 262 children in various licensed child care programs. Funding was collected through Development Cost Charges and community amenities charges. Design and construction continue for the following:

- River Green Child Care - Aspac Development Ltd. (in design)
- Brighthouse Early Childhood Development Hub - Keltic Canada Development Co. Ltd. (under construction)
- Capstan Village - Pinnacle International (in construction)
- River Run Early Care and Learning Centre (Completed April 2020)

City Centre Community Police Office (CPO)

The City Centre CPO project was completed under budget. Occupancy of the facility was granted March 6, 2020 and subsequently handed over to the RCMP for move in. Deficiency correction work is nearing completion and has been implemented with no impact to current RCMP operations within the facility.

Phoenix Net Loft

Council approved deconstruction and salvage of the Phoenix Net Loft on June 22, 2020. Staff are proceeding with tendering for demolition contract services. Deconstruction works are estimated to be completed by Q4 2020.

Gateway Theatre

The theatre improvements include envelope rehabilitation, modernization of fire safety, mechanical and electrical systems replacements, with minor structural and finishes upgrades. Construction continues and is estimated to be completed by Q1 2021. While the facility remains operational, there are no on-site public programs at this time as a result of COVID-19.

Minoru Place Activity Centre

The Minoru Place Activity Centre will be repurposed to a Community Arts Program and Education space. The detailed design phase of the project has been completed. Tender documents were prepared, however, tendering for construction services is on hold as a result of accommodating BC Housing operations. BC Housing is temporarily operating the facility as an Emergency Response Centre for homeless people due to COVID-19. Construction will commence once the licence agreement expires and BC Housing vacates the building.

Works Yard Recycling Depot – Eco Centre

Configuration changes and site improvements to update ageing infrastructure and improve operations will include a new site, a classroom for environmental programs, expansion of the hazardous waste materials area inclusive of tent covering, new steel awning spanning the centralized large recycling bins and new heavy equipment. Construction is underway with an anticipated completion date in Q3 2020.

	Project Name	Scope of Work	Capital Funding (x1000)	Scheduled Construction Completion
INFRASTRUCTURE - ENGINEERING				
ROADS				
1	Streetlight LED Upgrade Program (2019)	Year 3 - Continuation of LED replacement program	\$430	Q3 2020
2	Neighbourhood Walkway Program (2019)	No 6 Road Multi-Use Pathway, Cambie Road to Bridgeport Road	\$500	Q3 2020
3	River Parkway - Gilbert Road to Cambie Road (Phase 1) - Design (2017) River Parkway Road Extension - Gilbert Road to Cambie Road (2018) Cambie Road Improvement, River Road to No. 3 Road (2018) Leslie Road Improvement, River Parkway to approximately 150m to the east (2018) Watermain Replacement River Parkway (2018)	River Parkway Road Extension - Gilbert Road to Cambie Road	\$15,045	Q3 2020
4	Railway Crossings and Environmental Works (2018)	Westminster and Nelson rail crossings and environmental works at Woodward's Slough	\$3,384	Q4 2020
5	Alderbridge Way Multi-Use Pathway, No. 4 Road to Shell Road (2018)	Alderbridge Way MUP - No. 4 Road to Shell Road	\$1,200	Q4 2020
6	Arterial Roadway Improvement Program (2019)	Railway Greenway intersections	\$450	Q4 2020

7	Garden City Road Pedestrian and Cyclist Enhancements, Westminster Highway to Lansdowne Road (2019)	Garden City Pedestrian and Cyclist Enhancements - Westminster Highway to Lansdowne Road	\$1,000	Q4 2020
8	Annual Asphalt Re-Paving Program - MRN (2020)	Annual asphalt re-paving	\$1,554	Q4 2020
9	Annual Asphalt Re-Paving Program - Non-MRN (2020)	Annual asphalt re-paving	\$3,288	Q4 2020
10	Neighbourhood Walkway Program (2020)	Viking Way Sidewalk - Cambie Road to Bridgeport Road and Westminster Highway Walkway - Muir Drive to 22411 Westminster Highway	\$750	Q1 2021
11	Cambie Overpass Rehabilitation Project (2020)	Rehabilitation of the Cambie Overpass approach at Knight Street	\$1,355	Q2 2021
12	Street Light LED Upgrade Program (2020)	Year 4 - Continuation of LED replacement program	\$400	Q3 2021
13	No. 4 Road Reconstruction from Blundell Road to Granville Ave (2018) Box Culvert Repair (2018)	Granville Avenue to Blundell Road	\$3,286	Q3 2021
14	Bridge Rehabilitation Program (2018)	Various locations Citywide including West Dikes Bridge and Bird Road Bridge	\$290	Q3 2021
15	Steveston Highway Multi-Use Pathway, Shell Road to Mortfield Gate (2019)	Steveston Highway MUP - Shell Road to Mortfield Gate	\$2,000	Q4 2021

16	Arterial Roadway Improvement Program (2018)	River Road Sidewalk - No. 6 Road to Burdette Street, Sidewalk Upgrades - Lucas at No. 3 Road	\$350	Q4 2021
17	Transit-Related Roadway Improvement Program (2020)	Various locations Citywide including Westminster Hwy at No. 8 Road, Railway Avenue at Linfield Gate, Railway Avenue at Lancing Road, and Railway Avenue at Maple Road.	\$500	Q4 2021
18	Active Transportation Improvement Program (2018) Active Transportation Improvement Program (2019)	Odlin Road Bike Route, Westminster Highway MUP - No. 6 Road to No. 7 Road, and Charles Street MUP - Sexsmith to Bridgeport Canada Line Station	\$2,000	Q4 2021
DRAINAGE				
19	Gilley and Westminster Hwy Culvert Replacement (2016)	Replacement of existing culvert at intersection	\$1,250	Complete
20	Headwall Replacement and Ditch Infills (2018)	Replacing failed headwalls in the Steveston area, Broadmoor area, and various other location	\$500	Complete
21	Burkeville Drainage Improvements (2018)	Burkeville Drainage Upgrades (First phase of construction)	\$2,000	Q3 2020
22	East Richmond Drainage & Irrigation Upgrades (2017)	Irrigation gate installation, ditch regrading and culvert upgrades at various locations Citywide including Steveston Hwy, Sidaway Rd and Palmberg Rd.	\$1,285	Q4 2020

23	Laneway Drainage Upgrade - Herbert East Lane (2019)	Laneway Drainage Upgrade in Herbert Road east Lane.	\$542	Q4 2020
24	Burkeville Utility Improvements Drainage (2020)	Burkeville Drainage Upgrades (Second phase of construction)	\$2,236	Q2 2021
25	2016 Flood Protection (2016)	South dike upgrades - No. 3 Road to Gilbert Road, Horseshoe Slough Pump Station, No. 7 Road South Drainage Pump Station, Shell North Drainage Pump Station, No. 2 Road South Drainage Pump Station	\$28,229	Q3 2021
26	Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2020)	First phase of drainage pump station upgrades and perimeter dike raising design as per the awarded Disaster Mitigation and Adaptation Fund including construction of dike upgrades from No. 3 Road to Finn Slough	\$4,516	Q4 2021
27	Heather Street Improvement (2019)	Neighbourhood improvement on Heather Street, from Francis Road to Dayton Avenue	\$1,757	Q4 2021
28	Canal Stabilization (2017) Canal Stabilization (2020)	Canal stabilization and assessments and geotechnical investigations for various sections of canal Citywide including No. 9 Road and No. 6 Road	\$800	Q4 2021

29	East Richmond Drainage & Irrigation Upgrades (2018) East Richmond Drainage & Irrigation Upgrades (2020)	Irrigation gate installation, ditch regrading and culvert upgrades at various locations City wide including Woodward's Slough, Westminster Highway and No. 7 Road, and No. 7 Road and Granville Avenue; and to address general drainage and irrigation issues throughout the City.	\$1,466	Q4 2021
30	Laneway Drainage Upgrade (2020)	Laneway drainage upgrade in Greenlees Road easement lane, Bates Road east lane, and Bates Road south lane.	\$1,460	Q4 2021
SANITARY				
31	Sanitary Sewer Replacement - 6000 Block Buswell Street (2020)	Sanitary sewer replacement to address failed sewer sections in the 6000 Block of Buswell Street	\$1,500	Q3 2020
32	Burkeville Utility Improvements - Sanitary (2019)	Burkeville Utility Upgrades - Sanitary (First phase of construction)	\$1,133	Q4 2020
33	Hamilton Area Sanitary Sewer and Pump Station (2020)	Sanitary Pump station located in Hamilton VLA Park	\$2,800	Q1 2021
34	Eckersley B Sanitary Pump Station (2020)	Eckersley B Sanitary Pump Station	\$5,100	Q1 2021
35	Sanitary Sewer Tie-in and Restoration (2020)	Sanitary Sewer Tie-in and Restoration	\$150	Q1 2021
36	Steveston Gravity Sewer Replacement and Rehabilitation (2018) Steveston Gravity Sewer Replacement and Rehabilitation (2020)	Steveston Gravity Sewer Assessment, Replacement and Rehabilitation	\$3,039	Q4 2021

WATER				
37	Watermain Tie-in and Restoration (2020)	Watermain Tie-in and Restoration	\$400	Q1 2021
38	Water Metering Program (2020)	Upgrade touch pad meters to radio meters; volunteer multi-family dwelling meters	\$1,200	Q1 2021
39	Watermain Replacement Program (2019)	Watermain Replacement Program - McDonald Road Area, Colbeck Area, Palmberg Area and Gilhurst/Bates Area.	\$5,395	Q2 2021
40	Thompson Gate Pressure Reducing Valve Station (2017) Thompson Gate Pressure Reducing Valve Station (2020)	Water pressure reducing valve station to reduce Metro Vancouver's distribution pressure to local pressure to provide additional water service to the East Richmond area.	\$2,100	Q4 2021
41	Watermain Replacement Upgrades Program (2020)	Watermain Replacement Program - No. 4 Rd, Chatsworth/Chelmsford Area, Bridgeport/Olafsen Area and Monteith Area.	\$5,793	Q4 2021
BUILDINGS - PROJECT DEVELOPMENT				
42	Library Cultural Centre Conveyance Replacements (2019)	Conveyance Replacement	\$709	Q3 2020
43	Solar Energy Systems for Fire Hall 1 (2017)	Solar Photovoltaic Panels - Energy Systems	\$455	Q3 2020
44	Recycling Depot - Potential Eco Centre Upgrade Options (19) (2019)	Recycling Depot - Eco Centre	\$1,226	Q3 2020
45	Minoru Centre for Active Living (2014)	New Construction of an Aquatics Centre and Older Adults Centre	* \$83,100	Q3 2020

46	Minoru Centre for Active Living - Lap Pool 1 Reconstruction (2020)	Reconstruction of Lap Pool 1	\$3,000	Q3 2020
47	City Hall Annex Renovation (2018)	Renovation	\$5,700	Q3 2020
48	Phoenix Net Loft Design (2017)	Design	\$500	Q3 2020
49	Minor Capital Buildings Project Development (2018)	76 projects (roof replacement, flooring, mechanical equipment, etc.)	\$4,334	Q4 2020
50	London Farm House Envelope Renewals (2019)	Envelope Renewals	\$376	Q4 2020
51	Phoenix Net Loft Building Stabilization (2018)	Stabilization	\$19,440	Q4 2020
52	Community Safety Building - Mechanical Component Replacements and Associated Works (2020)	Components Replacement	\$1,350	Q1 2021
53	Gateway Theatre (2016, 2018, 2019)	Main Stage Lighting Replacement, Infrastructure Replacements – Phase 1 and Phase 2, Lighting Infrastructure and System Renewal	\$8,095	Q1 2021
54	City Hall Annex Transformer Replacement (2019)	Transformer Replacement	\$500	Q1 2021
55	City Hall Upgrades and Repairs (2019)	Mechanical Upgrades and repairs	\$980	Q2 2021

56	Minoru Place Activity Centre Program - Implementation (2019)	Repurposing	\$2,511	Q2 2021
57	Minoru Arena System Renewals (2019)	Systems Renewal	\$3,300	Q3 2021
58	Watermania Aging Mechanical and Building Envelope Infrastructure Replacement Phase 2 (2019)	Mechanical and Envelope Replacement	\$1,341	Q4 2021
59	Richmond Courthouse - Mechanical Components Replacements, Envelope Renewals, Electrical Replacements, Structural Renewals and Associated Works (2020)	Infrastructure Replacements	\$1,601	Q4 2021
60	City Hall - Replacement of Mechanical, Life/Safety, and Envelope Components and Associated Works (2020)	Replacement Components	\$2,630	Q4 2021
61	Works Yard Electrical Service Upgrade and EV Infrastructure (2020)	Electrical Upgrade and EV Infrastructure	\$1,688	Schedule Under Review
62	Works Yard Salt Shed Repairs (2019)	Salt Shed Repair	\$266	Schedule Under Review
63	Works Yard Ageing Mechanical and Building Envelope Infrastructure Replacement (2018)	Design of site wide infrastructure replacements	\$2,515	Schedule Under Review
64	Works Yard Mechanical Replacements (2019)	Mechanical Systems Replacement	\$1,707	Schedule Under Review

65	Lawn Bowling Club Replacement (2018)	Replacement of Clubhouse	\$5,300	Q3 2022
66	Animal Shelter Replacement (2018)	Replacement	\$8,000	Q4 2023
67	Richmond Ice Centre Infrastructure Renewals - Phase 1 (2020)	Renewals	\$6,850	Q4 2023

*Includes multi-project contingency

Capital Highlights**Community
Services/Parks***Garden City Lands Phase 2 and 3:*

Approved Budget: \$5,995,000 (2016, 2017, 2018) 50% Complete

- The Garden City Lands - Legacy Landscape Plan was endorsed by Council in June 2014.
- Preparation of the farm area licensed to Kwantlen Polytechnic University has been completed and farming began in June 2018.
- Staff are preparing a Non-Farm Use Application for Council's review prior to filing with the Agricultural Land Commission (ALC). The purpose of the application is to gain the ALC's approval to construct a wide range of park infrastructure and site elements.
- Construction of community gardens are expected to proceed in 2020.

Aberdeen Park Phase 2 and 3:

Approved Budget: \$2,050,000 (2018 & 2019) 25% Complete

- Council approved the naming of this new park at Cambie Road and Hazelbridge Way in July 2017 from Cambie City Centre to Aberdeen Park.
- Phase 2 detailed design was completed in Fall 2019.
- Construction is anticipated to begin in Summer 2020 and be completed by Spring 2021.

The Gardens Agricultural Park:

Approved Budget: \$1,100,000 (2015) 65% Complete

- Rehabilitation of the existing park features is ongoing including pathways, a bridge, planting and site furnishings.
- The southern part of the park is open to the public with a northern section closed under review for planning and detailed design.
- Redevelopment of the existing ponds for storm water retention was completed in 2016.
- Full implementation of the approved park concept is currently on hold due to the potential impacts of the George Massey Tunnel project.

Parks Aging Infrastructure 2018:

Approved Budget: \$900,000 (2018) 85% Complete

- King George Spray Park Resurfacing was completed on June 22, 2018.
- No. 2 Road Pier – Structural Conditional Assessment was completed in August 2018. Phase 1 repairs completed in Q2 2020.
- Richmond Nature Park entry enhancements that included pathway replacement, fencing and a new bike rack were completed in Spring 2020. Tree and shrub planting to take place Fall 2020.
- No. 2 Road Pile Foundation Repairs currently underway and anticipated to be completed in the Summer.

<i>Capital Highlights</i>	<i>Community Services/Parks</i>
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Parks Identity Signage Program:

Approved Budget: \$300,000 (2019 & 2020)	45% Complete
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- The design and fabrication of various Park and Open Space signage including wayfinding and identity signs. Sites include the South Dike, Shell Road Trail, Horseshoe Slough, and various neighbourhood park locations.

Playground Improvement & Replacement:

Approved Budget: \$1,100,000 (2018 & 2020)	30% Complete
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South Arm Community Park Playground

- Public engagement process took place in Fall 2019.
- Concept plan options and preliminary pricing is being developed.
- Request For Proposal and contract award process for design-build services to tentatively take place Fall 2020.
- Construction expected to start in early Spring 2021.

Talmey Neighbourhood School Park and Garnet Tot Lot Playgrounds

- Request For Proposal and contract award process for design-build services to tentatively take place in Summer 2020.
- Construction anticipated to start in Fall 2020.

Steveston Community Park Playground Partial Replacement

- On hold until the location for the future Steveston Community Centre has been determined.

London/Steveston Park Enhancements:

Approved Budget: \$550,000 (2017 & 2019)	80% Complete
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- Construction of new landforms and pathways were completed in Summer 2019.
- Tree planting and grass establishment were completed in Fall 2019.
- The contract for design-build services for the children's playground was awarded in August 2019.
- Construction of the playground, half-court basketball plaza and park shelter has started in June 2020 and be completed by Fall/Winter 2020.

Capital Highlights**Community
Services/Parks***Hollybridge Pier/Middle Arm:*

Approved Budget: \$2,350,000 (2010, 2012 & 2015)

30% Complete

- Continuation of the Oval West waterfront development as part of the Middle Arm waterfront with a new public pier at the end of Hollybridge Way.
- Contract for design services for the pier has been awarded to Amec Foster Wheeler.
- Contract for construction services for the pier has been awarded to Fraser River Pile & Dredge.
- **Project delayed.** Awaiting permitting/construction approvals from the Ministry of Forest, Lands and Resources Operations and First Nations consultation.

Parks Aging Infrastructure 2019:

Approved Budget: \$550,000 (2019)

75% Complete

- McNair Sandfield Renewal – Upgrades to the soccer and rugby sized (70x120 m) sand field included new irrigation heads and replacement of the existing sand base and grass sod began in late-May 2019 and was completed in mid-June 2019.
- Minoru Tennis Courts – perimeter fence replacement on the Richmond Tennis Club facility was completed in July 2019.
- Minoru Tennis Court Repairs and Resurfacing was completed in August 2019.
- King George Tennis Court Repairs and Resurfacing was completed in August 2019.
- King George Waterpark – UV System upgrades - the design build of a secondary UV filtration system as per the new standards/requirements from Vancouver Coastal Health Authorities. Anticipated installation in the Summer of 2020.
- London Steveston Sandfield Renewal construction to start in July 2020.

Hugh Boyd Fields – Artificial Turf Replacement 2019:

Approved Budget: \$1,800,000 (2019)

95% Complete

- Project substantially completed.
- Minor landscaping and fencing upgrades underway.

Alexandra Park (formerly West Cambie Park):

Approved Budget: \$1,704,000 (2010, 2016 & 2019)

55% Complete

- Council approved the re-naming of this park in March of 2019 from West Cambie to Alexandra Park.
- Issue for Tender drawings and specifications, RFP are being finalized with the consultant team.
- Site prep work was completed in Fall 2019.
- Phase 1 park construction is anticipated to begin in Summer 2020 and be completed by late Fall 2020.

Capital Highlights**Community
Services/Parks***Minoru Oval – Replacement of the Artificial Sports Surfacing System 2020:*

Approved Budget: \$1,030,000 (2020)

15% Complete

- Tender awarded in Q2 2020.
- Construction anticipated to start in July and be completed by September.

Parks Aging Infrastructure 2020:

Approved Budget: \$590,000 (2020)

75% Complete

- Replacement of approximately 25 spectator bleacher units at various sports field locations – scheduled for Fall 2020.
- Sandfield Renewal at London Steveston Park – construction to start in July 2020.
- Sports surfacing renewal at Hugh Boyd and South Arm tennis courts anticipated for July-September.
- Fencing construction underway for tennis and pickleball courts.

Parks General Development 2020:

Approved Budget: \$400,000 (2020)

25% Complete

- Installation of new fence sections at South Arm Park, and installations of new and upgraded fence sections at Hugh Boyd Park for pickleball courts and tennis courts.
- Supply and installation of drinking fountains at various locations.

Lang Park Completion 2020:

Approved Budget: \$250,000 (2020)

35% Complete

- New table tennis tables purchased and awaiting public facilities to re-open prior to installation on site.
- Book kiosk construction and installation on queue for City Carpenters.
- Stainless steel canopy structure contract awarded and now on queue for installation, target completion in Fall 2020.

Minoru Lakes Renewal 2020:

Approved Budget: \$6,060,000 (2018, 2019 & 2020)

10% Complete

- Detailed design and costing currently at 80% completed and anticipated to be done by year end.
- Phase one construction tender and award process to tentatively take place in Q1 2021 with construction anticipated to start in Q2 2021.



City of Richmond

Report to Committee

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

Jerry Chong, CPA, CA
Director, Finance and Chief Financial Officer,
Lulu Island Energy Company
Date: July 31, 2020
File: 01-0060-20-LIEC1/2020-
Vol 01
Re: Lulu Island Energy Company – 2nd Quarter June 30, 2020 Financial Information

Staff Recommendation

That the Lulu Island Energy Company report titled “2020 2nd Quarter Financial Information for the Lulu Island Energy Company” dated July 31, 2020 from the Chief Executive Officer and Chief Financial Officer, be received for information.

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

Jerry Chong, CPA, CA
Director, Finance and
Chief Financial Officer,
Lulu Island Energy Company
(604-276-4064)

Att. 1

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY SMT	INITIALS: SL
APPROVED BY CAO (Acting)	



6911 NO. 3 ROAD
RICHMOND, BC V6Y 2C1

Report

DATE: July 31, 2020

TO: Board of Directors

FROM: Jerry Chong, CPA, CA, Chief Financial Officer

Re: Lulu Island Energy Company – 2nd Quarter June 30, 2020 Financial Information

Staff Recommendation

That the 2nd Quarter Financial Information as presented in the report titled “Lulu Island Energy Company – 2020 2nd Quarter Financial Information” dated July 31, 2020 be approved.

Background

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

Analysis

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). LIEC’s pre-audited Q2 financial information consists of the interim statement of the financial position as of June 30, 2020 (Attachment 1) and the interim income statement for the period ended June 30, 2020 (Attachment 2).

Financial Position

The interim statement of the financial position provides a summary of assets, liabilities and shareholder’s equity. Total assets are comprised of current assets (cash, investments and receivables) \$14,098,025 and non-current assets (plant and equipment) \$34,485,052. The total assets are \$48,582,077. The total liabilities of \$16,355,394 include outstanding invoices, deferred contributions and concession liabilities. The shareholder’s equity represents the net worth of the company. It is equal to the total assets minus its total liabilities and measures the company’s

financial health. As of June 30, 2020, LIEC's shareholder equity is \$32,227,683, showing good financial health of the company. Year to date budget to actual numbers are shown in Attachment 3.

Revenues

The metered billing revenue is the total energy sales of both ADEU and OVDEU service areas. The year to date metered billings revenue is \$1,109,628 from the Alexandra District Energy Utility (ADEU) and \$1,104,298 from the Oval Village District Energy Utility (OVDEU). Overall, the first six months of metered billing revenue of \$2,213,926 increased by 19% over 2019. This reflects the addition of two new building connections, increased energy use from customers due to full occupancy, and the approved 2020 rates. The year-to-date metered billings revenue is in line with the budget. The issued metered billings that have been collected at the quarter end are at 70%.

Cost of Sales

The cost of sales is the accumulated total of expenses attributable to the metered billing revenue, which includes contract services, utilities (electricity and natural gas), and amortization expenses. The contract expense slightly increased with more buildings being serviced. For the first six months, there has been a minimum amount of repairs and maintenance. The utility expense increased by 13% as a result of more energy sales; the growth in energy demand (due to the addition of more buildings) resulted in an increase in electricity and natural gas to run distribution pumps, geo-field pumps, auxiliary equipment, cooling towers and boilers which are used to deliver energy to customers' buildings. The amortization expense increased due to capital asset additions. The gross margin percentage has increased from 46% to 50%.

General and Administration Expenses

The general and administration (G&A) expenses are expenditures that LIEC incurs to engage in operating activities which include salaries and benefits, administration expenses, professional fees, etc. The 15% increase in salaries and benefits, in comparison to Q2 2019, is primarily due to the approved increase of one additional employee, which we hired in late 2019. The administration expense includes the overhead allocation paid to the City of Richmond for the day-to-day support that LIEC receives from City staff. Insurance expense increased due to general insurance rate increase and additional DEU assets being insured. The professional fees increased due to general audit fee increase. Overall, G&A expenses, as a percentage of revenues are at 18%, which is same as last year's Q2.

Contributions and Financing

The contributions and financing expense section represent other sources of income and cost for the business. The current energy modeling review fee revenues are lower than 2019's due to less building permits being reviewed; there was larger than normal volume of building permit applications in late 2018, which resulted in higher energy modeling review fees collected in 2019. The net finance cost is the result of year-to-date finance costs on concession liabilities, offset by interest income. The net finance cost is higher than 2019 mainly due to the increase in

the concession liability. The additional capital expenditure for OVDEU infrastructure has resulted in a higher balance of concession liability than the prior year.

LIEC's EBITA (earnings before interest, tax, and amortization), used as a proxy to measure the Company's financial performance, increased by 14% compared to the six months ended in 2019. EBITA as a percentage of revenue is at 57% for 2020 and 2019.

Overall, the net income as a percentage of revenue is 30% for 2020 compared to 29% in 2019. The year to date net income of \$813,519 has exceeded the budget by 13%. Consistent with the company's financial plan objectives, any net income will be retained in LIEC's equity in order to fund future capital projects and infrastructure replacements.

Financial Impact

None.

Conclusion

The pre-audited financial information shows that LIEC's financial position is positive.



Helen Zhao, CPA, CA
Controller

- Attachment 1: Interim Statement of Financial Position as at June 30, 2020 (unaudited)
- Attachment 2: Interim Income Statement for the period end June 30, 2020 (unaudited)
- Attachment 3: Year-To-Date Budget vs. Actual Comparison (unaudited)
- Attachment 4: LIEC Second Quarter Income Statement (unaudited)

Interim Statement of Financial Position (Unaudited)

	As at June 30 2020	As at December 31 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,904,256	\$ 6,233,102
Accounts receivable	2,001,518	1,302,697
Investments (Note 1)	5,192,251	5,592,923
	14,098,025	13,128,722
Non-current assets:		
Plant and equipment	34,485,052	33,412,384
	\$ 48,583,077	\$ 46,541,106
Liabilities and Shareholder's Equity		
Current and non-current liabilities:		
Accounts payable and accrued liabilities	\$ 592,339	\$ 777,492
Deferred developer contributions	6,591,577	6,183,224
Concession liability	9,171,478	8,166,226
	16,355,394	15,126,942
Shareholder's equity:		
Share capital and contributed surplus	27,397,115	27,397,115
Retained earnings	4,830,568	4,017,049
	32,227,683	31,414,164
	\$ 48,583,077	\$ 46,541,106

Note 1: Investments

Investments represent cash term deposits as follows:

Purchase date	Maturity date (interest rate)	June 30, 2020
Aug 23, 2019	Aug 22, 2020 (2.60%)	\$ 1,577,037
Nov 28, 2019	Nov 28, 2020 (2.60%)	1,615,165
June 29, 2020	Jun 29, 2020 (0.9%)	2,000,049
		\$ 5,192,251

Attachment 2

Interim Income Statement (Unaudited)

	June 30 2020	June 30 2019	\$ Changes	% Change
Revenues				
Metered Billings (Quarterly)	\$ 2,213,926	\$ 1,868,109	345,817	19%
Service fee	490,743	481,121	9,622	2%
	2,704,669	2,349,230	355,439	15%
Cost of Sales				
Contracts	347,326	341,817	5,509	2%
Utilities	424,064	375,160	48,904	13%
Amortization	579,469	557,307	22,162	4%
	1,350,859	1,274,284	76,575	6%
Gross margin	1,353,810	1,074,946	278,864	26%
General and Administration Expenses				
Salaries and benefits	366,456	319,490	46,966	15%
Administration expenses	53,980	59,876	(5,896)	(10%)
Insurance	39,211	35,000	4,211	12%
Professional Fees	24,004	19,107	4,897	26%
	483,651	433,473	50,178	10%
Net income before other items	870,159	641,473	228,686	36%
Contributions and Financing expense				
Developer contributions	72,871	53,381	19,490	37%
Energy modeling review fee	10,136	88,199	(78,063)	(89%)
Net financing cost	(139,647)	(100,995)	(38,652)	38%
	(56,640)	40,585	(97,225)	(240%)
Net Income	\$813,519	\$682,058	\$131,461	19%
Earnings before interest, taxes and amortization (EBITA)				
Net income per above	813,519	682,058	131,461	19%
Net Financing cost	139,647	100,995	38,652	38%
Amortization expense	579,469	557,307	22,162	4%
EBITA	1,532,635	1,340,360	192,275	14%

Notes:

	YTD June 30 2020	YTD June 30 2019
Percentage of Revenue		
Gross margin percentage	50%	46%
General and administration percentage	18%	18%
Net income percentage	30%	29%
EBITA percentage	57%	57%

Attachment 3

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

	2020 YTD Budget	2020 YTD Actual	\$ Variance	% Variance
Revenues				
Metered Billings (Quarterly)	\$ 2,247,684	\$ 2,213,926	(33,758)	(2%)
Service fee	490,743	490,743	-	0%
	2,738,427	2,704,669	(33,758)	(1%)
Cost of Sales				
Contracts	382,861	347,326	(35,535)	(9%)
Utilities	448,221	424,064	(24,157)	(5%)
Amortization	571,251	579,469	8,218	1%
	1,402,333	1,350,859	(51,474)	(4%)
Gross margin	1,336,094	1,353,810	17,716	1%
General and Administration Expenses				
Salaries and benefits	366,418	366,456	38	0%
Administration expenses	72,450	53,980	(18,470)	(25%)
Insurance	47,500	39,211	(8,289)	(17%)
Professional Fees	43,611	24,004	(19,607)	(45%)
	529,979	483,651	(46,328)	(9%)
Net income before other items	806,115	870,159	64,044	8%
Contributions and Financing expense				
Developer contributions	84,944	72,871	(12,073)	(14%)
Energy modeling review fee	25,500	10,136	(15,364)	(60%)
Net financing cost	(195,711)	(139,647)	56,064	(29%)
	(85,267)	(56,640)	28,627	(34%)
Net Income	\$720,848	\$813,519	\$92,671	13%
Earnings before interest, taxes and amortization (EBITA)				
Net income per above	720,848	813,519	92,671	13%
Net Financing cost	195,711	139,647	(56,064)	(29%)
Amortization expense	571,251	579,469	8,218	1%
EBITA	1,487,810	1,532,635	44,825	3%

Attachment 4

LIEC Second Quarter Income Statement

	2020 Q2 Actual	2019 Q2 Actual	\$ Variance	% Variance
Revenues				
Metered Billings (Quarterly)	\$ 1,084,111	\$ 894,538	189,573	21%
Service fee	245,371	240,561	4,810	2%
	1,329,482	1,135,099	194,383	17%
Cost of Sales				
Contracts	187,785	183,628	4,157	2%
Utilities	156,919	133,196	23,723	18%
Amortization	299,131	296,000	3,131	1%
	643,835	612,824	31,011	5%
Gross margin	685,647	522,275	163,372	31%
General and Administration Expenses				
Salaries and benefits	183,595	158,550	25,045	16%
Administration expenses	31,908	40,711	(8,803)	(22%)
Insurance	15,461	17,500	(2,039)	(12%)
Professional Fees	6,349	18,725	(12,376)	(66%)
	237,313	235,486	1,827	1%
Net income before other items	448,334	286,789	161,545	56%
Contributions and Financing expense				
Developer contributions	36,435	26,691	9,744	37%
Energy modeling review fee	5,370	28,608	(23,238)	(81%)
Net financing cost	(76,776)	(51,644)	(25,132)	49%
	(34,971)	3,655	(38,626)	(1057%)
Net Income	\$413,363	\$290,444	\$122,919	42%
Earnings before interest, taxes and amortization (EBITA)				
Net income per above	413,363	290,444	122,919	42%
Net Financing cost	76,776	51,644	25,132	49%
Amortization expense	299,131	296,000	3,131	1%
EBITA	789,270	638,088	151,182	24%



City of Richmond

Report to Committee

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

Date: August 28, 2020

File:

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

Re: **Richmond Olympic Oval Corporation – 2nd Quarter June 30, 2020 Financial Information**

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended June 30, 2020 from the Interim Senior Manager, Finance & Administration, 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: August 28, 2020

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

Andrew Nazareth
Chief Financial Officer, Richmond Olympic Oval Corporation

FROM: Rick Dusanj, CPA, CA
Interim Senior Manager, Finance & Administration, Richmond Olympic Oval Corporation

Re: **Richmond Olympic Oval Corporation – 2nd Quarter June 30, 2020 Financial information**

Origin

This staff report deals with the second quarter financial results for the three months ended June 30, 2020 ("Q2") which was endorsed by the Corporation's Board of Directors.

Highlights

The following are some of the highlights of the activities undertaken by the Corporation during Q2. It should be noted that the Corporation has mirrored the City of Richmond's approach to the COVID-19 pandemic. City Council have supported the protective measures recommended by Senior Staff due to this pandemic including the closure of the Oval in mid-March, along with all City arenas, pools, and recreation centres. In late June, the Corporation started planning for the eventual and appropriately timed reintroduction of programs and services which was conducted in accordance with the provincial health and safety guidelines as our guiding principle. After three and a half months of not being open to the public to provide programs and services, the Oval began to offer limited services at the beginning of Q3.

Community Use

Following the closure, the Oval launched its online fitness program called OVALfit at Home. The online fitness program was implemented in order to support members and the community during the closure of most fitness facilities. OVALfit at Home provided a dynamic schedule of 13 live virtual workouts each week that were led by Oval fitness instructors on social media. Classes offered varied from popular OVALfit Flow and Zumba classes, to upbeat Kickbox and Bodyweight classes that could be accomplished in a home setting. To date, the workouts have garnered over 65,000 views. In addition, during Q2, construction of the new climbing wall was completed in advance of the Oval's modified resumption of services. The route setting was done by the national climbing coach with Tokyo 2020 qualified athletes testing out the routes to ensure national caliber climbing standards.

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

Sport Development and Events

Due to COVID-19 and the restrictions on gatherings over 50 individuals, events scheduled to take place in Q2 at the Oval were postponed. Several of these events were rescheduled for 2021. Some of the future new events secured in Q2 by Events and Sport Hosting include: U14 Volleyball Nationals 2022 and 2024 – ISKF Nationals 2021 (Karate).

The Oval's High Performance program implemented online training offerings which included strength and conditioning sessions, mental performance and other online "classroom" based sessions. Athletes from as far away as Kamloops registered and participated in the virtual program, in addition to athletes from various Oval programs including:

- High performance Speed Skating Program
- Van United Soccer
- Oval Climbing Program
- Field Hockey Canada (Men's National Team and Next Generation)
- High Performance Peak Basketball Training

Governance

Meetings of the Corporation's Audit & Finance Committee, Business Planning Committee and the Board of Directors as well as the Annual General Meeting took place during Q2.

Financial

The Oval closed to the public in mid-March and was closed for the duration of Q2. The YTD results for the 6 months ended June 30, 2020 show a loss of \$483,000 (please see page 4 for the Corporation's balance sheet as of June 30, 2020 and page 5 for the statement of operations).

Comments on the Financial Results for Q2

Revenues

The Q2 portion of the estimated 2020 Games Operating Trust Fund ("GOT") distribution of \$739,000 was recognized as revenue. Memberships, admissions and programs revenue was \$84,000 in Q2 and other revenue of \$328,000 primarily pertained to sponsorship, space leasing, parking, interest and grant funding revenue.

Expenses

Memberships, admissions and program services costs for Q2 2020 were \$697,000, facility operations costs were \$693,000, marketing expenses were \$73,000, and administration and finance expenses were \$673,000.



Rick Dusanj, CPA, CA

Interim Senior Manager, Finance & Administration, Richmond Olympic Oval Corporation

RICHMOND OLYMPIC OVAL CORPORATION

Balance sheet

As at June 30, 2020

Unaudited, prepared by management

Jun 30, 2020		
ASSETS		
Financial Assets		
Cash	\$	2,886,524
Investments		14,337,639
Inventory		162,919
Accounts receivable		403,550
		<u>17,790,632</u>
Financial Liabilities		
Accounts payable and accrued liabilities		1,458,080
Deferred revenue		8,712,825
Rental deposits		<u>7,373</u>
		<u>10,178,277</u>
Net financial assets		7,612,355
Non-Financial Assets		
Tangible capital assets		11,297,242
Deferred lease costs		7,672
Prepaid expenses and other deposits		<u>291,860</u>
		<u>11,596,773</u>
Accumulated Surplus (Note 1)	\$	19,209,128

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

Investment in capital assets	8,704,595
Reserves/Provisions	9,660,883
Common Shares	1
Surplus	<u>843,648</u>
	<u>19,209,128</u>

The Accumulated Surplus shown above represents the Corporation's Shareholder's Equity. The investment in capital assets represents funding that has already been spent on existing capital assets currently being depreciated. The reserves/provisions balance primarily includes committed funding for approved capital projects as well as funding required for future capital expenditures. In addition, at the end of each year, the majority of the surplus balance is transferred to the capital reserves to fund the Oval's future capital program, which has averaged \$2.80M annually over the past 5 years. The amount transferred each quarter varies and the final amount is determined by the Capital Works Committee in accordance with the operating agreement.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended June 30, 2020

Unaudited, prepared by management

	QTR 2 2020				YTD ended June 30, 2020				2020 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	
REVENUES									
2010 Games Operating Trust Fund	725,000	739,162	14,162	2%	1,450,000	1,478,207	28,207	2%	2,900,000
Contribution from City of Richmond	899,482	899,482	-	0%	1,798,963	1,798,963	-	0%	3,597,926
Memberships, admissions and programs	2,164,605	83,873	(2,080,732)	-96%	4,522,991	2,054,000	(2,468,991)	-55%	9,367,603
Other	500,782	328,272	(172,510)	-34%	1,001,565	860,065	(141,500)	-14%	1,957,277
	4,289,869	2,050,788	(2,239,080)	-52%	8,773,519	6,191,236	(2,582,283)	-29%	17,822,806
EXPENSES									
Memberships, admissions and program services	1,549,904	696,639	853,265	55%	3,084,519	2,183,917	900,602	29%	6,405,633
Facility Operations	1,180,381	692,883	487,498	41%	2,360,763	1,802,847	557,917	24%	4,721,527
Marketing	169,311	73,357	95,954	57%	345,105	239,244	105,861	31%	686,470
Admin/Finance	828,563	673,467	155,096	19%	1,651,656	1,443,170	208,486	13%	3,306,216
Amortization	500,000	397,106	102,894	21%	1,000,000	796,988	203,012	20%	2,000,000
	4,228,159	2,533,453	1,694,706	40%	8,442,043	6,466,166	1,975,877	23%	17,119,846
Net Income/(Loss)	61,710	(482,664)	(544,374)	-882%	331,476	(274,930)	(606,406)	-183%	702,960

Numbers may be off due to rounding.