



City of Richmond

Report to Council

To: Finance Committee **Date:** November 30, 2023
From: Mike Ching, CPA, CMA **File:** 03-0975-01/2023-Vol 01
 Director, Finance
Re: **Active Capital Projects Financial Update – 3rd Quarter September 30, 2023**

Staff Recommendation

That the staff report titled, “Active Capital Projects Financial Update – 3rd Quarter September 30, 2023”, dated November 30, 2023 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"/>
Facility Services & Project Development	<input checked="" type="checkbox"/>	Transportation <input checked="" type="checkbox"/>
Fire Rescue	<input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
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 3rd Quarter ended September 30, 2023 is provided to the Finance Committee for information purposes.

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

Responsible financial management and efficient use of public resources to meet the needs of the community.

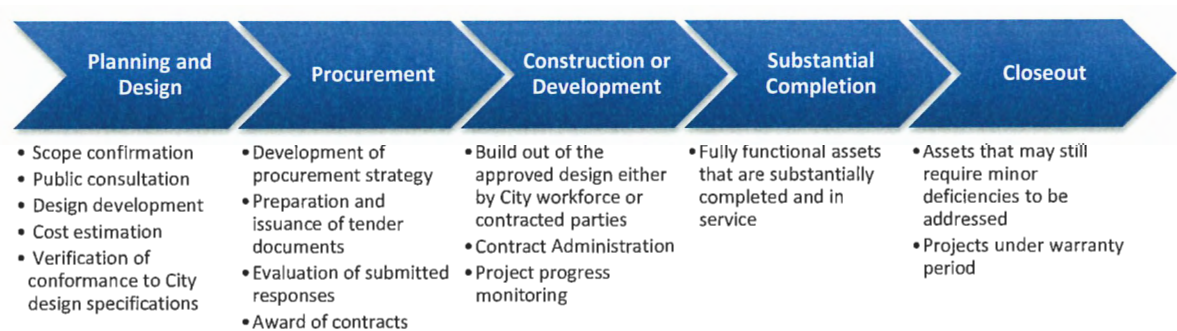
4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

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.

CAPITAL PROGRAM FINANCIALS HIGHLIGHT

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 September 30, 2023, the approved budget of all active capital projects excluding contingent external contribution project was \$847.7M, of which \$377.7M or 44.6 per cent was already spent. Any unspent budget of active capital projects will remain committed until project closure.

Table 1 summarizes the capital financial information by capital program, and Attachment 1 provides highlights of key active capital projects.

Table 1: Capital Financial Information by Capital Program (in \$'000s)

Capital Program	Budget	Total-To-Date Actuals	Current Year Year-To-Date Actuals	Expected Commitment	% of Total-To-Date Actuals
Infrastructure					
Roads	\$128,441	\$71,117	\$11,453	\$57,324	55.37%
Flood Protection	68,195	26,507	8,734	41,688	38.87%
Water	27,605	11,532	4,885	16,073	41.78%
Sanitary Sewer	38,742	12,106	2,775	26,636	31.25%
Infrastructure	262,983	121,262	27,847	141,721	46.11%
Building	331,262	152,057	15,417	177,705	45.90%
Parks	84,247	44,630	6,251	39,617	52.98%
Land	117,044	38,230	12,492	78,814	32.66%
Vehicle and Equipment					
Vehicle	24,380	10,224	2,475	14,156	41.94%
Equipment	9,509	1,725	55	7,784	18.14%
Vehicle and Equipment	33,889	11,949	2,530	21,940	35.26%
Information Technology	18,284	9,551	2,283	8,733	52.24%
Grand Total	\$847,709	\$377,679	\$66,820	\$468,530	44.55%

CURRENT YEAR CAPITAL EXPENDITURES

Infrastructure Program

Roads

Current year-to-date actual expenditures for Roads were \$11.5M, of which \$6.7M was spent on the Annual Asphalt Re-paving program. Other major actual expenditures in the current year include \$635K for the Neighbourhood Walkway Program, \$355K for the Special Crosswalk Program, and \$349K for the Citywide Sidewalk and Street Light Replacement Program. Approximately \$21.7M of the expected commitment is related to various multi-use pathway and pedestrian and cyclist facility enhancement projects.

Flood Protection

Current year-to-date actual expenditures for Flood Protection were \$8.7M, of which \$2.5M was spent on the Burkeville Utility Improvement projects, \$1.5M was spent on the Canal Stabilization and Drainage and Irrigation Upgrades projects, and \$1.2M was spent on the Laneway Drainage Upgrade projects. Approximately \$9.2M of the expected commitment is related to the Flood Protection and Dike Improvement projects, and \$7.6M is related to the Disaster Mitigation and Adaptation Fund Infrastructure Grant - Drainage Pump Station and Diking Upgrades projects.

Water

Current year-to-date actual expenditures for Water were \$4.9M, of which \$3.1M was spent on the Watermain Replacement Upgrades projects and \$1.2M spent on the Water Metering projects. Of the \$3.1M spent on the Watermain Replacement Upgrades Program, \$2.5M was spent on the Danube/Minler neighbourhood.

Sanitary Sewer

Current year-to-date actual expenditures for Sanitary Sewer were \$2.8M.

Building Program

Current year-to-date actual expenditures for Building were \$15.4M, of which \$4.7M was spent on the Richmond Ice Centre Renewals, \$1.8M on the Richmond Cultural Centre Annex, and \$1.3M on the Steveston Community Centre and Library.

Parks Program

Current year-to-date actual expenditures for Parks were \$6.3M, of which \$2.0M was spent on the Minoru Lakes Renewal projects, \$787K on the Playground Replacement Program, \$721K on the Parks General Development projects, and \$698K on the Garden City Lands projects.

Land Program

Current year-to-date actual expenditures for Land were \$12.5M. 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.

Vehicle and Equipment Program

Current year-to-date actual expenditures for Vehicle and Equipment were \$2.5M, of which \$2.0M was spent on the Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet) projects. These projects also have \$8.4M of expected commitment to support the City's Green Fleet Action Plan.

Information Technology Program

Current year-to-date actual expenditures for Information Technology were \$2.3M, of which \$571K was spent on the Annual Hardware Replacement projects, \$435K on the Implementation of Digital Strategy projects, and \$251K on the Data Centre Server projects.

CAPITAL BUDGET REALLOCATION

An estimate of \$10.0M was approved as part of the 2023 Capital Budget for external grants and contributions that are approved or received throughout the year for various projects. Spending will only incur if funding is confirmed. In Q3 2023, \$300,000 was reallocated from Contingent External Contribution to Public Works Infrastructure Advanced Design (2023) for the Union of British Columbia Municipalities (UBCM) Community Emergency Preparedness Fund: 2022/23 Disaster Risk Reduction - Climate Adaptation Grant. Council Policy 3001 requires changes to the Capital Budget be reported to the Finance Committee.

CAPITAL PROJECTS CLOSED IN THE QUARTER

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

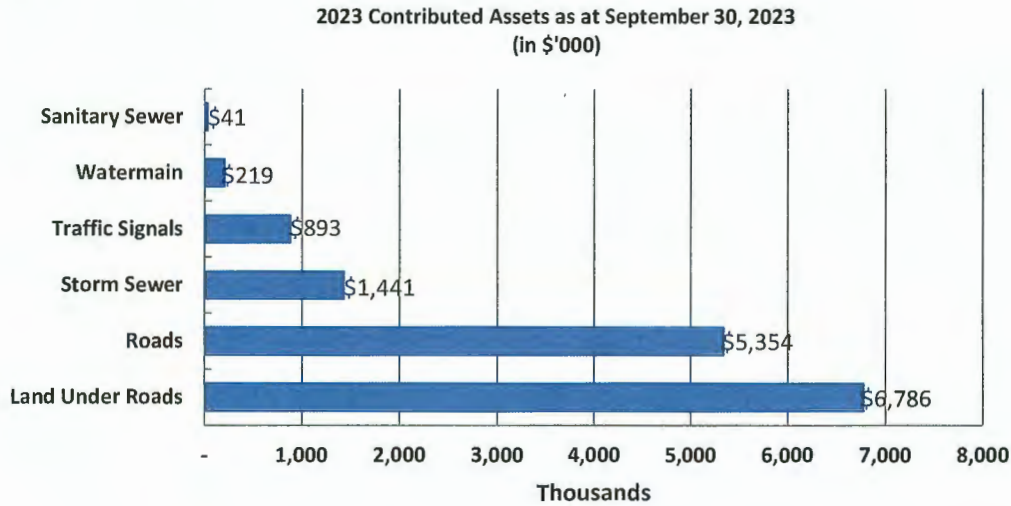
Table 2: Projects Closed in the Quarter Ended September 30, 2023 (in \$'000s)

Project Name	Plan Year	Budget	Actuals	Remaining Budget
Thompson Community Centre and Hall Infrastructure Renewals	2021	\$900	\$891	\$9
Capital Buildings Project Development Advanced Design	2020	500	500	-
Public Works Minor Capital - Drainage	2022	400	400	-
Traffic Video and Communication Program	2022	400	389	11
Watermain Tie-in and Restoration	2021	200	200	-
Total		\$2,400	\$2,380	\$20

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 September 30, 2023, \$14.7M of contributed assets were recorded as shown in Figure 2 and Table 3:

Figure 2 – Current Year-To-Date Contributed Assets as at September 30, 2023



These contributed assets were attributed from the following development applications:

Table 3: Contributed Assets by Application (in \$'000s)

Application #	Project Location	Total
DP17-797127	8131 Westminster Highway	\$5,884
RZ17-773703	6340 No. 3 Road	3,890
DP13-645286	6833 Buswell Road (previously 8151 Anderson Road)	831
RZ17-766525	8820-8900 & 8911-8931 Spires Road	674
RZ18-835532	9900 No. 3 Road & 8031 Williams Road	443
RZ10-552879	9851, 9891 / 9911 Steveston Highway & 10931 Southgate Road	442
DV16-733949	9580 Williams Road (Formerly 9580 & 9600 Williams Road and 10140 Gower Street) and 10060 Gower Street	369
ZT18-835424	13171 and a portion of 13251 Smallwood Place	364
RZ16-743741	7000-7020 Williams Road & 10060 Gilbert Road	347
RZ17-771592	10671, 10691, and 10751 Bridgeport Road	332
Not applicable	13751 and 13760 Steveston Highway	257
DP17-771214	3311 Sweden Way (formerly 12580 Vickers Way)	241
RZ17-785742	9391, 9393, and 9411 No.2 Road	184
RZ16-733904	5631, 5635, 5651, 5691, 5711, 5731 and 5751 Steveston Highway	163
RZ12-603040	3399 Corvette Way and 3311 and 3331 No. 3 Road	106
	Combined contributed assets by application less than \$100,000	207
		\$14,734

November 30, 2023

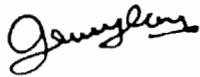
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Financial Impact

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

Expected Completion Date: Q1 2025

As part of the City's Active Transportation Program, delineators were installed along the existing bike lanes on Garden City Road between Granville Avenue and Sea Island Way in July 2023. 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.

Annual Asphalt Re-Paving Program (2023)

Budget: \$5.4M

Expected Completion Date: Q4 2023

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, which comprises of road base repairs, paving, and associated concrete works. 2023 work has included the use of over 700 tonnes of reclaimed asphalt pavement (RAP), while upcoming locations will include the 2000 block of Viking Way, from Bridgeport Rd to Vulcan Way, and the 3000 block of Jacobs Road, from Cambie Road to Bathgate Way.

Steveston Highway Multi-Use Pathway from No.2 Road to Shell Road

Budget: \$9.0M*

Expected Completion Date: Q4 2024

This project will provide a new paved multi-use pathway along the south side of Steveston Highway, from Shell Road to No. 2 Road and will include the installation of new curbing and boulevard space to provide physical separation between traffic and path users. Phased construction is underway, starting at Shell Road and working west.

Flood Protection

Burkeville Utility Improvements (2023)

Budget: \$4.1M

Expected Completion Date: Q3 2024

The first four phases are complete, and construction for phase five, in the northwest section of the neighbourhood, is underway.

* The budget amount is increased by \$2.5 million to \$11.5 million due to the adoption of the Amendments to the Consolidated 5-Year Financial Plan (2023-2027) Bylaw No.10429 on Oct 23, 2023.

Disaster Mitigation and Adaptation Fund Infrastructure Upgrades

Budget: \$15.2M

Expected Completion Date: Q4 2026

The City secured \$13.8M from the Federal Government through the Disaster Mitigation and Adaptation Fund Grant to contribute towards the Flood Protection Management Strategy. Design of the North Dike Upgrades between No. 2 Road and Lynas Lane, as well as the No. 6 Road South and No. 9 Road Drainage Pump Stations upgrades, are currently underway including planning for habitat offsetting and compensation to support future permitting.

Laneway Drainage Upgrades Program (2023)

Budget: \$1.7M

Expected Completion Date: Q4 2023

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. This year's locations include the Shell Road and Seacote Road laneways.

Invasive Species management (2022)

Budget: \$300K

Expected Completion Date: Q2 2025

To reduce the spread of invasive species and mitigate impacts on the City's flood protection system, the City has implemented an integrated management approach to minimize the impacts that aggressive invasive species, such as parrot's feather, Chafer beetle and knotweed species have on the City infrastructure and local biodiversity.

WaterWatermain Replacement Upgrades Program

Budget: \$11.8M

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 by City crews within the Danube and Minler neighbourhoods is complete, and construction in the Sealord area neighbourhood is underway.

Building Program

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

Britannia Shipyards National Historic Site

Budget: \$7.1M

Expected Completion Date: Q4 2025

Within the site are over-water and landside buildings that require exterior maintenance, structural, roofing, and cladding repairs. This project is multi-phased to minimize impact on programming, operations, and service levels and proposes additional mitigations to improve habitat for species at risk in the area.

Richmond Cultural Centre Annex

Budget: \$3.3M

Expected Completion Date: Q4 2023

The Richmond Cultural Centre Annex (RCCA) project achieved occupancy on Friday, September 15, 2023. Staff are working through construction deficiencies and preparing the facility for public use, including moving in furniture, finalization of safety procedures, and training staff.

Richmond Curling Club

Budget: \$2.0M

Expected Completion Date: Q4 2025

The Richmond Curling Club requires significant repairs to the building envelope to stop current water ingress and prevent future water damage. Additionally, several critical pieces of mechanical equipment were replaced with higher efficiency units to ensure the health and safety of all occupants and visitors.

Richmond Ice Centre

Budget: \$13.7M

Expected Completion Date: Q4 2024

This project is multi-phased to minimize impact on programming, operations and service levels. The Gardens and Forum ice rink floors were renewed, and ageing mechanical equipment will be replaced with more efficient alternatives to minimize unplanned maintenance and improve the visitor experience.

Steveston Community Centre and Library

Budget: \$95.0M

Expected Completion Date: Q1 2026

Following approval of the building's form and character, design development is progressing for this priority Major Facility Phase 2 project. Enabling works for site preparation of the new three-storey, 60,350 sq. ft. facility has commenced.

Parks Program

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

City-wide Community Gardens

Budget: \$200K

Expected Completion Date: Q4 2024

Construction for Hamilton Community Garden is underway and anticipated to be completed in Q4 2023. Based on feedback received from the local community, further studies are underway to determine the final location in the West Cambie neighbourhood.

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 is temporarily on hold while the City conducts further public engagement and analysis, per direction received by Council. Staff will report back to Council with the results and a recommendation in Q1 2024.

Playground Improvement and Replacement Program*Playground Replacement*

Budget: \$1.5M

Expected Completion Date: Ongoing

Site surveys, public engagement and procurement for Great Cannery West, Odlinwood, and Heather-Dolphin Parks were completed. Construction is on schedule for completion between Q4 2023 and Q2 2024, pending on weather condition.

Steveston Community Park Playground Renewal

Budget: \$2.2M

Expected Completion Date: Q4 2025

Detailed design is underway, with construction tender and award process expected to take place in Q1 2024, and construction is expected to start in Q3 2024.

Land Program**Strategic Land Acquisition**

Budget: \$117.0M

Expected Completion Date: Ongoing

Capital projects include amounts set aside for potential land acquisition as per 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.

Bylaws License Plate Recognition (LPR) System

Budget: \$208K

Expected Completion Date: Q4 2023

The License Plate Recognition project under the Parking Department is near completion. The project is in its final stage and is expected to be fully operational by Q4 2023.

Fire Vehicle Replacement Reserve Purchases

Budget: \$9.6M

Expected Completion Date: Ongoing

The Fire Vehicle and Equipment Reserve Purchases projects in Plan Year 2019 to 2023 have a combined outstanding acquisition of five front-line vehicles and five support vehicles. Staff are currently finalizing the required specifications for the fire trucks before the procurement process begins.

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

Budget: \$14.0M

Expected Completion Date: Ongoing

The 2020 to 2023 fleet vehicle and equipment replacement project involves the estimated acquisition of over 181 vehicles and equipment that have been identified for replacement. As of Q3 2023, 79 units have been completed, 33 units are on order, and 69 units are in the evaluation process.

Information Technology**Budget Planning & Monitoring Software Solution**

Budget: \$1.8M

Expected Completion Date: Q2 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.

Permit Optimization Project (MyPermit)

Budget: \$740K

Expected Completion Date: Q4 2023

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 is scheduled to launch on November 20, 2023, through an online self-service portal option.

Workforce Management System

Budget: \$790K

Expected Completion Date: Q2 2024

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.