



FINANCIAL MANAGEMENT COMMITTEE

NOTICE OF OPEN MEETING

DATE: THURSDAY, 2015 NOVEMBER 26

TIME: 5:30 PM

PLACE: Council Committee Room, Burnaby City Hall

A G E N D A

1.	<u>CALL TO ORDER</u>	<u>PAGE</u>
2.	<u>MINUTES</u>	
a)	Minutes of the Open meeting of the Financial Management Committee held on 2015 November 16	1
3.	<u>CORRESPONDENCE</u>	
a)	Memorandum from Chief Information Officer Re: SAP Software Annual Support and Maintenance Agreement Renewal	5
4.	<u>REPORTS</u>	
a)	Report from the Director Finance Re: 2016-2020 Provisional Financial Plan	7
b)	Report from the Director Finance Re: Credit Card Merchant Fees	8
c)	Report from the Director Finance Re: Employee Transit Incentive Program	10
d)	Report from the Director Finance Re: Renewal of City Fleet Insurance	14
e)	Report from the Director Engineering Re: 2016 Capital Infrastructure Bylaw Funding Request - Water PRV and Watermain Renewals	15

- | | | |
|----|--|----|
| f) | Report from the Major Civic Building Project Coordination Committee
Re: Deer Lake Centre / West Building Interior Renovations | 17 |
|----|--|----|

5. **NEW BUSINESS**

6. **INQUIRIES**

7. **CLOSED**

Public excluded according to Sections 90 and 92 of the Community Charter

8. **ADJOURNMENT**



FINANCIAL MANAGEMENT COMMITTEE MINUTES

Monday, 2015 November 16

An 'Open' meeting of the Financial Management Committee was held in the Council Committee Room, Burnaby City Hall, 4949 Canada Way, Burnaby, B.C. on Monday, 2015 November 16 at 5:00 p.m.

1. CALL TO ORDER

PRESENT: Councillor Colleen Jordan, Vice Chair
Councillor Paul McDonell, Member

ABSENT: Councillor Dan Johnston, Chair

STAFF: Ms. Denise Jorgenson, Director Finance
Mr. Leon Gous, Director Engineering
Mr. Richard Rowley, Assistant Director Finance – Revenue Services
Ms. Blanka Zeinabova, Administrative Officer

The Chair called the 'Open' meeting to order at 5:25 p.m.

2. MINUTES

a) **Minutes of the 'Open' meeting of the Financial Management Committee held on 2015 October 22**

MOVED BY COUNCILLOR P. MCDONELL
SECONDED BY COUNCILLOR C. JORDAN

THAT the minutes of the 'Open' meeting of the Financial Management Committee held on 2015 October 22 be adopted.

CARRIED UNANIMOUSLY

3. REPORTS

MOVED BY COUNCILLOR P. MCDONELL
SECONDED BY COUNCILLOR C. JORDAN

THAT the reports be received.

CARRIED UNANIMOUSLY

a) Report from the Director Finance
Re: 2016 Waterworks Utility Rates

The Director Finance submitted a report seeking approval for a 2% increase to the 2016 Waterworks Utility rates.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council approve the amendment of the Burnaby Waterworks Regulation Bylaw to provide for the water rates contained in Schedule C, as outlined in Section 3.0 of this report, and Bylaw amendments, as outlined in Section 4.0 of this report, effective 2016 January 01.

MOVED BY COUNCILLOR P. MCDONELL
SECONDED BY COUNCILLOR C. JORDAN

THAT the recommendation of the Director Finance be adopted.

- AMENDED

MOVED BY COUNCILLOR P. MCDONELL
SECONDED BY COUNCILLOR C. JORDAN

THAT the foregoing motion be **AMENDED** to delete Subsection 1 entitled "Section 15(1), (B) and (C)" under Section 4.0 – Bylaw Revisions from the Director Finance's recommendation to provide staff with more time to review metered services.

CARRIED UNANIMOUSLY

The main motion, AS AMENDED, was then put and CARRIED UNANIMOUSLY.

b) Report from the Director Finance
Re: 2016 Sanitary Sewer Rates

The Director Finance submitted a report seeking approval for a 1.5% increase to the 2016 Sanitary Sewer rates.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council approve the amendment of the Burnaby Sewer Parcel Tax Bylaw 1994, and the Burnaby Sewer Charge Bylaw 1961, to reflect the 2016 rates found in Schedule C and the Bylaw amendments, as outlined in Section 4.0 in this report, effective 2016 January 01.

MOVED BY COUNCILLOR P. MCDONELL
SECONDED BY COUNCILLOR C. JORDAN

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

4. **NEW BUSINESS**

There were no items of new business brought before the Committee at this time.

5. **INQUIRIES**

There were no inquiries brought before the Committee at this time.

6. **CLOSED**

Public excluded according to Sections 90 & 92 of the Community Charter

MOVED BY COUNCILLOR P. MCDONELL
SECONDED BY COUNCILLOR C. JORDAN

THAT this meeting do now recess.

CARRIED UNANIMOUSLY

The meeting recessed at 5:28 p.m.

MOVED BY COUNCILLOR P. MCDONELL
SECONDED BY COUNCILLOR C. JORDAN

THAT the 'Open' Committee meeting do now reconvene.

CARRIED UNANIMOUSLY

The meeting reconvened at 5:29 p.m.

7. **ADJOURNMENT**

MOVED BY COUNCILLOR P. MCDONELL
SECONDED BY COUNCILLOR C. JORDAN

THAT the 'Open' Committee meeting do now adjourn.

CARRIED UNANIMOUSLY

The 'Open' meeting adjourned at 5:29 p.m.

Blanka Zeinabova
ADMINISTRATIVE OFFICER

Councillor Colleen Jordan
VICE CHAIR

DRAFT



MEMORANDUM OF INFORMATION

TO: CHAIR AND MEMBERS **DATE:** 2015 November 18
FINANCIAL MANAGEMENT COMMITTEE

FROM: CHIEF INFORMATION OFFICER **FILE:**

**SUBJECT: SAP SOFTWARE ANNUAL SUPPORT AND MAINTENANCE
AGREEMENT RENEWAL**

PURPOSE: To provide a status update regarding the annual SAP Software and Enterprise Maintenance Support contract.

In 2005, the City purchased an Enterprise Resource Planning (ERP) system from SAP Canada Inc. This ERP platform includes an extensive footprint of various modules across several key business operations including financials, payroll, human resources, purchasing, inventory, etc. At the time of purchase, the City also negotiated a 10-year software and maintenance support agreement which expired earlier this year. The annual maintenance provisions include the following services:

- New releases of the licensed software, tools and procedures for upgrades (including legal and regulatory changes for payroll and etc.)
- Remote support services and global 24/7 support to maintain and optimize SAP operations
- New product development to address solution lifecycle management
- Support for City staff during the process of implementing new SAP functionality as they continue to leverage the SAP platform.

A Notice of Intent was posted on BC Bid on 2015 Nov 13 outlining the reasons the City wishes to extend its existing enterprise software support contract with SAP Canada Inc. for a period of seven years from June 2015 to May 2022. These reasons include:

- SAP software supports the City's core business processes; it is essential that this software is fully maintained and regularly updated to ensure continuous operations in an effective and efficient manner
- The vendor has unique knowledge and has demonstrated experience with the development, implementation and support of the City's ERP platform, having provided these services to the City for the past 10 years.
- The City continues to develop and evolve its SAP platform (e.g., as replacement software for aging legacy systems) to fully leverage the City's initial investment; vendor support during the course of these projects reduces risk and ensures effective delivery.

*Memorandum of Information
SAP Software Annual Support and Maintenance Agreement Renewal*

Once the posting period for the Notice of Intent is closed, the City will review any further submissions and will proceed with a contract award recommendation to Council for approval.

City staff has worked diligently with SAP to negotiate a framework for the next several years, with stepped increments to bring the City in line with industry standard for annual support and maintenance contracts, while minimizing annual increases. This is largely a continuation of the existing agreement with SAP, with a total increase of 5% over the seven year term which is consistent with industry standards and annual Consumer Price Index increases. The increase applies only to SAP software licensed prior to July 2008. All software purchased since then has been licensed at the prevailing increased rates. The annual amount for the first year of the contract is \$614,432 which represents an increase of 1.36% over the prior year. The total value of the contract over the seven year term is \$4,639,960 (including applicable taxes), with a total increase of 5% over the 2015 cost by 2021.

It is anticipated that a contract recommendation will be brought forward to Council in December 2015.



Shari Wallace,
Chief Information Officer.

Copied to: City Manager
Deputy City Managers
Director Finance
Purchasing Manager



Meeting 2015 Nov 26

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2015 November 19

FROM: DIRECTOR FINANCE

FILE: 6500-40
Reference: Provisional Budget

SUBJECT: 2016 – 2020 PROVISIONAL FINANCIAL PLAN

PURPOSE: To provide the 2016 – 2020 Provisional Financial Plan.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council receive the 2016 – 2020 Provisional Financial Plan.

REPORT

The purpose of the 2016 – 2020 Provisional Financial Plan presents Council's financial direction for the City over the next five years. Burnaby Council is committed to financial, social and environmental sustainability. To achieve these goals the Plan focuses on community safety with the provision for police and fire services, upgrading of roads, water and sewer infrastructure, and funding to ensure Burnaby parks and recreation facilities meet the needs of citizen. In addition, the Plan recognizes the importance to Burnaby citizens of ongoing maintenance and replacement of existing City facilities.

The 2016 – 2020 Provisional Financial Plan is an *interim document* that is used to provide a basis for public consultation under Section 166 of the Community Charter. To ensure the City's priorities reflect those of Burnaby citizens, an advertisement will be placed in the local paper at the end of January 2016 requesting Burnaby citizens provide comments regarding the 2016 – 2020 Provisional Financial Plan. These comments will be considered by Council in preparation of the 2016 – 2020 Annual Financial Plan which requires adoption by 2016 May 15 and is used to set City tax levies in open Council as required under Sections 165 and 197 of the Community Charter. The 2016 Provisional Financial Plan incorporates a proposed 2.95% average residential property tax increase for 2016. This increase is required to fund operational and inflationary increases.

Denise Jorgenson
DIRECTOR FINANCE

DJ:NK/ml

Attachment: 2016 – 2020 Provisional Financial Plan

Copied to: City Manager
Members of Management Committee



Meeting 2015 Nov 26

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2015 November 18

FROM: DIRECTOR FINANCE

FILE: 6900-20

SUBJECT: CREDIT CARD MERCHANT FEES

PURPOSE: To provide for the recapture of credit card merchant fees.

RECOMMENDATIONS:

1. **THAT** Financial Management Committee recommend Council authorize staff to implement the proposed model for the recapture of credit card merchant fees as outlined in this report.
2. **THAT** Financial Management Committee recommend Council authorize staff to bring down a fee recovery bylaw related to the use of credit cards.

REPORT

In 2015 April Council authorized staff to explore the feasibility and advisability of recapturing credit card merchant fees to facilitate expanding the acceptance of credit card payments for City services. This report outlines the findings and recommendations as a result of staff's review.

1.0 BACKGROUND

Credit card usage in Canada has become the preferred option of payment for many Canadians who currently hold 76 million active credit cards. In 2014 credit card payments accounted for 50 percent of purchases in Canada valued at over a half trillion dollars.

In 2014 the City's merchant service fees for the acceptance of credit cards exceeded \$400,000, reflecting an increase in demand for online services and broader use of credit cards as a form of payment for City services. Merchant service fees are operating expenditures that impact City property taxes, and therefore the City has been slow to expand the acceptance of credit card payments for many of the City's services. Even with limited services where credit card payments are currently accepted, projections show that credit card merchant services fees will increase to \$800,000 per annum by the year 2020, more than double the City's current cost.

Discussed in this report are recommended methods for recapturing these credit card merchant fees. The recommendations are based on the nature of City services being purchased and the

To: Financial Management Committee
 From: Director Finance
 Re: Credit Card Merchant Fee
 2015 November 18..... Page 2

City's current business applications. By introducing various fees for credit card usage by bill type, merchant services fees can be recovered in a practical and direct manner.

2.0 COST RECOVERY

Review of the use of credit cards for payment of City services identified three methods the City can deploy for the recovery of merchant credit card fees. Each would be based on the nature of the business being conducted and considers the cost implications, the demand by constituents, and the competitive nature of the service offering. The proposed model includes built-in fees and added credit card merchant fees as follows:

- a fee charge included in the cost of service being purchased
- a fee add-on at the time of the payment (requires a City bylaw)
- a fee paid by the purchaser to a third party who collects payment on behalf of the City at no charge to the City

With the bylaw in place, Treasury Services staff will work with City departments to implement credit card fee recovery measures through one of the noted methods. This will allow the City to work towards a full cost recovery for credit card payments in the future and facilitate the use of credit cards for payment of City services.

3.0 RECOMMENDATION

Given the diverse business services provided by the City, three methods of credit card merchant fee recovery are proposed in this report. These methods will reduce City merchant fee costs and facilitate the expansion of credit card use in the City, providing greater convenience for many of our citizens.

It is recommended that the Finance Management Committee recommend Council authorize staff to implement the proposed model for the recapture of credit card merchant fees as outlined in this report and authorize staff to bring down a fee recovery bylaw related to the use of credit cards.



Denise Jorgenson
 DIRECTOR FINANCE

DJ:DS /ml

Copied to: City Manager
 City Clerk
 Director Engineering
 Director Planning and Building
 City Solicitor



Meeting 2015 Nov 23

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2015 November 18

FROM: DIRECTOR FINANCE

FILE: 8150-20

SUBJECT: EMPLOYEE TRANSIT INCENTIVE PROGRAM

PURPOSE: To provide City employees with an opportunity to participate in a transit subsidy program.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council authorize staff to implement an Employee Transit Incentive Program effective 2016 January 01 as outlined in this report.

REPORT

The Financial Management Committee on 2015 October 22 requested staff to explore a transit subsidy program for City employees, similar to the previous Employee Transit Incentive Program.

1.0 BACKGROUND

In 1991 October, the City introduced an Employee Transit Incentive Program to encourage staff to use public transit to reduce the impact on the environment from vehicle emissions, and to free-up needed parking spaces at the City Hall.

Initially a 25% Employee Transit Incentive Program was provided to promote transit use for commuting to work. The program was for full-time employees or part-time employees who work several shifts. It was administered by the Human Resources Department.

In 2005, the City combined the Employee Transit Incentive Program with a TransLink Employer Incentive Program which provided an additional 15% discount to employees (bringing the total discount to 40%) for those who agreed to purchase a 12-month transit pass.

To: Financial Management Committee
 From: Director Finance
 Re: Employee Transit Incentive Program
 2015 November 18..... Page 2

Details of the TransLink Employer Incentive Program were as follows:

- The City was required to have at least 25 employees willing to participate in the program.
- The program was available to full-time staff who worked a minimum of three shifts per week.
- Staff had to sign up for at least 12 months.
- Translink issued a photo identification card with the 12-month transit pass.
- Staff could not stop and re-start from month to month, however, staff could quit the program if their home or work circumstances changed. Staff were required to leave the program if they were no longer employed by the City.
- TransLink invoiced the City for the 12-month pass for each staff member participating in the program, less 15%. Staff paid for their transit pass through payroll deduction, spread throughout the year.
- The 25% incentive was a taxable benefit to the employee.

On 2014 January 01, TransLink discontinued the Employer Incentive Program.

1.1 Interim Measure:

The City continued its commitment to encourage staff to use public transit through an interim strategy while awaiting further information from TransLink. Those employees who participated in the City's Employee Transit Incentive Program on 2013 December 31 were 'grandfathered' and provided the opportunity to continue to receive a 25% incentive for the purchase of a monthly transit pass until a new program was announced. At 2013 December 31, there were approximately 91 City employees who were participating in the City's Employee Transit Incentive Program. As of the date of this report, there are 23 staff still participating in the program.

2.0 NEW TRANSLINK COMPASS CARD PROGRAM

TransLink has recently released their new Compass Card Program which allows users to load the fare product of their choice including Monthly Passes (FareCard), DayPasses, and Stored Values for pay-as-you go trips. New Compass Cards cost \$6 each (the amount is refundable, if the card is returned). FareCards are not prorated when purchased at different times during the month.

A 12-month transit pass is no longer available.

The following reflects the current cost to purchase an adult Monthly FareCard.

1 Zone	2 Zone	3 Zone
\$91.00	\$124.00	\$170.00

To: Financial Management Committee
 From: Director Finance
 Re: Employee Transit Incentive Program
 2015 November 18..... Page 3

With the introduction of TransLink's Compass Card Program it is feasible to again offer a 25% Employee Transit Incentive Program, effective 2016 January 01 for all eligible employees.

The City's Employee Transit Incentive Program would be based on the following guidelines:

- Full-time and part-time staff who work a minimum of three shifts per week would be eligible to participate in the program.
- A 25% incentive would only be applicable to the purchase of a Monthly FareCard.
- Staff would agree not to transfer the Monthly FareCard to a third party for use. (Previously, Translink issued a photo identification card to be used in conjunction with the 12-month transit pass. This effectively restricted the use of the pass to the card holder. A photo identification card is no longer provided.)
- Proof of purchase of a Monthly FareCard by the employee would be provided to Human Resources; only one pass would be discounted for each month.
- Human Resources would provide a list of those staff who have purchased the Monthly FareCard to Payroll; this would include the amount paid for the FareCard and the applicable discount.
- Payroll would add a 25% incentive amount to the staff member's bi-weekly cheque as reimbursement; (the 25% discount would result in a taxable benefit to the employee).

3.0 FUNDING FOR THE EMPLOYEE TRANSIT INCENTIVE PROGRAM

The City Manager's Office has a budget provision of \$38,000 for the Employee Transit Incentive Program. The following reflects the costs related to the program over the past four years.

2012 Budget	2012 Actual	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015 Budget	2015 October	2016 Provisional Budget
\$38,000	\$25,803	\$38,000	\$26,886*	\$38,000	\$9,513	\$38,000	\$9,271*	\$38,000

** Includes the purchase of TransLink faresaver tickets of \$1,575 and \$1,625 respectively for 2012 and 2015 available to City staff who choose to use transit rather than a pool car to conduct City business.*

The cost of the program in 2012 and 2013 reflects the 25% to 40% incentive paid to staff who participated in the combined City Employee Transit Incentive Program and TransLink's Employer Incentive Program. The decrease in the cost of the program in 2014 to \$9,513 reflects the 25% incentive paid to the grandfathered staff who continued to purchase a monthly transit pass.

To: Financial Management Committee
From: Director Finance
Re: Employee Transit Incentive Program
2015 November 18..... Page 4

4.0 RECOMMENDATION

The introduction of TransLink's Compass Card Program provides an opportunity for the City to again offer an Employee Transit Incentive Program. It is recommended that Finance Management Committee recommend Council authorize an Employee Transit Incentive Program effective 2016 January 01 as outlined in this report.



Denise Jorgenson
DIRECTOR FINANCE

DJ:DS /ml

Copied to: City Manager



Meeting 2015 Nov 26

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2015 November 19

FROM: DIRECTOR FINANCE

FILE: 9900-05

SUBJECT: RENEWAL OF CITY FLEET INSURANCE

PURPOSE: To request approval for an expenditure of up to \$815,000 to renew the City Vehicle Fleet Insurance Program.

RECOMMENDATIONS:

1. **THAT** Financial Management Committee recommend Council to approve an expenditure of up to \$815,000 payable to Willis Canada to fund the City's Fleet Auto Liability, Collision, and Comprehensive insurance programs as further specified in this report.

REPORT

The City operates a vehicle fleet that is currently comprised of 607 units. Each vehicle in the fleet is required by law to have automobile liability insurance. Vehicles that are currently valued at more than \$75,000 are insured for both collision and comprehensive perils subject to a deductible of \$5,000 per accident/incident.

The City fleet insurance policy will renew on 2016 January 01 but the Insurance Corporation of British Columbia requires that fleet premiums be paid prior to issuance of a new plate decal.

The cost of maintaining the fleet insurance program is a necessary operating expense that is included in the City's 2016 Provisional Operating Budget.

Denise Jorgenson
DIRECTOR FINANCE

DJ:MF /ml

Copied to: City Manager



Item.....
Meeting.....2015 Nov 26

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2015 November 18

FROM: DIRECTOR ENGINEERING

FILE: 32000-05

SUBJECT: 2016 CAPITAL INFRASTRUCTURE BYLAW FUNDING REQUEST -
WATER PRV AND WATERMAIN RENEWALS

PURPOSE: To request approval and funding for constructions of 2016 capital infrastructure programs for water PRVs and watermains.

RECOMMENDATIONS:

1. **THAT** Council approve capital expenditures of \$700,000 for infrastructure programs as outlined in this report.
2. **THAT** Council authorize staff to fund from the Waterworks Utility Capital Fund the amount of \$732,700 (inclusive of GST) to finance the capital programs as outlined in this report.

REPORT

The 2016 – 2020 Financial Plan contains the following programs to be funded from the Waterworks Utility Capital Fund. In order to proceed with construction in a timely manner, it is necessary to have funding approval in place.

1.0 CAPITAL PROGRAMS

1.1 *Gilpin PRV & Watermain Replacement (2016 Program)*

• Gilpin PRV (EJB.0006)	\$ 350,000
• Watermain Replacement (EJA.0014)	<u>350,000</u>
	\$ 700,000

A New PRV is to be installed at Deer Lake Ave and Century Pkwy in order to meet peak hour demands and fire flows within the immediate vicinity (Central Valley Zone 442). The PRV is to be equipped with a flow meter and Scada, to monitor performance. The existing CI watermain along Deer Lake Ave is to be replaced with a 300DI watermain from Deer Lake Pkwy to Canada Way as part of the City's ongoing infrastructure renewal program.

To: Chair and Members Financial Management Committee
From: Director Engineering
Re: 2016 Capital Infrastructure Bylaw Funding Request -
Water PRV and Watermain Renewals
2015 November 18..... Page 2

This section of watermain must be installed prior to the Heron nesting season (March). The road will then be designed and re-paved as part of another 2016 project later in the year, post Heron nesting season.

These expenditures are included in the 2016 – 2020 Financial Plan and sufficient Capital Reserves are available to complete these works.

It is recommended that Council approve capital expenditures of \$700,000 for infrastructure programs as outlined in this report and authorize staff to fund from the Waterworks Utility Capital Fund the amount of \$732,700 (inclusive of GST) to finance the capital programs as outlined in this report.

A handwritten signature in blue ink, appearing to read 'L. Goss', followed by a horizontal line.

Leon A. Goss, P. Eng., MBA
DIRECTOR ENGINEERING

FV:ac

Copied to: Director Finance



Meeting 2015 Nov 26

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2015 November 18

FROM: MAJOR CIVIC BUILDING PROJECT
COORDINATION COMMITTEE

FILE: 4220 05

SUBJECT: DEER LAKE CENTRE / WEST BUILDING INTERIOR RENOVATIONS

PURPOSE: To request Bylaw funding for the Deer Lake/West Building Interior Renovations project.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council authorize staff to bring down a Capital Reserves Bylaw in the amount of \$1.4 million (inclusive of GST @ 5%) to finance the Deer Lake Centre / West Building Interior Renovations project.

REPORT**1.0 BACKGROUND**

In 1990, the City undertook a comprehensive space needs study to determine future potential office space requirements for City Hall that included both the Main Building and West Building. Approximately twenty-five (25) years later, City staff are currently preparing a Request for Proposal (RFP) to embark on a new space needs assessment to identify changes and anticipate future office space needs for the provision of City services within the City Hall campus.

The RFP will assess the current and long range space requirements at City Hall and is expected to be released in early 2016. The findings of that study will be the subject of a future report to Committee and Council.

In the interim, staff working with the Cornerstone Planning Group have been reviewing possible options to generate an accommodation strategy for several groups located in the West Building, which are experiencing a current space shortage.

The accommodation strategy was accelerated for the West Building, specifically, given the need to mitigate the current overcrowding in the Finance, Information Technology (IT), Human Resources (HR), and Purchasing Departments on a priority basis. A further objective of the review was to minimize renovation costs and disruptions to daily operations. As part of the review, several options were explored to determine service delivery, relocation costs and best fit for space within the West Building, and available office space at the Deer Lake Centre.

Arising from the review, this report presents an option which addresses space needs, and seeks expenditure approval for the relocation of a portion of the I.T. Department to Deer Lake Centre.

To: Financial Management Committee
 From: Major Civic Building Project Coordination Committee
 Re: Deer Lake Centre / West Building Interior Renovations
 2015 November 18..... Page 2

2.0 OFFICE SPACE RECONFIGURATION

After evaluating several options, it was determined that the most practical and cost effective solution involved the relocation of two major divisions of the Information Technology (I.T.) Department to available space in the Deer Lake Centre office buildings located on Canada Way north of City Hall. These divisions include I.T. Program Delivery and I.T. Business Solutions & Support plus Special Projects which currently occupies office space on both the Ground Floor and 2nd Floor of the West Building. For operational reasons and other considerations, the Infrastructure division of I.T. will remain in the Ground Floor of the West Building.

The office space that is available in Deer Lake II is comprised of vacant small office spaces which have been consolidated to create approximately 6,700 sq. ft. of net usable floor area. This area would house I.T. Program Delivery and Business Solutions & Support. A smaller 1,700 sq. ft. unit located in Deer Lake I will house Special Projects which is currently working on the new LIPS project. The space also includes a large conference room which will also be available to all City Departments for meetings and training functions.

The 6,700 sq. ft. space in Deer Lake II will accommodate sixty-four (64) City staff and other temporary staff resources. In order to accommodate these numbers, the design provides for typical 60" x 30" modular work stations in open pods to maximize and efficiently utilize the floor space available. The space will also include meeting rooms for the I.T. Operations and offices for senior managers.

Following the relocation of the I.T. divisions to Deer Lake Centre, the vacated area in the West Building will be reconfigured and re-allocated to relieve space needs for the remaining departments within the building, which include Finance, Human Resources, Purchasing, and the IT-Infrastructure division. In this regard, some preliminary design work has been undertaken to determine how the available space will best address the current space needs.

3.0 PROJECT FINANCING AND ESTIMATE

Based on the advanced design work completed to date for reconfiguration and outfitting of space in the Deer Lake Centre, the cost for this part of the project includes the following estimated expenditures:

• Construction Value (including construction contingency).....	\$ 928,000.00
• Modular Work Stations & Furniture.....	\$ 190,000.00
• IT Infrastructure/Equipment.....	\$ 110,000.00
• Design/Consultant Fees.....	\$ 75,000.00
• Misc. Project Costs.....	\$ 25,000.00
	<hr/>
	\$1,328,000.00
GST @ 5%	\$ 66,400.00
	<hr/>
ESTIMATED TOTAL PROJECT COST	\$1,394,000.00

To: Financial Management Committee
 From: Major Civic Building Project Coordination Committee
 Re: Deer Lake Centre / West Building Interior Renovations
 2015 November 18..... Page 3

The Deer Lake Centre/West Building Interior Renovation project has an allocation of \$1.4 million in the 2015 – 2019 Financial Plan and sufficient Capital Reserves are available to fund the capital project outlined in this report. A further phase of work for reconfiguration of the to be vacated space in the West Building, would be the subject of a further report.

Subject to receiving the necessary funding approval, the project can be tendered in the coming weeks for the construction and fit-out of the proposed I.T. office space in Deer Lake Centre.

4.0 CONCLUSION

The proposed project is intended to facilitate and address interim space needs that currently exist in the City Hall – West Building. To achieve this goal, it is recommended that the majority of the Information Technology Department be relocated from their current offices in the West Building into Deer Lake Centre. The vacated spaces in the West Building will be re-distributed to the remaining departments (ie: Finance, Human Resources, Purchasing, and the remaining IT- Infrastructure Division) to provide some degree of relief to their current space needs. In this regard, a preliminary design exercise has been undertaken to determine how the spaces might be reconfigured. This work, for reorganization of space made available by the relocation of I.T. divisions, along with cost estimates, will be the subject of a future report to the Committee and Council for this subsequent phase of work.

In order to proceed to tender and construction of the I.T. space in Deer Lake Centre, it will be necessary to obtain funding for the project, as outlined in this report.

It is recommended that the Financial Management Committee recommend Council authorize staff to bring down a capital Reserves Bylaw in the amount of \$1,400,000.00 (inclusive of GST at 5%) to finance the Deer Lake Center/West Building Interior Renovation Project. These expenditures are included in the 2015 – 2019 Financial Plan and sufficient Capital Reserves are available to fund the capital project outlined in this report.



Lou Pelletier
 Chair, Major Civic Building
 Project Coordination Committee



Leon Gous
 Director Engineering

JC/jw

cc: City Manager
 Director Finance
 Director Human Resources
 Chief Building Inspector

Deputy City Managers
 Chief Information Officer
 Purchasing Manager