



REVISED

FINANCIAL MANAGEMENT COMMITTEE

NOTICE OF OPEN MEETING

DATE: THURSDAY, 2016 JANUARY 28
TIME: 5:30 PM
PLACE: Council Committee Room, Burnaby City Hall

A G E N D A

	<u>PAGE</u>
1. <u>CALL TO ORDER</u>	
2. <u>MINUTES</u>	
a) Minutes of the Open meeting of the Financial Management Committee held on 2015 November 26	1
3. <u>CORRESPONDENCE</u>	
a) Correspondence from City of Langley Re: 2016 FCM Resolution - Build Canada Grant Funding	7
4. <u>REPORTS</u>	
a) Report from the Director Planning and Building Re: Gilmore Urban Trail Highway 1 Crossing	9
b) Report from the Chief Information Officer Re: 2016 Information Technology - Infrastructure Capital Program	16
c) Report from the Fire Chief Re: Station 1 Tarmac Resurfacing Funding Request	19
d) Report from the Director Finance Re: City Investments - 2015 Year End Report	21
5. <u>NEW BUSINESS</u>	
a) BC Business Profile	
6. <u>INQUIRIES</u>	

7. CLOSED

Public excluded in accordance with Sections 90 & 92 of the Community Charter

8. ADJOURNMENT



FINANCIAL MANAGEMENT COMMITTEE MINUTES

Thursday, 2015 November 26

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 Thursday, 2015 November 26 at 5:30 p.m.

1. CALL TO ORDER

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

ABSENT: Councillor Dan Johnston, Chair *(due to injury)*

STAFF: Mr. Bob Moncur, City Manager
Mr. Lambert Chu, Deputy City Manager
Mr. Lou Pelletier, Director Planning and Building
Ms. Denise Jorgenson, Director Finance
Mr. Leon Gous, Director Engineering
Ms. Shari Wallace, Chief Information Office
Mr. Doug Spindler, Assistant Director - Treasury Services
Mr. John Cusano, Deputy Chief Building Inspector
Ms. Blanka Zeinabova, Administrative Officer

The Chair called the 'Open' meeting to order at 5:30 p.m.

2. MINUTES

a) **Minutes of the 'Open' meeting of the Financial Management Committee held on 2015 November 16**

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the minutes of the 'Open' meeting of the Financial Management Committee held on 2015 November 16 be adopted.

CARRIED UNANIMOUSLY

3. CORRESPONDENCE

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the correspondence be received.

CARRIED UNANIMOUSLY

a) Memorandum from Chief Information Officer
Re: SAP Software Annual Support and Maintenance
Agreement Renewal

A memorandum was received from the Chief Information Officer providing a status update regarding the annual SAP Software and Enterprise Maintenance Support contract.

4. REPORTS

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the reports be received.

CARRIED UNANIMOUSLY

a) Report from the Director Finance
Re: 2016 - 2020 Provisional Financial Plan

The Director Finance submitted a report providing the 2016 - 2020 Provisional Financial Plan.

The Director Finance recommended:

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

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

b) Report from the Director Finance
Re: Credit Card Merchant Fees

The Director Finance submitted a report providing for the recapture of credit card merchant fees.

The Director Finance recommended:

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.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the recommendations of the Director Finance be adopted.

CARRIED UNANIMOUSLY

c) Report from the Director Finance
Re: Employee Transit Incentive Program

The Director Finance submitted a report seeking authorization to provide City employees with an opportunity to participate in a transit subsidy program.

The Director Finance recommended:

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.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

d) Report from the Director Finance
Re: Renewal of City Fleet Insurance

The Director Finance submitted a report seeking approval for an expenditure of up to \$815,000 to renew the City Vehicle Fleet Insurance Program.

The Director Finance recommended:

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.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

e) Report from the Director Engineering
Re: 2016 Capital Infrastructure Bylaw Funding Request -
Water PRV and Watermain Renewals

The Director Engineering submitted a report requesting approval and funding for constructions of 2016 capital infrastructure programs for water PRVs and watermain.

The Director Engineering recommended:

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.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the recommendations of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

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

The Major Civic Building Project Coordination Committee submitted a report seeking bylaw funding for the Deer Lake / West Building Interior Renovations project.

The Major Civic Building Project Coordination Committee recommended:

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.

MOVED BY COUNCILLOR MCDONELL

SECONDED BY COUNCILLOR JORDAN

THAT the recommendation of the Major Civic Building Project Coordination Committee be adopted.

CARRIED UNANIMOUSLY

5. **NEW BUSINESS**

Councillor Jordan

Councillor Jordan referred to a memorandum from the Director Finance in response to a motion made at the Financial Management Committee meeting held on 2015 June 25 regarding a resolution to amend Workers Compensation Act. The Director Finance submitted a draft report in September with the following resolution for consideration for submission to the 2016 UBCM Convention:

Workers Compensation Coverage for Elected Officials

WHEREAS elected officials within BC municipalities provide their communities with invaluable services during and outside of regular Council Meetings;

AND WHEREAS in the absence of personal disability insurance elected officials are at personal financial risk should they inadvertently become injured while conducting municipal business on behalf of their constituents;

THEREFORE BE IT RESOLVED that the Workers Compensation Board amend the Workers Compensation Act to allow for compensation coverage for elected officials while conducting municipal business.

Arising from discussion, Councillor McDonell was granted leave by the Committee to introduce the following motion:

MOVED BY COUNCILLOR MCDONELL

SECONDED BY COUNCILLOR JORDAN

THAT the Financial Management Committee recommend Council approve the submission of the resolution to the 2016 Union of BC Municipalities Convention.

CARRIED UNANIMOUSLY

6. INQUIRIES

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

7. CLOSED

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

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT this meeting do now recess.

CARRIED UNANIMOUSLY

The meeting recessed at 5:55 p.m.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the Open Committee meeting do now reconvene.

CARRIED UNANIMOUSLY

The meeting reconvened at 6:04 p.m.

8. ADJOURNMENT

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the 'Open' Committee meeting do now adjourn.

CARRIED UNANIMOUSLY

The 'Open' meeting adjourned at 6:04 p.m.

Blanka Zeinabova
ADMINISTRATIVE OFFICER

Councillor Colleen Jordan
VICE CHAIR



CITY OF LANGLEY

CITY HALL - 20399 DOUGLAS CRESCENT, LANGLEY, B.C. CANADA V3A 4B3
PHONE: 604-514-2800 FAX: 604-530-4371 www.city.langley.bc.ca

December 15, 2015

Metro Vancouver Municipalities
Via Email Distribution

Dear Metro Vancouver Municipalities,

Re: 2016 FCM Resolution – Build Canada Grant Funding

Langley City Council, at the regular Council meeting held on December 14, 2015, adopted the attached resolution for consideration at the 2016 FCM Annual Conference.

Council requested a copy of the resolution be forwarded to Metro Vancouver member municipalities requesting their support of the resolution.

Accordingly, a copy of the resolution is enclosed for information.

Yours truly,
CITY OF LANGLEY

A handwritten signature in black ink that reads "CMushata".

Carolyn Mushata,
Corporate Officer

The City of Langley Council adopted the following resolution at their December 14, 2015 Regular Council Meeting:

1. *THAT Council make the following motion to the Federation of Canadian Municipalities:*

***WHEREAS** the Federal Government's Build Canada grant program generally shares the costs of all approved infrastructure projects equally between the province and local jurisdiction at one third each;*

***AND WHEREAS** for nationally significant projects, where projects provide a greater national benefit, and where communities are disproportionately and directly impacted by such projects, the burden of one third of the cost is inequitable and too high for the local jurisdiction;*

***THEREFORE BE IT RESOLVED** that the Federal Government's Build Canada grant program, National Infrastructure Component, be amended to fund a minimum of 50% of the project cost.*

2. *THAT this motion be forwarded to Metro Vancouver municipalities to request their endorsement.*
3. *THAT this motion be forwarded to Mr. John Aldag, Member of Parliament for Cloverdale-Langley City.*





Meeting 2016 January 28

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 January 19

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 68000 20
Reference: Gilmore Urban Trail

SUBJECT: GILMORE URBAN TRAIL HIGHWAY 1 CROSSING

PURPOSE: To seek Council authorization for construction of specific works related to the Gilmore Urban Trail from Canada Way to Henning Drive/Dawson Street and obtain authority for the exchange of property related to 3020 Gilmore Diversion located within the Willingdon/Canada Way Business Centre to accommodate an urban trail on Gilmore Diversion.

RECOMMENDATIONS:

1. **THAT** Council authorize an expenditure, not to exceed, \$3,338,889 (inclusive of 5% GST) from Gaming Funds for the construction of specific works for the Gilmore Urban Trail and related works as outlined in this report.
2. **THAT** the introduction of Highway Closure and Road Dedication Bylaws be authorized according to the terms outlined in Section 2.0 of this report.
3. **THAT** a property exchange involving 3020 Gilmore Diversion, Lot 25, District Lot 69, Group 1, New Westminster District Plan 36487, Kebet Holdings Ltd. and 4206 Manor Street, West Half Lot 1 Except: Part on SRW Plan 26625, Block 35, District Lot 69, New Westminster District Plan 1321, City of Burnaby be authorized in accordance with the terms outlined in Section 2.0 of this report.
4. **THAT** Council forward a copy of this report to the Transportation Committee for information.

REPORT

On 2014 May 22, the Finance and Civic Development Committee recommended that Council approve an expenditure of \$250,000 from Gaming Funds for the design of the Gilmore Urban Trail and the submission of funding applications to TransLink and the Province for the design and construction of an Urban Trail on Gilmore Diversion/Way/Avenue. The report stated that, upon completion of the design and cost estimates, Council approval of tendering and construction of the project would be sought for construction in 2016. On January 13, 2016 the Transportation Committee received a report on the proposed design and improvements, for their information.

To: Financial Management Committee
 From: Director Planning and Building
 Re: Gilmore Urban Trail Highway 1 Crossing
 2016 January 19..... Page 2

This report seeks Council expenditure authorization for:

- Construction of the Gilmore Urban Trail from Canada Way to Still Creek Drive as a 3.5 meter wide asphalt trail separated from traffic with boulevards and guard railings and including improved bus stops, curb let downs, seating area and a signalised intersection at Myrtle Street;
- Specific improvements on the Gilmore Urban Trail from Still Creek to Henning Drive/Dawson Street including hinged ramps and light weight fill at the ends of all structures to counteract the impact of subsiding soils;
- Installation of a wayfinding system for the broader trail network; and
- Completion of a minor land exchange with 3020 Gilmore Diversion requiring road closure and dedication bylaws to facilitate trail construction in 2016.

The Gilmore Urban Trail is a 3.3 km north-south section of the urban trail network that follows Gilmore Avenue/Diversion/Way from William Street by Willingdon Heights Park to Sanderson Way at Electronic Arts, as shown in *Sketch #1 attached*, and forms part of the longer Sea to River Bikeway, an 11 km north-south bicycle route from the Trans Canada Trail in North Burnaby to the Fraser Foreshore Urban Trail in South Burnaby, as shown in *Sketch #2 attached*.

1.0 GILMORE URBAN TRAIL HIGHWAY 1 CROSSING PROJECT DESCRIPTION AND COSTS

The proposed Highway 1 crossing of the Gilmore Urban Trail extends from Canada Way to Still Creek Drive on the west side of Gilmore Diversion, as shown in *Sketch 1 attached*, and completes a 4.5 km recreational walking loop around the Willingdon Business Centre. Design and cost estimates to modify the Highway 1 overpass have been completed.

On 2014 June 09, Council approved design funding of proposed works outlined below and the submission of applications to the Province and TransLink for cost-share funding. These works include a 640 m long section of 3.5 m wide urban trail with retaining structures, guard rails, traffic signals at Myrtle Street, lighting, wayfinding signage, light-weight fill, six hinged ramps, three bus stops and one shelter, curbs and letdowns, boulevards and street trees, and a feature area with seating, garbage cans and bike racks. The proposed project fills a gap in the existing network between Canada Way and Still Creek Drive and addresses some deficiencies on the existing trail from Still Creek Drive to Henning Drive/Dawson Street. The Transportation Committee at their 2016 January 13 meeting reviewed the proposed design and requested some minor amendments which will be addressed in the final design considerations.

An allocation for this project has been provided for in the 2016–2020 Provisional Capital Program, with funding through the use of Gaming Funds. Upon receipt of grant funding, the Gaming Funds will be reimbursed. With Council approval of the requested expenditure, the works would be expected to be completed by Fall 2016.

The Director Engineering cost estimate for the improvements, based upon the design, is \$3,179,894, of which \$3,064,437 is eligible for cost share funding. Cost share funding for this

To: Financial Management Committee
 From: Director Planning and Building
 Re: Gilmore Urban Trail Highway 1 Crossing
 2016 January 19..... Page 3

work has been approved from the Province's Bike BC Program Funding, TransLink funding and ICBC totalling \$1,477,800. The net cost to the City would be \$1,702,094 or 52% of eligible costs. The funding distribution is shown in Table #1 below.

Table #1

Funding:	Amount:
City of Burnaby	\$1,702,094.00
TransLink	\$ 779,800.00
Province	\$ 638,000.00
ICBC	\$ 60,000.00
Total:	\$3,179,894.00

2.0 PROPERTY

Three portions of land are required to complete construction of the urban trail from Canada Way to Still Creek Avenue, as shown on *Sketch #3 attached*, two of which have or are in the process of being secured:

- On 2008 August 25, Council approved acquisition of a statutory right-of-way at 2750 Gilmore Avenue to permit the existing bus shelter and retaining wall on the southwest corner of Gilmore Diversion and Myrtle Street to be moved behind the proposed trail.
- A section of 4227 Canada Way at the northwest corner of Gilmore Diversion and Canada Way is being secured as road right-of-way for trail and boulevard construction through Rezoning #12-38. In the interim, the City has secured a construction access easement.

The trail design has identified a further portion of land at 3020 Gilmore Diversion (Kebet Holdings Ltd.), that would improve pedestrian and cyclist safety and can be secured through a like-for-like land exchange of equal size and value with no cost to the City, beyond the minor survey, land titles and processing costs to be funded by the project. The subject triangular portion of property for the City measures 67.59 feet (20.60m) by 53.48 feet (16.30m) by 15.09 feet (4.60m) with an area of 196.23 square feet (18.23sq.m) and is shown in *Sketch #4 attached*. Obtaining the triangular portion would permit construction of a retaining wall to support a separated sidewalk.

The proposed exchange would involve a narrow sliver of City owned land at 4206 Manor Street used for road purposes measuring 1.60 feet (0.49m) by 122.08 feet (37.21m) with an area of 196.23 square feet (18.23sq.m) as shown in *Sketch #4*. The sliver of land was received from the Province as part of the Port Mann Highway 1 Project Burnaby Access Memorandum and is not necessary for future City purposes. The Legal and Lands Department indicates that the two portions of M5 zoned land are of equal value, allowing for a lot line readjustment at no cost and that the exchange for the subject property could be achieved on the following terms:

- a) Lot line readjustment of a 196.23 square foot (18.23sq.m) portion of 4206 Manor Street to 3020 Gilmore Diversion; and

To: Financial Management Committee
 From: Director Planning and Building
 Re: Gilmore Urban Trail Highway 1 Crossing
 2016 January 19..... Page 4


- b) Road dedication of a 196.23 square foot (18.23sq.m) triangular portion of Gilmore Diversion road right-of-way adjacent to 3020 Gilmore Diversion.

It is also recommended that the balance of City-owned 4206 Manor Street be dedicated as road allowance, as it is not necessary to maintain it as a separate remnant parcel.

3.0 CONCLUSION

Completion of the works for this section will create a continuous, safe and comfortable pedestrian and cyclist route from Lougheed Highway to Sanderson Way, benefitting pedestrians by creating the Willingdon Business Centre 4.5 km recreational loop, cyclists by finishing Burnaby's most popular north-south route and transit users with the addition of new bus stop amenities and safer crossings.

This report seeks Council authority for a land exchange with 3020 Gilmore Diversion, road closure and road dedication bylaws and expenditure authorization of \$3,179,894 for construction of the Gilmore Urban Trail Highway 1 Crossing, specific improvements from Still Creek Avenue to Henning Drive/Dawson Street and installation of a wayfinding system from the Trans Canada Trail to the Fraser Foreshore Urban Trail from Gaming Funds. The Gaming Funds will be reimbursed by \$1,477,800, representing grant funds to be received from TransLink, the Province, and ICBC, upon completion of the project.

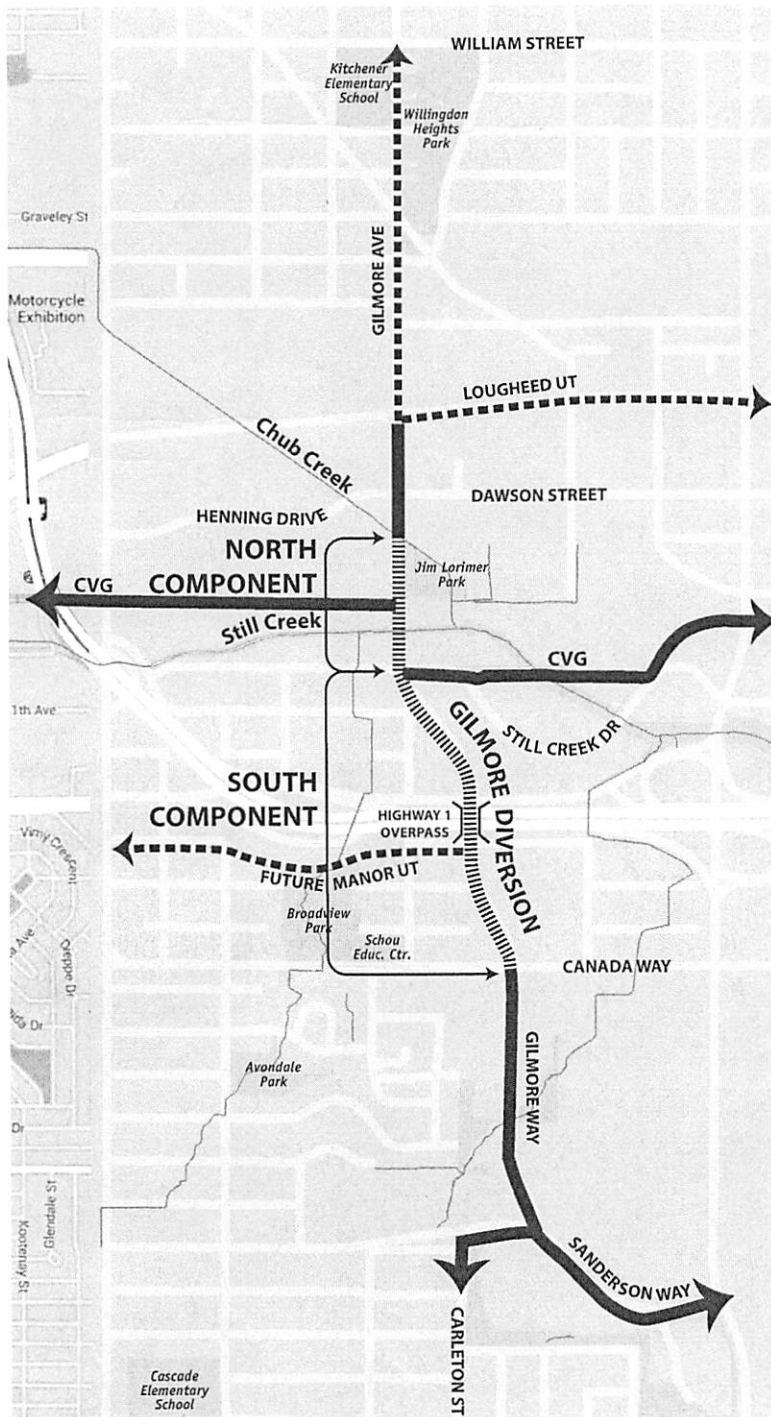

 Lou Pelletier, Director
 PLANNING AND BUILDING

IW:sa

Attachments

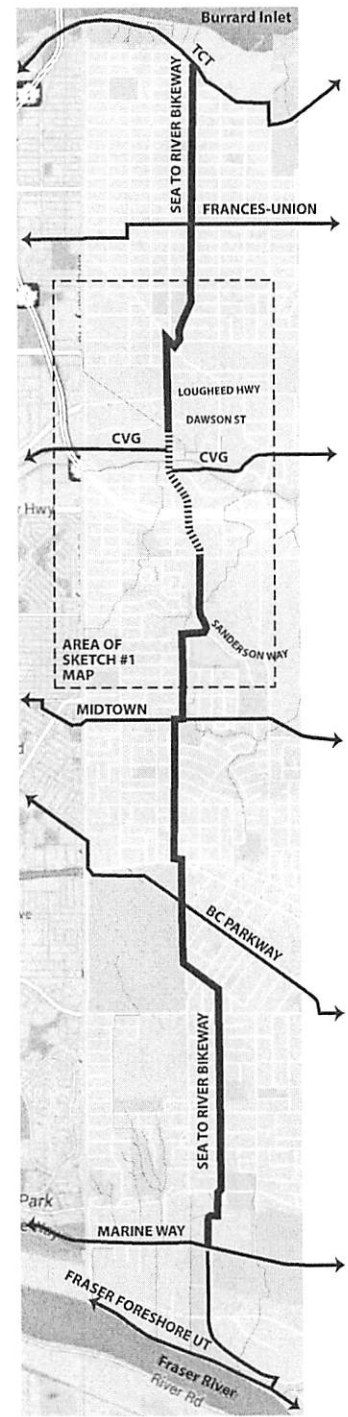
cc: City Manager
 Director Engineering
 Director Finance
 City Solicitor

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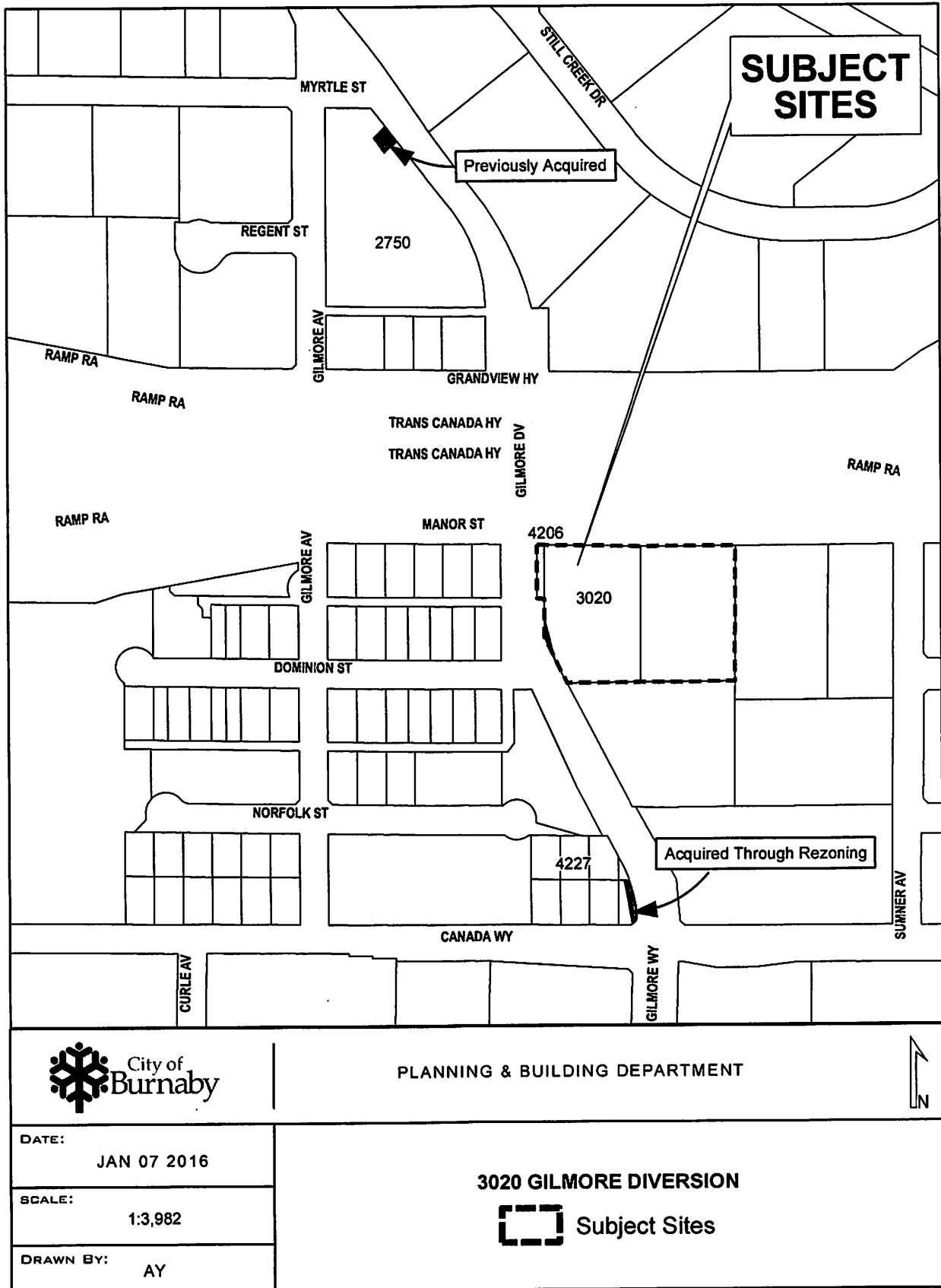
Sketch #1
Gilmore Urban Trail Route

- Existing Urban Trail
- Proposed Urban Trail
- Subject section

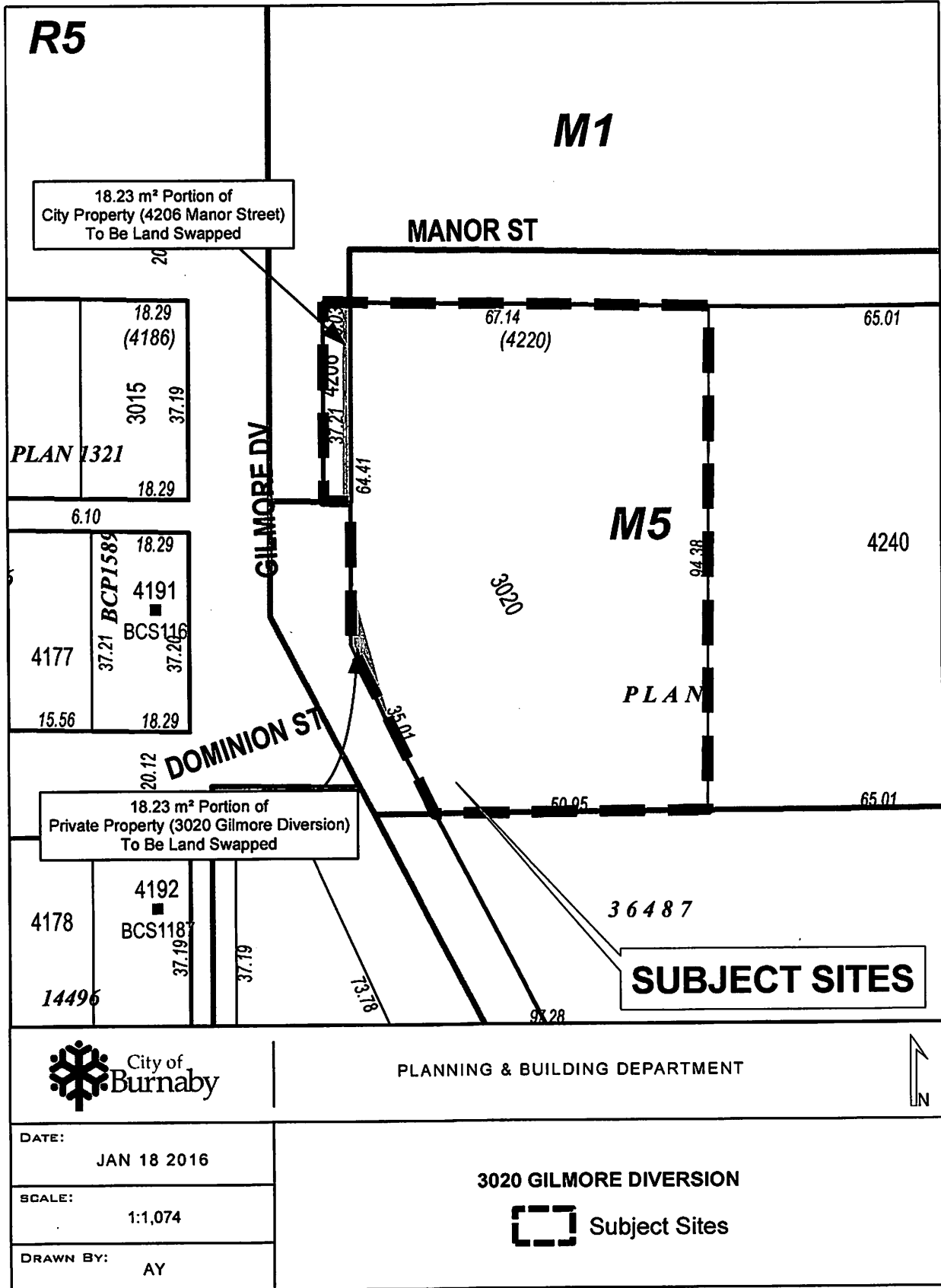


Sketch #2
Sea to River Bikeway Route





Sketch #3





Meeting 2015 Jan 26
COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2016 January 11

FROM: CHIEF INFORMATION OFFICER **FILE:** 5210-01

SUBJECT: 2016 INFORMATION TECHNOLOGY - INFRASTRUCTURE CAPITAL PROGRAM

PURPOSE: To request approval for capital expenditure and bylaw funding for computer equipment replacement, betterments and IT infrastructure acquisitions as part of the 2016 IT Infrastructure Program.

RECOMMENDATIONS:

1. **THAT** Council approve the capital expenditure of \$4,982,800 for computer equipment replacement, betterments and infrastructure acquisitions as outlined in this report.
2. **THAT** Council authorize staff to bring down a Capital Reserves Bylaw in the amount of \$5,215,700 (inclusive of taxes) to finance the 2016 IT Infrastructure Program.

REPORT

1.0 INTRODUCTION

The 2016 Provisional Capital Program includes provision for the annual Information Technology capital program to replace aging computer equipment, upgrade or expand infrastructure to support the technical applications throughout City departments and to enhance service to the public and internal business processes.

This report is to present the Council with details on the primary programs for 2016 and the 2016 funding request for approval.

2.0 INFRASTRUCTURE REPLACEMENT

\$1,905,000

The City maintains an annual replacement program for its computer equipment such as servers, workstations, monitors, tablets and associated peripheral devices. For 2016, funding is required to replace a number of older servers, workstations, cabling, and equipment that have reached the end of their useful life.

To: City Manager
 From: Chief Information Officer
 Re: 2016 Information Technology - Infrastructure Capital Program
 2016 January 11.....Page 2

Specific replacement works consist of:

- SAP production server replacement
- Computers, laptops, tablets and related workstation equipment
- Application servers
- Point of sale equipment
- Cabling, re-wiring and fibre-optics
- Backup systems and media
- Network communications equipment
- Telephony equipment
- Uninterruptable power supplies
- Storage disk systems

3.0 INFRASTRUCTURE REQUIRED FOR GROWTH

\$3,077,800

This program includes purchases of new computer equipment, peripherals, software licences and services. It also provides for technology software application upgrades to support planned 2016 City business application initiatives which address organizational needs, augment public services and reduce business risks associated with aging technology.

Specific works include:

- Telephony system replacement
- Network threat detection and security
- City network link and switch upgrades
- Server virtualization
- Disaster recovery / business continuity provisions
- Cabling, conduit and fibre-optics
- Power systems upgrades and expansion
- New servers to facilitate implementation of departmental applications
- New desktop requirements for departments.

4.0 RECOMMENDATION

The 2016 Information Technology programs are selected based on business and public service continuity needs identified and reviewed by the inter-departmental staff working group and steering committee. The objective of the 2016 program is to replace aging infrastructure and to implement new initiatives that will enhance service to the general public and City departments. Sufficient funds are available to complete the above projects in the 2016 component of the 2015 – 2019 Annual Financial Plan.

To: City Manager
From: Chief Information Officer
Re: 2016 Information Technology - Infrastructure Capital Program
2016 January 11.....Page 3

It is recommend that Council approve the capital expenditure of \$4,982,800 for computer equipment replacement, betterments and infrastructure acquisitions as outlined in this report and that Council authorize staff to bring down a Capital Reserves Bylaw in the amount of \$5,215,700 (inclusive of taxes) to finance the 2016 IT Infrastructure Program..



Shari Wallace
CHIEF INFORMATION OFFICER

SW:DB /dd

Copied to: City Manager
Deputy City Managers (2)
Director Finance
Director Engineering
Director Planning and Building
City Solicitor



Item.....
Meeting 2016 Jan 28

COMMITTEE REPORT

TO: CHAIR AND MEMBERS **DATE:** 2015 December 08
 FINANCIAL MANAGEMENT COMMITTEE

FROM: FIRE CHIEF **FILE:**

SUBJECT: STATION 1 TARMAC RESURFACING FUNDING REQUEST

PURPOSE: To request project approval and obtain funding approval for the replacement of the training grounds pavement at Fire Station 1.

RECOMMENDATIONS:

1. **THAT** The Financial Management Committee recommend Council authorize the completion of the project detailed in this report.
2. **THAT** The Financial Management Committee recommend Council authorize a bylaw in the amount of \$262,500 (inclusive of GST) from Capital Reserves for design through to completion of this project.

REPORT

1.0 INTRODUCTION

The asphalt pavement on the training ground and at the rear of 4867 Sperling Avenue (Station 1) has deteriorated to the point that repairs are often needed to fill pot holes or sunken areas. A consultant's report based on a nine hole drill program classifies the current pavement surface as poor.

2.0 FINANCING

Based on the assessment report, it is estimated that the rehabilitation and repaving project will cost \$250,000. This amount was identified in the 2014 and 2015 Capital Programs within the 2014 – 2018 Financial Plan but funding was not carried forward.

It is recommended that Council approve the proposed expenditure and staff be authorized to bring down a bylaw in the amount of \$262,500 (inclusive of GST) from Capital Reserves to finance this project.

To: Finance and Civic Development Committee
From: Fire Chief
Re: Station #1 Tarmac Resurfacing Funding Request
2015 December 08..... Page 2

Doug McDonald
FIRE CHIEF

Copied to: Deputy City Manager
Director Finance
City Solicitor



Meeting 2016 Jan 28

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 January 21

FROM: DIRECTOR FINANCE

FILE: 7500-01

SUBJECT: CITY INVESTMENTS – 2015 YEAR END REPORT

PURPOSE: To provide a 2015 Investment Program update and to present the 2016 Investment Program forecast.

RECOMMENDATION:

1. **THAT** this report be received for information purposes.

REPORT

Part 6, Division 3, Section 183 of the Community Charter states that the City may invest or reinvest money that is not immediately required for expenditures. Council has assigned the responsibility for the management of the investment portfolio to the Director Finance (Bylaw No. 11553). This report highlights significant events that have occurred in the investment program during 2015 and the forecast for 2016.

The City's cash and investments on 2015 December 31 totaled \$923,955,890 (2014 – \$827,411,505). This is represented by a single investment portfolio – City of Burnaby Investment Fund – and includes restricted funds such as Development Cost Charges and all other reserve funds. Schedule B lists the institutions the City invests in and the investment limits that have been placed on these institutions.

1.0 2015 SIGNIFICANT EVENTS**1.1 Investment Funds**

A portion of the portfolio's investments is held in money market instruments until cash is required for expenditures. The City's Investment Fund is directly impacted by any movement in short-term interest rates during the year, particularly from July onward, when the investment fund reaches a high of over \$1 billion upon receipt of tax revenue and then decreases to approximately \$800 million in May.

The Bank of Canada bank rate, which governs the level of short-term interest rates, opened the year at 1.25% and closed on 2015 December 31 at 0.75% after two unexpected rate cuts. The

To: Chair and Members Financial Management Committee
 From: Director Finance
 Re: CITY INVESTMENTS – 2015 YEAR END REPORT
 2016 January 21 Page 2

average yield for 90 day Bankers Acceptance's was 0.84%, thirty seven basis points lower than the average for 2014.

Despite the continuation of low annual yields throughout 2015 the City's investment strategy generated \$41.5 million (3.91%) return on investments (2014 – \$42.6 million at 4.49%). The impact of fluctuations in short-term interest rates on investment income is offset by a portion of fund surplus in longer term investment grade bonds with annual yields of 3.00% – 7.35%. These longer term investments have continued to provide income and yield stabilization for the portfolio year-over-year despite historical lows in money market and bond market yields. However, the percentage of the portfolio in these longer term investments has decreased as maturities have occurred.

In 2015, Canadian ten-year and thirty-year bond rates were volatile with yearly highs of 1.90% and 2.48% respectively and lows of 1.28% and 1.87% respectively. Both bonds saw lower average rates in 2015 with the ten-year bond average 1.52% (2014 – 2.23%) and the thirty-year bond average 2.19% (2014 – 2.77%).

An alternative investment option for British Columbia municipalities is to place funds with the Municipal Finance Authority of British Columbia (MFA-BC). The MFA-BC offers three investment fund alternatives and reports the returns annually, with the most recent information provided below for the period ending 2015 December 31, along with a corresponding yield for a comparable benchmark indices. All three funds offered by the MFA-BC include corporate debt. The Community Charter restricts the City from investing in corporate debt unless we invest directly into the MFA-BC's funds. The City's investments performed well in 2015 when broken down by term as a means of comparison to the Municipal Finance Authority (MFA) Pooled funds and noted indices benchmark returns as shown in Table 1.

Table 1 – Breakdown of Yield Comparisons

Fund Type	Fund/Benchmark	1 year return	City of Burnaby
Money Market	MFA Money Market Fund (for investments less than 1 year)	0.85%	1.53%
	MFA Custom Benchmark-FTSE TMX Canada 30-day T-Bill Index	0.41%	
Intermediate	MFA Intermediate Fund (for investments from 1 – 3 years)	1.45%	2.04%
	FTSE TMX Canada 365- Day Treasury Bill Index	0.84%	
Bond Fund	MFA Bond Fund* (for investments of more than 3 years)	2.47%	5.09%
	FTSE TMX Canada Short Term Overall Bond Index	2.41%	

* The MFA Bond Fund maximum term to maturity is seven years, the City of Burnaby's comparable includes all remaining portfolio investments with a term greater than three years.

To: Chair and Members Financial Management Committee
 From: Director Finance
 Re: CITY INVESTMENTS – 2015 YEAR END REPORT
 2016 January 21 Page 3

Generally the portion of the Investment Fund that is not expected to be needed in the near future is invested in longer term investments with higher yields. Approximately \$565 million is invested in long-term investments (one year and longer); the balance in shorter term investments that mature within one year.

Table 2 – Breakdown for Portfolio Maturities by Term at 2015 December 31

City of Burnaby Investment Fund	Face Value (\$)	%	Cost Amount (\$)	%
Maturities in 2016	358,725,849.32	27.65%	358,257,407.52	38.77%
Maturities 2017 to 2021	490,410,351.00	37.80%	344,414,125.83	37.28%
Maturities 2022 to 2026	289,478,343.00	22.31%	120,051,033.89	12.99%
Maturities 2027 +	<u>158,814,506.00</u>	12.24%	<u>101,233,323.16</u>	10.96%
Total	1,297,429,049.32		923,955,890.40	

1.2 Banking Relationships and Counterparties

The City of Burnaby's investment portfolio consists of debt issued by Canadian banks as identified in both Schedule A and Schedule B. Securities issued by the banks do not have an investment guarantee from the Canadian Federal Government. Retail depositors receive deposit insurance from the Canadian Deposit Insurance Corporation (CDIC) in the amount of \$100,000 for investments with a term to maturity less than five years. The City of Burnaby is not considered a retail depositor and therefore, CDIC coverage does not apply.

Treasury Operations monitors the counterparties that we invest as part of our ongoing risk mitigation strategy and investment procedures. This also ensures adequate counterparty limits for the growing portfolio. In 2015 the City did not add any new counterparties.

The City's investment banking relationships remained consistent during 2015 for long-term fixed income products. RBC Capital Markets, TD Securities and CIBC-Wood Gundy were the City's lead investment bankers. For short-term money market investments, the City invested with BC and Alberta Credit Unions who provided a premium over bank BA's and continue to receive investment guarantees by their respective insurance funds; the Credit Union Deposit Insurance Corporation in BC and the Credit Union Deposit Guarantee Corporation in Alberta. While both are legislated provincial government insurance corporations funded by the credit unions, in Alberta the Credit Union Act provides for the provincial guarantee of all Credit Union Deposit Guarantee Corporations obligations. The Province of BC does not guarantee the liabilities of the Corporation.

In 2015 the City invested with Vancouver City Savings Credit Union, Coast Capital Savings, Gulf & Fraser Credit Union, BlueShore Credit Union and Westminster Savings Credit Union in British Columbia. In addition, the City maintained investments with Servus Credit Union and First Calgary Financial, both Alberta based Credit Unions.

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 From: Director Finance
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The City's portfolio growth over the last decade means increased investment limits are required. The City has made counterparty changes (identified in Schedule B) to provide increased product and investment diversification and to ensure the City's continued ability to deploy funds into the market with the flexibility that a large portfolio requires. Diversification is essential for managing investment risk and return.

Given the strength of major Canadian banks and the diversification of products offered, their limits have been increased from \$120 million to \$150 million each. The Province of British Columbia portfolio limit has been increased from \$140 million to \$150 million. Limits are unchanged for each individual credit union in BC; however the maximum limit for the BC credit union total has been increased by \$10 million to \$150 million. Alberta's credit union limits have not changed and remain at \$140 million for 2016.

For diversification and counterparty limit availability, two Saskatchewan credit unions have been added for 2016. Conexus Credit Union is the largest in the Province of Saskatchewan and sixth largest in Canada. Conexus operates 45 branches with over 119,000 members and total funds under administration of \$5.2 billion. Conexus services include transactional banking, insurance and wealth management. Affinity Credit Union is the second largest credit union in Saskatchewan and has been serving members for over 80 years. Affinity has 118,000 members and administers over \$4.6 billion in funds.

All deposits in Saskatchewan credit unions are guaranteed by the Saskatchewan Credit Union Deposit Guarantee Corporation. The Corporation is mandated by provincial legislation – The Credit Union Act, 1998 – as an oversight role for Saskatchewan credit unions. The Province of Saskatchewan does not guarantee the liabilities of the Corporation. The counterparty limit for each credit union has been set at \$25 million with a total Saskatchewan credit union limit of \$50 million for 2016.

2.0 OUTLOOK FOR 2016

In 2015 central banks maintained accommodative interest rate policies in an attempt to sustain positive economic growth. While the United States is leading the way, with growth having picked up in the latter half of the year, Canada's output and economic conditions have been slow to recover with the global impact on commodities affecting national output across industries.

For the City of Burnaby, economic factors suggest that 2016 investments will continue to be affected by the extreme low interest rate environment. As longer term investments mature, reinvestment of large principle amounts at lower interest rates will result in lower annual portfolio yields and lower income. The City is projecting an annual yield of 3.35% for 2016 and \$39.6 million in investment income. Of this investment income amount, \$6.5 million is the current 2016 operating budget contribution (2015 – \$7.1 million) with the remainder of funds distributed to reserve funds.

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3.0 CONCLUSION

Diversification and a conservative investment strategy have provided the City with a 2015 return of \$41.5 million at an annual yield of 3.91% on the City's Investment Fund. For 2016, Treasury Operations will continue to monitor money and fixed income markets for investment opportunities to provide liquidity, capital preservation and yield management.



Denise Jorgenson
DIRECTOR FINANCE

DJ:ds/ml

Attachments: Schedule A – 2015 City of Burnaby Investments Update
Schedule B – 2015 City of Burnaby Investment Limits

Copied to: City Manager

2015 City of Burnaby Investments Update

Dominion Bond Rating Service (DBRS) is the leading Canadian institutional credit rating agency, the authority on the fiscal strength of financial and governmental bodies.

Schedule B provides an updated listing of each institution and the limits currently in place for the combined capital and operating investment portfolios. The investment portfolio contains a preferred mix by category of security and maintains a dollar limits for each investment issuer.

Table 1 provides a breakdown of the ratings used in Schedule B:

Table 1 – DBRS Ratings

Term	Meaning
Schedule I Bank	Canadian-owned Bank
Schedule II Bank	Foreign-owned Bank
Senior Debt	A bond or other form of debt that takes priority over other debt securities sold by the issuer.
Subordinated Debt	A bond or other form of debt that ranks below senior debt but higher than other debt securities sold by the issuer.
Not Rated	Financial Institutions who do not require a rating agencies review of their financial position. This decision is typically associated with the type of debt the institution issues.
DBRS investment quality categories for short-term securities:	
R-1	High (investment grade) credit quality
R-2	Medium (average grade) credit quality
R-3	Low (speculative) credit quality
High	The relative standing within each rating classification, e.g. R-1 High is, by definition the highest credit quality available.
Middle	
Low	
DBRS investment quality categories for bonds and long-term debt are:	
AAA	Highest quality credit
AA	Superior credit
A	Upper mid grade credit

CITY OF BURNABY

INVESTMENT LIMITS FOR 2016

SCHEDULE B

<u>SECURITIES CATEGORY</u>	<u>Short-term Investments DBRS Ratings</u>	<u>Long-term Investments DBRS Ratings</u>	<u>Investment Limits</u>	<u>Portfolio % Mix</u>
Federal & Federal Guaranteed	R1 – High	AAA	No Limit	
TOTAL FEDERAL & FEDERAL GUARANTEED			No Limit	No Limit
Coast Capital Savings CU (\$60M max)	Not Rated	Not Rated	\$ 150,000,000	
Gulf & Fraser Credit Union (\$30M max) (dba G&F Financial)	Not Rated	Not Rated		
North Shore Credit Union (\$30M max) (aka BlueShore Financial)	Not Rated	Not Rated		
VanCity Savings CU (\$60M max)	R1 – Low	Not Rated		
Westminster Savings CU (\$30M max)	Not Rated	Not Rated		
TOTAL BRITISH COLUMBIA CREDIT UNIONS *			\$ 150,000,000	25% Max.
Servus Credit Union (\$70M max)	Not Rated	Not Rated	\$ 140,000,000	
First Calgary Financial (\$70M max)	Not Rated	Not Rated		
TOTAL ALBERTA CREDIT UNIONS **			\$ 140,000,000	25% Max.
Conexus Credit Union (\$25M max)	Not Rated	Not Rated	\$ 50,000,000	
Affinity Credit Union (\$25M max)	Not Rated	Not Rated		
TOTAL SASKATCHEWAN CREDIT UNIONS ***			\$ 50,000,000	10% Max.
Alberta	R1 – High	AAA	\$ 140,000,000	60% Max.
British Columbia	R1 – High	AA High	\$ 150,000,000	
Manitoba	R1 – Middle	A High	\$ 70,000,000	
New Brunswick	R1 – Middle	A High	\$ 70,000,000	
Nova Scotia	R1 – Middle	A High	\$ 70,000,000	
Ontario	R1 – Middle	AA Low	\$ 100,000,000	
Prince Edward Island	R1 – Low	A Low	\$ 60,000,000	
Saskatchewan	R1 – High	AA	\$ 100,000,000	
Quebec	R1 – Middle	A High	\$ 90,000,000	
TOTAL PROVINCES			\$ 850,000,000	
Bank of Montreal	R1 – High	AA	\$ 150,000,000	60% Max.
CIBC	R1 – High	AA	\$ 150,000,000	
Royal Bank	R1 – High	AA	\$ 150,000,000	
ScotiaBank	R1 – High	AA	\$ 150,000,000	
Toronto Dominion Bank (aka TD-Canada Trust)	R1 – High	AA	\$ 150,000,000	
Canadian Western Bank	R1 – Low	A Low	\$ 60,000,000	
Manulife Bank of Canada	R1 – Middle	A High	\$ 60,000,000	
National Bank of Canada	R1 – Middle	AA Low	\$ 60,000,000	
TOTAL SCHEDULE 'I' BANKS			\$ 930,000,000	
TOTAL SCHEDULE 'II' BANKS			\$ 0	10% Max.

* British Columbia Credit Unions are CUDIC guaranteed

** Alberta Credit Unions are CUDGC guaranteed and ensured by the Province of Alberta

*** Saskatchewan Credit Unions are CUDGC guaranteed

Zeinabova, Blanka

From: Johnston, Dan
Sent: January 28, 2016 3:39 PM
To: Zeinabova, Blanka
Subject: Fwd: BC Business Profile
Attachments: Example special feature support letter_BBOT.DOCX; ATT00001.htm

hi Blanka,

Can you please issue this as a supplemental for today's meeting.

Thanks

Dan
 Sent from my iPad

Begin forwarded message:

From: Paul Holden <paul@bbot.ca>
Date: January 27, 2016 at 3:23:24 PM PST
To: Paul Holden <paul@bbot.ca>, "Johnston, Dan" <Dan.Johnston@burnaby.ca>
Cc: "Moncur, Bob" <Robert.Moncur@burnaby.ca>, Chad Turpin <chad.turpin@burnaby.ca>
Subject: RE: BC Business Profile

Hi Dan

As we discussed yesterday please find attached a sample letter that BC Business would like the Mayor and I to sign. They would also like the City to provide a list of suppliers which BCB will then approach to support the piece – the more ads sold the bigger the profile. They will also contact prospects that we can provide.

As a next step we'd also need to appoint a couple of people to work with BCB on the editorial direction and content of the profile.

Thanks

Paul

Paul Holden
 President & CEO
 Burnaby Board of Trade
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 Twitter [@BurnabyBOT](#) | Facebook
[Take the Pledge for a Sustainable Community!](#)

February 2016

In June 2016, the **Burnaby Board of Trade** and the **City of Burnaby** will be working together with *BCBusiness* to create a *Special Promotional Feature* that will appear in both the June 2016 print issue and online at BCBusiness.ca. The feature will shine a spotlight on the **City of Burnaby Economic Development Profile** and the many initiatives underway that are fostering economic growth and vitality in our city.

As an important partner, I wanted to make you aware of this opportunity to advertise and share your message in *BCBusiness*. You will reach over 100,000 business readers, corporate decision-makers, investors and entrepreneurs. Included with your print advertisement, this *Special Promotional Feature* will appear online at BCBusiness.ca and will be shared through *BCBusiness* social media channels giving your message greater exposure throughout the BC business community.

A representative from *BCBusiness* (CW Media Ltd) will be contacting you shortly to provide further details and to ask for your support. We thank you for your consideration.

Best regards,

Paul Holden
Title

Derek Corrigan
Mayor, City of Burnaby