



## **FINANCIAL MANAGEMENT COMMITTEE A G E N D A**

Wednesday, June 10, 2020, 10:00 a.m.

Council Chamber, City Hall

4949 Canada Way, Burnaby, BC

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<b>1. <u>CALL TO ORDER</u></b>	
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7. ADJOURNMENT



## FINANCIAL MANAGEMENT COMMITTEE M I N U T E S

**Tuesday, May 12, 2020, 1:00 p.m.  
Council Chamber, City Hall  
4949 Canada Way, Burnaby, BC**

- PRESENT:** His Worship, Mayor Mike Hurley, Chair  
Councillor Sav Dhaliwal, Vice Chair  
Councillor Pietro Calendino, Member (*participated electronically*)  
Councillor Joe Keithley, Member  
Councillor Paul McDonell, Member (*participated electronically*)
- STAFF:** Mr. Lambert Chu, City Manager  
Mr. Leon Gous, Director Engineering  
Ms. Noreen Kassam, Director Finance  
Mr. Dave Ellenwood, Director Parks, Recreation & Cultural Services  
Mr. Ed Kozak, Director Planning & Building  
Mr. Dave Critchley, Director Public Safety & Community Services  
Ms. Shari Wallace, Chief Information Officer  
Mr. Tim Van Driel, Manager Civic Building Projects  
Ms. Elaine Wong, Executive Assistant to the Mayor  
Ms. Monica Macdonald, Administrative Officer  
Ms. Lauren Cichon, Council Support Assistant

### **1. CALL TO ORDER**

His Worship, Mayor Mike Hurley, called the Open meeting to order at 1:04 p.m. and concluded the roll call. Members attended the meeting in person, with the exception of Councillor Pietro Calendino and Councillor Paul McDonell who, due to the COVID-19 pandemic, participated electronically.

For the benefit of Councillor Calendino and Councillor McDonell, the Administrative Officer reviewed the staff present.

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

## 2. **MINUTES**

### 2.1 **Minutes of the Financial Management Committee Open meeting held on 2020 April 22**

MOVED BY COUNCILLOR DHALIWAL  
 SECONDED BY COUNCILLOR CALENDINO

THAT the minutes of the Financial Management Committee meeting held on 2020 April 22 be now adopted.

CARRIED UNANIMOUSLY

## 3. **REPORTS**

### 3.1 **Report from the Director Engineering - Re: 2020 May Engineering Capital Facilities Management Bylaw Funding Request**

The Director Engineering submitted a report seeking authorization for the use of a Capital Reserve Fund Bylaw to finance 2020 - 2024 Engineering capital Facilities Management improvement projects.

The Director Engineering 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 \$380,000 to finance the Engineering capital Facilities Management improvement projects, as outlined in this report.

MOVED BY COUNCILLOR CALENDINO  
 SECONDED BY COUNCILLOR KEITHLEY

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

### 3.2 **Report from the Director Engineering - Re: 2020 May Engineering Capital Infrastructure Bylaw Funding Request**

The Director Engineering submitted a report seeking authorization for the use of Waterworks Utility Capital Reserves and 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 Reserve Fund Bylaw in the amount of \$680,000, and the use of Waterworks Utility Capital Reserve in the amount of

\$400,000 to finance Engineering capital infrastructure improvement projects, as outlined in this report.

MOVED BY COUNCILLOR KEITHLEY  
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

### **3.3 Report from the Director Finance - Re: 2019 Gas Tax Update**

The Director Finance submitted a report providing an update on the Federal Gas Tax Program for 2019.

The Director Finance recommended:

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

MOVED BY COUNCILLOR MCDONELL  
SECONDED BY COUNCILLOR DHALIWAL

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

### **3.4 Report from the Director Planning and Building and the Director Finance - Re: Child Care Centre for City Employees**

The Director Planning and Building and the Director Finance submitted a report presenting a proposal to create a child care centre for the children of City employees.

The Director Planning and Building and the Director Finance recommended:

1. THAT the City-owned property at 6570 Deer Lake Avenue be used as a site for a child care centre that would offer priority placement for the children of City of Burnaby and Burnaby RCMP employees.

2. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$3,500,000 to finance the child care centre.

MOVED BY COUNCILLOR DHALIWAL  
 SECONDED BY COUNCILLOR CALENDINO

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

CARRIED UNANIMOUSLY

**3.5 Report from the Major Civic Building Project Coordination Committee - Re: Major Civic Building Projects Status Update**

The Major Civic Building Project Coordination Committee submitted a report providing an update on the current status of eight major civic building projects.

The Major Civic Building Project Coordination Committee recommended:

1. THAT the Committee forward this report to Council for information.

MOVED BY COUNCILLOR CALENDINO  
 SECONDED BY COUNCILLOR KEITHLEY

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

CARRIED UNANIMOUSLY

Arising from discussion of Item 4.1 - Burnaby Lake Aquatic and Arena Facility, the Committee expressed concern regarding the additional expense of installing movable floors in both the 50 metre and 25 metre tanks, and requested that the cost for each movable floor be separately identified in the project's cost estimate.

Staff undertook to follow up.

**4. NEW BUSINESS**

There was no new business brought before the Committee at this time.

**5. INQUIRIES**

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

**6. CLOSED**

MOVED BY COUNCILLOR KEITHLEY  
 SECONDED BY COUNCILLOR MCDONELL

THAT the Committee, in accordance with Sections 90 and 92 of the Community Charter, do now resolve itself into a Closed meeting from which the public is excluded to consider matters concerning negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the municipality if they were held in public.

CARRIED UNANIMOUSLY

Without objection, the Open Committee meeting recessed at 1:23 p.m. and, following the conclusion of the Closed portion of the meeting, reconvened at 1:26 p.m.

**7. ADJOURNMENT**

Without objection, the Financial Management Committee Open meeting adjourned at 1:26 p.m.

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CHAIR

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ADMINISTRATIVE OFFICER

Date: 2 June 2020

To: Chair, Financial Manage Committee – Burnaby City Hall

From: Stan and Deb Matthews, [REDACTED] Napier Street, and others as listed below

Subject: Your pending review of 'funding options' as related to Storm Sewer Extensions – or more generally – City bylaw 13722

In the absence of the ability to appear in person due to the current Covid-19 issues, we provide the following commentary on the current state of City bylaw 13722, as impacted property owners, and with the support of other listed property owners.

On 15 November 2016, the Director of Engineering released a report (File 42000 05) with the subject: Storm Sewer Extension Contribution and Fee Bylaw. This report recommended a bylaw to recover costs for Storm Sewer Extensions. The report was unanimously carried, without any recorded discussion – no source, motivation, justification.

In summary, the report noted that approximately 80% of existing residential lots were served by existing storm sewers. The remaining 20% relied on less efficient methods of dealing with storm water. An existing funding model ('Current Process') was outlined. This was a process whereby a developer would be charged for up to 150 feet of a Storm Sewer Extension, with the City picking up the remaining cost from general revenues. Values presented, and a simple analysis suggest that this would typically (or perhaps on average) result in a developer paying up to 25% of a single block Storm Sewer Extension project, with remainder (75%) being funded by the City (or more correctly, the general taxpayer).

The report then purports to review 'funding options' – two of which are designed to reduce the City contribution to zero, as well as listing the 'Current Process' of cost sharing whereby the City would typically cover 75% of the cost.



With no supplied comparison, impact statement, or documented justification, full cost recovery, with a 0% City contribution is selected as the recommended option. How is it that there can be no reasoning supplied for such a momentous change in the City funding pattern? Why was there no consideration for a continuation of a shared-cost model (similar to the Local Area Services or LAS model)?

Obvious questions arise – there had to be a driver for the switch from a 75% City supported model to a 0% supported model:

- Was it due to severe financial constraints (was the City in financial trouble, was this but one of a host of austerity measures required due to difficult economic circumstances in 2016)?
- Was it due to the claim or perhaps belief (presented by City officials and reported in the Burnaby Now – January 13, 2020) that everyone else had paid full costs historically so it is just the turn of the remaining 20% (this claim being in fact demonstrably bogus)?
- Was it due to the then rapidly rising land values resulting in a decision to 'harvest' equity from the 'wealthy' Burnaby property owners?
- Was it simply due to a discovery (as noted in section 2 of the Engineering report) that the Local Government Act ALLOWED the City to recover the full cost of such projects, and a decision that the City therefore SHOULD recover full costs (but that the Local Government Act did not REQUIRE full cost recovery)?

And where, exactly, was the impact statement (in real financial terms) to the 6,000 to-be impacted property owners? The City seemed to believe that this was a developer charge, not an owner charge. That no owner would have to pay it unless they became a developer. What was the source of this obviously flawed conclusion? Upon project completion the City modifies the Tax Certificate of the affected properties to ensure any prudent future purchaser would be well aware of this liability before completing a property transfer. Curiously, the City did not apply this Tax Certificate change to all of the 6,000 properties – instead the City waits for projects to be completed – after all, you wouldn't want the current owner or a prospective

purchaser to find out..... That leaves about 5,700 properties that can expect to be impacted completely in the dark.

In regard to the claim that 'everyone else has already paid':

It is clear that for some considerable length of time, the 'Current Process' outlined in the report was in effect. This 'Current Process' was one of cost sharing and not cost assignment. The duration of effect of this 'Current Process' is not known to the writer, but what is known is something of the history of the substantial build-out of the Storm Sewer System that occurred in the 1960s through 1990s (when much of the 80% current build-out was constructed).

A specific case: City bylaw 6237 – approximate date February 1973.

The City was interested in general quality upgrades of the City infrastructure. In particular, this involved installing sidewalks or curbing and paving (or re-paving) a great many residential streets. The City initiated the projects to have this work performed under cost-sharing arrangements essentially the same as the current LAS programs (shared costs) – but at City instigation rather than at owner instigation (due to their great scope).

In many cases in hilly Burnaby (such as the street in front of my family's property), houses of the day used ditches for storm water discharge – ditches that were inconveniently located in the very streets that were targeted for sidewalk or curb installation. There was no way to put in sidewalks without first installing storm sewers. When asked, Jonathan Helmus was unable to find specific billing for the storm sewer installation. Yet the bylaw was implemented, the storm sewer was constructed, the sidewalks and paving went ahead – with apportioned (LAS) style charges to the street properties. So who paid for the storm sewer? Was it part of the project (just not listed in the bylaw, and therefore cost shared)? Was it paid for by the City, with only the sidewalks and paving charged to the street properties? We don't know, and really, it doesn't particularly matter – it is abundantly clear that in either case the City was a very substantial contributor to the storm sewer installation – funding between 75% and 100% of the storm sewer for this project (and no doubt all of the similar 'sidewalk' projects).

The above 1970's example (which is not unique), and the 'Current Process' provided in the 15 November 2016 Engineering report make it clear that historically the City funded storm sewer installations with very substantial contributions. It is also pretty obvious that the funding for this City support of the storm sewers came from general tax revenue – something that is paid by 100% of property owners – not just the immediate beneficiaries of a particular project.

The 15 November 2016 Engineering report, and resultant bylaw 13722 total cost assignment to owners is a slap in the face to the 20% of residential property owners who, over the last 50, 60, 80(?) years contributed, via general taxes, to the 80% build-out of the storm sewer system. Our reward – to now be assigned 100% of storm sewer costs – via an informal, but entirely effective lien (with interest) against our property (in our case an amount equivalent to approximately 12 years of City property taxes).

According to the City Boards, Committees and Commissions Directory, the Financial Management Committee (FMC) “advises on the City's budget, expenditures, land use and taxation, and strategic policy goals..... to ensure the City's goals of maintaining value, quality and resident satisfaction.”

What happened here? For whom is the FMC working? Certainly the 'City's goals' cannot have been considered to have been met in City bylaw 13722. It is discriminatory, it is not fair, it has no documented justification at all. What value, quality, and satisfaction were maintained? We deserved better representation from the elected officials who generated and passed this bylaw in early 2017 with no recorded public discussion (at either the FMC, or at City Council, according to published meeting minutes).

Time has passed since the FMC and City Council of the day (2016/17) were in place. Today we have a new FMC and City Council, with, we hope, more enlightened and responsive elected representation. It is simply not acceptable to throw 6,000 property owners 'under the bus' as it were – forcing enormous costs on to them, costs THAT WERE NOT FACED by the other 24,000 Burnaby residential property owners.

To Summarize: The Engineering report should have looked at cost-sharing options that were more balanced than those in the 'Current Process'. The report should have provided intent, justification, and impact for its recommendation. The historic practice applied to the funding of the existing system should have provided strong guidance, and in fact should have provided the financial model, due to the 80% completion factor of the storm sewer system. The City could have proceeded with cost sharing on the basis of LAS principles, while taking advantage of their ability under the Local Government Act to require the (shared) payment (no opting out). The extreme shift switching from a historic shared-cost model to a non-shared cost model for the final 20% of the system build, without an equally extreme justification is simply unacceptable.

There are also a number of related bylaw 13722 issues that are, quite frankly, incredible:

- The City has declined requests to notify the owners of the 6,000 properties that are intended to be targeted by bylaw 13722 (documented in e-mail)
- The City provides impacted (approved project) property owners with only a preliminary letter regarding the project, its costs, and ultimate cost implications (there is NO further communication from the City) (documented in e-mail)
- The City claims that to inform impacted property owners of, say, final cost assignments and annual interest charges against their property would be 'repetitive' and 'confusing', and therefore is not done (for a complete lack of any Openness or Accountability on the part of the City) (documented in e-mail)
- A request for a listing of properties that are the target of bylaw 13722 is ignored, and instead replaced with an offer to supply information that is already in the public domain – a listing of the properties to which bylaw 13722 has already been applied (a few hundred out of 6,000) (documented in e-mail)

In conclusion: The city has provided no evidence of any need/requirement/justification for dropping all contributions to construction of the residual (20%) build-out of the storm sewer system. Bylaw 13722 needs to be retroactively modified to restore the historic cost sharing



between the City (general taxpayer) and the specific 'benefiting' property owners. A program similar to the LAS programs but without opt-out provisions would reasonably meet this expectation.

Please do not mistake the short list of supporters below as an indication of interest in this issue. A combination of Covid-19 contact issues and incomplete communications with some Council and Staff members has resulted in only local (immediate neighbourhood) contacts being pursued to date. There are 6,000 properties and their owners impacted by 13722, approximately 5,700 of which likely have no idea at all that the bylaw has them in its sights.

Thank you,

Stan and Debbie Matthews

██████ Napier Street

Dave and Rhonda Hayer

██████ Napier Street

Dennis Picco and Lisa Jacobsen

██████ Napier Street

Elmar and Pura Lundgren

██████ Napier Street

Peter and Nicole Hostinsky

██████ Napier Street

## INTER-OFFICE MEMORANDUM

TO: CHAIR AND MEMBERS  
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 June 03

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 4230 01

**SUBJECT: MAJOR CIVIC BUILDING PROJECTS STATUS UPDATE**

The following table summarizes the current status of select 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 and Arena	Detailed Design	Summer 2021	Summer 2024	Detailed design underway
Willingdon Heights Community Centre	Schematic Design	July 2020*	TBD	Additional geotech/hydrogeo investig
Brentwood – Comm Benefit Bonus	MOU	June 2020	TBD	Draft MOU
Confederation Park Community Centre	Schematic Design (SD)	May 2020	Fall 2023	SD report draft complete. Council Workshop scheduled.
Cameron Community Centre	Massing/Public Consultation	TBD	Summer 2025	Public consultation Fall/Winter 2020
South Burnaby Arena	Construction	Fall 2021	Fall 2021	Concrete walls underway
Laurel Street Works Yard (Phase 2)	Tender	May 2020	Spring 2023	Tender closed May 27. Contract award June 08.
Metrotown Events Centre	Feasibility Study	Summer 2020	TBD	
Hwy 1/Burnaby Lake Overpass	Design Development	Sept 2020	TBD	Preliminary Design
Fire Hall #8 – SFU	Feasibility Study		2023	Initiate Feasibility Study

\* Indicates date revised from previous FMC update

*Chair and Members FMC*

*Subject: Major Civic Building Projects Status Update*

*2020 June 03 ..... Page 2*

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



E. W. Kozak, Director  
PLANNING AND BUILDING

TVD:sla

cc:      Members of Council  
         City Manager  
         Director Engineering  
         Director Parks, Recreation and Cultural Services  
         Chief Librarian  
         City Clerk

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Meeting 2020 Jun 10  
Committee REPORT

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**TO:** Chair and Members  
FINANCIAL MANAGEMENT COMMITTEE

**DATE:** 2020 June 3

**FROM:** CHIEF INFORMATION OFFICER

**FILE:** 1900-00

**SUBJECT:** INFORMATION TECHNOLOGY CAPITAL PROGRAM

**PURPOSE:** To request a Capital Reserve Fund Bylaw to finance the implementation of enhanced business and dog licensing capability as outlined in this report.

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#### **RECOMMENDATION:**

1. **THAT** Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$571,500 to finance the Business Licence Anniversary Billing and Dog Licensing capital projects as outlined in this report.

### **REPORT**

#### **1.0 INTRODUCTION**

The 2020 – 2024 Financial Plan provides funding for the annual Information Technology capital program. This program facilitates the replacement, expansion and upgrading of enterprise and departmental hardware and software in order to enhance the City's services to the public and improve the efficiency of internal processes. The purpose of this request is to seek approval of the Committee and Council to finance enhancements to the existing Tempest system to support Anniversary Billing and Dog Licensing.

#### **2.0 POLICY SECTION**

The 2020 Information Technology capital program is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

- A Connected Community – Provide online access to core City services and information.
- A Thriving Organization – Support technology development and innovation to empower staff and to advance community objectives.



To: Financial Management Committee  
 From: Chief Information Officer  
 Re: INFORMATION TECHNOLOGY CAPITAL PROGRAM – BUSINESS  
 LICENCE ANNIVERSARY BILLING AND DOG LICENSING  
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### **3.0 BUSINESS LICENCE ANNIVERSARY BILLING AND DOG LICENSING – AEA.0114**

In response to a growing demand from the Burnaby business community, the Licence Office is seeking to migrate from the existing annual bulk renewal cycle for business licences to a monthly renewal process (Anniversary Billing). Under the current process, licences for new businesses expire on December 31<sup>st</sup> irrespective of the issue date, and all 13,000 business licence renewal notices are issued in November of each year. This creates a tremendous and untenable peak work load for staff in the Licence Office and the Revenue Services Division when processing notifications, payments, inquiries and subsequent follow-up. With Anniversary Billing, business licences will expire 12 months after issuance, generating internal efficiencies by spreading the renewal process across the entire year. In addition, business owners will pay a pro-rated licence fee in their first year of operating, which will in turn address the concerns raised by business owners of an unfair licence fee schedule

The existing Dog Licence system is a separate system currently running on hardware and software which is unsupported by the vendor and does not provide dog owners with the ability to apply for licences online. Nor does it provide adequate tracking and reporting to ensure compliance with the City's licensing bylaws.

The recommended solution to address both Business Licence Anniversary Billing and Dog Licensing is to implement the Tempest licensing module. Tempest is already used at the City for property tax and utilities billing, and includes the *MyCity* portal to facilitate online payments and home owner grant applications. The *MyCity* portal also enables citizens to apply for, renew and pay for licences online. Implementation of the two licensing modules will be phased over 2020 – 2021. The Dog Licensing system will be available for use by the end of 2020 at an estimated cost of \$180,500. The Anniversary Billing solution will be ready to accept new business licences in May 2021 at an estimated cost of \$391,000. Ongoing support and maintenance costs for the two applications will be \$38,000. The project has a payback period of 4 years resulting from internal operational efficiencies and the timing of revenue collection. It is also expected that the ability to track dog licence adoption will increase revenues and compliance.

In order to expedite this project, funding has been reallocated in 2020 from the Recreations Activity Management System Replacement project of \$251,500, this project is not anticipated to proceed this year.

<b>Project Mask(s)</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
AEA.0114	\$430,000	\$141,500	\$571,500

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

To: Financial Management Committee  
From: Chief Information Officer  
Re: INFORMATION TECHNOLOGY CAPITAL PROGRAM – BUSINESS  
LICENCE ANNIVERSARY BILLING AND DOG LICENSING  
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#### **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 \$571,500 to finance the Business Licence Anniversary Billing and Dog Licensing projects.



Shari Wallace  
CHIEF INFORMATION OFFICER

SJW:sjw

Copied to: Director Community Services and Public Safety  
Director Engineering  
Director Finance  
Director Planning and Building



Item .....
Meeting ..... 2020 June 10

## COMMITTEE REPORT

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**TO:** CHAIR AND MEMBERS FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2020 May 22

**FROM:** DIRECTOR PUBLIC SAFETY & COMMUNITY SERVICES **FILE:** 42000-01

**SUBJECT:** BURNABY FIRE DEPARTMENT 2021 CAPITAL PROJECT BYLAW PRE-FUNDING REQUEST

**PURPOSE:** To request a Capital Reserve Fund Bylaw to finance the purchase of Wildland Firefighting vehicle.

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### RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$500,000 to finance the purchase of a Wildland Firefighting vehicle as outlined in this report.

### INTRODUCTION

The purpose of this request is to pre-fund the purchase of Wildland Firefighting vehicle to be delivered in 2021.

### POLICY

This vehicle purchase is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goal.

#### Goal

- A Dynamic Community
  - Build and maintain infrastructure that meets the needs of our growing community.

**1.0 Wildland F550 Compressed Air Foam System Unit ABZ.0033      Estimated \$500,000**

In the 2020-2024 Annual Capital Plan, the Burnaby Fire Department (BFD) identified a requirement for a Wildland Firefighting vehicle. This vehicle enables the BFD off-road access and rapid fire suppression to wildland areas on and around Burnaby Mountain and throughout the city where regular fire engines can not travel. The vehicle will be utilized by current staff to transport and deploy wildland firefighting equipment, personnel,

To: Chair and Members Financial Management Committee  
From: Director Public Safety and Community Services  
Re: 2021 Fire CAPITAL PROJECTS BYLAW FUNDING  
REQUEST  
2020 May 22 ..... Page 2

and water supplies for operations inside forested areas and remote trails during emergency events. The platform for the new Wildland Firefighting vehicle based on commercially available cab and chassis.

This expenditure is included in the 2020-2024 Annual Financial Plan and sufficient Capital Reserve Funds are available to finance the vehicle purchase outlined in this report. In order to proceed with the award of contract for procurement, bylaw pre-funding approval is requested. This purchase is expected to be completed in 2021.

## 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 \$500,000 to finance this vehicle purchase as outlined in this report.



Dave Critchley  
DIRECTOR PUBLIC SAFETY &  
COMMUNITY SERVICES

DC/ch

Copied to: City Manager  
Director Finance  
City Solicitor



Meeting 2020 June 10  
Committee REPORT

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**TO:** CHAIR AND MEMBERS  
FINANCIAL MANAGEMENT COMMITTEE

**FROM:** DIRECTOR PUBLIC SAFETY AND  
COMMUNITY SERVICES  
DIRECTOR FINANCE

**DATE:** 2020 June 02

**FILE:** 9010-01

**SUBJECT: RCMP SETTLEMENT PAYMENTS**

**PURPOSE:** To obtain authorization for payment of funds withheld for Green Timbers and to provide an update on the Integrated Homicide Investigation Team (IHIT) and Earned Retirement Benefits costs.

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#### RECOMMENDATIONS:

1. **THAT** the Financial Management Committee recommend Council authorize the payment of funds withheld for Green Timbers as outlined in this report.
2. **THAT** the Financial Management Committee receive the update on the Integrated Homicide Investigation Team (IHIT) and Earned Retirement Benefits costs for their information.

### REPORT

#### 1.0 INTRODUCTION

On 2020 May 15, the City received a letter (Attachment 1) from the Provincial Policing and Security Branch. The letter outlines the outcomes of three long-standing disputed items:

- The funding for the “E” Division headquarters building at Green Timbers;
- The cost sharing for the Lower Mainland District Integrated Homicide Investigation Team (LMD IHIT); and,
- The settlement of the liability arising from the federal governments termination and related payout of accumulated earned retirement benefits.

The letter also outlines how the resolution of these issues will impact the cost of policing services for the City of Burnaby.

#### 2.0 POLICY SECTION

##### Goal

- A Safe Community
  - Crime prevention and reduction –  
Ensure citizens and businesses feel safe in our community

To: Financial Management Committee  
 From: Director Public Safety and Community Services  
 Director Finance  
 Re: RCMP Settlement Payments  
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- 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

### **3.0 OUTCOMES AND IMPACTS**

#### **3.1 Green Timbers**

Since 2013 April 1, the City of Burnaby has withheld annual accommodation costs charged on the RCMP invoices to the City for Green Timbers. As a result, the City has sufficient funds set aside to make the respective payment. From 2013 April 1 to 2019 March 31, the City of Burnaby's liability for these costs amount to \$2,738,688.

#### **3.2 Integrated Homicide Investigation Team (IHIT) & Lower Mainland Integrated Teams**

For the City of Burnaby, IHIT has been a part of the quarterly RCMP invoice with a 70%/30% provincial/federal cost sharing model applied to all IHIT costs. All other Integrated Teams of the RCMP have a 90%/10% provincial/federal cost sharing model applied to their respective costs. Below are all the Integrated Teams of the RCMP:

- Integrated Homicide Investigation Team (IHIT)
- Emergency Response Team (ERT)
- Police Dog Services (PDS)
- Forensic Identification Services (FIS)
- Integrated Collision Analyst and Reconstructionist Services (ICARS)
- Integrated Internal Investigator (III)

The recent letter outlines that IHIT will now follow a 70%/30% provincial/federal cost sharing model across all the municipalities. However, since the City of Burnaby has already been paying the 70% for IHIT and 90% for all other Integrated Teams to the Province, there is no reconciliation or adjustment requirement for the City with regards to this resolution.

Prior to the resolution, the invoicing of IHIT was included in the quarterly RCMP invoice but was separately itemized with the rest of the Lower Mainland Integrated Teams. With the new resolution, all costs associated to the Lower Mainland Integrated Teams will no longer be itemized separately but combined with the rest of the Regular Members contract as a single line for "Quarterly Police Service".

To: Financial Management Committee  
 From: Director Public Safety and Community Services  
 Director Finance  
 Re: RCMP Settlement Payments  
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### **3.3 Earned Retirement Benefits**

RCMP members were entitled to accumulate severance pay for voluntary resignations and retirements up to 2012 March 31, which is when this benefit was eliminated. Severance pay still continues to accrue for lay-offs, deaths and disabilities. Since 2012, the RCMP has been invoicing approximately \$250,000 to the City of Burnaby annually for the severance liquidation through one of its quarterly invoices. Cumulatively since 2012, the City has already paid \$1,489,169 to the Province for the respective severance liquidation.

As a result, at this time, the City of Burnaby has an outstanding obligation of \$3,608,287 to fully extinguish the liability. The Province is providing the City until 2032 March 31 to pay this outstanding liability. The City will continue to make the required payments interest free annually through one of the quarterly RCMP invoices through to 2032 in order to extinguish this liability by the required time.

### **4.0 RECOMMENDATION**

It is recommended that the Financial Management Committee recommend Council authorize the payment of funds withheld for Green Timbers and receive the update on Integrated Homicide Investigation Team (IHIT) and the Earned Retirement Benefits costs as outlined in this report.



Dave Critchley  
 DIRECTOR PUBLIC SAFETY AND COMMUNITY SERVICES



Noreen Kassam, CPA, CGA  
 DIRECTOR FINANCE

NK:DC/md

Attachment 1 - Letter from Policing and Security Branch dated 2020 May 15

Copied to: City Manager



May 15, 2020  
Ref: 565557

Lambert S.H. Chu  
Chief Administrative Officer  
City of Burnaby  
Email: [lambert.chu@burnaby.ca](mailto:lambert.chu@burnaby.ca)

Dear Lambert S.H. Chu:

The Ministry of Public Safety and Solicitor General (PSSG) and Public Safety Canada (PSC) have recently resolved three long-standing disputed items and I am writing to inform you how the resolution of these issues will impact the cost of policing services for your municipality. The Settlement Agreement was signed by both the Federal and Provincial Ministers on March 23, 2020, and is retroactive to April 1, 2019, resolving:

- The funding for the "E" Division Headquarters building at Green Timbers (GT);
- The cost-share for the Lower Mainland District Integrated Homicide Investigation Team (LMD IHIT); and
- The settlement of the liability arising from the federal government's termination of accumulated earned retirement benefits and the related payout of those benefits (Earned Retirement Benefits).

Terms of the Settlement Agreement that impact your municipality are as follows:

#### Green Timbers

Retroactive to April 1, 2013, the annual accommodation costs for Green Timbers costs charged to your municipality will equal the amount that RCMP has invoiced your municipality since April 1, 2013 and that amount will remain constant for 25 years (2013-2038).

Your municipality also has a liability to PSC for the Green Timbers accommodation costs from April 1, 2013 to March 31, 2019 of: \$2,738,688. Now that the funding for Green Timbers is resolved, PSC will be expecting your municipality to honour your obligation by making payment under the terms of the Municipal Police Service Agreement.

#### IHIT

Effective April 1, 2019, the existing LMD IHIT is to be included as part of the RCMP Provincial Service with the 70/30 provincial/federal cost-share applied to all LMD IHIT costs. This means that all municipalities participating in LMD IHIT will benefit from the 70/30 cost share. RCMP will ensure any IHIT amounts previously billed for FY 2019/20 will be adjusted as part of the year-end reconciliation process. This letter also serves to advise you that from April 1, 2019 onward, the

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Lambert S.H. Chu

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Province will be invoicing your municipality for LMD IHIT costs, at the 70% cost-share.

This agreement will result in a single invoice for the 2019/20 fiscal year and beginning in April 2020, the Province will be invoicing your municipality for the anticipated annual LMD IHIT costs on a quarterly basis and those invoices are due 45 days from the receipt of an invoice.

Each year before June 30, there will be a reconciliation of estimated and actual LMD IHIT costs for the previous year and any deficiency in payment or over-payment by your municipality will be credited or debited, as the case may be, to the next invoice of the succeeding Fiscal Year.

#### Earned Retirement Benefits

The Province has agreed to pay the RCMP members' entitlement to accumulate severance pay for voluntary resignations and retirements as of March 31, 2012. Although the termination of the severance pay entitlement will result in future cost avoidance for municipalities, the Province and PSC, as of March 31, 2019 your municipality has an outstanding obligation of: \$3,608,287.

PSC is providing each municipality until March 31, 2032 (the expiry date of the current PPSA and Municipal Police Service Agreement or MPSA) to fund the liability for Earned Retirement Benefits. Each municipality is encouraged to approach your RCMP Financial contact and arrange payment terms appropriate for your circumstances.

Other provinces and territories are currently looking at mediation/arbitration to negotiate a better settlement for Earned Retirement Benefits than what BC has accepted. Under the terms of the Settlement Agreement, if any agreement on severance is reached with all other provinces and territories that would result in a lesser amount being otherwise owed by BC for early retirement benefits, that benefit will be provided to BC and proportionately allocated between municipalities and the Province.

If you have questions about and the financial details of the Settlement Agreement, please contact Jim MacAulay at [jim.macaulay@gov.bc.ca](mailto:jim.macaulay@gov.bc.ca) or 778 698-8324.

Take care,



Brenda Butterworth-Carr; Tr'injà shär njit dintlät  
Assistant Deputy Minister  
And Director of Police Services  
Policing and Security Branch