



FINANCIAL MANAGEMENT COMMITTEE

NOTICE OF OPEN MEETING

DATE: WEDNESDAY, 2020 MARCH 11
TIME: 5:00 p.m.
PLACE: Council Committee Room, Burnaby City Hall

A G E N D A

1. <u>CALL TO ORDER</u>	<u>PAGE</u>
2. <u>MINUTES</u>	
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5. NEW BUSINESS

6. INQUIRIES

7. ADJOURNMENT



FINANCIAL MANAGEMENT COMMITTEE

MINUTES

An Open meeting of the Financial Management Committee was held in the Council Committee Room, City Hall, 4949 Canada Way, Burnaby, B.C. on **Wednesday, 2020 February 12** at 5:00 p.m.

1. CALL TO ORDER

PRESENT: His Worship, Mayor Mike Hurley, Chair
Councillor Sav Dhaliwal, Vice Chair
Councillor Pietro Calendino, Member
Councillor Paul McDonell, Member
Councillor Joe Keithley, Member

STAFF: Mr. Lambert Chu, City Manager
Mr. Dipak Dattani, Director Corporate Services
Mr. Leon Gous, Director Engineering
Ms. Noreen Kassam, Director Finance
Ms. Pat Tennant, Director Human Resources
Mr. Dave Ellenwood, Director Parks, Recreation and Cultural Services
Mr. Ed Kozak, Director Planning and Building
Ms. Shari Wallace, Chief Information Officer
Mr. John Cusano, Assistant Director - Civic Building Projects
Mr. Tim Van Driel, Manager – Civic Building Projects
Ms. Monica Macdonald, Administrative Officer

The Chair called the Open meeting to order at 5:00 p.m.

His Worship, Mayor Mike Hurley, recognized the ancestral and unceded homelands of the hə́nqəmínəḡ and Skwxwú7mesh speaking peoples, and extended appreciation for the opportunity to hold a meeting on this shared territory.

2. MINUTES

- a) **Minutes of the Financial Management Committee
Open meeting held on 2020 January 15**

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR DHALIWAL

THAT the minutes of the Financial Management Committee Open meeting held on 2020 January 15 be adopted.

CARRIED UNANIMOUSLY

3. CORRESPONDENCE**a) Memorandum from the Director Planning and Building
Re: Major Civic Building Projects Status Update**

A memorandum was received from the Director Planning and Building providing a status update of the following civic building projects: Burnaby Lake Aquatic & Arena Facility, Willingdon Heights Community Centre, Confederation Park Community Centre, Cameron Community Centre, South Burnaby Arena, Laurel Street Works Yard (Phase 2), Metrotown Events Centre, and Highway One Pedestrian Overpass.

4. REPORTS**a) Report from the Director Engineering
Re: 2020 February Engineering Capital Infrastructure
Bylaw Funding Request**

The Director Engineering submitted a report seeking Council authorization for the use of Water and Sewer Reserves and to request a Capital Reserve Fund Bylaw to finance 2020 - 2024 Engineering capital infrastructure projects.

The Director Engineering recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserves Fund Bylaw in the amount of \$17,203,900, the use of Sanitary Sewer Capital Reserves in the amount of \$1,350,000 and the use of Waterworks Utility Capital Reserves in the amount of \$1,242,500 to finance Engineering capital infrastructure improvement projects, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR KEITHLEY

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

**b) Report from the Director Engineering
Re: Demolition of City-Owned Buildings at
6857 and 6875 Royal Oak Avenue**

The Director Engineering submitted a report seeking Council authorization for the use of Community Benefit Reserves to finance the demolition of City-owned buildings at 6857 and 6875 Royal Oak Avenue.

The Director Engineering recommended:

1. THAT the Financial Management Committee recommend Council authorize the demolition and disposal of the City-owned buildings located at 6857 Royal Oak Avenue and 6875 Royal Oak Avenue.
2. THAT the Financial Management Committee recommend Council authorize the use of Community Benefit - Affordable Housing Reserve in the amount of \$325,000 to finance the works, as outlined in this report.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR KEITHLEY

THAT the recommendations of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

c) Report from the Director Finance
Re: Operating Climate Action Reserve

The Director Finance submitted a report seeking Council authorization to establish an Operating Climate Action Reserve to fund operating costs associated with climate action.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council create an Operating Climate Action Reserve to fund operating initiatives associated with climate action.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR DHALIWAL

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

d) Report from the Director Finance
Re: 2020 - 2024 Provisional Financial Plan

The Director Finance submitted a report providing the 2020 - 2024 Provisional Financial Plan.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council receive the 2020 - 2024 Provisional Financial Plan.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

e) Report from the Director Finance
Re: Bylaw to Appropriate Funds for Land Assembly
and Development Expenditures

The Director Finance submitted a report seeking Council authorization for the use of a Capital Reserve Fund Bylaw to finance the Land Assembly and Development Program.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$14,000,000 to finance the Land Assembly and Development Program, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR DHALIWAL

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

f) Report from the Director Finance
Re: Proposed Amendments to the Burnaby Routine
Transaction Authority Bylaw 1999

The Director Finance submitted a report seeking Council authorization for amendments to the Burnaby Routine Transaction Authority Bylaw 1999 to increase the City Manager's authority to approve staff training and travel expenses not exceeding \$12,500 and to provide the City's Risk Manager with authority to approve payment of claims not exceeding \$2,500.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize an increase to the City Manager's authority to approve requests by officers and employees of the City to attend courses, conferences and meetings or for travel in respect to City business when the estimated cost does not exceed \$12,500.
2. THAT the Financial Management Committee recommend Council authorize the City Risk Manager's authority to approve for payment of claims against the City that do not exceed \$2,500, subject to the receipt of an appropriate settlement agreement or release.
3. THAT the Financial Management Committee recommend Council authorize the City Solicitor to prepare a bylaw amendment to the Burnaby Routine Transaction Authority Bylaw 1999 to implement the proposed changes.

MOVED BY COUNCILLOR DHALIWAL
SECONDED BY COUNCILLOR KEITHLEY

THAT the recommendations of the Director Finance be adopted.

CARRIED UNANIMOUSLY

**g) Report from the Director Human Resources and
the Director Finance
Re: Employee Transit Incentive Program**

The Director Human Resources and the Director Finance submitted a report proposing revisions to the Employee Transit Incentive Program.

The Director Human Resources and the Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize staff to revise the Employee Transit Incentive Program effective 2020 March 01, as outlined in this report.
2. THAT a copy of this report be sent to the Environment Committee.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendations of the Director Human Resources and the Director Finance be adopted.

The Committee asked staff whether program enrollment would increase if the qualifying number of hours worked per week were reduced.

Staff advised that some auxiliary employees work a 4-5 hour shift so reducing the qualifying threshold to 10 hours per week would increase the use of transit options for these individuals and likely increase program enrollment.

Arising from discussion, the following motion was introduced:

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT the report be **AMENDED** to decrease the bus pass program qualifying hours from 20 to 10 hours per week.

CARRIED UNANIMOUSLY

Staff undertook to amend the report.

With the report amended, the original motion was then put:

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendations of the Director Human Resources and the Director Finance be adopted.

CARRIED UNANIMOUSLY

h) Report from the Director Parks, Recreation and Cultural Services
Re: 2020 January - Parks, Recreation and Cultural Services Gaming Fund Projects

The Director Parks, Recreation and Cultural Services submitted a report seeking Council authorization for the use of Gaming Reserves to finance the Burnaby Village Museum Heritage Building Upgrades project and the Eagles Estate Landscape Restoration project.

The Director Parks, Recreation and Cultural Services recommended:

1. THAT the Financial Management Committee recommend that Council authorize the use of Gaming Reserves in the amount of \$210,000 to finance the projects, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR KEITHLEY

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

CARRIED UNANIMOUSLY

i) **Report from the Director Planning and Building**
Re: Burnaby Access Advisory Committee - Funding Request
and Overview of Activities

The Director Planning and Building submitted a report seeking Council authorization for the use of Gaming Reserves to finance the 2020 Access Improvements Program, funding for access supports for Committee members, and providing a summary of recent Burnaby Access Advisory Committee activities.

The Director Planning and Building recommended:

1. THAT the Financial Management Committee recommend that Council authorize the use of Gaming Reserves in the amount of \$56,000 to finance the access improvement projects at City facilities, as outlined in Section 3.0 of this report.
2. THAT the Committee recommend Council authorize the allocation of \$500 from the 2020 Boards, Committees and Commissions budget to the City of Burnaby Access Advisory Committee, in order to provide access supports as needed for Committee members, as outlined in Section 5.0 of this report.
3. THAT a copy of this report be forwarded to the Social Planning Committee for information.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendations of the Director Planning and Building be adopted.

CARRIED UNANIMOUSLY

j) **Report from the Director Planning and Building**
Re: Child Care Facilities on School Sites - Funding Request

The Director Planning and Building submitted a report seeking Council approval in principle for an expenditure of up to \$5,575,000, depending on any Provincial grant funding received, from Community Benefit Bonus funds to support the development of child care facilities on School District and City sites.

The Director Planning and Building recommended:

1. THAT Council approve an expenditure of up to \$5,575,000, depending on any Provincial grant funding received, from Community Benefit Bonus funds to support the development of child care facilities on various School District/City sites throughout the City, as outlined in Section 5.0 of this report.
2. THAT a copy of this report be forwarded to the Ministry of Children and Family Development.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR KEITHLEY

THAT the recommendations of the Director Planning and Building be adopted.

CARRIED UNANIMOUSLY

k) Report from the Major Civic Building Project Coordination Committee
Re: Fire Hall Station No. 1 - 4867 Sperling Avenue Facility Upgrades

The Major Civic Building Project Coordination Committee submitted a report seeking Council authorization for the use of Gaming Reserves to finance the Phase 2 detailed design and contract administration of a turn-out gear washing and locker room facility to be located within the property of Fire Hall No. 1.

The Major Civic Building Project Coordination Committee recommended:

1. THAT the Financial Management Committee recommend Council authorize the use of Gaming Reserves in the amount of \$171,000 to finance the Phase 2 feasibility study and detailed design of a new turn-out gear washing and locker room facility at Fire Hall No.1, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR KEITHLEY

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

CARRIED UNANIMOUSLY

l) Report from the Major Civic Building Project Coordination Committee
Re: Burnaby Lake Aquatic and Arena Facility Project –
Phase Two Funding Request

The Major Civic Building Project Coordination Committee submitted a report seeking Council authorization for the use of Community Benefit Reserves to finance the second

phase of work for the Burnaby Lake Aquatic and Arena Facility project, which includes detailed design, City development approvals, tender documents, and preliminary site servicing and offsite costs.

The Major Civic Building Project Coordination Committee recommended:

1. THAT the Financial Management Committee recommend Council authorize staff to advance the Burnaby Lake Aquatic and Arena Facility project into detailed design, subject to funding and award of contract approval for the phase two scope of work, as outlined in this report.
2. THAT the Financial Management Committee recommend Council authorize the use of Community Benefit Reserves in the amount of \$18,000,000 to finance detailed design, City development approvals, tender documents, and preliminary site servicing and offsite costs for the Burnaby Lake Aquatic and Arena Facility project, as outlined in this report.
3. THAT a copy of this report be forwarded to the Parks, Recreation and Culture Commission for information.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

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

CARRIED UNANIMOUSLY

m) Report from the Major Civic Building Project Coordination Committee
Re: Deer Lake Precinct Wayfinding Project - Funding Request

The Major Civic Building Project Coordination Committee submitted a report seeking Council authorization for funding approval to undertake the concept and detailed design of wayfinding signage for the Deer Lake Precinct.

The Major Civic Building Project Coordination Committee recommended:

1. THAT the Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserves Fund Bylaw in the amount of \$60,000 to finance the Deer Lake Precinct Wayfinding project included in the Capital Plan, as outlined in this report.
2. THAT a copy of this report be forwarded to the Parks, Recreation and Culture Commission for information.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

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

CARRIED UNANIMOUSLY

5. **NEW BUSINESS**

His Worship, Mayor Hurley – 2019 Labour Relations' Legal Fees

His Worship, Mayor Hurley inquired regarding 2019 legal fees related to Labour Relations.

Staff undertook to provide information.

His Worship, Mayor Hurley – Retirement of John Cusano

His Worship, Mayor Hurley, on behalf of the Committee, congratulated Mr. Cusano, Assistant Director - Civic Building Projects, on his retirement and expressed appreciation for his work.

6. **INQUIRIES**

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

7. **ADJOURNMENT**

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR KEITHLEY

THAT the Open Committee meeting do now adjourn.

CARRIED UNANIMOUSLY

The Open Committee meeting adjourned at 6:43 p.m.

Monica Macdonald
Administrative Officer

Mayor Mike Hurley
Chair



**Municipal Finance
Authority of BC**

February 26, 2020

Sent via Email

Attention : Financial Administration, Regional District

Re: Request for Acknowledgement: Municipal Finance Authority of British Columbia (MFA) – 50th Anniversary in 2020

We would like to respectfully request a letter of acknowledgement and congratulations to recognize our organization's 50th anniversary in 2020. We will celebrate this milestone at our Annual General Meeting event in Victoria, BC on March 25th and 26th, 2020.

In its 50th year, the MFA is proud of the strong growth it has exhibited in its service footprint and increasing impact on the financial health of local governments in BC. Our vision is to be recognized as a world-class financial institution for the benefit of taxpayers in British Columbia and to be our clients' preferred choice for financing and investing. We strive to increase our value each year. Our mission is to provide financial solutions for BC's Local Governments.

Over the past 50 years, the MFA has raised over \$40 billion dollars in the bond market to fund BC infrastructure and maintain a commercial paper program of \$700 million dollars in support of our short-term lending programs. Our securities are rated at the highest levels possible and are highly sought after by investors in Canada and around the world. This excellent rating and demand for our securities ensure that BC's local governments all borrow at the lowest rates available to municipalities in Canada, reducing taxpayer burden for these projects. All BC municipalities borrow from the MFA at this same low price, benefiting from the MFA's cooperative model which is unique in Canada and reflective of BC's collaborative spirit and ingenuity.

In partnership with our Board of Trustees, our highly-skilled team of 15 dedicated professionals is committed to providing financial solutions to serve the needs of all BC communities, regardless of size or location. We now not only provide access to stable and low-cost long- and short-term funding, but also competitive investment alternatives.

We would greatly appreciate your comments and your consideration of this request is gratefully appreciated.

Kind regards,

Shelley Hahn
Chief Services Officer, MFA

INTER-OFFICE MEMORANDUM

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 March 05

FROM: DIRECTOR PLANNING AND BUILDING

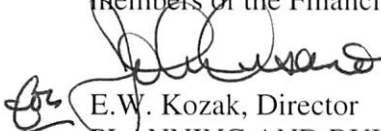
FILE: 4230 01

SUBJECT: MAJOR CIVIC BUILDING PROJECTS STATUS UPDATE

The following table summarizes the current status of eight major civic building projects, and provides an estimated project completion date:

Project	Current Project Phase	Est. Completion of Current Project Phase	Est. Project Completion Date	Additional Comments
Burnaby Lake Aquatic & Arena	Detailed Design	Summer 2021	Summer 2024	Detailed design starting now
Willingdon Heights Community Centre	Schematic Design	May 2020	TBD	SD report due Spring 2020
Confederation Park Community Centre	Schematic Design	May 2020	Fall 2023	SD report due Spring 2020
Cameron Community Centre	Program Development	March 2020	Summer 2024	Public consultation in progress
South Burnaby Arena	Construction	NA	Fall 2021	Foundations and walls underway
Laurel Street Works Yard (Phase 2)	Construction	NA	Spring 2023	Tender closes April 9
Metrotown Events Centre*	Feasibility Study/Program Development	Summer 2020	TBC	Site review March 11-12
Hwy 1/ Burnaby Lake Overpass	Schematic Design	April 2020	TBC	Site evaluation/ selection in progress

A more detailed project update summary will be provided in the April quarterly update report to members of the Financial Management Committee and Council.



E.W. Kozak, Director
PLANNING AND BUILDING

TVD:

cc: City Manager
Members of Council

Director Engineering
Director Parks, Recreation and Cultural Services

City Clerk

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MEETING 2020 MARCH 11

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 February 6

FROM: EXECUTIVE ASSISTANT TO THE
MAYOR

FILE: 02410-20
Reference: FMC

SUBJECT: 2020 INTERNATIONAL RELATIONS AND FRIENDSHIP CITIES
COMMITTEE (IRFCC) HOSTING INTERNATIONAL DELEGATIONS

PURPOSE: To request the use of Gaming Reserves for hosting international
delegations and delegation related activities in 2020.

RECOMMENDATION:

1. **THAT** the Financial Management Committee approve the use of Gaming Reserves in the amount of \$30,000 for hosting international delegations in 2020, as outlined in the report.

REPORT

This report is requesting authorization for the use of Gaming Reserves for hosting international delegations in 2020.

1.0 INTRODUCTION

The City of Burnaby maintains Sister and Friendship City relationships that meet the goals and objectives of Burnaby's International Relations and Friendship Cities Program. Throughout the year, Burnaby participates in mutual learning opportunities to share best practices from other areas of the world. Annual hosting costs are included in the 2020-2024 Provisional Financial Plan.

2.0 POLICY

The IRFCC activities are aligned with the following goals and sub-goals of the City's Corporate Strategic Plan:

Goal

- A Connected Community
 - Partnership – Work collaboratively with businesses, educational institutions, associations, other communities and governments

To: Financial Management Committee
From: Executive Assistant to the Mayor
Re: IRFCC 2020 Gaming Reserves Request
2020 March 11Page 2

- An Inclusive Community
 - Celebrate diversity – Create more opportunities for the community to celebrate diversity
- A Dynamic Community
 - Economic opportunity – Foster an environment that attracts new and supports existing jobs, businesses and industries

3.0 RECOMMENDATION

To meet Burnaby's International Relations and Friendship Cities Program goals and objectives, it is recommended that the Committee approve the use of Gaming Reserves in the amount of \$30,000 for international delegation hosting activities in 2020.



Elaine Wong
EXECUTIVE ASSISTANT TO THE MAYOR

Copied to: City Manager
Director Corporate Services
Director Finance



Meeting 2020 March 11

COMMITTEE REPORT

TO: CHAIR AND MEMBERS FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2020 February 17

FROM: DIRECTOR ENGINEERING **FILE:** 32000-05

SUBJECT: 2020 MARCH ENGINEERING CAPITAL FACILITIES MANAGEMENT
GAMING RESERVE REQUEST – CITY BUILDINGS HERITAGE &
CULTURAL

PURPOSE: To request the use of the Gaming Reserve to finance the Component Life Cycle Renewal for Heritage & Cultural Buildings projects.

RECOMMENDATION:

1. **THAT** the Financial Management Committee authorize the use of the Gaming Reserve in the amount of \$350,000 to finance the Component Life Cycle Renewal for Heritage & Cultural Buildings projects as outlined in this report.

REPORT**INTRODUCTION**

The 2020 – 2024 Financial Plan provides funding for various multi-year capital improvement projects. In order to proceed with the award of contracts for construction and feasibility studies, funding approval is requested for the projects listed below.

POLICY SECTION

The following projects are aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

Goal

- A Safe Community
 - Maintain a high level of safety in City buildings and facilities for the public and City staff.
- A Dynamic Community
 - City Facilities and infrastructure –
Build and maintain infrastructure that meets the needs of our growing community.

To: Chair and Members Financial Management Committee
 From: Director Engineering
 Re: 2020 March Engineering Capital Facilities Management
 Gaming Reserve Request – City Buildings Heritage &
 Cultural
 2020 February 17.....Page 2

- A Thriving Organization
 - Reliable services, technology and information –
 Protect the integrity and security of City information, services and assets.

**City Buildings – Heritage & Cultural
 ENX.0113**

Estimated \$350,000

This project is both a maintenance life cycle renewal as well as a building heritage restoration initiative. Previous assessments have identified the Burnaby Art Gallery (Ceperley House) Roof System as having reached the end of its life cycle and the Ethel Moore House chimney structural integrity as being compromised and posing a safety concern.

Roofing condition surveys identified the Ceperley House roof for renewal in 2020. Specifications will be developed for a replacement roof system, tendered in the spring for summer installation. The existing chimney at the Ethel Moore House will be deconstructed, upgrades made to its structural elements and reconstructed to its original configuration. The 2020 funding will proactively address the aging roof assemblies and structural integrity of these Heritage buildings.

These expenditures are included in the 2020 - 2024 Financial Plan and sufficient Gaming Reserves are available to finance the capital projects as outlined in this report.

RECOMMENDATION

It is recommended that the Financial Management Committee authorize the use of the Gaming Reserve in the amount of \$350,000 to finance the capital projects as outlined in this report.



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

RS/JM/ac

Copied to: City Manager
 Director Finance
 Assistant Director Engineering, Facilities Management



Meeting 2020 March 11

COMMITTEE REPORT

TO: CHAIR AND MEMBERS FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2020 February 24

FROM: DIRECTOR ENGINEERING **FILE:** 32000-05

SUBJECT: 2020 MARCH ENGINEERING CAPITAL FACILITIES MANAGEMENT GAMING RESERVE REQUEST – BURNABYGROW FACILITY

PURPOSE: To request the use of the Gaming Reserve to finance the Burnaby Green Recycling Organic Waste Facility project.

RECOMMENDATIONS:

1. **THAT** the Finance Management Committee recommend that Council approve completion of the feasibility study for the Burnaby Green Recycling Organic Waste Facility and;
2. **THAT** the Financial Management Committee authorize the use of the Gaming Reserve in the amount of \$150,000 to finance the Burnaby Green Recycling Organic Waste Facility project as outlined in this report.

REPORT**INTRODUCTION**

The 2020 – 2024 Financial Plan provides funding for various multi-year capital improvement projects. In order to proceed with the award of contracts for construction and feasibility studies, funding approval is requested for the projects listed below.

POLICY SECTION

The following project is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

Goal

- A Safe Community
 - Maintain a high level of safety in City buildings and facilities for the public and City staff.
- A Dynamic Community
 - City Facilities and infrastructure – Build and maintain infrastructure that meets the needs of our growing community.

To: Chair and Members Financial Management Committee
 From: Director Engineering
 Re: 2020 March Engineering Capital Facilities Management
 Gaming Reserve Request – BurnabyGROW Facility
 2020 February 24.....Page 2

- A Thriving Organization
 - Reliable services, technology and information –
 Protect the integrity and security of City information, services and assets.

**Burnaby Green Recycling of
 Organic Waste (BurnabyGROW) Facility
 ENX.0121**

Estimated \$150,000

The City of Burnaby currently sends 27,000 tonnes of green waste for processing to a private facility at a cost of \$3.3 million annually. Changes in the regulatory environment for composting facilities and other marketplace changes are predicted to increase costs by 25% to 30% over the next three years.

The City of Burnaby's environmental leadership and unique regional location support the development of a facility to process the City's green waste and potentially generate revenue from providing processing services to neighbouring municipalities. This project is to undertake a feasibility study to determine the costs and benefits of developing a BurnabyGROW facility that will support the greenhouse gas reductions from organics diversion. Currently Burnaby reduces GHG emissions by approximately 2,400 tonnes CO₂e annually by diverting organics from the landfill. This could be increased if the BurnabyGROW facility utilizes biogas capture technology to create Renewable Natural Gas.

The scope of this feasibility study includes the provision of recommendations on processing technology options, analysis of end markets for compost materials, ownership and operating models, energy recovery options, and overall economic feasibility. If the City deems it necessary, the consultant hired for this feasibility study will be required to assist the City with any public consultations.

The feasibility report will include the following:

- A review of the 2012 economic analysis that was completed for the City to determine how the present economic and environmental landscape has changed.
- A review of the regulatory requirements for developing and operating a processing facility.
- A comparison of the various methods to best optimize the available energy derived from the processing of Green Waste materials.

To: Chair and Members Financial Management Committee
From: Director Engineering
Re: 2020 March Engineering Capital Facilities Management
Gaming Reserve Request – BurnabyGROW Facility
2020 February 24.....Page 3

- A comparison of the various methods to optimize total revenue to the City, thereby enhancing economic viability.
- A comparison of various ownership and operating models available to the City, including a summary of the challenges and benefits for each option.
- The number of staff required to maintain and operate the facility, including relevant training and operating certifications.
- An analysis of the processing facility lot siting requirements, including zoning and land access to the transportation network.
- A review of the potential negative impacts relating to traffic and odors including methods for mitigation.
- Recommendations on facility capacity to balance economic feasibility with potential environmental constraints.
- A review of organic waste volumes and processing capacity in the region, including the advisability of accepting green waste from outside of the City of Burnaby.
- A summary of the property attributes that need to be considered when selecting a facility location within the City of Burnaby.
- A conceptual facility design and potential site layout for public consultation and review.

These expenditures are included in the 2020 - 2024 Financial Plan and sufficient Gaming Reserve funds are available to finance the capital projects as outlined in this report.

To: Chair and Members Financial Management Committee
From: Director Engineering
Re: 2020 March Engineering Capital Facilities Management
Gaming Reserve Request – BurnabyGROW Facility
2020 February 24.....Page 4

RECOMMENDATIONS

It is recommended that the Financial Management Committee forward the request to Council to approve completion of the feasibility study for the Burnaby Green Recycling Organic Waste Facility and authorize the use of the Gaming Reserve in the amount of \$150,000 to finance the capital project as outlined in this report.



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

RS/JL/ac

Copied to: City Manager
Director Corporate Services
Director Finance
Director Planning & Building
Assistant Director Engineering, Facilities Management



Meeting 2020 March 11

COMMITTEE REPORT

TO: CHAIR AND MEMBERS FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2020 February 24

FROM: DIRECTOR ENGINEERING **FILE:** 32000-05

SUBJECT: 2020 MARCH ENGINEERING CAPITAL INFRASTRUCTURE BYLAW FUNDING REQUEST

PURPOSE: To request the use of Water Reserves and to request a Capital Reserve Fund Bylaw to finance 2020 - 2024 Engineering capital infrastructure projects.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserves Fund Bylaw in the amount of \$3,368,700, and the use of Waterworks Utility Capital Reserve in the amount of \$500,000 to finance Engineering capital infrastructure improvement projects, as outlined in this report.

REPORT**INTRODUCTION**

The 2020 – 2024 Provisional Financial Plan provides funding for various multi-year capital improvement projects. In order to proceed with construction, funding approval is requested for the projects listed below.

POLICY SECTION

The following project is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

To: Chair and Members Financial Management Committee
 From: Director Engineering
 Re: 2020 MARCH ENGINEERING CAPITAL
 INFRASTRUCTURE BYLAW FUNDING REQUEST
 2020 February 24.....Page 2

Goal

- A Safe Community
 - Transportation safety –
Make City streets, pathways, trails and sidewalks safer.
- A Dynamic Community
 - City Facilities and infrastructure –
Build and maintain infrastructure that meets the needs of our growing community.
- A Thriving Organization
 - Reliable services, technology and information –
Protect the integrity and security of City information, services and assets.

1.0 Infrastructure

1.1 Gilmore Avenue and Southridge Drive Upgrades **Estimated \$3,368,700**

Significant settlement of the road adjacent to the at-grade bridge on Gilmore Avenue has been an ongoing problem for traffic on the road, the adjacent urban trail, and driveways. This project will address the long term settlement problem with a cost effective and sustainable solution. Preliminary design for the upgrades is complete. This project will include areas located at Gilmore Avenue, Dawson Street to Still Creek Avenue and Southridge Drive, Griffiths to Marine Drive.

Early funding is being requested to facilitate the award for construction scheduled to start in spring 2020 and finish at the end of 2021.

Project Mask(s)	2020	2021	Total
AEC.3136 – Conduit	\$290,400	-	\$290,400
ELA.3136 – Drainage	\$109,500	-	\$109,500
EMC.3136 – Roads	\$400,000	\$2,568,800	\$2,968,800
Total	\$799,900	\$2,568,800	\$3,368,700

1.2 Metro Vancouver Central Park Main Coordinated Works **Estimated \$500,000**

This project consists of utility upgrades and road rehabilitation designated for coordination with the Metro Vancouver capital works program associated with their Central Park Main (CPM2) replacement project.

To: Chair and Members Financial Management Committee
 From: Director Engineering
 Re: 2020 MARCH ENGINEERING CAPITAL
 INFRASTRUCTURE BYLAW FUNDING REQUEST
 2020 February 24.....Page 3

Works are intended to be designed and constructed concurrently with Metro Vancouver's CPM2 Project, including the Imperial Street section, and the 18th Street section between Edmonds Street and 10th Avenue. Underground water and sewer works will be constructed as part of the Metro Vancouver project. Road upgrades to the curb, gutter and sidewalk along the alignment may be included in the project scope.

Funding is being requested to facilitate the award for construction scheduled to begin late spring and finish by the end of 2020.

Project Mask(s)	2020
EJA.3138 – Water	\$500,000

These expenditures are included in the 2020 – 2024 Provisional Financial Plan and sufficient Capital Reserves & Reserve Funds are available to finance the capital projects outlined in this report.

RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$3,368,700, and the use of Waterworks Utility Capital Reserve in the amount of \$500,000 to finance Engineering capital infrastructure improvement projects, as outlined in this report.


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

RS/JM/ac

Copied to: City Manager
 Director Finance
 City Solicitor
 Deputy Director Engineering
 Assistant Director Infrastructure & Development
 Manager, Engineering Projects



Meeting 2020 March 11

COMMITTEE REPORT

TO: CHAIR AND MEMBERS FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2020 March 04

FROM: DIRECTOR ENGINEERING **FILE:** 32000-05

SUBJECT: 2020 MARCH ENGINEERING CAPITAL INFRASTRUCTURE BYLAW FUNDING REQUEST – ENVIRONMENTAL REHABILITATION CREEKS & CULVERTS

PURPOSE: To request a Capital Reserve Fund Bylaw to finance 2020 - 2024 Engineering capital infrastructure projects.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserves Fund Bylaw in the amount of \$1,000,000 to finance the Engineering capital infrastructure improvement project, as outlined in this report.

REPORT**INTRODUCTION**

The 2020 – 2024 Provisional Financial Plan provides funding for various multi-year capital improvement projects. In order to proceed with construction, funding approval is requested for the project listed below.

POLICY SECTION

The following project is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

To: Chair and Members Financial Management Committee
 From: Director Engineering
 Re: 2020 MARCH ENGINEERING CAPITAL
 INFRASTRUCTURE BYLAW FUNDING REQUEST-
 ENVIRONMENTAL REHABILITATION CREEKS &
 CULVERTS

2020 March 04.....Page 2

Goal

- A Safe Community
 - Transportation safety –
Make City streets, pathways, trails and sidewalks safer.
- A Dynamic Community
 - City Facilities and infrastructure –
Build and maintain infrastructure that meets the needs of our growing community.
- A Thriving Organization
 - Reliable services, technology and information –
Protect the integrity and security of City information, services and assets.

1.0 Infrastructure

1.1 Environmental Rehabilitation – Creeks & Culverts **Estimated \$1,000,000**

This project is for the construction of environmental rehabilitation projects related to culverts, creeks and slopes.

The following locations are included in the scope of work:

- Byrne Creek at 17th Avenue – In-stream creek reconstruction work for Byrne Creek at 17th Avenue and installation of a new reinforced box culvert and concrete headwall.
- McKee Street Slope Remediation – there was a slope failure at this location which requires remediation.

Early funding is being requested to facilitate contract award.


Project Mask(s)	<u>2020</u>	<u>2021</u>	<u>Total</u>
ELA.3093		\$1,000,000	\$1,000,000

To: Chair and Members Financial Management Committee
From: Director Engineering
Re: 2020 MARCH ENGINEERING CAPITAL
INFRASTRUCTURE BYLAW FUNDING REQUEST-
ENVIRONMENTAL REHABILITATION CREEKS &
CULVERTS
2020 March 04Page 3

These expenditures are included in the 2020 – 2024 Provisional Financial Plan and sufficient Capital Reserves & Reserve Funds are available to finance the capital project outlined in this report.

RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserves Fund Bylaw in the amount of \$1,000,000 to finance the Engineering capital infrastructure improvement project, as outlined in this report.



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

SS/RS/ac

Copied to: City Manager
Director Finance
City Solicitor
Deputy Director Engineering
Assistant Director Infrastructure & Development
Manager, Engineering Projects



Meeting 2020 March 11

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 February 28

FROM: DIRECTOR FINANCE

FILE: 7300-20

**SUBJECT: PRINTSHOP EQUIPMENT REPLACEMENT
NUMBERING, PERFORATION, AND SCORING MACHINE**

PURPOSE: To request a Capital Reserve Fund Bylaw to finance the Numbering, Perforation and Scoring Machine Replacement Project for the Printshop.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$35,000 to finance the Numbering, Perforation and Scoring Machine Replacement Project as outlined in this report.

REPORT**1.0 INTRODUCTION**

The Printshop requires replacement of the existing numbering, perforation and scoring machine as part of its equipment fleet. This device has served its purpose well for 15 years and is at the end of its life cycle. It allows for the numbering, perforating and scoring of a variety of forms and documents used throughout City departments and also for mail outs to residents/businesses.

2.0 POLICY SECTION**Goal**

- A Thriving Organization
 - Reliable services, technology and information –
Protect the integrity and security of City information, services and assets
 - Technology and innovation –
Support technology development and innovation to empower staff and to advance community objectives

To: Financial Management Committee
 From: Director Finance
 Re: Printshop Equipment Replacement
 Numbering, Perforation, and Scoring Machine
 2020 March 11Page 2

3.0 NUMBERING, PERFORATION AND SCORING MACHINE – (CBY.0010) \$35,000

The Numbering, Perforation and Scoring Machine Replacement Project is required due to the aging state of the current equipment as it is no longer able to meet service demands. Replacement is required to ensure current and future service demands are met. The estimated cost to replace the equipment is \$35,000. The purchase of the equipment is expected to be completed in 2020.

These expenditures are included in the 2020 – 2024 Provisional Financial Plan and sufficient Capital Reserve Funds are available to finance the capital project outlined in this report.

4.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$35,000 to finance the Numbering, Perforation and Scoring Machine Replacement Project as outlined in this report.



Noreen Kassam, CPA, CGA
 DIRECTOR FINANCE

NK:GC:YL / md

Copied to: City Manager



Item.....
Meeting..... 2020 March 11

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 March 03

FROM: DIRECTOR FINANCE

FILE: 5820-20

**SUBJECT: CONTRACT EXTENSION
MICROSOFT SOFTWARE LICENSING AGREEMENT**

PURPOSE: To request approval for a three year contract extension with Microsoft Corporation for desktop, server and database software licences.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council approve a three year contract extension with Microsoft Corporation in the amount of \$2,547,066.30 including GST in the amount of \$114,913.67 as outlined in this report.

REPORT

The City has deployed Microsoft products for a range of enterprise and end user productivity software such as Windows operating system, structured query language (SQL) database, Windows server and Microsoft Office suite. The current three-year licensing agreement with Microsoft ends on 2020 April 30. The new enterprise agreement with Microsoft extends support and maintenance for installed software until 2023 April 30.

The contract cost is based on public sector pricing obtained through a negotiated agreement between Microsoft and the province of BC, as well as a detailed count of required licensing across a wide spectrum of Microsoft products and an annual reconciliation process to ensure compliance, continuity of service and to account for service growth.

This recommendation is for a three year contract extension amounting to \$2,574,066.30 including GST in the amount of \$114,913.67. The cost increase is a result of growth in the number of workstations and servers deployed across the City to support end users and new business applications over three years.

To: Financial Management Committee
 From: Director Finance
 Re: Contract Extension
 Microsoft Software Licensing Agreement

2020 March 11 Page 2

Contract History	Term	Amount
Original Contract	2017 May – 2020 Apr	\$ 2,149,378.96
Contract Extension	2020 May – 2023 Apr	\$ 2,574,066.30

The Chief Information Officer has reviewed the agreement and concurs with the recommendation based on the pricing level negotiated and the growth in the City's Information Technology infrastructure since 2017.

It is recommended that the Financial Management Committee recommend Council approve a three year contract extension with Microsoft Corporation effective 2020 May 01 to 2023 April 30, in the amount of \$2,574,066.30 including GST in the amount of \$114,913.67. Funding for this requirement is included in the 2020 – 2024 Provisional Financial Plan under the Information Technology department operating budget.



Noreen Kassam, CPA, CGA
 DIRECTOR FINANCE

NK:GC:SD / ew:md

Copied to: City Manager
 Chief Information Officer



Meeting 2020 Mar 11

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 March 02

FROM: DIRECTOR FINANCE

FILE: 7500-01

SUBJECT: EXPANDING INVESTMENT OPPORTUNITIES

PURPOSE: To provide an update on the prudent investor rules UBCM resolution.

RECOMMENDATION:

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

REPORT**1.0 INTRODUCTION**

On 2019 April 24, the Financial Management Committee presented a report to Council, seeking support for the submission of a Union of Municipalities British Columbia (UBCM) resolution requesting the Ministry to review section 183 of the *Community Charter* for the purpose of making changes to the current prescribed methodology for municipal investments. The goal being the expansion of asset class investments through prudent investment standards as a means of reducing portfolio risks while ensuring long term municipal financial sustainability.

With Council approval, the City of Burnaby submitted the resolution which was identified as B128 (2019) and reads as follows:

B128 Expanded Asset Class Investments Under Prudent Investor Rules

- *Whereas financial investments form a critical part of the activities of a municipality, providing a source of revenues for capital expenditures and to offset cash flow fluctuations;*
- *And whereas allowable investment parameters as laid out in the Community Charter is considered a "prescribed" set of legislated guidelines;*
- *And whereas the Provinces of Alberta and Ontario have implemented a wider scope for local government investment, which responds to the needs of local governments of all sizes;*
- *Therefore be it resolved that UBCM request the Ministry of Municipal Affairs and Housing to amend the Community Charter to provide municipalities with the ability to obtain improved returns through asset class diversification, which in return can reduce tax implications and funding costs associated with capital funding, while also reducing investment risk.*

To: Financial Management Committee
 From: Director Finance
 Re: Expanding Investment Opportunities
 2020 March 11Page 2

The Ministry of Municipal Affairs and Housing has now responded to all presented resolutions from the annual September 2019 Convention. Specifically, this report provides information about the response from the Ministry regarding item B128 (2019) and information on the next steps the City of Burnaby and Municipal Finance Authority intend on taking to further investment risk reduction through asset class diversification, improved long term yields and income generation via an MFA sponsored Growth Pooled Fund.

2.0 POLICY SECTION

Goal

- A Connected Community
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments
- A Dynamic Community
 - Economic opportunity –
Foster an environment that attracts new and supports existing jobs, businesses and industries
 - Community development –
Manage change by balancing economic development with environmental protection and maintaining a sense of belonging
- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

3.0 PRUDENT INVESTMENT STANDARDS

3.1 Ministry of Municipal Affairs and Housing Response

The Ministry of Municipal Affairs and Housing has recently responded to UBCM resolutions through the convention website. Dated February 2020, the Ministry has provided the following written response for resolution B128 (2019):

- *Local governments are responsible for public money (from taxpayers, developers, and others) for provision of core services and upkeep of critical infrastructure. As such, preservation and protection of financial capital is the foremost objective of provincial legislation governing local government investments. Accordingly, the current legislation limits investment risk and guides local governments toward high-quality, secure investments that will contribute to the fundamental goal of capital preservation while allowing a reasonable rate of return.*

To: Financial Management Committee
 From: Director Finance
 Re: Expanding Investment Opportunities
 2020 March 11Page 3

- *Under the current provisions, all local governments, regardless of size and capacity, have access to a prescribed list of allowable investments including the Municipal Finance Authority's (MFA's) pooled investment funds.*
- *As the Province's primary objective regarding local government investments is to ensure protection of capital through low-risk instruments, the Ministry is not currently prepared to expand the allowable investment provisions.*

The Ministry has determined that providing prudent investment standards to individual municipalities, similar to the changes made in Ontario and Alberta, is not warranted. While not the response the supporting municipalities of the resolution were looking for, the benefits of asset class diversification, which improves risk diversification, long term sustainability and long-term capital preservation, remains a goal. Therefore, City staff have already begun discussing alternatives with the MFA, which as noted by the Ministry in their response, can offer pooled fund investment options for municipal investment needs.

3.2 Municipal Finance Authority – Investment Pooled Funds

Part 6, Division 3, Section 183 of the *Community Charter* provides the prescribed list of permitted investments for British Columbia municipalities. These legislated guidelines state that municipalities may invest or reinvest money that is not immediately required into several distinct categories of fixed income investments (bonds, money market instruments, or deposits issued by municipalities, federal or provincial governments, banks, saving institutions or credit unions).

In addition to those categories, the first two parts of the *Community Charter* Section 183, provides for municipal investment opportunities specifically in MFA securities or pooled funds. The section reads as follows:

183 Money held by a municipality that is not immediately required may only be invested or reinvested in one or more of the following:

- (a) securities of the Municipal Finance Authority;
- (b) pooled investment funds under section 16 of the *Municipal Finance Authority Act*;

The City of Burnaby can invest in securities issued by the MFA and in 2020 we began investing in the MFA Pooled Mortgage Fund which provides important asset class diversification for the portfolio. The City also awaits the creation of the MFA Fossil Fuel Free Bond Fund, pending MFA Board of Trustees approval in March, for which the City has committed to invest up to \$20 million.

To: *Financial Management Committee*
 From: *Director Finance*
 Re: *Expanding Investment Opportunities*
 2020 March 11Page 4

The MFA has recognized the importance of working with municipalities in providing investment products and investment education while leveraging the expertise of various municipal staff across the Province. In 2019, the MFA created a Pooled Fund Advisory Committee (PFAC) to assist MFA staff in creating and managing pooled funds. The City of Burnaby's Assistant Director Treasury Services is a PFAC committee member. The MFA plays a very important role in assisting municipalities with investment diversification options via pooled funds and consults with municipal partners to review the structure and performance of the pooled funds, including holding roundtable discussions to ensure future municipal needs are discussed and analysed. It is in these arenas that prudent standards and growth focused investments have garnered attention, especially since Ontario made headlines in 2018 and 2019 with the introduction of their own prudent investor regime for all municipalities.

It appears that the MFA Act (together with the Trustee Act) already provides the platform needed to meet the needs of municipalities wanting to adopt prudent standards and introduce higher return/longer term assets into reserve portfolios. The MFA Act provides under section 16 (e) the authorization for the MFA to create pooled funds utilizing "investments permitted under the provision of the Trustee Act". The Trustee Act provides for the investment of funds by a trustee in a manner that a prudent investor would exercise in making investment decisions. The MFA Act therefore provides for prudent investment standards to be applied to pooled funds created by the MFA for municipal investments without any limitation as to asset type, including equities or other alternative investments.

The City of Burnaby has been working with the MFA staff for about one year now, meeting jointly with various asset managers and consultants, to analyse the best approaches to achieving asset class diversification for long term growth investments that are not required for 10 years or even longer. The partnership we have established was made in order to leverage both Burnaby's and MFA's investment expertise with a view that, regardless of the Ministries response, Burnaby's Treasury Staff supported by the Council's resolution, was likely to recommend moving forward with the introduction of higher return investment options for a portion of its own reserves. We understand that MFA staff has had preliminary discussions with its own Board of Trustees on this topic. We also understand that, at the next Annual General Meeting in March 2020, the MFA Chief Executive Officer, Peter Urbanc will provide its Members with an update on the Minister's response to B128 (2019) and discuss the next steps that MFA staff would need to undertake to add a growth pooled fund to its pooled fund offerings.

Likely steps would include obtaining legal opinion(s), continued analysis of the type of fund to be created (what assets to be included), continued discussions and reporting to the Board of Trustees, needs analysis by municipalities (including how to segregate reserves as long term in nature), discussion(s) with the Inspector of Municipalities and other Ministries. These steps are aimed at providing full transparency and enable the MFA and Burnaby to appropriately identify and educate the entire local government sector of benefits and mitigate risks involved. A critical part of this process is educating those many local governments who have limited financial staffing resources on the risks and limitations associated with long term growth investments if they are not segregated as such. Not only must robust long term asset management and cash flow processes be in place to identify

To: Financial Management Committee
 From: Director Finance
 Re: Expanding Investment Opportunities
 2020 March 11Page 5

long term reserves, but a mechanism to ensure that a local government that plans for the long term and decides to buy a growth oriented pooled fund remains disciplined and does not decide to change its mind mid-stream (for example, right after a market correction).

The partnership between the MFA and the City of Burnaby has created many benefits over the last few years as we share information, provide educational sessions to other municipalities and plan for future needs to ensure long term sustainability for capital needs. Many municipalities are now joining the discussions and seeking longer-term fund growth opportunities and improved portfolio diversification to mitigate the various risks based on current practices and legislated limitations.

3.3 City of Burnaby – Portfolio diversification and long term reserves

The UBCM resolution submission was a means to getting the conversation started through an official response from the Ministry of Municipal Affairs and Housing. Staff's rationale for the request has not diminished. In fact, strong support for the resolution, ongoing communications from other municipalities, and our joint work with the MFA and asset managers has clarified that a change is desired and prudent. Many municipalities, whose reserves often exceed their short-term needs, are seeing the value of their investments eroding as an ultra-low interest rate environment provides investment returns that are most often below the general rate of inflation, and certainly below the inflation on capital asset maintenance or replacement.

Investing a portion of Burnaby's reserves into a diversified portfolio of global equities, fixed income and other investments would build a stronger more balanced, sustainable reserve portfolio by decreasing asset type and credit concentration risks while increasing long term expected returns. We recognize that the taxpayer cannot (and should not) be the sole bearer of the fast-rising costs of capital infrastructure and our current suboptimal investment parameters certainly impact future taxation negatively. A move to expanded asset classes is not solely a reaction to historically low money market and fixed income interest rates. Such a move is also a risk mitigation measure which allows a broader allocation of investments across many financial categories, industries and instruments. It aims to maximize returns by matching long term investments with long term needs that are growing at faster than the general inflation rate. Under the current prescribed methodology, this prudent approach is simply not possible.

For the City of Burnaby, should an MFA long term growth fund come to fruition, staff would be recommending a maximum allocation of \$340 million, which represents approximately 20% of the City's current portfolio. While not an overly aggressive amount, this represents funds not required immediately and can be invested long term, such as funds held within the Corporate & Tax Sale Land Reserves, Equipment Replacement Reserves, Unallocated DCC Reserves and Water and Sewer Capital Reserves.

To: Financial Management Committee
 From: Director Finance
 Re: Expanding Investment Opportunities
 2020 March 11Page 6

4.0 SUMMARY

Over the last ten months, a great deal of discussions have occurred around prudent investment standards, long term sustainable reserve growth and risk mitigation obtained through asset class diversification. The City of Burnaby submitted a UBCM resolution requesting a change to the Community Charter section 183 and the Ministry has now responded to that September 2019 submission stating that they will not make a change to the current legislation. The Ministry however confirmed the role of the MFA in supporting municipal investment needs, making an implicit statement about BC local governments' access to MFA's pooled investment funds.

City of Burnaby staff and the MFA continue to work together on analyzing the opportunity of providing a growth fund solution to qualifying municipalities. This analysis and effort is garnering momentum as supporting municipalities are looking at alternative strategies and opportunities. Many are recognizing that the current investment landscape and prescribed investing legislation is introducing risks into the system. The activities of the MFA, through the creation of new pooled funds and high interest savings accounts over the last 18 months, have been strongly supported by municipalities across the province. The MFA and the City of Burnaby, through leadership and knowledge transfer, has been increasing municipality awareness of the market and fiduciary responsibilities when making investment decisions.

City of Burnaby staff will continue working with the MFA as they can now move forward on deeper discussions with their Board of Trustees around prudent investment standards and how those may be used to create a new class of multi-asset growth pooled fund(s) in the future. We intend on participating actively in that dialog and recognize that a thoughtful process, including dialog with other local governments, asset managers, lawyers, and Provincial Ministries will take place as a means of clarifying the benefits and mitigating the risks involved, while providing transparency

As this effort evolves and information is made available, staff will provide updates to Council prior to making any official recommendations for equity or other growth asset investment product participation.



Noreen Kassam, CPA, CGA
 DIRECTOR FINANCE

NK:DS / md

Copied to: City Manager



Meeting 2020 Mar 11

COMMITTEE REPORT

TO: CHAIRS AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 March 04

FROM: DIRECTOR FINANCE

FILE: 7300-20

SUBJECT: GAMING RESERVE & GAMING INTEREST RESERVE

PURPOSE: To provide information on the status of the Gaming Reserve and Gaming Interest Reserve.

RECOMMENDATION:

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

REPORT**1.0 INTRODUCTION**

This report is being provided to the Financial Management Committee as information on the status of the Gaming Reserve and the Gaming Interest Reserve as at 2019 December 31. An annual return, due by 2020 March 15, will be provided to the Province on the cash inflows and outflows of the Gaming Reserve.

2.0 POLICY SECTION**Goal**

- A Connected Community
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments
- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

To: Financial Management Committee
 From: Director Finance
 Re: Gaming Reserve & Gaming Interest Reserve
 2020 March 11Page 2

3.0 BACKGROUND

Through the Host Financial Assistance Agreement with the Province of BC, the City receives 10% of the net Provincial proceeds from the Grand Villa (Gateway Casino). The eligibility criteria for use of casino gaming grants include operating expenditures and/or capital projects that serve to protect or improve Burnaby's environment, including beautification, heritage, public safety, international relations, arts and culture or other projects or programs at the discretion of Council.

In addition, operating expenditures and/or capital project initiatives would satisfy the following criteria:

- a) Ad hoc pilot projects which extend over a specific period of time.
- b) Discrete capital projects that do not require ongoing capital funding requirements.
- c) Gaming funds on hand shall be sufficient to complete the proposed project.
- d) The activity and/or project shall have little or no ongoing impact on the operating budget or result in a reliance on the property tax levy.

Council reviews and approves all operating expenditures and capital project initiatives funded by the Gaming Reserve annually prior to inclusion in the Financial Plan.

Attachment 1 (Gaming Reserve Summary by Year 2000 – 2019) provides a summary of the Gaming Reserve grants received and the expenditures made for the entire period of this Provincially funded program. As per the Host Financial Assistance Agreement, all grants received and expenditures made from the grants are to be reported back to the Province on a cash basis by March 15 of each year. Included in Attachment 1 is a 2020 forecast based on operating expenditures and capital projects that have been approved to utilize the Gaming Reserve during the Provisional budget process.

Expenditures funded from the Gaming Reserve for 2019 totaled \$8,075,881, of which \$2,796,808 are operating expenditures and \$5,279,073 are capital expenditures. Attachment 2 provides the details of these expenditures. In 2019, the City budgeted to receive approximately \$11,500,000 as a gaming grant from the Province and actually received \$11,892,514. The balance of the Gaming Reserve is \$83,885,110 as at 2019 year-end.

To: Financial Management Committee
 From: Director Finance
 Re: Gaming Reserve & Gaming Interest Reserve
 2020 March 11Page 3

The following table provides the actual gaming grants received by City for the past 5 years (2015 to 2019) compared to budget:

Year	Budget (\$)	Actual (\$)
2015	9,500,000	11,093,270
2016	9,500,000	10,715,090
2017	9,500,000	11,015,359
2018	9,500,000	12,558,049
2019	11,500,000	11,892,514

The average actual grants received in the past five years is approximately \$11,654,900. As a result, the 2020 gaming grant is budgeted at \$11,500,000 for future years in the 2020 – 2024 Provisional Financial Plan.

At the end of the fiscal year, the total annual interest income earned on the balance of the Gaming Reserve is transferred to the Gaming Interest Reserve with the intent to use the proceeds to fund priority one-time operating projects as determined by Council.

Interest earnings on the Gaming Reserve totaled \$2,912,735 in 2019 which was transferred to the Gaming Interest Reserve. There were no expenditures from the Gaming Interest Reserve in 2019. The 2019 ending balance in the Gaming Interest Reserve is \$8,820,068.

Overall, the Gaming Reserve and Gaming Interest Reserve continue to be viable funding sources for capital and operating initiatives as per the criteria outlined and approved by Council through the annual budget process.

4.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council receive this report for information.



Noreen Kassam, CPA, CGA
 DIRECTOR FINANCE

NK:RG:WK / md

Attachments: 1 – Gaming Reserve – Summary by Year 2000 to 2019
 2 – Gaming Reserve – 2019 Summary of Revenue and Expenditures

Copied to: City Manager
 Members of Management Committee

GAMING RESERVE - SUMMARY BY YEAR FROM 2000 TO 2019

	<u>2000 - 2011*</u>	<u>2012</u>	<u>2013*</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>GRAND TOTAL</u> <u>2000-2019</u>	<u>2020 Provisional</u> <u>Plan Forecast</u>
OPENING BALANCE	\$ -	\$ 56,833,570	\$ 61,294,974	\$ 54,277,918	\$ 57,105,601	\$ 65,895,366	\$ 75,937,826	\$ 84,176,063	\$ 80,068,477	-	\$ 83,885,110
ADDITIONS TO GAMING RESERVE											
Casino Grant Received	\$ 100,485,920	\$ 9,231,134	\$ 9,162,482	\$ 10,004,796	\$ 11,093,270	\$ 10,715,090	\$ 11,015,359	\$ 12,558,049	\$ 11,892,514	\$ 186,158,614	\$ 11,500,000
Interest	\$ 21,745,937	\$ 3,276,580	\$ 2,903,894	-	-	-	-	-	-	\$ 27,926,411	-
TOTAL ADDITIONS	\$ 122,231,856	\$ 12,507,714	\$ 12,066,377	\$ 10,004,796	\$ 11,093,270	\$ 10,715,090	\$ 11,015,359	\$ 12,558,049	\$ 11,892,514	\$ 214,085,025	\$ 11,500,000
EXPENDITURES											
Capital Spending	\$ (58,737,328)	\$ (7,394,717)	\$ (18,378,196)	\$ (6,560,086)	\$ (2,303,505)	\$ (672,630)	\$ (2,040,645)	\$ (15,568,539)	\$ (5,279,073)	\$ (116,934,719)	\$ (31,706,400)
Operating Spending	\$ (6,660,959)	\$ (651,592)	\$ (705,237)	\$ (617,027)	-	-	\$ (736,477)	\$ (1,097,096)	\$ (2,796,808)	\$ (13,265,196)	\$ (2,617,500)
TOTAL EXPENDITURES	\$ (65,398,287)	\$ (8,046,309)	\$ (19,083,433)	\$ (7,177,113)	\$ (2,303,505)	\$ (672,630)	\$ (2,777,122)	\$ (16,665,635)	\$ (8,075,881)	\$ (130,199,915)	\$ (34,323,900)
ENDING BALANCE	\$ 56,833,570	\$ 61,294,974	\$ 54,277,918	\$ 57,105,601	\$ 65,895,366	\$ 75,937,826	\$ 84,176,063	\$ 80,068,477	\$ 83,885,110	\$ 83,885,110	\$ 61,061,210

* Restated to report cash basis as per Host Local Government Revenue and Expenditure Report

GAMING RESERVE 2019 SUMMARY OF REVENUES AND EXPENDITURES

OPENING BALANCE	\$ 80,068,477.56
ADDITIONS TO GAMING RESERVE (Cash Basis)	
Casino Grant Received:	11,892,513.86
TOTAL ADDITIONS	11,892,513.86
EXPENDITURES	
OPERATING EXPENDITURES	
Burnaby Hospital Foundation Grant - CT Scanner	(1,000,000.00)
Festivals & Events Grants	(170,250.00)
Anti-Graffiti Mural Grant Program	(6,000.00)
Community Grants Subtotal	(1,176,250.00)
Trans Mountain Pipeline	(259,579.71)
Festivals/Special Events - Engineering Services	(256,616.30)
Energy Performance Program	(200,000.00)
Upgrade & Assessments of Asbestos Containing Material	(193,081.36)
Safety & Security Enhancements	(150,000.00)
Community Safety Plan	(123,203.49)
Fire Services Review	(100,000.00)
Byrne Creek Dykes Study	(83,100.00)
Festivals/Special Events - Police Services	(70,000.00)
Riparian Monitoring	(53,943.85)
Water Conservation Program	(47,500.00)
Rainbow Crosswalks	(33,400.00)
Storage Boxes & Kiosks Maintenance	(24,571.48)
Accessibility Projects	(16,000.00)
International Relations - Sister City	(9,561.92)
Other Operating Expenditures	(1,620,558.11)
TOTAL OPERATING EXPENDITURES	(2,796,808.11)
CAPITAL EXPENDITURES	
Service Centre - Laurel Street	(3,399,648.28)
Ledger Temporary Works Yard	(590,914.81)
Safety and Security Enhancements in Park	(397,869.01)
Water Conservation Devices	(173,030.89)
Norland Works Yard Modernization	(126,462.00)
Security Equipment Replacement & Expansion	(113,217.89)
City Buildings - Heritage & Cultural	(112,929.43)
Accessibility Improvements	(77,804.34)
Electric Vehicle Charging Civic Facilities	(68,694.91)
RCMP Drug Processing Facility Study & Construction	(52,632.65)
Video Security & Monitoring Systems	(51,995.61)
City Buildings - Works Yards	(43,672.56)
Safety and Security Multiple Sites	(31,913.18)
Norland Yard Winter Operations Facility (Salt Shed)	(21,958.88)
Burnaby 125 Year Heritage Markers	(8,926.95)
Laurel Works Yard Contamination Cleanup	(7,401.77)
TOTAL CAPITAL EXPENDITURES	(5,279,073.16)
ENDING BALANCE	\$ 83,885,110.15



Item
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COMMITTEE REPORT

TO:	CHAIR AND MEMBERS FINANCIAL MANAGEMENT COMMITTEE	DATE:	2020 Mar 03
FROM:	DIRECTOR PUBLIC SAFETY & COMMUNITY SERVICES	FILE:	42000-01
SUBJECT:	2020 PUBLIC SAFETY AND COMMUNITY SERVICES (PSCS) DEPARTMENT CAPITAL PROJECTS BYLAW FUNDING REQUEST		
PURPOSE:	To request a Capital Reserve Fund Bylaw to finance 2020 Public Safety and Community Services Department capital projects.		

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$848,000 to finance Public Safety and Community Services Department capital projects, as outlined in this report.

1.0 INTRODUCTION

In order to proceed with the award of contracts for procurement, bylaw funding approval is requested for the projects identified below. These projects are expected to be completed in 2020.

2.0 POLICY

The following projects are aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

Goal

- A Safe Community
 - Maintain a high level of safety in City buildings and facilities for the public and City staff.
- A Dynamic Community
 - Build and maintain infrastructure that meets the needs of our growing community.
- An Inclusive Community
 - Support a diversified City workforce by identifying barriers and implementing proactive strategies.

To: Chair and Members Financial Management Committee
 From: Director Public Safety and Community Services
 Re: 2020 PSCS CAPITAL PROJECTS BYLAW FUNDING
 REQUEST
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3.0 BUSINESS LICENCE AND PROPERTY MANAGEMENT

Description	2020 Estimated Budget
Deer Lake City Space Renovation <ul style="list-style-type: none"> Suite 205 renovation to create additional City space for additional staff. (CAX.0032) 	\$250,000
City Hall Kitchenette Renovation <ul style="list-style-type: none"> City Hall main floor kitchenette renovation to accommodate Licence and Tax Office staff. (CAX.0033) 	\$150,000
Total	\$400,000

4.0 BURNABY FIRE DEPARTMENT

Description	2020 Estimated Budget
Light Urban Search & Rescue Equipment <ul style="list-style-type: none"> New equipment to support department personnel responding to critical life hazard events as part of the Burnaby Firefighters Light Urban Search and Rescue Team. (ABY.0088) 	\$50,000
Smoke Curtains & Evacuation Hoods <ul style="list-style-type: none"> Firefighting equipment that allows firefighters to control the travel of smoke through occupied areas while still permitting safe access and egress for firefighters and equipment. (ABY.0086) 	\$50,000
Total	\$100,000

5.0 RCMP

Description	2020 Estimated Budget
Emergency Operations Centre Re-Purposing <ul style="list-style-type: none"> Furniture and light renovations including paint, carpet, and minor electrical work to re-purpose the previous court space. (ACX.0023) 	\$325,000
Exhibits Refrigerator and Freezer Replacement <ul style="list-style-type: none"> Replacement of existing units that have surpassed their useful lives. (ACY.0011) 	\$23,000
Total	\$348,000

To: Chair and Members Financial Management Committee
From: Director Public Safety and Community Services
Re: 2020 PSCS CAPITAL PROJECTS BYLAW FUNDING
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These expenditures are included in the 2020-2024 Provisional Financial Plan and sufficient Capital Reserve Funds are available to finance the capital projects outlined in this report.

6.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$848,000 to finance Public Safety and Community Services Department capital projects, as outlined in this report.



Dave Critchley
DIRECTOR Public Safety & Community Services

DC/ch

Copied to: City Manager
Director Finance
Fire Chief
Officer in Charge Burnaby RCMP
City Solicitor