



City of Richmond

Report to Council

To: Finance Committee **Date:** May 6, 2024
From: Mike Ching **File:** 03-0975-01/2024-Vol
 Director, Finance 01
Re: **Active Capital Projects Financial Update – 1st Quarter March 31, 2024**

Staff Recommendation

That the staff report titled, “Active Capital Projects Financial Update – 1st Quarter March 31, 2024”, dated May 6, 2024 from the Director, Finance, be received for information.

Mike Ching, CPA, CMA
 Director, Finance
 (604-276-4137)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	Real Estate Services <input checked="" type="checkbox"/>
Community Bylaws	<input checked="" type="checkbox"/>	Recreation and Sport Services <input checked="" type="checkbox"/>
Engineering	<input checked="" type="checkbox"/>	Sustainability & District Energy <input checked="" type="checkbox"/>
Facilities & Project Development	<input checked="" type="checkbox"/>	Transportation <input checked="" type="checkbox"/>
Fire Rescue	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
Public Works	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The Active Capital Projects Financial Update for the 1st Quarter ended March 31, 2024 is provided to the Finance Committee for information.

This report supports Council’s Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

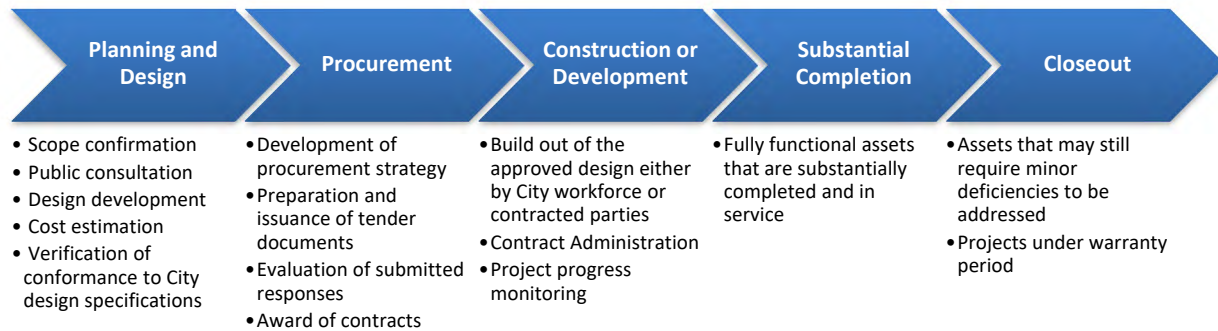
4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Analysis

ACTIVE CAPITAL PROJECT DEFINITION

Active capital projects represent construction, non-construction and acquisition (e.g. equipment and land) capital projects previously approved by Council. A capital project is considered active for the purpose of this report if the project falls within one of the following stages as illustrated in Figure 1.

Figure 1 – Capital Project Completion Stages



Capital projects include amounts set aside for land acquisition where Council approval is required for each specific land acquisition transaction.

FINANCIAL OVERVIEW

The unaudited actual capital expenditures are reported on a cash basis, as such there could be a timing difference between the actual costs incurred and the actual costs reported.

As at March 31, 2024, the approved budget of all active capital projects excluding contingent external contribution project was \$1,037.7M, of which \$497.5M, including life-to-date actual expenditures and open commitments, or 47.9 per cent, had already spent and committed. Any unspent budget of active capital projects will remain allocated to the project until project closure.

Figures 2 to 4 highlight the capital financial information by capital program and plan year. Attachment 1 provides highlights of key active capital projects.

Figure 2: Capital Financial Information by Capital Program

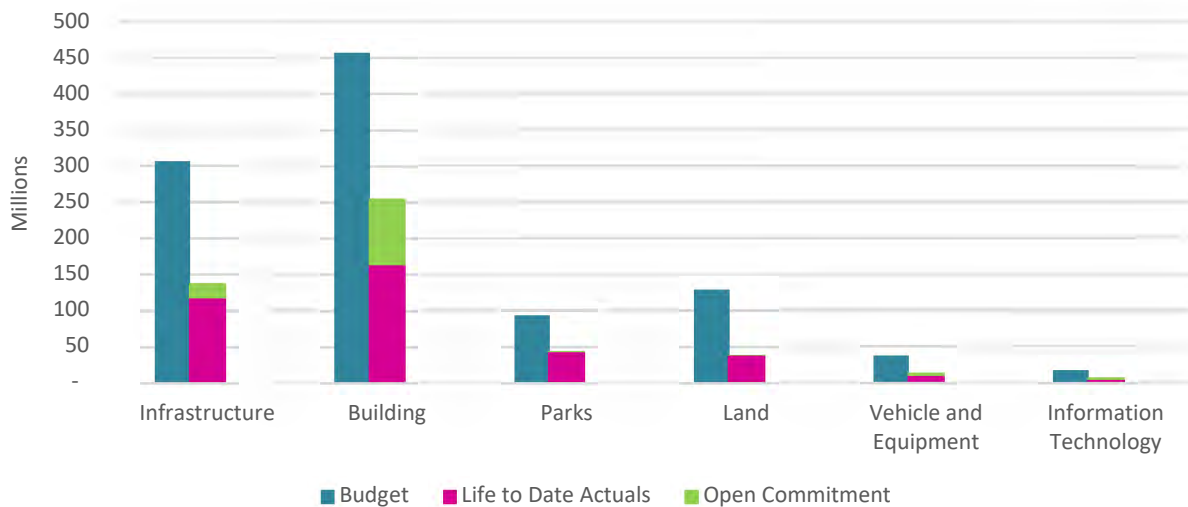


Figure 3: Current Year Actuals by Capital Program

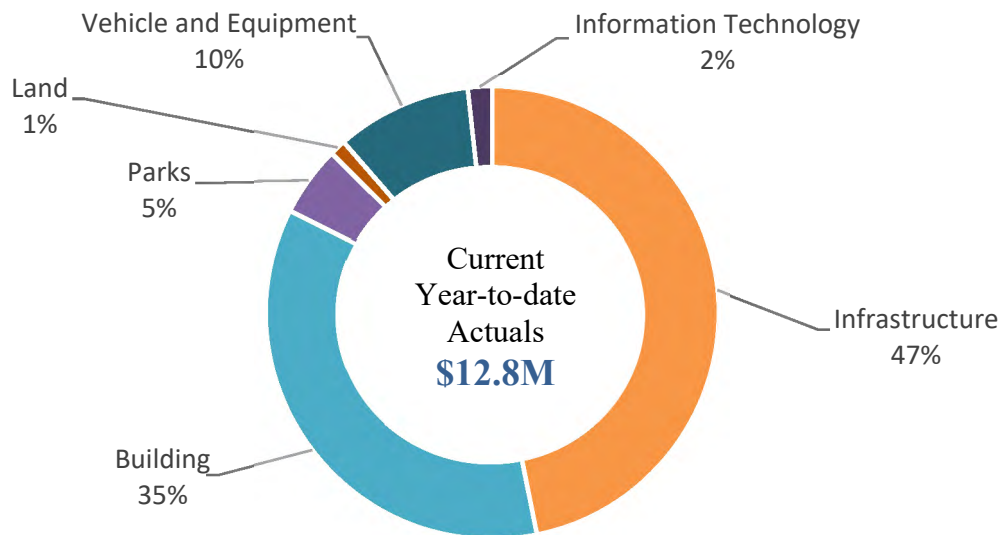
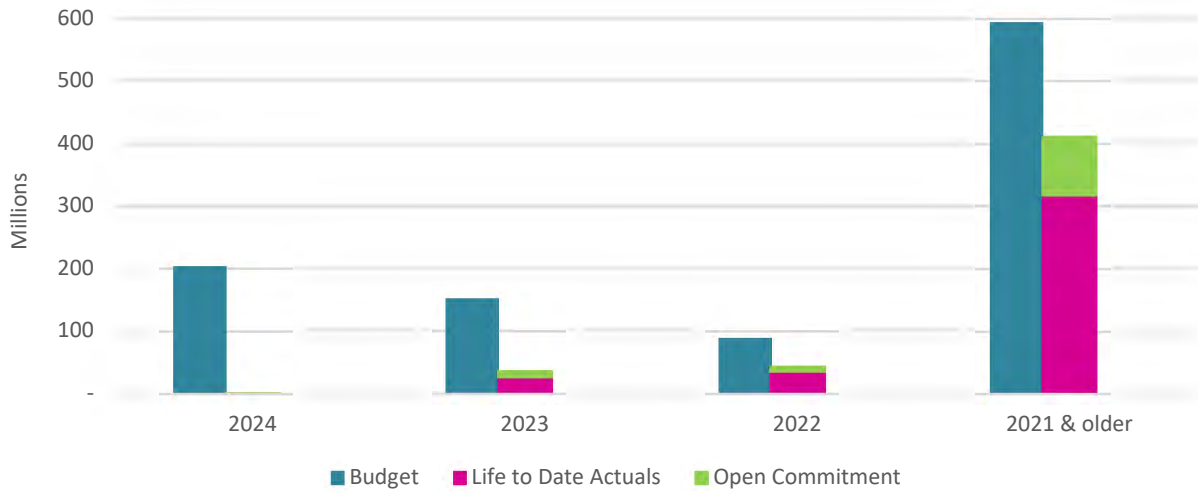
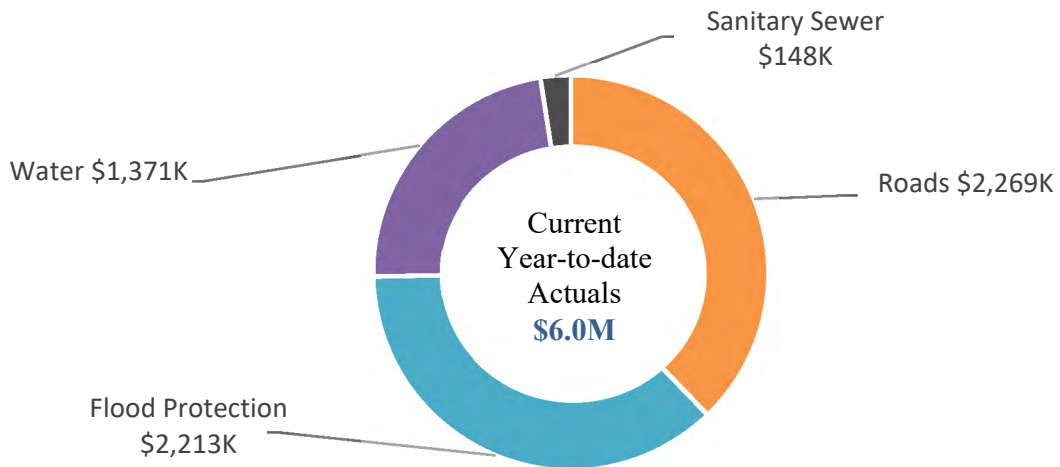


Figure 4: Capital Financial Information by Plan Year



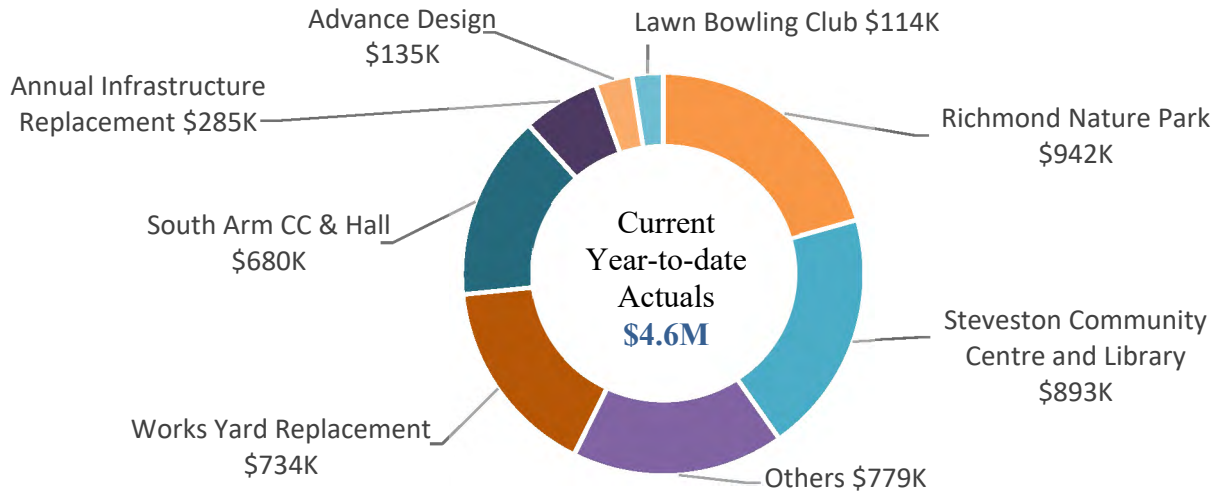
CAPITAL FINANCIAL INFORMATION BY CAPITAL PROGRAM

Infrastructure Program



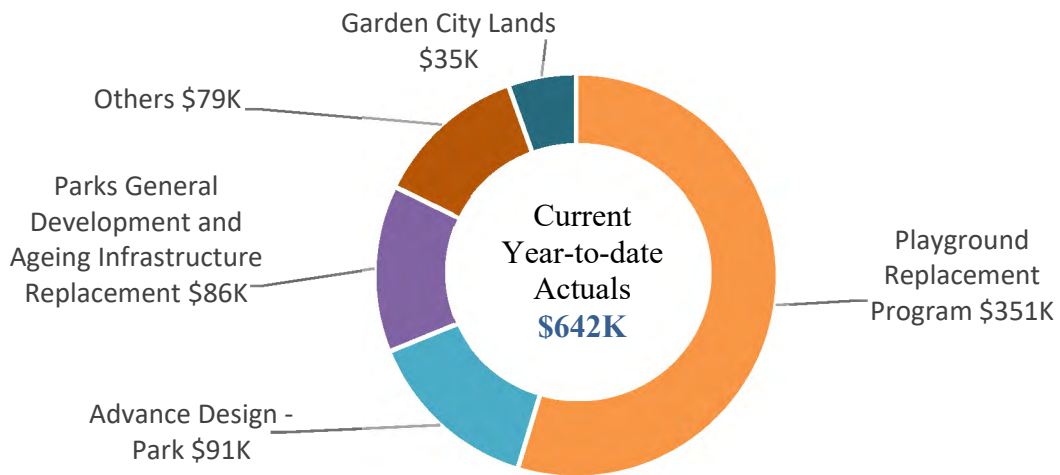
- Current year-to-date actual expenditures for Infrastructure were \$6.0M, where \$1.0M was for Burkeville Utility Improvements and \$0.7M was for Watermain Replacement Upgrades Program.
- Open commitment as of March 31, 2024 is \$20.8M.
- Key projects expected to be in service in 2024 are:
 1. Burkeville Utility Improvements – Phase 6
 2. Cambie Road/No. 5 Road - Intersection Improvements
 3. Steveston Highway Multi-Use Pathway, Shell Road to Mortfield Gate & Mortfield Gate to No. 2 Road

Building Program



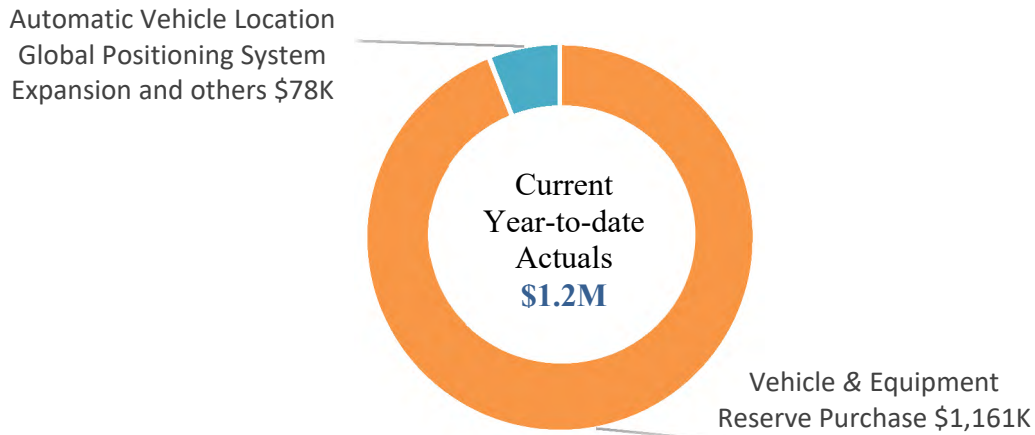
- Current year-to-date actual expenditures for Building were \$4.6M.
- Open commitment as of March 31, 2024 is \$91.6M.
- Key projects expected to be in service in 2024 are:
 1. Richmond Nature Park Infrastructure Renewals
 2. South Arm Community Centre

Parks Program



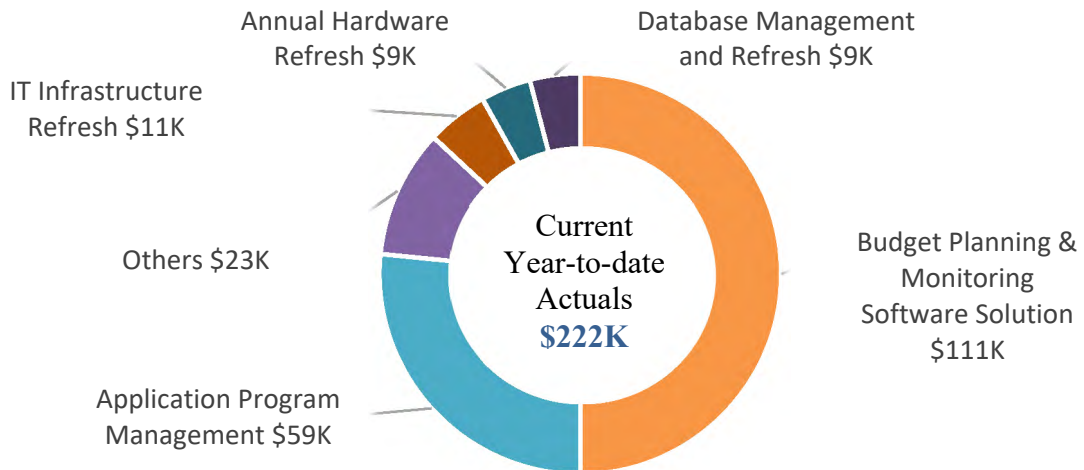
- Current year-to-date actual expenditures for Building were \$642K.
- Open commitment as of March 31, 2024 is \$1.4M.
- Key projects estimated to be in service in 2024 include the following:
 1. Playground Replacement Program (2023)
 2. City-Wide Community Gardens (2023)

Vehicle and Equipment Program



- Current year-to-date actual expenditures for Vehicle and Equipment were \$1.2M.
- Open commitment as of March 31, 2024 is \$3.1M.
- Key project estimated to be in service in 2024 includes the following:
 1. Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet) (2021)

Information Technology Program



- Current year-to-date actual expenditures for Information Technology were \$222K.
- Open commitment as of March 31, 2024 is \$3.0M.

CAPITAL BUDGET REALLOCATION

As at March 31, 2024, \$2.8M was reallocated from Contingent External Contributions to the following capital projects as outlined in Table 1 below:

Table 1: Budget Reallocation (in \$'000s)

Grant Program	Project Name	Amount
Disaster Risk Reduction-Climate Adaptation 2023/2024	Dike Rehabilitation (2024)	\$2,500
Canada Community Revitalization Fund	London Heritage Farm Master Plan Phase 1 (2022)	160
Disaster Risk Reduction-Climate Adaptation 2023/2024	Nature Based Floor Protection Solutions Assessment (2024)	150
Total Budget Reallocation		\$2,810

CAPITAL PROJECTS CLOSED IN THE QUARTER

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

Table 2: Projects Closed in the Quarter Ended March 31, 2024 (in \$'000s)

Project Name	Plan Year	Budget	Actuals	Remaining Budget
London Heritage Farm Master Plan Phase 1	2022	\$772	\$765	\$7
Terra Nova Washroom Septic System	2022	250	145	105
Total		\$1,022	\$910	\$112

CONTRIBUTED ASSETS

Throughout the year, developers and third parties contribute assets to the City. Under the Public Sector Accounting Standards, these are recorded as revenue at fair market value at the time of contribution and is reflected in the financial statements in the annual surplus, and a corresponding increase to investment in tangible capital assets in accumulated surplus. These contributed assets are non-cash contributions and have no impact on the net operating surplus. As of March 31, 2024, \$3.3M of contributed assets were recorded.

Financial Impact

None.

Conclusion

This report provides financial information on active capital projects that were previously approved by Council.



Jenny Ho, CPA, CGA
Manager, Tangible Capital Assets
(604-276-4223)

JH:sx

Att. 1: Highlights of Key Active Capital Projects

Highlights of Key Active Capital Projects

Infrastructure Program

Roads

Active Transportation Improvement Program (2022)

Budget: \$750K^a

Expected Completion Date: Q2 2025

As part of the City's Active Transportation Program, upcoming upgrades include the installation of a special crosswalk and widening of the existing sidewalk along Francis Road between McCutcheon Place and Schaeffer Gate to improve the Midtown Neighbourhood Bike Route, and improvements to the existing Multi-Use Pathway on Garden City Road from Williams Road to Francis Road.

Annual Asphalt Re-Paving Program (2024)

Budget: \$8.3M

Expected Completion Date: Q4 2024

This program upgrades the City's Major Road Network and Non-Major Road Network as part of the City's Infrastructure Replacement Strategy and Pavement Management System. The 2024 work was awarded in Q1 of 2024 and will include the use of reclaimed asphalt pavement (RAP) at various locations that will be completed throughout the year.

Cambie Road and No. 5 Road Intersection Improvements

Budget: \$2.8M^b

Expected Completion Date: Q4 2024

This project will provide dedicated left-turn lanes on all four legs of the intersection. A 3.1 metre wide paved multi-use pathway (MUP) will be constructed along the north side of Cambie Road at the intersection to enhance safety of road users.

^a Active Transportation Improvement Program (2022)'s budget amount will increase to \$1.5 million pending Council approval of staff report "Cambie Road and No. 5 Road Intersection Upgrade, No. 2 Road Multi-Use Pathway and Active Transportation Improvement Program 2022 – Project Update" dated April 24, 2024.

^b Cambie Road and No. 5 Road- Intersection Improvements (2020)'s budget amount will increase to \$3.5 million pending Council approval of staff report "Cambie Road and No. 5 Road Intersection Upgrade, No. 2 Road Multi-Use Pathway and Active Transportation Improvement Program 2022 – Project Update" dated April 24, 2024.

No. 2 Road Multi-Use Pathway – Steveston Highway to Williams RoadBudget: \$2.6M^c

Expected Completion Date: Q4 2024

This project includes the provision of a 2.7 metre wide paved MUP along the east side of No. 2 Road from Steveston Highway to Williams Road, along with the installation of new curbing, boulevard space, and street and path lighting upgrades.

Steveston Highway Multi-Use Pathway - Phases 1 & 2: Shell Road to Mortfield Gate & Mortfield Gate to No. 2 Road

Budget: \$11.5M

Expected Completion Date: Q4 2024

This project includes the provision of a 3.0 meter wide paved MUP along the south side of Steveston Highway from Shell Road to Mortfield Gate (Phase 1) and Mortfield Gate to No. 2 Road (Phase 2), along with the installation of new curbing, boulevard space, and street and path lighting upgrades.

Flood ProtectionBurkeville Utility Improvements (2024)

Budget: \$4.0M

Expected Completion Date: Q4 2024

This project consists of upgrading the drainage network, sanitary sewers and watermains in the Burkeville area, and will reduce local flood risks by increasing the City's storm system capacity. The phasing construction schedule is designed to prioritize servicing concerns and reduce impacts to the community, with Phase 6 starting in Q2 2024.

Canal Stabilization and Drainage and Irrigation Upgrades (2023, 2024)

Budget: \$6.0M

Expected Completion Date: Q4 2024

The City's drainage infrastructure network routinely goes through condition assessments, where canals and ditches are identified as a priority location for bank stabilization. The City has identified priority locations and the scope of work will include the design and construction of canal stabilization works for Sidaway Road from Blundell Road to Westminster Highway.

^c No 2 Road Multi-Use Pathway, Steveston Highway to Williams Road (2021)'s budget amount will increase to \$3.1 million pending Council approval of staff report "Cambie Road and No. 5 Road Intersection Upgrade, No. 2 Road Multi-Use Pathway and Active Transportation Improvement Program 2022 – Project Update" dated April 24, 2024.

Disaster Mitigation and Adaptation Fund Infrastructure Upgrades

Budget: \$25.2M

Expected Completion Date: Q4 2026

The City secured \$13.8 million from the Federal Government through the Disaster Mitigation and Adaptation Fund Grant to contribute towards the Flood Protection Program. This project includes the upgrades of various drainage pump station and diking upgrades, with the design of the North Dike Upgrades between No. 2 Road and Lynas Lane and the No. 6 Road South and No. 9 Road Drainage Pump Stations currently underway.

Invasive Species Management (2024)

Budget: \$200K

Expected Completion Date: Q3 2026

To reduce the spread of invasive species and mitigate impacts of the Richmond's flood protection system, the City has implemented an integrated management approach. Among the invasive and aggressive species targeted are parrot's feather, Chafer beetle and various knotweed species, all of which are known to adversely affect local infrastructure and biodiversity.

Laneway Drainage Upgrade (2024)

Budget: \$1.3M

Expected Completion Date: Q4 2024

In order to resolve laneway drainage issues, the City has implemented a program to install drainage systems and upgrade road structures to laneways each year. Starting construction in Q2 of 2024, this year's locations include drainage and paving improvements along the laneway east of the 10,000 block of No. 4 Road and along the laneway south of Seafield Crescent.

WaterWatermain Replacement Upgrades Program (2023, 2024)

Budget: \$10.7M

Expected Completion Date: Q4 2024

This program replaces and upsizes ageing watermains at the end of their service life in line with the City's Ageing Infrastructure Renewal Strategy. Construction includes the installation of 5,550 metres of watermain along No. 7 Road from Cambie Road to River Road, No. 2 Road from Williams Road to Steveston Highway, and throughout the Seacote neighbourhood.

Building Program

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

Steveston Community Centre and Library

Budget: \$95.0M

Expected Completion Date: Q3 2026

During a facility strategic planning process, it was identified that this ageing facility is undersized, outdated, and does not meet modern user expectations. Site preparation work for the new three-storey, 60,350 sq. ft. facility has commenced.

Works Yard Replacement Project – Phase 1

Budget: \$100.0M

Expected Completion Date: Q4 2027

The Works Yard is crucial for providing essential services, operations, emergency response and disaster recovery to the community. Throughout its completion at the current site, it will remain fully operational, serving the community during construction, including Phase 1 which involves building an administration facility, parkade, demolishing existing facilities and relocating staff.

Bowling Green Community Activity Centre

Budget: \$5.3M

Expected Completion Date: Q4 2025

Design development for a modern single-storey replacement facility is complete and includes washrooms, change areas, multipurpose room, kitchen and storage. Following the sustainable deconstruction of the outdated facility, whereby materials were salvaged for charitable donation, upcycling or recycling, civil site works are underway.

Richmond Nature Park

Budget: \$4.8M

Expected Completion Date: Q3 2024

The Richmond Nature Park is undergoing facility upgrades to enhance safety, functionality, and longevity, including replacing the septic system and renewing ageing interior components. These upgrades are vital for sustaining functionality, safety, and aesthetic appeal.

South Arm Community Centre

Budget: \$1.9M

Expected Completion Date: Q4 2024

Multiple building components within the facility will be replaced with new, energy efficient equipment and components to better service the community. The renewals will include fire alarm system replacement, flooring replacements and washroom renewals.

Parks Program

The Parks program includes the development and replacement of parks, trails, community gardens and natural areas in Richmond.

Brighthouse Park Baseball Diamond Infield Upgrade

Budget: \$520K

Expected Completion Date: Ongoing

This project proposes to upgrade the existing baseball diamond's infield from nature grass to a synthetic turf surface with drainage system improvements. Detailed design is underway through Q1 2024, with procurement for construction targeted for Q2 to Q3 2024.

City-wide Community Gardens (2023)

Budget: \$200K

Expected Completion Date: Q3 2024

Site work for a new community garden at the Hamilton Community Park was completed in Q4 2023 and will be allocated to registered urban gardeners in due course. Based on community feedback, a new community garden will be constructed at the Alexandra Neighbourhood Park for the West Cambie neighbourhood from Q2 to Q3 2024.

Garden City Lands (GCL)

Budget: \$6.2M

Expected Completion Date: Ongoing

Removal of contaminated soils at specific locations was completed in Q3 2023 while additional soil testing continues site-wide. Staff are in the process of planning the implementation of the remaining park features identified in the park development plan.

London/Steveston Neighbourhood Park

Budget: \$400K

Expected Completion Date: Q2 2024

Construction of an off-leash dog park commenced in Q2 2023 and was temporarily put on hold while the City conducted further public engagement and analysis, per direction received by Council. Upon Council's endorsement on a modified plan as a result of further community engagement, construction at the dog park has resumed and is anticipated to be completed prior to Q3 2024.

Playground Improvement and Replacement Program*Playground Replacement*

Budget: \$1.6M

Expected Completion Date: Ongoing

Construction for Heather Dolphin Neighbourhood Park and Odlinwood Neighbourhood Park were completed in Q1 2024 and open for public use. Construction is on schedule for completion at Great West Cannery Park in Q2 2024.

Steveston Community Park Playground Renewal

Budget: \$2.2M

Expected Completion Date: Q3 2025

Procurement for construction tender and award process are ongoing, and construction expected to start in Q3 2024.

Land ProgramStrategic Land Acquisition

Budget: \$128.2M

Expected Completion Date: Ongoing

Capital projects include amounts set aside for potential land acquisition as per the Council Approved Strategic Real Estate Investment Plan. Any specific land acquisition transaction will require Council approval.

Equipment Program

The Equipment program includes machinery and vehicles for Richmond Fire Rescue, Public Works (PW) and other miscellaneous equipment.

Fire Vehicle Replacement Reserve Purchases

Budget: \$11.1M

Expected Completion Date: Ongoing

The Fire Vehicle Replacement Reserve Purchases projects in Plan Year 2019 to 2024 have a combined outstanding acquisition of six front-line vehicles and five support vehicles. Staff are currently working with Purchasing on doing some market research to assist in developing the procurement plan.

Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet)

Budget: \$14.4M

Expected Completion Date: Ongoing

The 2021 to 2024 fleet vehicle and equipment replacement project involves the estimated acquisition of over 150 vehicles and equipment that have been identified for replacement. As of Q1 2024, 79 units have been completed and are now operational, 12 units are on order, and 59 units are in the evaluation process.

Information TechnologyBudget Planning & Monitoring Software Solution

Budget: \$1.8M

Expected Completion Date: Q3 2024

A modern solution is being implemented that is directly integrated to our Finance and Payroll systems that enables budget scenario planning and modelling to support creation, submission, and approvals of capital, operating and five-year budget requirements. This new system replaces a legacy, outdated system that has been in operation for over 25 years and Phase 1 is expected to complete by Q3, 2024.

Permit Optimization Project (MyPermit)

Budget: \$2.9M

Expected Completion Date: Q4 2027

MyPermit is a multi-phased initiative that will fully digitize and enable customer self-service for development and building permits. Phase 1 of the MyPermit project will streamline the permitting process for simple permit types, such as plumbing and gas trades permits and launched on November 20, 2023, through an online self-service portal option.

Workforce Management System

Budget: \$790K

Expected Completion Date: Q2 2025

The City is implementing a fully digital solution to enable the scheduling, attendance management and timekeeping functions for payroll. This will eliminate all manual and paper-based processes and greatly enhance the accuracy of data and data analytics capabilities for labour management.