



FINANCIAL MANAGEMENT COMMITTEE

NOTICE OF OPEN MEETING

DATE: THURSDAY, 2016 NOVEMBER 24
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>
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4. **NEW BUSINESS**

5. **INQUIRIES**

6. **CLOSED**

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

7. **ADJOURNMENT**



FINANCIAL MANAGEMENT COMMITTEE

MINUTES

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 Wednesday, **2016 October 19** at 5:30 p.m.

1. CALL TO ORDER

PRESENT: Councillor Dan Johnston, Chair
Councillor Colleen Jordan, Vice Chair

ABSENT: Councillor Paul McDonell, Member

STAFF: Mr. Lambert Chu, City Manager
Mr. Lou Pelletier, Director Planning & Building
Mr. Dipak Dattani, Deputy Director Engineering
Mr. Bob Klimek, Deputy Director Finance
Ms. Blanka Zeinabova, Administrative Officer

The Chair called the Open meeting to order at 5:37 p.m.

2. MINUTES

a) Minutes of the Open meeting of the Financial Management Committee held on 2016 September 22

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT the minutes of the Open meeting of the Financial Management Committee held on 2016 September 22 be adopted.

CARRIED UNANIMOUSLY

3. DELEGATION

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT the delegation be heard.

CARRIED UNANIMOUSLY

- a) **Burnaby Board of Trade**
Re: Economic Development Program
Speakers: Paul Holden, President & CEO
Frank Bassett, Chair, Board of Directors

Mr. Paul Holden, President and CEO and **Mr. Frank Bassett**, Chair, Board of Directors, Burnaby Board of Trade (BBOT) appeared before the Committee outlining the important economic development achievements over the past year and noting the many initiatives that have been supported throughout the City of Burnaby.

Mr. Holden provided an overview of the Vision and Mission Statements, as well as highlighted the organization's Strategic Objectives.

The speaker noted that the BBOT is playing an integral role in the City of Burnaby's Economic Development Strategy (EDS), and many initiatives outlined in the EDS are implemented by the BBOT. The key activities include collaboration with the City of Burnaby (i.e. membership on many committees, literature with information on business licensing, events); new business recruitment and retention (i.e. economic development staff training, BC Economic Development Agency membership, sector-specific events and promotions, area-specific surveying); focus on small business; Business Resource Centre; and Economic Development Portal.

Mr. Holden further noted that the BBOT helped coordinate a City of Burnaby multipage feature in BC Business magazine to showcase Burnaby as a business destination. The magazine is a guide to working, living and relocating to Burnaby, and highlights some of the reasons of why Burnaby is a world class location.

The speaker highlighted the BBOT's involvement in the City's Social Sustainability Strategy (SSS). The BBOT's Social Development Committee addresses areas such as affordable housing, immigrant integration, as well as socially-sustainable and family friendly workplaces. Their Access Student Career Development addresses important economic issues and provides students with the connections and tools they need to compete in the job market, while providing local businesses with access to top young talent. Approximately 300 post-secondary students have been mentored through the Access Program since 2012.

Mr. Holden advised that the BBOT supports the City's Environmental Sustainability Strategy (ESS) by sustainable business practices, and Pledge for a Sustainable Community (which has been recognized locally, nationally and globally for leadership in the category of Corporate Social Responsibility).

In conclusion, Mr. Holden provided an overview of the BBOT's working committees – Pacific Gateway, Indo-Canadian Working Group, Access, Burnaby Young Professionals, Social Development, Environmental Sustainability, Government Relations; Women's Business Success Network, and Membership, innovative

programs, and list of events organized by the organization. The speaker thanked the City for the ongoing support and strong working relationship with the BBOT.

Arising from discussion, the Committee introduced the following motion:

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT Council provide a grant in the amount of \$100,000 to the Burnaby Board of Trade for the yearly operation of the City of Burnaby Economic Development Program which is to be paid in quarterly instalments of \$25,000, commencing 2016 October 01 and continuing on 2017 January 01, 2017 April 01 and 2017 July 01.

CARRIED UNANIMOUSLY

Mr. Frank Bassett, on behalf of the BBOT's Board of Directors, conveyed appreciation to the City for their support and working relationship, and thanked Mr. Holden for his excellent leadership.

4. CORRESPONDENCE

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT the correspondence be received.

CARRIED UNANIMOUSLY

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT a memorandum from the City Clerk regarding Traffic Fine Revenue Sharing Program be added to this agenda.

CARRIED UNANIMOUSLY

a) **Correspondence from the Canadian Federation of Independent Business (CFIB)** **Re: Rising Cost to Municipalities of Credit Card Transactions**

Correspondence was received from the Canadian Federation of Independent Business (CFIB) regarding the rising cost of credit card transactions to BC municipalities.

In an effort to contain these costs, the CFIB is proposing the following four recommendations, and asking the City of Burnaby to publicly adopt these initiatives:

- 1) educate taxpayers about the cost to the city for accepting credit card payments, and encourage debit payments at point of sale;
- 2) conduct regular reviews about which credit card payments processing companies offer the best rates;
- 3) track and regularly report data on the number of transactions, transaction fees, rates and type of credit card used (i.e. premium versus regular);
- 4) work with other municipalities to negotiate a lower group processing rate with credit card processing companies.

It was noted that staff responded to the CFIB advising that Council approved the credit card transactions charges.

b) Memorandum from the City Clerk
Re: Traffic Fine Revenue Sharing Program

A memorandum was received from the City Clerk advising that Council, at the Open Council meeting held on 2016 October 17, received and adopted the above noted report, and forwarded the same to the Financial Management Committee.

Staff provided a memorandum outlining the Traffic Fine Revenue Sharing Program funding allocation model.

The Committee requested this memorandum be circulated to Council for information.

Arising from discussion, the Committee requested further information on administrative penalties.

Staff undertook to investigate.

5. REPORTS

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT the reports be received.

CARRIED UNANIMOUSLY

a) Report from the Director Finance
Re: Burnaby Business Licence Bylaw

The Director Finance submitted a report seeking authorization to prepare a new Burnaby Business Licence Bylaw.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize staff to prepare a new Burnaby Business Licence Bylaw, as outlined in this report.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

b) Report from the Director Finance
Re: Temporary Financing Bylaw

The Director Finance submitted a report seeking borrowing authority to temporarily finance expenditures.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize staff to bring down a bylaw to permit borrowing of up to \$2 million as required, during the period 2017 January 01 to December 31, repayable 2017 December 31.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

c) Report from the Director Parks, Recreation and Cultural Services
Re: Burnaby 125 / Canada 150 Celebrations

The Director Parks, Recreation and Cultural Services submitted a report seeking funding approval for Burnaby's 125 and Canada's 150 celebrations.

The Director Parks, Recreation and Cultural Services recommended:

1. THAT the Financial Management Committee recommend Council approve Burnaby's 125 and Canada's 150 Anniversary events, as outlined in this report.

2. THAT Council approve the receipt of a \$75,900 grant awarded from the Ministry of Canadian Heritage under the Building Communities Through Arts and Heritage Program to celebrate the City's 125th anniversary.

3. THAT Council approve an additional expenditure of \$205,000 from Operating Gaming Fund for an expanded year-long program to celebrate both Burnaby's 125 and Canada's 150 anniversaries, as outlined in this report.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT the recommendations of the Director Parks, Recreation and Cultural Services be adopted.

CARRIED UNANIMOUSLY

The Committee suggested a long lasting dedication, i.e. planting a tree, etc. to commemorate the City's 125th anniversary, as well as additional historic plaques around the City.

Staff undertook to investigate.

6. **NEW BUSINESS**

The Director Finance – Financial Report

The Director Finance submitted 'Financial Report as at 2016 Period 9'.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT the Financial Report be receive for information.

CARRIED UNANIMOUSLY

The Committee requested that signs for the Major Road Network projects do not show start and end dates.

Councillor Jordan – Staff Vacancies

The Committee inquired regarding staff vacancies.

Staff advised that the City processes on average 700 to 800 backfilling vacancies a year. It was noted that the City is not able to backfill every vacancy in a timely manner due to RCMP security checks (four months waiting time) and re-evaluating positions (i.e. reclassification and changing duties and scopes). In 2016, the City added 10 TFT staff, and in the next budget year, one TFT position will be converted to RFT. In addition, the City is taking a pro-active approach to fill positions as soon as

possible – i.e. every department tracks retirements and the City will start the selection process early on before a person retires, in order to reduce vacancy rates. In conclusion, staff advised that for specialized positions it is very difficult to find replacements, and the City is working on class reviews to be more comparable to the market and able to retain people in the positions.

The City Manager – Workshop on Asset Management

The City Manager advised that staff is planning a workshop on Asset Management Plan for Civic Buildings and Fire Department Infrastructure Assets on 2016 November 24 at 4:00 p.m. All Council members will be invited to attend.

7. INQUIRIES

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

8. CLOSED

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

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT this Open Committee meeting do now recess.

CARRIED UNANIMOUSLY

The Open meeting recessed at 6:36 p.m.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT the Open Committee meeting do now reconvene.

CARRIED UNANIMOUSLY

The Open meeting reconvened at 6:47 p.m.

9. ADJOURNMENT

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR JOHNSTON

THAT this Open Committee meeting do now adjourn.

CARRIED UNANIMOUSLY

The Open meeting adjourned at 6:47 p.m.

Blanka Zeinabova
ADMINISTRATIVE OFFICER

Councillor Dan Johnston
CHAIR

DRAFT



Meeting 2016 Nov 24

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 Nov 16

FROM: CHIEF INFORMATION OFFICER

FILE: 5210-01
Reference

SUBJECT: SAP HARDWARE AND DATABASE REPLACEMENT PROJECT
(SUITE ON HANA)

PURPOSE: To obtain approval to proceed with replacing the current SAP hardware and database to the new Suite on HANA version.

RECOMMENDATION:

1. THAT Financial Management Committee recommend Council authorize the City Solicitor to prepare a capital expenditure bylaw in the amount of \$4.14 million (inclusive of taxes) for hardware replacement, software licences and professional implementation services as outlined in this report.

REPORT**1.0 BACKGROUND**

The City purchased an enterprise resource planning system from SAP Canada Inc. in 2005. Since then, use of SAP has been extended to cover a wide range of modules across key business processes: financials, payroll, human resources, purchasing, inventory management, asset management, billing for rental properties and multi-family and commercial garbage.

Like all commercial software suppliers, SAP has continued to develop its product to meet the changing business needs of its customers with enhancements to functionality, the user interface and technical performance. Standard annual upgrades have ensured that the City's SAP environment has stayed current with legal, functional and technical updates. However, the version of the SAP software the City bought will soon no longer be supported and needs to be replaced with the latest version, SAP HANA.

SAP HANA offers several advantages over the existing version. It provides a new high performance database combined with a revamped suite of business software applications (S/4), specifically designed to optimize the new database and provide a streamlined user interface. To remain on a fully supported version of SAP, existing customers must move to the new database before 2020 and to full S/4 by 2025. Customers can choose to replace their entire SAP landscape (hardware, database and software modules) as one major project, or to phase delivery to reduce the impact on the organization.

To: Financial Management Committee
From: Chief Information Officer
Re: SAP HARDWARE AND DATABASE REPLACEMENT PROJECT
(SUITE ON HANA)

2016 Nov 24.....Page 2

The hardware on which the City’s SAP application runs also needs to be replaced. This hardware was purchased in 2009 and is at increasing risk of technical failure due to physical condition and increased demand on the equipment. Since SAP is a core operational system, any unplanned outage would result in down time for staff and a reduction in citizen service. City staff have also been experiencing productivity impacts arising from the poor performance of the system, particularly when running month end or year end processes and reporting, or when completing complex transactions.

2.0 UPGRADE OPTIONS & EXTERNAL ASSESSMENTS

The City retained an external consulting firm (Ernst & Young) to conduct a value engineering review of the proposed HANA project. The resulting report confirmed that the City should continue to upgrade its SAP environment in line with SAP’s solution road map to ensure our installation remains current and fully supported. Ernst & Young also advised that the City’s HANA implementation should take a phased approach with an initial step to replace the existing hardware and database. The move to the new S/4 business applications should take place at a later date, based on the City’s business requirements and the relative maturity and customer adoption rate of the new modules.

The City’s planned upgrade approach is outlined below.

Phase 1– SAP Hardware Replacement and Database Upgrade (“Suite on HANA”)

This phase of the project will replace the IBM Power Series hardware with SAP HANA hardware appliances, associated servers and peripheral equipment. The existing database will be replaced by the new HANA database, but the core software modules will continue to run on the upgraded hardware and database until they are replaced by S/4. This phased approach will enable the City to focus first on replacing the aging hardware and ensuring the SAP database is fully supported. Initial assessments have also projected that the combination of the HANA in-memory database and the new hardware could provide a performance uplift of up to 75% on some of the longest running transactions and reports. Section 3.0 contains cost and effort estimates to complete Phase 1.

Future Phase – Upgrade to S/4 Business Applications

The new S/4 HANA applications will provide significant benefits to the City in terms of process simplification and enhanced user experience (the ‘look and feel’ of the system). Some of these changes are available ‘out of the box’ and will require only testing, training and change management to implement. Others are significantly different from the existing version, potentially requiring design and configuration, testing and change management to ensure they are implemented in a way that takes full advantage of all of the new features. HANA experts have recommended that the City develop a road-map for S/4 HANA to ensure it derives maximum benefit from the new software at a pace that matches the City’s capacity for change.

To: Financial Management Committee
From: Chief Information Officer
Re: SAP HARDWARE AND DATABASE REPLACEMENT PROJECT
(SUITE ON HANA)

2016 Nov 24.....Page 3

Staff will submit a separate report in the future to cover the final S/4 installation. The target date for this report is 2020, although components of the new S/4 suite could be brought forward at an earlier date based on business needs.

3.0 IMPLEMENTATION PROJECT APPROACH

The City has worked with external subject matter experts on the sizing and configuration of the replacement hardware. These design specifications will form the basis of a Request for Proposal to provision the hardware environment. Assessments were also conducted to provide detailed project estimates for the effort and duration of the database migration, system adaptation, testing, project management and knowledge transfer to City staff. Based on these estimates, Phase 1 of the HANA Upgrade Project is expected to cost \$4.14 million (which includes a contingency of roughly 5%) and will take between 12 and 16 months to complete. This includes new hardware, software licences and implementation services for the duration of the project. A breakdown of cost estimates is as follows:

Project Component	Cost Estimate
HANA Hardware	\$1,650,000
HANA Licensing	\$530,000
Implementation Services	\$1,400,000
Taxes	\$360,000
Contingency	\$200,000
TOTAL	\$4,140,000

Subject to Council approval of the bylaw funding, and completion of standard City procurement processes, it is anticipated that contract award reports for the upgraded software, replacement hardware and implementation services will be brought forward to Council in December 2016 and January 2017.

4.0 RECOMMENDATIONS

It is recommended that Financial Management Committee recommend Council authorize the City Solicitor to prepare a capital expenditure bylaw in the amount of \$4.14 million (inclusive of taxes) for hardware replacement, software licences and implementation services as outlined in this report.

Upon approval of Council, the 2017 Annual Capital Plan will be amended to include this project. Sufficient Capital Reserve funds are available to fund these expenditures.

Shari Wallace,
Chief Information Officer.

To: *Financial Management Committee*
From: *Chief Information Officer*
Re: SAP HARDWARE AND DATABASE REPLACEMENT PROJECT
(SUITE ON HANA)

2016 Nov 24.....Page 4

Copied to: City Manager
Deputy City Manager
Director Finance



Meeting 2016 November 24

COMMITTEE REPORT

TO: CHAIR AND MEMBERS **DATE:** 2016 September 22
 FINANCIAL MANAGEMENT COMMITTEE

FROM: CITY CLERK

SUBJECT: BOARD OF VARIANCE – APPLICATION FEE

PURPOSE: To seek Council approval to implement a Board of Variance application fee

RECOMMENDATION:

1. **THAT** a fee of \$425.00 be established for applications to the Board of Variance; and that the City Solicitor be requested to bring forward the necessary bylaw amendment.

REPORT

1.0 BACKGROUND

In 2015, the Board of Variance (BOV) received 64 appeals of which 60 were presented to the Board for consideration. The City of Burnaby does not currently have a BOV application fee. The lack of an application fee has become problematic as applicants may return to the Board having made only minor changes to the initial application.

In 2015, nearly one third (31%) of all appeals heard by the Board were returning applicants (*Appendix A*).

More importantly, neighbouring residents are repeatedly burdened, as with each new application they must submit comments and/or attend the Hearing to share their concerns directly with the Board. The Office of the City Clerk has received complaints from residents impacted by repeat applications, voicing frustration with the lack of disincentives for those that submit multiple applications.

Each application to the BOV has an estimated cost of \$780 including staff time and miscellaneous meeting costs.

2.0 OTHER MUNICIPALITIES

To decrease the frequency of repeat applications and to recover administrative costs, municipalities throughout the Lower Mainland have implemented BOV application fees.

To: Financial Management Committee
From: City Clerk
Re: Board of Variance – application fee
2016 November 24 Page 2

The attached table of Lower Mainland BOV fees is provided for information (*Appendix B*).

It is proposed that an application fee of \$425 be established in the City of Burnaby for applications to the Board of Variance.



Dennis Back
CITY CLERK

Copied to: City Manager
Deputy City Manager
Director Finance
City Solicitor

To: Financial Management Committee
 From: City Clerk
 Re: Board of Variance – application fee
 2016 November 24 Page 3

APPENDIX A: CITY OF BURNABY BOV APPEALS 2012-2015

YEAR	APPEALS	Repeat/ Withdrawn	REPEATS	City Admin Costs
2012	84	37%	1 applicant returned 4 times	\$3,120
			2 applicants returned 3 times	\$4,680
			8 applicants returned twice	\$12,480
			5 Withdrawals	\$3,900
			2012 TOTAL	\$24,180
2013	68	22%	1 applicant returned 3 times	\$2,340
			5 applicants returned twice	\$7,800
			2 Withdrawals	\$1,560
			2013 TOTAL	\$11,700
2014	43	33%	6 applicants returned twice	\$9,360
			2 Withdrawals	\$1,560
			2014 TOTAL	\$10,920
2015	64	36%	2 applicants returned 4 times	\$6,240
			1 applicant returned 3 times	\$2,340
			4 applicants returned twice	\$6,240
			4 Withdrawals	\$3,120
			2015 TOTAL	\$17,940
TOTAL	259	32%	70 Repeats and 13 Withdrawals	\$64,740

To: Financial Management Committee
 From: City Clerk
 Re: Board of Variance – application fee
 2016 November 24 Page 4

APPENDIX B: LOWER MAINLAND BOV APPLICATION FEES AND REFUND POLICIES

CITY	FEE	COMMENT
WEST VANCOUVER	\$800.00	50% prior to Hearing
RICHMOND	\$650.00	50% prior to notification
WHITE ROCK	\$500.00	NON-REFUNDABLE
PORT MOODY	\$465.70	NON-REFUNDABLE
BURNABY	\$425.00	PROPOSED
VANCOUVER	\$420.00	NON-REFUNDABLE
NORTH VANCOUVER DISTRICT	\$403.90	50% prior to notification
ABBOTSFORD	\$400.00	100% prior to notification
DELTA	\$350.00	NON-REFUNDABLE
NEW WESTMINSTER	\$328.25	NON-REFUNDABLE
PORT COQUITLAM	\$325.00	NON-REFUNDABLE
PITT MEADOWS	\$300.00	\$240.00 prior to notification
FRASER VALLEY REGIONAL DISTRICT	\$300.00	50% prior to notification
TOWNSHIP OF LANGLEY	\$275.00	LMTC
LANGLEY City	\$250.00	NON-REFUNDABLE
SURREY	\$234.00	90% prior to notification/75% after
MAPLE RIDGE	\$200.00	NON-REFUNDABLE
NORTH VANCOUVER CITY OF	*\$175.00	50% prior to notification
SQUAMISH	**\$175.00	NON-REFUNDABLE

*City of N.V. BOV Fee Bylaw (no amendments since 1994)
 ** Squamish BOV Fee Bylaw (no amendments since 1997)



Item
Meeting 2016 Nov 24

COMMITTEE REPORT

TO: CHAIR AND MEMBERS **DATE:** 2016 November 15
FINANCIAL MANAGEMENT COMMITTEE
FROM: DIRECTOR ENGINEERING **FILE:** 42000 05
SUBJECT: STORM SEWER EXTENSION CONTRIBUTION AND FEE BYLAW
PURPOSE: To seek Committee and Council’s authority to bring forward a new bylaw to implement a cost recovery mechanism for the City’s costs of extending storm sewer mains to residential lots without this service.

RECOMMENDATION:

- 1. **THAT** the Committee recommend Council authorize staff to bring forward a bylaw to recover, from developers and benefitting property owners, the City’s costs of extending storm sewer service to residential lots without this service.

REPORT

1.0 BACKGROUND

Approximately twenty percent of existing residential lots (6,000 of 30,000 lots) have no existing storm service to a storm sewer, with storm drainage currently provided through rock pits or ditches with varying but typically poor performance (see *Attachment 1*). Where new construction or significant renovation occurs on those un-serviced lots, and where there can be an likelihood of flooding, the City prefers to extend storm sewers to service these residential lots, unless an existing ditch or a rock pit can be proven to adequately manage site drainage. The City receives approximately 5 to 10 relevant development applications per year. This typically represents 30 – 50 lots in total.

Currently, the City requires the initiating homeowner to cover the cost for the first 45.7m (or 150ft) of storm main extension (approx. \$25,000), and the City covers any remaining cost, which typically ranges from \$30,000 – 150,000 per storm sewer extension. However, this funding approach costs the City approximately \$500,000 – \$1.0 million per year, depending on the annual number and scale of applicable applications. Furthermore, the initiating developer or property owner pays a portion of the cost, whereas future benefitting properties do not pay any portion of the cost. The purpose of this report is to review funding options and to seek Council authority to impose a fee to recover construction costs from future developers and benefitting property owners.

To: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE
From: DIRECTOR ENGINEERING
Re: STORM SEWER EXTENSION FEE BYLAW
2016 November 15 Page 2

2.0 FUNDING OPTIONS

The three main funding options for storm sewer extensions are listed below, with additional details in Attachment 2.

- 1. Fully Developer funded
(developer eligible to receive latecomer from future benefitting properties)
- 2. Developer and City cost-sharing, no cost recovery (CURRENT PROCESS)
(no cost recovery by City or Developer)
- 3. Developer and City cost-sharing, with cost recovery (PROPOSED PROCESS)
(City eligible to recover costs from future benefitting properties)

Regarding proposed Option 3 (Developer and City cost-sharing), sections 507 and 508 of the Local Government Act enable the City to require excess or extended services (i.e. services that benefit other properties) as part of a subdivision or development land and impose taxes, fees or charges to recover any costs paid by the City. This provision authorizes the City to seek recovery of the entire cost of the storm main extension, through a contribution from the initial developer or property owner and subsequent collection of fees from the other benefitting properties.

3.0 PROPOSED BYLAW PROCESS

A bylaw is required to implement the contributions and fees under Option 3 above. The proposed bylaw would establish the following process for cost recovery.

Upon receipt of a subdivision or building permit application for a residential property without an existing storm sewer service, the Director Engineering would assess the feasibility and cost of the storm sewer extension. If the storm sewer extension is technically feasible and the initiating developer or property owner agrees to their portion of the cost estimate, the Director Engineering would acquire a cash deposit from the initiating developer or property owner, and then begin design and construction. The full costs would initially be assigned to the City and upon construction completion and calculation of the actual construction costs, the initiating developer or property owner would be refunded any excess deposit or be required to pay an additional contribution (depending on whether the initial contribution exceeds or is less than the property’s proportionate share of the actual construction costs).

In respect to the properties that will benefit from the storm sewer extension but have not contributed, the bylaw would require payment of these properties proportionate shares at the time of subdivision approval or building permit issuance, whichever is earlier. In order to capture only significant renovations, payment is not required if the renovation is for a building permit values less than \$250,000.

To: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE
From: DIRECTOR ENGINEERING
Re: STORM SEWER EXTENSION FEE BYLAW
2016 November 15 Page 3

Each property’s proportionate share is proposed to be calculated on the basis of the total construction costs divided equally amongst the total area of the benefitting properties, as the contributing volume of storm water is typically directly related to the size of a property.

The initial bylaw will include a schedule identifying the benefitting properties and corresponding fees for previously completed storm sewer extension projects, as summarized in *Attachment 3*. Upon completion of future projects, the bylaw will be amended to impose fees on the benefitting properties for those projects.

The proposed bylaw will also include a delegation to the Director of Engineering to make the following determinations: a) feasibility of storm sewer extension projects and requirement for an initiating developer or property owner to contribute to a feasible project; b) portion of the extension that is considered excess or extended services; and c) the benefitting properties and proportion of cost to allocated to each benefitting property.

A detailed flow chart process has been included as *Attachment 4*.

3.1 SUMMARY & RECOMMENDATION

A draft bylaw has been prepared and includes the above cost recovery mechanism and fee apportionment for four historic projects, supporting future fee collection from the benefitting properties. Staff is seeking authority to bring forward this bylaw for Council for consideration.

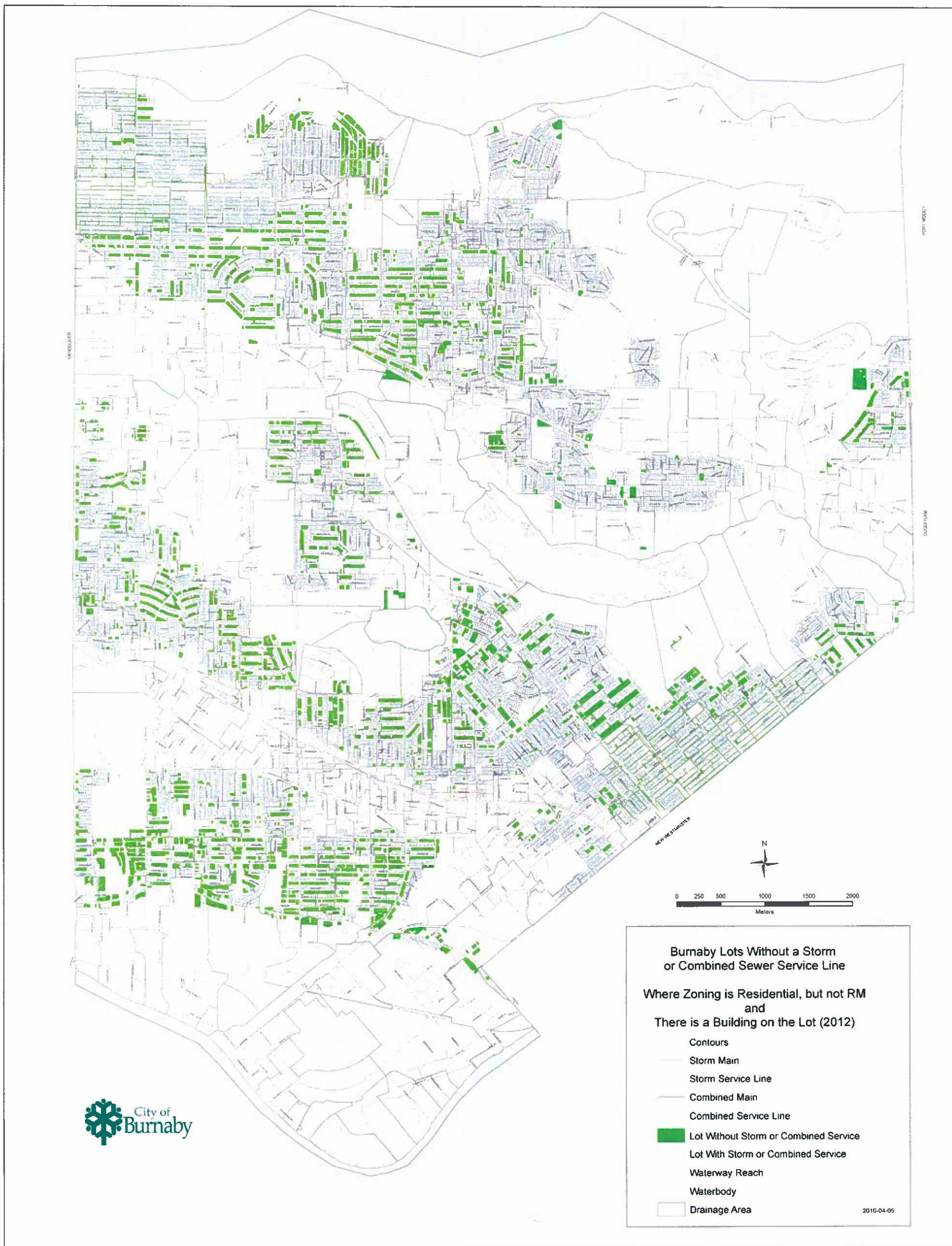


Leon A. Gous, P.Eng., MBA
DIRECTOR ENGINEERING

JWH:ac

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

Existing Single-Family Lots with No Storm Sewer Service



Storm Sewer Extensions – Funding Option Evaluation

1. Fully Developer funded

(Developer eligible to recover costs from future benefitting properties)

The initiating development covers the entire cost, and is eligible to recover costs from benefitting properties that redevelop within the following 10 to 15 years (latecomer process).

Pros

- No cost to the City of Burnaby.

Cons:

- Depending on the situation, the initial cost can be prohibitive to the initiating developer (up to \$150K or even more for longer extensions).

2. Developer and City cost-sharing, no cost recovery (CURRENT PROCESS)

(no cost recovery by City or Developer)

The initiating development covers the cost of the first 45.7m (150ft) and the City covers the remaining cost.

Pros

- Feasible and predictable cost to initiating development (currently estimated up to \$25-30K)

Cons

- The City is required to contribute toward the program, estimated at an annual cost of \$0.5M - \$1M (at the current rate of 5 to 10 typical applications per year).

3. Developer and City cost-sharing, with cost recovery (PROPOSED PROCESS)

(City eligible to recover costs from future benefitting properties)

The total cost is apportioned to each benefitting property, including the initiating development via contributing property area. The initiating development pays their portion of the cost, and the City initially covers the funding balance. The City applies a connection fee through bylaw to the remaining benefitting properties, which is collected upon any future subdivision or new construction or large renovation of a benefitting property.

Pros

- Consistent and equitable costs for each benefitting property, including the initiating development.
- City can eventually recover the full project cost.

Cons:

- City required to pre-fund the costs for benefitting properties (estimated at \$0.5M - \$1M per year, given 5 to 10 typical applications per year).

SCHEDULE A

Storm Extension – 2015 D-04 – 01 Holdom / Capitol

28 Holdom Avenue	\$15,259.26
26 Holdom Avenue	\$12,514.69
24 Holdom Avenue	\$12,514.69
16 Holdom Avenue	\$12,514.69

Storm Extension – 2015 D-04 – 02b Portland

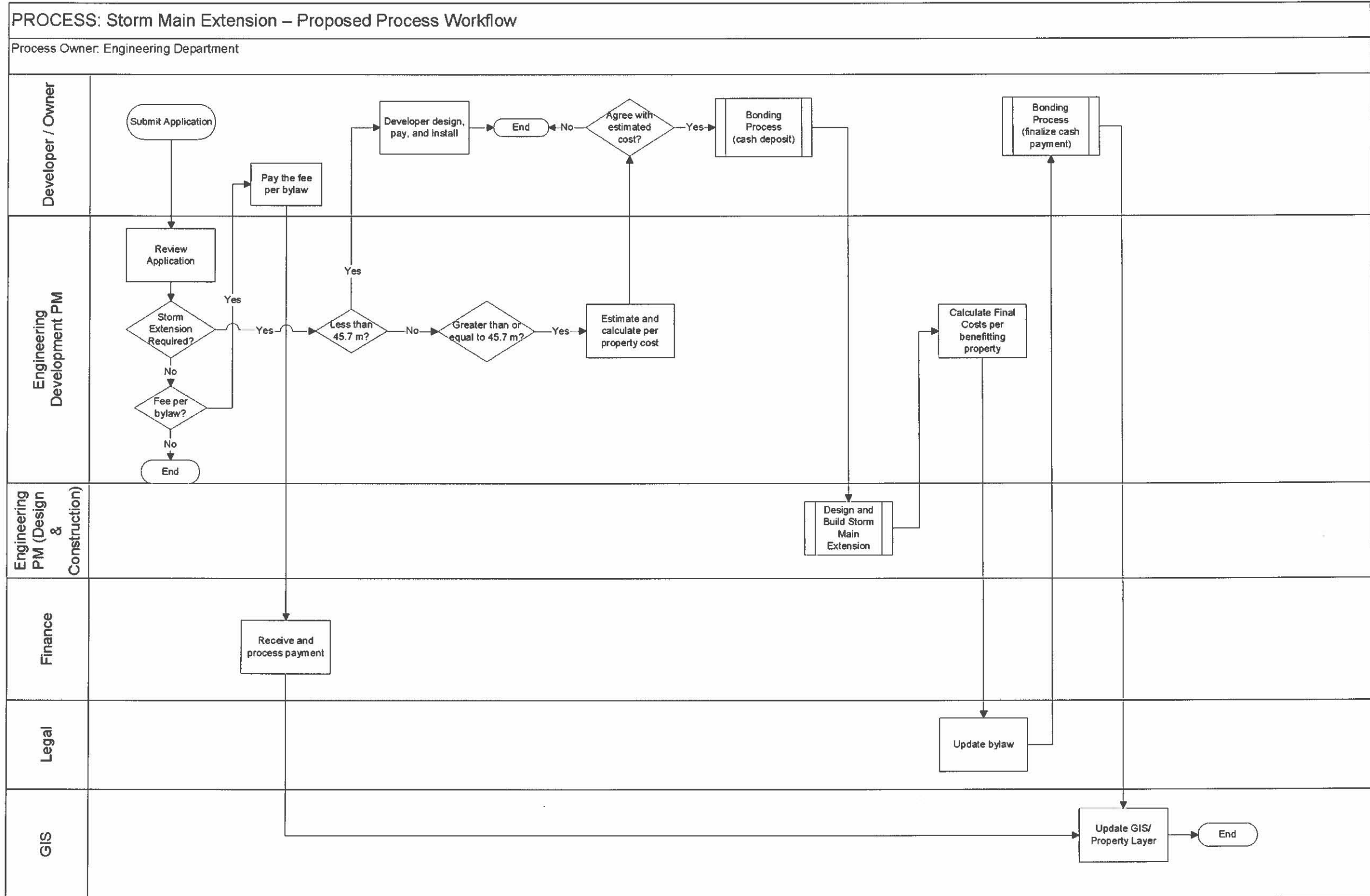
6212 Portland Street	\$42,248.16
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Storm Extension – 2015 D-04 – 03 Ellesmere

200 Ellesmere Avenue North	\$13,853.17
204 Ellesmere Avenue North	\$15,021.07
216 Ellesmere Avenue North	\$21,128.20
220 Ellesmere Avenue North	\$21,687.98
5620 Bessborough Drive	\$21,494.37

Storm Extension – 2015 D-04 – 04 Irmin

5970 Irmin Street	\$36,574.08
6010 Irmin Street	\$33,254.05
6030 Irmin Street	\$36,574.08





Meeting 2016 Nov 21

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 16

FROM: FIRE CHIEF

SUBJECT: FIRE SERVICES BYLAW AMENDMENTS

PURPOSE: To seek the approval of Council to amend the Service Fee Schedule in the Burnaby Fire Services Bylaw

RECOMMENDATION:

1. **THAT** Council approve amendments to the Burnaby Fire Services Bylaw to reflect the proposed additional fees as outlined in this report.
2. **THAT** the City Solicitor be authorized to bring forward the necessary bylaw amendment for Council's consideration.

REPORT**1.0 BACKGROUND**

The City Clerk's Office receives more than 200 Freedom of Information (FOI) requests each year, with close to 70% of these requests pertaining to Burnaby Fire Department reports. While there is a limited ability to levy a charge for responding to FOI request, the amount does not approach the real cost. Therefore, this report recommends changing the procedure for releasing Fire Department documents so that they would be routinely available, subject only to protection of personal privacy and payment of an administrative fee to cover staff time for producing the documentation. This report is to seek Council's approval to include this procedure in the Fire Services Bylaw and to amend the fee schedule as noted below.

2.0 DISCUSSION

Freedom of Information requests are the domain of the City Clerk's office, and Fire Department reports comprise a significant majority of these requests. Fire Department staff spend a considerable amount of time to produce the reports, and staff in the Clerk's office also spend a disproportionate amount of time on these requests relative to other

To: Committee Chair
From: Fire Chief
Re: Fire Services Bylaw Amendments
2016 November 21Page 2


queries in order to review and redact certain information subject to the Freedom of Information and Protection of Privacy Act (FIPPA).

Most requests are from insurance companies and pertain to insured loss or personal injury, while other requests are from legal counsel to the parties involved in the report(s). Several other jurisdictions do not consider these requests as FOI, but instead include them in their Fire Services bylaws as publicly available documents. Removing these documents from the FOI process and including them as a public record will not change the amount of work required to produce them, but it will allow the Fire Department to request a reasonable fee to compensate for the time spent doing so. The changes contemplated would necessitate amendments to the fees schedule in the Fire Service Bylaw as noted below, with an accompanying fee structure for three separate types of reports similar to other cities such as Surrey, New Westminster and North Vancouver District. The current fee of \$10 for "Providing copy of any other report" would be replaced with a \$150 fee for providing such other reports.

Copy of fire investigation report	\$200
Copy of motor vehicle incident report or medical incident report	\$100
Copy of any other report	\$150

3.0 CONCLUSION

This report proposes that requests for Fire Department documentation will be routinely available, removing them from the Freedom of Information process and allowing the City to recover the cost of staff time for their production. It is recommended that staff be authorized to bring forward an amendment to the Fire Services Bylaw to implement the additional fees as proposed.



Joe Robertson
FIRE CHIEF

Copied to: City Manager
Director Public Safety and Community Services
Director Finance
City Solicitor



TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 15

FROM: DIRECTOR FINANCE

FILE: 6400-20

SUBJECT: MONERIS SOLUTIONS – CREDIT CARD MERCHANT SERVICES

PURPOSE: To obtain Council approval to award a contract to Moneris Solutions for the provision of merchant credit card and debit card services.

RECOMMENDATION:

1. **THAT** a contract be awarded to Moneris Solutions for merchant credit card and debit card services for a five year period commencing 2017 January 01 to 2021 December 31 as outlined in this report.

REPORT

1.0 INTRODUCTION

The City has offered credit and debit card payment options to Burnaby residents and patrons since 1993 through the merchant services platform offered by Moneris Solutions, a credit card acquirer wholly owned by the Royal Bank of Canada and the Bank of Montreal.

The City of Burnaby requires a credit card acquirer for access to the credit and debit card services platforms such as Interac, Visa, MasterCard and American Express. Moneris provides the City with PinPad rentals, payment processing and clearing, online payment services, payment technology solutions and electronic and online reporting services for reconciliation processes. The City's existing contract with Moneris Solutions expires 2017 February 28.

The City has seen exponential growth in the use of credit and debit card payments at Parks and Recreation facilities, Food Services locations and for various other payables at City Hall such as permits, building and planning applications, business licences and dog licences. With the growth in payment and transaction volumes, the City has seen a rise in merchant fees in step with increased volumes over the last decade. In 2015, the City paid approximately \$500,000 in total fees for merchant card services.

An RFP was conducted in 2016 July for acquirer services for the purpose of identifying the best fees and rates in the marketplace for an organization of the City's size and to identify a partner to support the City in the provision of card services in an efficient and effective manner.

To: Financial Management Committee
From: Director Finance
Re: MONERIS SOLUTIONS – CREDIT CARD MERCHANT SERVICES
2016 November 24.....Page 2

City staff evaluated three RFP submissions, the outcome of which identified Moneris Solutions as the lead proponent based on reduced costs, the provision of ongoing and uninterrupted services, and the lowest cost of implementation.

The City will move to an Interchange plus fee model that is expected to reduce fees by \$95,000 per annum. In addition, Moneris will provide the City with a cost recovery model to support the City’s credit card merchant fee recovery bylaw that will allow the City to expand online services without incurring additional payment processing costs.

Under this contract, the City will incur no implementation costs as the technical and pricing changes will be applied by Moneris to the City’s existing Moneris merchant profile. Equipment, merchant accounts, reporting and reconciliation processes are already in place at the City and do not require updates or changes.

2.0 RECOMMENDATION

Staff recommend proceeding with an award to Moneris Solutions subject to finalizing contract review and negotiations.

The City’s current contract with Moneris expires 2017 February 28, however the new five year contract award can take effect 2017 January 01 which would reduce fees two months earlier. Upon Council approval, City staff will conclude contract negotiations with Moneris for a final agreement on term, services and fees.



Denise Jorgenson
DIRECTOR FINANCE

DJ:DS/ew

Copied to: City Manager



Meeting 2016 Nov 24

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 01

FROM: DIRECTOR FINANCE

FILE: 36000-07
Reference: Sewer Rates

SUBJECT: 2017 SANITARY SEWER RATES

PURPOSE: To obtain Council approval for a 2% increase to the 2017 Sanitary Sewer rates.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council approve the City Solicitor to amend the Burnaby Sewer Parcel Tax Bylaw 1994, and the Burnaby Sewer Charge Bylaw 1961, to reflect the 2017 rates found in Schedule C, effective 2017 January 01.

REPORT**1.0 BACKGROUND**

The Sanitary Sewer Fund is financially self-sustaining and debt free. Rate changes do not impact property taxes. Sanitary Sewer rates are reviewed annually and adjustments are made to provide funding for required operating and capital works through the adoption of amendments to the Burnaby Sewer System Parcel Tax Bylaw 1994 and the Burnaby Sewer Charge Bylaw 1961.

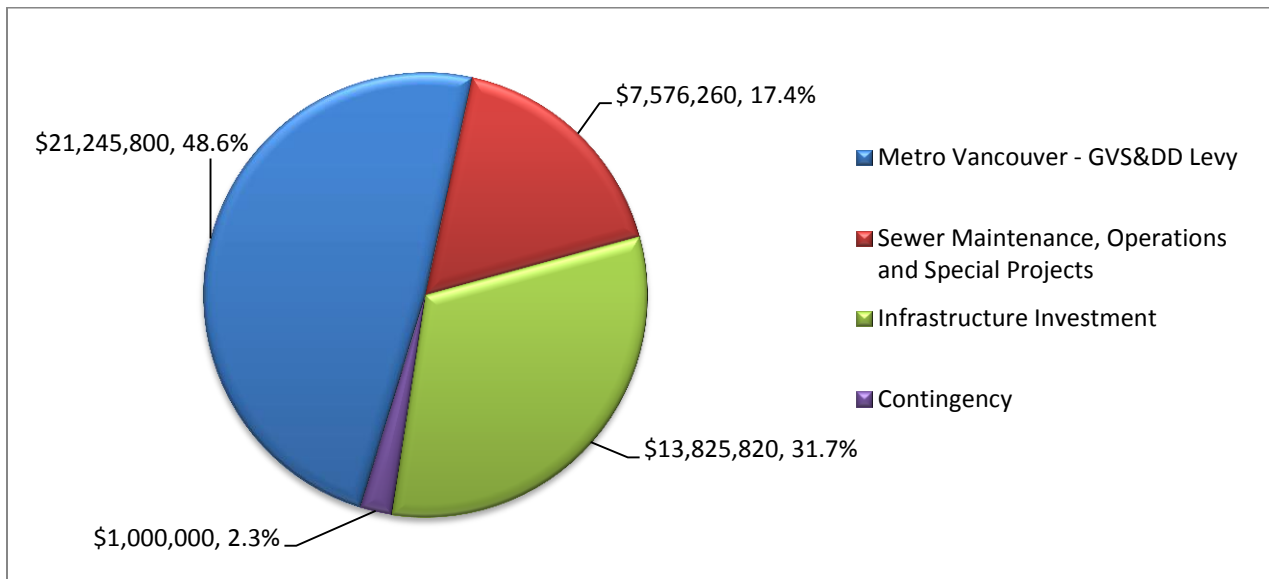
Annual Sanitary Sewer charges are due by March 15th each year. To promote payment by the due date, Burnaby offers a 5% discount for payments received on or before March 15th of a given year. Metered Sanitary Sewer users are offered the same 5% discount for payments made within 30 days of the billing date on the metered bill.

2.0 SANITARY SEWER FUND EXPENDITURES

The Sanitary Sewer Fund expenditures for 2017 are projected at \$43.6m, an increase of \$2.96m over 2016. The cost of the sewer system includes funding of infrastructure replacement and enhancement, sanitary treatment provided by Metro Vancouver and ongoing operating costs associated with maintaining the system. The 2017 expenditure budget is summarized in Chart 1. Schedule A (attached) provides the City's Sanitary Sewer 5 year Operating Plan.

To: Financial Management Committee
 From: Director Finance
 Re: 2017 SANITARY SEWER RATES
 2016 November 24..... Page 2

Chart 1 – 2017 Sanitary Sewer Operating Expenditure Budget – \$43.6m



2.1 Metro Vancouver Costs

The Metro Vancouver – Greater Vancouver Sewerage and Drainage District (GVS&DD) 2017 levy is \$22.5m, up 7.34% over 2016. The levy is distributed between the Sanitary Sewer Fund (\$21.2m) and the General Revenue Fund – Engineering Roads and Drainage (\$1.25m). The GVS&DD levy of \$21.2m to Sanitary Sewer represents a 7.7% increase over 2016 and makes up over 48% of total City of Burnaby Sanitary Sewer operating costs.

Metro Vancouver cost increases include an increased capital program, higher debt servicing costs, electricity, natural gas and water cost escalation, increasing bio-solid transportation costs, and enhanced environmental monitoring programs. Schedule B to this report summarizes the projected 2017 – 2021 GVS&DD levies. Projections for 2018 – 2021 are based on an estimated annual Metro Vancouver increase of 5%.

2.2 Sewer Maintenance and Operations

The City’s Sanitary Sewer system has two main components: sanitary liquid waste and storm water systems. The sanitary liquid waste system collects waste water from homes and businesses, while the storm water system handles surface run off from private and public property. For 2017 there is a reduction in City sewer maintenance and operations costs of over \$500k. This is due to resources sharing their work time between operating assignments and capital infrastructure works. The budget includes the addition of one full time staff to support crews to perform additional work and inspections in the evening hours. Included in operations are two special projects totalling \$125k for:

- \$75k is needed to provide additional building inspections as part of the Secondary Suite program being implemented in early 2017

To: Financial Management Committee

From: Director Finance

Re: 2017 SANITARY SEWER RATES

2016 November 24..... Page 3

- \$50k for work in the Pumps and Control Division. This work will include the development of a comprehensive preventive maintenance plan and standard operating procedures for improving efficiencies utilizing the new Electrical Services team in the Engineering Department.

2.3 Infrastructure Investment

Infrastructure investment contributes both in the short and longer term to the quality and safety of the City’s sanitary sewer system. This investment provides financing for the replacement of aging infrastructure and new services. The City’s policy of funding ongoing replacement and the development of new capital infrastructure annually continues to ensure a stable and sustainable capital program without the need for external debt financing. Funding is reviewed annually to determine changes to requirements.

For 2017 the Capital Budget is \$13.8m, an increase of \$1.8m over the previous year. The total five year Sanitary Sewer Capital Plan investment is approximately \$69m.

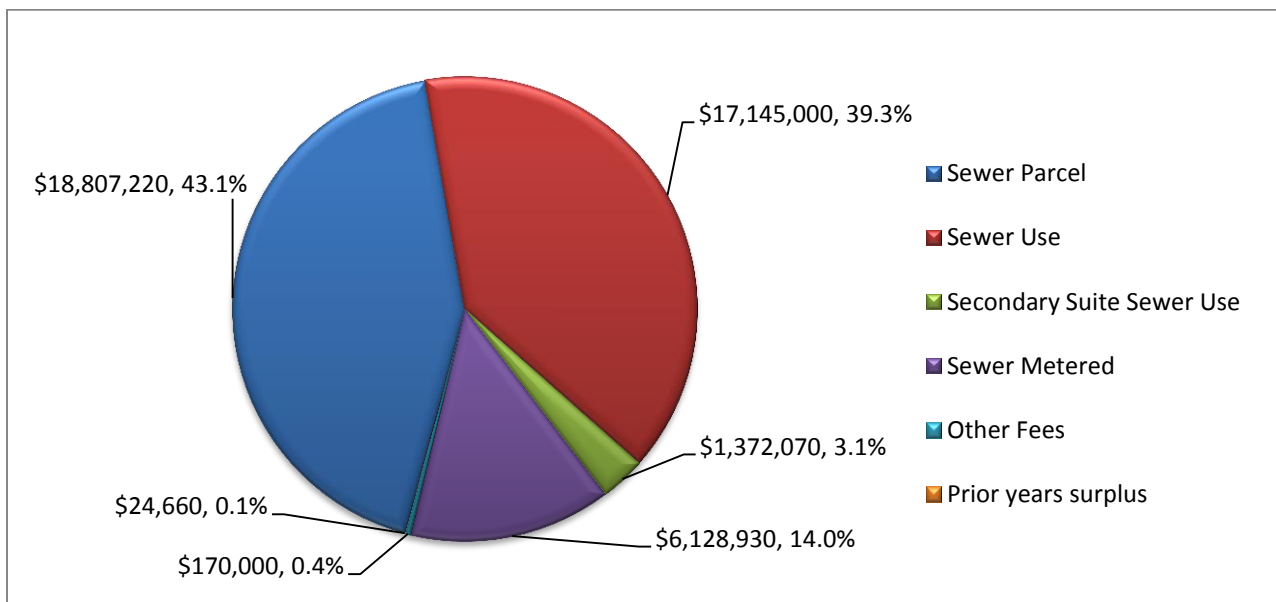
2.4 Operating Contingency

An operating contingency for unanticipated operating or supply costs or any unexpected revenue shortfalls is included in the overall budget.

3.0 SOURCES OF FUNDS

The primary sources of funds for 2017 are Sewer Parcel, Sewer Use and Metered Sewer revenue. A small percentage of revenue comes in the form of other permits and fees. Chart 2 provides a breakdown of funding sources net of discounts.

Chart 2 – 2017 Sanitary Sewer Sources of Funds (After Discount) – \$43.6m



To: Financial Management Committee
From: Director Finance
Re: 2017 SANITARY SEWER RATES
2016 November 24..... Page 4

3.1 Sewer Parcel

Owners of every real parcel with access to the City’s sewer network pay a flat Sewer Parcel Tax. Residential units in multiple family dwellings (strata apartment or complex dwelling units) share the Sewer Parcel Tax and also pay a Sewer Use Fee. Sewer Parcel Tax revenue estimates are based on prior-year actuals multiplied by the recommended rate increase for 2017.

3.2 Sewer Use

Sewer Use Fees are paid by all owners of multi-family properties including duplex, strata and non-stratified units. Budget estimates are based on prior year actuals, a 1% growth factor and the proposed rate increase for 2017.

3.3 Secondary Suite Program

In 2014, City Council adopted a comprehensive program to permit secondary suites in single-family homes. All property owners with a secondary suite are subject to a supplementary utility charge based on 50% of the Single Family Dwelling rate for water and sanitary sewer services. In addition to charging for newly constructed properties with a secondary suite, in 2016 July the City provided advance notice of additional usage fees for 2017, using the City’s inventory of properties listed as potentially having a suite. With this notice instructions were provided on how property owners could update the City’s records should their property not include a secondary suite.

It is expected that the number of properties with a secondary suite will fluctuate through the transition process in 2017 therefore current budget estimates are based on an approximate figure of five thousand units. This equates to additional sanitary sewer revenue of \$1.43m (\$1.37m after discounts) and is shown as a separate line item in the budget.

3.4 Metered Sewer

Around 2,000 customers are billed via metering. This revenue accounts for 14% of total revenues. Projections are based on past actual consumption levels, which are on a gradual decline. This decline is due in part to greater water conservation and the replacement of poorly functioning meters. Despite the annual drop in consumption levels, forecast revenues are estimated to be approximately \$6.1m after applicable discounts (an increase of 4.7%).

3.5 Other Fees

This revenue stream includes permits and inspection revenue.

3.6 Prior Years Surplus

To reduce the impact of cost increases on rates a small amount of funding is provided from the Sanitary Sewer Operating Fund.

To: Financial Management Committee
 From: Director Finance
 Re: 2017 SANITARY SEWER RATES
 2016 November 24..... Page 5

4.0 RATES

4.1 Recommended Increase

Sanitary sewer rates are based on a user pay principle and structured to fund delivery and management of the sanitary sewer system. Rates also fund special projects such as continued separation of the sanitary and storm sewer combined systems. For 2017 a rate increase of 2% is recommended. This increase is reflected in Schedule C (attached). Rate increases for 2017 and the previous five years are set out below in Table 1:

Table 1 – Rate Increases

2012	2013	2014	2015	2016	2017
6.0%	6.0%	5.5%	3.0%	1.5%	2.0%

4.2 Impact on Households

Each real parcel with access to the City’s sewer network is liable for a flat Sewer Parcel Tax. Residential units in multiple family dwellings (strata apartment, duplex or complex dwelling units) share the Sewer Parcel Tax and also pay a Sewer Use Fee. Rates are subject to a 5% discount. Annual increases are applied to the non-discounted rate, which is then reflected in the budget. The implications for single family dwellings and strata / multi-family properties are set out in Table 2 below:

Table 2 – Household Impact

	2016 (\$)	2017 (\$)	Change (\$)	% Change
Single Family Dwelling Increase				
Paid by Due Date	536.06	546.78	10.72	2.00%
Paid after Due Date	564.27	575.55	11.28	2.00%
Multiple Family Dwelling*				
Paid by Due Date	290.36	296.16	5.80	2.00%
Paid after Due Date	305.64	311.75	6.11	2.00%

* excluding duplexes

4.3 Metered Sewer Rates – Proposed Flat Metered Rate Structure

Staff have undertaken a review of the current rate structure for metered sanitary sewer services and recommend that the rate structure be changed effective 2018 January. It is proposed that a flat rate be used at all levels of consumption in place of the current declining rate structure. Using a flat rate structure will result in customers with lower consumption levels paying less than customers with higher levels of consumption.

To: Financial Management Committee

From: Director Finance

Re: 2017 SANITARY SEWER RATES

2016 November 24..... Page 6

The proposed change is structured to be revenue neutral overall, however individual consumers with consumption levels greater than 4,940m³ per quarter will experience an increase. For some increase may be as high as a 31% given 2016 volumes. At this time a flat rate of 0.95 per cubic metre is the estimated flat rate that would result in an overall revenue neutral result.

Given the potential impact of the recommended change a notice period of one year is proposed before implementation of this change. The rate of 0.95 per cubic metre will therefore be subject to review when the 2018 budget is presented to Council in 2017 November. Staff will provide notice of the proposed 2018 rate change now to customers with projected annual increases in excess of \$350 as part of the regular 2017 billing cycle to provide customers an opportunity to prepare for the rate structure change.

4.4 BOD/ TSS Permitted Customer Fees

Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) are two of the main cost drivers of the sewer and drainage system. Metro Vancouver directly charges these Permitted Customers for their BOD/TSS discharge and the City directly bills these customers for the cost of City services. Following revision of the process in 2012, City of Burnaby rate increases are in line with the general rate increase for all Sanitary Sewer fees.

4.5 Contaminated Groundwater Charges

Contaminated groundwater charges are intended to recover the costs of handling contaminated groundwater from site remediation projects. Rates are based on the standard first tier metered sewer rates for Burnaby, without any discount for additional volumes or early payment.

5.0 EXECUTIVE SUMMARY

The budget as set out in Schedule A reflects the Sanitary Sewer rate increase of 2%, with total revenue of \$43.6m for 2017.

There is a decrease in Burnaby maintenance and operating costs for 2017 as operating resources are being assigned to work on capital investment projects. Overall operating budgeted expenditures are up by \$2.9m or 7.28%. The key contributing factors are a 7.68% increase in GVS&DD costs by Metro Vancouver and an increase in infrastructure investment by the City. Increased costs are offset by the proposed rate increase of 2% and new Secondary Suite Sewer Use fee revenues of \$1.37m (after discount).

The City continues to meet the long term goal of providing sustainable capital investment funding for the Sanitary Sewer infrastructure while remaining debt-free.

To: Financial Management Committee
From: Director Finance
Re: 2017 SANITARY SEWER RATES
2016 November 24..... Page 7

6.0 RECOMMENDATION

It is recommended that Financial Management Committee recommend Council approve the City Solicitor to make changes to the Burnaby Sewer Parcel Tax Bylaw 1994, and the Burnaby Sewer Charge Bylaw 1961 to reflect the 2017 rates found in Schedule C, effective 2017 January 01. The Director Engineering concurs with the recommendations contained in this report.



Denise Jorgenson
DIRECTOR FINANCE

DJ:RR/ew

*Attachments: Schedule A – City’s Sanitary Sewer 5 Year Operating Plan
Schedule B – Metro Vancouver (GVS&DD) Sanitary Sewer Charges
Schedule C – Sanitary Sewer Rates*

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

SCHEDULE A

2017 SANITARY SEWER - 5 YEAR OPERATING PLAN

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Actual	Actual	Actual	Actual	Annual	Projected	Projected	Projected	Projected	Projected
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURE										
Metro Van - GVS&DD Levy	17,251,310	17,677,601	18,321,782	18,988,769	19,730,775	21,245,800	22,308,100	23,424,000	24,595,000	25,824,500
City Sewer Maintenance and Operations	5,636,033	5,942,604	6,026,890	6,045,780	7,956,380	7,576,260	7,800,100	8,034,100	8,275,100	8,523,400
Infrastructure Investment	11,320,000	11,570,300	12,708,960	11,556,700	12,000,000	13,825,820	13,825,820	13,825,820	13,825,820	13,825,820
Contingency	-	-	-	0	1,000,000	1,000,000	500,000	500,000	500,000	500,000
Surplus		1,217,515	1,545,483	3,734,559	-	-	-	-	-	-
TOTAL	34,207,345	36,408,020	38,603,115	40,325,808	40,687,155	43,647,880	44,434,020	45,783,920	47,195,920	48,673,720
REVENUES/TRANSFERS										
Parcel Tax	16,487,721	17,484,314	18,474,768	19,041,277	19,326,900	19,723,390	20,019,860	20,495,240	20,995,680	21,520,570
Flat Rates - Secondary Suite Sewer Use		-	-	-	-	1,438,910	1,467,690	1,504,380	1,541,990	1,580,540
- Sewer Use (all other)	13,667,094	14,870,673	15,888,801	16,967,940	17,066,400	17,980,210	18,357,790	18,835,090	19,324,800	19,827,240
Metered Rates	5,318,791	5,748,341	6,043,805	6,208,340	6,134,500	6,427,490	6,556,040	6,719,940	6,887,940	7,060,140
Discounts: Flat and Metered	(1,599,595)	(1,775,010)	(1,869,779)	(1,962,952)	(1,955,600)	(2,116,780)	(2,141,240)	(2,194,460)	(2,249,640)	(2,306,770)
Other Sales of Services	15,211	8,895	11,674	36,824	64,955	100,000	102,000	104,600	107,200	109,900
Units and Fees	50,402	70,808	53,845	34,380	50,000	70,000	71,400	73,200	75,000	76,900
Previous year's surplus brought forward	267,719	-	-	-	-	24,660	480	245,930	512,950	805,200
TOTAL	34,207,345	36,408,020	38,603,115	40,325,808	40,687,155	43,647,880	44,434,020	45,783,920	47,195,920	48,673,720
Rate Increase	6.00%	6.00%	5.50%	3.00%	1.50%	2.00%	2.00%	2.50%	2.50%	2.50%

SANITARY SEWER RATES
CHARGED BY METRO VANCOUVER (GVS&DD)

<u>Year</u>	<u>GVS&DD</u>	<u>Increase from</u>	
	<u>Sewerage Levy</u>	<u>Previous Year</u>	
	\$	\$	%
2012	17,251,310	1,212,496	7.6%
2013	17,677,601	426,291	2.5%
2014	18,306,440	628,839	3.6%
2015	18,988,769	682,329	3.7%
2016	19,730,821	742,052	3.9%
2017	21,245,845	1,515,024	7.7%
2018	22,308,137	1,062,292	5.0%
2019	23,423,544	1,115,407	5.0%
2020	24,594,721	1,171,177	5.0%
2021	25,824,457	1,229,736	5.0%
<hr/>			
2012 - 2016 Change	2,479,511	14%	
2017 - 2021 Change	4,578,612	22%	
<hr/>			

Notes:

2018-2021 charges are based on an estimated 5% increase per year.

SANITARY SEWER RATES

Sewer Parcel

Every owner of every real parcel capable of being drained
 - Municipal installed
 - subdivider installed (for installations prior to January 1 2016)

Sewer Use (Charge)

- a) Strata lot (not part of a duplex)
- b) Two Family dwelling unit including strata, forming part of a duplex, each unit.
- c) Multiple family dwelling, including strata, (not part of a duplex) each unit.
- d) Secondary suite, or In- law suite, in a Single Family Dwelling.
- e) In-Law Suite in a two family Dwelling

Contaminated Groundwater Discharges

(Rate applies to all consumption levels.)

Vancouver Sewerage Area

Fraser Sewerage Area

Sewer Charge - metered rates

Regular Metered Customers

Monthly:

First 288 cubic metres
 Next 300 cubic metres
 Next 850 cubic metres

Excess

Quarterly:

First 864 cubic metres
 Next 900 cubic metres
 Next 2,550 cubic metres

Excess

Metered Customer Exemption:

Customers receive a reduction equivalent to the Parcel tax paid or portion, not exceeding 1/12 or 1/4 for monthly and quarterly accounts respectively. The exemption is not to exceed monthly or quarterly calculated meter charges.

Permitted BOD/TSS Customers

Monthly:

First 288 cubic metres
 Next 300 cubic metres
 Next 850 cubic metres

Excess

Quarterly:

First 864 cubic metres
 Next 900 cubic metres
 Next 2,550 cubic metres

Excess

BOD/TSS

BOD/TSS Charge for permitted industry is to be determined by the GVS&DD.

RATE INCREASE

	Effective Jan 1 2016 Paid by Mar. 15	Effective Jan 1 2016 Paid after Mar. 15	Effective Jan 1 2017 Paid by Mar. 15	Effective Jan 1 2017 Paid after Mar. 15
Municipal installed	536.06	564.27	546.78	575.55
subdivider installed (for installations prior to January 1 2016)	268.03	282.14	273.39	287.78
Sewer Use (Charge)				
a) Strata lot (not part of a duplex)	290.36	305.64	296.17	311.75
b) Two Family dwelling unit including strata, forming part of a duplex, each unit.	134.02	141.07	136.70	143.89
c) Multiple family dwelling, including strata, (not part of a duplex) each unit.	290.36	305.64	296.16	311.75
d) Secondary suite, or In- law suite, in a Single Family Dwelling.	268.04	282.14	273.39	287.78
e) In-Law Suite in a two family Dwelling	268.04	282.14	273.39	287.78
Contaminated Groundwater Discharges				
<i>(Rate applies to all consumption levels.)</i>	m3		m3	
Vancouver Sewerage Area	1.20	No Discount	1.220	No Discount
Fraser Sewerage Area	1.20	No Discount	1.220	No Discount
Sewer Charge - metered rates				
	Paid within 30 days of billing date	Paid 31 or more after billing date	Paid within 30 days of billing date	Paid 31 or more after billing date
Regular Metered Customers				
<u>Monthly:</u>				
First 288 cubic metres	1.196	1.259	1.220	1.284
Next 300 cubic metres	0.983	1.035	1.003	1.056
Next 850 cubic metres	0.762	0.802	0.777	0.818
Excess	0.655	0.690	0.669	0.704
<u>Quarterly:</u>				
First 864 cubic metres	1.196	1.259	1.220	1.284
Next 900 cubic metres	0.983	1.035	1.003	1.056
Next 2,550 cubic metres	0.762	0.802	0.777	0.818
Excess	0.655	0.690	0.669	0.704
Metered Customer Exemption:				
Customers receive a reduction equivalent to the Parcel tax paid or portion, not exceeding 1/12 or 1/4 for monthly and quarterly accounts respectively. The exemption is not to exceed monthly or quarterly calculated meter charges.				
Permitted BOD/TSS Customers				
	Paid within 30 days of billing date	Paid 31 or more after billing date	Paid within 30 days of billing date	Paid 31 or more after billing date
<u>Monthly:</u>				
First 288 cubic metres	0.617	0.650	0.630	0.663
Next 300 cubic metres	0.511	0.538	0.522	0.549
Next 850 cubic metres	0.395	0.416	0.403	0.424
Excess	0.337	0.355	0.344	0.362
<u>Quarterly:</u>				
First 864 cubic metres	0.617	0.650	0.630	0.663
Next 900 cubic metres	0.511	0.538	0.522	0.549
Next 2,550 cubic metres	0.395	0.416	0.403	0.424
Excess	0.337	0.355	0.344	0.362
BOD/TSS				
BOD/TSS Charge for permitted industry is to be determined by the GVS&DD.				
RATE INCREASE	1.50%	1.50%	2.00%	2.00%



Meeting 2016 Nov 24

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 01

FROM: DIRECTOR FINANCE

FILE: 39500-07
Reference: Water Rates

SUBJECT: 2017 WATERWORKS UTILITY RATES

PURPOSE: To request Council approve a 2% increase to the 2017 Waterworks Utility Rates.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council approve amendment by the City Solicitor of the Burnaby Waterworks Regulation Bylaw 1953 to provide for the 2017 Water Rates contained in Schedule C of this Report, and the bylaw amendments outlined in Section 5 of this report, effective 2017 January 01.

REPORT**1.0 BACKGROUND**

The Waterworks Utility Fund is financially self-sustaining and therefore rate changes do not impact property taxes. Water rates are reviewed annually and revised to account for changes in costs associated with the delivery of water to Burnaby. Water rates are changed through the adoption by Council of an amendment to the Burnaby Waterworks Regulation Bylaw 1953.

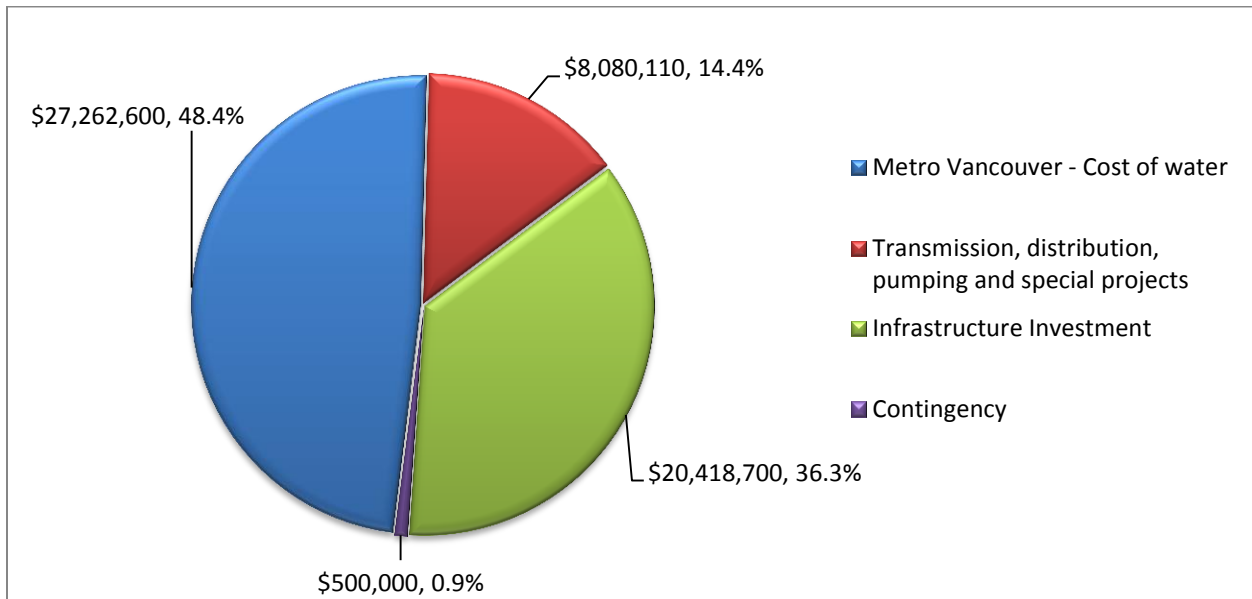
Waterworks Utility fees are due by March 15th each year. To promote payment by the due date, Burnaby offers a 5% discount for payments received on or before March 15th of a given year. Metered water users are offered the same 5% discount for payments made within 30 days of the billing date on the metered water bill.

2.0 WATERWORKS UTILITY FUND EXPENDITURES

The 2017 Waterworks Utility expenditures total \$56.3m, an increase of \$4.7m over 2016. The 2017 Operating Expenditure Budget is summarized in Chart 1. Schedule A (attached) provides the City's Waterworks Five Year Operating Plan.

To: Financial Management Committee
 From: Director Finance
 Re: 2017 WATERWORKS UTILITY RATES
 2016 November 24.....

Chart 1 – 2017 Waterworks Utility Operating Expenditure Budget – \$56.3m



2.1 Metro Vancouver Costs

The Greater Vancouver Water District (GVWD) provides safe, reliable, high-quality drinking water to Burnaby. The GVWD is responsible for acquiring and maintaining the water supply, treating it to ensure its quality and delivering it to the City. The GVWD also provides ongoing capital work for the treatment of water, including the upgrading of facilities to meet safety and environmental standards.

Schedule B (attached) summarizes the projected 2017 – 2021 GVWD increase in the cost of water services provided to Burnaby based on GVWD rates and estimated consumption for the five year period.

The GVWD Board has increased 2017 Water Rates by 3.2%. The 2017 GVWD member rates are:

- \$0.7641 per cubic metre for June to September
- \$0.6113 per cubic metre for January to May and October to December.

Forecast water consumption for 2017 in Burnaby remains relatively constant based on current-year usage information. The estimated cost of the 2017 GVWD water delivery service for Burnaby is \$27.3m.

GVWD water service costs make up approximately 48.4% of the City’s total 2017 Water Utility Operating Budget. At the time of this report, projected rate increases for 2018 – 2021 have not been provided by the GVWD, therefore future rate projection increases are based on the 2017 rate increase of 3.2%. The estimated rates have been used in conjunction with GVWD projected Burnaby consumption levels to develop the City’s 2018 – 2012 GVWD estimated water delivery service costs.

To: Financial Management Committee
From: Director Finance
Re: 2017 WATERWORKS UTILITY RATES
2016 November 24.....

2.2 Transmission, Distribution & Pumping

The City’s Engineering Department, Water Services Division, provides high quality drinking water to homes and businesses, as well as water supply for fire suppression. The Division manages the installation and maintenance of over 700 kilometers of watermains and connections throughout the City. Operating expenditures for 2017 including special projects increased by 1.5% over 2016. The budget includes the addition of one clerical support position for the Water division and the savings in water maintenance costs due to the sharing of resources between operating assignments and capital infrastructure work. Included in operations are three special projects totalling \$257k for the following:

- \$75k is needed to provide additional building inspections as part of the Secondary Suite program being implemented in early 2017
- \$50k for work in the Pumps and Control Division. This work will include the development of a comprehensive preventive maintenance plan and standard operating procedures for improving efficiencies utilizing the new Electrical Services team in the Engineering Department
- \$132k has been identified for the Water Conservation Enforcement and Education Program. This includes four auxiliary officers from 2017 May to October, vehicle and material expenses.

2.3 Infrastructure Investment

The 2016 condition assessment information has established that the majority of in-service water service assets are rated between Fair to Very Good. The City’s policy of funding ongoing replacement and development of required infrastructure continues to ensure a stable and sustainable capital program. Funding is reviewed annually to determine the funding requirements. An infrastructure increase of approximately \$4.9m is provided in 2017 for water utility capital investment.

Infrastructure investment contributes both in the short and longer term to the quality and safety of the City’s water supply. The five year capital replacement plan and infrastructure investment is \$77m.

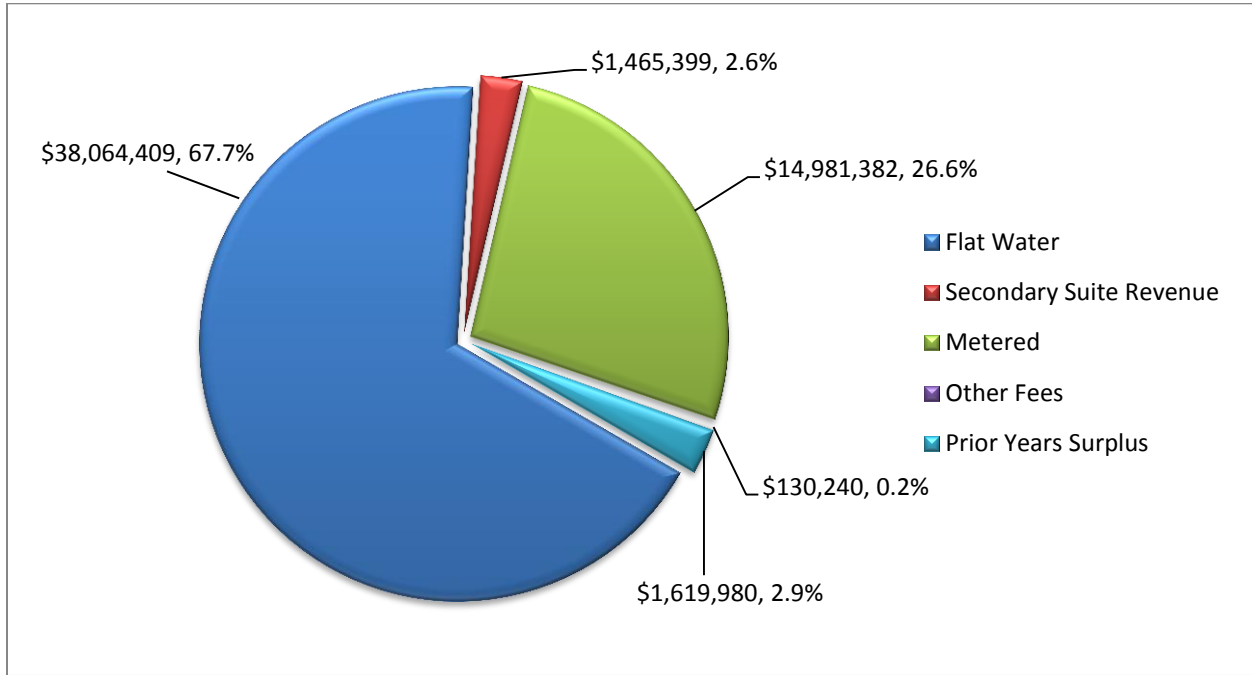
3.0 SOURCES OF FUNDS

The Waterworks Utility is self-funding. Rates are based on a user pay principle and structured to fund the cost of Burnaby’s water services. The rate structure includes the funding of the City’s capital infrastructure renewal programs and new water services, the supply cost of water provided by the GVWD, and the funding of operations including maintenance programs. The rate structure is divided into three categories: Flat Water, Metered Water and Other fees. Prior year surplus is used to stabilize rates and fund important one time projects.

To: Financial Management Committee
From: Director Finance
Re: 2017 WATERWORKS UTILITY RATES
2016 November 24.....

Chart 2 provides a breakdown of funding sources net of discounts.

Chart 2 – 2016 Waterworks Utility Sources of funds (After Discount) - \$56.3m



3.1 Flat Water

Flat water charges make up 67.7% of all revenues, at \$38m (net of discounts). The projected revenue increase for 2017 is \$1.5m. This is based on 2016 projected actual revenues, an estimated 1% annual growth factor and the rate increase for water.

3.2 Secondary Suites

In 2014, City Council adopted a comprehensive program to permit secondary suites in single-family homes. All property owners with a secondary suite are subject to a supplementary utility charge based on 50% of the regular Single Family Dwelling rate for water and sanitary sewer services.

In addition to charging for newly constructed properties, in 2016 July the City provided advance notice of additional usage fees for 2017, using the City’s inventory of properties listed as potentially having a suite. With this notice instructions were provided on how property owners could update the City’s records should the property not include a secondary suite. It is expected that the number of properties with a secondary suite will fluctuate through the transition process into early 2017 as inspections continue. Budget estimates are based on an approximate figure of 5,000 units. This equates to additional Flat Water Revenue of \$1.53m (\$1.46m after discounts), and is shown as a separate line item in the budget.

To: Financial Management Committee
 From: Director Finance
 Re: 2017 WATERWORKS UTILITY RATES
 2016 November 24..... Page 5

3.3 Metered Water

Approximately 2,000 customers are metered, which accounts for 26.6% of total revenues (net of discounts). Projections are based on past actual consumption levels, which are on an annual decline (down to 9.7m³ in 2015 from 12m³ in 2006). Revenues are anticipated to be \$14.98m in 2017 after applicable discounts.

3.4 Construction Water

In 2016 the City introduced mandatory metering during construction of Multi Dwelling Buildings. Given challenges in the establishment of this program it is recommended that flat rates be provisioned for any sites in which a meter cannot be installed. Rates for 2017 are therefore proposed in Schedule C. An amendment is also recommended for Section 23 of the Bylaw, as set out in Section 5 in this report.

3.5 Other Fees

Other revenues in 2017 include estimated construction water meter and flat charges of \$80k, permits and inspections services of \$50k.

3.6 Prior Years Surplus

To reduce the impact of cost increases on rates funding of \$1.6m is provided from the Water Utility Operating Fund.

4.0 RATES

4.1 Recommended Increase

The Waterworks Utility is self-funding and debt free. Rates are based on a user pay principle and structured to fund the cost of Burnaby's water services. The rate structure includes the funding of the City's capital infrastructure renewal program and new water services, the supply cost of water provided by the GVWD, and the funding of operations including maintenance programs. For 2017 a rate increase of 2% is recommended. While all non-discounted flat and metered water fees are to increase in line with the general rate increase of 2%, miscellaneous fees (such as water turn on/off charges) have been rounded up for improved administrative purposes. This is reflected in Schedule C (attached). Rate increases for 2017 and the previous five years are set out below.

Table 1 – Rate Increases

2012	2013	2014	2015	2016	2017
6.0%	6.0%	5.5%	3.0%	2.0%	2.0%

To: Financial Management Committee
 From: Director Finance
 Re: 2017 WATERWORKS UTILITY RATES
 2016 November 24.....

4.2 Impact on Households

Rates are subject to a 5% discount if paid before the due date. Table 2 provides a breakdown of the impact a 2% increase has upon residential properties.

Table 2 – Household Impact

	2016 (\$)	2017 (\$)	Change (\$)	% Change
Single Family Dwelling increase				
Paid by Due Date	572.45	583.90	11.45	2.00%
Paid after Due Date	602.58	614.63	12.05	2.00%
Multiple Family Dwelling*				
Paid by Due Date	328.70	335.27	6.57	2.00%
Paid after Due Date	346.00	352.92	6.92	2.00%

* excluding duplexes

5.0 BYLAW AMENDMENTS

It is the recommendation of staff that the following revisions be made to the Waterworks Regulation Bylaw 1953:

Section 3 – Application for the laying of water service.

To improve the language within this Section and provide for clarification of existing procedures the following is wording is proposed:

“Application for the laying of water service pipe or pipes to any land shall be made in writing to the Engineer on such form as may from time to time be prescribed by Council, and shall be signed by the owner of such land. Service shall be of size and type as prescribed by the Engineer. The land owner shall, (except where the water service pipe or pipes have been installed and paid for by a subdivider pursuant to BYLAW No. 5953, being Burnaby Subdivision Control BYLAW 1971), with each application pay the connection fee prescribed in Schedule 'A' of this bylaw.

If a flat rate water service is applied for (via a Building Permit), the land owner shall also pay in advance the annual flat rate water service fee prescribed in the said Schedule 'A' less a proportionate rebate for that portion of the calendar year expired at the date of such application. The Collector will apply the flat rate water service fee or part thereof paid to be entered in the current year's tax roll. The land owner shall be responsible for the payment of all rates until the land owner provides written notice to the Collector ordering the discontinuance of such service.

To: Financial Management Committee
From: Director Finance
Re: 2017 WATERWORKS UTILITY RATES
2016 November 24.....

Section 23 – Construction of a Multi Dwelling Building

It is recommended that the wording for this Section of the bylaw be revised, in order to stipulate the requirement that developers are to connect to a water meter during construction for all property types, with the exception of those listed under Section 15 (1) a, b and c to the bylaw. Proposed revision:

“The following apply during new construction, excluding those properties as listed under Section 15 (1), (a), (b) and (c) to this bylaw.

(a) Prior to construction, the City will review the proposed construction to determine the feasibility of installing a water meter. If installation is deemed feasible, upon direction of the Engineer, the City will provide and install a construction water meter on the property and the property shall be subject to Metered Service during construction, commencing from the time of connection of the water meter to the City’s Service. Should metered service not be feasible during construction, applicable flat rates as per Schedule A of the bylaw will apply.

(b) The owner shall, at the owner’s expense, prepare the water meter installation site, including the installation of double-check valve assembly.

(c) Upon invoice by the City, the owner shall pay to the City the construction water meter connection fee as set out in Schedule “A”, in addition to the metered rate for water consumption.

(d) The City will read the construction water meter monthly and issue an invoice to the owner on a monthly basis or quarterly basis, at the City’s choosing, based on the level of consumption.

(e) At the completion of construction the City will remove the construction water meter and if such meter is missing or damaged, the owner shall pay to the City cost of replacing such meter.

6.0 EXECUTIVE SUMMARY

Schedule A (attached) reflects a Waterworks Utility rate increase of 2% with total planned revenue of \$56.3m for 2017 after the estimated 5% discount for flat and metered rates. The supply cost increases imposed by the GVWD of 3.2% and increase in infrastructure investment are offset by new revenues of \$1.53m (\$1.46m after discounts) from the secondary suite program, and relatively low increases in transmission distribution and pumping costs (including special projects). Additional infrastructure funding is provided to maintain the City’s investment in capital assets. By drawing down on prior year surplus from the Waterworks Utility Operating Fund, the City is able to reduce the impact of rate increases while meeting the long term goal of rate stability and a sustainable capital investment funding strategy.

To: Financial Management Committee
From: Director Finance
Re: 2017 WATERWORKS UTILITY RATES
2016 November 24..... Page 8

7.0 RECOMMENDATION

It is recommended that Financial Management Committee recommend Council approve amendment by the City Solicitor of the Burnaby Waterworks Regulation Bylaw 1953 to provide for the 2017 Water Rates contained in Schedule C and the bylaw amendments as outlined in Section 5 of this report effective 2017 January 01. The Director Engineering concurs with the recommendations contained in this report.

Once approved by Council, a general notice informing users of the 2017 rates will be placed in a local newspaper and *InfoBurnaby*. Metered users will be notified by letter.



Denise Jorgenson
DIRECTOR FINANCE

DJ:RR/ew

*Attachments: Schedule A – City’s Waterworks 5 Year Operating Plan
Schedule B – Cost of Water Supplied to Burnaby by Metro Vancouver (GVWD)
Schedule C – Water Rates*

Copied to: City Manager
Director Engineering
City Solicitor
City Clerk

2017 WATERWORKS UTILITY - 5 YEAR OPERATING PLAN

	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Annual	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURE										
Metro Vancouver - Cost of water	24,087,812	25,820,790	25,199,090	26,159,327	27,081,800	27,262,600	28,606,900	29,755,500	31,025,000	32,163,100
Transmission, distribution & pumping	5,581,493	5,671,086	6,083,121	6,385,702	7,957,300	8,080,110	8,308,000	8,682,200	9,067,700	9,464,700
Infrastructure Investment	13,315,650	14,500,000	15,001,520	15,682,345	16,000,000	20,418,700	19,500,000	19,500,000	19,500,000	19,500,000
Contingency	-	-	-	-	500,000	500,000	500,000	500,000	500,000	500,000
Surplus	-	-	2,347,641	2,156,657	-	-	-	-	-	-
TOTAL	42,984,955	45,991,876	48,631,372	50,384,032	51,539,100	56,261,410	56,914,900	58,437,700	60,092,700	61,627,800
REVENUES/ TRANSFERS										
Flat rates	31,367,601	33,728,080	35,837,549	37,555,074	38,267,800	39,913,890	41,111,300	42,447,400	43,826,900	45,251,300
Secondary Suite Revenue (starting 2017)	-	-	-	-	-	1,536,600	1,582,700	1,634,100	1,687,200	1,742,000
Metered Rates	13,430,333	13,985,119	14,993,427	15,161,706	15,293,300	15,709,300	16,023,500	16,384,000	16,752,600	17,129,500
Discount -flat and metered (include suites)	(2,025,973)	(2,212,158)	(2,346,159)	(2,450,886)	(2,459,200)	(2,648,600)	(2,720,800)	(2,801,800)	(2,885,300)	(2,971,300)
Other Fees and Services:										
<i>Construction - Metered Charges</i>	42,890	33,630	41,143	23,460	39,400	40,000	40,800	41,700	42,600	43,600
<i>Construction - Flat Rate Charges</i>	45,390	54,093	58,892	39,520	50,100	40,000	40,800	41,700	42,600	43,600
<i>Permits and Fees</i>	-	-	13,351	12,017	13,300	14,160	14,400	14,700	15,000	15,300
<i>Other Sales of Services</i>	29,415	23,007	33,168	43,141	35,900	36,080	36,800	37,600	38,400	39,300
Previous year's surplus brought forward	95,299	380,105	-	-	298,500	1,619,980	785,400	638,300	572,700	334,500
TOTAL	42,984,955	45,991,876	48,631,372	50,384,032	51,539,100	56,261,410	56,914,900	58,437,700	60,092,700	61,627,800
Rate Increase	6.00%	6.00%	5.50%	3.00%	2.00%	2.00%	2.00%	2.25%	2.25%	2.25%

COST OF WATER SUPPLIED TO BURNABY BY THE G.V.W.D.

Year	Cost/m ³		Increase over the previous year				Volumes m ³				Change In volume	Annual cost to Burnaby	Increase in the total cost of water to Burnaby	
	Off-Peak	Peak	\$		%		Off-Peak	Peak	Total m ³	%	000 \$	000 \$	%	
			Off-Peak	Peak	Off-Peak	Peak								
2012	0.5437	0.6796	0.0302	0.0377	5.88	5.87	23,737	16,454	40,191	5.46	24,088	2,575	11.97	
2013	0.5504	0.6880	0.0067	0.0084	1.23	1.24	24,800	17,690	42,490	5.72	25,821	1,733	7.19	
2014	0.5724	0.7155	0.0220	0.0275	4.00	4.00	22,338	17,348	39,687	-6.60	25,199	-622	-2.41	
2015	0.5816	0.7270	0.0092	0.0115	1.61	1.61	24,014	17,118	41,132	3.64	26,411	1,212	4.81	
2016	0.5926	0.7407	0.0110	0.0137	1.89	1.88	24,460	15,807	40,267	-2.10	26,203	-208	-0.79	
2017	0.6113	0.7641	0.0187	0.0234	3.16	3.16	24,165	16,347	40,512	0.61	27,263	1,059	4.04	
2018	0.6309	0.7886	0.0196	0.0245	3.20	3.20	24,564	16,626	41,190	1.67	28,607	1,344	4.93	
2019	0.6510	0.8138	0.0202	0.0252	3.20	3.20	24,758	16,757	41,515	0.79	29,755	1,149	4.01	
2020	0.6719	0.8398	0.0208	0.0260	3.20	3.20	25,014	16,930	41,944	1.03	31,025	1,270	4.27	
2021	0.6934	0.8667	0.0215	0.0269	3.20	3.20	25,128	17,007	42,135	0.45	32,163	1,138	3.67	
Increase 2012 - 2016			0.0791	0.0988	8.99	8.99						5,978	8.78	
Projected increase 2017 - 2021			0.1008	0.1260	13.43	13.43						5,960	17.98	

NOTES:

2012-2015 volumes are based on actuals up to December 31 2014.

2016 volumes and costs are based on expenditure as of period 10 2016. An estimate is used for the remainder of the year based on prior year average

2017 volumes are based on the City of Burnaby average volume for the prior two years. Rates are as per GVWD.

2018 - 2021 rates are based on an estimated 3.2% increase per year. Volumes for this period are based on GVWD projected increases over the City's 2017 projected volume, and GVWD estimated annual volume changes thereafter.

WATERWORKS RATES

FLAT RATES

Detached Single Family Dwelling
 Two Family Dwelling, including strata, forming part of a duplex- Per Unit
 Multiple Family Dwelling, including strata, not part of a duplex - Per Unit:
 Secondary suite, or in-law suite in a Single Family Dwelling.

 In-Law Suite in a Two Family Dwelling.
Previous rate - Two Family Dwelling with one Grandfathered In-Law Suite. Per Unit.

Commercial Not More Than 3 Stores/Offices

Commercial and living quarters, 1 family
 Commercial and no living quarters

CROSS CONNECTION CONTROLS

Per Device
 Minimum Per Unit

METERED RATES

Monthly

First 300 cubic metres
 Next 550 cubic metres
 Next 1,400 cubic metres
 Excess
 Minimum monthly

Quarterly

First 900 cubic metres
 Next 1,650 cubic metres
 Next 4,200 cubic metres
 Excess
 Minimum quarterly

SPECIAL METER READING

CONNECTION FEE

CONSTRUCTION FLAT WATER ANNUAL CHARGE

3/4" connection (per six months)
 1" connection (per six months)
 2" connection (per six months)
 19 mm Connection
 25 mm Connection
 50 mm Connection
 Construction meter connection charge
 Construction meter Usage charge

MISCELLANEOUS CHARGES

I. Water Turn-on / Turn-off request (per occurrence)

Regular hours: 7am to 11 pm Monday to Friday, except statutory holidays
After hours: 11pm to 7am Mon - to Fri, weekends and statutory holidays

II. Fire Hydrant

Permit (Inspection fee)
 Water use per day
 Damage deposit (refundable)

III. Meter Test or retest

16 mm, 19 mm, 25 mm, 32 mm, 38 mm or 50 mm meters
 76 mm, 102 mm, 152 mm or meters over 152 mm

IV. Rain Barrels (Inclusive of GST/PST)

(Section removed, as now included in Section F of the Solid Waste and Recycling Bylaw 2010, (update No. 13620)

General Rate Increase

	Effective Jan 01 2016 Paid by Mar. 15	Effective Jan 01 2016 Paid after Mar. 15	Effective Jan 01 2017 Paid by Mar. 15	Effective Jan 01 2017 Paid after Mar. 15
	\$	\$	\$	\$
Detached Single Family Dwelling	572.45	602.58	583.90	614.63
Two Family Dwelling, including strata, forming part of a duplex- Per Unit	429.34	451.94	437.92	460.97
Multiple Family Dwelling, including strata, not part of a duplex - Per Unit:	328.70	346.00	335.27	352.92
Secondary suite, or in-law suite in a Single Family Dwelling.	286.23	301.29	291.95	307.32
In-Law Suite in a Two Family Dwelling.	214.67	225.97	218.97	230.49
<i>Previous rate - Two Family Dwelling with one Grandfathered In-Law Suite. Per Unit.</i>	N/A	N/A	N/A	N/A
Commercial Not More Than 3 Stores/Offices				
Commercial and living quarters, 1 family	1144.89	1,205.15	1167.79	1,229.25
Commercial and no living quarters	572.45	602.58	583.90	614.63
<u>CROSS CONNECTION CONTROLS</u>				
Per Device	51.44	54.15	52.48	55.24
Minimum Per Unit	6.46	6.80	6.59	6.94
<u>METERED RATES</u>				
	Paid within 30 days of billing date	Paid 31 or more days after billing date	Paid within 30 days of billing date	Paid 31 or more days after billing date
Monthly				
First 300 cubic metres	1.520	1.600	1.552	1.632
Next 550 cubic metres	1.520	1.600	1.552	1.632
Next 1,400 cubic metres	1.520	1.600	1.552	1.632
Excess	1.520	1.600	1.552	1.632
Minimum monthly	47.70	50.21	48.654	51.21
Quarterly				
First 900 cubic metres	1.520	1.600	1.552	1.632
Next 1,650 cubic metres	1.520	1.600	1.552	1.632
Next 4,200 cubic metres	1.520	1.600	1.552	1.632
Excess	1.520	1.600	1.552	1.632
Minimum quarterly	143.10	150.63	145.97	153.65
<u>SPECIAL METER READING</u>	No discount	78.80	No discount	80.37
<u>CONNECTION FEE</u>	Per agreed cost of connection		Per agreed cost of connection	
<u>CONSTRUCTION FLAT WATER ANNUAL CHARGE</u>				
3/4" connection (per six months)	N/A	N/A	N/A	N/A
1" connection (per six months)	N/A	N/A	N/A	N/A
2" connection (per six months)	N/A	N/A	N/A	N/A
19 mm Connection	Discontinued		No discount	1,400.00
25 mm Connection	Discontinued		No discount	3,600.00
50 mm Connection	Discontinued		No discount	11,000.00
Construction meter connection charge	No discount	200.00	No discount	204.00
Construction meter Usage charge	As per Metered rates		As per Metered rates	
<u>MISCELLANEOUS CHARGES</u>				
I. Water Turn-on / Turn-off request (per occurrence)				
Regular hours: 7am to 11 pm Monday to Friday, except statutory holidays	No discount	52.53	No discount	54.00
After hours: 11pm to 7am Mon - to Fri, weekends and statutory holidays	No discount	157.59	No discount	161.00
II. Fire Hydrant				
Permit (Inspection fee)	No discount	157.59	No discount	161.00
Water use per day	No discount	26.27	No discount	27.00
Damage deposit (refundable)	No discount	525.30	No discount	536.00
III. Meter Test or retest				
16 mm, 19 mm, 25 mm, 32 mm, 38 mm or 50 mm meters	No discount	120.82	No discount	124.00
76 mm, 102 mm, 152 mm or meters over 152 mm	No discount	236.39	No discount	242.00
IV. Rain Barrels (Inclusive of GST/PST)				
(Section removed, as now included in Section F of the Solid Waste and Recycling Bylaw 2010, (update No. 13620)				
General Rate Increase	2.00%	2.00%	2.00%	2.00%



TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 14

FROM: DIRECTOR FINANCE

FILE: 6900-01

SUBJECT: PURCHASING APPROVAL LIMITS

PURPOSE: To obtain Council approval to change the City's existing Spend and Approval Limits Authorization Policy.

RECOMMENDATIONS:

1. **THAT** Financial Management Committee recommend Council approve the changes to the City's Spend and Approval Limits for the procurement of goods, services and construction as set out in this report; and
2. **THAT** Financial Management Committee recommend Council authorize the City Solicitor to prepare a bylaw amending the Burnaby Routine Transaction Authority Bylaw 1999 as outlined in Section 4 of this report.

REPORT

The recommended change in the Spend and Approval Limits Authorization Policy is to improve the timeliness of contract awards and increase efficiencies by reducing the number of individual reports going forward seeking Council approval.

1.0 BACKGROUND

The City of Burnaby has a well-established centralized procurement process that relies on the utilization of expenditure authorization limits for the procurement of municipal goods, services and construction. This financial control helps to ensure the appropriate authorization of municipal purchases and also provides the City's external auditors with reasonable assurance that they can rely on management's oversight of the City's procurement practices.

1.1 Authority to Award a Contract

An update to the City's limit policy on the authority to award a contract was undertaken in 1998 and adopted by Council on 1998 August 24. The current limit thresholds are listed in Table 1:

Table 1 – Current Authority Limit Thresholds

Authority	Limit Thresholds (\$)
City Council	> 250,000
City Manager	100,001 – 250,000
Purchasing Agent	1 – 100,000

To: Financial Management Committee
 From: Director Finance
 Subject: PURCHASING APPROVAL LIMITS
 2016 November 24..... Page 2

1.2 Limits on City Shopping Cart Purchases

In 2007 the City implemented an enterprise financial business system. The system provides an electronic purchasing system to support staff in optimizing purchasing and procurement best practises. To facilitate the use of workflow for electronic approval of Shopping Cart functionality, a more detailed breakdown of the adopted approval levels was required. On 2007 September 18 the addition of purchasing authorization levels was approved by the City Manager/ Director Finance and staff positions were assigned to these levels. The current thresholds are found in Table 2.

Table 2 – Purchasing Authorization Level Changes in 2007

Authority	Limits Threshold (\$)
Authorized in 1998:	
Council	> 250,000
City Manager	100,001 – 250,000
Purchasing Manager	1 – 100,000
Added Shopping Cart Limits in 2007:	
Directors	25,001 – 50,000
Department and Division Heads	10,001 – 25,000
Managers and Superintendents	5,001 – 10,000
Supervisors and Foremen 2 and 3	1,001 – 5,000
Coordinators and Foremen 1	501 – 1,000
Technical, Professional and Administrative Staff	101 – 500
All other staff who regularly order supplies	1 – 100

2.0 LOWER MAINLAND EXPENDITURE APPROVAL LIMITS

2.1 Comparative Expenses

In 2008 the City’s total expenses net of amortization were \$240.9m and in 2015 expenses totalled \$335.1m an increase of approximately 39%.

In the Lower Mainland, Richmond is the only city similar in size to Burnaby in terms of total annual expenses; all other cities are smaller with expenses of less than \$200m, with the exception of the cities of Surrey and Vancouver which have expenses considerably larger than Burnaby. Table 3 provides 2015 preliminary consolidate expense reporting figures (net of amortization).¹

Table 3 – 2015 Preliminary Consolidate Expense

	Burnaby	Richmond	Surrey	Vancouver
2015 Consolidated Expenses	\$335.1m	\$319.6m	\$544.7m	\$1.2b

¹Local Government Statistics – Draft 2015 Consolidated Expenses

To: Financial Management Committee
 From: Director Finance
 Subject: PURCHASING APPROVAL LIMITS
 2016 November 24..... Page 3

2.2 Approval Limits

Each organization is unique and will have different business processes and expenditure authorization controls in place, purchasing limits are only one policy tool. A review of contract award and expenditure approval limits in place at Richmond and Surrey are shown in Table 4.

Table 4 – Contract Award and Expenditure Approval Limits 2016 Survey

Authority	Burnaby	Richmond	Surrey
Council	Over \$250,000	Over \$500,000	Over \$500,000
City Manager	Up to \$250,000	Up to \$500,000	Up to \$500,000
Purchasing Manager	Up to \$100,000	Up to \$ 25,000	Up to \$ 25,000
Directors	Up to \$ 50,000	Up to \$100,000	Up to \$300,000

3.0 EXPENDITURE LIMITS ON THE PURCHASE OF GOODS, SERVICES AND CONSTRUCTION

It is recommended that Council increase the authority limits to award a contract for the purchase of goods, services or construction included in the Annual Financial Plan as in Table 5:

Table 5 – Recommended Increases to Authority Limits

Authority	Limit Thresholds (\$)
Council	> 500,000
City Manager	250,001 – 500,000
Purchasing Manager	50,001 – 250,000
Directors	50,001 – 200,000

3.1 Purchasing Policy

All contract awards shall continue to be made by the Purchasing Manager based on the recommendation of the Purchasing Manager and the concurrence of the respective authority requesting the purchase.

This practise helps to ensure appropriate segregation of duties and compliance with procurement policies and legislative requirements. Expenditures being requisitioned will be identified as being included within the adopted Annual Financial Plan by the authority requesting the purchase.

Capital and operating budgets must include sufficient detail to allow Purchasing and Financial Planning to verify awards for contracted services or goods that have been provided for in the planned expenditures and funding requirements outlined in the Annual Financial Plan approved by Council.

To: Financial Management Committee
From: Director Finance
Subject: PURCHASING APPROVAL LIMITS
2016 November 24..... Page 4

Compensating financial controls in the form of increased reporting through the Financial Management Committee to Council will be put in place to enable Council to be informed on expenditures being incurred within the City and to enable transparency and stewardship of public funds. Specifically each quarter:

- Purchasing Reports that provided all contract awards over \$250,000.
- Operating and Capital Expenditures Reports that provide expenditures to budget comparisons with variance explanations.

4.0 BYLAW AMENDMENTS

It is recommended that the City Solicitor be authorized to prepare bylaw amendments to implement the following revisions in Section 2 of the Burnaby Routine Transaction Bylaw 1999:

Section 2(a)

Council at the ‘Open’ Council meeting held on 2006 May 29, adopted a report authorizing an increase in the maximum staff training allowance from \$2,500 to \$5,000 with the approval of the City Manager.

- (i) *The authority to approve all requests by officers and employees of the City to attend courses, conferences and meetings when the estimated cost of any such attendance does not exceed \$5,000.”*

Upon approval of Council, authority limits as set out in this report as follows.

- (ii) *The authority to approve for award of contract by the City Purchasing Manager for authorized procurement of municipal goods, services and construction by each of the following authorities where the authorized level does not exceed the amount shown as set out:*

Authority	Limit Thresholds (\$)
Council	> 500,000
City Manager	250,001 – 500,000
Purchasing Manager	50,001 – 250,000
Directors	50,001 – 200,000

To: Financial Management Committee
From: Director Finance
Subject: PURCHASING APPROVAL LIMITS
2016 November 24.....

Section 2(c)

Upon approval of Council, that the Director Engineering’s authority to acquire be increased from \$5,000 to \$100,000 for the purposes of section (i) and (iii) as stated:

- (i) to acquire on behalf of the City easements and statutory rights of way required for City purposes where the compensation to be paid for any such easement or statutory right of way does not exceed \$100,000.
- (iii) to acquire truncations from privately owned parcels of land required for City purposes where the compensation does not exceed \$100,000 including the cost of restoring or relocation landscaping and plants.

Section 2(e)

Upon approval of Council, that the City Solicitor’s authority to approve payment for claims be increased from \$5,000 to \$25,000, which is the limit for claims filed in Small Claims Court.

It is further recommended that any outdated references to the Municipal Act be updated to the Local Government Act.

5.0 RECOMMENDATION

It is recommended that Financial Management Committee recommend Council approve the changes in the City’s Spend and Approval Limits for the procurement of goods, services and construction as set out in this report, and authorize the City Solicitor to prepare a bylaw amending the Burnaby Routine Transaction Authority Bylaw 1999, as outlined in Section 4 of this report.



Denise Jorgenson
DIRECTOR FINANCE

DJ:BK /ml

Copied to: City Manager
Members of Management Committee



TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 15

FROM: DIRECTOR FINANCE

FILE: 5220-05

SUBJECT: SAP TREASURY MANAGEMENT SYSTEM – UPDATE

PURPOSE: To provide a status update on the SAP Treasury Management System implementation.

RECOMMENDATION:

1. **THAT** Financial Management Committee receive this report for information.

REPORT**1.0 INTRODUCTION**

The SAP Treasury Management project began in 2016 April and went live on 2016 October 24. It was successfully implemented as a single phase project over a seven month period by a City team working in close partnership with the City's implementation partner, Addmore Group Inc. The project was completed as planned, on time and on budget.

The new SAP Treasury Management module replaces the legacy TMAN system, which had reached the end of its service life after 19 years of service. TMAN was implemented in 1998 to meet banking, audit and investment standards and controls for the City's \$239 million investment portfolio. Today the Finance Department oversees a \$930 million investment portfolio consisting of various money market and fixed income products.

The following modules of SAP Treasury Management were implemented: transaction manager, credit risk analyzer, market risk analyzer and cash management. Standard features and functionality of the SAP Treasury Management module and submodules include investment record keeping, auto generation of investment correspondence, full cycle accounting, investment limit monitoring, analytics and reporting. The integration with the City's SAP electronic banking system enables more accurate cash forecasting and provides the City with greater opportunity to extract a higher yield from its investment portfolio. The extension of the City's SAP footprint with this new module also allows the City to leverage existing in-house sustainment resources without the need to enter into additional maintenance contracts with a vendor.

To: Financial Management Committee
 From: Director Finance
 Re: SAP TREASURY MANAGEMENT SYSTEM – UPDATE
 2016 November 24.....Page 2

2.0 IMPLEMENTATION

The core Treasury Management implementation team consisted of five Finance Department staff: Project Sponsor, Project Manager, Business Analyst and two Treasury subject matter experts. This core team was supported by Information Technology SAP specialists, testers and technical team members.

The project was led by the Assistant Director Treasury Services with the support of a Finance Project Manager and a strong team of Treasury and IT staff. The shared success of the project can be attributable to close monitoring and adherence to the project schedule and budget. Key activities such as documentation of business processes and training on SAP Treasury Management by Treasury and IT staff prior to the start of the project enabled Addmore Group Inc. to quickly obtain a good understanding of the City’s operations while facilitating productive discussions as early as the design and blue printing phases. Staff continued to build on their knowledge of the new module over the seven months of the project and are well positioned to provide sustainment support for the City. Treasury staff maintained close involvement in all phases of the project which ensured comprehensive testing of the new module, thus meeting stated requirements. This standard functionality has already delivered time savings during the period end close process and in preparing the 2017 investment income projection.

The project had an approved budget of \$897,500. Table 1 provides details of project costs and remaining surplus of \$105,297. If necessary, these funds will be used to cover any costs associated with stabilizing the new module over the warranty period.

Table 1 – Details of Project Costs

Project Element	Budget (\$)	Actual (\$)	Remaining Budget (\$)
Consulting Services for Implementation	715,688	683,122	32,566
IT Implementation Costs	105,000	67,010	37,990
SAP Treasury Management Licences	54,570	42,071	12,499
Contingency	22,242	-	22,242
Total	897,500	792,203	105,297

3.0 RECOMMENDATION

It is recommended this report be received by Financial Management Committee for information.



Denise Jorgenson
 DIRECTOR FINANCE

DS:RS/ml

Copied to: City Manager
 Chief Information Officer



TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 15

FROM: DIRECTOR FINANCE

FILE: 9900-05

SUBJECT: RENEWAL OF CITY FLEET INSURANCE

PURPOSE: To request approval for an expenditure of up to \$910,000 to renew the City Vehicle Fleet Insurance Program.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council approve an expenditure up to \$910,000 payable to Willis Towers Watson 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 619 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 collision and comprehensive perils subject to a deductible of \$5,000 and \$300 per accident/incident respectively.

The City fleet insurance policy will renew on 2017 January 01. The Insurance Corporation of British Columbia (ICBC) requires that fleet premiums be paid prior to issuance of a new plate decal. The City contracts for insurance and other related services with Willis Towers Watson who is the City's insurance broker of record with ICBC.

The cost of maintaining the fleet insurance program is a necessary operating expense that is included in the City's 2017 Operating Budget in the Annual Financial Plan.

Denise Jorgenson
DIRECTOR FINANCE

DJ:MF /ml

Copied to: City Manager



Meeting 2016 Nov 24

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 16

FROM: DIRECTOR FINANCE

FILE: 32000-05

SUBJECT: 2016 ANNUAL CAPITAL PROGRAM – ENGINEERING

PURPOSE: To request Council approval of reallocations within Engineering’s 2016 Annual Capital Plan Budget.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council approve reallocations within Engineering’s 2016 Annual Capital Plan to support additional work requirements in Major Roads, Waterworks and Sanitary Sewer as outlined in this report.

REPORT**1.0 2016 ANNUAL CAPITAL PLAN – ENGINEERING**

Some active projects in 2016 are anticipated to require additional budget authorization in support of work commitments that are expected to be completed before the end of 2016. Surplus project funds remaining from completed project closures are available in the appropriate Engineering program categories to fund all budget reallocation expenditures. The Director Finance recommends that surplus funding, available within each of the Engineering Program categories, be used to fund the increased approved budget expenditures where needed and the remaining surplus funds be returned to their respective reserves.

2.0 2016 PLAN ROOM – ENGINEERING

Not all Engineering project work in the 2016 Annual Financial Plan will be carried out as planned. Budget room is therefore available within the adopted Engineering 2016 Capital Plan to provide for the recommended reallocations between major Engineering categories based on Engineering Project Management’s estimate of work that will be completed by 2016 December 31.

The 2016 Capital Plan Reallocation column in Table 1 shows the recommended changes to 2016 Plan Budget categories, the overall Engineering 2016 Plan remains the same. As noted above, sufficient surplus funds are available within each category from closed projects, to fund these budget expenditures and all projects and contract awards over \$250,000 have been authorized by Council through contract award and funding authorization reports. This reallocation is similar to the City’s past practice of providing a recast budget to Council in the Fall.

To: Financial Management Committee
 From: Director Finance
 Re: 2016 ANNUAL CAPITAL PROGRAM – ENGINEERING
 2016 November 24.....Page 2

Table 1 – Engineering 2016 Capital Plan Budget Reallocation

Department	2016 Annual Financial Plan	Period 9 Remaining Plan	2016 Capital Plan Reallocation
Engineering			
Roads (Various)	14,203,500	8,733,897	(2,200,000)
Traffic Management	4,772,310	3,782,723	
Major Roads	10,760,000	7,658,021	1,500,000
Waterworks	13,905,000	6,294,087	2,050,000
Sanitary Sewer	12,959,600	5,547,934	2,050,000
Storm Sewer	8,398,880	6,362,018	(1,800,000)
Vehicles and Equipment	5,729,460	4,679,915	
Local Area Services	1,580,000	1,222,336	
City Buildings & Energy Programs	11,220,140	9,062,354	(1,600,000)
Total Engineering	83,528,890	53,343,285	-

The total, after reallocations of Engineering’s 2016 Capital Plan between project categories, remains the same at \$83,528,890. No additional Capital Reserve bylaws are required to fund the reallocations.

3.0 RECOMMENDATION

Given that significant surplus funds remain from the closure of completed Engineering projects within each of the budget reallocation Engineering Plan categories (Major Roads, Waterworks and Sanitary Sewer), it is proposed to utilize these surplus funds to finance the changes to the Engineering Plan without drawing further bylaws.

It is recommended that Financial Management Committee recommend Council approve reallocations within Engineering’s 2016 Annual Capital Plan to support additional work requirements in Major Roads, Waterworks and Sanitary Sewer as outlined in this report.



Denise Jorgenson
 DIRECTOR FINANCE

DJ:BK/ew

Copied to: City Manager
 Director Engineering



Meeting 2016 Nov 24

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 16

FROM: DIRECTOR FINANCE

FILE: 7300-01

SUBJECT: RAINWATER MANAGEMENT AMENITY AND PUBLIC ART FUNDS

PURPOSE: To establish two operating funds, one for the maintenance of Rainwater Management Amenities and one for the maintenance of Public Art.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council create a Rainwater Management Amenity Operating Fund and a Public Art Operating Fund.

REPORT**1.0 RAINWATER MANAGEMENT AMENITY OPERATING FUND**

As part of the Rezoning/Subdivision process, a developer may provide a non-refundable fee to the City for the future maintenance of a rainwater amenity during a set warranty period. A rainwater maintenance fee is only charged where a developer provides a rainwater amenity as part of their servicing requirements.

The purpose of a rainwater amenity is to improve storm water management by capturing and filtering out “first flush” contaminants, resulting in improved run-off quality prior to waste entering the City’s drainage system. Ongoing rainwater amenity maintenance includes landscape maintenance, removal of detritus from water-flow pathways, cleaning sumps and cisterns, pressure washing pervious paving, regular checks of piping and valves for signs of failure, replacement of underlying piping parts and any other maintenance work required to maintain the amenity.

It is proposed that the City establish an interest bearing Rainwater Management Amenity Operating Fund which would be used to fund required rainwater amenity maintenance works subsequent to the expiration of the rainwater amenity warranty period. Estimated rainwater maintenance expenditures would be budgeted on an annual basis and financed by funding provided from the Rainwater Management Amenity Operating Fund. As at 2016 October 30, rainwater management amenity fees collected totaled \$3,202,552. At year-end, all funds on deposit would be transferred to the Rainwater Management Amenity Operating Fund to be used for the established purpose.

To: Financial Management Committee
From: Director Finance
Re: Rainwater Management Amenity and Public Art Fund
2016 November 24..... Page 2

2.0 PUBLIC ART OPERATING FUND

As part of the Rezoning/Subdivision process, a private developer may provide a public art feature. The City may enter into a special agreement with the developer to receive funds for the purpose of undertaking maintenance of a public art feature over a specified period.

It is proposed that the City establish an interest bearing Public Art Operating Fund to track and use monies received from private developers for the future maintenance of a specific public art feature. The Public Art Operating Fund would contain an inventory of all public art agreements entered into. All monies collected from developers for the future maintenance of a public art feature would be used for the purpose for which monies were collected.

The City has received funds for two public art contributions that would be included in the Public Art Operating Fund. They include:

- Gold House Digital Screen - \$250,000
- Beresford Public Art Walk - \$ 25,000

Estimated public art maintenance expenditures would be budgeted on an annual basis and financed by the respective public art contributions contained within the Public Art Fund.

RECOMMENDATION

It is recommended that the Financial Management Committee approve and recommend to Council the establishment of a Rainwater Management Amenity Operating Fund and a Public Art Operating Fund as outlined in this report.



Denise Jorgenson
DIRECTOR FINANCE

DJ:NK /ml

Copied to: City Manager
Director Engineering
Director Planning and Building