



## Finance Committee

Council Chambers, City Hall  
6911 No. 3 Road

Monday, June 7, 2021

Immediately following the General Purposes Committee meeting

Pg. #      ITEM

### MINUTES

**FIN-4**      *Motion to adopt the **minutes** of the meeting of the Finance Committee held on May 3, 2021.*



### NEXT COMMITTEE MEETING DATE

July 5, 2021, (tentative date) at 4:00 p.m. in Council Chambers

### FINANCE AND CORPORATE SERVICES DIVISION

1. **FINANCIAL INFORMATION – 1ST QUARTER MARCH 31, 2021**  
(File Ref. No.) (REDMS No. 6668369)

**FIN-7**

**See Page FIN-7 for full report**

*Designated Speaker: Cindy Gilfillan*

### STAFF RECOMMENDATION

*That the staff report titled, “Financial Information – 1st Quarter March 31, 2021”, dated May 7, 2021 from the Acting Director, Finance be received for information.*



## Finance Committee Agenda – Monday, June 7, 2021

Pg. #

ITEM

2. **ACTIVE CAPITAL PROJECTS INFORMATION - 1ST QUARTER MARCH 31, 2021**

(File Ref. No. 03-0975-01) (REDMS No. 6657762)

FIN-34

See Page **FIN-34** for full report

*Designated Speaker: Mike Ching and Jenny Ho*

**STAFF RECOMMENDATION**

*That the staff report titled, “Active Capital Projects Information – 1st Quarter March 31, 2021”, dated May 10, 2021 from the Director, Finance be received for information.*



3. **2022-2026 BUDGET PROCESS**

(File Ref. No. 03-0970-25-2021-01) (REDMS No. 6665522)

FIN-65

See Page **FIN-65** for full report

*Designated Speaker: Mike Ching and Jenny Ho*

**STAFF RECOMMENDATION**

*That the staff report titled “2022-2026 Budget Process” dated May 17, 2021 from the Director, Finance be received for information.*



4. **LULU ISLAND ENERGY COMPANY – 1ST QUARTER MARCH 31, 2021 FINANCIAL INFORMATION**

(File Ref. No. 10-6600-10-01) (REDMS No. 6672096)

FIN-83

See Page **FIN-83** for full report

*Designated Speaker: Jerry Chong and Alen Postolka*

**STAFF RECOMMENDATION**

*That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 1st Quarter March 31, 2021 Financial Information”, dated May 7, 2021 from the Chief Executive Officer and Chief Financial Officer, be received for information.*



## Finance Committee Agenda – Monday, June 7, 2021

Pg. #      ITEM

5.      **RICHMOND OLYMPIC OVAL CORPORATION – 2021 Q1 INTERIM FINANCIAL STATEMENTS**

(File Ref. No.) (REDMS No. 6671478)

**FIN-91**

[See Page FIN-91 for full report](#)

*Designated Speaker: Rick Dusanj*

STAFF RECOMMENDATION

**REVISED**

*That the report on the 2021 first quarter interim financial statements ended March 31, 2021 for the Richmond Olympic Oval Corporation from the Director, Finance, Richmond Olympic Oval Corporation be received for information.*

☐

ADJOURNMENT

☐



## Finance Committee

Date: Monday, May 3, 2021

Place: Council Chambers  
Richmond City Hall

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

Call to Order: The Chair called the meeting to order at 4:53 p.m.

### MINUTES

It was moved and seconded

*That the minutes of the meeting of the Finance Committee held on April 6, 2021, be adopted as circulated.*

**CARRIED**

### DELEGATION

1. C.J. James, Engagement Partner, KPMG LLP, and Aanu Adeleye, Senior Manager, KPMG LLP, thanked City staff for their cooperation in completing the audits.

**FINANCE AND CORPORATE SERVICES DIVISION**

**2. 2020 CONSOLIDATED FINANCIAL STATEMENTS**

(File Ref. No. 03-0905-01) (REDMS No. 6662721)

It was moved and seconded

- (1) *That the staff report titled, “2020 Consolidated Financial Statements”, dated April 16, 2021 from the Acting Director, Finance be received for information; and*
- (2) *That the 2020 City of Richmond Consolidated Financial Statements as presented in Attachment 2 be approved.*

**CARRIED**

**RICHMOND PUBLIC LIBRARY**

**3. 2020 FINANCIAL STATEMENTS FOR THE RICHMOND PUBLIC LIBRARY**

(File Ref. No. 03-0905-01) (REDMS No. 6657206)

It was moved and seconded

*That the 2020 Richmond Public Library audited financial statements for the year ended December 31, 2020, as presented in the attached report from the Chief Librarian, be received for information.*

**CARRIED**

**LULU ISLAND ENERGY COMPANY**

**4. 2020 FINANCIAL STATEMENTS FOR THE LULU ISLAND ENERGY COMPANY**

(File Ref. No. 01-0060-20-LIEC1) (REDMS No. 6655282)

It was moved and seconded

*That the Lulu Island Energy Company report titled “2020 Financial Statements for the Lulu Island Energy Company”, dated March 8, 2021, from the Chief Financial Officer, be received for information.*

**CARRIED**

**Finance Committee**  
**Monday, May 3, 2021**

---

RICHMOND OLYMPIC OVAL CORPORATION

5. **RICHMOND OLYMPIC OVAL CORPORATION 2020 AUDITED  
FINANCIAL STATEMENTS**

(File Ref. No.) (REDMS No. 6662612)

It was moved and seconded

*That the report on the 2020 Audited Financial Statements for the Richmond Olympic Oval Corporation from the Acting Chief Financial Officer and Interim Senior Manager, Finance & Administration, Richmond Olympic Oval Corporation be received for information.*

**CARRIED**

ADJOURNMENT

It was moved and seconded

*That the meeting adjourn (4:55 p.m.).*

**CARRIED**

Certified a true and correct copy of the  
Minutes of the meeting of the Finance  
Committee of the Council of the City of  
Richmond held on Monday, May 3, 2021.

---

Mayor Malcolm D. Brodie  
Chair

---

Sarah Goddard  
Legislative Services Associate



# City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Ivy Wong  
Acting Director, Finance

**Date:** May 7, 2021

**File:**

**Re:** Financial Information – 1<sup>st</sup> Quarter March 31, 2021

### Staff Recommendation

That the staff report titled, "Financial Information – 1<sup>st</sup> Quarter March 31, 2021", dated May 7, 2021 from the Acting Director, Finance be received for information.

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

Att: 5

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

## Origin

Pre-audited financial information for the 1<sup>st</sup> quarter ended on March 31, 2021 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 2020 by closure of public facilities, including libraries, community recreation centres, and cultural facilities. In May 2020, Council 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 as they continue to be updated. Due to the pandemic, the City continues to experience reductions in revenue such as gaming revenues, which will have a significant impact on future quarterly results. The length of the economic disruption and recovery is uncertain at this time as public health orders continue to be updated to address issues as they arise.

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.*

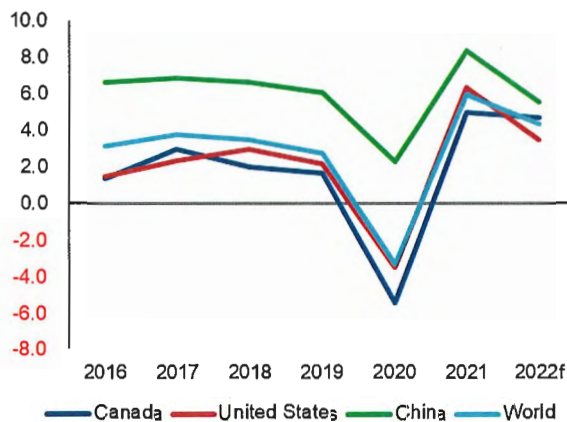
## Analysis

### Macroeconomic Indicators & Forecast

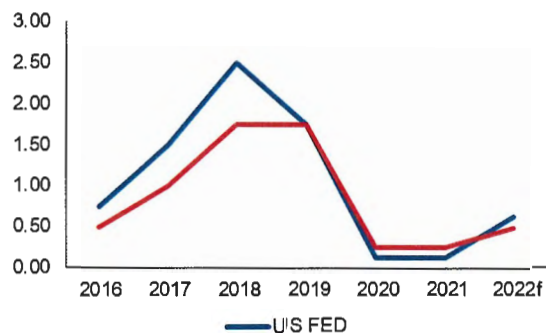
Economic growth prospects remain highly uncertain across the globe one year into the COVID-19 pandemic. Expanding vaccine coverage is enabling increased activity and optimism, although recovery timelines vary by geography and sector. This reflects different levels of pandemic-induced disruptions and government policy support. New virus mutations are adding an additional element of uncertainty regarding the extent and duration of the pandemic.

As public health restrictions subside, household spending is anticipated to fuel a surge in demand for services consumption as limited spending opportunities and high government transfers over the past year have resulted in an accumulation of personal savings. In a recent publication from the Bank of Canada, the estimated savings in 2020 added up to approximately \$180 billion, or roughly \$5,800 per Canadian.



1) Global Growth – Real Gross Domestic Product (GDP) % Change<sup>1</sup>

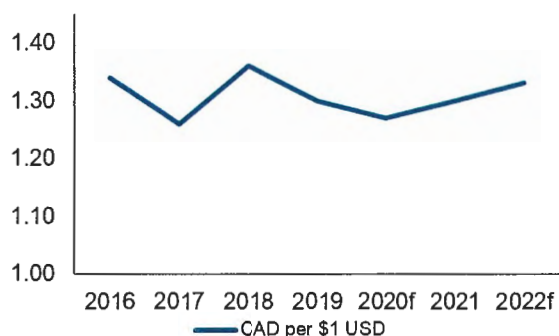
- The International Monetary Fund (IMF) projects that the global Gross Domestic Product (GDP) will increase by 6.0% in 2021.
- The upward revision since the October 2020 forecast reflects additional fiscal support in a few major economies, the anticipated recovery in the second half of 2021, and the continued adaptation by businesses and consumers.
- 2020 marked the largest decline in Canada's economy since the Great Depression, but the year ended with strong rebound activity and GDP is forecasted to grow by 5% in 2021. The U.S. growth forecast for 2021 is 6.4%.
- Global GDP growth is expected to slow to 4.4% in 2022. Canadian, U.S. and China GDP growth forecasts are 4.7%, 3.5%, and 5.6%, respectively, for 2022.

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

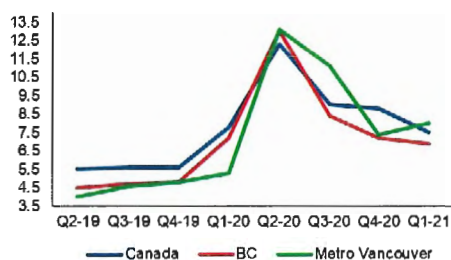
- At the end of Q1 2020, in response to the COVID-19 pandemic, the Bank of Canada (BoC) announced an emergency rate cut to 0.25% for the overnight lending rate where it has remained since that time.
- The BoC rate is forecasted to remain at its lower bound throughout 2021 and climb gradually once the inflation rate returns consistently to the 2 percent.
- The U.S. Federal Reserve (US FED) rate continued at 0.25% where it is expected to remain throughout 2021.

<sup>1</sup> International Monetary Fund, World Economic Outlook (April 2021)

<sup>2</sup> US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (March 2021)

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

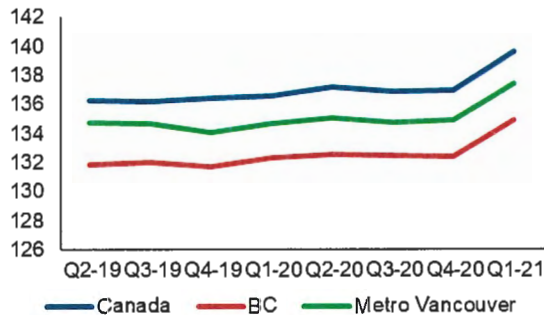
- Due to a combination of better growth prospects boosting commodity prices and a weakening in the US dollar, the USD/CAD exchange rate ended Q1 2021 at \$1.28 CAD per \$1 USD.
- The Canadian dollar (CAD) is expected to end 2021 at \$1.30 CAD per \$1 USD and depreciate further to \$1.33 CAD per \$1 USD by the end of 2022.
- The value of the CAD against the USD will be dependent on the relative economic recovery in the two countries.
- A weaker Canadian dollar may benefit non-commodity export sectors, such as tourism, as cross-border economic activity resumes.

Regional & Local Economic Activity Indicators4) Unemployment<sup>4</sup>

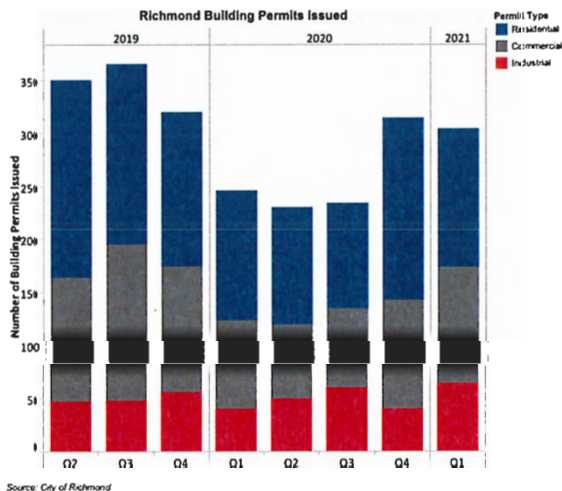
- In March 2021 the unemployment rate in Canada fell to its lowest level since February 2020.
- Employment has proven to be highly resilient in some sectors that have surpassed levels seen before the pandemic. Those employed in sectors most affected by public health restrictions, such as accommodation and food services, continue to experience job losses or reduced hours.
- At the end of Q1 2021 the Canada, BC and Metro Vancouver unemployment rates decreased to 7.5%, 6.9% and 8.0%, respectively.

<sup>3</sup> Royal Bank Economic Research Forecast (March 2021)

<sup>4</sup> Statistics Canada

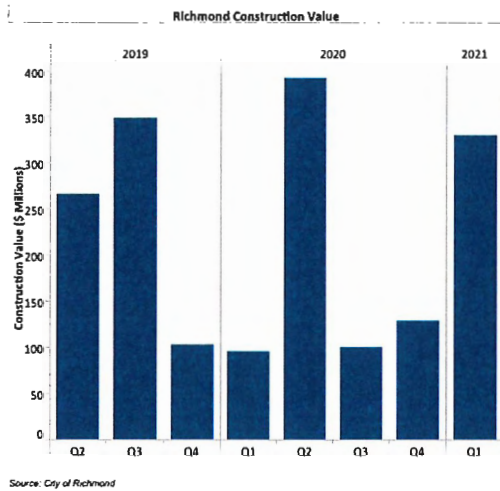
5) Consumer Price Index (CPI – 2002=100)<sup>5</sup>

- At the end of Q1 2021, the Consumer Price Index increased by 2.2% in Canada (139.6), 2% in British Columbia (134.9), and 2% in Metro Vancouver (137.4), compared to the same period last year.
- The broad decline in prices in spring 2020 had an upward impact on consumer inflation in March 2021. Energy prices also increased due to a combination of higher demand and lower supply. Inflation is being monitored closely by the Bank of Canada and other central banks.

6) Building Permits – Richmond<sup>6</sup>

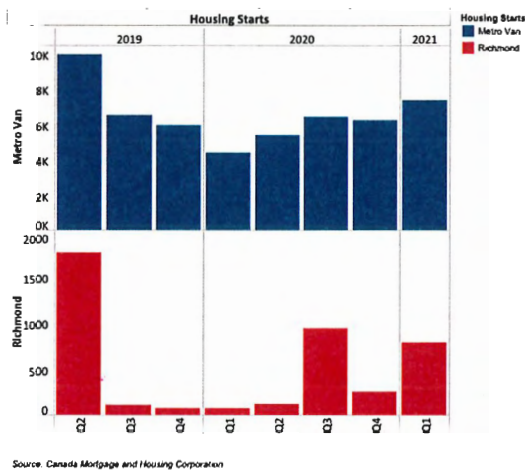
- In Q1 2021 there were 131 residential, 109 commercial, and 64 industrial building permits issued in Richmond.
- This represents a 23.6% increase in the total number of building permits issued over the same period in 2020.
- 668 new units are being added to the local housing supply through this new residential construction permitted in Q1 2021. This represents a more than 2000% increase over the same period in 2020.
- This data is indicative of a trend for fewer, but larger and more complex multi-family project applications that 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.

<sup>5</sup> Statistics Canada<sup>6</sup> City of Richmond Building Permits



- \$175 million in construction value was registered in Q1 2021, up 83.6% over the same period last year.
- Large multi-family developments, as well as increased construction and labour costs, contributed to the increase in construction value experienced.

## 7) Housing Starts<sup>7</sup>



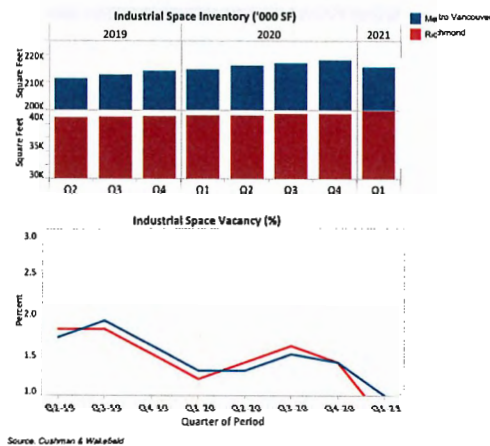
- In Q1 2021, there were 783 housing starts in Richmond and 7,322 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on their verification that construction work has commenced<sup>8</sup>.
- Year to date housing starts in Richmond and Metro Vancouver increased by 987.5% and 67.2%, respectively, over the same three-month period in 2020.
- The change in CHMC's housing start data for Richmond in Q1 2021 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.

<sup>7</sup> Canada Mortgage and Housing Corporation

<sup>8</sup> 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.

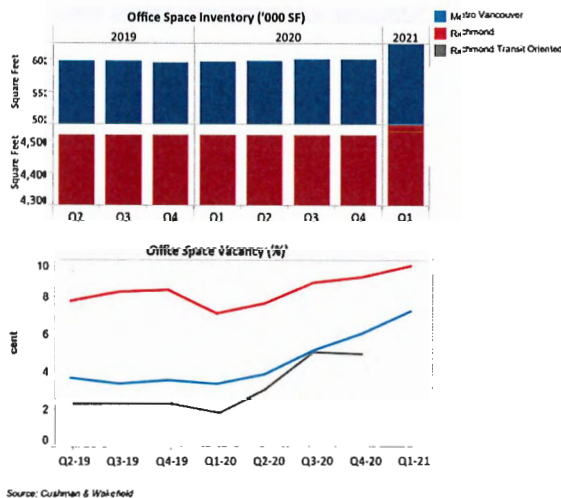
8) Commercial Space<sup>9</sup>

## a) Industrial Space



- Industrial sales and leasing activity in Metro Vancouver continued to be strong in Q1 2021, spurred by factors including the acceleration of e-commerce adoption.
- 44,390 square feet of industrial space has been added to Richmond's inventory during the first three months of 2021.
- The industrial vacancy rate in Richmond decreased slightly from 1.4% in Q4 2020 to 0.7% in Q1 2021.
- The region continues to face an acute shortage of industrial land and the industrial vacancy rate in Metro Vancouver was 1.0% at the end of Q1 2021.

## b) Office Space



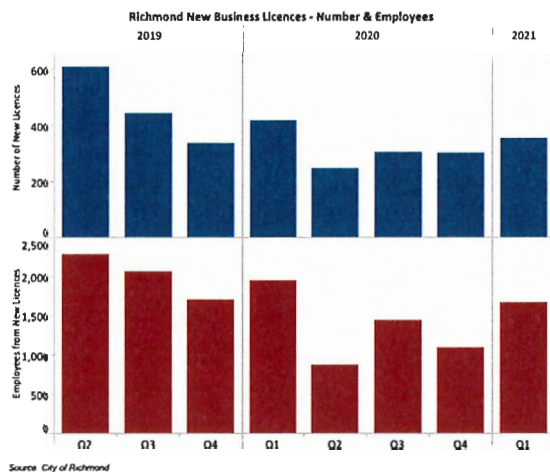
- At the end of Q1 2021 the office vacancy rate was 9.7% in Richmond and 7.3% in Metro Vancouver.
- The downtown Vancouver office market continued to be challenged though some notable large lease transaction fueled optimism in longer term prospects.
- Office vacancy rates for Q1 2021 have increased by 34.7% in Richmond and 114.7% in Metro Vancouver compared to Q1 2020 due to increase in sublease activities in the second and third quarters of 2020 which resulted in negative absorption.
- Many office based businesses have been reconsidering their real estate footprints due to COVID-19 requiring employees to work remotely where possible, and the overall acceleration of the work from home trend.

<sup>9</sup> Cushman & Wakefield Office and Industrial Market Beat Reports



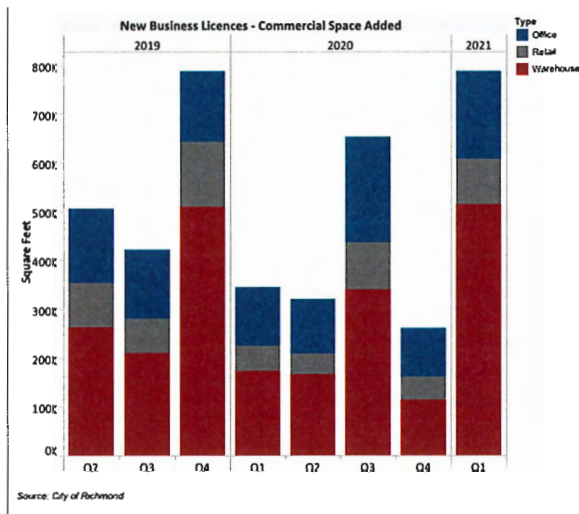
## 9) Business Growth – Richmond

## a) New Business Licences



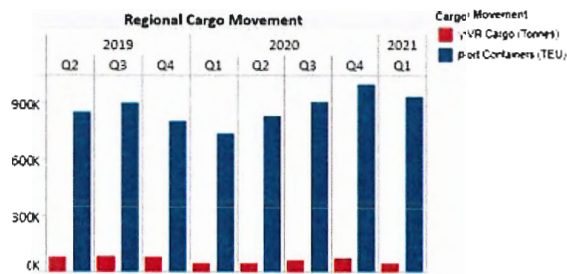
- 352 new business licences (representing 1,674 jobs) were issued by the City of Richmond in the first quarter of 2021, a decrease of 15.6% compared to the same period last year.
- Overall in 2020 the number of new business licences issued decreased by 31.4% so the new business licence activity in the first quarter of 2021 shows signs of improvement.
- Business licence fee revenue during the same period increased by 17.5%. This combination of increased revenue along with a decrease in new business licenses issued is an indicator of the relative health of larger businesses, which pay more in licence fees
- The sectors that experienced continued growth throughout 2020 – as measured by new business license and related employment activity – included educational services, health care and social assistance, information and cultural industries, manufacturing, and transportation and warehousing.
- The number of total valid business licences at the end of Q1 2021 was 13,341, 5% lower than the same period last year.

## b) New Business Licences – Commercial Space



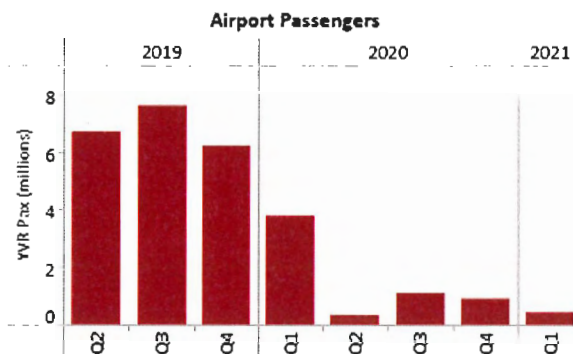
- 788,000 square feet of commercial space absorption was tied to the new business licenses issued from January to March 2021.
- Industrial space represented the largest share of absorption, at 514,000 square feet, followed by office (181,000 square feet), and retail (93,000 square feet).

## 10) Goods and People Movement

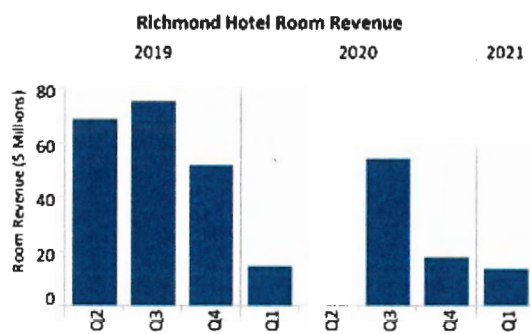
a) Regional Cargo Movement<sup>10</sup>

- The Port of Vancouver experienced an increase in cargo volumes of 27% in Q1 2021 over the same period in 2020, as measured by Twenty Foot Equivalents (TEUs).
- While global goods movement experienced many challenges and supply chain disruptions last year, Port activity proved to be resilient overall with a record breaking year for shipments of grain, potash and containers.
- At the Vancouver International Airport (YVR), 41,214 tonnes of air cargo was handled through the first two months of 2021, a decrease of 3.7% over January and February of 2020.

<sup>10</sup> Port of Vancouver Monthly Cargo Statistics

b) Airport Passengers<sup>11</sup>

- The COVID-19 pandemic continues to severely impact air travel with widespread global travel restrictions and international border closures.
- January and February of 2021 experienced a decline in air passenger volumes of 89.5% over the same two month period in 2020 with only 0.43 million people travelling through the airport.

c) Richmond Hotel Room Revenue<sup>12</sup>

- The accommodation sector is another that has been hard hit by COVID-19 as necessary restrictions on travel have been imposed.
- Some Richmond hotels have been able to capture pandemic related business activity due to their proximity to YVR which is one of only four Canadian airports accepting scheduled international commercial passenger flights.
- Hotel room revenue is calculated using Municipal & Regional District Tax (MRDT) payment, which is 3% on the purchase price of taxable accommodation.
- In 2020 this did not accurately capture revenue in the months it was earned as the Province allowed the deferral of tax payments until September 30, 2020 – resulting in a large one-time transfer in Q3.
- Overall MRDT levels in 2020 declined by 64% over 2019 levels. During the first two months of 2021, MRDT revenue levels were down by 5.6% over the same period in 2020.

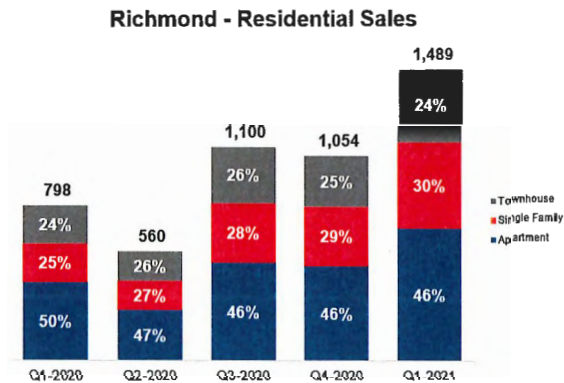
<sup>11</sup> YVR Monthly Statistics – Q1 2021 excludes March figures as they were not available at the time of reporting

<sup>12</sup> City of Richmond Additional Hotel Room Tax Ledger; Destination BC – Richmond Hotel Revenue for Q1 2021 includes January and February data only.

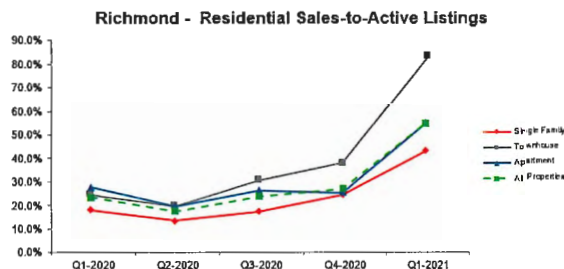


### Residential Real Estate<sup>13</sup>

In the first quarter of 2021, residents bought homes at very high levels. This surge in activity can be attributed to an economy that is showing signs of recovery (pent up demand), historically low interest rates and increased household savings. All residential sales markets are leaning more towards a sellers market at this time.

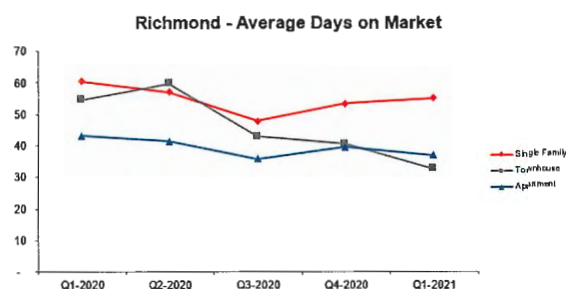


- Overall home sales in the first 3 months of 2021 showed an increase of 87% over the same period last year.
- Single family detached (SFD) home sales increased by 121% compared to Q1 2020.
- Apartment and townhouse sales have increased by 70% and 86%, respectively, compared to Q1 2020.
- Apartment sales comprise 46% of the residential home sales in Richmond. SFD and townhouse sales account for 24% and 30%, respectively, of home sales in Richmond.
- There were 1,489 residential home sales in Richmond by the end of Q1 2021, an 87% increase compared to the same period last year.



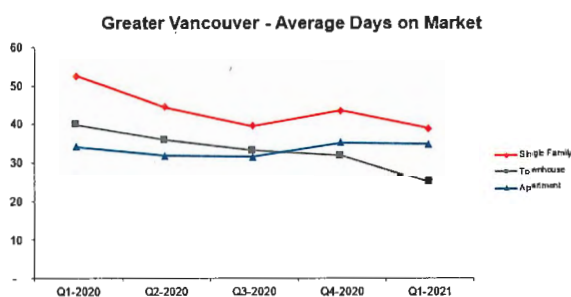
- Richmond residential properties had a sales-to-active listings ratio of 56% as at March 31, 2021 representing a strong sellers market. Townhouse demand increased sharply during this quarter as did apartments.

<sup>13</sup> Real Estate Board of Greater Vancouver

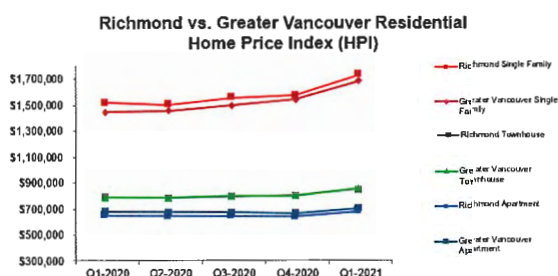


- At Q1 2021, SFD properties in Richmond had an average of 56 days on the market, an 8% decrease compared to Q1 2020.

Townhouses and apartments had an average of 33 and 38 days on the market, respectively, representing a 39% and a 13% decrease respectively over the same period last year.



- At Q1 2021, SFD properties in GVRD had an average of 39 days on the market, which was decreased by 26% compared to Q1 2020
- Townhouses and apartments had an average of 25 and 35 days on the market, which represents a decrease of 37% and an increase of 1.9%, respectively, over the same period in 2020.

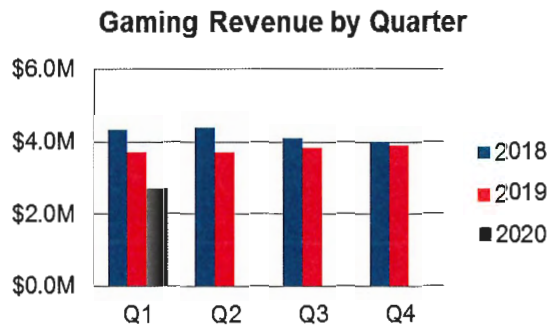


- The Home Price Index (HPI)<sup>14</sup> for SFD properties in Richmond at Q1 2021 was \$1,747,800, a 15% increase compared to Q1 2020. The GVRD housing market has also increased with SFD properties priced at \$1,700,200, which was a 17% increase compared to the same quarter last year.
- At Q1 2021, the HPI for townhouse properties in Richmond was \$864,800, an increase of 8.8% compared to Q1 2020. The HPI for townhome properties in GVRD was \$872,200, which represented a 10% increase compared to the same time last year.
- The HPI for apartments in Richmond was \$695,800, an increase of 6.2% compared to Q1 2020. GVRD's apartment prices increased to \$715,800, which was a 4.2% increase from Q1 2020..

<sup>14</sup> 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.

### 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, no gaming revenue was allocated to the City in Q1 2021.
- Gaming revenue for Q1 2021 decreased by 100.0% to \$nil compared to \$2.7M in Q1 2020.
- The City does not expect any gaming revenues for 2021 and has set annual budget to be \$nil.

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 since March 2020. Gaming revenue for Q3 2020 was \$nil.

On September 18, 2020, the Attorney General emphasized that casinos are down the list for re-opening and no pressure will be put on public health authorities to rush the approval of casino re-opening plans. British Columbia Lottery Corporation have submitted safety re-opening plan to the Provincial Health Officer, Ministry of Health and WorkSafeBC. The new plan includes appropriate distancing, cleaning and plexiglass installations. Ministry of Health has reviewed the plan and conversations on how to re-open casinos safely are ongoing. As of March 31, 2021, River Rock Casino continues to suspend its operations. It is not known when operations may resume.

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

### Operating Activity

Table 1 compares budget to unaudited actual activity up to March 31, 2021. The net figure represents combined revenue and expense amounts. Actuals includes estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received.

Table 1: *Net Operational Activity for the period January 1, 2021 to March 31, 2021 (in \$000's)*

Division/Department <sup>1</sup>	Q1 YTD Net Budget <sup>2</sup>	Q1 YTD Actuals and Commitments <sup>3</sup>	Q1 YTD Variance (\$)	Q1 YTD Variance (%)
Community Safety <sup>4</sup>	\$(708)	\$(928)	\$220	31%
Community Services	11,770	10,971	799	7%
Corporate Administration	2,356	1,904	452	19%
Engineering and Public Works	23,790	23,574	216	1%
Finance and Corporate Services	6,415	5,746	669	10%
Fire Rescue	11,858	10,698	1,160	10%
Library	3,320	2,765	555	17%
Planning and Development	2,096	1,440	656	31%
Policing	15,194	14,786	408	3%
Fiscal	(28,586)	(28,924)	338	1%
Law and Legislative Services	1,121	1,034	87	8%
<b>Total</b>	<b>\$48,626</b>	<b>\$43,066</b>	<b>\$5,560</b>	<b>11%</b>
Water Utility	6,629	6,084	545	8%
Sanitary Sewer Utility	5,415	5,212	203	4%
Sanitation and Recycling Utility	97	(355)	452	466%
<b>Utilities Total</b>	<b>\$12,141</b>	<b>\$10,941</b>	<b>\$1,200</b>	<b>10%</b>

<sup>1</sup>Net 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.

<sup>2</sup>The Net Budget is based on the budget approved by Council on March 22, 2021.

<sup>3</sup>Includes budgeted equity transactions such as transfer to reserves, transfer to provision etc.

<sup>4</sup>Includes Community Safety Administration, Business Licences, Community Bylaws and Emergency Programs.

The following section provides an explanation on a Divisional/Departmental basis of year to date variances in relation to the 2021 Revised Financial Plan:

- Community Safety (excluding fire rescue and policing) has a favourable variance due to timing required to fill vacant positions and lower year to date operating spending offset by lower parking revenues due to COVID-19.
- Community Services' favourable variance is due to vacant positions and reduced auxiliary staffing levels in alignment with the reduction in programs and services offered. This reduction is partially offset by higher Parks operational expenditures as a result of increased demand for outdoor services due to the pandemic and a mild spring.
- Corporate Administration's favourable variance is mainly due to vacant positions.
- Engineering and Public Works is on budget.
- Finance and Corporate Services' favourable variance is mainly driven by vacant positions.

- Fire Rescue's favourable variance is due to timing required to fill the Council approved 12 Firefighters and vacancies due to retirement.
- The Library's favourable variance is mainly due to vacant positions. Any surplus at year-end will be appropriated for future use within library operations.
- Planning and Development's favourable variance is due to various vacant positions.
- Policing favourable variance is due to timing required to fill the Council approved 16 RCMP Officers and 11 Municipal Employees
- Fiscal's favourable variance is mainly due to timing of expenditures.
- Law and Legislative Services is on budget.
- Water Utility's favorable variance is mainly driven by unbudgeted construction revenue and less water purchases than budgeted. Any surplus at year-end will be transferred to the Water Levy Stabilization Provision.
- Sanitary Sewer Utility's favourable variance is mainly driven by unbudgeted construction revenue. Any surplus at year-end will be transferred to the Sewer Stabilization Provision.
- Sanitation and Recycling Utility's favourable variance is mainly due to lower garbage and recycling processing fees. Any surplus at year end will be transferred to the General Solid Waste and Recycling Provision.

The presentation of the figures for the Financial Statement, Statement of Operations is different from the Net Budget presentation above. The above presentation combines revenues and expenses and presents the net amount inclusive of transfers. The Statement of Operations presents the revenues and expenses separately and prior to any appropriations and transfer to reserves. The Statement of Operations for the Three Month Period Ended March 31, 2021, with comparative figures for 2020 is included in Attachment 3.

#### Cash and Investment Portfolio

As of March 31, 2021, the City's total cash and investment balance totalled \$1.24 billion with a weighted average annualized yield of 1.46%. The overall cash and investment balance is comprised of \$790.4 million in investments and \$447.7 million in interest bearing cash account (Attachment 4). The City continues to hold a significant proportion of its cash and investment balance in short-term and cashable products for liquidity and yield enhancement purposes.



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

	March 31, 2021 (current quarter)	December 31, 2020 (previous quarter)
2 Year Government of Canada Bonds	0.22%	0.20%
5 Year Government of Canada Bonds	0.99%	0.41%
10 Year Government of Canada Bonds	1.55%	0.70%

Source: Bank of Canada

At the latest interest rate announcement on April 21, 2021, the Bank of Canada (the Bank) kept the policy interest rate at 0.25%. The overnight interest rate has remained unchanged at the current 0.25% level since March 27, 2020.

In Canada, growth in the first quarter of 2021 appears considerably stronger than expected as households and companies adapted to the second wave and associated restrictions. Substantial job gains in February and March boosted employment. However, new lockdowns will pose another setback and the labour market remains difficult for many Canadians. As vaccines roll out and the economy reopens, consumption is expected to rebound strongly in the second half of this year and remain robust over the projection. The pace of economic recovery remains highly dependent on the evolution of the pandemic and the pace of vaccinations.

As economic prospects improve, there is still considerable excess capacity and the recovery continues to require extraordinary monetary policy support. The Bank will continue to hold the policy interest rate at the effective lower bound until economic slack is absorbed so that the 2% inflation target is sustainably achieved. Based on the Bank's latest projection, which is projected to happen in the second half of 2022. The Bank will continue to provide the appropriate degree of monetary policy stimulus to support the recovery and achieve the inflation objective..

As economic prospects improve, there is still considerable excess capacity and the recovery continues to require extraordinary monetary policy support. The Bank will continue to hold the policy interest rate at the effective lower bound until economic slack is absorbed so that the 2% inflation target is sustainably achieved. Based on the Bank's latest projection, which is projected to happen in the second half of 2022. The Bank will continue to provide the appropriate degree of monetary policy stimulus to support the recovery and achieve the inflation objective.

### 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 third quarter, 24 contracts greater than \$75,000 were awarded totalling over \$12.1 million (Attachment 5).

### **Financial Impact**

None.

### **Conclusion**

At the end of the first quarter, the City continued with 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.



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

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

**Economic Indicators****March 31, 2021****Macroeconomic Indicators & Forecast**

	2019	2020	Change	2021f	2022f
<b>1) Real GDP (% at YE)</b>					
Canada	1.6	(5.4)	(437.5%)	5.0	4.7
United States	2.3	(3.5)	(252.2%)	6.4	3.5
China	6.1	2.3	(62.3%)	8.4	5.6
World	2.9	(3.3)	(213.8%)	6.0	4.4
<b>2) Interest Rates (at YE)</b>					
Bank of Canada	1.75	0.13	(92.6%)	0.25	0.5
US FED	1.75	0.25	(85.7%)	0.25	0.25
<b>3) Exchange Rate (at YE)</b>					
CAD per \$1 USD	1.3	1.28	(1.5%)	1.30	1.33

**Regional and Local Market Indicators**

4)	Unemployment (% at QE)	Q1-2021	Q4-2020	Change	Q1-2020	Change	
	Canada	7.5	8.8	1.9%	7.8	(3.8%)	
	BC	6.9	7.2	1.9%	7.2	(4.2%)	
	Metro Vancouver	8.0	7.4	1.9%	5.3	50.9%	
5)	CPI (2002=100) (at QE)	Q1-2021	Q4-2020	Change	Q1-2020	Change	
	Canada	139.6	137.0	1.9%	136.6	2.2%	
	BC	134.9	132.4	1.9%	132.3	2.0%	
	Metro Vancouver	137.4	134.9	1.9%	134.7	2.0%	
6)	Richmond Building Permits	Q1-2021	Q1-2020	Change	YTD-2021	YTD-2020	Change
	Residential – New Construction^	63	31	103.2%	63	31	103.2%
	Residential – Alterations	68	92	(26.1%)	68	92	(26.1%)
	Residential Total	131	123	6.5%	131	123	6.5%
	^ Number of units from new residential construction	668	31	2054.8%	668	31	2054.8%
	Residential	131	123	6.5%	131	123	6.5%
	Commercial	109	83	31.3%	109	83	31.3%
	Industrial	64	40	60.0%	64	40	60.0%
	Building Permits Total	304	246	23.6%	304	246	23.6%
	Construction Value (\$ million)	175.0	95.3	83.6%	175.0	95.3	83.6%
7)	Housing Starts (Units)	Q1-2021	Q1-2020	Change	YTD-2021	YTD-2020	Change
	Starts - Metro Vancouver	7,322	4,380	67.2%	7,322	4,380	67.2%
	Starts - Richmond	783	72	987.5%	783	72	987.5%
8)	Richmond Residential Sales Activity	Q1-2021	Q1-2020	Change	YTD-2021	YTD-2020	Change
	Sales - Detached	444	201	120.9%	444	201	120.9%
	Sales - Townhouse	363	195	86.2%	363	195	86.2%
	Sales - Apartment	682	402	69.7%	682	402	69.7%
	Sales - Total	1,489	798	86.6%	1,489	798	86.6%



**Economic Indicators****March 31, 2021****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings Ratio (% at QE)**

	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>
Single Family Detached	43.8	18.4	138.0%
Townhouse	83.3	24.7	237.2%
Apartment	56.0	27.9	100.7%
Total	55.6	23.7	134.6%

**10) Average Days on Market**

<b>Property Type</b>	<b>Richmond</b>			<b>Metro Vancouver</b>		
	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>
Single Family Detached	56	61	(8.2%)	39	53	(26.4%)
Townhouse	33	55	(40.0%)	25	40	(37.5%)
Apartment	38	43	(11.6%)	35	34	2.9%

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

<b>Property Type</b>	<b>Richmond</b>			<b>Metro Vancouver</b>		
	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>
Single Family Detached	1,748	1,523	14.8%	1,700	1,451	17.2%
Townhouse	865	795	8.8%	872	792	10.1%
Apartment	696	655	6.3%	716	687	4.2%

**12) Commercial Space (at QE)**

	<b>Richmond</b>			<b>Metro Vancouver</b>		
	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>
Office Vacancy (%)	9.7	7.2	34.7%	7.3	3.5	114.7%
Transit Oriented Office Vacancy (%)	4.7	1.8	161.1%	N/A	N/A	N/A
Office Inventory (000 sf)	4,863	4,517	7.7%	62,419	59,594	4.7%
Industrial Vacancy (%)	0.7	1.2	(41.7%)	1.0	1.3	(23.1%)
Industrial Inventory (000 sf)	44,390	39,189	13.3%	215,520	214,565	0.4%

**13) Richmond Business Growth**

	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Total Valid Business Licences (at QE)	13,341	14,039	(5.0%)	13,341	14,039	(5.0%)
New Licences - Number Issued	352	417	(15.6%)	352	417	(15.6%)
New Licences - Employees	1,674	1,952	(14.2%)	1,674	1,952	(14.2%)
New Licences - Office Added (sf)	181,493	120,642	50.4%	181,493	120,642	50.4%
New Licences - Retail Added (sf)	92,856	51,896	78.9%	92,856	51,896	78.9%
New Licences - Industrial Added (sf)	513,963	172,664	197.7%	513,963	172,664	197.7%
Total Space Added (sf)/Avg. Change	788,312	345,202	128.4%	788,312	345,202	128.4%

**Economic Indicators****March 31, 2021****Regional and Local Market Indicators (continued)**

<b>14) Goods &amp; People Movement</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
YVR Air Cargo (tonnes)**	41,214	42,801	(3.7%)	41,214	42,801	(3.7%)
PMV Container Movement (TEUs)	932,962	734,890	27.0%	932,962	734,890	27.0%
YVR Passengers (million)**	0.4	3.8	(89.5%)	0.4	3.8	(89.5%)
Richmond Hotel Revenue (\$ million)***	13.5	14.3	(5.6%)	13.5	14.3	(5.6%)

**Notes:**

- a) QE indicates quarter end; YE indicates year end
- b) f - forecast to year-end
- c) \* - Figures have been updated to reflect changes in source data.
- d) \*\* YVR data for Q1 includes January and February 2021 figures only.
- e) \*\*\*Hotel Room Revenue for Q1 includes January and February 2021 data only

**List of Sources:**

- 1) International Monetary Fund, World Economic Outlook (April 2021)
- 2) & 3) US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (March 2021)
- 4) & 5) Statistics Canada
- 6) City of Richmond Building Permits
- 7) Canada Mortgage and Housing Corporation
- 8), 9) & 10) Real Estate Board of Greater Vancouver
- 11) Cushman & Wakefield Office and Industrial Market Beat Reports
- 12) City of Richmond Business Licences
- Port of Vancouver Monthly Cargo Statistics
- 13) YVR monthly statistics
- City of Richmond Additional Hotel Room Tax Ledger, Destination BC

**Financial and Key Indicators****March 31, 2021**

(All dollar amounts in \$000's)

<b>1) Development Cost Charges Contributions</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Roads, Water, Sewer DCC's Received	\$4,062	\$10,809	(62.4%)	\$4,062	\$10,809	(62.4%)
Parks DCC's Received	\$2,800	\$5,707	(50.9%)	\$2,800	\$5,707	(50.9%)
Total DCC Fees Received	\$6,862	\$16,516	(58.5%)	\$6,862	\$16,516	(58.5%)
DCC Reserves – Uncommitted balance at QE	\$139,688	\$131,803	6.0%	n/a	n/a	n/a
<b>2) Uncommitted Reserves (at QE)</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>			
Capital Funding Reserves	\$186,156	\$147,478	26.2%			
Utility Reserves	\$81,352	\$74,000	9.9%			
Affordable Housing Reserves	\$4,272	\$4,233	0.9%			
Other Reserves	\$122,524	\$61,867	98.0%			
Total Uncommitted Reserves	\$394,304	\$287,578	37.1%			
<b>3) Taxes to date</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>YTD-2020</b>	<b>YTD-2019</b>	<b>Change</b>
Taxes Collected	\$12,566	\$12,008	4.6%	\$12,566	\$12,008	4.6%
City Portion of Taxes Collected	\$6,157	\$5,884	4.6%	\$6,157	\$5,884	4.6%
Unpaid Taxes - Delinquent & Arrears (at QE)	\$11,415	\$8,555	33.4%	n/a	n/a	n/a
No. of Participants on Pre-authorized withdrawal (at QE)	6,382	6,477	(1.5%)	n/a	n/a	n/a
Pre-authorized withdrawals payments	\$8,361	\$8,361	(17.4%)	\$8,361	\$8,361	3.9%
Interest rate % paid	0.45%	1.95%	(76.9%)	0.45%	1.95%	(76.9%)
<i>Sources: All data is from City of Richmond records</i>						
<b>4) Cash and Investments</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>			
Investments	\$794,449	\$828,650	(6.0%)			
Cash (includes high interest savings accounts)	\$447,681	\$438,343	29.9%			
Total Cash and Investments	\$1,238,130	\$1,266,993	4.4%			
Average City Rate of Return on Investments %	1.46%	2.05%	(28.8%)			

**Financial and Key Indicators****March 31, 2021**

(All dollar amounts in \$000's)

**Financial and Key Indicators (continued)**

<b>5) Planning and Development</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Building Permit Fees Collected	\$3,403	\$2,229	52.7%	\$3,403	\$2,229	\$3,403
Development Applications Received	25	50	(50.0%)	25	50	25
Development Applications Fees	\$171	\$182	(5.9%)	\$171	\$182	\$171
<b>6) Business Licences</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Revenue Received for Current Year Licences	\$1,816	\$1,834	(1.0%)	\$1,816	\$1,834	(1.0%)
Revenue Received for Next Year (Deferred)	\$93	\$89	4.7%	\$93	\$89	4.7%
Total Licence Revenue	\$1,909	\$1,923	(0.7%)	\$1,909	\$1,923	(0.7%)
<i>Year to date valid licences and revenue include current year licences issued in the prior year.</i>						
<b>7) Other Revenues</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
Parking Program Revenue	\$295	\$442	(33.4%)	\$295	\$442	(33.4%)
Gaming Revenue	\$0	\$2,705	(100.0%)	\$0	\$2,705	(100.0%)
Traffic Fine Revenue	\$0	\$1,779	(100.0%)	\$0	\$1,779	(100.0%)
<b>8) Employees</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>			
Full Time Equivalent (FTE) Employees (at QE)	1,398	1,605	(12.9%)			
<i>(City and Library) FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.</i>						
<b>9) Operating Indicators</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>	<b>YTD-2021</b>	<b>YTD-2020</b>	<b>Change</b>
RCMP - Calls for Service Handled	14,408	15,806	(8.8%)	14,408	15,806	(8.8%)
Community Bylaws	1,282	1,702	(24.7%)	1,282	1,702	(24.7%)
Fire Incidents	1,890	2,202	(14.2%)	1,890	2,202	(14.2%)
Public Works calls for Service	3,416	3,197	6.9%	3,416	3,197	6.9%
<i>The reduction in fire incident call volume is largely due to the Provincial Health Order reducing the number of medical event types that firefighters responded to during the first quarter of 2021.</i>						

**Financial and Key Indicators****March 31, 2021**

(All dollar amounts in \$000's)

**Financial and Key Indicators (continued)**

<b>10) Housing Units Secured Since 2007 (at QE)</b>	<b>Q1-2021</b>	<b>Q1-2020</b>	<b>Change</b>
<u>Affordable Housing</u>			
Non-Market Rental (units)	529	529	0.0%
Affordable Rental (LEMR**) (units)	926	798	16.0%
ARTS Rental (units)	37	37	0.0%
Entry Level Home Ownership (units)	25	25	0.0%
<u>Market Housing</u>			
Market Rental (units)	1,013	776	30.5%
Secondary Suite / Coach House (units)	301	292	3.1%
<b>Total Housing Units</b>	<b>2,648</b>	<b>2,423*</b>	<b>9.3%</b>

\* 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.

<b>11) Richmond Population Estimate Year End</b>	<b>2020f</b>	<b>2019</b>
	216,046	213,678

Population figures from BC Stats – 2021 forecasted population not available

**Notes:**

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



## Unaudited Statement of Operations<sup>1</sup>

For the Three Month Period Ended March 31, 2021, with comparative figures for 2020.

(Expressed in thousands of dollars)

	Budget March 31 2021	Actuals March 31 2021	Actuals March 31 2020
<b>Revenue:</b>			
Taxes and levies	\$60,190	\$60,190	\$57,350
Utility fees	26,659	27,605	27,628
Sales of services	13,460	7,228	7,318
Payments-in-lieu of taxes	3,036	3,058	-
Provincial and federal grants	5,092	3,075	2,783
Development cost charges	6,167	4,837	6,369
Other capital funding sources	18,986	4,605	1,192
Other revenue:			
Investment income	5,205	3,252	4,882
Gaming revenue	-	-	2,705
Licences and permits	3,465	3,882	4,324
Other	7,519	2,408	5,939
Equity income	344	451	400
	<b>150,123</b>	<b>120,591</b>	<b>120,890</b>
<b>Expenses:</b>			
Community safety	32,072	28,779	27,655
Utilities: water, sewer and sanitation	26,481	23,475	23,535
Engineering, public works and project development	20,841	16,612	15,922
Community services	18,388	12,687	13,564
General government	16,000	16,332	16,215
Planning and development	6,297	4,293	4,568
Library services	2,862	2,234	2,751
	<b>122,941</b>	<b>104,412</b>	<b>104,210</b>
YTD Surplus (Annual Surplus) <sup>2</sup>	27,182	16,179	16,680
Accumulated surplus, beginning of year	3,256,021	3,256,021	3,239,341
Accumulated surplus, end of March 31 <sup>3</sup>	<b>\$3,283,203</b>	<b>\$3,272,200</b>	<b>\$3,256,021</b>

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

<sup>2</sup> 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.

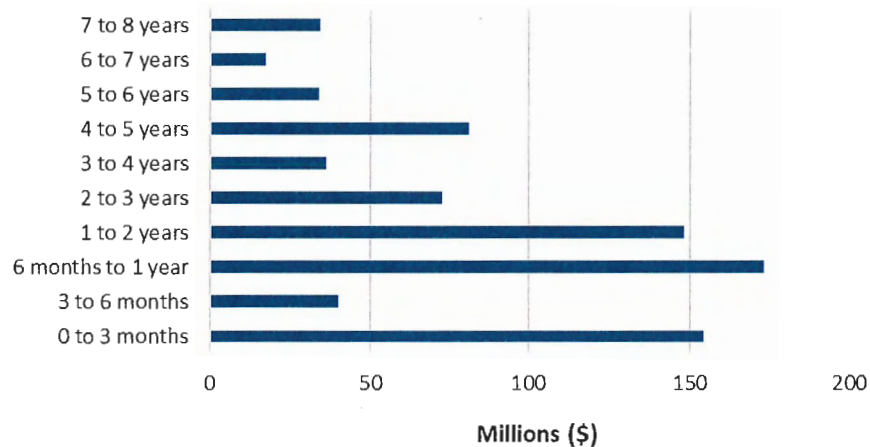
<sup>3</sup> Accumulated surplus is equivalent to the net worth of an organization and is comprised of investment in tangible capital assets, reserves, appropriated surplus, general surplus and other equity.

## Cash and Investment Portfolio

March 31, 2021 (in 000's)

Asset Class	DBRS Long Term Rating	Issuer	Term	Net Book Value	% of Total Portfolio	Investment Limit (% of Portfolio)
<b>Provincial</b>						
	AA (high)	British Columbia	2021-2028	\$ 57,380	7.26%	
	AA (low)	Alberta	2022-2023	50,324	6.37%	
	AA (low)	Ontario	2022-2026	45,837	5.80%	
	AA (low)	Quebec	2022-2025	41,248	5.22%	
	AA (low)	Saskatchewan	2025-2028	39,042	4.94%	
	A (high)	Manitoba	2021-2023	35,189	4.45%	
	A (high)	Nova Scotia	2021-2027	29,933	3.79%	
	A (high)	New Brunswick	2021-2027	27,928	3.53%	
		Total		\$ 326,880	41.4%	50%
<b>Chartered Banks</b>						
	AA	Bank of Nova Scotia	2021-2025	\$ 105,298	13.32%	
	AA	Bank of Montreal	2021-2022	79,981	10.12%	
	AA (High)	Royal Bank	2022-2025	47,811	6.05%	
	AA (High)	TD Bank	2021-2023	41,035	5.19%	
	AA	CIBC	2022-2025	34,329	4.34%	
	AA (low)	National Bank of Canada	2021-2025	24,735	3.13%	
	A (low)	Canadian Western Bank	2021	21,801	2.76%	
	A (high)	HSBC Bank of Canada	2023	9,997	1.26%	
		Total		\$ 364,987	46.17%	50%
<b>BC Credit Unions</b>						
	BC	Vancity	2021 - 2022	\$ 39,138	4.95%	
	BC	Gulf and Fraser	2021 - 2022	25,445	3.22%	
	Federal	Coast Capital Savings	2021	24,000	3.04%	
	BC	Westminster Savings	2021	10,000	1.27%	
		Total		\$ 98,582	12.47%	30%
<b>Total Investment Portfolio Balance</b>				<b>\$ 790,449</b>	<b>100.00%</b>	
<b>Cash Balance</b> (includes high interest saving products with terms less than 90 days)				<b>\$ 447,681</b>		
<b>Total Cash and Investment Balance</b>				<b>\$ 1,238,130</b>		

## Investment Maturity



**Contract Awards greater than \$75,000**January 1<sup>st</sup> to March 31<sup>st</sup>, 2021

Item	Description	Awarded Vendor	Awarded Amount	Division
1	Dike Improvements -19000 Block River Road - Environmental and Construction Consulting	Kerr Wood Leidal Associates Limited	\$95,800	Engineering & Public Works
2	Citizen Portal - My Business Implementation	Calytera Software Inc.	153,596	Finance & Corporate Services
3	Provision of Civil Engineering Consulting Services for Steveston Sanitary Network Improvements	McElhanney Consulting Services Ltd.	1,481,085	Engineering & Public Works
4	Cambie Road at Knight Street Overpass Approach Rehabilitation	Wilco Civil Inc.	987,943	Engineering & Public Works
5	London Farm House Envelope Remediation	Boston Construction Corp.	177,330	Engineering & Public Works
6	iPad Device Deployment	Apple Canada Inc.	157,550	Finance & Corporate Services
7	On Call Collection of Hazardous Materials	Tervita Corporation and GFL Environmental Inc	600,000	Engineering & Public Works
8	Watermain Construction at Westminster Highway and Gilbert Road	Cascade City LP	191,176	Engineering & Public Works
9	Enterprise License Agreement - Software Maintenance and Support	ESRI Canada	382,185	Finance & Corporate Services
10	Engineering Consulting Services for Sanitary Pump Station Condition Assessment (Phase 1)	WSP Canada Inc.	104,330	Engineering & Public Works
11	Supply and Delivery of Two (2) Two Ton Crew Cab Dump Trucks	Dams Ford Lincoln Sales Ltd.	235,050	Engineering & Public Works
12	PeopleSoft Software License Renewal April 2021-2022	Oracle Canada	311,055	Finance & Corporate Services
13	Thompson Community Centre - Mechanical and Washroom Upgrades	Boston Construction Corporation	463,780	Engineering & Public Works
14	Construction Management Services for Richmond Animal Shelter Renovation and Expansion	Edifice Construction Inc.	4,288,034	Engineering & Public Works
15	Seismic Flood Hazard Assessment	Kerr Wood Leidal Associates Limited	100,000	Engineering & Public Works
16	Vote Counting Units & Software for 2021 By-Election	Election Systems & Software Canada ULC	75,710	Finance & Corporate Services
17	ForgeRock Licensing	ForgeRock US Inc.	364,819	Finance & Corporate Services



**Contract Awards greater than \$75,000 (continued)**January 1<sup>st</sup> to March 31<sup>st</sup>, 2021

Item	Description	Awarded Vendor	Awarded Amount	Division
18	Water Treatment Services at City Facilities	Pace Solutions Corp.	75,450	Engineering & Public Works
19	Engineering Consulting Services for Infrastructure Modelling Updates	"DHI Water and Environmental, Inc. & Kerr Wood Leidal Associates Ltd."	366,670	Engineering & Public Works
20	Richmond Ice Centre Infrastructure Renewal Consulting Services Phase I	Thinkspace Architecture Planning Interior Design	175,300	Engineering & Public Works
21	On Call Entrance Door Services	Assa Abloy Entrance Systems	181,800	Engineering & Public Works
22	Provision of Broker Services	Willis Canada Inc.	219,000	Engineering & Public Works
23	Supply and Delivery of One (1) Enclosed Tractor with a 16ft Flail Mower	Rollins Machinery Ltd.	174,755	Engineering & Public Works
24	Richmond Ice Centre Infrastructure Renewals - Phase I Compressor Replacement	Ashton Mechanical Ltd.	725,335	Engineering & Public Works
<b>Total contracts awarded greater than \$75,000</b>			<b>\$12,087,753</b>	



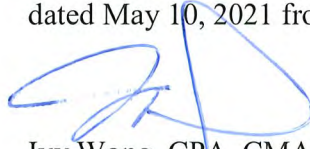
# City of Richmond

## Report to Committee




**To:** Finance Committee **Date:** May 10, 2021  
**From:** Ivy Wong, CPA, CMA **File:** 03-0975-01/2021-Vol  
Acting Director, Finance 01  
**Re:** Active Capital Projects Information - 1st Quarter March 31, 2021

### Staff Recommendation

That the staff report titled, "Active Capital Projects Information – 1st Quarter March 31, 2021", dated May 10, 2021 from the Director, Finance be received for information.

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

Att. 2

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	 Acting GM, F&CS
Community Social Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Facilities & Project Development	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Recreation & Sport Services	<input checked="" type="checkbox"/>	
Roads & Construction	<input checked="" type="checkbox"/>	
Sanitation and Recycling	<input checked="" type="checkbox"/>	
Sewerage & Drainage	<input checked="" type="checkbox"/>	
Sustainability & District Energy	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO 

**Staff Report****Origin**

Active Capital Project Information for the 1st Quarter (ended March 31, 2021) is provided to the Finance Committee for information purposes. This report includes the 2021 Capital Budget as approved by Council on March 22, 2021 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 2021 budget and other previously approved projects that are undergoing design specifications, design approvals, or public consultation.
- Contract Award – this includes preparing and issuing a request for proposal, evaluating proposals received, and finalizing contract award agreements.
- Construction – includes build out of the approved design either by City workforce or under executed agreements.
- Functional Completion – certain projects are completed in phases that allow for portions of the project to be functionally complete while the next phase is initiated.
- Project Completion – may include fully functional assets that are in their final inspection and acceptance stage, assets that may still require minor deficiencies to be addressed, as-built drawings to be received, collection of external funding and fulfillment of audit requirements, where applicable.
- 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.

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.

Table 1 provides an overview of the amounts relating to active capital projects. \$100.3M of budget for 2021 current year capital expenditures (excluding internal transfers and debt

repayments), which were approved by Council as part of the Consolidated 5 Year Financial Plan (2021-2025), are included in Table 1. The current balance committed to active capital projects is \$406.8M.

The Building Program projects approved in or prior to 2017 includes \$14.6M 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.

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

Program	Plan Year	Budget	Actuals as at March 31, 2021	Expected Commitments / Work In Progress
Infrastructure Program	2021	\$47,454	\$266	\$47,188
	2020	70,200	18,563	51,637
	2019	33,872	17,651	16,221
	2018	83,821	61,865	21,956
	2017 & older	50,187	36,149	14,038
<b>Infrastructure Program Total</b>		<b>\$285,534</b>	<b>\$134,494</b>	<b>\$151,040</b>
Building Program	2021	11,440	-	11,440
	2020	19,493	2,383	17,110
	2019	20,713	7,104	13,609
	2018	56,777	21,277	35,500
	2017 & older	121,008	106,363	14,645
<b>Building Program Total</b>		<b>\$229,431</b>	<b>\$137,127</b>	<b>\$92,304</b>
Parks Program	2021	12,800	1	12,799
	2020	11,150	1,188	9,962
	2019	12,420	3,270	9,150
	2018	10,430	2,670	7,760
	2017 & older	30,456	20,719	9,737
<b>Parks Program Total</b>		<b>\$77,256</b>	<b>\$27,848</b>	<b>\$49,408</b>
<b>Construction Related Programs</b>		<b>\$592,221</b>	<b>\$299,469</b>	<b>\$292,752</b>

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

Program	Plan Year	Budget	Actuals as at March 31, 2021	Expected Commitments / Work In Progress
Affordable Housing Program	2021	650	-	650
	2020	400	17	383
	2019	425	-	425
	2018	400	-	400
	2017 & older	4,800	82	4,718
<b>Affordable Housing Program Total</b>		<b>\$6,675</b>	<b>\$99</b>	<b>\$6,576</b>
Child Care Program	2021	166	-	166
	2020	120	5	115
	2019	100	100	-
	2018	100	5	95
<b>Child Care Program Total</b>		<b>\$486</b>	<b>\$110</b>	<b>\$376</b>
Equipment Program	2021	7,725	3	7,722
	2020	6,409	1,615	4,794
	2019	14,854	3,564	11,290
	2018	10,037	7,586	2,451
	2017 & older	13,561	9,057	4,504
<b>Equipment Program Total</b>		<b>\$52,586</b>	<b>\$21,825</b>	<b>\$30,761</b>
Land Program	2021	10,000	-	10,000
	2020	10,000	1,760	8,240
	2019	10,000	-	10,000
	2018	10,000	-	10,000
	2017 & older	42,044	14,554	27,490
<b>Land Program Total</b>		<b>\$82,044</b>	<b>\$16,314</b>	<b>\$65,730</b>
Public Art Program	2021	150	-	150
	2020	745	447	298
	2019	563	144	419
	2018	1,125	373	752
	2017 & older	4,709	4,191	518
<b>Public Art Program Total</b>		<b>\$7,292</b>	<b>\$5,155</b>	<b>\$2,137</b>
Contingent External Contribution	2021	8,506	-	8,506
<b>Contingent External Contribution Total</b>		<b>\$8,506</b>	<b>\$-</b>	<b>\$8,506</b>
<b>Non-construction Related Programs</b>		<b>\$157,589</b>	<b>\$43,503</b>	<b>\$114,086</b>
<b>Grand Total</b>		<b>\$749,810</b>	<b>\$342,972</b>	<b>\$406,838</b>

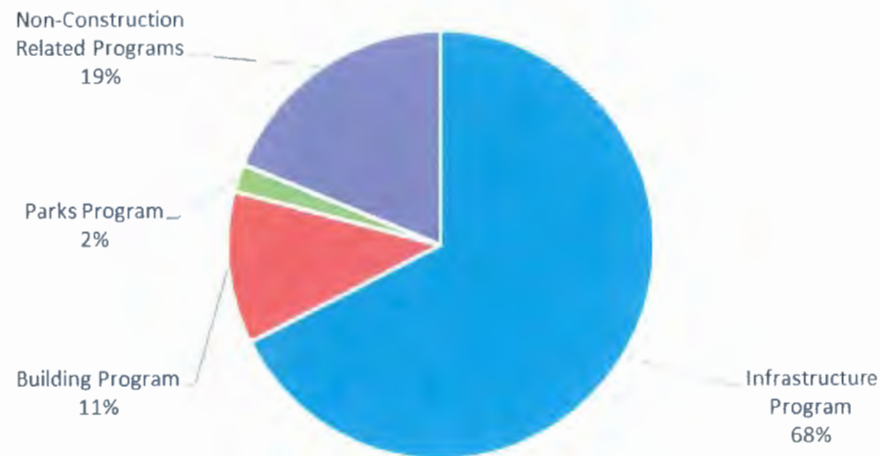
Included in the 2021 Capital Plan (2021-2025 Financial Plan Bylaw) was an estimate of \$10M for external grants or contributions that may be received throughout the year. As external funding is confirmed, funding is transferred to the approved applicable projects. As of March 31, 2021, \$1,494,000 was received and the budget for Contingent External Contribution was adjusted to \$8,506,000.



The City has awarded multiple contracts to successful bidders following procurement processes in order to support the capital construction projects described in this report. Termination provisions within each contract will need to be reviewed on a case-by-case basis by the City's Law Department to assess the financial and legal implications that would result if the City considers the possible cancellation, or delay of a project.

The following is an overview of the actual capital expenditures incurred for the quarter ended March 31, 2021.

**Figure 1 – Capital Expenditures for the quarter ended March 31, 2021**



The following highlights the capital projects with the highest year-to-date capital expenditures (actuals on a cash-basis) for the quarter ended March 31, 2021.

**Table 2: Capital projects with the highest year-to-date capital expenditures for the quarter ended March 31, 2021 (in \$'000s)**

Project Name	Current Year-to-Date Actuals
Advancement of Partial Funding for the Canada Line Capstan Station (2020)	\$3,013
2016 Flood Protection Program (2016, 2020)	1,446
Eckersley B Sanitary Pump Station (2020)	1,010
Closed Circuit Television for Signalized Intersections (2018)	738
Energy Management Projects (2017, 2018, 2020)	733
Railway Crossings and Environmental Works (2018)	674
Phoenix Net Loft Building Stabilization (2018, 2020)	588
Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet) (2019)	574
Burkeville Utility Improvements Drainage (2020)	539
Watermain Replacement Program (2019)	499

### **CAPITAL BUDGET REALLOCATIONS**

Council Policy 3001 requires changes to the Capital Budget be reported to the Finance Committee. The following reallocations were recorded in the first quarter ended March 31, 2021:

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

Program	Transfer From	Transfer To	Amount
Contingent External Contribution & Parks	Contingent External Contribution (2021)	West Cambie Park - Phase 2 (2019)	1,000
Contingent External Contribution & Drainage	Contingent External Contribution (2021)	Steveston Highway & No. 3 Road Pump Station Upgrade (2019)	439
Contingent External Contribution & Minor Public Works	Contingent External Contribution (2021)	Public Works Minor Capital - Sanitary (2021)	50
Contingent External Contribution & Roads	Contingent External Contribution (2021)	Neighbourhood Walkway Program (2019)	5
<b>Total Budget Reallocations</b>			<b>\$1,494</b>

During the first quarter, the City received \$160,000 from Natural Resource Canada to fund the Electric Vehicle DC Fast Charging Network Development (2017, 2019) under the Natural Resources (NRCAN) Canada's Electric Vehicle and Alternative Fuel Infrastructure Deployment Initiative. This external funding is part of the approved capital submission, as such no budget reallocation is required.

### **OUTSTANDING COUNCIL REFERRALS ON CAPITAL BUDGET**

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

- Federation of Canadian Municipalities' Green Municipal Fund Application for Garden City Lands Soil Management and Remediation Study - maximum available funding is \$175,000
- National Disaster Mitigation Program (NDMP) for Mitigation Planning - the Steveston Island Preliminary Dike Design submission - maximum available funding is \$500,000
- Investing in Canada Infrastructure Program (ICIP) for Adaptation, Resilience & Disaster Mitigation - the Drainage Pump Station Backup Power Upgrade submission - maximum available funding is \$1,250,000
- Union of BC Municipalities (UBCM) Community Emergency Preparedness Fund for the Dike Operation & Maintenance Manual Update for a maximum available funding of \$150,000
- Investing in Canada Infrastructure Program - Community, Culture and Recreation (CCR)
- Intake Phase 2 for the Minoru Place Activity Centre Conversion to Arts Centre for a maximum available funding of \$2,400,000
- UBCM Strengthening Communities' Services Grant Application for a maximum available funding of \$3,499,947

- TransLink 2021 cost-share programs for road, pedestrian, bicycle, and transit facility improvement projects for a maximum available funding of \$4,418,000
- ICBC 2021 Road Improvement Program for 2021 ICBC-City of Richmond Road Improvement Program partnership. Funding will be determined at the point of grant approval

### **HIGHLIGHTS OF KEY CONSTRUCTION RELATED CAPITAL PROJECTS**

Information on key capital projects include the project budget, transfers from other projects and budget amendments, actuals on a cash-basis, and the remaining commitments as at March 31, 2021.

### **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 throughout the City along with infrastructure improvements in the Burkeville area, Steveston area and various other locations.

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

Program	Project Name	Adjusted Budget	Actuals as at March 31, 2021	Expected Commitments / Work In Progress
Drainage	Drainage Pump Station & Diking Upgrades including Provincial Grant (2016, 2020)	\$28,302	\$19,920	\$8,382
Drainage	Drainage Pump Station and Diking Upgrades – Federal Grant (2020, 2021)	9,516	51	9,465
Drainage & Sanitary	Burkeville Area Drainage and Utility Improvements - Phase 2 (2019, 2020)	3,369	1,778	1,591
Drainage	Laneway Drainage Upgrades (2020)	1,460	1,027	433
Road & Water	River Parkway Extension (2018)	13,200	6,980	6,220
Road	Annual Asphalt Re-Paving Program - MRN and Non MRN (2020)	4,842	976	3,866
Sanitary	Hamilton Sanitary Pump Station (2020)	2,800	1,503	1,297
Sanitary	Eckersley B Sanitary Pump Station Replacement and Spires Utility Servicing (2020)	5,100	2,140	2,960
Sanitary	Steveston Laneway Sanitary Sewer Rehabilitation (2018, 2020, 2021)	5,439	1,255	4,184
Water	Watermain Replacement Program (2020)	5,793	3,460	2,333
<b>Total Key Infrastructure Capital Projects</b>		<b>\$79,821</b>	<b>\$39,090</b>	<b>\$40,731</b>



**BUILDING**

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

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

Project Name	Adjusted Budget	Actuals as at March 31, 2021	Expected Commitments / Work In Progress
Library Cultural Centre (2017-2020)	\$4,209	\$2,821	\$1,388
Animal Shelter Replacement (2018)	8,000	327	7,673
Lawn Bowling Club Replacement (2018)	5,300	-	5,300
Phoenix Net Loft (2018, 2020)	19,440	1,054	18,386
Richmond Ice Centre Infrastructure Renewals - Phase 1 (2020)	6,850	228	6,622
Gateway Infrastructure Replacement (2017, 2018, 2019)	8,095	7,392	703
Minoru Place Activity Centre (2019-2020)	3,326	185	3,141
Richmond Courthouse (2019, 2020)	1,932	-	1,932
Community Safety Building (2020)	1,420	27	1,393
City Hall Council Chamber Roof Replacement (2021)	1,640	-	1,640
Works Yard Improvements (2018, 2019)	4,222	880	3,342
Minoru Arenas (2019, 2021)	4,580	463	4,117
<b>Total Key Building Capital Projects</b>	<b>\$69,014</b>	<b>\$13,377</b>	<b>\$55,637</b>

Attachment 1 includes the Q1 2021 Construction Update on Engineering and Public Works Capital Projects as well as the project budget and the scheduled construction completion.

**PARKS**

Key Parks capital projects are summarized below with the project highlights included in Attachment 2.

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

Project Name	Adjusted Budget	Actuals as at March 31, 2021	Expected Commitments / Work In Progress
Alexandra Park (formerly West Cambie Park) (2016, 2019)	\$1,554	\$256	\$1,298
Aberdeen Park Phase 2 and 3 (2018, 2019)	2,050	154	1,896
Railway Granville Bike Park (2020)	270	15	255
Garden City Lands Phase 2 and 3 (2016-2018)	5,995	2,849	3,146
Riverport and Cook Community Gardens (2020)	180	145	35
Minoru Lakes Renewal (2018-2020)	6,060	450	5,610
King George Park Rugby Field Upgrades (2013-2015, 2019)	374	85	289
Safety and Environmental Enhancements to Richmond High Turf Field Warranty Repair (2021)	350	-	350
Lang Park Completion (2020)	250	15	235
Dog Park Upgrades (2021)	200	-	200
London / Steveston Park Enhancements (2017, 2019)	550	475	75
The Gardens Agricultural Park (2015)	1,100	384	716
Hollybridge Pier/Middle Arm (2010, 2012, 2015)	2,350	1,897	453
South Arm Park Renewal (2021)	300	-	300
Playground Improvement & Replacement (2018, 2020)	1,100	256	844
Parks Aging Infrastructure (2018-2020)	2,040	1,596	444
Parks General Development (2020)	400	172	228
Parks Identity Signage Program (2019, 2020)	100	29	71
<b>Total Key Land &amp; Parks Capital Projects</b>	<b>\$25,223</b>	<b>\$8,778</b>	<b>\$16,445</b>

**TRANSPORTATION**

The key transportation capital project is highlighted below. Top 20 Collision Prone Intersections- Short-term Improvements (2020) implements short-term improvements determined through the Network Screening Study to enhance intersection safety at the identified intersections. To date, the intersections at No. 5 Road & Westminster Highway and No. 4 Road & Blundell Road have been completed.

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

Project Name	Adjusted Budget	Actuals as at March 31, 2021	Expected Commitments / Work In Progress
Top 20 Collision Prone Intersections- Short-term Improvements (2020)	\$500	\$303	\$197
<b>Total Key Transportation Capital Projects</b>	<b>\$500</b>	<b>\$303</b>	<b>\$197</b>

**CAPITAL PROJECTS COMPLETED IN THE QUARTER**

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

**Table 8: Projects Closed in the Quarter Ended March 31, 2021 (in \$'000s)**

Project Name	Adjusted Budget	Actuals as at March 31, 2021	Remaining Budget*
Horseshoe Slough Dredging (2018)	\$1,818	\$1,798	\$20
Watermain Replacement River Parkway (2018)	1,045	1,042	3
Boundary Rd. Drainage Pump Station Upgrade Fronting Cost Share (2018)	960	-	960
River Parkway - Gilbert Road to Cambie Road (Phase 1) - Design (2017)	800	710	90
Watermain Tie-in and Restoration (2019)	400	393	7
Affordable Housing 2019 Operating Initiatives (2019)	350	-	350
Minoru Oval - Artificial Turf Replacement (2020)	1,030	1,028	2
Parks Identity Signage Program (2019)	200	200	-
Affordable Housing 2017 Operating Initiatives (2017)	160	106	54
Sanitary Sewer Tie-in and Restoration (2017)	150	59	91
<b>Total</b>	<b>\$6,913</b>	<b>\$5,336</b>	<b>\$1,577</b>

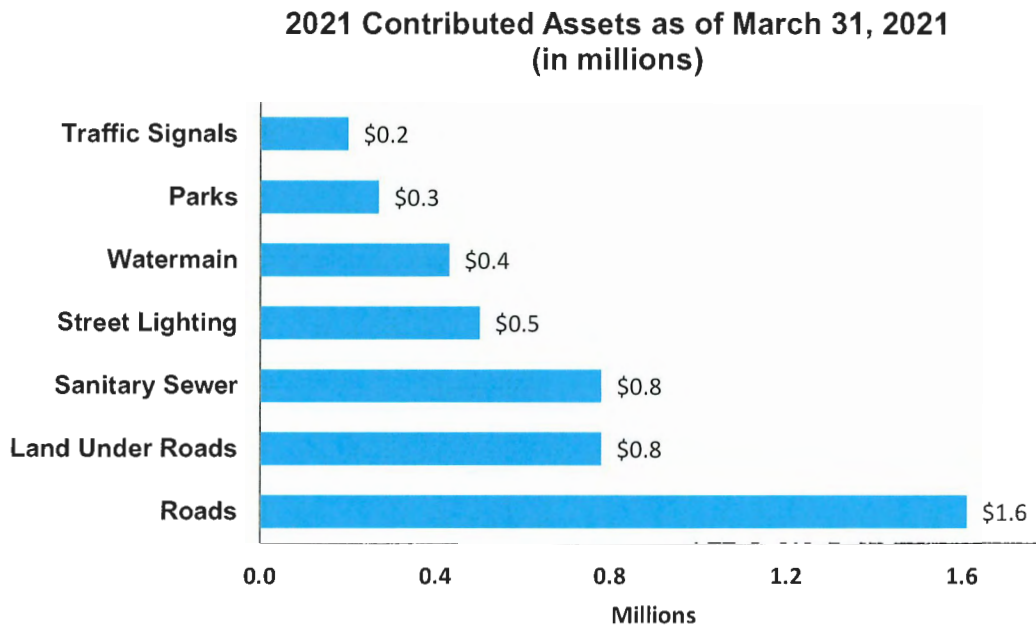
\* Unspent funds will be returned to the original source of funding.

Due to the delay in construction of the Boundary Road Pump Station project with the City of New Westminster, the project was closed in this quarter. A new capital submission will be submitted for consideration in the capital budget process when the project proceeds forward.

Planned expenditures were charged to the 2018 Affordable Housing Operating Initiative project. Given that there is still budget available in the 2020 and 2021 Affordable Housing Operating Initiative projects, the Affordable Housing 2019 Operating Initiatives project was closed with funding returned to source.

**CONTRIBUTED ASSETS**

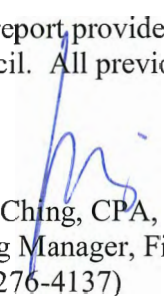
Included in the Consolidated 5 Year Financial Plan (2021-2025) Bylaw was an estimated \$61.5M for assets that are transferred to the City by developers. Under the Public Sector Accounting Standards, these are recorded as revenue at the fair market value at the time of contribution. Any variance between the budgeted and the actual contributed assets received will be included in the annual surplus reported on the financial statements. The following assets totalling \$4.6 M have been recorded as of March 31, 2021:


**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.

  
Mike Ching, CPA, CMA  
Acting Manager, Financial Planning and Analysis  
(604-276-4137)

  
Jenny Ho, CPA, CGA  
Acting Manager, Budgets  
(604-276-4223)

MC:sx

- Att. 1: Q1 2021 Construction Update on Engineering and Public Works Capital Projects  
2: Q1 2021 Construction Update on Parks Capital Projects



## **Q1 2021 Construction Update on Engineering and Public Works Capital Projects**

### **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 ongoing.

#### **Drainage Pump Station and Diking Upgrades – Federal Grant**

The City secured \$13.8 million from the Federal Government through the Disaster Mitigation and Adaptation Fund Grant to contribute towards the multi-year \$34.45M Flood Protection Program that are budgeted from 2020 to 2025. This project includes the upgrades of various drainage pump station and diking upgrades. Procurement of the Steveston Highway and Gilbert Road drainage pump station is ongoing. Procurement of the South Dike Upgrades from No. 3 Road to west of No. 4 Rd is proceeding in Q2 2021.

#### **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. Phase 2 is ongoing with Phase 3 commencing mid-2021.

#### **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. Construction at Bates Road East laneway is scheduled to commence in Q2 2021, followed by Reeder Road South laneway.

### **Roads**

#### **River Parkway Extension**

The construction of the interim two-lane road along the former railway corridor, from 200m northeast of Gilbert Road to Cambie Road is complete. The new River Parkway will connect to the existing Leslie Road, Gilbert Road, Cambie Road and future Minoru Boulevard as well as access to the future park. River Parkway has replaced the existing River Road between Gilbert Road and Cambie Road and provides a continuous alternate route to No. 3 Road and existing River Road. With River Parkway opened, the River Road access at Gilbert Road has been closed and the construction of a cul-de-sac at the west end of River Road is ongoing.

### Paving Program – Various Locations – City-Wide

The remainder of the 2020 Paving Contract has resumed. Upcoming locations include: 11000 Block Railway Avenue, 10000 Block No. 4 Road, 11000 Block No. 3 Road, 8000 Block Lansdowne Road, 8000 Block Westminster Highway, 6000 Block Cooney Road, Alderbridge and Garden City Road, Bridgeport and No. 5 Road, and various spot repairs. Procurement of the 2021 Paving Contract is proceeding in Q2 2021.

### 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 a new sanitary utility in the area. The purpose of the project is to provide sanitary service for the Willett 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 sanitary pump station construction work is nearing completion. To coordinate with adjacent development projects and minimize overall disruption to the neighbourhood, the sanitary forermain portion of this project is expected to resume in Q2 2021 pending the completion of development related road work on Gilley Road.

#### Eckersley B Sanitary Pump Station

This project includes the replacement of the existing sanitary pump station located at William Cook Elementary School and will connect to the existing sanitary system and recently completed Spires area upgrades. Construction is ongoing.

#### Steveston Sanitary Sewer

This project includes the rehabilitation and upgrades to the City's sanitary sewer in the Steveston catchment. This project will be performed in phases over 5 to 10 year. Construction started in 2020 to address priority locations and the design of the master plan is ongoing with minor rehabilitation work planned for late-2021.

### Water

#### Watermain Replacement Program

This project replaces and upsizes ageing watermains at the end of their service life with PVC pipe, in line with the City's Ageing Infrastructure Replacement Strategy. This will minimize unplanned maintenance and improve fire protection. Construction in the Bridgeport/Simpson/Olafson area is complete. Construction in the Bates area is ongoing and will be followed by the Chatsworth/Chelmsford area, Monteith area and Granville Avenue.

#### Thompson Gate Pressure Reducing Valve (PRV) Station

This project includes the construction of a new PRV station on Boundary Road and Thompson Gate to connect the neighbourhood's watermain system to Metro Vancouver's Annacis

transmission main. Completion of the project is required to provide adequate flows to support upcoming development in the area. Construction is scheduled to commence Q2 2021.

## **Buildings**

### **Animal Shelter**

The project scope includes upgrading the existing 4,580 sq. ft. facility and building a new 1,600 sq. ft. addition. This work will support the growing population of Richmond, while providing improved facilities, amenities and a high quality environment for animal care. Design development is complete, abatement works are in progress and the construction contract has been awarded. It is anticipated that this project will be complete by Q2 2022.

### **Bowling Green Community Activity Centre**

The current Richmond Lawn Bowling Clubhouse was constructed in 1963 and is located in the northeast corner of Minoru Park. This facility will be demolished and replaced with a modern 4,900 sq. ft. single-storey facility in the same location. It is anticipated that the design will be complete and ready for tendering by Q3 2021 with construction to be completed by Q1 2023.

### **Phoenix Net Loft**

Deconstruction and salvage of the Phoenix Net Loft remains in progress and is anticipated to be complete by May 2021. Salvaged materials will be stored at the City owned warehouse at 7400 River Road.

### **Richmond Ice Centre**

Existing ageing equipment and infrastructure will be replaced with new and more efficient alternatives. This will minimize unplanned maintenance and improve life and safety for the users and operators. The design is ongoing, with construction scheduled to start in Q4 2021.

### **City Centre Community Centre North**

The developer driven amenity will feature an indoor activity track, gymnasium, multi-purpose rooms and Children's Exploratorium. The 33,000 sq. ft. project is currently in the detailed design phase and it is anticipated to be under construction in 2021, with an estimated completion by the end of 2023.

### **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 both the Development Cost Charges and Community Amenities Charges. Design and construction continue for the following:

- Hummingbird Child Care - Aspac Development Ltd. (in construction)
- Seedlings Early Childhood Development Hub - Keltic Canada Development Co. Ltd. (in construction)



- Sprouts Early Childhood Development Hub - Pinnacle International (in construction)
- River Run Early Care and Learning Centre (Completed April 2020)

#### Gateway Theatre

The theatre improvements included extensive envelope rehabilitation, modernization of fire safety, mechanical and electrical systems replacements, with minor architectural upgrades. Construction was completed in Q1 2021 and is currently in the one year warranty period.

#### Minoru Place Activity Centre

BC Housing is temporarily operating the facility as an Emergency Response Centre for the vulnerable population experiencing homelessness due to COVID-19. The Minoru Place Activity Centre will be repurposed to a Community Arts Program and Education space once the license agreement with BC Housing is complete. In September 2020, Council approved the submission of a grant to Investing in Canada Infrastructure Program – Community, Culture and Recreation Stream. The detailed design phase of the project has been completed and construction is anticipated to begin in Q3 2021.

#### Richmond Courthouse

The two-storey, 64,000 sq. ft. building was originally built in 1975 and currently houses spaces for the Attorney General Office, Richmond Community Corrections, Richmond Family Justice Centre and RCMP Community Services. Existing ageing equipment will be replaced with new and more efficient alternatives. Existing infrastructure will be improved to enhance life and safety for the users and operators. Staff are in the process of hiring the consulting team, with anticipated completion for the design in Q3 2021 and construction start in Q3 2021.

#### Community Safety Building

The heat pump system has reached the end of its life expectancy. This is the last phase of the heat pump replacement works, which will prevent service disruption and potential closure for this building. The design has been completed and construction is planned to start in Q2 2021.

#### City Hall Infrastructure Replacement

Multiple building components and equipment at City Hall will be replaced with modern energy efficient systems. The project also includes replacement of the Council Chamber roof. Staff are in the process of hiring the consulting team with anticipated completion for the design in Q2 2021 and construction start in Q3 2021.

#### Works Yard Improvements

Buildings in general at the Works Yard have aged beyond their expected lifespan. In advance of a broader rebuilding program being finalised and funded, there are many building components within each of the active Works Yard facilities that require replacement in order to maintain operability. Design for this phase is complete and construction tendering is in progress. Construction is estimated to be complete by Q1 2022.

Minoru Arenas

Building infrastructure renewals and replacements include mechanical and electrical upgrades, life and safety equipment upgrades and architectural improvements of the mezzanine viewing area and change rooms. Construction is scheduled to start in Q2 2021 with anticipated completion in Q3 2021.

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
<b>INFRASTRUCTURE - ENGINEERING</b>				
<b>ROADS</b>				
1	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	Q2 2021
2	Arterial Roadway Improvement Program (2019)	Railway Greenway intersections	\$950	Q3 2021
	Neighbourhood Walkway Program (2019)			
3	River Parkway Road Extension - Gilbert Road to Cambie Road (2018)	River Parkway Road Extension - Gilbert Road to Cambie Road	\$13,200	Q3 2021
	Cambie Road Improvement, River Road to No. 3 Road (2018)			
	Leslie Road Improvement, River Parkway to approximately 150m to the east (2018)			
4	Street Light LED Upgrade Program (2020)	Year 4 - Continuation of LED replacement program	\$400	Q3 2021
5	Cambie Overpass Rehabilitation Project (2020)	Rehabilitation of the Cambie Overpass approach at Knight Street	\$1,355	Q3 2021

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
6	No. 4 Road Reconstruction from Blundell Road to Granville Ave (2018)	Granville Avenue to Blundell Road	\$4,286	Q4 2021
	Box Culvert Repair (2018)			
	Box Culvert Repair (2020)			
7	Bridge Rehabilitation Program (2018)	Various locations Citywide including West Dikes Bridge and Bird Road Bridge	\$590	Q4 2021
	Bridge Rehabilitation Program (2019)			
8	Annual Asphalt Re-Paving Program - MRN (2020)	Annual asphalt re-paving	\$1,554	Q4 2021
9	Annual Asphalt Re-Paving Program - Non-MRN (2020)	Annual asphalt re-paving	\$3,288	Q4 2021
10	Annual Asphalt Re-Paving Program - MRN (2021)	Annual asphalt re-paving	\$1,589	Q4 2021

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
11	Annual Asphalt Re-Paving Program - Non-MRN (2021)	Annual asphalt re-paving	\$3,344	Q4 2021
12	Arterial Roadway Improvement Program (2018)	River Road Sidewalk - No. 6 Road to Burdette Street, Sidewalk Upgrades - Lucas at No. 3 Road	\$350	Q4 2021
13	Active Transportation Improvement Program (2018)	Odlin Road Bike Route, Westminster Highway MUP - 14600 block to No. 7 Road, and Charles Street MUP - Sexsmith to Bridgeport Canada Line Station	\$2,000	Q4 2021
	Active Transportation Improvement Program (2019)			
14	Alderbridge Way Multi-Use Pathway, No. 4 Road to Shell Road (2018)	Alderbridge Way MUP - Shell Road to No. 4 Road	\$1,200	Q4 2021
15	Steveston Highway Multi-Use Pathway, Shell Road to Mortfield Gate (2019)	Steveston Highway MUP - Shell Road to Mortfield Gate	\$2,000	Q2 2022

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
16	Cambie Road/No. 5 Road- Intersection Improvements (2020)	Intersection safety improvements at Cambie Road and No. 5 Road	\$2,760	Q2 2022
17	Neighbourhood Walkway Program (2020)	Viking Way Sidewalk - Cambie Road to Bridgeport Road and Westminster Highway Walkway - Muir Drive to 22411 Westminster Highway	\$750	Q4 2021
18	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
<b>DRAINAGE</b>				
19	Heather Street Improvement (2019)	Neighbourhood improvement on Heather Street, from Francis Road to Dayton Avenue	\$1,757	Complete
20	Burkeville Utility Improvements Drainage (2020)	Burkeville Drainage Upgrades (Second phase of construction)	\$3,369	Q3 2021
	Burkeville Utility Improvements - Sanitary (2019)			

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
21	Watercourse Crossing Rehabilitation & Replacement (2020)	Replacement of the a failed culvert crossing that serves City's tree nursery, KPU incubator farm and Richmond Food Security Society's Community Farmers	\$300	Q3 2021
22	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	\$28,302	Q3 2021
23	South Dike Repair - Gilbert Road Area (2021)	South Dike Repair - Gilbert Road Area	\$500	Q3 2021
24	East Richmond Drainage & Irrigation Upgrades (2018)	Canal stabilization and drainage and irrigation upgrades throughout Richmond including Cambie and No. 7 Culvert Replacement, Westminster Hwy Cross Culvert, 11000-12000 Block No. 3 Road, and 9000 block No. 6 Road	\$3,266	Q4 2021
	Canal Stabilization (2020)			
	East Richmond Drainage & Irrigation Upgrades (2020)			
	Canal Stabilization and Drainage & Irrigation Upgrades (2021)			



	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
25	Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2021)	Second phase of drainage pump station upgrades and perimeter dike raising design as per the awarded Disaster Mitigation and Adaptation Fund including dike upgrades from No. 3 Road to 400m west of No. 4 Road, and dike upgrades at No. 9 Road	\$5,000	Q4 2021
26	Laneway Drainage Upgrade (2020)	Laneway drainage upgrade in Greenlees Road east lane, Bates Road east lane, and Bates Road south lane.	\$1,460	Q4 2021
27	Storm Main Drainage Upgrade (2021)	Drainage improvements at the intersection of Gilbert Road	\$950	Q4 2021
28	Steveston Highway & No. 3 Road Pump Station Upgrade (2019)	Upgrade of the existing drainage pump station at Steveston Highway and No. 3 Road	\$2,439	Q2 2022
29	Burkeville Utility Improvements Drainage (2021)	Burkeville Drainage Upgrades (Third phase of construction)	\$2,026	Q3 2022
30	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 upgrades at the existing drainage pump station at Steveston Highway and Gilbert Road	\$4,516	Q4 2022

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
31	Laneway Drainage Upgrade (2021)	Laneway drainage upgrade at Reeder Road south lane, and Railway Avenue East lane	\$800	Q4 2022
<b>SANITARY</b>				
32	Hamilton Area Sanitary Sewer and Pump Station (2020)	Sanitary Pump station located in Hamilton VLA Park	\$2,800	Q3 2021
33	Eckersley B Sanitary Pump Station (2020)	Eckersley B Sanitary Pump Station	\$5,100	Q3 2021
34	Sanitary Sewer Tie-in and Restoration (2021)	Sanitary Sewer Tie-in and Restoration	\$150	Q2 2022
35	Steveston Gravity Sewer Replacement and Rehabilitation (2018)	Multi-year sanitary rehabilitation and upgrade program in the Steveston area	\$5,439	Q4 2022
	Steveston Gravity Sewer Replacement and Rehabilitation (2020)			
	Gravity Sewer Rehabilitation and Upgrades (2021)			

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
<b>WATER</b>				
36	Watermain Replacement Program (2019)	Watermain Replacement Program - McDonald Road Area, Colbeck Area, Palmberg Area and Gilhurst/Bates Area	\$5,395	Q3 2021
37	Thompson Gate Pressure Reducing Valve Station (2020)	Water pressure reducing valve station to reduce Metro Vancouver's distribution pressure to local pressure to provide additional water service to the East Richmond area	\$1,500	Q4 2021
38	Watermain Replacement Upgrades Program (2020)	Watermain Replacement Program - No. 4 Rd, Chatsworth/Chelmsford Area, Bridgeport/Olafsen Area and Monteith Area	\$5,793	Q2 2022
39	Watermain Tie-in and Restoration (2021)	Watermain Tie-in and Restoration	\$200	Q2 2022
40	Water Metering Program (2021)	Upgrade touch pad meters to radio meters; volunteer multi-family dwelling meters	\$1,286	Q2 2022
41	Watermain Replacement Upgrades Program (2021)	Watermain Replacement Program - Danube/Minler Area, Nevis/Petts Area, Springfield Area, No. 3 Road, Terra Nova Park and Granville Avenue	\$6,196	Q4 2022

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
<b>DISTRICT ENERGY</b>				
42	Alexandra District Energy Utility Expansion Phase 3 (2015)	DEU building and distribution pipe system expansion	\$12,100	Complete
<b>BUILDINGS - PROJECT DEVELOPMENT</b>				
43	Gateway Theatre (2017, 2018, 2019)	Infrastructure Replacements	\$8,095	Complete
44	London Farm House Envelope Renewals (2019)	Envelope Renewals	\$376	Q2 2021
45	Works Yard Salt Shed Repairs (2019)	Salt Shed Repair	\$266	Q2 2021
46	City Hall Annex Transformer Replacement (2019)	Transformer Replacement	\$500	Q2 2021
47	Library Cultural Centre Conveyance Replacements (2019)	Conveyance Replacement and Mechanical Upgrades	\$4,209	Q2 2021
	Library and Cultural Centre Chiller Replacement (2017)			
	Energy Management Projects (2017)			
48	Phoenix Net Loft Building Stabilization (2018)	Deconstruction/Salvage (\$1.4M)	\$19,440	Q2 2021
49	Minoru Arena System Renewals (2019)	Systems Renewal	\$3,300	Q3 2021
50	Community Safety Building - Mechanical Component Replacements and Associated Works (2020)	Components Replacement	\$1,420	Q4 2021

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
51	Works Yard Electrical Service Upgrade and EV Infrastructure (2020)	Electrical Upgrade and EV Infrastructure	\$1,688	Q4 2021
52	City Hall Upgrades and Repairs (2019)	Mechanical Upgrades and repairs	\$980	Q4 2021
53	Minoru Aquatics Centre Demolition (2021)	Demolition	\$2,700	Q4 2021
54	Minor Capital Buildings Project Development (2018)	62 projects (roof replacement, flooring, mechanical equipment, etc.)	\$4,334	Q4 2021
55	Minoru Place Activity Centre Program - Implementation (2019)	Repurposing	\$3,326	Q1 2022
56	Works Yard Ageing Mechanical and Building Envelope Infrastructure Replacement (2018)	Design of site wide infrastructure replacements	\$2,515	Q1 2022
57	Works Yard Mechanical Replacements (2019)	Mechanical Systems Replacement	\$1,707	Q1 2022
58	City Hall - Replacement of Mechanical, Life/Safety, and Envelope Components and Associated Works (2020)	Replacement Components	\$2,630	Q1 2022
59	Hamilton Community Centre - HVAC Replacement (2021)	HVAC Replacements	\$500	Q1 2022
60	Animal Shelter Replacement (2018)	Replacement	\$8,000	Q2 2022

	<b>Project Name</b>	<b>Scope of Work</b>	<b>Capital Funding (x1000)</b>	<b>Scheduled Construction Completion</b>
61	Richmond Ice Centre Infrastructure Renewals - Phase 1 (2020)	Renewals	\$6,850	Q3 2022
62	City Hall Council Chamber Roof Replacement (2021)	Council Chamber Roof Replacement	\$1,640	Q3 2022
63	Watermania Aging Mechanical and Building Envelope Infrastructure Replacement Phase 2 (2019)	Mechanical and Envelope Replacement	\$1,341	Q4 2022
64	Richmond Courthouse - Mechanical Components Replacements, Envelope Renewals, Electrical Replacements, Structural Renewals and Associated Works (2020)	Infrastructure Replacements	\$1,932	Q4 2022
	Richmond Courthouse - Mechanical Components Replacements, Envelope Renewals, Electrical Replacements, Structural Renewals and Associated Works (2019)			
65	Lawn Bowling Club Replacement (2018)	Replacement of Clubhouse	\$5,300	Q1 2023



### **Q1 2021 Construction Update on Parks Capital Projects**

#### **Alexandra Neighbourhood Park**

Alexandra Neighbourhood Park is located in the newly established Alexandra neighbourhood, at the intersection of Odlin Road and May Drive. In March 2019, Council approved the re-naming of this park from West Cambie Park to Alexandra Neighbourhood Park. Request for Proposals (RFPs) for the work were issued in Q2 2020.

Purchasing staff identified a lead proponent, and cost savings opportunities were finalized with the prospective contractor and consultant team. The City was successful in its application for a Community Economic Recovery Infrastructure Program (CERIP) grant, and received \$1,000,000 in funding from the Province. **Project kick-off is anticipated in Q2 2021.**

#### **Aberdeen Neighbourhood Park – Phase 2**

Aberdeen Neighbourhood Park is located at the intersection of Cambie Road and Hazelbridge Way. In July 2017, Council approved the naming of this new park from Cambie City Centre to Aberdeen Neighbourhood Park. The RFPs for Phase 2 works were issued in Q3 2020. Purchasing staff identified a lead proponent, and cost savings opportunities were finalized with the prospective contractor and consultant team. The contract award memo is currently being finalized prior to circulation for signatures. **Project kick-off is anticipated in Q2 2021.**

#### **Railway Granville Bike Park**

This project will be located in vacant open space on the west side of Railway Avenue at Granville Avenue, focusing on beginner and intermediate riders. The scope of construction will include the relocation of existing infrastructure, site preparation, site grading, bike park features, perimeter fencing, a drinking fountain, signage, plantings and importation of natural features such as boulders, logs and stumps. The approved budget for the park is \$270,000. The public consultation process has been completed and construction commenced in early April, 2021. **Construction is expected to last approximately two months.** Completion of construction is expected to coincide with the spring and summer cycling season as well as provide residents with COVID-19 appropriate outdoor recreational opportunities.

#### **Garden City Lands (GCL)**

Staff will be proceeding with construction of community gardens on the site with an expected completion of early **Q3 2021**, pending Council and Agricultural Land Commission (ALC) approval. An extensive contaminated sites testing program is expected to proceed in **Q2 2021** once a work plan is developed with the project's qualified environmental professional (QEP). Staff will be installing park benches along the Perimeter Recreational Trail in **Q2 2021** and additional native tree and shrub plantings in late **Q4 2021** along the same trail. The scale and extent of this planting effort will be similar to what was successfully completed in 2018. The Perimeter Recreational Trail will remain open to residents to enjoy the site during this time.

### City-wide Community Gardens

In **Q3 2021**, several new community gardens will be constructed throughout the City. At Cook Neighbourhood School Park, 20 additional plots will be installed north of those constructed in 2020. Approximately 40 plots are planned at a new community garden along the Railway Greenway south of Branscombe House. Both locations are accessible by public transit, bicycles and parking is located nearby. Additionally, these locations are close to medium and high density developments where residents may not have access to gardens of their own.

### Minoru Lakes Renewal

Detailed design and costing for the renewed Minoru Lakes District is nearing 100% completion. A report was presented at the Parks, Recreation and Cultural Services (PRCS) Committee in April 2021 to describe the design of the project. The request for proposals for construction services is expected to take place summer to fall 2021, with **phase one construction starting in 2022**.

### King George Community Park – Gathering Area

As part of the King George Community Park Masterplan, a social gathering area will be constructed adjacent to Cambie Community Centre. The area will be supported by new landscaping, planting, pathways, new signage and seating. Construction started near the end of Q1 2021 and the main elements of the work are expected to be completed in **Q2 2021**.

### King George Park – Artificial Turf Field Replacement

Synthetic sports fields generally last 8 to 12 years depending on the usage and the maintenance of the fields. Installed in 2008, the King George field is at the end of its expected lifespan and is failing to meet minimum operating safety standards for shock attenuation (i.e., risk of injury). In Q1 of 2021 staff started development of an RFP to identify a vendor for the replacement project. **This project is expected to be completed in Q3 of 2021.**

### Safety and Environmental Enhancements to Richmond High Turf Field Warranty

Replacement of the artificial turf field was completed in 2016, however due to product defects, the vendor will be replacing the synthetic turf under warranty at no cost to the City. Staff have identified opportunities to improve the safety, performance and play experience of the field. **Construction is expected to begin near end of Q2 of 2021.**

### Lang Park Redevelopment Plan – Phase 3 Completion

The current construction phase of the Lang Park Redevelopment Plan includes an overhead shelter, table tennis tables and a community book exchange kiosk as part of the approved park program to address the needs of the community. The table tennis table installations and book exchange kiosk were completed in **Q1 2021** and fabrication of the overhead shelter is underway and expected to be completed in **Q2 2021**.

### Dog Park Upgrades

The existing Steveston Dogs Off-Leash Area is slated to be upgraded in 2021. Upgrades are expected to include improved surfacing, play features, tree planting, site furnishings, and a drinking fountain. **Detailed design is anticipated to begin in Q2 2021.**

### London/Steveston Neighbourhood Park

London/Steveston Neighbourhood Park enhancements are being implemented in phases. The first phase was completed in 2018 and included greenway connections to No. 2 Road. The second phase, completed in 2019, included a pathway loop, trees, landforms, and stormwater detention ponds. The third phase of the project includes a playground, half-court basketball plaza and park shelter. Construction of the playground was completed in July 2020 and the half-court basketball plaza was completed in December 2020. The park shelter was installed in **February 2021**. The fourth and final phase of enhancements include an off-leash dog park. The off-leash area will include a variety of surface treatments, fencing, play elements, tree planting, and site furnishings. **Detailed design is anticipated to begin in Q2 2021.**

### The Gardens Agricultural Park

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 the northern section under final planning and detailed design. Full implementation of the approved park concept is currently on hold due to the potential impacts of the George Massey Tunnel project.

### Hollybridge Pier/Middle Arm

This project is the continuation of the Oval West waterfront development as part of the Middle Arm waterfront with a new public pier at the end of Hollybridge Way. The project has been delayed as the City has received a final decision letter from the Ministry of Forest, Lands, Natural Resources Operations and Rural Development (FLNRORD), stating that the City's application to construct a public pier has been rejected in March 2021. Staff are reviewing options and will come back to Council with a new design proposal in due course.

### South Arm Community Park Renewal

South Arm Community Park Renewal includes enhanced trail connections, a plaza with park shelter, expanded picnic areas, new furnishings and shade trees. Detailed design will take place **spring to summer 2021**, with construction starting after playground construction is complete in 2022.

### Playground Improvement and Replacement

South Arm Community Park Playground: A concept plan and preliminary pricing has been completed and presented to the South Arm Community Association. The request for proposal and contract award process for design-build services is nearing completion. **Construction is expected to start in spring 2022** in order to minimize disruption for users during the 2021 peak summer season.

Talmey Neighbourhood School Park and Garnet Tot Lot Playgrounds: Construction on both playgrounds is well underway and is expected to be complete in **May 2021**.

Steveston Community Park Playground Renewal: a staff report on the Steveston Community Park Playground Next Steps was presented to the Parks, Recreation and Cultural Services (PRCS) Committee in Q1 2021 and received Council support. A request for proposals for detailed design and costing services will be developed and issued in **spring 2021**. Capital requests for playground implementation is expected to be submitted for consideration in the 2022 budget process.

#### Parks Aging Infrastructure

- South Arm Park Basketball Courts – improvements were completed in Q1 2021 through replacement of the existing basketball hoops and backboards. Sport surfacing replacement of the courts is expected to begin in **late Q2 2021**.
- No. 2 Road Pier – A Structural Conditional Assessment was completed in August 2018. Phase one repairs for the pile foundation repairs were completed in July 2020. Replacement of the perimeter rail fence was completed in November 2020. Planning for Phase 2 of the pile foundation replacement is now anticipated for 2022-2023 when funding is available through the 5 Year capital planning process.
- No. 3 Road Pier – A conditional assessment of the pier was completed in March 2021. Minor repairs to the piled foundation is scheduled to start in **summer 2021**.
- Gibbons Park – Installation of storm drainage onto the field is scheduled to start in **fall 2021**.
- Thompson Burnett Tennis Courts – Crack repairs and resurfacing of play areas is scheduled for **summer 2021**.

#### Parks General Development

Various projects are being planned for upgrades including upgrades to London Heritage Farm, Steveston Street Closure, and contingency funding for the Aberdeen Park Phase 2 construction.

#### Parks Identity Signage Program

This project consists of the design and fabrication of various Park and Open Space signage including wayfinding and identity signs. Sites for the signage include the South Dyke, Shell Road Trail, Horseshoe Slough and various neighbourhood park locations. Installation is underway at locations on the north side of the City.



# City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Ivy Wong, CPA, CMA  
Acting Director, Finance  
**Re:** 2022-2026 Budget Process



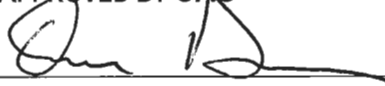
**Date:** May 17, 2021  
**File:** 03-0970-25-2021-  
01/2020-Vol 01

### Staff Recommendation

That the staff report titled "2022-2026 Budget Process" dated May 17, 2021 from the Director, Finance be received for information.

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

Att. 2

REPORT CONCURRENCE	
<b>CONCURRENCE OF GENERAL MANAGER</b>  Acting GM, F&CS	
<b>SENIOR STAFF REPORT REVIEW</b>	<b>INITIALS:</b> 
<b>APPROVED BY CAO</b> 	

## Staff Report

### Origin

The purpose of this report is to provide Council with the framework that will be utilized for the preparation of the City's Consolidated 5 Year Financial Plan (2022-2026) (5YFP). Section 165 of the *Community Charter* requires a five-year financial plan to be adopted annually.

### *Council Policies*

Policy 3016 requires that a same service level budget, with only non-discretionary increases that can be clearly identified and supported through a previous authorized agreement or contract, be put forward to Council. Non-discretionary costs mainly include incremental increases specified in contracts and salary increases associated with collective agreements. Therefore, the 2021 service levels form the basis of the 2022 base budget. Any enhanced or new levels of service are identified as an additional expenditure request by the respective departments and the operating budget impact (OBI) from capital projects will be separately identified for Council's consideration.

Policy 3016 requires the annual operating, capital budget and 5 Year Financial Plan to be presented to Council by the first Council meeting in January of the year in which the annual budget is being prepared.

External review agencies recommend that Council adopts the 5 Year Financial Plan in advance of the year that the budget takes effect in order to provide staff with direction on spending from the beginning of the year.

Policy 3707 states:

“Tax increases will be at Vancouver's Consumer Price Index (CPI) rate (to maintain current programs and maintain existing infrastructure at the same level of service) plus 1.0% towards infrastructure replacement needs.”

The 5YFP will be prepared in accordance with Council's policies and procedures.

This report supports Council's 2018-2022 Strategic Plan #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.*
- 5.3. *Decision-making focuses on sustainability and considers circular economic principles.*



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

This report also supports Council's 2018-2022 Strategic Plan #1 A Safe and Resilient City:

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

- 1.1. *Enhance safety services and strategies to meet community needs.*
- 1.2. *Future-proof and maintain city infrastructure to keep the community safe.*
- 1.3. *Ensure Richmond is prepared for emergencies, both human-made and natural disasters*
- 1.4. *Foster a safe, caring and resilient environment.*

## **Analysis**

### **Budget Process and Preliminary Financial Indicators**

Staff follows the budget cycle as described in Attachment 1. Table 1 outlines the process and the key dates for the preparation of the Consolidated 5 Year Financial plan (2022-2026).

**Table 1 – 5 Year Financial Plan (5YFP) Schedule**

	<b>Month</b>	<b>Responsibility</b>	<b>Task</b>
1	April-May	Staff	Research financial indicators for 2022-2026 budget assumptions. Prepare budget system for 2022-2026.
2	June-July	Staff	Provide Council with an update on the budget process, preliminary budget assumptions, established services levels and previously approved budget items.
3	June-September	Staff	Prepare Department's 2022-2026 budget submissions
4	September-October	Staff	Review Division's 2022-2026 budget submissions and Council referrals
5	September-October	SMT/CAO	Review City's 2022-2026 budget submissions
6	September-November	Staff	Prepare 2022-2026 budget package for Finance Committee review
7	September-November	SMT/CAO	Review and finalize all 2022-2026 budget recommendations to Finance Committee
8	October	Council	Review and approve 2022 Utility Budget and Rates
9	November	Council	Review and approve 2022-2026 capital budget submissions with associated Operating Budget Impacts
10	November	Council	Review and approve 2022 same level of service Operating Budgets
11	November	Council	Review and approve 2022 ongoing additional levels of service requests

	Month	Responsibility	Task
12	November	Council	Review and approve 2022 one-time expenditure requests
13	December	Council	Review and approve 5YFP (2022-2026)
14	December	Staff	Public Consultation on 5YFP (2022-2026)
15	January 2022	Council	Adoption of 5YFP (2022-2026)

At the time of writing, the Province remains in a public health emergency state due to COVID-19 and its impact is an ongoing economic consideration.

#### *Preliminary 2022 – 2026 Operating Budget Assumptions*

Council Policy 3707 states that tax increases will be at or below the estimated Vancouver's CPI rate (to maintain current programs and existing infrastructure at the same level of service) plus 1.0% towards infrastructure replacement needs.

CPI is a widely accepted measure of consumer goods inflation. Inflation is generally thought of as a rise in the prices of consumer goods and services over a period of time. This is based on an individual consumer basket of goods including food, shelter, transportation, clothing, recreation and household operations.

Municipal governments do not incur the same costs as consumers. Rather, they incur costs such as: unionized salaries and benefits (covered by collective agreements), policing services, materials and supplies to build and maintain City infrastructure, energy for community centres and recreation facilities.

Municipal Price Index (MPI) is calculated based on a combination of known contract increases as well as estimates for expected increases, including the settlement of collective agreements.

Table 2 summarizes the budget assumptions based on current information contained in contracts, agreements and external economic publications. MPI is forecasted to be consistently higher than CPI and is presented merely as a benchmark. Financial Planning & Analysis (FP&A) will continue to monitor these financial indicators and will provide updated indicators at the time the budget is presented, if there are significant changes to the forecasts.

**Table 2 - Preliminary 2022-2026 Operating Budget Assumptions**

Key Financial Drivers / Indicators	2022	2023	2024	2025	2026
Vancouver Consumer Price Index (CPI) <sup>1</sup>	2.5%	2.1%	2.0%	2.0%	2.0%
Richmond Municipal Price Index (MPI) <sup>2</sup>	4.1%	4.1%	4.0 %	3.9%	3.8%
User Fees <sup>2</sup>	2.5%	2.1%	2.0%	2.0%	2.0%
Salaries <sup>3</sup>	2.5%	2.5%	TBD	TBD	TBD
Electricity <sup>4</sup>	2.5%	3.0%	3.0%	3.0%	3.0%
Natural Gas <sup>4</sup>	2.0%	2.0%	2.0%	2.1%	2.2%
RCMP Contract Increase <sup>5</sup>	2.5%	2.6%	2.6%	2.6%	2.6%
IHIT Policing – Provincial Increase <sup>6</sup>	2.3%	3.2%	2.7%	2.6%	2.6%
Growth (Tax Base) <sup>7</sup>	1.3%	1.4%	1.4%	1.4%	1.4%

Sources: <sup>1</sup> The Conference Board of Canada Major City Insights March 3, 2021; 2026 is projected based on 2025 forecasts; <sup>2</sup> Finance Department, City of Richmond; <sup>3</sup> User fees are typically increased by forecasted CPI; <sup>3</sup> Salaries are based on 2020 to 2023 collective agreements; <sup>4</sup> Sustainability Department, City of Richmond; <sup>5</sup> Preliminary estimates from RCMP E Division based on the same contract complement as the 2020 year before the approval of additional officers due to differences in fiscal year. Note that actual contract increases will be higher due to the approval of additional officers in 2021. The above table is prepared to reflect the same level of service cost increases. Actual rates to be provided by the RCMP and the Province at a later time; <sup>6</sup> Community Safety Administration Department, City of Richmond; <sup>7</sup> Finance Department, City of Richmond

On Oct 13, 2020, Council approved the deferral of annual CPI increase to the Consolidated Fees Bylaw for 2021. Staff will present a report to Council in Fall 2021 to seek Council direction as to whether to increase rates for both 2021 and 2022 or to forego the 2021 rate increase entirely.

### *Collective Agreements*

The City's current collective agreements with Canadian Union of Public Employees, Local 394 and Richmond Civic Employees' Union, Local 718 have been ratified through 2023. The City's current collective agreements with International Association of Firefighters/ The Richmond Firefighters' Association, Local 1286 agreement has been rolled-over for 2020 and 2021. In addition, the Richmond Public Library and the Canadian Union of Public Employees, Local 3966 have agreed to a general wage increase of 2.00% and 2.25% for 2020 and 2021 respectively. The rates do not include any enhancements for benefits, which would also increase annual unionized salaries. For reference, Table 3 summarizes the ratified rates for the last five years.

**Table 3 – Summary of Collective Agreements**

Bargaining Unit	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
IAFF Local 1286	2.50%	2.50%	2.50%	2.50%	2.50%	TBD	TBD	TBD	TBD	TBD
CUPE Local 394	1.50%	2.00%	2.00%	2.00%	2.25%	2.50%	2.50%	TBD	TBD	TBD
CUPE Local 718	1.50%	2.00%	2.00%	2.00%	2.25%	2.50%	2.50%	TBD	TBD	TBD
CUPE Local 3966	1.50%	2.00%	2.00%	2.00%	2.25%	TBD	TBD	TBD	TBD	TBD

### Service Levels

Policy 3016 requires that a same service level budget be prepared. The types of services delivered by each division have been categorized as Core, Traditional or Discretionary as presented in Attachment 2.

### *Environmental Scan*

The population and demand for services continues to rise in Richmond as indicated in Tables 4 and 5.

**Table 4 – City of Richmond Statistics**

Description	2017	2018	2019	2020	2021*
Population	208,498	210,808	213,678	216,046	218,440
# Residential Dwellings	71,743	73,633	74,941	76,172	77,172
# Business Licences	13,870	14,985	14,487	13,481	14,330
# Farms	665	645	613	590	612

Source: <sup>1</sup> BC Stats, Ministry of Labour and Citizens Services; <sup>2</sup> BC Assessment; <sup>3</sup> Business Licences; <sup>4</sup> BC Assessment  
 \*2019 figures are estimates as of May 2019.

**Table 5 – Demand for City of Richmond Services**

Demand for City Services	2017	2018	2019	2020	2021*
Population Growth (per annum)	0.4%	1.1%	1.4%	1.1%	1.1%
Budgeted Capital Costs (\$M) <sup>1</sup>	112.8	160.1	115.1	166.5	104.9
Registration in Rec. Programs <sup>2</sup>	146,000	145,800	143,800	28,700	30,700
Membership Visits <sup>3</sup>	1,018,000	1,078,000	1,531,900	461,200	700,000
Fire Rescue Responses <sup>4</sup>	11,216	9,805	9,494	6,412	6,604
Public Works Calls for Services <sup>5</sup>	16,120	14,690	14,327	13,909	13,950

Source: <sup>1</sup> Consolidated 5 Year Financial Plan (2021-2025) Bylaw No. 10239; <sup>2</sup> Registration Summary Report; <sup>3</sup> Membership Pass Scanned Report; <sup>4</sup> Fire Recue; <sup>5</sup> Infor Public Sector 2021 figures are estimates as of April 2021.

There is a significant decrease in the registration in recreation programs and membership visits since 2020 but the demand is expected to rebound once the provincial restrictions are lifted.

### Previously Approved Items

Other previous Council decisions that are being phased-in to the 2022 Budget or that take effect in 2022 include the operating budget impacts (OBI) of the previously approved Capital Budgets and the developer contributed assets expected to be received in 2022. These decisions are summarized as follows.

#### *City Centre North Community Centre OBI Phase-In*

On June 22 2020, Council approved the delayed completion of the City Centre North Community Centre to December 31, 2023. Therefore, the phase-in of the operating budget impact will occur over the years 2022-2024. The preliminary estimate for the OBI is \$1.6M phased-in over three years with approximately 0.20% per year based on 2021 tax base.



### *2022 Operating Budget Impact from the 2020 and 2021 Capital Budget*

Council previously approved a three-year phase-in plan for the OBI associated with the Capital Budget. This includes funding for:

- New road infrastructure such as roadways and bike paths, street signs and traffic signals
- New drainage improvements including dike maintenance and upgraded pump stations
- New parks or expanded park amenities
- New technology and software licensing costs and maintenance contracts

Table 6 summarizes the tax impact of the Council previously approved phase-in of Capital Budget OBI.

**Table 6 – Operating Budget Impact**

OBI	OBI Amount (in '000s)	Tax Impact
2020 Capital Budget - Years 3 of 3	215	0.09%
2021 Capital Budget – Year 2 of 3	196	0.08%
<b>Total Operating Budget Impacts</b>	<b>\$411</b>	<b>0.17%</b>

#### *Developer Contributed Assets*

It is anticipated that the Hummingbird Child Care Facility on 6899 Pearson Way will be operational in 2022 with a preliminary OBI estimate of \$0.1M. The estimated tax impact of this developer contributed asset is 0.03%. Other OBI from developer contributed assets will be determined at a later stage of the budget process once the projects are closer to completion.

#### External Senior Government Related Increases

Council Policy 3707 item 2 states:

*“Any additional costs imposed on the City as a result of mandatory senior government policy changes should be identified and added to that particular year's taxes above and beyond the CPI and infrastructure percentage contribution.”*

Since 2019, the Canada Pension Plan (CPP) has been gradually enhanced. This means the employee will receive higher benefits in exchange for making higher contributions.

Employers will pay the same increase in CPP contributions as their employees. The estimated budget impact in 2022 is \$0.4M or a 0.16% tax impact.



**Major Facilities Replacement - Phase 2**

On December 12, 2016, Council approved:

- (1) *That the priority list of major facility projects for the period of 2016-2026 as follows:*
- (a) *City Centre Community Centre North; (Developer Funded)*
  - (b) *Steveston Community Centre and Branch Library;*
  - (c) *Lawn Bowling Clubhouse;*
  - (d) *Britannia Shipyards National Historic Site and Phoenix Net Loft; and*
  - (e) *Richmond Animal Shelter;*
- be approved.*

On February 13, 2018, Council approved:

*That a community facility of up to ten thousand square feet which would incorporate a soccer field house be added as a prioritized major facility project for 2016-2026.*

The following table summarizes the remaining Major Facilities Phase 2 projects that still require funding.

**Table 7 – Remaining Major Facilities Replacement Phase 2 Projects to be funded**

Project Name	Estimated Amounts (in \$000's)		
	City Funding	External Funding	OBI
Steveston Community Centre and Branch Library	\$93,500	\$-	\$1,100
Hugh Boyd Field House	13,800	-	194
<b>Remaining Major Facilities Priority Projects to be funded</b>	<b>\$107,300</b>	<b>\$-</b>	<b>\$1,294</b>

The Major Facilities Projects, which was endorsed by Council included priority projects and a funding plan, based on the City's capital reserves. It was anticipated that annual funding to the capital reserves would be include transfers from gaming revenue and an annual 1% transfer to reserves (in accordance with Policy 3707). Additional facility projects that were not part of the original list that Council endorsed have also been approved. Due to the temporary closure of the River Rock Casino Resort, the inconsistent application of the 1% transfers to reserves, and the additional projects, there will be an impact on the timing and funding of future facility projects.

**Budget Preparation and Review**

Over the next few months, staff will be working on preparing budget submissions (capital and additional levels) and reviewing operating budgets to ensure the most efficient allocation of resources.

The final proposed budget that is presented to the Finance Committee goes through a rigorous review process by the CAO, SMT and the Capital Review Team. This ensures that Council's priorities are met and that projects competing for the same funding sources are prioritized with recommendations made accordingly. It is anticipated that all budget recommendations and the draft Consolidated 5 Year Financial Plan (2022-2026) will be presented to the Finance Committee in November for approval.

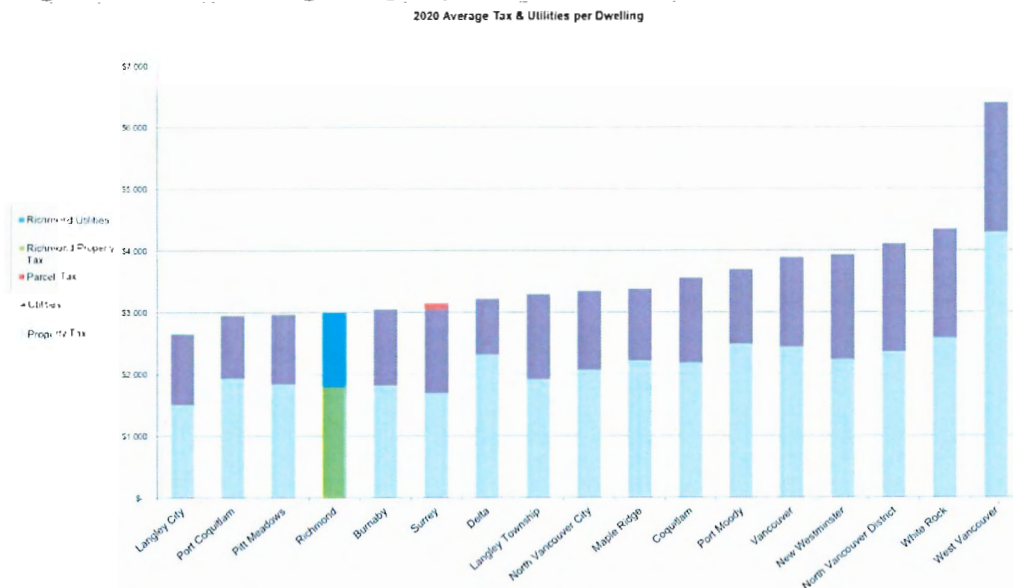
#### Public Consultation and Bylaw Adoption

Once the Consolidated 5YFP (2022-2026) receives preliminary approval from Council, the public consultation process will be initiated as required under the *Community Charter* prior to adoption of the financial plan.

#### *Tax Rates*

Once the financial plan bylaw is adopted, the tax rates will be set accordingly. When compared to the 17 municipalities in Metro Vancouver, the 2020 average tax and utilities per dwelling in Richmond ranks as the 4<sup>th</sup> lowest with a combined amount of \$3,001 annually. Within the comparator group of Vancouver, Coquitlam, Burnaby and Surrey, Richmond has the lowest average tax and utilities per dwelling. Figure 1 shows the comparison of all Metro Vancouver municipalities.

2021 averages for all Cities are not yet available, but will be provided with the 2022 Budget report.

**Figure 1 – 2020 Average Property Taxes in Comparative Metro Vancouver Cities****Financial Impact**

None.

**Conclusion**

The 2022-2026 Budget Process outlined in this report complies with Council policies and requirements of the *Community Charter*.

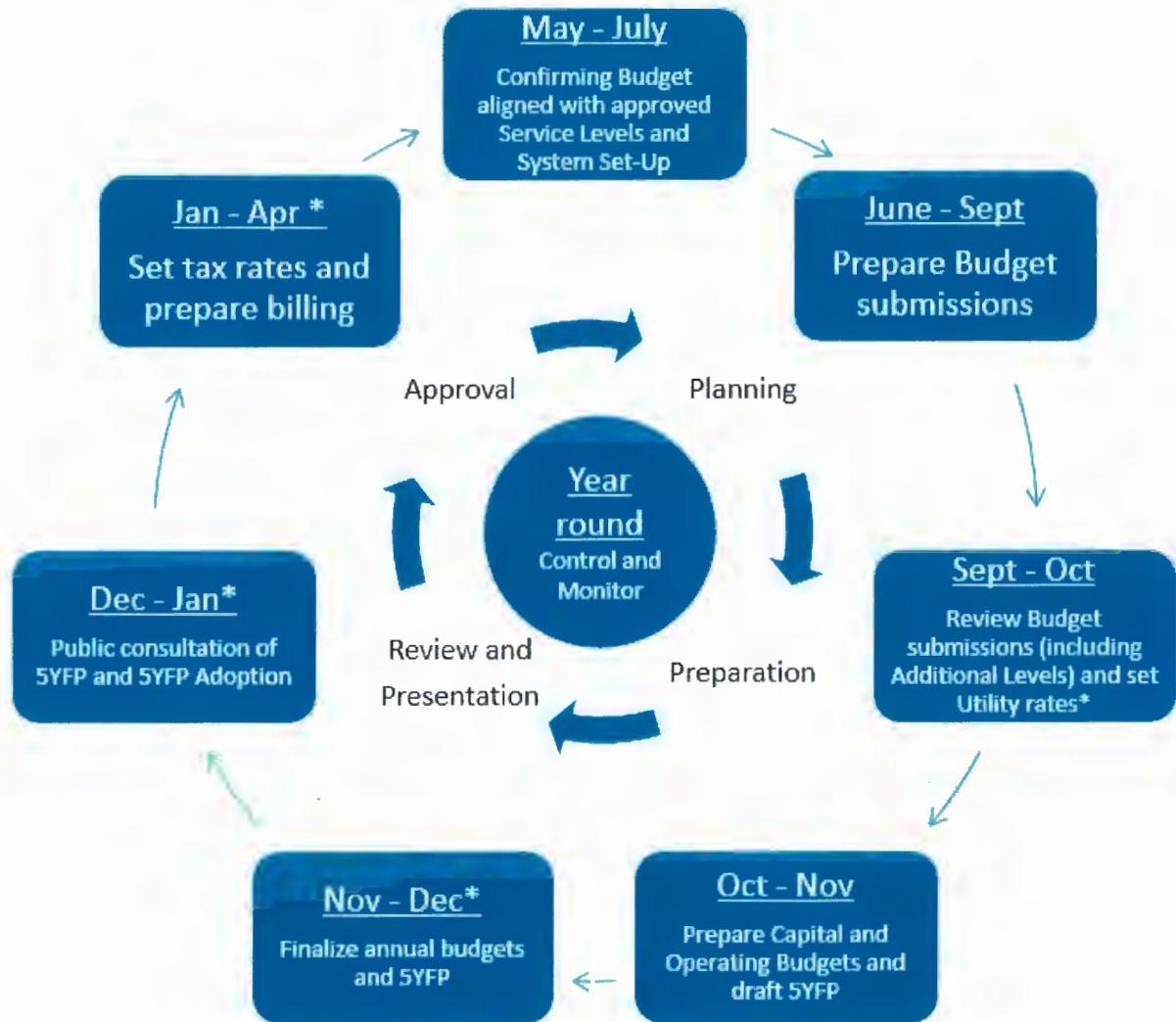
Mike Ching, CPA, CMA  
Acting Manager, Financial Planning and Analysis  
(604-276-4137)

Jenny Ho  
Jenny Ho, CPA, CGA  
Acting Manager, Budgets  
(604-276-4223)

JH:ey

Att. 1: 2022 Budget Cycle  
2: Types of Service

# 2022 Budget Cycle



\* Council Involvement

**City of Richmond**  
**Types of Service - Departments/Sections/Work Units by Division**

**Core:** *Services required by legislation from the federal or provincial governments.*

**Traditional:** *Time-honoured services that are commonly considered essential or foundational.*

**Discretionary:** *Services that may have value but if the fiscal situation requires it, these services could be reduced, eliminated, or contracted out.*

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
CAO's Office (7)	<b>CAO's Office</b>			
	• Corporate Administration	✓	✓	
	• Administrative Support Services (including the Mayor's Office & Councillors' Office)		✓	✓
	• Intergovernmental Relations & Protocol Unit			✓
	• Corporate Programs Management Group			✓
	• Corporate Communications & Marketing		✓	
	• Production			✓
	• Corporate Planning & Programs		✓	
Deputy CAO (4)	<b>Human Resources</b>			
	• Training & Development		✓	
	• Employee & Labour Relations	✓	✓	
	• Compensation, Job Evaluation & Recognition	✓	✓	
	• Workplace Health, Safety & Wellness	✓	✓	

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
Community Services (12)	<b>Parks</b>			
	<ul style="list-style-type: none"> <li>Parks Operations (includes Asset Management, Construction &amp; Maintenance, Turf Management, Horticulture, Urban Forestry)</li> </ul>		✓	✓
	<ul style="list-style-type: none"> <li>Parks Programs (includes Nature Park)</li> </ul>		✓	
	<ul style="list-style-type: none"> <li>Parks Planning, Design &amp; Construction</li> </ul>		✓	✓
	<b>Recreation &amp; Sport</b>			
	<ul style="list-style-type: none"> <li>Community Services Admin.</li> </ul>		✓	✓
	<ul style="list-style-type: none"> <li>Community Recreation Services (includes community centres)</li> </ul>		✓	✓
	<ul style="list-style-type: none"> <li>Aquatic, Arena &amp; Fitness Services</li> </ul>		✓	✓
	<ul style="list-style-type: none"> <li>Sport &amp; Event Services (includes volunteer management)</li> </ul>			✓
	<ul style="list-style-type: none"> <li>Planning &amp; Project Services</li> </ul>			✓
	<b>Arts, Culture &amp; Heritage Services</b>			
	<ul style="list-style-type: none"> <li>Arts Services (includes Art Gallery, Art Centre, Cultural Centre, Major Events and Film)</li> </ul>			✓
	<ul style="list-style-type: none"> <li>Heritage Services</li> </ul>			✓
	<ul style="list-style-type: none"> <li>Major Events and Film</li> </ul>			✓
	<ul style="list-style-type: none"> <li>Britannia</li> </ul>			✓
Engineering & Public Works (13)	<b>Engineering</b>			
	<ul style="list-style-type: none"> <li>Engineering – Planning</li> </ul>	✓	✓	
	<ul style="list-style-type: none"> <li>Engineering – Design &amp; Construction</li> </ul>	✓	✓	
	<ul style="list-style-type: none"> <li>Facility Services</li> </ul>		✓	



Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
	• Capital Building Project Development			√
	• Sustainability - Corporate Energy			√
	• Sustainability - Environmental			√
	<b>Public Works</b>			
	• Public Works Administration		√	√
	• Health and Safety Program	√		
	• Fleet Operations		√	√
	• Environmental Programs		√	√
	• Roads & Construction Services	√	√	
	• Sewerage & Drainage	√	√	
	• Water Services	√	√	
Finance & Corporate Services (22)	<b>Finance</b>			
	• Finance Administration		√	√
	• Financial System and Support		√	√
	• Financial Reporting and Accounts Payable	√	√	√
	• Financial Planning & Analysis	√	√	√
	• Revenue/Taxation	√	√	√
	• Purchasing and Stores		√	√
	• Treasury & Financial Services (includes Accounts Receivable)	√	√	√
	• Payroll		√	√

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
	<b>Information Technology</b>			
	• IT Administration		√	√
	• Business & Enterprise Systems		√	√
	• Innovation			√
	• Infrastructure Services		√	√
	• GIS & Database Services		√	√
	• Customer Service Delivery		√	√
	<b>Corporate Business Service Solutions</b>			
	• Business Advisory Services		√	√
	• Risk Management			√
	• Economic Development			√
	• Corporate Partnerships			√
	• Customer Service		√	√
	• Continuous Improvement			√
	• Corporate Performance			√
	<b>Real Estate Services</b>			√
Law & Legislative Services (4)				
	<b>City Clerk's Office</b>			
	• Operations/Legislative Services	√	√	
	• Records & Information	√	√	

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
	<ul style="list-style-type: none"> <li>Richmond Archives</li> </ul>		✓	✓
	<b>Law</b>		✓	✓
Community Safety (9)	<b>RCMP</b>			
	<ul style="list-style-type: none"> <li>Administration (includes Telecommunications, Records, Crime Prevention, Information Technology, Victim Assistance, Finance, Risk Management, Court Liaison)</li> </ul>	✓	✓	✓
	<b>Fire-Rescue</b>			
	<ul style="list-style-type: none"> <li>Administration</li> </ul>	✓	✓	✓
	<ul style="list-style-type: none"> <li>Operations</li> </ul>	✓	✓	✓
	<ul style="list-style-type: none"> <li>Fire Prevention</li> </ul>	✓	✓	✓
	<ul style="list-style-type: none"> <li>Training and Education</li> </ul>	✓	✓	✓
	<b>Community Bylaws</b>		✓	✓
	<b>Emergency Programs</b>	✓	✓	✓
	<b>Community Safety Administration</b>		✓	✓
	<b>Business Licences</b>		✓	✓
Planning & Development (14)				
	<b>Transportation</b>			
	<ul style="list-style-type: none"> <li>Transportation Planning</li> </ul>	✓	✓	
	<ul style="list-style-type: none"> <li>Traffic Operations</li> </ul>		✓	
	<ul style="list-style-type: none"> <li>Traffic Signal Systems</li> </ul>		✓	
	<b>Building Approvals</b>			
	<ul style="list-style-type: none"> <li>Plan Review</li> </ul>	✓	✓	

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
	• Building, Plumbing & Gas Inspections	√	√	
	• Tree Preservation		√	√
	<b>Development Applications</b>			
	• Developments	√	√	√
	<b>Policy Planning</b>	√	√	
	<b>Community Social Development</b>			
	• Social Planning			√
	• Affordable Housing			√
	• Diversity & Cultural Services			√
	• Child Care Services			√
	• Youth Services			√
	• Senior Services			√
<b>Total = 85</b>		<b>27</b>	<b>59</b>	<b>62</b>



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 7, 2021

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

**File:** 10-6600-10-01/2021-Vol 01

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

**Re:** Lulu Island Energy Company – 1<sup>st</sup> Quarter March 31, 2021 Financial Information

### Staff Recommendation

That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 1<sup>st</sup> Quarter March 31, 2021 Financial Information”, dated May 7, 2021 from the Chief Executive Officer and Chief Financial Officer, be received for information.

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

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

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

## Report

---

**DATE:** April 13, 2021

**TO:** Board of Directors

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

**Re:** Lulu Island Energy Company – 2021 1<sup>st</sup> Quarter Financial Information

---

### Staff Recommendation

That the 1<sup>st</sup> Quarter Financial Information as presented in the report titled “Lulu Island Energy Company – 2021 1<sup>st</sup> Quarter Financial Information” dated April 13, 2021 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 Q1 financial information consists of the interim statement of the financial position as of March 31, 2021 (Attachment 1) and the interim income statement for the period ended March 31, 2021 (Attachment 2).

### Financial Position

The interim statement of the financial position provides a summary of assets, liabilities and shareholder’s equity. Total assets are comprised of current assets (cash, investments and receivables) \$16,191,474 and non-current assets (plant and equipment) \$38,049,109. The total assets are \$54,240,583. The total liabilities of \$21,052,847 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 March 31, 2021, LIEC’s shareholder equity is \$33,187,736, 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 metered billings revenue for Q1 was \$645,174 from the Alexandra District Energy Utility (ADEU) and \$746,149 from the Oval Village District Energy Utility (OVDEU). Overall, the first three months of metered billing revenue totalled \$1,391,323 which increased by 23% over 2020. This reflects the addition of two new building connections in Q3 of 2020 and the minor increase in 2021 rates. The year-to-date metered billings revenue is 3% higher than budget.

### Cost of Sales

The cost of sales is the accumulated total of expenses attributable to the metered billing revenue, which includes contract services, utilities (electricity and natural gas), and amortization expenses. The contract expense increased by 5% over 2020 with more buildings being serviced needing additional operations and maintenance work. The growth in energy demand, due to the addition of more buildings, resulted in an increased use of electricity and natural gas to run distribution pumps, geo-field pumps, auxiliary equipment and boilers which are used to deliver energy to customers' buildings. This increased demand paired with electricity and gas rate increases caused the utility expense to rise by 35% compared to 2020. The amortization expense increased due to capital asset additions. The year over year cost of sales has increased by 18%.

### 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. Salaries and benefits increased by 11% compared to Q1 2020 due to the alignment with the Administration Procedure 3001.01 in order to fairly reimburse the City for administrative and operational time that City management staff members incur while conducting LIEC business, however, salaries and benefits are in line with budget. 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. The insurance expense increased due to a general insurance rate increase and additional DEU assets being insured. The professional fees are in line with the budget. Overall, G&A expenses have increased 12% compared to Q1 2020, however, as a percentage of revenues they are in line at 17% versus 18%.

### 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 is more than 2020's fee due to more building permits being submitted and reviewed. 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 2020 mainly due to the increase in the concession liability and the reduction in investment income due to low interest rates. 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 22% compared to the Q1 of 2020. EBITA as a percentage of revenue increased to 56% for 2021 compared to 54% in 2020.

The year to date net income of \$451,236 has exceeded the budget by 31%, though, the net income as a percentage of revenue decreased to 28% for 2021 compared to 29% in 2020. Consistent with the company's financial plan objectives, any net income will be maintained in LIEC's equity in order to fund future capital projects and infrastructure replacements.

### **Financial Impact**

None.

### **Conclusion**

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



Owen Sinclair  
Budget and Training Coordinator

Attachment 1: Interim Statement of Financial Position (unaudited)

Attachment 2: Interim Income Statement (unaudited)

Attachment 3: Year-To-Date Budget vs. Actual Comparison (unaudited)

**Interim Statement of Financial Position (Unaudited)**

	As at March 31 2021	As at December 31 2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 10,126,353	\$ 8,604,504
Accounts receivable	2,039,441	3,034,510
Other investments	4,025,680	4,014,336
	16,191,474	15,653,350
Non-current assets:		
Plant and equipment	38,049,109	37,359,845
	\$ 54,240,583	\$ 53,013,195
<b>Liabilities and Shareholder's Equity</b>		
Current and non-current liabilities:		
Accounts payable and accrued liabilities	\$ 1,341,298	\$ 1,790,919
Deferred developer contributions	7,298,678	7,352,360
Concession liability	12,412,871	11,133,416
	21,052,847	20,276,695
Shareholder's equity:		
Share capital and contributed surplus	27,397,115	27,397,115
Retained earnings	5,790,621	5,339,385
	33,187,736	32,736,500
	\$ 54,240,583	\$ 53,013,195

**Interim Income Statement (Unaudited)**

	<b>March 31</b>	<b>Restated March 31</b>		
	<b>2021</b>	<b>2020</b>	<b>\$ Changes</b>	<b>% Change</b>
<b>Revenues</b>				
Metered Billings (Quarterly)	\$ 1,391,323	\$ 1,129,815	\$ 261,508	23%
Service fee	245,250	245,372	(122)	0%
	1,636,573	1,375,187	261,386	19%
<b>Cost of Sales</b>				
Contracts	168,080	159,541	8,539	5%
Utilities	361,011	267,144	93,867	35%
Amortization	307,062	280,338	26,724	10%
	836,153	707,023	129,130	18%
<b>Gross margin</b>	<b>800,420</b>	<b>668,164</b>	<b>132,256</b>	<b>20%</b>
<b>General and Administration Expenses</b>				
Salaries and benefits	208,345	188,189	20,156	11%
Administration expenses	20,523	16,744	3,779	23%
Insurance	28,750	23,750	5,000	21%
Professional Fees	18,730	17,655	1,075	6%
	276,348	246,338	30,010	12%
<b>Net income before other items</b>	<b>524,072</b>	<b>421,826</b>	<b>101,246</b>	<b>24%</b>
<b>Contributions and Financing expense</b>				
Developer contributions	53,683	36,436	17,247	47%
Energy modeling review fee	25,104	4,766	20,338	427%
Net financing cost	(151,623)	(62,871)	(88,752)	141%
	(72,836)	(21,669)	(51,167)	
<b>Net Income</b>	<b>\$451,236</b>	<b>\$400,157</b>	<b>\$51,079</b>	<b>13%</b>
<b>Earnings before interest, taxes and amortization (EBITA)</b>				
Net income per above	\$ 451,236	\$ 400,157	\$ 51,079	13%
Net Financing cost	151,623	62,871	88,752	141%
Amortization expense	307,062	280,338	26,724	10%
<b>EBITA</b>	<b>\$ 909,921</b>	<b>\$ 743,366</b>	<b>\$ 166,555</b>	<b>22%</b>

Notes:

	As at March 31 2021	As at March 31 2020
Percentage of Revenue		
Gross margin percentage	49%	49%
General and administration percentage	17%	18%
Net income percentage	28%	29%
EBITA percentage	56%	54%

**Attachment 3**

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

	<b>2021 Q1 Budget</b>	<b>2021 Q1 Actual</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>Revenues</b>				
Metered Billings (Quarterly)	\$ 1,346,447	\$ 1,391,323	\$ 44,876	3%
Service fee	245,371	245,250	(121)	0%
	1,591,818	1,636,573	44,755	3%
<b>Cost of Sales</b>				
Contracts	175,078	168,080	(6,998)	(4%)
Utilities	361,676	361,011	(665)	0%
Amortization	354,306	307,062	(47,244)	(13%)
	891,060	836,153	(54,907)	(6%)
<b>Gross margin</b>	<b>700,758</b>	<b>800,420</b>	<b>99,662</b>	<b>14%</b>
<b>General and Administration Expenses</b>				
Salaries and benefits	211,973	208,345	(3,628)	(2%)
Administration expenses	28,591	20,523	(8,068)	(28%)
Insurance	28,750	28,750	-	0%
Professional Fees	18,635	18,730	95	1%
	287,949	276,348	(11,601)	(4%)
<b>Net income before other items</b>	<b>412,809</b>	<b>524,072</b>	<b>111,263</b>	<b>27%</b>
<b>Contributions and Financing expense</b>				
Developer contributions	61,970	53,683	(8,287)	(13%)
Energy modeling review fee	9,750	25,104	15,354	157%
Net financing cost	(140,121)	(151,623)	(11,502)	8%
	(68,401)	(72,836)	(4,435)	6%
<b>Net Income</b>	<b>\$344,408</b>	<b>\$451,236</b>	<b>\$106,828</b>	<b>31%</b>
<b>Earnings before interest, taxes and amortization (EBITA)</b>				
Net income per above	\$ 344,408	\$ 451,236	\$ 106,828	31%
Net Financing cost	140,121	151,623	11,502	8%
Amortization expense	354,306	307,062	(47,244)	(13%)
<b>EBITA</b>	<b>\$ 838,835</b>	<b>\$ 909,921</b>	<b>\$ 71,086</b>	<b>8%</b>





# City of Richmond

## Report to Committee

---

**To:** Finance Committee

**Date:** May 21, 2021

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

**File:**

Jerry Chong  
Acting Chief Financial Officer  
Richmond Olympic Oval

**Re: Richmond Olympic Oval Corporation – 2021 Q1 Interim Financial  
Statements**

---

### Staff Recommendation

That the report on the 2021 first quarter interim financial statements ended March 31, 2021 for the Richmond Olympic Oval Corporation from the Director, Finance, Richmond Olympic Oval Corporation be received for information.

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

Jerry Chong  
Acting Chief Financial Officer  
Richmond Olympic Oval

**DATE:** May 21, 2021

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

Jerry Chong  
Acting Chief Financial Officer, Richmond Olympic Oval Corporation

**FROM:** Rick Dusanj, CPA, CA  
Director, Finance

**Re:** **Richmond Olympic Oval Corporation – 1<sup>st</sup> Quarter 2021 Financial information**

---

## **Origin**

This staff report addresses the first quarter financial results for the 3 months ended March 31, 2021 (“Q1”) which was endorsed by the Corporation’s Board of Directors.

## **Highlights**

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

### Community Use

Q1 of 2021 marked the continued gradual resumption of services for the Richmond Olympic Oval and community use operational and programming changes aligned with Provincial Health Orders. Following revised fitness regulations, the Oval paused all low and high intensity group fitness classes on March 29<sup>th</sup> until the expiration of the order on May 24<sup>th</sup> at midnight. The community continued to be provided with virtual group fitness classes on the Oval's social media channels through the OVALfit at Home program, garnering nearly 14,000 views across 60 live streams.

The Oval had close to 300 camp participants during the two-week spring break period. With a focus on social distancing, the camps took place on the Oval’s spacious activity level as well on the outdoor riverside plaza. In addition, the Oval’s private learn-to-skate lessons, offered in place of group classes, saw significant community uptake with over 2,000 private lessons in Q1.

In Q1, numerous community groups utilized the Oval to provide programs and services to young children through to and including actively aging seniors. These programs and services represented the following sports: basketball, soccer, futsal, baseball, badminton, volleyball, table tennis, figure skating, speed skating, hockey, karate, aikido, rhythmic gymnastics, sport climbing, fencing.

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

Corporation staff collaborated with the Canadian Olympic Committee on the planning and execution of an announcement on March 19<sup>th</sup> during which Alannah Yip and Sean McColl were officially introduced to the Canadian Olympic Team as the first Olympic Canadian climbing athletes. Yip and McColl have utilized the Oval's climbing wall extensively as part of their preparation for the Tokyo Olympics. Sport climbing has seen a significant boost in popularity over the last few years and the Corporation is correspondingly seeing an increase in youth climbing program registration and adult drop in climbing.

Due to COVID-19 and the restrictions outlined in the Provincial Health Order, events scheduled to take place in Q1 at the Oval have been limited, altered or postponed. Postponed events included the Wheelchair Rugby National Training Camp, Wheelchair Rugby Provincial Training Camp, BCSRA Winter Show, Fencing World Cup, Panther Cheer Snowflake, Panther Cheer Marti Parti, Harry Jerome Indoor Track Meet, Wheelchair Rugby Vancouver Invitational and Judo BC Pacific Invitational. The aforementioned postponed events were rescheduled for 2022 and 2023. Corporation staff worked with sport event organizers to plan and execute on live streamed and COVID-19 safe training camps and virtual competitions.

Additionally, some of the future new events secured in Q1 by Events and Sport Hosting include: Ringette BC assessment camp, Rhythmic Gymnastics assessments, Judo BC National Tournament, Badminton BC Regional Provincials, Volleyball Canada High School Tournament and Climbing North American Cup.

Local sport organizations training in Q1 included: Greater Vancouver Canadians hockey teams, Thunderbirds hockey team, Vancouver Angels, Thunder Volleyball, Air Attack Volleyball Club, Element Volleyball Club, Wings Badminton Club, Table Tennis North, Citius Table Tennis Club, False Creek Racing Canoe Club, Thunder rowing, Asahi Baseball and Split Second Basketball. For many groups, in person training was supplemented with online virtual seminars focused on topics such as mental performance and nutrition. The option for virtual delivery of programs and services increased access to Oval offerings for those who either do not live in the lower mainland or were not able to travel.

Athletes from Field Hockey Canada, Wheelchair Rugby, Wheelchair Basketball Canada, Climbing Escalade Canada and Athletics Canada utilized the Oval's facilities and/or services during Q1 as part of their preparations for the Tokyo Olympic and Paralympic games. The Oval was also utilized by Provincial level athletes from the sports of volleyball, ice hockey, figure skating, wheelchair rugby, wheelchair athletics, table tennis, para table tennis, badminton, gymnastics, basketball and speedskating.

#### Governance

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

### Financial

For Q1, the Corporation exceeded budgeted targets. The results for the 3 months ended March 31, 2021 were budgeted at a surplus before amortization and transfers to reserves/equity of \$202,000 and the actual results were \$485,000, indicating a favorable variance of \$283,000 (please see page 4 for the Corporation's balance sheet as of March 31, 2021 and page 5 for the statement of operations). In Q1, \$241,000 was allocated to the reserves/equity.

### **Comments on the Financial Results for Q1**

#### Revenues

The Q1 portion of the estimated 2021 Games Operating Trust Fund ("GOT") distribution of \$931,000 was recognized as revenue. Memberships, admissions and programs revenue was \$1,126,000 in Q1 and other revenue of \$297,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue. Overall, revenue was \$163,000 favorable to budget.

#### Expenses

Memberships, admissions and program services costs for Q1 2021 were \$1,104,000, facility operations costs were \$953,000, marketing expenses were \$95,000, and administration and finance expenses were \$634,000. Overall, expenditures were \$131,000 favorable to budget.



Rick Dusanj, CPA, CA  
Director, Finance  
778-296-1431

**RICHMOND OLYMPIC OVAL CORPORATION****Balance sheet****As at March 31, 2021**

Unaudited, prepared by management

		Mar 31, 2021
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	\$	2,187,946
Investments		12,620,889
Inventory		158,125
Accounts receivable		396,473
		<u>16,294,683</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities		1,828,863
Deferred revenue		8,331,538
Rental deposits		7,373
		<u>10,167,773</u>
Net financial assets		6,126,910
<b>Non-Financial Assets</b>		
Tangible capital assets		12,037,209
Prepaid expenses and other deposits		542,956
		<u>12,580,164</u>
Accumulated Surplus (Note 1)	\$	18,707,074

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

Investment in capital assets	8,454,509
Reserves/Provisions	9,403,440
Common Shares	1
Surplus	849,125
	<u>18,707,074</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 \$2.10M 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.

# **RICHLAND OLYMPIC OVAL CORPORATION**

## **Statement of Operations**

**For the quarter ended March 31, 2021**

**Unaudited, prepared by management**

	QTR 1 2021				QTR 1 2020				2021 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	
<b>REVENUES</b>									
2010 Games Operating Trust Fund	931,250	931,250	-	0%	725,000	739,045	14,045	2%	3,725,000
Contribution from City of Richmond	917,471	917,471	-	0%	899,481	899,481	-	0%	3,669,885
Memberships, admissions and programs	972,452	1,125,546	153,094	16%	2,358,386	1,970,127	(388,259)	-16%	4,294,411
Other	287,643	297,226	9,583	3%	500,783	531,794	31,011	6%	1,320,973
	3,108,816	3,271,493	162,677	5%	4,483,650	4,140,447	(343,203)	-8%	13,010,269
<b>EXPENSES</b>									
Memberships, admissions and program services	1,126,750	1,103,757	22,993	2%	1,534,615	1,487,278	47,337	3%	4,860,783
Facility Operations	958,451	952,951	5,500	1%	1,180,382	1,109,963	70,419	6%	4,205,075
Marketing	107,008	95,499	11,509	11%	175,794	165,887	9,907	6%	527,951
Admin/Finance	714,161	633,986	80,175	11%	823,093	769,703	53,390	6%	3,250,600
Amortization	442,016	431,252	10,764	2%	500,000	399,883	100,117	20%	2,000,000
	3,348,386	3,217,445	130,941	4%	4,213,884	3,932,713	281,171	7%	14,844,409
<b>96</b>									
<b>Net Income/(Loss) (Note 1)</b>	(239,570)	54,048	293,618	123%	269,766	207,733	(62,033)	-23%	(1,834,140)

Note 1 - In Q1, \$0.24M was transferred into reserves/equity mainly for future capital programs. The total transfers vary from quarter to quarter and will be finalized by the Capital Works Committee in accordance with the operating agreement. The Oval Corporation's capital program, which is primarily funded from the Capital Reserves, has averaged \$2.10M annually over the past 5 years.

Numbers may be off due to rounding.