



Finance Committee

Anderson Room, City Hall
6911 No. 3 Road

Monday, April 6, 2020

Immediately following the General Purposes Committee meeting

Pg. # ITEM

MINUTES

FIN-3 *Motion to adopt the **minutes** of the meeting of the Finance Committee held on January 7, 2020.*



FINANCE AND CORPORATE SERVICES DIVISION

1. **2019 ANNUAL DEVELOPMENT COST CHARGES REPORT**
(File Ref. No. 03-1070-04-01/2020) (REDMS No. 6423932 v. 2)

FIN-7

See Page FIN-7 for full report

Designated Speaker: Cindy Gilfillan

STAFF RECOMMENDATION

That the staff report titled, “2019 Annual Development Cost Charges Report,” dated March 6, 2020 from the Director, Finance be received for information.



2. **2019 ANNUAL PROCUREMENT REPORT**

(File Ref. No. 02-0745-01) (REDMS No. 6402948 v. 5)

FIN-24

[See Page FIN-24 for full report](#)

Designated Speaker: David Aarons

STAFF RECOMMENDATION

That the staff report titled “2019 Annual Procurement Report”, dated March 6, 2020 from the Director of Finance, be received for information.

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ADDED

3. **2019 INVESTMENT REPORT**

(File Ref. No. 03-0900-01) (REDMS No. 6392117 V. 5)

FIN-34

[See Page FIN-34 for full report](#)

Designated Speaker: Venus Ngan

STAFF RECOMMENDATION

- (1) *That the staff report titled “2019 Investment Report” dated March 31, 2020 from the Director, Finance be received for information, and*
- (2) *That a temporary exemption to the investment limits as prescribed in Section 8 of the City’s Investment Policy 3703 be granted for the remainder of the 2020 calendar year as staff work to reposition the City’s investment portfolio.*

☐

ADDED

4. **COVID-19 FINANCIAL INFORMATION UPDATE**

(File Ref. No. <#>) (REDMS No. 6441214)

FIN-47

[See Page FIN-47 for full report](#)

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

That the report titled “COVID-19 Financial Information Update” dated March 31, 2020 from the Director of Finance be received for information.

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Pg. #

ITEM

ADJOURNMENT





Finance Committee

Date: Tuesday, January 7, 2020

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day
Councillor Kelly Greene
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Harold Steves
Councillor Michael Wolfe

Absent: Councillor Linda McPhail

Call to Order: The Chair called the meeting to order at 5:40 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on December 2, 2019, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

1. **FINANCIAL INFORMATION – 3RD QUARTER SEPTEMBER 30, 2019**

(File Ref. No. 03-0970-09-01) (REDMS No. 6350741 v. 5)

It was moved and seconded

That the staff report titled, “Financial Information – 3rd Quarter September 30, 2019,” dated December 5, 2019 from the Director, Finance be received for information.

Finance Committee
Tuesday, January 7, 2020

The question on the motion was not called as in response to a query from Committee, staff noted that investments in the bank are considered part of the ethical investment portfolio.

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

It was moved and seconded

That staff review the City's cash investment portfolio with respect to holdings with Royal Bank, TD Bank and CIBC and replacing them with an alternate investment outside of the fossil fuel industry, at their discretion.

The question on the referral motion was not called as in response to queries from Committee, staff advised that (i) under the *Community Charter* section 183, the City is limited on the types of investments it can make, (ii) to diversify the risk, the City does not heavily invest on one bank, and (iii) when making investments the factors considered are: preservation of capital, liquidity, ratings, most safe investment and diversification.

Discussion ensued regarding eco-friendly companies and investments.

The question on the referral motion was then called and it was **DEFEATED ON A TIE VOTE** with Mayor Brodie, Cllrs. Au, Loo and McNulty opposed.

2. ACTIVE CAPITAL PROJECTS INFORMATION - 3RD QUARTER SEPTEMBER 30, 2019

(File Ref. No. 03-1200-05) (REDMS No. 6323698 v. 7)

It was moved and seconded

That the staff report titled, "Active Capital Projects Information - 3rd Quarter September 30, 2019," dated December 5, 2019 from the Director, Finance be received for information.

The question on the motion was not called as in response to queries from Committee, staff noted that part of the funding for the Westminster Highway Culvert replacement project was obtained through previously approved capital, and funding for the Garden City Lands Phase 2 & 3 will be set aside until the Non-Farm Use Application has been brought forward for Council consideration.

It was suggested that the public be advised of the dike upgrades that recently took place.

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

LULU ISLAND ENERGY COMPANY

3. LULU ISLAND ENERGY COMPANY – 3RD QUARTER FINANCIAL INFORMATION

(File Ref. No. 10-6600-10-01) (REDMS No. 6338208)

It was moved and seconded

That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 3rd Quarter Financial Information,” dated November 5, 2019 from the Chief Financial Officer, Lulu Island Energy Company be received for information.

CARRIED

RICHMOND OLYMPIC OVAL CORPORATION

4. RICHMOND OLYMPIC OVAL CORPORATION – 3RD QUARTER 2019 FINANCIAL INFORMATION

(File Ref. No.) (REDMS No. 6363528)

In reply to queries from Committee, staff noted that (i) to ensure that other community centres are not negatively impacted the Oval competes in markets that can charge rates that are comparable to private fitness facilities, (ii) the Oval has a diverse offering of programs, (iii) lower rates could result in lower visitation to other community centres and an increase to taxpayers, (iv) discounted rates are available at various times of the day as well as for length of membership at the Oval, and (v) the higher cost of operating the Oval requires additional revenue.

Discussion took place on membership fees at the Richmond Olympic Oval.

As a result of the discussion, the following **referral motion** was introduced:

That staff provide an analysis of the membership fees at the Richmond Olympic Oval.

DEFEATED

Opposed: Mayor Brodie

Cllrs. Au

Loo

McNulty

Steves

Finance Committee
Tuesday, January 7, 2020

It was moved and seconded

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2019 from the Controller of the Richmond Olympic Oval Corporation be received for information.

CARRIED

5. RICHMOND OLYMPIC OVAL CORPORATION – 2020 ANNUAL OPERATING AND CAPITAL BUDGETS

(File Ref. No.) (REDMS No. 6363525)

It was moved and seconded

That the report titled “Richmond Olympic Oval Corporation – 2020 Annual Operating and Capital Budgets” from the Controller of the Richmond Olympic Oval Corporation be received for information.

The question on the motion was not called as in response to queries from Committee, staff noted that (i) the City’s contribution is done in accordance with the operating agreement between the City and the Oval and has increased based on Consumer Price Index, (ii) the Oval has a list of salaries over \$75,000, (iii) the Richmond Olympic Experience (ROX) is a department at the Oval, and (iv) the revenue and expenses associated with the ROX are included in the membership, admissions and programs section.

Committee requested a staff memorandum with additional information on the Richmond Olympic Experience.

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

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:10 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 Tuesday, January 7, 2020.

Mayor Malcolm D. Brodie
Chair

Sarah Goddard
Legislative Services Coordinator



City of Richmond

Report to Committee

To: Finance Committee

Date: March 6, 2020

From: Jerry Chong, CPA, CA
Director, Finance

File: 03-1070-04-01/2020-
Vol 01

Re: 2019 Annual Development Cost Charges Report

Staff Recommendation

That the staff report titled, "2019 Annual Development Cost Charges Report," dated March 6, 2020 from the Director, Finance be received for information.

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

Att. 1

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

Staff Report

Origin

In compliance with section 569 of the *Local Government Act*, the City is required to prepare a Development Cost Charges (DCC) report on or before June 30th, with information from the previous year. The DCC report must include the following, reported under subsection (2) of section 569 for which the local government imposes development cost charges in the applicable year:

- (a) the amount of development cost charges received;*
- (b) the expenditures from the development cost charge reserve funds;*
- (c) the balance in the development cost charge reserve funds at the start and at the end of the applicable year;*
- (d) any waivers and reductions under section 563 (2).*

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

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

5.3. Decision-making focuses on sustainability and considers circular economic principles.

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

Analysis

The City's 2019 Annual DCC Report covers the following six broad categories:

- (i) Description and principles of the City of Richmond's DCC program;
- (ii) 2019 DCC reserve fund balances;
- (iii) 2019 DCC credits;
- (iv) 2019 and 2020 DCC programs;
- (v) Waivers and reductions; and
- (vi) Municipal assist factor.

The 2019 Annual Development Cost Charges Report includes contribution amounts for which the City holds a Letter of Credit from the developer, where the cash will be received in the future based on the defined payment schedule. The Report does not include amounts received as of December 31, 2019 that are not confirmed due to potential DCC credits. These amounts, if applicable, will be reported in future periods.

New DCC rates were established through the Development Cost Charges Imposition Bylaw No. 10003 effective May 14, 2019.


A copy of the 2019 Annual Development Cost Charges Report, which will be available for public viewing on the City's website before June 30, 2020, is attached for information.

Financial Impact

None.

Conclusion

The attached 2019 Annual Development Cost Charges Report is in compliance with the annual reporting requirements as prescribed under section 569 of the *Local Government Act*.



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

Att. 1: 2019 Annual Development Cost Charges Report

City of Richmond
**2019 Annual Development
Cost Charges Report**

For the year ended December 31, 2019

CITY OF RICHMOND

2019 ANNUAL DEVELOPMENT COST CHARGES REPORT

This 2019 Annual Development Cost Charges (DCC) Report is prepared by the City of Richmond (“City”) pursuant to Section 569 of the *Local Government Act*. This report contains information pertaining to the following reporting requirements:

- I. Description and Principles of the City’s DCC Program
- II. 2019 DCC Reserve Fund Balances
- III. 2019 DCC Credits
- IV. 2019 and 2020 DCC Programs
- V. Waivers and Reductions
- VI. Municipal Assist Factor

I. DESCRIPTION AND PRINCIPLES OF THE DCC PROGRAM

What is the purpose of the DCC Program?

The purpose of the DCC Program is to provide the municipality with a dedicated source of funding to plan, develop, and implement infrastructure services identified by the City. The objective of the DCC program is to ensure that those whom will use and benefit from the services developed will pay their share of the costs in a fair and equitable basis. The DCC program is one of the many pieces of the City’s broader community development framework. It is developed in ways that are consistent with the City’s long-term planning objectives and financial strategies.

What are DCC’s?

DCC’s are levies placed on new development to assist in financing the cost of upgrading or providing infrastructure services, as well as supporting the cost of acquiring and developing parkland needs in order to accommodate the growing population.

Capital projects include but are not limited to:

- New or widening of existing arterial roads, improvements to traffic signals, sidewalks, walkways, bicycle lanes, upgrades to transit-related road infrastructures and traffic safety projects;
- Replacement and upgrades to watermains, pressure reducing valve stations, drainage mains, pump stations and channel, upgrades to sanitary sewer mains and pump stations; and
- Acquisition and development of parkland (playing fields, drainage and irrigation, turf, etc.)

CITY OF RICHMOND

2019 ANNUAL DEVELOPMENT COST CHARGES REPORT

What are the guiding principles in developing the DCC program?

Each local government has a fundamental philosophy with respect to development and the government's role in facilitating that development. The City's DCC program has been developed to be consistent with the following legislation, plans, and policy guides:

- Local Government Act
- Development Cost Charges Best Practices Guide
- City of Richmond Official Community Plan (OCP)
- Urban Futures Community-Level Projections of Population, Housing & Employment
- City of Richmond Parks and Open Space Strategy
- City of Richmond City Centre Transportation Plan
- City of Richmond City Centre Area Plan (CCAP)
- City of Richmond Employment Lands Strategy
- City of Richmond Trail Strategy
- City of Richmond Hamilton Area Plan Update

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

How are DCC rates derived?

The City began the DCC process by determining the amount of growth expected to occur based on the City's OCP. Using the growth projections for residential, commercial, industrial, and institutional developments, the City identified specific infrastructure needs to accommodate this growth. The corresponding estimated costs formed the basis of the DCC Program.

New DCC rates were established through the Development Cost Charges Imposition Bylaw No. 10003 effective May 14, 2019.

How are DCCs used?

Funds collected through the DCC program are deposited in a separate reserve account. These funds may only be used to pay for the expenditures of the capital project or finance the costs related to debt incurred for the capital project.

DCC cannot be used for costs incurred to operate and maintain parks, roads, watermains, sanitary and storm sewers already in place to serve the existing residents of the City, or to

CITY OF RICHMOND
2019 ANNUAL DEVELOPMENT COST CHARGES REPORT

replace infrastructure if the replacement is not capacity-driven as a result of development. In addition, DCC collected cannot be used to pay for services such as recreation, policing, fire and library that are also affected by growth.

How are costs allocated to growth and existing users?

To achieve the objective of promoting growth and to ensuring the use of a fair and equitable basis of allocating costs, the costs of the DCC are allocated between growth and the existing population based on assessed benefit factors.

II. 2019 DCC RESERVE FUND BALANCES

The City records and maintains separate accounts for each DCC reserve fund. The following table provides a continuity schedule of each DCC reserve fund (by service) for the 2019 fiscal year:

	<i>(amounts expressed in thousands of dollars)</i>					
	January 1 Balance	Transfers In	Interest Earned	DCC Credits	Transfers Out	December 31 Balance
City-Wide:						
Drainage	\$ 32,647	\$ 5,721	\$ 824	\$ -	\$ (147)	\$ 39,045
Parks Acquisition	32,105	9,887	800	-	(102)	42,690
Parks Development	17,650	5,404	368	(1,873)	(2,733)	18,816
Roads	41,248	25,690	996	(2,589)	(7,797)	57,548
Sanitary Sewer	20,704	4,160	528	(256)	-	25,136
Water	6,463	1,430	153	(42)	(668)	7,336
Total City-Wide	\$ 150,817	\$ 52,292	\$ 3,669	\$ (4,760)	\$ (11,447)	\$ 190,571
Local Area - Alexandra:						
Drainage	\$ 1,377	\$ 160	\$ 35	\$ -	\$ -	\$ 1,572
Parks Acquisition	2,197	815	37	-	(2,100)	949
Parks Development	778	103	19	-	(255)	645
Roads	3,010	812	73	(736)	-	3,159
Sanitary Sewer	482	37	12	-	-	531
Water	221	17	6	-	-	244
Total Local Area	\$ 8,065	\$ 1,944	\$ 182	\$ (736)	\$ (2,355)	\$ 7,100
Total DCC Reserve	\$ 158,882	\$ 54,236	\$ 3,851	\$ (5,496)	\$ (13,802)	\$ 197,671

CITY OF RICHMOND
2019 ANNUAL DEVELOPMENT COST CHARGES REPORT

III. 2019 DCC CREDITS

Site Address	Developer/Applicant
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Drainage

No credits for drainage were issued during 2019.

Parkland Acquisition

No credits for parkland acquisition were issued during 2019.

Parkland Development

6811 Pearson Way	IBI Group Architects (Canada) Inc.
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Roads

8011 Zylmans Way	Omicron Construction Ltd.
8633 Capstan Way	Bingham Hill Architects
9213 Odlin Road	Polygon Berkeley House Ltd.
9233 Odlin Road	Polygon Berkeley House Ltd.

Sanitary Sewer

3333 Brown Road	Polygon Avanti Homes
8633 Capstan Way	Bingham Hill Architects
8988 Patterson Road	GBL Architects

Water

8633 Capstan Way	Bingham Hill Architects
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CITY OF RICHMOND
2019 ANNUAL DEVELOPMENT COST CHARGES REPORT

IV. 2019 and 2020 DCC PROGRAMS

Drainage

The projects in the Drainage DCC Program include upgrades to box culverts, drainage mains and pump stations.

A summary of the projects funded by the Drainage DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 1.

Parkland Acquisition and Park Development

The projects in the Parks Acquisition DCC Program include acquisition and internal repayments for park land and open space required to meet the needs of the City's growth. The projects include park planning and development as well as new playgrounds. Areas impacted include urban parks, community parks, neighbourhood parks, trails, natural areas and waterfront parks.

A summary of the projects funded by the Parks Acquisition and Parks Development DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 2.

Roads

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

A summary of the projects funded by the Roads DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 3.

Sanitary Sewer

The projects in the Sanitary Sewer DCC Program include upgrades to sanitary sewer gravity mains, forcemains and pump stations.

A summary of the projects funded by the Sanitary Sewer DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 4.

Water

The projects in the Water DCC Program include upgrades to watermains and pressure reducing valve stations.

A summary of the projects funded by the Water DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 5.

CITY OF RICHMOND
2019 ANNUAL DEVELOPMENT COST CHARGES REPORT

V. WAIVERS AND REDUCTIONS

Section 563 of the Local Government Act provides the option for municipalities to exempt or waive DCC for the following classes of eligible development:

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

For the year of 2019, no waivers or reductions were granted.

VI. MUNICIPAL ASSIST FACTOR

The Local Government Act recognizes that the City and existing residents can also receive a marginal benefit from the associated capital improvements. As such, the Local Government Act stipulates that an assist factor will be included as part of the calculation of DCC. An assist factor represents the City's contribution towards the capital projects that are attributable to new developments. In determining the municipal assist factor, the City considers the following factors:

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

Based on the above factors and the assessment that the majority of the capital improvements are a result of new growth, the City's municipal assist factor has been set at 1% which is the minimum amount the City may contribute.

DRAINAGE – 2019 Expenditures

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Drainage DCC during 2019:

Location	Type of Infrastructure / Description
Horseshoe Slough	Pump station upgrade
Steveston Highway and No. 3 Road	Pump station upgrade

DRAINAGE – 2020 Projects

This table summarizes all projects funded by the Drainage DCC that have been approved in the 2020 Capital Budget:

No projects were funded from Drainage DCC in 2020.

PARKS – 2019 Expenditures

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Parks DCC during 2019:

Location	Type of Infrastructure / Description
Britannia Shipyards National Historic Site	Advanced planning and design
City-wide	Advanced planning and design
Middlearm Gateway Waterfront Park	Advanced planning and design
West Cambie Park	Advanced planning and design, and development of neighbourhood park
Minoru Park	Advanced planning and design, backstop upgrades and lakes renewal
Garden City Lands	Design and construction
London Steveston Park	Development of neighbourhood park
Oval West Waterfront Park	Development of neighbourhood park
Paulik Neighbourhood Park	Development of neighbourhood park
The Gardens Agricultural Park	Development of neighbourhood park
Aberdeen Park	Development of playground and garden
City-wide	General development
Terra Nova Rural Park	Landscaping, washroom installation and waterfront development
City-wide	Parkland acquisition and repayment
City-wide	Parks identity signage program
Hollybridge Way and Middle Arm	Pier construction and development of neighbourhood park
City-wide	Playground improvement program

PARKS – 2020 Projects

This table summarizes all projects funded by the Parks DCC that have been approved in the 2020 Capital Budget:

Location	Type of Infrastructure / Description
City-wide	Advanced planning and design
Lang Park	Development of neighbourhood park
London Steveston Park	Development of neighbourhood park
Railway Granville Bike Park	Development of neighbourhood park
Riverport Waterfront and Cook Neighbourhood Park	Development of neighbourhood park
City-wide	General development
Minoru Park	Lakes renewal and development of neighbourhood park
City-wide	Parkland acquisition and repayment
City-wide	Parks identity signage program

ROADS – 2019 Expenditures

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Roads DCC during 2019:

Location	Type of Infrastructure / Description
City-wide	Accessible pedestrian signal program
City-wide	Active transportation improvement program
City-wide	Advanced design
City-wide	Arterial roadway improvement program
City-wide	Functional and preliminary design (Transportation)
Lansdowne Road: Alderbridge Way to Minoru Blvd.	Interim road extension with walkways and bicycle lanes
River Parkway: Gilbert Road to Cambie Road	Interim road extension with walkways and bicycle lanes
City-wide	Lansdowne Road repayment
City-wide	LED street name sign program
Alderbridge Way: No. 4 Road to Shell Road	Multi-use pathway
River Drive: No. 4 Road to Van Horne Way	Multi-use pathway
Steveston Highway: Shell Road to Mortfield Gate	Multi-use pathway
City-wide	Neighbourhood walkway program
City-wide	Nelson Road interchange repayment
City-wide	River Road / North Loop repayment
City-wide	Special crosswalk program
City-wide	Traffic calming program
City-wide	Traffic signal power backup system (UPS)
City-wide	Traffic signal program
City-wide	Traffic video and communication program
City-wide	Transit-related amenity improvement program
City-wide	Transit-related roadway improvement program

ROADS – 2020 Projects

This table summarizes all projects funded by the Roads DCC that have been approved in the 2020 Capital Budget:

Location	Type of Infrastructure / Description
City-wide	Accessible pedestrian signal program
City-wide	Active transportation improvement program
City-wide	Advanced design
No. 2 Road: Steveston Highway to Williams Road	Advanced design
Steveston Highway: No. 2 Road to Railway Avenue	Advanced design
City-wide	Arterial roadway improvement program
City-wide	Functional and preliminary design (Transportation)
Cambie Road and No. 5 Road	Intersection improvement and multi-use pathway
City-wide	LED street name sign program
Steveston Highway: Mortfield Gate to No. 2 Road	Multi-use pathway
City-wide	Neighbourhood walkway program
City-wide	Nelson Road interchange repayment
City-wide	River Road / North Loop repayment
City-wide	Road safety related improvements
City-wide	Special crosswalk program
City-wide	Traffic calming program
City-wide	Traffic signal power backup system (UPS)
City-wide	Traffic signal program
City-wide	Traffic video and communication program
City-wide	Transit-related amenity improvement program
City-wide	Transit-related roadway improvement program

SANITARY SEWER – 2019 Expenditures

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Sanitary Sewer DCC during 2019:

Location	Type of Infrastructure / Description
Cook Gate and Cook Road	Pump station replacement and upgrades

SANITARY SEWER – 2020 Projects

This table summarizes all projects funded by the Sanitary Sewer DCC that have been approved in the 2020 Capital Budget:

Location	Type of Infrastructure / Description
Hamilton Area	Pump station replacement
Leslie Road and No. 3 Road	Pump station replacement
Cook Gate and Cook Road	Pump station replacement and upgrades

WATER – 2019 Expenditures

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Water DCC during 2019:

Location	Type of Infrastructure / Description
City-Wide	Watermain replacement
Lulu Island North Area	Watermain replacement

WATER – 2020 Projects

This table summarizes all projects funded by the Water DCC that have been approved in the 2020 Capital Budget:

Location	Type of Infrastructure / Description
City-Wide	Watermain replacement



City of Richmond

Report to Committee

To: Finance Committee

Date: March 6, 2020

From: Jerry Chong
Director, Finance

File: 02-0745-01/CL Vol. -

Re: 2019 Annual Procurement Report

Staff Recommendation

That the staff report titled, "2019 Annual Procurement Report", dated March 6, 2020 from the Director of Finance, be received for information.

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

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
REVIEWED BY SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

This report to Council is to provide information regarding the City's procurement activities during the 2019 calendar year and procurement metrics. This report supports Council's Strategic Plan 2018–2022 Strategy #5 Sound Financial Management:

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

5.1 Maintain a strong and robust financial position.

5.3 Decision-making focuses on sustainability and considers circular economy principles.

Analysis

The Procurement Policy 3104 provides direction from Council for the procurement of goods and services for the City with respect to contract approval authority limits, contract signing authority, sustainable and ethical procurement. The City continues to promote a commitment to process transparency, competitive bidding, sustainable procurement and a philosophy of continuous improvement.

The Purchasing department oversees the procurement of all goods and services on behalf of all City departments (and wholly-owned municipal corporations upon request) and awarded \$70,712,579 worth of contracts for goods, services and construction in 2019.

In 2019, Council directed staff to determine how circular economy considerations could be integrated within the City's procurement policy and purchasing practices. A cross-functional working group is in the process of developing a City-wide strategy and will be reporting back to Council later in the year with proposed policy enhancements and a framework for implementation.

The amended Purchasing Policy 3104 adopted by Council in September 2015, along with the purchasing guidelines, continue to augment the City's collaborative approach to strategic sourcing and strategic decision making on significant expenditures, increased compliance to policies and standardized systems and controls. In line with the City's Procurement policy, staff also ensure that sustainability-related considerations are reflected in tender specifications when appropriate and when economically feasible and taken into account when awarding contracts.

With the assistance of the Law Department, all of the City's competitive bid and contract documents were revised in 2019 to comply with relevant Trade Treaties (e.g. the Canadian Free Trade Agreement (CFTA), the Canada-EU Comprehensive Economic Agreement (CETA) and the New West Partnership Trade Agreement (NWPTA) that affect City procurement activities. These agreements commit government entities to a comprehensive set of rules for public procurements, which are designed to promote open procurement practices.

1. Procurement Achievements

The Purchasing Department continues to focus on delivering value through competitive tendering and leveraging spend where possible to execute contracts that support Council initiatives, department needs and mitigate risk for the City. This information is reported by staff in the City's quarterly reporting and detailed vendor spend in the Annual Statement of Financial Information report.

Some of the key activities and achievements in 2019 that were realised, or directly contributed to through a procurement process led by the Purchasing Department working with stakeholders include:

- 6598P - Construction Services for No. 7 Road South Drainage Pump Station Upgrade, which was tendered for a value of \$8,416,000;
- 6534P - Construction Services for Westminster Highway Culvert Replacement, which was tendered for a value of \$2,325,600;
- 6418P - South Dike Upgrades from Gilbert Rd to No. 3 Rd, which was tendered for a value of \$4,879,000;
- 6279P - Shell Road North Drainage Pump Station Upgrade, which was tendered for a value of \$3,939,815;
- T.6445 - 2019 Paving program, which was tendered for a value of \$3,275,540;
- 6495P - Provision of Civil Engineering Consulting Services for Transportation Improvement Programs, which was tendered for a value of \$1,006,067;
- 6498P - Hugh Boyd Park - Synthetic Sports Surfacing Replacement, which was tendered for a value of \$1,499,000;
- T.6529 - Gateway Theatre Upgrade, which was tendered for a value of \$5,491,683; and
- T.6500 - City Centre Community Police Office Tenant Improvement Project, which was tendered for a value of \$4,705,500.

2. Procurement Statistics

The following are key procurement statistics for the period of January 1, 2019 to December 31, 2019:

Total Value of Competitive Bid Awards 2019	
(contracts awarded in excess of \$75,000) - Appendix 1	\$58,257,379
Total Value of all Purchase Order Contracts Awarded in 2019	\$70,712,579
Competitive Contracts Administered (in excess of \$75,000)	81
Sole/Single Source Awards*	\$10,672,289

Purchase Orders Issued	3,512
Purchasing Card Expenditures	\$ 6,779,625

* Sole source procurement is the practice of contracting with one source when that source is the only available supplier or service provider possessing the ability to fulfil a requirement. Single source procurement is defined as deliberately concentrating purposes of a particular good or service with one source in preference over others in a competitive marketplace.

3. Council Approved Contracts

Council approval for Purchasing contracts follows Bylaw No. 8215 - Officer and General Manager. Examples of contracts approved by Council in 2019 were:

- Contract 6225P – Supply and Delivery of Apparatuses for Richmond Fire Rescue for \$1,085,258;
- Contract 6509Q - Mattress and Upholstered Furniture Recycling Services for \$1,029,185 over a maximum five (5) year term;
- Contract 6511Q - On-Call Plumbing Contractor services for \$1,500,000 for a maximum five (5) year term;
- Contract 6333Q - Supply and Delivery of Pool Chemicals for \$1,220,000 over a maximum five (5) year term; and
- Contract 6323P - City Hall Security Guard services for \$1,175,000 for a five (5) year term.

4. Competitive Bidding

The Purchasing Department facilitates the acquisition of goods, services and construction to meet internal organizational requirements and City projects through sourcing suppliers and products, competitive tendering, negotiating, procuring and contract management that helps ensure financial and administrative effectiveness.

In 2019, 81 bid opportunities in excess of \$75,000 were publically advertised on BC Bid that led to the award of over \$58M in contracts on behalf of City departments (listed in Appendix 1).

5. Purchasing Card Program

The City-wide Purchasing Card Program continues to provide value by simplifying the purchasing and payment process while lowering overall transaction and administrative costs per purchase. In 2019, City purchasing cards were used for over 20,000 transactions for a total spend of approximately \$6.8M. This represents an increase of approximately 9% in purchase card spend over the previous year and resulted in a rebate to the City of approximately \$66K.

6. Sole/Single Source Contract Awards

The Purchasing department processed a total of \$70.7M in contracts in 2019. Of that value, \$10.6M (14.3%) of contracts were awarded on a sole or single source basis. Of the \$10.6M sole/single source awards, \$2,480,000 related to Lap Pool 1 Reconstruction at the Minoru Centre for Active Living, which will be reimbursed through insurance.

A further \$2,045,096 of sole/single source contracts were awarded following the public posting of a Notice of Intent to Contract (NOITC) on BC Bid. The vast majority of all other sole/single source contracts awarded in 2019 were executed on the basis of compatibility with existing City infrastructure and systems and in total, accounted for 8.5% of the total purchase order contracts awarded in 2019.

These statistics demonstrate that the City is successful in achieving on its core objectives of conducting a competitive and transparent procurement process, while maximizing value for money in the acquisition of goods and services.

7. Contract Lifecycle Management System

The City's purchasing will continue to enhance operations through utilizing leading procurement and inventory management practices. The City recently awarded a contract for the supply and implementation of a Contract Lifecycle Management System (approved by previous Council in 2018). The system when fully implemented, will manage the entire procurement process through a centralized, cloud-based solution that will provide more efficient processes for posting bid opportunities, receiving online compliant submissions, online evaluations and award of contracts, more robust contract administration and access to enhanced reporting and analytics.

Financial Impact

None.

Conclusion

This procurement report covers the period from January 1, 2019 to December 31, 2019 and documents the City of Richmond's procurement activities.



David Aarons
Manager, Purchasing
(604-276-4061)

Attachment 1: Competitive Bid Awards 2019 by Contract Value (contracts awarded in excess of \$75,000)

Attachment 1**Competitive Bid Awards 2019 by Contract Value (contracts awarded in excess of \$75,000)**

	Contract Name and Description	Successful Vendor	Contract Value
1	6598P Construction Services for No. 7 Road South Drainage Pump Station Upgrade	GCL Contracting & Engineering Inc.	\$8,416,000
2	T.6529 Gateway Theatre Upgrade	Kindred Construction Ltd.	\$5,491,683
3	6418P South Dike Upgrades from Gilbert Rd to No. 3 Rd	Tybo Contracting Ltd.	\$4,879,000
4	T.6500 City Centre Community Police Office Tenant Improvement Project	Edifice Construction Inc.	\$4,705,500
5	6279P Shell Road North Drainage Pump Station Upgrade	Merletti Construction Ltd.	\$3,939,815
6	T.6445 2019 Paving Program	LaFarge Canada Inc.	\$3,275,540
7	6534P Westminster Highway Culvert Replacement	J J M Construction Ltd.	\$2,325,600
8	6678J City Hall Annex Level 2 Renovations	Ashton Mechanical Ltd.	\$1,627,259
9	6511Q On-Call Plumbing Contractor	Ashton Service Group, PJB Mechanical, Entity Mechanical	\$1,500,000
10	6498P Hugh Boyd Park - Synthetic Sports Surfacing Replacement	Astro Turf West Distributors Ltd.	\$1,499,000
11	6466P Supply and Install - Low Ammonia System Replacement	CIMCO Refrigeration	\$1,273,250
12	6333Q Supply and Delivery of Pool Chemicals	Cleartech, DB Perks, Brenntag	\$1,220,000
13	6323P City Hall Security Guard	GardaWorld Cash Services Canada Corp	\$1,175,000
14	6225P Supply and Delivery of Apparatuses for Richmond Fire Rescue (RFR)	Commercial Emergency Equipment Co.	\$1,085,258
15	6509Q Mattress and Upholstered Furniture Recycling Services	Canadian Mattress Recycling Inc.	\$1,029,185
16	6495P Provision of Civil Engineering Consulting Services for Transportation Improvement Programs	McElhanney Consulting Services Ltd.	\$1,006,067

17	T.6662 Thompson Community Centre HVAC Upgrades	Entity Mechanical Ltd.	\$762,000
18	6674J City Hall Annex Level 1 Renovations	Ashton Mechanical Ltd.	\$624,219
19	6298P Burkeville Drainage Improvements	McElhanney Consulting Services Ltd.	\$585,197
20	6404P Steveston Hwy and No. 3 Rd & Steveston Hwy and Gilbert Rd Drainage Pump Station Upgrades	Aplin & Martin Consultants Ltd.	\$510,010
21	6355P Consulting Services for Customer Relationship Management (CRM)	Oracle Canada ULC, Amberleaf Partners Inc.	\$498,782
22	6486P Provision of Civil Engineering Consulting Services for Drainage and Irrigation Upgrades	McElhanney Consulting Services Ltd.	\$452,257
23	6453P Minoru Track Resurfacing	Marathon Surfaces Inc.	\$399,936
24	6467P Consultant Services for Detailed Design, Costing, Phasing and Construction Administration for Minoru Lakes Renewal	ISL Engineering and Land Services	\$394,259
25	6714J Library Cultural Centre Conveyance Systems Upgrade	Boston Construction Corp.	\$367,422
26	5718P Supply, Implementation and Consulting Services for a Mobile Licence Plate Recognition Solution	ACCEO Solutions Inc.	\$366,350
27	6394Q Tent and Event Supplies Rentals for Various City Events/Festivals	Phoenix Tent Rentals, Millenium Tents, Cascade Tent, Elite Tents	\$353,004
28	6684J East Richmond Community Hall Mechanical and Roofing Replacement	Boston Construction Corp.	\$348,678
29	6720Q Supply and Delivery of 1440 LED Luminaires for LED Replacement Program	Westburne West Rexcel Group	\$343,705
30	6593Q Supply and Installation of Test VXRail Server Environment	Turning Point Technologies	\$333,887
31	6512Q On-Call Refrigeration Contractor	CIMCO Refrigeration	\$300,000
32	6544Q On Call Overhead Door Contractor	Creative Door Services Ltd.	\$288,900

33	6552P Lawn Bowling Turf Replacement	Marathon Surfaces Inc.	\$278,915
34	T.6480 Design and Contract Administration Services for the Replacement of Minoru Lawn Bowling Clubhouse	O4 Architecture Ltd.	\$275,400
35	6347Q Minoru Centre for Active Living (MCAL) - TP8 Supply & Install Signage	Stuart Olson Construction Ltd.	\$249,464
36	6602Q Watermania Cooling Tower Replacement	ESC Automation	\$234,369
37	6558Q Supply & Delivery of 1 (One) Sewer Vacuum Combo Unit on a City provided Cab and Chassis	Vimar Equipment Ltd.	\$232,477
38	6318P Delivery of Advanced Lifeguarding, Lifesaving & First-aid Instructional and Recertification Courses	LIT Aquatics Ltd.	\$229,000
39	6367P Richmond Ice Centre - Replacement Boilers	Ram Mechanical Ltd.	\$227,000
40	6740Q Paving, Drainage and Asphalt Upgrades - Afton Drive North and Herbert East Laneway	BA Blacktop Ltd.	\$224,558
41	6351P Provision of Structural Engineering Consulting Services for Replacement of City Bridges	McElhanney Consulting Services Ltd.	\$196,320
42	6566Q Supply & Delivery of 1 (One) Tier 4 (Four) Compliant Backhoe	Finning (Canada)	\$187,059
43	6369P Engineering Consulting Services for Heather Street Improvements	Wedler Engineering LLP	\$186,618
44	6439P BCPPGB Supply and Delivery of Fuels**	Suncor Energy Products Partnerships (Suncor)	\$175,000
45	6657P London/Steveston Park Playground Design-Build Services	Habitat Systems Inc.	\$173,357
46	6343P On-Call Inspection, Maintenance and Installation of Tent Structures for City of Richmond Sites	Slip Tube Enterprises Ltd.	\$160,000
47	6536P Design Services for MPAC Tenant Improvement Project	O4 Architecture Ltd.	\$155,100

48	6547Q Emergency Sanitary Sewer Repair Work - Richmond General Hospital	Hexcel Construction Ltd.	\$147,119
49	6436P History of Richmond Film	Lantern Films Inc.	\$147,000
50	T.6501 Interior Demolition Services of Existing City Hall West	Edifice Construction Inc.ESC Automation Inc	\$147,000
51	6673J Sea Island Community Hall Envelope and East Exterior Stairs Replacement	Ashton Mechanical Ltd.	\$145,036
52	6706P Producer and Production Services for Richmond Maritime Festival	Anigraph Productions Ltd.	\$144,293
53	6616Q Tree Relocation at River Parkway Project	Tree Wisemen Landscaping Ltd.	\$138,400
54	6639Q Terra Nova Adventure Playground Tower Renewal: Design-Build Services	Kinsol Timber Systems Ltd.	\$134,086
55	6737Q Supply and Delivery of Two (2) Crew-Cab Chassis	Dams Ford Lincoln Sales Ltd.	\$129,928
56	6549P LED Traffic Signal Displays	Interprovincial Traffic Service Ltd.	\$128,425
57	6608P Annual and Quarterly Billing, Property Tax Notice and General Information Mail Outs	IDRS	\$122,784
58	6508Q Direct Digital Control Upgrades - Community Safety Building	ESC Automation	\$120,937
59	5610P Aggregate Crushing Services at Sidaway Operations Yard - Year 4	Regehr Contracting Ltd.	\$120,000
60	6414P Palmer Garden City Playground Design-Build Services	Habitat Systems Inc.	\$119,706
61	6617Q Supply and Delivery of Three (3) Hybrid SUVs for RFR	West Coast Import Vehicles	\$118,125
62	6186P Implementation of Security Information and Event Management Solution	Deloitte LLP	\$114,116
63	6421Q Rental of one (1) Mauldin 1550-D Asphalt Paver	Paving Solutions Ltd.	\$108,500
64	6609Q Supply and Delivery of Uniform Stationwear Shirts and Pants for RFR	Guillevin International Inc.	\$108,462

65	6431P Armoured Car Services	GardaWorld Cash Services Canada	\$105,900
66	6626Q 2019 Public Sector Maintenance Support Renewal (Hansen)	Infor	\$104,695
67	6665P Provision of Engineering Inspection Services	Maven Consulting Limited	\$100,000
68	6313P Asbestos Surveying and Testing Services of Various City Properties	Pinchin Ltd.	\$99,150
69	6732J Watermania Heat Recovery Piping Replacement	Ashton Mechanical Ltd	\$98,939
70	6646Q Cisco 8851 IP Phones and Licenses	Telus Communications Inc.	\$93,542
71	6603Q Event Security Services	Genesis Security	\$92,578
72	6585Q Supply and Delivery of a Professional Audio System	Sapphire Sound Inc.	\$85,802
73	6530P LCC Mechanical Upgrade – Consulting Services for Detailed Design and Construction Administration	Williams Engineering Canada Inc.	\$85,550
74	6409P City of Richmond High Potential Leadership Certificate Program	Royal Roads University	\$85,000
75	6381Q Minoru Park and Richmond Tennis Court Repair and Resurfacing	Tomko Sport Systems Inc	\$82,682
76	6745Q Motor Control Center for No. 2 Road South Drainage Pump Station Upgrade	Wesco Distribution Canada LP	\$80,713
77	5777P Actuarial Valuation of Post-Employment Benefits	Mercer (Canada) Limited	\$79,200
78	6727Q Thompson Community Centre Fitness Area Re-Roofing	Atlas-Apex Roofing (BC) Inc	\$78,417
79	6620F Rental of three (3) dump trucks and one (1) flat deck truck for Roads	The Driving Force	\$77,420
80	6733Q - Architectural Lace Fabric Fence Construction for Minoru Park	Streamline Fencing Ltd.	\$76,750
81	6775J 8311 Saunders Rd. Multi-Family Water Meter Installation	Ashton Services	\$75,724
Grand Total			\$58,257,379



City of Richmond

Report to Committee




To: Finance Committee
From: Jerry Chong
Director, Finance
Re: 2019 Investment Report

Date: March 31, 2020
File: 03-0900-01/2020-Vol
01

Staff Recommendation

1. That the staff report titled "2019 Investment Report" dated March 31, 2020 from the Director, Finance be received for information, and
2. That a temporary exemption to the investment limits as prescribed in Section 8 of the City's Investment Policy 3703 be granted for the remainder of the 2020 calendar year as staff work to reposition the City's investment portfolio.

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

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

Staff Report

Origin

This report provides an overview of the City's cash and investment position for fiscal year 2019.

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

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

5.1 Maintain a strong and robust financial position.

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

5.4 Work cooperatively and respectfully with all levels of government and stakeholders while advocating for the best interests of Richmond.

Analysis

The City's Cash and Investment balance was approximately \$1.21 billion as at December 31, 2019. The balance is made up of \$388.0 million in high interest savings cash accounts and \$819.4 million in investment products such as term deposits and fixed-income bonds.

Composition of the City's Cash and Investment Funds

The City collects and receives property taxes, utility payments, grants, developer contributions, municipal fees and net rental income to pay for the costs of operations such as salaries, utilities, supplies and costs of providing municipal services. Within the municipal revenues collected by the City, certain amounts are specifically set aside into reserve accounts for future and restricted uses. The aggregate net impact of the financial activities are reflected in the City's assets (cash and investment), liabilities (deposits and accounts payable), and equity (reserve balances).

The following table summarizes the proportion of the cash and investment balance that are encumbered, committed, restricted or payable on demand.

Type	Nature of Balance	% of Total
Liabilities and Working Capital	Funds held by the City arising from operational or contractual requirements where the City has an obligation to fulfill.	15%
Development Cost Charges	Funds collected from developments to pay for current and future capital infrastructure required to support growth.	15%
Committed Reserves	Funds set aside for approved projects that are still in progress (i.e. when timing of capital approval does not coincide with cash outflow in the same fiscal period).	30%
Uncommitted Reserves	Funds available for specific purposes where the use of funds has to comply with the restrictions as set out in the reserve bylaw and usage has to be approved by Council.	40%

City's Investment Holdings as of December 31, 2019

The City's detailed investment holdings as of December 31, 2019 are as follows:

Issuer	Amount (at cost) \$ million	Amount (at market) \$ million	% of Total (at cost)	Policy 3703 Issuer Limit
Province of Alberta	\$50.16	\$50.38	6.1%	25%
Province of Manitoba	\$32.49	\$32.42	4.0%	10%
Province of Ontario	\$23.03	\$24.00	2.8%	20%
Province of Quebec	\$22.13	\$23.05	2.7%	10%
Province of Nova Scotia	\$20.87	\$20.81	2.5%	10%
Province of New Brunswick	\$15.46	\$15.42	1.9%	10%
Province of BC	\$14.93	\$14.90	1.8%	25%
Province of Saskatchewan	\$10.12	\$10.12	1.2%	25%
Province of Newfoundland	\$5.01	\$5.01	0.6%	5%
Total Provinces	\$194.19	\$196.11	23.7%	50%
Scotiabank	\$122.41	\$122.44	14.9%	15%
Bank of Montreal	\$89.96	\$90.05	11.0%	15%
Royal Bank	\$54.95	\$55.17	6.7%	15%
TD Bank	\$41.17	\$41.22	5.0%	15%
HSBC Bank of Canada	\$32.09	\$32.14	3.9%	5%
Canadian Western Bank	\$24.30	\$24.30	3.0%	3%
National Bank of Canada	\$23.50	\$23.50	2.9%	10%
CIBC	\$19.94	\$20.03	2.4%	15%
Total Banks	\$408.32	\$408.85	49.8%	50%
Vancity	\$73.23	\$73.23	8.9%	10%
Gulf and Fraser	\$42.52	\$42.52	5.2%	6%
Coast Capital Savings (Federal)	\$24.55	\$24.55	3.0%	3%
Westminster Savings	\$18.40	\$18.40	2.2%	5%
Blue Shore Financial	\$10.90	\$10.90	1.3%	5%
Total Credit Unions	\$169.59	\$169.59	20.7%	30%
Total MFA	\$47.31	\$46.12	5.8%	20%
Total Investment Balance	\$819.40	\$820.67	100.0%	
Total Cash Balance (including high interest savings)	\$388.00			
Total Cash and Investment Balance	\$1,207.40			

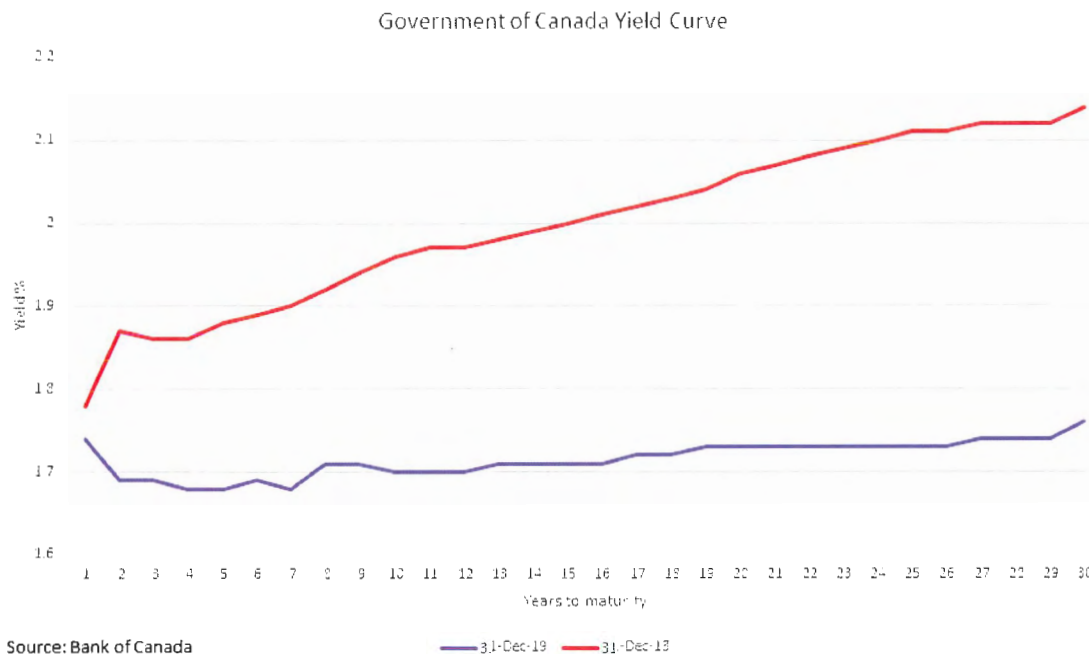
The City's investment activities are conducted in accordance with section 183 of the *Community Charter* and in compliance with the City's Investment Policy 3703.

In meeting the City's investment objectives of capital preservation, liquidity and generation of reasonable rate of return, the City continues to maintain a balanced and diversified investment portfolio while working within the constraints of the permitted investments criteria under the *Community Charter*. Investment mix is reviewed and balanced regularly as part of the investment management activities to ensure that returns generated from the City's investment portfolio are sufficient to achieve the budgeted investment income to fund operations and reserve balances.

2019 Investment Performance

The weighted average investment yield of the City's total cash and investment portfolio was 2.45% in 2019 (2018: 2.38%) which generated approximately \$29 million in investment income in 2019 (2018: \$24 million).

As shown in the graph below, the Canadian yield curve remained flat during 2019 which resulted in little difference between short-term and long-term yields. It was therefore strategically advantageous for the City to place available funds in the short-term and liquid cash accounts given their attractive yield advantage over longer term fixed income products.



Economic Outlook for 2020

The current year is off to a disappointing start with the arrival of COVID-19 and a collapse in oil prices triggered by a breakup in dialogue between the Organization of the Petroleum Exporting Countries (OPEC) and Russia over proposed oil production cuts in the midst of the COVID-19 pandemic.

The Canadian economy is reeling as the impacts of the COVID-19 pandemic suppress consumer and business spending and declining oil prices have put a halt to the expected rebound in the energy sector. As the coronavirus continues its march around the world, governments have turned to proven public health measures, such as social distancing, to physically disrupt the contagion. Yet, doing so has restricted the flow of goods and people, stalled economies, and is in the process of delivering a global recession. The coronavirus outbreak is expected to place a strain to the Canadian as well as the global economy in the months ahead.

The Bank of Canada has responded to the deteriorating economic outlook in an unprecedented way. During March 2020, the Bank of Canada reduced its overnight interest rate 3 times over the course of slightly over 3 weeks by a total of 1.50% to the current level of 0.25%. The Bank of Canada last cut rates to these levels in 2009, during the global financial crisis.

Impact of COVID-19 to the City's Cash and Investment Portfolio

All B.C. municipalities are required under the *Community Charter* to only invest in permitted investments such as governments, Canadian banks, credit unions or pooled investment of the Municipal Finance Authority. The primary objective of municipal investment funds is to ensure that public funds are invested in high quality investment vehicles that are safe, accessible and can generate a reasonable yield.

- **Safety:** The City continues to hold a diversified portfolio of permitted and high quality fixed income investments and term deposit products that are principally guaranteed.
- **Liquidity:** The City's financial position remains solid with over \$1 billion in working capital and reserve funds. Over half of which is either fully liquid or cashable within the same calendar year to meet operational demands. The remaining balances (funds not required immediately) are invested in longer term (2 to 5 years) income-producing investment products.
- **Yield:** As the City's yield on its investment is highly driven by the market interest rate conditions. The emergency moves by the Bank of Canada to drop the bank overnight interest rate in March 2020 in response to the COVID-19 situation will have a direct impact to the City's overall yield on its investment portfolio. Based on the current available data, it is projected that the City's overall investment yield for the current year will drop between 0.50% and 0.75% as compared to last year.

With the solid cash position and with the cash flow being closely monitored on a daily basis, the City will be able to continue to meet all our obligations.

Proposed Temporary Exemption to the City's Investment Policy Limits

The effects of the COVID-19 pandemic on the global economy are still largely unknown. Market uncertainties will persist as the impact of the pandemic continues to materialize and evolve. Staff will continue to take a proactive role to ensure that the market conditions are continuously being assessed and evaluated to ensure that the appropriate investment strategy is being deployed to minimize exposure to credit risks in times of market turmoil.

In order for staff to effectively manage the City's Investment Portfolio in a timely manner to respond to the rapidly changing market conditions such as effects of monetary stimulus, interest rate changes, market volatility and changes to issuers' credit risks, staff seek a temporary exemption to the investment limits that are currently prescribed in section 8 of the City's Investment Policy 3703 (Attachment 1) for the remainder of the 2020 calendar year.

In times of volatility and uncertainty, the availability of safe investment products is scarce thus the trading of investments becomes more difficult. As investments mature, staff may not be able to find a replacement investment immediately and may need to temporarily deviate from the investment policy limit (e.g. may need to exceed the policy limit in holding higher than permitted amounts in financial institutions or provincial bonds) while working to rebalance the investment portfolio to comply with all established limits.

The proposed exemption is intended to provide flexibility for staff to effectively manage the City's investment portfolio as repositioning activities of a large portfolio like the City's will take time to execute. In addition, the temporary exemption to the policy limits allows staff to be able to react more quickly to the rapidly changing market conditions in ensuring that the City's investment portfolio will continue to remain safe and liquid while the financial markets are combating with the unprecedented economic effects of this health crisis.

Staff would like to ensure that the easing of the investment limits be allowed while the City's portfolio is being rebalanced during this period of extreme volatility. Despite the requested Investment Policy exemption, staff will continue to manage all investment activities with the main objectives of compliance with statutory requirements, capital preservation, liquidity, risk diversification and realization of reasonable yield.

Staff will provide information to in the quarterly financial information report with respect to the City's investment balances and performance. If market conditions deteriorate or additional information is required, a detailed review of the Investment Policy 3703 will be conducted.

Financial Impact

None.

Conclusion

Staff will continue to manage the City's investment portfolio in a manner that will meet the City's investment objectives while complying with legislation. During this unprecedented time, staff request that flexibility be granted to allow temporary exemption of investment limits from Investment Policy 3703 in order for staff to proactively respond to the market conditions when managing the City's investment portfolio.



Venus Ngan, CPA, CA
Manager, Treasury and Financial Services
(604-276-4217)



Adopted by Council: June 25, 2007

Amended by Council: June 8, 2009, November 12, 2013, March 11, 2019

POLICY 3703:

It is Council policy that:

1. POLICY

The purpose of this policy is to ensure that the City's practices and procedures in the investment of public funds are in compliance with statutory requirements of the *Community Charter*, while ensuring safety of capital, maintaining appropriate liquidity in meeting anticipated cash flow demands, and attaining a reasonable rate of return after taking into account the investment constraints and liquidity requirements.

2. OBJECTIVES

Conservative management philosophy is followed in investment activities of all public funds held by the municipality. Four fundamental objectives, in priority order, are as follows:

(i) Adherence to Statutory Requirements

Authority for investment guidelines of municipal funds is provided in section 183 of the *Community Charter*.

(ii) Safety of Capital

Investment activities will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Preservation of capital will be accomplished through:

- Diversification, as outlined in section 9, and
- Risk control, whereby portfolio components are limited to conservative types of investments as defined in section 8.

(iii) Liquidity of Investment

The investment portfolio will be administered to ensure adequate cash flow is available to meet all reasonably anticipated operating and capital requirements.

(iv) Return on Investment

The investment portfolio will be designed with the objective of maximizing the rate of return through budgetary and economic cycles, taking into account the investment constraints and liquidity requirements. The Financial Officer will take into account these constraints and objectives in the selection of investments to be included in the City's portfolio. The portfolio will be structured to attain optimum performance results as directed by the Policy, and to create maximum value to the City, net of any costs incurred in the investment process.



Adopted by Council: June 25, 2007

Amended by Council: June 8, 2009, November 12, 2013, March 11, 2019

3. PRUDENCE

Investments will be made with judgement and care, under circumstances then prevailing, by persons of prudence, discretion and intelligence exercised in the management of other people's affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. Where external managers are engaged to perform trading activity, the external managers will be required to exercise the degree of care, diligence, and skill which a prudent investment counsel would exercise in similar circumstances. The Financial Officer acting in accordance with this policy and exercising due diligence will be relieved of personal responsibility for an individual security's credit risk or market price changes.

4. AUTHORIZATION

Authority to manage the City's investment program is derived from section 149 of the *Community Charter*, as follows:

"Financial Officer

One of the municipal officer positions must be assigned the responsibility of financial administration, which includes the following powers, duties and functions:

- a) receiving all money paid to the municipality;
- b) ensuring the keeping of all funds and securities of the municipality;
- c) investing municipal funds, until required, in authorized investments;
- d) expending municipal money in the manner authorized by the council;
- e) ensuring that accurate records and full accounts of the financial affairs of the municipality are prepared, maintained and kept safe;
- f) exercising control and supervision over all other financial affairs of the municipality."

The Financial Officer is the portfolio administrator and has the ultimate responsibility for the prudent investment of the portfolio. The Financial Officer may retain a professional investment manager(s) ("Investment Manager(s)") to provide investment advice and carry out the instructions of the Financial Officer.

The Financial Officer will:

- administer the Policy;
- review the Policy annually, which will include a reassessment of the fund's objectives, the benchmark portfolio and the impact of any changes in liquidity requirements if necessary;
- select the Investment Manager(s) and City's custodial bank;
- regularly review the quantitative and qualitative performance of the Investment Manager(s) including an evaluation of the rates of return, an analysis of the areas where the Investment Manager(s) added or reduced value, and a review of the Investment Manager(s) in the context of the criteria for their selection;



Page 3 of 3	Investment	Policy 3703
	Adopted by Council: June 25, 2007 Amended by Council: June 8, 2009, November 12, 2013, March 11, 2019	

- be responsible for regularly monitoring the asset mix of the portfolio and taking the action necessary, to correct any breaches of applicable legislation or the permitted asset mix ranges set out in this Policy;
- provide information on significant cash flow changes to the Investment Manager(s);
- be responsible for the oversight of any professional Investment Manager(s).
- have the authority to appoint and terminate the Investment Manager(s).

The Investment Manager(s) will:

- provide the Financial Officer with monthly reports of actual portfolio holdings, detailing each class of assets and how they conform to policy maximums as defined in section 8 and 9;
- present to the Financial Officer a quarterly review of investment performance, including an explanation of any shortfalls of their investment results compared to the investment objectives;
- provide estimates of future returns on investments and review proposed investment strategies that may be used to meet the objectives;
- attend a meeting with the Financial Officer at least once each year to review the results they have achieved;
- inform the Financial Officer promptly of any element of the Policy that could prevent attainment of the Plan's objectives;
- give prompt notice to the City's custodial bank of all purchases and sales of securities;
- report all investment transactions quarterly to the Financial Officer;
- provide the Financial Officer with a quarterly certificate of compliance with the Policy for the quarter just ended.

5. ETHICS AND CONFLICT OF INTEREST

The Investment Manager(s), Financial Officer and any individuals involved in the investment process will refrain from personal business activity that could conflict with the proper execution of the investment program or impair ability to make unbiased investment decisions. Parties will disclose any material personal financial interest in investments involved or in financial institutions that conduct business with the City. Any deviation is to be reported to the City Solicitor immediately.

6. IMPLEMENTATION

An active or passive investment style may be adopted, depending on suitability of each in meeting the City's investment objectives.



Adopted by Council: June 25, 2007

Amended by Council: June 8, 2009, November 12, 2013, March 11, 2019

7. AUTHORIZED INVESTMENT DEALERS AND INSTITUTIONS

The Investment Manager(s) will be registered with a regulated securities commission. They will be responsible for maintaining a list of approved financial institutions and brokers/dealers authorized to provide investment services. An annual review of this list will be completed by the Investment Manager(s), whereupon, the recommendations for any additions and deletions will be discussed and approved by the Financial Officer.

8. PERMITTED INVESTMENTS

Under the *Community Charter* Section 183, a municipality may invest money that is not immediately required in one or more of the following:

- a) securities of the Municipal Finance Authority;
- b) pooled investment funds under section 16 of the Municipal Finance Authority Act;
- c) securities of Canada or of a province;
- d) securities guaranteed for principal and interest by Canada or by a province;
- e) securities of a municipality, regional district or greater board;
- f) investments guaranteed by a chartered bank;
- g) deposits in a savings institution, or non-equity or membership shares of a credit union;
- h) other investments specifically authorized under this or another Act.

The following table sets out the City's permitted investments, minimum credit rating requirements and their limits:

Asset Class	Dominion Bond rating services limited (DBRS) ¹ Short Term / Long Term Rating	Limits per issuer (as a % of total portfolio)
Federal Issuers		
Securities issued or backed by the Government of Canada	No minimum requirement	No limit
PROVINCIAL ISSUERS		
All Provinces	R-1 (high) / AAA, AA (high), AA	25% per province
All Provinces	R-1 (middle) / AA (low)	20% per province
All Provinces	R-1 (middle) / A (high)	10% per province
All Provinces	R-1 (low) / A, A (low)	5% per province
TOTAL PROVINCES		Maximum 50%
Chartered Banks		
Schedule I, II & III banks	R-1 (high) / AAA, AA	15 % per bank
Schedule I, II & III banks	R-1 (middle) / AA, AA (low)	10 % per bank
Schedule I, II & III banks	R-1 (middle) / A (high)	5 % per bank
Schedule I, II & III banks	R-1 (low) / A (low)	3 % per bank
TOTAL CHARTERED BANKS		Maximum 50%



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B.C. credit unions	
Credit unions with total assets ² more than \$10 billion	The greater of: (i) 10% of total portfolio balance per credit union, or (ii) \$75 million per credit union
Credit unions with total assets ² between \$500 million and \$10 billion	The greater of: (i) 5% of total portfolio balance per credit union, or (ii) \$50 million per credit union
Federal credit unions	
Deposit term cannot exceed 1 year if long-term DBRS credit rating of A (low) is not attained ³	
Federal credit unions with: • Long-term DBRS credit rating under A (low); and • Short-term DBRS credit rating higher than R-1 (low)	The greater of: (i) 5% of total portfolio balance per credit union, or (ii) \$50 million per credit union
Federal credit unions with: • Long-term DBRS credit rating under A (low); and • Short-term DBRS credit rating R-1 (low)	The greater of: (i) 3% of total portfolio balance per credit union, or (ii) \$30 million per credit union
TOTAL CREDIT UNIONS	Maximum 30%
Pooled Investments	
Pooled funds	Maximum 20%
OTHER SECURITIES	
Municipality, Regional District or Greater Board	Maximum 10%

¹ If DBRS credit rating is not available, the City can use an equivalent credit rating provided by an approved credit rating organization such as Standard & Poor's Corporation (S&P) and Moody's Investors Services Inc. (Moody's)

² Based on latest audited financial statements

³ Federal credit union that has long-term DBRS credit rating A (low) or higher will follow the equivalent per issuer limits under the Chartered Bank section for its long-term and short-term investments, where the total investments in all credit unions cannot exceed a combined total of 30% of the City's investment portfolio.

9. DIVERSIFICATION

The City recognizes that prudence in investment selection is essential to minimize interest rate and credit risk.

- Interest Rate Risk – At each interim and annual reporting periods, the Investment Manager(s) will monitor the performance of the cash and bond components of the portfolio against the selected benchmarks. The Investment Manager(s) will also assess the duration of the bond components of the portfolio to ensure they fall within a year and a half of the duration of the benchmark against which bond performance is measured. The 91-Day T-Bill Index will be the basis for benchmarking the cash component of the portfolio. For the bond components of the portfolio, the indices within the FTSE Canada Bond Index, or its equivalent prevailing index as amended from time-to-time by the provider of the benchmarks, will be selected as the benchmarks. Selection of the appropriate benchmark for each bond component will



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be based on the index with the duration closest to the duration of the bond component being evaluated. The following indices fall within the FTSE Canada Universe Bond Index:

- FTSE Canada Universe All Government Index
- FTSE Canada Short Term All Government Index
- FTSE Canada Mid Term All Government Index
- FTSE Canada Short/Mid All Government Index
- FTSE Canada Long Term All Government Index

- Credit Risk – The Investment Manager(s) will minimize credit risk by investing in conservative types of instruments. A minimum of 90% of the portfolio's market value is required to carry a DBRS credit rating of A (high) or higher or the equivalent R1-middle or higher.

Diversification will be achieved through:

- Setting limits on the amount of investments with a specific maturity, from a specific issuer or a specific sector;
- Investing the targeted amount of assets in liquid investments to ensure funds are readily available; and
- Selecting assets with varying maturity terms.

In addition, the Investment Manager(s) will engage in the rebalancing of the portfolio to adhere to parameters as defined in this policy or any addendums agreed upon by the Financial Officer and the Investment Manager(s).

10. COMPETITIVE BIDS

The Financial Officer or Investment Manager(s) will solicit competitive verbal quotations for the purchase and sale of securities when it is prudent to do so. This policy recognizes that, from time to time, offerings of value may require immediate action. Under such circumstances competitive bids may not be sought provided that value can be substantiated by market data.

11. SAFEKEEPING AND CUSTODY

All transactions will be executed by the delivery-versus-payment basis to ensure securities are deposited in an eligible financial institution with the release of funds. Settlement will take place at the main branch of the City's custodial bank in any Canadian city. Securities will be held by the City's custodial bank or alternatively, will be registered with the Central Depository for Securities (CDS).

- **Authorization:** The custodial bank will not accept delivery or payment without prior authorization and instructions for the City.



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- **Evidence:** All transactions traded in-house will be evidenced by a contract advice from the investment dealer, as well as a settlement advice from the custodial bank.
- **Registration:** All securities that are in registerable form will be registered in the name of the City of Richmond.
- **Repurchase Agreements:** In addition to all the terms and conditions above, the City's custodial bank will be responsible for ensuring that the repurchase agreement for overnight transactions has been duly executed.

12. INTERNAL CONTROLS

External audits will be performed annually, including an assessment of investment effectiveness and risk management.

13. PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain an above market benchmark, taking into account the City's investment risk constraints, cash flow requirements, and active management strategy. This policy recognizes that the reliability of performance evaluation (i.e. comparison to benchmarks) increases with the duration of the measurement period.

14. REPORTING

The Financial Officer will prepare an investment report on a quarterly basis to Council. The report will provide a summary of the securities held at the end of the reporting period including issuer diversification and market values.

The Investment Manager(s) will conduct at each quarter end a review of the portfolio, including strategy employed, duration, liquidity, and a forecast of upcoming market conditions.

15. ADOPTION AND REVIEW

The policy will be reviewed annually by the Financial Officer, and any suggested modifications will be presented to Council for adoption.



City of Richmond

Report to Committee

To: Finance Committee
From: Jerry Chong, CPA, CA
Director, Finance
Re: COVID-19 Financial Information Update

Date: March 31, 2020

File:

Staff Recommendation

That the report titled "COVID-19 Financial Information Update" dated March 31, 2020 from the Director of Finance be received for information.

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

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

Staff Report

Origin

The COVID-19 pandemic is having a growing impact on both the global and local economy and will also impact the City of Richmond (the City) finances.

On March 18, 2020, the Province of British Columbia declared a provincial state of emergency to support response to the COVID-19 pandemic subsequent to the declaration of a public health emergency on March 17, 2020.

On March 26, 2020, the Minister of Public Safety and Solicitor General, the Honourable Mike Farnworth, issued a series of additional orders to further support the government-wide approach to COVID-19 response and recovery under a state of provincial emergency, which included securing critical supply chains, making sure critical infrastructure and materials are readily available, ensuring people have public access to essential goods and services to keep society running, and ensuring public safety orders are enforced.

The City of Richmond follows the Province's lead in its response to COVID-19 in conjunction with the emergency response plan announced by the Provincial government to allow for coordinated efforts to ensure consistency while allowing for further powers to the City.

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

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

5.1 Maintain a strong and robust financial position.

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

5.4 Work cooperatively and respectfully with all levels of government and stakeholders while advocating for the best interests of Richmond.

Analysis

The COVID-19 pandemic event is considered an "emergency" within the meaning of both the *Public Health Act* and the *Emergency Program Act*. Since the public health emergency was declared under the *Public Health Act*, on March 17, 2020, local governments will be eligible to claim reimbursement for emergency response costs, within the meaning of the Compensation and Disaster Financial Assistance Regulation.

Reimbursement for COVID-19 response does not fit the traditional emergency spending guidelines and not all spending that the City put forward would be eligible. Nonetheless, the City will keep track of all spending related to the emergency and push for reimbursement from the Province.

Prospective COVID-19 pandemic response costs eligible for reimbursement by EMBC will include:

- Incremental costs associated with activating an Emergency Operations Centre (EOC) including activities related to planning, implementation or monitoring of any specific response actions or measures directed by the Province of British Columbia through the Public Health Officer or Emergency Management BC, or by federal counterparts in collaboration with First Nations governments within the Province.
- Incremental costs related to any actions required to support additional health capacity including the establishment of testing stations, isolation facilities or others that may be requested or directed by a health authority.
- Incremental costs related to the implementation of any provincial measures to restrict activities, movement or other actions directed by the province, federal government or First Nation in collaboration with the applicable Health Authority to manage COVID-19.
- Incremental costs for the continuation of locally-administered essential services. Included in local government and First Nations plans, essential services are considered critical to preserving life, health and basic societal functioning.
- Costs associated with the organization of appropriately trained and equipped personnel, including volunteers, to meet the needs of vulnerable persons in isolation who are unable to access support networks.

The City activated its Emergency Operation Center (EOC) on March 13, 2020 to respond to COVID-19. The EOC supports the Senior Management Team (SMT) and senior City staff who are managing and directing the on-going response and future recovery from the COVID-19 Pandemic. The activation of a local EOC is a function authorized by Emergency Management B.C. (EMBC), enacted under provincial emergency management legislation, and coordinated under the BC Emergency Response Management System ("BCREMS").

The financial impacts from the COVID-19 pandemic to the City will include lost revenues associated with services due to the closure of recreation and community facilities. Other forecasted declines in revenues will include building permits, business licenses, bylaws, parking, inspections, development applications, rental revenue and other operating revenues. The economic impacts from the pandemic will also result in a reduction in gaming revenues and due to the Bank of Canada's reduction in the prime rate, the City's investment returns will be lower. The transfer to capital reserves may be reduced due to the reduction in gaming and investment income. Staff are forecasting an increase with metered utility revenues as the pandemic encourages people to increase water usage due to the recommendation to frequently wash hands to reduce the spread of the virus.

The economic slow down may result in a slower pace of development, therefore there may be a reduction in development cost charges, amenities, etc., which are used to finance capital projects attributed to growth. Staff will review current capital projects to assess if projects need to be adjusted as there is uncertainty how the pandemic will impact the construction industry, and whether there will be impacts with respect to procurement, trades availability and pricing, as well as quality of construction.

The City's largest expenditure category are labour and there are human resource implications in relation to the pandemic. In order to follow through with Council's closure of City Hall and other City facilities due to health and safety issues, the CAO and SMT continue to meet frequently in order to plan and take the necessary steps that complimented the reduction in operations, while also ensuring employees well being. Some of the measures that were implemented included; the implementation of the Extraordinary Pandemic Leave Plan; the opportunity for many staff affected by facility closures to work remotely; the implementation of social distancing and other safety measures in the workplace for all staff including the outside workforce. Other measures included temporary alternative work for auxiliary staff at closed community facilities and the support of longer term auxiliary staff.

Included in the announcement on March, 26, 2020, from the province concerning the government-wide approach to COVID-19 was that local government functions and services are deemed essential services. Therefore, the current plan includes utilizing as much of the workforce in order to provide essential functions and services outlined by the Province. There will be a concentrated effort to redeploy as many staff as possible. The CAO and SMT recognize that not all staff will consider this option and staff will be provided an option to choose a voluntary layoff, which will include full benefits for up to six months while also taking advantage of wage subsidy programs offered by both the Federal and Provincial governments.

With the closure of facilities, staff anticipate that there will be some savings through reduction in wages, program supplies, materials, utilities, special events and other operating costs. Additional savings will be incurred through delays in new recruitment, and cessation of spending with any discretionary expenditures. The combined savings will assist and enable the City in offsetting the reduction in revenues.

Council's Long Term Financial Management Strategy has enabled the City to withstand the financial challenges which other cities are facing concerning cash flow and financial resiliency. Through Council's prudent management of the City's finances, the City has sufficient cash and reserves that will help it through this current situation.

Additional measures which Council can consider should the reduced expenditures not be sufficient to offset the reduction in revenues would be to consider utilizing the planned transfers into capital reserves and provisions to provide funding for the operating budget; however this would have an impact on funding of future capital projects. Another option would be to utilize funding from the rate stabilization account, the emergency response provision and surplus, however this option would limit future flexibility for future budgets and/or respond to any other unplanned events. Staff will present options if there are changes to economic conditions which will materially impact the City's financial condition. The City's strong financial condition will allow it to withstand this event over the near foreseeable future.

As a means of providing support to taxpayers, Council has recently adopted amendments to the Utility Rate Bylaws to extend the due date for the flat rate utility bill to June 30, 2020. The extension gives taxpayers extra time to raise the necessary funds needed to pay the bill and to take advantage of the 10% discount available.

The City is required to adopt a tax rate bylaw before May 15th, annually, in order to comply with the Community Charter ("Charter"). With current economic conditions, the Tax Department has received many enquiries regarding the possibility of extending the property tax due date past July 2, 2020. The City and other lower mainland municipalities continue to request that the Province extend the due date. At the time of writing the Province has not provided any indication if this request will be fulfilled. Therefore, staff have held discussions with other municipalities to examine the possibility of invoking Section 235 and 236 of the Charter where Council has the option of setting an alternative tax collection scheme and penalty rate. Most feel that under the current economic environment, a single September 2nd due date with a 5% penalty will provide financial relief to most taxpayers. The other item which all lower mainland municipalities are seeking from the Province is an expansion of the property tax deferral program to include all taxpayers including businesses.

Included in the annual property tax bill are taxes collected on behalf of Other Taxing Authorities ("OTA") (Provincial School Tax, Translink, Metro Vancouver, BC Assessment, Municipal Finance Authority BC, Regional Districts, etc.). Municipalities are required to remit the full amount by a specified time regardless of whether taxes are collected. If the amount of tax collected is less than what is requested by OTA's then municipalities will be required to bridge-finance the cash-flow for property taxes not collected. Therefore, lower mainland municipalities are seeking some type of relief from this requirement.

Financial Impact

None

Conclusion

The City's approved Consolidated 5 Year Financial Plan (2020-2024) is being adhered to and at this time there is sufficient cash flow to maintain the City's operations and services at this time. Staff are reaching out to senior levels of government, vendors and other agencies to seek deferrals and extensions in order to maximize the City's cash flow and have achieved considerable success and cooperation. Staff are also in contact with other lower mainland municipalities in order to ensure that there is a combined and concentrated effort to discuss and enquire to senior levels of government for assistance and programs in order to take advantage of any opportunities and assist taxpayers.



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

JC:jc