



FINANCIAL MANAGEMENT COMMITTEE A G E N D A

Wednesday, October 14, 2020, 5:00 p.m.

Council Chamber, City Hall

4949 Canada Way, Burnaby, BC

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FINANCIAL MANAGEMENT COMMITTEE M I N U T E S

**Wednesday, September 9, 2020, 5:00 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
Councillor Joe Keithley, Member
Councillor James Wang, Member

STAFF: Mr. Lambert Chu, City Manager
Mr. Dipak Dattani, Director Corporate Services
Ms. Noreen Kassam, Director Finance
Mr. Dave Ellenwood, Director Parks, Recreation & Cultural Services
Mr. Ed Kozak, Director Planning & Building
Mr. James Lota, Deputy Director Engineering
Mr. Tim Van Driel, Manager Civic Building Projects
Ms. Elaine Wong, Executive Assistant to the Mayor
Ms. Monica Macdonald, Administrative Officer
Ms. Samantha Thompson, Council Support Assistant

1. CALL TO ORDER

His Worship, Mayor Mike Hurley, called the Open meeting to order at 5:00 p.m.

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

2. **MINUTES**

2.1 **Minutes of the Financial Management Committee Open meeting held on 2020 July 07**

MOVED BY COUNCILLOR DHALIWAL
 SECONDED BY COUNCILLOR CALENDINO

THAT the minutes of the Financial Management Committee meeting held on 2020 July 07 be now adopted.

CARRIED UNANIMOUSLY

3. **DELEGATION**

3.1 **Burnaby Board of Trade - Re: Update on Economic Development Activities**

Mr. Paul Holden, President and CEO, Burnaby Board of Trade (BBOT), appeared before the Committee providing an update on the economic development activities over the past year, ongoing economic development efforts, and highlighting initiatives undertaken to provide COVID-19 supports and resources to the local business community.

Mr. Holden stated that many of the BBOT's planned activities for this year were disrupted by the COVID-19 pandemic and its impact on the community and local economy. In response, the BBOT refocussed their efforts to provide specific COVID-19 supports to all Burnaby businesses, regardless of membership. Specific initiatives centred on the following:

- providing business resources and information;
- helping businesses navigate benefit programs;
- sharing and creating re-opening guidance and supports;
- building consumer confidence and promoting local;
- delivering digital programming for Burnaby businesses; and,
- recovery and resilience.

The speaker described one initiative - the establishment of the *Burnaby Business Recovery Task Force*, whose membership included representatives from major employers, small businesses, labour, non-profit and education. The work of Task Force, which had a significant contribution and involvement by the City, will help guide the BBOT's business recovery efforts over the coming months.

Mr. Holden advised that, beyond COVID-19, the BBOT will continue its on-going work, including the following initiatives and services:

- redeveloping the BBOT Business Resource Guidebook;
- providing support to students and women through the *Access Student Career Development Program* and *Women's Business Success Network*;
- working with the *Social Purpose Institute* at United Way to promote 'social purpose' amongst the local business community;
- publishing a new *Business Magazine* in 2020 October; and,
- hosting the 21st annual *Burnaby Business Excellence Awards* in 2020 November.

In conclusion, Mr. Holden stated that the BBOT, its members, and the broader business community value the special relationship between the City and the BBOT and thanked the Committee for the opportunity to appear as a delegation.

The Committee thanked the delegation for the BBOT's work on the Burnaby Business Recovery Task Force and its continuing economic development support provided to the City.

Arising from discussion, the Committee introduced the following motion:

MOVED BY COUNCILLOR CALENDINO

SECONDED BY COUNCILLOR KEITHLEY

THAT Council provide a grant in the amount of \$125,000 to the Burnaby Board of Trade for the yearly operation of the City of Burnaby Economic Development Program which is to be paid in quarterly installment of \$31,250, commencing 2020 October 01 and continuing on 2021 January 01, 2021 April 01 and 2021 July 01.

CARRIED UNANIMOUSLY

4. **REPORTS**

4.1 **Report from the Director Engineering - Re: 2020 September Engineering Capital Infrastructure Bylaw Funding Request**

The Director Engineering submitted a report seeking authorization for the use of Waterworks Utility Capital Reserves and to bring forward 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 Bylaw in the amount of \$13,900,000, and the use of Waterworks Utility Capital Reserve in the amount of \$950,000 to finance Engineering capital infrastructure improvement projects, as outlined in this report.

MOVED BY COUNCILLOR KEITHLEY
 SECONDED BY COUNCILLOR WANG

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

4.2 Report from the Director Finance - Re: Proposed Amendment to Routine Transaction Bylaw to Temporarily Extend the Increase to City Manager's Spending Limit

The Director Finance submitted a report seeking authorization for an amendment to the Routine Transaction Authority Bylaw to temporarily extend the increase to the City Manger's spending limit.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize an increase to the City Manager's authority to approve an award of contract and execute legal agreements for procurement of municipal goods, services and construction where the authorized level does not exceed \$1,000,000, for an additional six months.
2. 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 temporary spending limit increase.

MOVED BY COUNCILLOR WANG
 SECONDED BY COUNCILLOR DHALIWAL

THAT the recommendations of the Director Finance be adopted.

CARRIED UNANIMOUSLY

4.3 Report from the Director Finance - Re: Permissive Tax Exemptions: 2021-2023

The Director Finance submitted a report seeking approval for the granting of permissive exemptions from Property Tax for certain properties for the year 2021 only and for certain other properties for the years 2021 - 2023.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Property Tax Exemption Bylaw to exempt the properties listed in Attachment 1 from property taxation for the years 2021, 2022, and 2023, and to exempt the properties listed in Attachment 2 from property taxation for the year 2021 only.

MOVED BY COUNCILLOR DHALIWAL
 SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

4.4 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 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

4.5 Report from the Major Civic Building Project Coordination Committee - Re: Deer Lake Precinct Wayfinding Project

The Major Civic Building Project Coordination Committee submitted a report seeking Council approval in principle of the preliminary wayfinding concept design for the Deer Lake Precinct.

The Major Civic Building Project Coordination Committee recommended:

1. THAT Council approve-in-principle work completed to date on the Deer Lake Precinct Wayfinding Project, as outlined in Section 4.0 of this report, as the basis for the preparation of a Comprehensive Sign Plan for the precinct and a text amendment to the Burnaby Sign Bylaw.

2. THAT a copy of this report be sent to the Parks, Recreation and Culture Commission for information purposes.

MOVED BY COUNCILLOR KEITHLEY
 SECONDED BY COUNCILLOR WANG

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

CARRIED UNANIMOUSLY

The Committee inquired regarding wayfinding signs around the City (further away from the Deer Lake precinct) and requested that additional signs providing direction to City Hall, such as on Canada Way, be incorporated into a future wayfinding signage program.

Staff advised that they will consider additional signage outside the Deer Lake precinct, as part of a future Wayfinding Project.

The Committee expressed concern regarding the insufficient number and size of wayfinding signs in the City, and requested similar signs be placed throughout the City close to major facilities, attractions and landmarks, and highways.

For the Deer Lake precinct signage: the Committee inquired regarding the size and visibility of the signs' lettering, and requested that the lettering be large enough so that it can be read by drivers from an appropriate distance. As well, the Committee questioned the signage colour scheme.

Staff advised that the number, placement, size of wayfinding signs (including lettering size and visibility) will be taken into consideration in detailed design of the project. Further, the colours are consistent with the City's standard marketing visual identity/branding, and were chosen to contrast with and stand out against the area's green background. There is currently a sign mock up for viewing on Deer Lake Avenue, just south of the Carousel. Staff advised they will bring colour samples to a future Committee meeting.

Arising from discussion, the Committee introduced the following motion:

MOVED BY COUNCILLOR DHALIWAL
 SECONDED BY COUNCILLOR CALENDINO

THAT staff conduct a comprehensive review of the number and placement of the City's wayfinding signs to ease the public's travel through the City during the day, as well as at night.

CARRIED UNANIMOUSLY

Arising from further discussion, the Committee requested that street signs also be included in the review.

Staff undertook to follow-up.

5. **NEW BUSINESS**

His Worship, Mayor Hurley - Pattullo Bridge Replacement Project

His Worship, Mayor Hurley, advised that a letter was received from the Ministry of Transportation and Infrastructure in response to the City's opposition to FortisBC's relocation of its natural gas pipeline through Burnaby, and Burnaby's preference for the pipeline to be relocated to the new crossing that will replace the Pattullo Bridge.

The Ministry advised that the Pattullo Bridge Replacement Project is part of a critical route in the BC Earthquake Immediate Response Plan and will be key to ensuring the Metro Vancouver region receives emergency and critical services after a seismic event. As such, the Ministry affirms that a replacement gas pipeline would not be permitted on the new bridge due to public safety and emergency response considerations.

Staff advised that the Ministry remains firm on their position which means FortisBC is looking at an alternative route through Burnaby to maintain gas service to customers in Burnaby, New Westminster and parts of Vancouver.

The Committee inquired regarding discussions with FortisBC concerning route options.

Staff advised that they are in discussion with FortisBC to look at other options for the gas pipeline (besides the Cariboo Road route), and will be providing information to Council as discussions are advanced and options become more developed.

6. **INQUIRIES**

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

7. **CLOSED**

MOVED BY COUNCILLOR WANG

SECONDED BY COUNCILLOR DHALIWAL

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 the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the municipality; and 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 5:43 p.m. and, following the conclusion of the Closed portion of the meeting, reconvened at 5:45 p.m.

8. ADJOURNMENT

Without objection, the Financial Management Committee Open meeting adjourned at 5:45 p.m.

CHAIR

ADMINISTRATIVE OFFICER

INTER-OFFICE MEMORANDUM

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 October 06

FROM: DIRECTOR FINANCE

FILE: 7600-20

SUBJECT: FINANCIAL REPORT AS AT 2020 PERIOD 08

The purpose of this memorandum is to provide the Financial Management Committee with an overview of the City's financial activity as of the end of Period 08 and to compare that activity with the 2020-2024 Financial Plan adopted by Council on 2020 May 11.

The City of Burnaby uses four week accounting periods to capture budget and posted accounting data. Therefore, this report is based on revenue and expenditure figures for closed 2020 Periods 01 to 08 (2020 January 01 to 2020 August 16).

The City has accrued known expenditures for Period 08 reporting; therefore, the expenditures reported reflect costs incurred to date for goods and services that have been delivered but not billed.

As a result of the COVID-19 pandemic, the City has faced numerous disruptions to its operations and public services. To protect the well-being of both the public and City staff, the City responded by implementing several safety measures in alignment with provincial and federal health guidelines. This included the temporary closure of many City facilities in mid March 2020 which were primarily Parks, Recreation and Cultural Services and Burnaby Public Library facilities. In addition, the City implemented other cost saving measures to help mitigate the financial impacts of COVID-19. Since then, the City has continued to follow BC's Public Health Officer guidelines and BC's Restart Plan within its own COVID-19 Restart Plan. In alignment with Phase 2 of BC's Restart Plan, the City reopened the City's two golf courses at Burnaby Mountain and Riverway with added safety measures. Following the start of Phase 3 of BC's Restart Plan, the City reopened the Burnaby Public Library facilities and the City's recreational facilities in a phased manner. The City continues to actively monitor implications as the COVID-19 pandemic progresses. The year end forecasts provided in this memorandum are based on current information and are subject to change due to the uncertainty of the pandemic.

In Tables 1 to 3, the Period 08 Variance is the difference between Period 08 Actual and Period 08 Budget. A positive amount is a favourable variance which could result from either lower expenditures or higher revenue compared to budget. A negative amount is an unfavourable variance which could result from either higher costs or lower revenue compared to budget. Variances identify any pressures or opportunities on the operating budget. Departments are continuing to proactively monitor their actual results compared to the approved budget on a monthly basis.

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1.0 OPERATING BUDGETS

1.1. General Revenue Fund – Operations

The Corporate Strategic Plan continues to guide the departments in the delivery of services through the goals of: A Safe Community, A Connected Community, An Inclusive Community, A Healthy Community, A Dynamic Community and A Thriving Organization.

The following is a list of some initiatives to the end of 2020 Period 08:

- City Council addressed the rising concern of climate change by approving the City's Climate Action Framework and City Energy Plan in July 2020. This framework provides a roadmap to help Burnaby achieve its carbon reduction targets and a cleaner future.
- City Council continued to deliver on the recommendations from the Mayor's Task Force on Community Housing in July 2020 by approving projects that will create more than one thousand units of non-market housing through the City's Lands Program and moved forward with plans to conduct public consultation to develop the "HOME: Burnaby's Housing and Homeless Strategy".
- Burnaby Public Library gradually restarted services by reopening facilities for limited service on July 13, 2020. Additionally, Burnaby Public Library officially eliminated overdue fines that same day. By the end of August 2020, Burnaby Public Library saw an increase in activity with computer use at 36% of normal activity and checkout of library materials at 40% of normal activity.
- Citizen Support Services' staff and volunteers continued to conduct wellness check-ins with Burnaby senior citizens. A total of 2,221 phone calls were made to check-in on Burnaby seniors. Burnaby's "Better at Home" program clients received 394 housekeeping services and received transportation services on nine occasions to attend medical appointments.
- The Burnaby Fire Department continued to provide uninterrupted high-value fire and emergency response amidst the difficult challenges created by the COVID-19 pandemic. In particular, the department was able to address critical shortages of personal protective equipment (PPE) without competing against health care users by implementing innovative solutions such as using self-contained breathing apparatus instead of N95 masks, which provided better safety to Burnaby Fire staff and reduced overall cost to the City.
- The Revenue Services division of the Finance Department continued to provide services to the public throughout the pandemic with a shift in its service delivery model and provided alternative forms of payment and interaction with the City. In particular, there was an increase to online activity with the number of registered MyProperty profiles exceeding over 49,000 accounts, e-bill delivery registration exceeding 24,000 for property taxes and 13,000 for utilities. Since June 1, 2020, the Tax Office fielded 22,000 customer interactions which includes 13,400 phone calls

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for taxes and other inquiries. In addition, the City continued to provide opportunities for those that required in-person service while ensuring the safety of both staff and customers. This included safety measures such as enhanced signage, social distancing, physical barriers and physical office alterations to manage traffic flow.

- The City's Warming Centres continued to operate during the early phases of the pandemic with an extension to June 30, 2020 at the Burnaby Lake Arena as part of an agreement with BC Housing. During the month of June, 782 patrons were served at the Burnaby Lake Arena. In recognition of the City's effort to help build a healthier and more vibrant community, the City's Warming Centre Team was the honourable recipient of a Community Leadership Award from the BC Recreation and Parks Association.
- The Recreation Division of the Parks, Recreation and Cultural Services Department began their restart plan on June 29, 2020 starting with dry space programs at Bonsor, Cameron, Edmonds, Eileen Dailly and Willingdon community centres. Safety measures such as smaller class sizes, new registration procedures, and limited room capacity were implemented. The gradual restart included the weightrooms at Bonsor and Eileen Dailly operating at 54% and 42% capacity respectively during the initial reopening week, with overall attendance increasing during the summer. On July 13, 2020 the Parks' Summer Camps started with Bonsor at 90% capacity and Edmonds at 61% capacity with an overall attendance of 441 children in the final week. Lastly, the Outdoor Pools program had a 50% attendance rate in the first week of reopening, eventually reaching 100% throughout summer.

Overall, the City is in a net favourable position of \$6.0M at the end of Period 08. This is due to lower than anticipated expenditures of \$8.7M primarily due to compensation savings, lower RCMP contract expenditures due to vacancies, and overall lower materials, supplies, consulting and contracted services as a result of the temporary closures and reduced service levels as a result of the COVID-19 pandemic. This is offset with lower than anticipated revenues of \$2.7M, primarily due to the pandemic, which has caused lower parking revenues and lower Parks, Recreation and Cultural Services program & registration revenues from temporary facility closures. The lower than anticipated revenues have largely been contained due to higher than anticipated permit & fee revenues, additional investment and other recoveries.

It is anticipated at this time that operating results will become unfavourable by \$6.2M at the end of the year. The forecasted unfavourable position is mainly attributable to the continued loss in parking revenues, recreation program revenues from the partial reopening of facilities, higher than anticipated prior year assessment appeals for property taxes and an unbudgeted RCMP earned retirement benefit expenditure resulting from a recent settlement between the Federal and Provincial government.

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Table 1 below summarizes Period 08 General Revenue Operating results.

Table 1 – Revenue and Expenditures by Department to Period 08

Department - Revenue	Period 08 Actual	Period 08 Budget	Period 08 Variance Favourable/ (Unfavourable)	Variance %	2020 Annual Budget*	2020 Year End Forecasted Variance Favourable/ (Unfavourable)
Mayor & Council	8,390	15,692	(7,303)	(46.5%)	743,500	-
Human Resources	4,413	23,688	(19,275)	(81.4%)	637,200	(144,000)
Burnaby Public Library	798,783	751,387	47,396	6.3%	1,180,500	(21,000)
Information Technology	70	-	70	0.0%	1,848,000	(539,700)
Corporate Services Administration	-	-	-	0.0%	556,400	(54,000)
Corporate Communications & Marketing	5,710	23,750	(18,040)	(76.0%)	809,000	(45,600)
City Clerk	3,614	308	3,306	1074.5%	500	-
Legal Services	121,086	232,603	(111,516)	(47.9%)	455,300	(200,000)
Citizen Support Services	385,626	365,774	19,852	5.4%	520,200	4,000
Public Safety & Community Services Administration	7	12,308	(12,301)	(99.9%)	1,070,000	(800,000)
Business Licence & Property Management	11,397,905	10,756,763	641,141	6.0%	15,810,800	367,300
Burnaby Fire	119,592	88,191	31,401	35.6%	1,907,000	(785,900)
RCMP Burnaby Detachment	3,197,606	2,964,692	232,915	7.9%	4,450,100	(129,500)
Engineering	8,116,996	9,995,314	(1,878,318)	(18.8%)	24,709,500	(4,283,000)
Finance	624,070	669,596	(45,527)	(6.8%)	1,148,600	(145,500)
Planning & Building	14,463,145	10,904,926	3,558,220	32.6%	19,014,500	2,725,000
Parks, Recreation & Cultural Services	10,932,159	20,832,350	(9,900,191)	(47.5%)	39,025,200	(20,218,700)
Fiscal Items	19,727,500	14,949,652	4,777,848	32.0%	46,101,600	3,015,500
Tax Levy for City Services	282,667,031	282,667,029	2	0.0%	282,667,000	-
Total Revenue	\$352,573,702	\$355,254,023	(\$2,680,320)	(0.8%)	\$442,654,900	(\$20,955,100)

Department - Expenditures	Period 08 Actual	Period 08 Budget	Period 08 Variance Favourable/ (Unfavourable)	Variance %	2020 Annual Budget*	2020 Year End Forecasted Variance Favourable/ (Unfavourable)
Mayor & Council	1,467,133	1,990,355	523,222	26.3%	3,365,200	857,000
City Manager's Office	362,968	388,625	25,657	6.6%	630,800	46,000
Human Resources	3,017,248	3,191,974	174,726	5.5%	5,042,200	12,000
Burnaby Public Library	9,604,931	9,804,308	199,376	2.0%	15,305,900	438,000
Information Technology	18,084,931	18,887,363	802,432	4.2%	28,781,200	817,200
Corporate Services Administration	451,256	546,469	95,213	17.4%	1,199,300	12,900
Corporate Communications & Marketing	1,001,206	1,591,178	589,972	37.1%	2,721,800	493,000
City Clerk	1,106,271	1,225,935	119,664	9.8%	1,997,800	87,600
Legal Services	1,144,629	1,212,005	67,376	5.6%	1,881,200	13,000
Citizen Support Services	655,963	657,350	1,387	0.2%	1,087,900	(12,500)
Public Safety & Community Services Administration	1,168,722	1,255,418	86,696	6.9%	2,850,600	778,000
Business Licence & Property Management	5,939,238	6,431,229	491,991	7.7%	11,310,500	949,000
Burnaby Fire	28,328,892	29,158,136	829,245	2.8%	48,232,200	830,000
RCMP Burnaby Detachment	29,554,075	32,317,104	2,763,029	8.5%	66,949,200	(53,000)
Engineering	53,941,890	54,861,189	919,299	1.7%	86,417,400	590,000
Finance	7,770,968	8,935,120	1,164,152	13.0%	13,967,200	1,358,600
Planning & Building	8,363,561	10,397,609	2,034,048	19.6%	17,223,500	2,098,500
Parks, Recreation & Cultural Services	56,018,157	59,323,751	3,305,594	5.6%	101,251,200	10,702,500
Fiscal Items	13,828,283	8,337,184	(5,491,099)	(65.9%)	32,439,800	(5,229,500)
Total Expenditures	\$241,810,324	\$250,512,298	\$8,701,977	3.5%	\$442,654,900	\$14,788,300
Net Result	\$110,763,378	\$104,741,724	\$6,021,657	5.7%	\$0	(\$6,166,800)

*2020 Annual Budget includes budgeted funding and expenditures for operating initiatives approved from one-time funding including Stabilization, Surplus, Gaming and Gaming Interest.

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The major revenue and expenditure variances for Period 08 in General Revenue Operations are as follows:

Revenues are unfavourable by \$2.7M or 0.8%:

Information Technology: A forecasted unfavourable variance of \$0.5M is primarily due to lower than anticipated transfer of funding from one-time funding sources due to lower expenditures to mitigate the financial impacts of COVID-19.

Legal Services: An unfavourable variance of \$0.1M is mainly due to processing fewer development files resulting in lower external revenues received. It is anticipated this unfavourable variance will become \$0.2M by year end due the fewer development files to process for the remainder of the year.

Public Safety & Community Services Administration: A forecasted unfavourable variance of \$0.8M is primarily due to lower than anticipated transfer of funding from one-time funding sources due to lower expenditures to mitigate the financial impacts of COVID-19.

Business License & Property Management: A favourable variance of \$0.6M is primarily due to higher than anticipated home rental business licence revenues and commercial leases of two sales centres that were not anticipated. It is anticipated that by year end the favourable variance will decrease to \$0.4M primarily due to a continued decrease in parking enforcement revenue as a result of COVID-19.

Burnaby Fire: A forecasted unfavourable variance of \$0.8M is primarily due to lower than anticipated transfer of funding from one-time funding sources due to lower expenditures to mitigate the financial impacts of COVID-19.

RCMP Burnaby Detachment: A forecasted favourable variance of \$0.2M is primarily due to higher than anticipated traffic fine revenue sharing from the Provincial government offset by lower than budgeted revenues from criminal record checks, accident reports and external recoveries. It is forecasted that by year end there will be an unfavourable variance of \$0.1M mainly due to lower than anticipated transfer of funding from one-time funding sources due to lower expenditures to mitigate the financial impacts of COVID-19.

Engineering: An unfavourable variance of \$1.9M is primarily due to lower than anticipated parking meter revenues associated with lower activity due to COVID-19. By year end, it is anticipated that this will increase to an unfavourable variance of \$4.3M primarily due to lower parking meter revenues of \$2.3M and lower than anticipated transfer of funding from one-time funding sources due to lower expenditures to mitigate the financial impacts of COVID-19 of \$1.7M; the remaining \$0.3M variance is mainly due to lower than anticipated inspection revenue.

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Planning & Building: A favourable variance of \$3.6M is primarily due to higher than anticipated permit & fee revenues from the ability of staff to catch up on permit applications from the strong development activity within the City prior to the pandemic. It is estimated that by year end, this favourable variance will decrease to \$2.7M due to a reduction in permit & fee revenues as development activity slows down towards the end of the year.

Parks, Recreation and Cultural Services: An unfavourable variance of \$9.9M is mainly due to lost revenues from the temporary facility closures in response to COVID-19. The lost revenue consists of \$6.9M from user fees & program revenues in recreational and cultural services, \$2.3M from lower activity in food services, and \$1.1M in decrease rental and lease revenues. This is offset by \$0.4M from grants and external recoveries related to the extended operations of the warming centres during the pandemic. By year end, it is forecasted that the unfavourable variance will increase to \$20.2M primarily due to the continued lost revenues in user fees and program revenues from the partial reopening of facilities and fewer programs/services provided to the public due to COVID-19.

Fiscal: A favourable variance of \$4.8M is mainly due to the following being higher than budgeted: \$1.1M in investment income, \$1.3M for an estimated Emergency Management British Columbia (EMBC) recovery for COVID-19 response activities, \$1.0M in private funds for third party service connections which are offset with additional expenditures, and the remaining \$1.4M due to other various external recoveries, grants and vendor adjustments/credits from external third parties such as Shaw, Telus, and WorkSafeBC. It is anticipated that the year end forecast will be favourable by \$3.3M primarily due to investment income, private funds for third party work and revenues & recoveries from external parties such as EMBC.

Expenditures are favourable by \$8.7M or 3.5%:

Mayor & Council: A favourable variance of \$0.5M is attributable to cancellations and delays of Council and Board/Committee activities, lower grants issued due to COVID-19 and compensation savings. It is forecasted that these savings will continue by year end with a favourable variance of \$0.9M.

Burnaby Public Library: A favourable variance of \$0.2M is primarily due to compensation savings of \$0.5M due to temporary branch closures and vacant positions. These savings are offset by an unfavourable variance of \$0.3M in books & publication expenditures due to the additional eBook and eAudiobook purchases to support patrons during the temporary facility closures. It is estimated that the year end forecast will increase to \$0.4M favourable due to continued compensation savings as a result of staffing levels.

Information Technology: A favourable variance of \$0.8M currently exists due to staff vacancies. It is estimated that this favourable variance will remain at \$0.8M by year end.

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Corporate Communications & Marketing: A favourable variance of \$0.6M is primarily due compensation savings as a result of staffing levels. It is forecasted that this variance will remain favourable at \$0.5M by year end.

Public Safety & Community Services Administration: A forecasted favourable variance of \$0.8M is primarily due to lower one-time funded expenditures to mitigate the financial impacts of COVID-19.

Business Licence & Property Management: A favourable variance of \$0.5M is primarily due to compensation savings from staffing levels and lower than anticipated consulting, contracted and building services due to delays. By year end it is estimated the continued savings in these areas will increase the favourable variance to \$1.0M.

Burnaby Fire: A favourable variance of \$0.8M is a due to \$1.2M of compensation savings based on current staffing levels and lower professional development expenditures due to delays in training as a result of COVID-19. These savings are offset by \$0.4M higher than budgeted expenditures in additional personal protective equipment (PPE) and safety supplies due to COVID-19. By year end, it is forecasted that this variance will remain favourable at \$0.8M.

RCMP Burnaby Detachment: A favourable variance of \$2.8M is primarily attributable to RCMP contract savings of \$1.8M from continued RCMP vacancies, \$0.6M due to civilian staffing vacancies, \$0.2M from lower E-Comm expenditures and \$0.2M lower than budgeted from other various operating expenditures. By year end, it is anticipated there will be a minimal unfavourable variance of \$0.1M primarily due to an unbudgeted RCMP earned retirement benefit expenditure arising from a recent settlement between the Federal and Provincial government.

Engineering: A favourable variance of \$0.9M is mainly due to lower consulting and contracting expenditures due to delays in City initiatives caused by COVID-19. The year end forecasted variance is estimated to be \$0.6M favourable primarily due continued consulting and contracted services savings of \$1.5M offset by an unfavourable variance of \$0.9M in higher than budgeted expenditures in green waste and refuse disposal due to higher residential activity.

Finance: A favourable variance of \$1.2M is primarily due to \$0.9M from compensation savings related to vacancies and \$0.3M savings due to lower activity in consulting, contracted services, and materials and supplies. This variance is expected to increase to \$1.4M favourable by year end.

Planning & Building: A favourable variance of \$2.0M is mainly due to savings of \$1.1M attributed to staff vacancies, and savings of \$0.9M from lower consulting & contracted services and materials & supplies. This variance is expected to increase to \$2.1M favourable by year end primarily due to continued staff vacancies.

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Parks, Recreation and Cultural Services: A favourable variance of \$3.3M is primarily due to compensation savings of \$2.5M from staffing levels and temporary closure of facilities resulting from COVID-19. In addition, savings of \$0.8M are due to lower than anticipated materials & supplies as a result of the temporary closure of facilities and services. It is forecasted that the favourable variance will increase to \$10.7M by year end primarily due to: lower compensation costs of \$4.5M as a result of temporary facility closures; lower contracted & consulting costs of \$2.7M; savings of \$2.5M in materials, supplies and general services; and \$1.0M due to lower than anticipated recreation subsidies provided due to the temporary closures of facilities.

Fiscal: An unfavourable variance of \$5.5M is primarily due to higher than budgeted prior year property tax assessment appeals of \$1.7M. Additionally, in response to the COVID-19 pandemic, the Emergency Operations Centre (EOC) was activated and its associated costs to date has resulted in an unbudgeted expenditure of \$1.0M. The City is currently in discussions with the EMBC to determine what EOC costs are recoverable. Furthermore, there is an unfavourable variance of \$0.8M related to employee benefits. This is mainly due to WCB and dental premium rates being higher than anticipated. Additionally, a \$1.0M unfavourable variance is related to higher than budgeted expenditures in third party service connections, which are offset by additional external private funds. The remaining unfavourable variance of \$1.0M is due to staffing adjustments. It is anticipated that this variance will remain unfavourable by \$5.2M at year end.

1.2. Sanitary Sewer Fund - Operations

Table 2 summarizes Period 08 Sanitary Sewer Fund operating results which show a favourable net variance of \$1.9M.

Table 2 – Sanitary Sewer Fund - Revenue and Expenditures to Period 08

	Period 08 Actual	Period 08 Budget	Period 08 Variance Favourable/ (Unfavourable)	Variance %	2020 Annual Budget	2020 Year End Forecasted Variance Favourable/ (Unfavourable)
Revenue	43,150,444	41,904,775	1,245,669	3.0%	48,529,200	748,000
Expenditures	31,659,533	32,301,615	642,081	2.0%	48,529,200	530,000
Net Result	\$11,490,910	\$9,603,161	\$1,887,750	19.7%	\$0	\$1,278,000

The Sanitary Sewer Fund's current net favourable variance of \$1.9M is mainly due to \$1.2M in higher than anticipated sewer use revenues due to increased usage resulting from a higher growth in new strata apartment/townhome units. The remaining variance of \$0.7M is a result of compensation savings and lower contractor & consulting expenditures. It is estimated that by year end, the Sanitary Sewer Fund will remain at a favourable net variance of \$1.3M.

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1.3. Waterworks Utility – Operations

Table 3 summarizes Period 08 Waterworks Utility Fund operating results which show a favourable net variance of \$1.2M.

Table 3 – Waterworks Utility - Revenue and Expenditures to Period 08

	Period 08 Actual	Period 08 Budget	Period 08 Variance Favourable/ (Unfavourable)	Variance %	2020 Annual Budget	2020 Year End Forecasted Variance Favourable/ (Unfavourable)
Revenue	48,981,160	48,359,438	621,722	1.3%	57,074,200	400,000
Expenditures	22,862,825	23,423,882	561,057	2.4%	57,074,200	(183,100)
Net Result	\$26,118,334	\$24,935,556	\$1,182,778	4.7%	\$0	\$216,900

The Waterworks Utility currently has a net favourable variance of \$1.2M mainly due to \$0.6M in higher than anticipated flat water revenues resulting from a higher growth in new strata apartment/townhome units. The remaining \$0.6M favourable variance is driven by compensation savings of \$1.0M offset by higher than budgeted cost of water of \$0.4M. By year end, it is forecasted that Waterworks Utility will remain with a net favourable variance of \$0.2M primarily due to a higher than budgeted growth in flat water revenues.

2.0 CAPITAL PLAN

The capital plan for 2020 is \$253.5M. The 2020 capital expenditures to the end of Period 08 are \$66.2M. To date 26.1% of the planned capital expenditures have been spent compared to 17.5% in the same period in 2019.

2.1 Capital Expenditure Summary

	Period 08 Actual	2020 Annual Plan	Remaining Plan	Period 08 Actual to Plan %
Total	\$66,186,120	\$253,533,500	\$187,347,380	26.1%

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2.2 2020 Capital Expenditures by Departmental Program

Department	2020 Annual Plan	2020 Reallocations /Contingency*	2020 Current Plan	2020 Actual	2020 Remaining Plan
OFFICE OF THE CITY MANAGER					
BURNABY PUBLIC LIBRARY					
LIBRARY BUILDINGS	330,200	(91,300)	238,900	52,039	186,861
LIBRARY MATERIALS	1,741,600	(100,000)	1,641,600	618,781	1,022,819
LIBRARY EQUIPMENT	110,000	-	110,000	-	110,000
TOTAL LIBRARY	2,181,800	(191,300)	1,990,500	670,819	1,319,681
INFORMATION TECHNOLOGY					
INFRASTRUCTURE EQUIPMENT	4,360,700	30,000	4,390,700	1,412,680	2,978,020
BUSINESS SOLUTIONS PROGRAM	5,143,100	-	5,143,100	1,055,248	4,087,852
TOTAL INFORMATION TECHNOLOGY	9,503,800	30,000	9,533,800	2,467,929	7,065,871
CORPORATE CAPITAL CONTINGENCY	6,000,000	(2,866,000)	3,134,000	-	3,134,000
OFFICE OF THE CITY MANAGER SUBTOTAL	17,685,600	(3,027,300)	14,658,300	3,138,748	11,519,552
CORPORATE SERVICES					
CORPORATE SERVICES					
ADMINISTRATION	600,000	420,000	1,020,000	11,197	1,008,803
TOTAL CORPORATE SERVICES	600,000	420,000	1,020,000	11,197	1,008,803
CORPORATE SERVICES SUBTOTAL	600,000	420,000	1,020,000	11,197	1,008,803
PUBLIC SAFETY & COMMUNITY SERVICES					
ADMINISTRATIVE SERVICES					
EQUIPMENT	183,100	-	183,100	96,101	86,999
TOTAL ADMINISTRATIVE SERVICES	183,100	-	183,100	96,101	86,999
BUSINESS LICENCE & PROPERTY MGMT					
DEER LAKE CENTRE	628,600	195,000	823,600	113,953	709,647
IRMIN COMPLEX	150,000	-	150,000	3,464	146,536
CITY HALL COMPLEX	150,000	-	150,000	-	150,000
TOTAL BUSINESS LICENCE & PROPERTY MGMT	928,600	195,000	1,123,600	117,416	1,006,184
BURNABY FIRE DEPARTMENT					
FIRE VEHICLES	41,700	-	41,700	9,146	32,554
FIRE EQUIPMENT	1,089,200	-	1,089,200	398,626	690,574
TOTAL BURNABY FIRE	1,130,900	-	1,130,900	407,771	723,129
RCMP BURNABY DETACHMENT					
RCMP BUILDINGS	650,000	580,000	1,230,000	158,451	1,071,549
RCMP VEHICLES	30,000	-	30,000	-	30,000
RCMP EQUIPMENT	23,000	-	23,000	-	23,000
TOTAL RCMP BURNABY DETACHMENT	703,000	580,000	1,283,000	158,451	1,124,549
PUBLIC SAFETY & COMMUNITY SERVICES SUBTOTAL	2,945,600	775,000	3,720,600	779,740	2,940,860

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Department	2020 Annual Plan	2020 Reallocations /Contingency*	2020 Current Plan	2020 Actual	2020 Remaining Plan
ENGINEERING					
FACILITIES MANAGEMENT	11,866,500	120,000	11,986,500	3,533,522	8,452,978
INFRASTRUCTURE	60,234,000	475,000	60,709,000	19,242,215	41,466,785
TRANSPORTATION	5,991,300	550,000	6,541,300	2,145,892	4,395,408
VEHICLES & EQUIPMENT	11,046,700	55,000	11,101,700	3,652,757	7,448,943
ENGINEERING SUBTOTAL	89,138,500	1,200,000	90,338,500	28,574,386	61,764,114
FINANCE					
VEHICLES & EQUIPMENT	300,000	-	300,000	-	300,000
EQUIPMENT	35,000	-	35,000	29,290	5,710
FINANCE SUBTOTAL	335,000	-	335,000	29,290	305,710
PLANNING & BUILDING					
GENERAL CIVIC PROJECTS	226,000	-	226,000	34,911	191,089
COMMUNITY PLAN IMPLEMENTATION	47,000	-	47,000	-	47,000
LAND ASSEMBLY AND DEVELOPMENT	9,994,500	-	9,994,500	11,542,072	(1,547,572)
MAJOR CIVIC PROJECTS	95,577,500	562,300	96,139,800	13,917,263	82,222,537
PLANNING & BUILDING SUBTOTAL	105,845,000	562,300	106,407,300	25,494,247	80,913,053
PARKS, RECREATION, AND CULTURAL SERVICES					
CULTURAL FACILITIES	1,774,200	-	1,774,200	473,270	1,300,930
GOLF FACILITIES	3,293,400	-	3,293,400	547,953	2,745,447
PARK FACILITIES	22,995,000	55,000	23,050,000	4,141,847	18,908,153
VEHICLES & EQUIPMENT	3,376,800	-	3,376,800	165,872	3,210,928
PROPERTY ACQUISITIONS	3,000,000	-	3,000,000	2,350,000	650,000
RECREATION FACILITIES	2,544,400	15,000	2,559,400	479,570	2,079,830
PARKS, RECREATION AND CULTURAL SERVICES SUBTOTAL	36,983,800	70,000	37,053,800	8,158,512	28,895,288
GRAND TOTAL	253,533,500	-	253,533,500	66,186,120	187,347,380

**Reallocations & Contingency:*

Transfers of an amount from an approved Capital Plan Project to another Capital Project primarily to address accelerated project delivery, escalating bid prices, or an unplanned priority project. For approved Capital Projects, Plan is transferred from projects which are under budget, or have fallen behind schedule. For unplanned priority projects, transfers must be approved by City Manager and transferred from the Contingency plan.

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 Re: Financial Report as at 2020 Period 08
 2020 October 06 Page 12

2.3 Capital Progress Report

The following departmental sections highlight the progress of selected capital projects at the end of Period 08. Capital projects are often multi-year projects with various milestones or stages of completion.

2.3.1 Information Technology

Business Solutions:

- Property Records Unification Project phase 1 went live this summer as planned. This project delivers a long-term, best-practice data integration solution across Tempest, GIS, and EnerGov systems.

2.3.2 Public Safety & Community Services

Fire Department - 1992 Spartan Saulsbury Fire Engine, Fire Truck #25 – Replacement:

- This fire engine is now in service and has been deployed in the Metrotown area.

Fire Department - Special Operations Systems:

- The project to transition equipment within Technical Rope Rescue Program is now complete. The program updated the rope and hardware device to higher-strength, smaller diameter components to increase the efficiency, effectiveness and safety of emergency responder operations.

2.3.3 Engineering

Infrastructure Projects – Deer Lake Paving and Urban Trail:

- This project involves paving, and general street corridor improvements including conversion to parallel parking, a multi-use path along the south side of the street, a sidewalk along the north side of the street, raised crosswalks, and new bus bays. Environmental monitoring and measures are performed throughout the construction phase as the work takes place near a Heron nesting area. Herons are a protected sensitive species. Scheduled completion of this project is in 2021.

Facilities Management – Component Life Cycle Renewal – City Buildings:

- Many mechanical air handling system replacement projects have been completed in 2020 including The City Hall Chiller, Kensington Arena Ice Plant and Lobby heating replacement, Bonsor Recreation Centre Chiller replacement, Bob Prittie Library Chiller replacement, and the Robert Burnaby Outdoor Pool facility renovation.

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Transportation – Minor Traffic Management Projects:

- Various traffic improvements have been completed around Burnaby in 2020 including installations of:
 - traffic circles at Victory/Frederick and at Victory/Waverley;
 - new bus shelters at 14 locations;
 - rectangular rapid flashing beacons completed at Patterson/BC Parkway and at Kensington/Aubrey;
 - a left turn bay at Eastlake/Production.

2.3.4 Planning and Building

Land Assembly & Development:

- Annually, the City funds the purchase of properties for a variety of civic uses. At the end of Period 08, six parcels of land have been purchased to support and complete the City's adopted plans.

Burnaby Village Museum Meadow and Carousel Trellis:

- This project is substantially complete and replaces the existing trellis structure at the Carousel Pavilion with a covered walkway and an expanded paved area.

2.3.5 Parks, Recreation & Cultural Services

Parks Facilities – Edmonds Washroom:

- A new washroom with skylighting is nearing completion to service the Edmonds Park picnic, playground and splash pad facilities. The washroom has a high ceiling with skylight which provides additional natural lighting, a universal washroom stall, and was designed in shape with a residential profile and bright blue concrete exterior.

Parks Facilities – Sports Courts:

- Work continued on the upgrades to various sports courts with the tennis courts at both Keswick Park and Bonsor being completed. At Keswick Park, an additional six pickleball courts were added with new surfaces and fencing to the benefit of residents. Bonsor Courts saw six existing pickleball courts resurfaced and painted. In addition, the Sports Court at Taylor Park was resurfaced, painted and fenced.

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 From: Director Finance
 Re: Financial Report as at 2020 Period 08
 2020 October 06 Page 14

Parks Recreation – Administration Office:

- Work is continuing on the Parks Administration Office renovation project. The reconfiguration of the existing footprint provides additional workstations and meeting space for staff. The improved reception/waiting area for the public provides a wheelchair accessible counter and automatic door. A mural depicting a Great Blue Heron at Deer Lake Park will be the focal point of the entrance way, drawing attention to the beautiful park space and nature within the City.

3.0 CONTRACT AWARDS

Attachment 1 provides a listing of all contract awards between \$250,000 and \$1,000,000 signed by the City Manager to the end of 2020 Period 08.

This financial update is provided for the information of the Financial Management Committee.



Noreen Kassam, CPA, CGA
 DIRECTOR FINANCE

NK:RG / md

Attachment: 1 – Purchase Orders between \$250,000 - \$1,000,000 (2020 Period 01 to 08)

Copied to: Members of Council
 City Manager
 Members of Management Committee
 Acting City Clerk

Attachment 1

Purchase Orders between \$250,000 - \$1,000,000 (2020 Period 01 to 08)

Purchase Order Number	Purchase Order Name	Supplier Name	Total Value* (\$)	Currency
4100188766	Burnaby Mountain Booster Pump Station Upgrades	PCL Constructors Westcoast Inc	858,291.00	CAD
4100189186	2020 Road Improvement Program - Brantford Avenue and Southridge Drive	Mainland Construction Materials ULC	661,054.08	CAD
4100185300	2020 Sanitary and Storm Sewer Main Reline	Mar-Tech Underground Services Ltd	590,313.69	CAD
4100183549	2 Ton 4x4 Regular Cab Dump Trucks	Commercial Truck Equipment Co	498,573.89	CAD
4100187149	2020 Sanitary Sewer Lateral Grout and Inspection	Mar-Tech Underground Services Ltd	478,826.25	CAD
4100184833	Burnaby Heights Combined Sewer Separation	Aplin & Martin Consultants Ltd	452,208.75	CAD
4100184031	2021 Food Products - Centennial Foods	Centennial Foods - Vancouver	400,000.00	CAD
4100182890	Consulting Services for Proposed Metrotown Events Centre	Hunden Strategic Partners LLC	392,700.00	CAD
4100190130	RCMP Burnaby Building - HVAC Upgrade	Just Mechanical Ltd	378,000.00	CAD
4100189684	2020-2021 Portland Cement Concrete	Coquitlam Concrete (1993) Ltd	345,000.00	CAD
4100188167	Wright Street Watermain and Road Upgrades	McElhanney Ltd	312,737.25	CAD
4100182794	Supply, Delivery and Maintenance of Turnout Gear and Accessories	Associated Fire Safety Equipment Inc	310,131.01	CAD
4100181703	Windows 10 Hardware	Microserve	308,665.28	CAD

*Total Value is inclusive of all applicable sales taxes

INTER-OFFICE MEMORANDUM

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 October 07

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	Rezoning Fall 2020
Willingdon Heights Community Centre	Schematic Design	Complete	TBD	Council workshop Nov 2020
Brentwood – Comm Benefit Bonus	MOU	July 2020	TBD	Draft MOU
Confederation Park Community Centre	Schematic Design	Complete	Winter 2023	Council Workshop #2 to follow
Cameron Community Centre	Schematic Design	January 2021	Summer 2025	Public consultation complete
South Burnaby Arena	Construction	Winter 2021	Spring 2022*	Some construction delay (COVID19)
Laurel Street Works Yard (Phase 2)	Construction	Summer 2023	Summer 2023	Construction underway
Metrotown Events Centre	Feasibility Study	Complete	TBD	Council Workshop Nov. 2
Hwy 1/Burnaby Lake Overpass	Design Development	Complete	TBD	Council Workshop #2 (Location analysis)
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 October 07.....Page 2

A more detailed project update summary will be provided in the January 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
 Director Public Safety and Community Services
 Chief Librarian
 Acting City Clerk

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Community Heritage Commission
c/o Office of the City Clerk

B. Zeinabova, Acting City Clerk
E. Prior, Acting Deputy City Clerk

INTER-OFFICE MEMORANDUM

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 SEPTEMBER 29

FROM: ADMINISTRATIVE OFFICER

FILE: 2410-20

SUBJECT: ADAPTIVE RE-USE FOR FAIRACRES GARAGE AND STABLES BUILDING
(ITEM 5.2, REPORTS, COUNCIL MEETING 2020 SEPTEMBER 28)

Burnaby City Council, at the Open Council meeting held on 2020 September 28, received the above noted report and adopted the following recommendations contained therein:

1. THAT Council authorize staff to advance the adaptive re-use of the Fairacres Garage and Stables building into design development, subject to funding approval, as outlined in this report.
2. THAT Council authorize the use of Gaming Reserves in the amount of \$125,000 to finance further design, as outlined in this report.
3. THAT a copy of this report be forwarded to the Parks, Recreation and Culture Commission for information.
4. THAT a copy of this report be forwarded to the Financial Management Committee for information.

As directed, a copy of the report is attached for your information.

Monica Macdonald
Administrative Officer



Meeting 2020 September 28

COUNCIL REPORT

COMMUNITY HERITAGE COMMISSION

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: ADAPTIVE RE-USE FOR FAIRACRES GARAGE AND STABLES
BUILDING**

RECOMMENDATIONS:

1. THAT Council authorize staff to advance the adaptive re-use of the Fairacres Garage and Stables building into design development, subject to funding approval as outlined in this report.
2. THAT Council authorize the use of Gaming Reserves in the amount of \$125,000 to finance further design, as outlined in this report.
3. THAT a copy of this report be forwarded to the Parks, Recreation and Culture Commission for information.
4. THAT a copy of this report be forwarded to the Financial Management Committee for information.

REPORT

The Community Heritage Commission, at its meeting held on 2020 September 10, received and adopted the attached report seeking authorization for the use of Gaming Reserves to finance design work to support the adaptive re-use of the Fairacres Garage and Stables building at 6344 Deer Lake Avenue.

Respectfully submitted,

Councillor C. Jordan
Chair

Councillor J. Wang
Vice Chair

<p>Copied to: City Manager Director Planning & Building Director Parks, Recreation & Cultural Services Director Corporate Services Director Engineering Director Finance</p>
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Meeting 2020 Sept 10
COMMISSION REPORT

TO: CHAIR AND MEMBERS
COMMUNITY HERITAGE COMMISSION

DATE: 2020 September 1

FROM: DIRECTOR PLANNING AND BUILDING
DIRECTOR PARKS, RECREATION AND
CULTURAL SERVICES

FILE: 77000 05

**SUBJECT: ADAPTIVE RE-USE FOR FAIRACRES GARAGE AND STABLES
BUILDING**

PURPOSE: To request the use of Gaming Reserves to finance design work to support the adaptive re-use of the Fairacres Garage and Stables building at 6344 Deer Lake Avenue.

RECOMMENDATIONS:

1. **THAT** the Community Heritage Commission recommend Council authorize staff to advance the adaptive re-use of the Fairacres Garage and Stables building into design development, subject to funding approval as outlined in this report.
2. **THAT** the Community Heritage Commission recommend Council authorize the use of Gaming Reserves in the amount of \$125,000 to finance further design, as outlined in this report.
3. **THAT** a copy of this report be forwarded to the Parks, Recreation and Culture Commission for information.
4. **THAT** a copy of this report be forwarded to the Financial Management Committee for information.

REPORT

1.0 BACKGROUND

The Fairacres Garage and Stables building (also known as the “Ceperley Barn”) was constructed in 1911 as part of the Fairacres Estate, which was subsequently purchased by the Municipality of Burnaby in 1966. The estate mansion became the Burnaby Art Gallery, and the Garage and Stables building was used for storage by the Parks, Recreation and Cultural Services Department (PRCS). It was later used by Scouts Canada for storage.

In 1992, the original Fairacres Estate buildings were designated as protected City of Burnaby heritage resources. The Garage and Stables building underwent a major heritage restoration in

To: *Community Heritage Commission*
 From: *Director Planning and Building*
Director Parks, Recreation and Cultural Services
 Re: *Adaptive Re-Use for Fairacres Garage and Stables*
Building
 2020 September 1..... Page 2

2011 that included replacement of its roof, restoration of its wood casement windows, and repainting of its exterior to a 1911 colour scheme.

The building was damaged by a fire in January 2018. At its 2018 February 01 meeting, the Community Heritage Commission requested heritage planning staff monitor the condition of the building and report to the Commission at a future meeting on the status of repairs.

Repairs and upgrades were subsequently completed through an insurance claim. The project made significant improvements to the building, including replacement of the roof rafters and installation of engineered trusses designed by a structural engineer. A report to the Parks, Recreation and Culture Commission on 2019 July 23 noted that use of the building for community/commercial storage is not permitted under the City's Zoning Bylaw. An alternate storage location was subsequently arranged for Scouts Canada through the Parks, Recreation and Cultural Services Department.

At its 2019 November 28 meeting, the Community Heritage Commission provided direction to staff through its Two Year Work Plan to provide recommendations to Council on an appropriate adaptive re-use of the building (a copy of the Two Year Work Plan was subsequently received by Council at its 2019 December 16 meeting).

The following sections of this report summarize the result of the Adaptive Re-Use Study, propose an overall estimated project cost and schedule, and request authorization for use of Gaming Reserves for design development.

The 2020-2024 Financial Plan includes funding for design development in the amount of \$125,000 through the Gaming Reserves. With authorization from Council, a consultant will be engaged through an RFP process to complete the necessary design studies.

2.0 POLICY FRAMEWORK

2.1 Corporate Strategic Plan

Conservation and adaptive re-use of the Fairacres Garage and Stables building for community use aligns with the following goals and sub-goals of the *Corporate Strategic Plan*:

- ***A Safe Community***
 - Community amenity safety – Maintain a high level of safety in City buildings and facilities for the public and City staff
- ***An Inclusive Community***
 - Serve a diverse community – Ensure City services fully meet the needs of our dynamic community
 - Create a sense of community – Provide opportunities that encourage and welcome all community members and create a sense of belonging

To: *Community Heritage Commission*
 From: *Director Planning and Building*
Director Parks, Recreation and Cultural Services
 Re: *Adaptive Re-Use for Fairacres Garage and Stables*
Building
 2020 September 1..... Page 3

- **A Dynamic Community**
 - City facilities and infrastructure – Build and maintain infrastructure that meets the needs of our growing community

2.2 Heritage Policy Framework

Burnaby's Official Community Plan includes the direction under its Heritage Policy that the City continue its stewardship of civic heritage resources. The Municipal Heritage Policy for Municipally-Owned Buildings and Sites (1991) and Deer Lake Master Plan (1999) identify a significant grouping of municipal heritage assets at Deer Lake, and identify conservation and adaptive re-use of Deer Lake heritage buildings as long-term goals. Conservation and adaptive re-use of this protected heritage building within Deer Lake Park supports the City's heritage policy objectives.

3.0 FAIRACRES GARAGE AND STABLES BUILDING

The Fairacres Garage and Stables building at 6344 Deer Lake Avenue is a two-storey, 302.5 square metre wood frame building that is located adjacent to the Fairacres Mansion in Deer Lake Park (currently home to the Burnaby Art Gallery). This heritage landmark is sited prominently on Deer Lake Avenue, across from the City Hall complex, located at a primary gateway to the arts precinct. The building was constructed in 1911 by Henry and Grace Ceperley as part of their 20 acre estate "Fairacres" (see *Attachment 1*). The four surviving outbuildings at Fairacres are a rare surviving architecturally designed ensemble of agricultural structures that exist in complementary harmony with the mansion (see *Attachment 2*). The Fairacres Estate is one of the primary historic features of Deer Lake Park.

The Deer Lake Master Plan (1999) recommends use of heritage buildings as arts facilities, and several examples of adaptive re-use of heritage buildings for cultural purposes can be found at Deer Lake. In addition to the seven protected heritage resources included within the Burnaby Village Museum, there are several heritage resources in Deer Lake Park used for cultural programming and administration, including Anderson House, the William and Mary Mathers Residence, and the Fairacres Steam Plant. An artist-in-residence program is being developed for the Drs. Blythe and Violet Eagles Estate and Dr. William and Ruth Baldwin House. While the Fairacres Chauffeur's Cottage and Fairacres Root House are currently used by the PRCS Parks Division to support care and maintenance of the gardens and grounds at Deer Lake Park.

The incremental implementation of the Deer Lake Master Plan's goals for conservation and adaptive re-use of Deer Lake heritage buildings for cultural activities enabled a cultural precinct to develop at Deer Lake, with a strong public demand for arts and cultural programming. The Garage and Stables building is located adjacent to the major cultural facilities at Deer Lake, including the Shadbolt Centre for the Arts and Burnaby Art Gallery.

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 From: *Director Planning and Building*
Director Parks, Recreation and Cultural Services
 Re: *Adaptive Re-Use for Fairacres Garage and Stables*
Building

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4.0 PROPOSED NEW USE

4.1 Current Condition and Status

The current condition of the building is described in the Fairacres Estate Adaptive Re-Use Study by Donald Luxton & Associates (2020), which includes a structural assessment report by Ennova Structural Engineers. The report identifies that the building has a high level of architectural and historical significance, and many of its original heritage features are intact.

The structural assessment identifies several structural deficiencies required to enable use of the building for any form of occupancy, including upgrades to roof beams to add additional support to the new truss and rafters to increase the roof's capacity to support snow, upgrades to building structure to support floor loads resulting from use and occupancy, and seismic upgrades. The assessment provides recommendations to address the deficiencies to enable adaptive re-use of the building (see *Attachment 3*).

The building is currently without an approved use, as the six month hiatus of occupancy for repairs following the fire removed any previous non-conformities of both the BC Building Code and Zoning Bylaw compliance. The building, although repaired to an upgraded standard, does not currently meet BC Building Code standards for a compliant storage building, community use and/or public occupancy.

It is also noted that there is a lack of servicing to the building. While sewer and water connections are located adjacent to the building, these services are currently not connected. Building envelope upgrades are also required, as the building is currently un-insulated and not heated.

4.2 Adaptive Re-Use Study

An adaptive re-use study to review potential uses of the structure was undertaken by a working group comprised of City staff from Facilities Management, Parks, and Planning and the consultant team.

The Fairacres Estate Adaptive Re-Use Study (2020) provides recommendations for adaptive re-use of the Garage and Stables building for current consideration, and analysis of two other Fairacres estate outbuildings (the Chauffeur's Cottage and Root House) for future planning purposes. A Structural Assessment Report is included, as well as schematic designs for recommended uses, and Class D Cost Estimates.

Analysis of a range of uses was undertaken, including storage, programming, office, commercial, and public assembly uses. The uses were evaluated for their level of intervention to the building's heritage character, potential cost, and level of public benefit.

- **Low Level of Intervention:** Structural repairs and code upgrades, fire safety and security equipment installation, and minor functional upgrades could be implemented for a use that does not include occupancy (such as storage). Estimated cost: \$298,500.

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- **Medium Level of Intervention:** Structural repairs and code upgrades, fire safety and security equipment installation, and significant functional upgrades (including mechanical, electrical, and plumbing services) could be implemented for a non-commercial use that provides partial public assembly (such as cultural or educational programming on the ground floor, and non-commercial office use of the second floor). Estimated cost: \$1,243,000.
- **High Level of Intervention:** Structural repairs and code upgrades, fire safety and security equipment installation, and significant functional upgrades (including mechanical, electrical, and plumbing services), and full upgrading of the building envelope could be implemented for a full public assembly or commercial use (such as a restaurant or event rental venue). Estimated cost: \$2,178,000.

The report notes that higher levels of intervention result in higher costs, as well as higher levels of impact on the heritage fabric and character of the building (see *Attachment 4*). The report recommends the City pursue a medium level intervention use for the Garage and Stables Building (see *Attachment 5*). Combined programming and administration use is advanced as the best potential use for the building. This use would provide public access to the heritage resource while requiring interior upgrades that would enable retention of the historic character of the building.

4.3 Recommended Use

Staff support the consultant's recommendation that the best use of the building is to develop programming space on the ground floor, and to use the upper floor for related administration. This use requires a medium level of intervention.

The location of the Garage and Stables building adjacent to the Burnaby Art Gallery and Shadbolt Centre for the Arts within the Deer Lake Park cultural precinct provides an opportunity to incorporate operation of the building into the City's existing Cultural Services programming. The ground floor would provide space for visual arts programming space, and related administrative offices would be located on the upper floor. This use is permitted under the Zoning Bylaw, and is compatible with the recommendations of the Deer Lake Park Master Plan (1999) for adaptive re-use of Deer Lake's heritage buildings for public use, including arts programming.

As outlined in Appendix B of the Fairacres Estate Adaptive Re-Use Study (see *Attachment 6*), there is significant demand for visual arts programming at the Burnaby Art Gallery and Shadbolt Centre for the Arts that cannot be fully met by the existing facilities. Drop-in and registered visual arts programs are regularly over-subscribed, sometimes with wait lists exceeding the number of registrants. Demand for arts camps provides an example: in 2019 the combined waitlist for Pro-D day, spring break, and summer camps at the City's Deer Lake cultural facilities exceeded 1,100 registrants.

Visual arts programming offered by the City at Deer Lake is limited by lack of overall programming space, as well as the absence of a space designed specifically for visual arts

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programming. The Burnaby Art Gallery offers programming in the restored “Fireside Room,” at the Fairacres Mansion, but the space is not suitable for large groups or messy activities. The spaces used at the Shadbolt Centre for the Arts rely on participants being able to climb a set of stairs or negotiate a steep ramp, meaning that their visual arts programs are not fully accessible to students with mobility challenges.

Adaptive re-use of the ground floor of the Fairacres Garage and Stables building as an accessible, purpose-built visual arts space would increase access to visual arts programming and enable the City to expand programming to meet unmet demand.

While operating cost analysis was not included in this stage of work, it will be reviewed in detail at the design stage as part of an operating plan to be prepared by Parks, Recreation and Cultural Services. It is anticipated that registered programs will be run on a cost-recovery basis: program administration will be absorbed by existing staff, and program supply, marketing, and instructor costs will be off-set by program revenue. Building maintenance and depreciation costs will be included in the PRCS and Engineering base operating budgets should Council support the adaptive re-use of the facilities as outlined in this report.

5.0 PROJECT FINANCING AND SCHEDULE

Completion of an adaptive re-use study provides a schematic design and Class D cost estimates to enable the project to move into the design development phase.

5.1 Project Financing

Further study and design work is required, including design development, an operating plan, and landscape design. Design development work will be led by staff in Facilities Management, and include building design, servicing plans, costing, and code analysis as required. These expenditures are included in the 2020-2024 Annual Financial Plan and sufficient Gaming Reserves are available to finance the project outlined in this report.

Ceperley Barn Upgrades – Detail Design	\$125,000
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(BAX.0029)

Study and design work for an adaptive re-use of the Fairacres Garage and Stables building (also known as the Ceperley Barn). Work includes servicing plans, building code analysis, costing, and detail design.

Capital funding for construction will be submitted for consideration as part of the City’s 2021-2025 Financial Plan. The project is eligible for funding through the City’s Gaming Reserves. Based on the schematic design to-date, a total project cost of \$1,300,000 has been estimated, excluding taxes.

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5.2 Project Schedule

A project schedule has been produced based on the schematic design developed to-date and is included below:

Milestone	Date
Council Approval of Adaptive Re-Use and Design Development Funding	September 2020
Design Development and Contract Documents	November 2020 – August 2021
Council Approval of Design and Construction Funding	Fall/Winter 2021
Tendering	Spring 2022
Construction	2022

6.0 RECOMMENDATIONS

It is recommended that the Community Heritage Commission recommend Council authorize the use of Gaming Reserves in the amount of \$125,000 to finance further design, as outlined in this report.

At the completion of the detailed design phase, a further report will be advanced to the Community Heritage Commission and Council for approval of the detailed design, as well as funding approval for construction.

It is further recommended that a copy of this report be forwarded to the Parks, Recreation and Culture Commission, as well as the Financial Management Committee, for information.



E.W. Kozak, Director
 PLANNING AND BUILDING



Dave Ellenwood, Director
 PARKS, RECREATION AND CULTURAL
 SERVICES

LC:sa

Attachments

Copied to: City Manager
 Director Finance
 Director Engineering
 City Clerk

Attachment 1

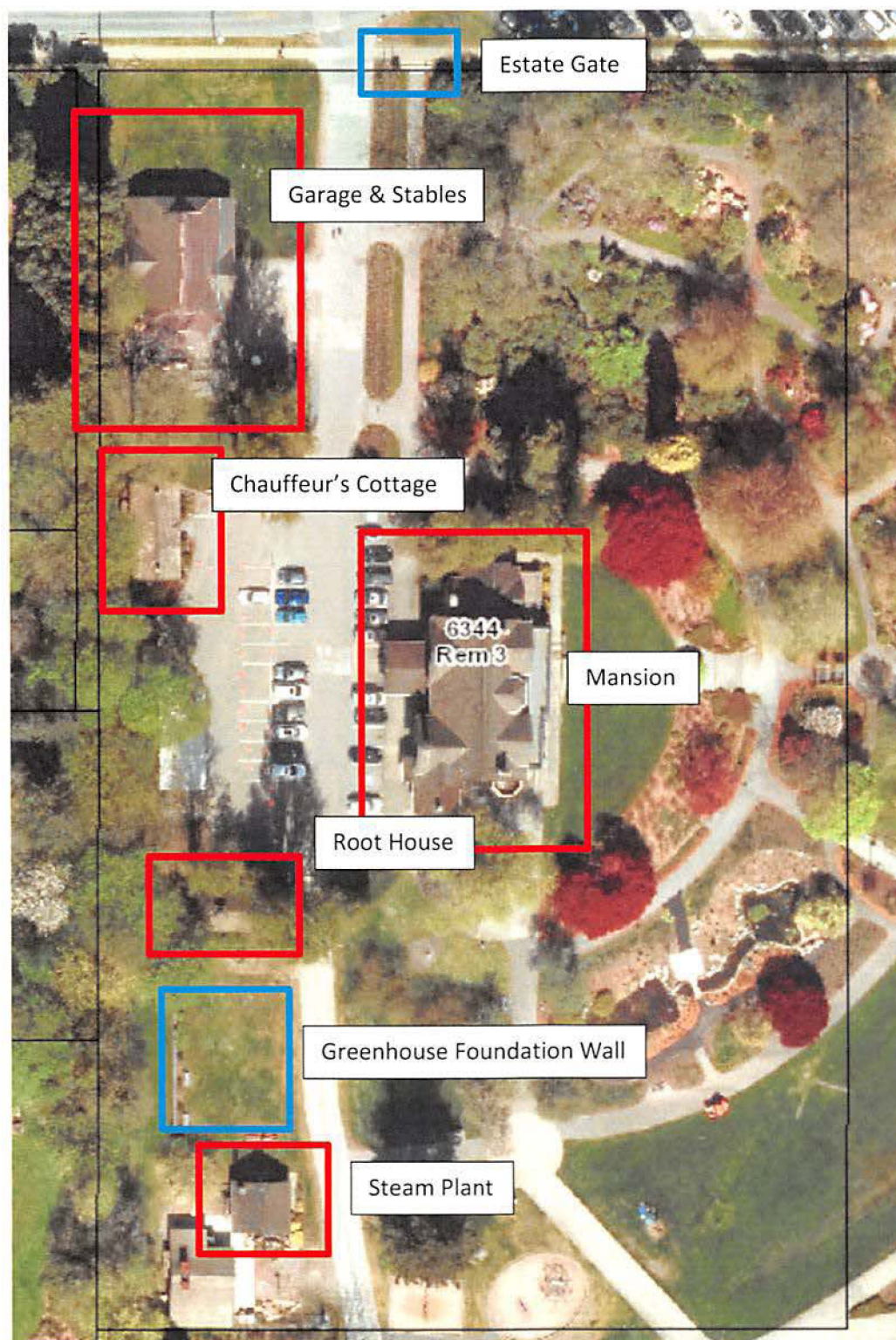


A 1915 photograph of the Fairacres Estate, with the Garage and Stables building visible on the right. Henry and Grace Ceperley are on the lawn in front of the mansion with their three children. (CBA 241-009)



Garage and Stables Building, 2019

Attachment 2



Designated heritage resources comprising the Fairacres Estate. Buildings are outlined in red and landscape features are outlined in blue.



Recommendations (Reference SK1-SK5)

A. Barn Building

1. Reinforce or replace the built-up 2x10 beams that support the roof trusses.
2. Reinforce the intermediate line of built-up 2x4 beams that support the roof rafters or shorten the span of the built-up beams with addition supports between existing posts.
3. Place addition support under the valley of the west dormer.
4. Reinforce the floor joists to support both floor and roof load. Additional transfer beams will be required under heavy point loads from the roof structure.
5. Reinforce or replace the existing 6x6/6x8 beams in the north-south direction. Reinforce or replace the end span of the 6x6 beam in the east-west direction which is more than 9 foot long.
6. Add lintels above all windows and doors on the main floor.
7. Reinforce or replace the damaged joist over the crawl space.
8. Connect the timber posts and beams to the concrete foundation with steel plate or angles, fastened with drilled in anchors.
9. Seal off the crawl space floor or address the ventilation in the crawl space to minimize moisture built up in the crawl space.
10. Along the wall between the main building and the carriage storage adjacent to the raised floor, cut the existing floor plate near the base of the wall and lap on new studs to the existing studs to eliminate the hinge effect near the base of the wall.
11. Along the north wall of the garage and carriage stall, cut the continuous lintel on either side of the door openings and lap on new studs to eliminate the hinge effect.
12. Verify if there are footing at the foundation wall. Retain a geotechnical engineer to provide input on the bearing capacity of the existing foundation wall. Underpinning of the foundation walls may be required.
13. Add anchor bolts to connect the perimeter walls to the concrete foundation.
14. Replace the landscape masonry foundation on the west side of the carriage storage with reinforced concrete foundation wall.
15. Add plywood to the inside face of the exterior wall to improve the shear resisting capacity of the building. Strap down the ends of the wall with steel straps and hold down anchors.

T. 604.255.7670
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16. Depending on the future use of the building, replace all or part of the existing concrete slab on grade in the main building with new reinforced concrete slab on grade. The new slab on grade will be properly leveled and stepped to eliminate tripping hazard. The new slab can be tied in with the underpinning of the perimeter foundation if recommended by the geotechnical engineer.

B. Cottage Building

17. Remove the finishes on the exterior face near the bottom of the perimeter walls to check the physical condition of the existing floor beams. Replace and reinforce the beams as required.
18. Strategically place new concrete grade beams between the existing concrete piers at wall corners to provide addition lateral stability to the building or replace the concrete piers with reinforce concrete foundation walls around the perimeter of the building. Fasten the floor beams to the concrete foundation with steel angles and anchor bolts.

C. Root House

19. If the root house were to be used for any occupancies other than storage for which there will a number of occupants in the building regularly, the exterior walls should be reinforced to protect its occupants.
- Scan the wall for presence of reinforcing.
 - If the walls were already reinforced, no additional work will be required on the wall.
 - If unreinforced, one solution is to add continuous steel plates or angles to the inside face of the walls.
 - Alternately, construct new plywood shear walls or light gauge steel stud walls with diagonal steel straps around the inside face of the perimeter walls to act as shear walls and to support the exterior walls in the out of plane direction.
20. Strengthen the existing roof diaphragm with new plywood sheathing with proper blocking and nailing. Check and reinforce the connection between the exterior walls and the roof as required.

Closure

This concludes our report. We trust that the information provided in this report meets the project requirements at this time. Please contact the undersigned if there are any comments, concerns or questions.

Best Regards

Ennova Structural Engineers Inc.

A handwritten signature in black ink, appearing to read "Tim Lam", is written over a horizontal line.

Tim lam, P.Eng., Struct Eng.

T. 604.255.7670
F. 604.255.7610

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

3. GARAGE & STABLES



3.1 DESCRIPTION

Designed in the British Arts and Crafts style, the *Fairacres* Garage & Stables is a two-storey wood frame building located on the *Fairacres* estate, situated to the north of the Chauffeur's Cottage; at the south end of the structure is a single vehicle garage and to the north are several stables for carriage, riding, and draught horses, a coach house, and tack room; the upper floor was originally a hay loft.

3.2 HERITAGE VALUE

The outbuildings at *Fairacres* are a rare surviving architecturally designed ensemble of agricultural structures that exist in complementary harmony with the main estate house. Architect R. Mackay Fripp was retained by the Ceperleys to design all of the original outbuildings on their estate at the same time as the main house was constructed.

The barn was described originally as having space for five horses and two cows, harness room, hay loft and sleeping rooms for the coachmen. This building is important as a record of its era when transportation modes were in transition and the horse-drawn carriage, while still in use, was giving way to the automobile. The relative spatial arrangements within the building are a valuable indication of the economy of space associated with the automobile, as compared to the horse. The extent of the stabling

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

arrangements signifies not only the use of carriage horses but also the continued reliance on draught horses in farming activities in this era. As well, it is an indication of the fashionable nature of equestrianism for wealthy families during this time.

The building is important as a demonstration of the aesthetics of the Ceperley family in having an architect-designed outbuilding and obtaining craftsmanship and materials of the highest quality for each structure on their estate.

Key elements that define the heritage character of the *Fairacres* Garage & Stables include its:

- location within easy reach of the main house and in close proximity to the Chauffeur's Cottage;
- floor plan with the garage at one end, close to the Chauffeur's Cottage, and stables and equine facilities at the other;
- variety and complexity of the roofline, including gable wall dormers, gable-on-hip roof ends, and half-hip extensions;
- Arts and Crafts architectural features of the exterior such as the shingle wall cladding articulated with a chevron-patterned course of shingles at the first floor level; casement windows; and deep eaves with additional purlins to support the overhang;
- original stable doors with hand-made forged-iron door hardware; and
- multi-paned wooden-sash windows, some retaining original wire glass.

Despite the recent fire damage, there are a number of interior features that represent the building's original uses and should be conserved, such as the original configuration of the floor plan, interior framing and tongue-and-groove siding.

3.3 BUILDING CONDITION ASSESSMENT

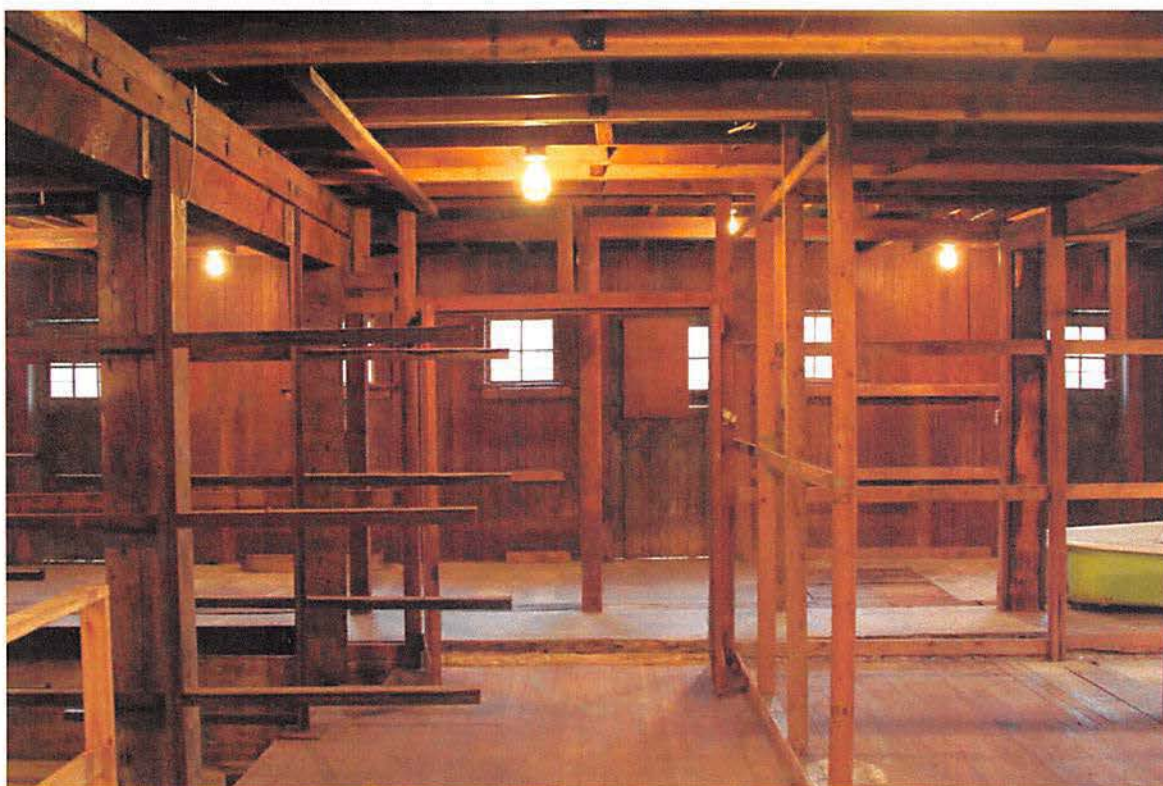
In 2010, a Condition Survey was undertaken of the Ceperley Barn, leading to a conservation project in 2011 that include structural upgrades to the roof and replacement of its asphalt shingles with cedar shingles.[Eric Pattison, Architect; Ennova Structural Engineers Inc.]. The building was subsequently damaged by fire, and architectural drawings for Fire/Water Damage Repair were prepared by Scott Gordon Architect in May 2018, with structural drawings by Envista Forensics, dated May 2018.

A further structural assessment has been prepared by Ennova Structural Engineers (see *Appendix A*), as follows:

- Review and assess the condition of the existing building structure
- Evaluate the conformity of the building structure to the current building code requirements
- Identify any code structural issues relating to the future uses of the buildings
- Discuss possible structural solutions to accommodate the future uses

The roof of the building was originally constructed with plank sheathing over 2x4 rafters spanning in the east west direction with collar ties. In 2011, the north gable end and lower hip was reconstructed with plywood sheathing on 2x6/2x8 framing and the shed roof over the single storey garage was reconstructed with plywood sheathing on 2x10 rafters. Repair work was also carried out on the east and west roof overhang where deteriorated rafters were replaced or reinforced. In 2018, the entire center section of the main roof was reconstructed with plywood sheathing on engineered wood truss following a fire.

FAIRACRES ESTATE ADAPTIVE REUSE STUDY



Current Interior Condition. Above: Ground Floor. Below: Second Floor.



DONALD LUXTON & ASSOCIATES INC.: AUGUST 2020

FAIRACRES ESTATE ADAPTIVE REUSE STUDY



Current Interior Condition. Above: Garage. Below: Rebuilt Extension.



DONALD LUXTON & ASSOCIATES INC.: AUGUST 2020

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

In general, the Garage & Stables currently displays a number of structural deficiencies, as identified in the *Ennova Report 2020*. This include weaknesses with lateral force resisting systems, and the shear resistance of the building is estimated to be less than 65% of the code required capacity in the east-west direction. There are further deficiencies such as lack of strapping, anchoring and foundations.

Recommendations for structural upgrading are included in the *Ennova Report 2020*.



Garage & Stables in 1914. [City of Burnaby]

3.4 ADAPTIVE REUSE OPTIONS

3.4.1 POTENTIAL USES

Six potential permitted uses have been assessed as appropriate for the Garage & Stables. The commercial tenancy is not permitted but has been included for comparative purposes.

- **STORAGE:**
Use for storage would require minimal building upgrades, but would be a comparatively poor use for a heritage building, and would not allow public access to the interior.
- **PROGRAMMING SPACE:**
There is significant potential to introduce programming space into the building, either using all of both floors or else a split use with half the upstairs being staff offices. The City's Cultural Services department has expressed interest in taking over this building. A needs assessment is attached as *Appendix B*. Notably, the Shadbolt Centre does not currently have an accessible visual arts studio space, which could be provided in this building.

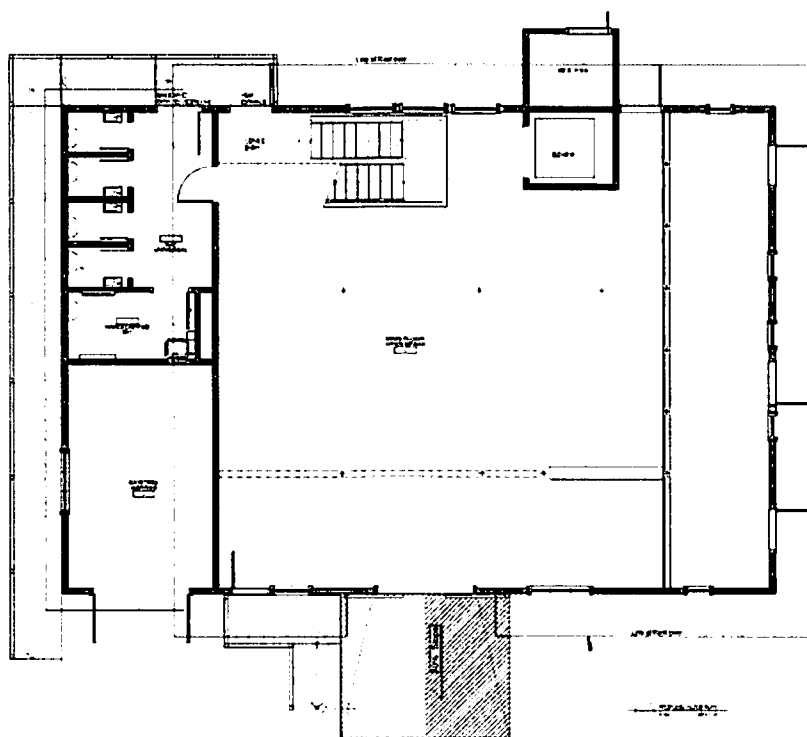
FAIRACRES ESTATE ADAPTIVE REUSE STUDY

- **NON-COMMERCIAL OFFICES:**
The building could be converted to office use, and could accommodate a maximum of 18 workers on the two floors.
- **PARTIAL PUBLIC ASSEMBLY:**
The ground floor could be turned into public assembly use on the ground floor, for event rentals, etc. This would, however, require structural upgrading to 4.8 kPa (100 psf), which would be exceptionally difficult to achieve while retaining the identified character-defining elements.
- **FULL PUBLIC ASSEMBLY:**
Upgrading the second floor to 4.8 kPa (100 psf) while significantly reducing deflection would be have the greatest impact from a structural perspective, requiring interventions that would be highly visible and would also impact character-defining elements.
- **COMMERCIAL TENANCY:**
Commercial uses are not permitted by the Zoning Bylaw in a P3: Park and Public Use District, but were included for comparative purposes. Uses could range from a craft brewery to a coffee shop, small restaurant or gift shop. It is difficult to estimate potential revenue, as there are no viable comparables for this location, which lacks visibility and is not close to any significant populations. Commercial use would also require parking and signs, and may require significant tenant improvements, which could impact character-defining elements.

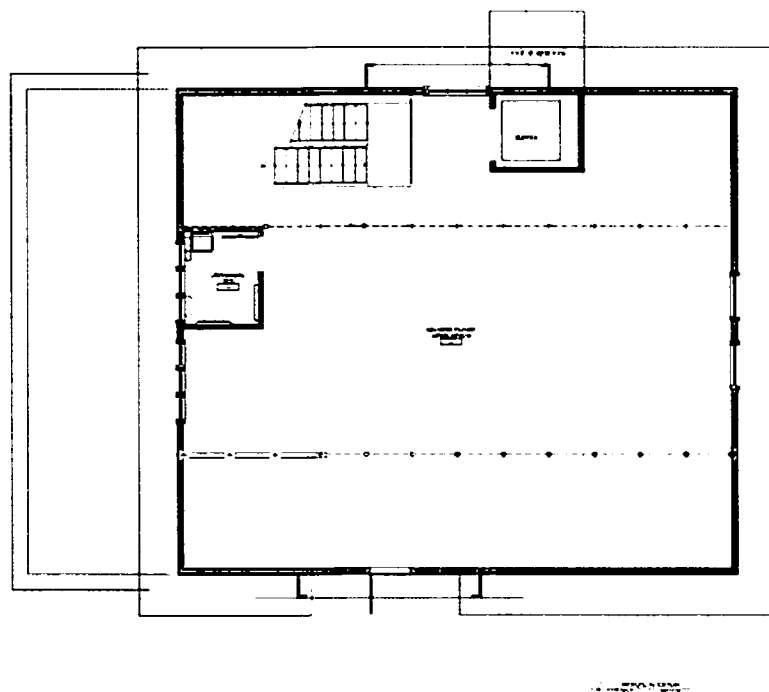
In order to determine base case potential costs, schematic layouts were prepared that would optimize efficient floor plans and circulation for any of these uses. The following assumptions were made regarding the level of functional intervention.

- Vertical access is grouped at the west side of the building, in a compact layout that takes advantage of the head height offered by the west dormer. The mechanical room for the LULA Lift is located outside the building in a shed structure on the west wall.
- A level ground floor is provided at the ground floor through the use of wooden infill structures that raise the floor to a consistent level, while leaving original concrete exposed.
- All ground floor entries are made accessible through the use of ramps.
- A staff entry is placed on the west side, to allow access to the upper floor that does not disturb operations on the ground floor. This could be further screened by partitioning, as required.
- Universal washrooms are provided on the ground floor in the southwest corner, in the original carriage stalls. This allows the washrooms to be accessed from both inside and outside, as required.
- An accessible washroom is provided on the second floor, positioned on the south wall so that the plumbing runs can connect to the plumbing below. Allowance has been made for a pipe chase on the ground floor.

FAIRACRES ESTATE ADAPTIVE REUSE STUDY



Above: Ground Floor, Schematic Layout. Below: Second Floor, Schematic Layout.



FAIRACRES ESTATE ADAPTIVE REUSE STUDY

3.4.2 LEVEL OF UPGRADE

Different uses will require different levels of code upgrades and interventions to the interior. As per **Section 2.1 Conservation Approach**, the following need to be considered for any adaptive reuse of the structure.

- All work will be undertaken according to the *Standards and Guidelines for the Conservation of Historic Places in Canada*.
- Any contemplated uses should allow for an approach of minimal intervention.
- Any interventions should demonstrate a high degree of compatibility and reversibility.
- Appropriate protection will be provided as required through life safety upgrades, including accessibility, sprinklers and alarms.
- Building upgrades, including mechanical systems, will respect the historic integrity and authenticity of the buildings.

The extent of potential intervention may be categorized as follows:

• LOW INTERVENTION

If the building is to be used for storage, there are no occupancy requirements. There are, however, life safety measures that must be introduced to ensure the safety of the resource, expected to include sprinklers and an appropriate alarm system. A number of measures in the **Ennova Report 2020** would also be required to ensure structural stability, and interior retrofits would be required to maximize the functionality of the space. The second floor would remain inaccessible. Costs would, however, be lower than would be anticipated for other uses.

• MEDIUM INTERVENTION

For most of the uses, a simplified approach to upgrading would be appropriate, as follows:

- Structural repairs and code upgrading as outlined in the Ennova Report.
- Installation of a sprinkler system throughout the building.
- Fire and security alarms as required.
- Constructing wooden platforms on the lower level to “fill-in” the old horse troughs to bring the floor to one level plane.
- Construction of a code-compliant stair to the second floor.
- Assessible access to the second floor would be provided by a lift system (LULA Limited Use/Limited Application hybrid between a commercial elevator and a wheelchair lift).
- Accessible universal washrooms would be provided on both floors.
- Limited upgrades to the wall assemblies and windows, retaining original fabric.
- Insulation of the second floor roof.
- Building / rebuilding of minimal demising walls.
- New MEP, including three utility sinks on the ground floor for cultural programming / art class use).
- New tongue-and groove panelling on the interior (no insulation).

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

• HIGH INTERVENTION

In addition to the above, further cost would be added if there is a full upgrading of the building envelope to current code, including rain screening and insulation, which would result in the loss of original material and character-defining elements. In addition, some of the uses, such as full public assembly use or commercial use, may require a higher level of tenant improvements such as new flooring and drywall finishes throughout.

3.4.3 POTENTIAL COST

The final anticipated costs relate to level of intervention required to achieve necessary structural, code and functional upgrades. In general, the costs will be higher if the level of impact and intervention is higher, as these costs are directly related. The following preliminary cost estimates have been provided by the BTY Group, 2020; please refer to **Appendix E** for the full cost estimates.

	LOW INTERVENTION	MEDIUM INTERVENTION	HIGH INTERVENTION
Floor Area	1,830 sq. ft.	3,250 sq. ft.	3,250 sq. ft.
Cost per Square Foot	\$163 psf	\$382 psf	\$670 psf
TOTAL COST	\$298,500	\$1,243,000	\$2,178,000

3.4.4 PUBLIC BENEFIT

The public benefit of the adaptive re-use relates to:

- The extent to which the heritage resource can be used, experienced and enjoyed by a wider number of people, so the extent to which it is publicly accessible.
- A use that provide the greatest amount of public benefit (such as publicly accessible programming both inside and outside the building).

3.4.5 OCCUPANT LOAD

The potential occupant load is difficult to determine in advance of the development of a final design, and further consultation with the Authority Having Jurisdiction. Much of the floor area would be exempted (circulation, washrooms, etc.) and the second floor has space that is not full height, affecting the calculations.

Classrooms require 1.85 square meters / person [net floor area]; the interpretation for classroom use assumes rows of seating.

Group A; Division 2: Public Assembly

- Main Floor: ± 170 square metres Gross Floor Area [1,830 sq. ft.]
Assume Net 60% = 102 square meters NET = 55 total
- Second Floor: ± 132 square metres Gross Floor Area [1,420 sq. ft.]
Assume Net 60% = 80 square meters NET = 43 total

Vocational shops and office uses each require 9.30 square meters. Cultural or educational program space may allow a variety of options, including flexible seating, movable work tables, etc. and could allow use by some 35 to 40 persons on the ground floor. Use for a facility such as printmaking classes could accommodate up to 20 people. If the upstairs had partial office space and a large programmable space of about 40 square meters each it could accommodate about four office workers and about 20

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

program participants; as program space it could accommodate approximately 35 people. Full use as office space would allow approximately 10 workers on the main floor and 8 on the second floor.

3.4.6 ADAPTIVE REUSE SUMMARY

POTENTIAL USE	P3	POTENTIAL IMPACT	POTENTIAL COST	PUBLIC BENEFIT	COMMENTS
Storage	Yes	Low	Low	Minimal	Will require building upgrades
Programming Space	Yes	Medium	Medium	High: Public Access	Can be sensitively accommodated
Non-Commercial Offices	Yes	Medium	Medium	Low: Limited Access	Can be sensitively accommodated
Partial Public Assembly	Yes	Medium	Medium	High: Public Access	Can be sensitively accommodated
Full Public Assembly	Yes	High	High	High: Public Access	Requires more intrusive upgrades
Commercial Tenancy	No	High	High	Low: Limited Access	Requires more intrusive upgrades

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

6. RECOMMENDATIONS

The historic outbuildings of the *Fairacres* Estate present a unique challenge for adaptive re-use, given many limiting constraints, including their:

- location within a public park.
- relative isolation within the park.
- relatively modest size and limited floor plates.
- fragile historic character, which could be easily damaged by intrusive alterations.

In order to determine the most appropriate uses for the building, this study reviewed a variety of factors, in order to determine the best possible balance of:

- heritage conservation.
- utility and function.
- minimal levels of upgrade.
- reasonable costs.
- level of public benefit.

Through this process, it was concluded that the following uses offered the best potential for successful adaptive reuse of the structures:

GARAGE & STABLES:

- A combined cultural programming and office/administrative use that occupies both floors.
- Upgrade as required for structural and life safety considerations.
- Minimal interior upgrading to retain the historic rustic vernacular character of the interior.
- Minimal envelope upgrading.

CHAUFFEUR'S COTTAGE:

- A cultural programming use.
- Upgrade as required for structural and life safety considerations.
- Sensitive interior adjustments to maximize available open floor space.
- Minimal envelope upgrading.

ROOT HOUSE:

- Minor interventions to support outdoor programming.

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

B: NEEDS ASSESSMENT FOR VISUAL ARTS PROGRAMMING SPACE

CULTURAL PROGRAMMING IN THE DEER LAKE PRECINCT

The *Fairacres* Garage & Stables building is located in Deer Lake cultural precinct, where over 580,000 visitors annually access cultural programming offered by the City, including visiting the museum, attending concerts and performances, participating in special events, and attending art exhibitions. Cultural Services facilities in the precinct include the Shadbolt Centre for the Arts, Burnaby Village Museum, and Burnaby Art Gallery.

The Shadbolt Centre for the Arts delivers programming at the main Shadbolt Centre for the Arts building, as well as in adjacent buildings that include Mather's House, the *Fairacres* Steam Shed, and the outdoor wood-fire kiln. Anderson House serves as an administration centre for Cultural Services staff. The Burnaby Art Gallery is located in the 1911 *Fairacres* Mansion, and the Burnaby Village Museum is an outdoor museum located on a 10-acre site with several heritage and replica buildings used for exhibits, programming, and administration.

VISUAL ARTS REGISTERED PROGRAMS

Community participation in the arts includes registering for programs and workshops. More than 7,500 people register annually in visual and performing arts programs at the Shadbolt Centre for the Arts and Burnaby Art Gallery. Cultural Services also hosts a wide range of drop-in programs and events, including artist talks and special events. Annual attendance for drop-in programs at the art gallery exceeds 1,500 visitors, and attendees from some programs are turned away when attendance outpaces room capacity. Registered visual arts programming includes courses and workshops to teach a range of art forms that create a work that can be seen and touched, such as drawing, painting, photography, print-making, sculpture, and ceramics. Demand for visual arts programming is strong: 4,225 students registered for visual arts programs at the Shadbolt Centre for the Arts and Burnaby Art Gallery in 2019, with an additional 6,296 students participating in visual-arts based school programs offered by the gallery.

UNMET DEMAND

Waitlists provide evidence of unmet demand for arts programming. The Burnaby Art Gallery's wait list for spring break and summer camps in 2019 was 54 students. Though the total number is small, the ratio of wait list to registrations at the gallery is significant. The average wait list for summer camps at the gallery in 2019 was 7 students for camps that could hold only 10 to 12 students. One camp had 10 students registered and 16 on the waitlist, and another had 14 on the waitlist. The wait list for 2019 spring break camps exceeded the total number of children registered for the program. At the Burnaby Art Gallery, demand is far exceeding what the gallery can offer due to limited programming space.

In 2019, the Shadbolt Centre for the Arts had 854 students on their combined waitlists for performing and visual art spring break, summer, and pro-d day camps, while the Burnaby Village Museum had a waitlist of 284 students for their art and heritage themed camps in 2019. Combined, the City's cultural services facilities are unable to provide camp space to more than 1,100 students who are placed on waitlists (and an unknown number of others who do not put their names on waitlists).

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

LIMITATIONS OF CURRENT VISUAL ART STUDIO SPACE

Harder to measure than wait-lists is the demand for programming that is never planned or offered because of a lack of purpose-built visual art studio spaces that support a wide range of visual arts programming. The Burnaby Art Gallery, in particular, is limited in the types of visual arts programming it can offer in its existing space. For example, the gallery is known for its exhibitions and collection of prints, but can only offer a very limited range of print-making courses due to the size of the equipment required, and the potential of inks to stain the heritage interior of the mansion.

Visual arts programming at the gallery is offered in the Fireside Room, which is a wood-paneled room originally designed as a billiard room for the 1911 designated *Fairacres* Mansion that is now home to the gallery. The room contains several architecturally-significant heritage features.

The Fireside Room can accommodate a maximum of 15 students for a class that requires use of tables and art supplies. Children's classes are generally capped at 10 to 12 students to allow sufficient room for instructors, supplies, and learning activities. The types of art activities that can be offered are limited: many wet and/or messy activities cannot be offered in order to protect the heritage features.

The Shadbolt Centre offers visual arts programming in multi-purpose rooms located on the second floor of Mather's house and on the ground floor of the Shadbolt Centre. The multi-purpose room dedicated to visual arts programming at the Shadbolt Centre is accessible only by stairs or a steep ramp, while the Mather's house does not have elevator service to the second floor. The SCA therefore has no fully accessible visual arts studio space, and has to turn away students with mobility challenges from many of its visual arts programs.

BENEFITS OF A PURPOSE-BUILT VISUAL ARTS STUDIO

A purpose-built, accessible visual arts studio could be used for workshops and courses for a variety of visual arts processes, and be furnished and equipped to support a broader range of visual arts programming while enabling the City to include more students with mobility challenges in its visual arts programs.

Though a more detailed revenue and expense model will be developed in the detail design phase, staff anticipates that a significant expansion of visual arts programming could be offered at the *Fairacres* Garage & Stables building if it were used as a visual arts studio. Programs can be operated on a cost-recovery basis: program administration can be absorbed by existing staff, and program supply, marketing and instructor costs off-set by program revenue. The focus for expanded services will include: Burnaby Art Gallery school programs, visual arts camps, visual arts registered programs, and visual arts special events. Allotment use is also being considered.

Burnaby Art Gallery School Programs

At present, the Burnaby Art Gallery is limited in its ability to offer on-site school programs that include gallery tours and hands-on art activities. The Fireside Room programming space cannot accommodate more than 15 students at a time for hands-on art programming. The gallery therefore limits school visits to one class at a time, which is divided into two groups during the visit to enable half the class to experience a gallery tour while the other half engages in a hands-on activity.

The gallery's school program delivery model limits attendance, as many schools want to be able to take two classes to the same location for a field trip, to share the cost of bus transportation. Limitations on

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

use of the space to protect its heritage character likely also reduce demand for school programming at the gallery, as other galleries in the region offer a diverse range of hands-on arts programming in purpose-built studio spaces.

To overcome space limitations and meet community need, the gallery offers outreach programs that can be delivered in classrooms by BAG instructors, or by classroom teachers. At present, there is significantly more uptake for the outreach programs than the gallery visits (in 2018, the gallery served 1,138 students through onsite programs, and 4,207 through outreach programs**).

It is anticipated that availability of programming space at the *Fairacres* Garage & Stables building would increase demand for on-site school programs at the Burnaby Art Gallery by enabling two classes to visit at the same time, and by allowing the gallery to offer a wider range of hands-on arts programming. As a comparison, the Richmond Art Gallery delivers on site school programs that feature gallery tours and hands-on art activities that served 2,817 students in 2018. The popular on-site school programs at the Burnaby Village Museum were accessed by 11,887 students in 2019. With these comparisons in mind, target attendance for the Burnaby Art Gallery's school programs with the use of a visual arts studio at the *Fairacres* Barn & Stables building is 3,000 students per year.

Spring Break, Summer, and Pro-D Day Camps

A visual arts studio at the *Fairacres* Garage & Stables with a capacity for 30 students could create 510 visual arts camp spaces, which could accommodate almost half of the students from the combined Cultural Services camp waitlists. Camps not only provide a rich learning experience for participants, but are also serve the childcare needs of many local families.

Visual Arts Registered Programs

It is anticipated that Burnaby Art Gallery school programming would be the primary user of the Garage & Stables studio space during weekdays when school is in session, and that camps would be the focus during spring break and summer. On weekends, late afternoons, and evenings the studio would be available for other visual arts registered programs, events, and allotments.

Capacity for registered programs (excluding camps) is estimated at 1,400 students per year, based on 100 programs per year with an average of 14 participants. At present, both the art gallery and Shadbolt Centre offer a broad range of registered programs which could be augmented by additional program offerings at the new studio space. In the case of the art gallery, operations would be shifted to offer most hands-on programming in the Garage & Stables studio, freeing up the Fireside Room for allotments, lectures, and some adult programming.

The Garage & Stables studio has the capacity to support expansion of the popular ceramics program, which is one of the highest demand visual arts programs offered by the City. The program serves local residents and draws visitors from throughout North America to participate in special programs and workshops. In 2019, there were 479 ceramics students on waitlists for 2,646 spots.

Existing facilities include dedicated ceramic studio spaces at the Shadbolt Centre and Mather's house, and a small indoor workroom and outdoor kiln adjacent to the Burnaby Art Gallery. Located adjacent to the outdoor kiln, a visual arts studio space at the *Fairacres* Garage & Stables building could be used to expand ceramics programming by allowing for retreats, workshops, and lectures to be held in the precinct, close to the ceramics studios and outdoor kiln.

FAIRACRES ESTATE ADAPTIVE REUSE STUDY

Visual Arts Events

Both the Shadbolt Centre and Burnaby Art Gallery offer drop-in visual arts programs, including artist talks, family drop-in programs, and tours.

At the gallery, professional development workshops for teachers, curatorial lectures, and Family Sunday drop-in programs regularly draw attendance that exceeds the allotted space. The limited space available for programs constrains, and sometimes prohibits, the visitor experience. Use of a visual arts studio at the *Fairacres* Garage & Stables building would allow the gallery to double its registration maximum for camps, public and school programs enabling increased enrollment to meet the demands of the growing community. An estimated attendance of 1,400 annual visitors is based on 40 events per year with an average of 30 participants.

Allotments

It is also anticipated that BAG revenues for allotments would increase if a studio space were created at the *Fairacres* Garage & Stables, as the Fireside Room will be more available for rentals. In 2019, allotment users generated \$5,493 in rental revenue from use of the Fireside Room. It is anticipated that this revenue would double with increased availability of the room if an alternate programming space were available.

There is also the possibility of accommodating allotments in the Garage & Stables building, possibly through development of an enclosed outdoor space. Landscape design will be part of the next phase of planning.

SUMMARY OF POTENTIAL PROGRAMMING

The table below provides a summary of potential visual arts programming attendance that could be offered at the facility by Cultural Services:

Program type	Anticipated annual attendance
Spring Break, Summer, and Pro-D Day Camps <i>Estimated 10 weeks of summer camps, 2 weeks of spring break camp, and 5 days per year of pro-d day camps.</i>	510
Visual Arts events (such as lectures, artist talks, and demonstrations) <i>Estimated 40 events per year with an average of 30 participants</i>	1,200
Visual Arts Registered Programs <i>Estimated 100 programs per year with average of 14 participants</i>	1,400
Burnaby Art Gallery School Program Visitors <i>Estimated 120 class visits with average of 25 students per class</i>	3,000
TOTAL	6,110

** 2018 figures have been used, as the gallery was closed for 3 months in 2019 for restoration of the Fireside Room. School program statistics for 2019 are therefore atypical.



Meeting October 14, 2020

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: October 14, 2020

FROM: CHIEF INFORMATION OFFICER

FILE: 3000-20

SUBJECT: 2020 & 2021 INFORMATION TECHNOLOGY CAPITAL PROGRAM

PURPOSE: To request a Capital Reserve Fund Bylaw to finance the 2020 – 2021 Information Technology capital program as outlined in this report.

RECOMMENDATIONS:

1. **THAT** Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$2,982,000 to finance the Information Technology capital program 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 the 2020 – 2024 Information Technology capital program.

2.0 POLICY SECTION:

The 2020 – 2024 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 Dynamic Community – Build and maintain infrastructure that meets the needs of our growing community.
- A Thriving Organization – Protect the integrity and security of City Information, Services, and Assets.

To: Chair and Members Financial Management Committee
 From: Chief Information Officer
 Re: 2020 & 2021 Information Technology Capital Program
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3.0 IT INFRASTRUCTURE PROGRAM

The 2020 – 2024 IT Infrastructure Program includes initiatives to replace aging computer equipment, upgrade or expand infrastructure to support technical applications throughout City departments, and enhanced service to the public and internal stakeholders. This funding report, subject to approval by Council, will allow staff to continue with several projects included in the 2020 – 2024 IT Capital Program projects listed below.

3.1 INFRASTRUCTURE REPLACEMENT

Estimated \$1,995,300

The City maintains an annual replacement program for its computer equipment such as storage, servers, routers, switches, access points, workstations, monitors, tablets and associated peripheral devices. 2020/2021, funding is required to replace storage area network (SAN) devices, several older servers, workstations, networking devices, cabling and equipment that have reached the end of their useful life and to fund essential upgrades to Fire Department hardware.

Specific replacement work consists of:

- SAN Storage infrastructure
- Computers, laptops, and related workstation equipment
- Server hardware
- Cabling, wiring and fibre-optics
- Network communications equipment

Additional information on the specific projects included in the IT Infrastructure Program is provided in Appendix 1

Partial funding has been requested for SAN Storage and Networking infrastructure but additional funds are required to complete additional replacement work. . Funding provision included in the 2021 plan for Workstations, Servers, City-Wide Conduit and Security Posture Improvements has been deferred to accommodate the accelerated SAN replacement requirements mentioned above.

Project Mask(s)	2020	2021	Total
AEC.0032 - Workstations	-	\$280,700	\$280,700
AEC.0033 - Servers	-	\$260,300	\$260,300
AEC.0034 - Storage	-	\$854,000	\$854,000
AEC.0035 - Networking	-	\$506,400	\$506,400
AEC.0026 - Power Systems	\$25,000	\$18,900	\$43,900
AEC.0028 - Infrastructure	\$50,000	-	\$50,000
Total	\$75,000	\$1,920,300	\$1,995,300

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 From: Chief Information Officer
 Re: 2020 & 2021 Information Technology Capital Program
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3.2 INFRASTRUCTURE REQUIRED FOR GROWTH

Estimated \$623,000

This program includes purchases of new computer equipment, peripherals, supporting software and services and software application upgrades. These purchases will support planned 2021 City initiatives designed to address organizational needs, augment public services and reduce business risks associated with aging technology.

Specific works include:

- City network uplink upgrades
- Net New hardware
- Cloud infrastructure build

Additional information on the specific projects included in the IT Infrastructure Program is provided in Appendix 1.

Project Mask(s)	2021
AEC.0037 – City-Wide Conduit	\$223,000
AEC.0039 – Cloud Pilot	\$250,000
AEY.2021 – Net New Desktop Program	\$150,000
Total	\$623,000

4.0 BUSINESS SOLUTIONS PROGRAM

Estimated \$363,700

The City develops an annual plan to replace and upgrade business applications for the purposes of enhancing citizen service through quicker and easier access to City information and services online, and to ensure internal systems are robust, sustainable and continue to evolve to meet the changing needs of the business.

Early funding is being requested for the 2021 scope of work as the Information Technology department is preparing to start the Phase 2 of Learning Management System deployment and to replace legacy Golf System. These projects are included in the 2021 Business Solutions Program under Departmental Applications.

Project Mask(s)	2021
AEA.0078 – Learning Management System	\$230,000
AEA.0106 – Golf System	\$133,700
Total	\$363,700

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

5.0 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 \$2,982,000 to finance the Information Technology Capital Program.



Bachar Khawajah
CHIEF INFORMATION OFFICER

Copied to: City Manager
Director Finance
City Solicitor

To: Chair and Members Financial Management Committee
 From: Chief Information Officer
 Re: 2020 & 2021 Information Technology Capital Program
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Appendix 1

IT Infrastructure Capital Program for 2020-2024 – Supplementary Information

1.0 INFRASTRUCTURE REPLACEMENT 2020-2024 \$1,995,300

The City maintains an annual replacement program for its computer equipment such as servers, cabling, network, workstations and associated peripheral devices. Funding is required to replace SAN storage, several older servers, workstations, and equipment that have reached the end of their useful life.

Specific replacement works consist of:

- Workstations (AEC.0032) - \$280,700
 - Standard lifecycle replacement of desktops, laptops, monitors, tablets and related workstation equipment
 - Meeting room Equipment (TVs and related peripherals)
- Server hardware (AEC.0033) - \$260,300
 - Replacement of existing physical servers with faster, larger format servers that will better support server virtualization initiatives. (Server virtualization allows multiple applications to run on a single server reducing overall data centre costs.)
 - Replacement of NICE recording servers used in Fire Dispatch for recording the 911 calls.
 - Standard hardware lifecycle replacement based on a risk analysis of the expected life of the units and disk combined with the business criticality of the applications.
- SAN Storage Replacement (AEC.0034) - \$854,000
 - Replacement of aging SAN storage infrastructure with modernized storage and cloud ready solution.
 - Standard hardware lifecycle replacement based on risk analysis of the expected life of the units and disk combined with the business criticality of the applications.
- Network communications and backbone equipment replacement (AEC.0035) - \$506,400
 - Replacement of Core switches providing the City's network backbone
 - Replacement/upgrade of existing cabling to maintain continuity and quality of service
 - and core firewall equipment
 - Upgrading facility switches and Wireless Access Points with latest models
- UPS, PDUs and Infrastructure Appliances Replacement
 - Replacement of 25 Uninterrupted Power Supply units across different City facilities (City Hall, Recreation Centres, Library and Firehalls) (AEC.0026) - \$43,900
 - Replacement of Point-of-Sale systems used by Finance and Revenue across different City facilities (City Hall, CPOs and libraries) (AEC.0028) - \$50,000

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 From: Chief Information Officer
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2.0 INFRASTRUCTURE REQUIRED FOR GROWTH 2021

\$623,000

This program includes purchases of net new computer equipment, peripherals, software licences and implementation services, as well as building infrastructure for Fibre network to connect different City facilities to provide fast speed internet connectivity. This program will also include creation and testing cloud infrastructure and to build disaster recovery environment for the City's IT Infrastructure.

Specific works include:

- City-wide Fibre build and Conduit remediation (AEC.0037) - \$223,000
 - Inclusion of City conduit in existing Engineering capital works projects, building long-term network capacity for civic communications
 - Replacement of aging Multimode internal building fibre with single mode fibre,
 - Fiber installation and conduit remediation between different City locations
- Cloud Infrastructure Build – Pilot (Infrastructure As A Service) (AEC.0039) - \$100,000
 - Establish connectivity between City network and cloud services provider
 - Build City's network infrastructure to provide cloud connectivity to City users
- Disaster Recovery Backup Build (AEC.0039) - \$150,000
 - Discovery and creation of disaster recovery infrastructure for City's datacenter to provide remote connectivity in case of any disaster (Earthquake, Flood etc.)
 - Establish offsite backup location for critical business applications and data to protect ransomware attacks.
- Net New Program (AEY.2021) - \$150,000
 - Additional desktop equipment and software for City departments to accommodate changes to staffing and service requirements



Meeting 2020 Oct 14

COMMITTEE REPORT

TO: CHAIR AND MEMBERS FINANCE MANAGEMENT COMMITTEE **DATE:** 2020 October 06

FROM: DIRECTOR ENGINEERING **FILE:** 31000-15

SUBJECT: **STORM SEWER EXTENSION CONTRIBUTION AND FEE BYLAW – FUNDING OPTIONS**

PURPOSE: To seek Council authority to update the *Storm Sewer Extension Contribution and Fee Bylaw 2017*.

RECOMMENDATIONS:

1. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a bylaw amendment to the *Storm Sewer Extension Contribution and Fee Bylaw 2017*, approving a 50% cost-share, fixed interest, and beneficiary options as outlined in Sections 4.1, 4.2 (Option ii) and 4.3 of this report.
2. **THAT** the Financial Management Committee recommend Council authorize partial refunds for properties that have already paid contributions and fees under the *Storm Sewer Extension Contribution and Fee Bylaw 2017*, as outlined in Section 4.4 of this report.

REPORT**1.0 INTRODUCTION**

The City has now completed Integrated Stormwater Management Plans (ISMP) for all the catchment areas within the City and has implemented some priority recommendations. The Plans are reviewed and updated periodically to include up to date climate action strategies and reflect recent improvement projects. A key element of the plans is to manage stormwater runoff at source on properties as much as possible and to mitigate off-site stormwater impacts from new development. Source controls are a requirement of development approvals for all major development projects and staff are working towards presenting options for on-site stormwater management requirements for single family developments. Even with aggressive source control, every property still requires a connection to suitable stormwater infrastructure to manage peak run-off and avoid negative stormwater impacts on neighbouring properties. A gravity connection from a property to an appropriately designed stormwater system (whether piped or open flow) is still the most reliable solution to reliable stormwater management.

To: Chair and Members Financial Management
Committee
From: Director Engineering
Re: Storm Sewer Extension Contribution and Fee
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Approximately eighty percent of existing residential lots in Burnaby have a gravity storm service to appropriate public stormwater infrastructure. The public stormwater infrastructure was typically built as a condition of original subdivision approval as is the case in most municipalities. Where the original subdivision was completed to rural standards, stormwater infrastructure was provided as part of street upgrades with the Local Area Service Program (LASP). The City often contributed a share of the capital costs in these cases.

The remaining approximately twenty percent of existing residential lots (6,000 of 30,000 lots) have no existing gravity storm service to appropriate stormwater infrastructure. In these instances the existing house and property storm drainage is provided through on-site rock pits or connections to ditches with varying, but typically poor performance. In order to allow these properties to redevelop, acceptable off-site drainage infrastructure needs to be provided. Most of these 6,000 under serviced properties (approximately 75%) have access to a storm sewer in the street. However, the low point for these properties is in the lane, where there is not currently appropriate stormwater infrastructure. Upon redevelopment, the property owner is offered a service to the 'higher' City storm sewer in the street through a pumped private connection. While this might present the lowest initial cost, most builders and owners do not prefer this option, due to the higher risk of private property flooding should the private pump fail.

The *Storm Sewer Extension Contribution and Fee Bylaw 2017* was adopted on 2017 March 06 to provide a mechanism to enable redevelopment on these under-serviced properties. The alternative to allow redevelopment often involved high costs to the builder as providing appropriate stormwater infrastructure to the closest connection point to City infrastructure could range from \$25,000 to more than \$200,000. This cost proved to be prohibitive for single and two-family developers, and the new stormwater infrastructure provides a benefit to some intervening private properties. The *Storm Sewer Extension Contribution and Fee Bylaw 2017* provides an ability to allow redevelopment while distributing the cost among all benefitting owners (to later also allow for their redevelopment), instead of requiring the initiating developer to pay the entire cost.

The *Storm Sewer Extension Contribution and Fee Bylaw 2017* is not applied to multi-family or commercial rezoning applications. In these scenarios, the developer is required to design and construct extended stormwater infrastructure to provide appropriate storm service to their property (and often intervening properties), entirely at their cost, regardless the length, as a condition of rezoning approval.

2.0 POLICY SECTION

The *Storm Sewer Extension Contribution and Fee Bylaw 2017* is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

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Goal

- A Dynamic Community
 - City facilities and infrastructure –
Build and maintain infrastructure that meets the needs of our growing community
- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

3.0 DISCUSSION

Within the context of completed ISMP's and climate action strategies, a gravity connection from a property to appropriate public stormwater infrastructure is the preferred option for allowing redevelopment of a new home, as this provides the most reliable service with the least risk of flooding. The *Storm Sewer Extension Contribution and Fee Bylaw 2017* provides a mechanism to enable orderly single family property redevelopment while distributing the cost appropriately among all benefitting owners instead of requiring the initiating developer to pay the entire cost. Upon receipt of a subdivision or building permit application worth more than \$250 000, the City receives a deposit from the initiating developer/builder for their share of the project cost (based on the area of their property). The City manages the design and construction of the off-site stormwater infrastructure and finances the remaining costs. The City collects the remaining costs from the benefitting properties when these benefitting properties subdivide or submit building permits valued at more than \$250,000. The benefitting properties are listed and updated annually via the *Storm Sewer Extension Contribution and Fee Bylaw 2017*. This bylaw provides the authority to collect from the benefitting properties should they wish to redevelop a single family home or connect to the new infrastructure due to failure of existing on-site stormwater management systems (pumps or rock pits). In the event that a property does not redevelop (or otherwise wish to connect to the new infrastructure), property owners do not owe the City any money in relation to the extended stormwater infrastructure.

Every application is reviewed and designed to consider the best stormwater management option for each neighbourhood, considering best management practices and green infrastructure. Where space permits, the existing ditches are maintained for lane drainage, and the new storm main is used for peak property drainage. This reduces the likelihood of flooding and erosion of the ditches, and allows the ditches to provide valuable stormwater management flow attenuation and volume reduction. This principle of managing flow was also applied on a larger scale to Burnaby's award-winning John Matthews Creek restoration project, where the creek was eroding due to significant peak flows. In that instance a diversion pipe was installed underneath the creek, allowing the

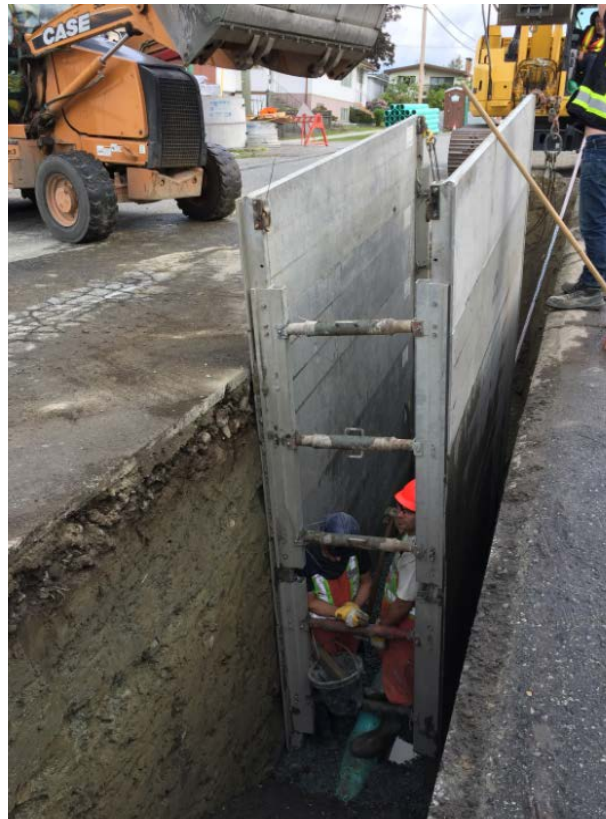
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natural creek to be restored and protected. This project won the Award of Excellence in the 'Natural Resource and Habitat' category from the Association of Consulting Engineering Companies of British Columbia.

Larger development projects are also required to reduce off-site peak flow and improve runoff water quality through on-site source controls (such as detention tanks, absorbent landscaping, and rain gardens) and the construction of off-site measures like rainwater management amenities and permeable cycle tracks. In time, through policy development and public consultation, similar on and off-site measures will be considered for single family redevelopments. Burnaby is also actively reviewing the standard street and boulevard cross-section to incorporate appropriate new stormwater management features.

Since the implementation of the *Storm Sewer Extension Contribution and Fee Bylaw 2017* some owners/developers have expressed concerns regarding the costs allocated to larger properties. In response, the City has updated the bylaw to allow installment payments where the fee is greater than \$25,000 and also reduced the interest rate calculation to match the City's investment portfolio yield rate.

Thus far, over 75 extension projects have been completed or are underway, with improved drainage service now available to over 550 previously under-served properties. The last two years have added almost 200 new connections each year. While this rate of new stormwater infrastructure construction will decrease over time, appropriate stormwater connections are anticipated to be extended to most of the remaining 5500 properties within 30-40 years.



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4.0 FINANCIAL IMPLICATIONS AND OPTIONS

The total cost to extend stormwater infrastructure to enable redevelopment of the currently under-served properties is estimated at approximately \$150 to 200 million. Since the adoption of the *Storm Sewer Extension Contribution and Fee Bylaw 2017*, the City has had to raise \$1 to 4 million per year to finance these projects in order to allow about 100 properties to redevelop. This annual financing commitment is dependent upon the number of relevant applications received each year. The City has received more than \$2.5 million from initiating and benefitting property owners during the same period and has spent or committed about \$15 million in aggregate. The current bylaw targets 100% cost recovery from all of the benefitting properties, including the initial construction cost and interest calculated to account for foregone investment income from the City reserves.

As a result of receiving many comments from property owners/developers regarding the affordability of the storm sewer extension program, Engineering is reviewing the bylaw and there are three main financial considerations regarding storm sewer extension funding should the City be willing to share in the costs of providing storm infrastructure to enable single family property redevelopment:

- **Initial Construction Cost** – hard costs to build the storm extensions
- **Capital Financing Cost (interest charges)** – to account for project financing costs (currently reflective of foregone income from City reserve investment earnings due to borrowing from the reserves to finance the construction cost)
- **Beneficiary Options** – to facilitate choices for home builders/owners regarding appropriate on-site stormwater management options and associated costs
- **Partial Refunds for Completed Projects** – to facilitate refunds should bylaw changes be adopted that reduce the owner/builder share of project costs

4.1 Initial Construction Cost

Since the bylaw was adopted in 2017, the City has initiated 75 projects involving about 550 properties with an average cost (before financing costs) of \$22,000 per property. The City continues to receive comments indicating that single family property owners/developers feel that this storm extension service cost is still too high.

After a thorough review and evaluation of options, an equitable solution to making costs more affordable for owners/builders that redevelop single family properties would be a cost sharing model where the City funds 50% of the total project cost (including engineering and financing costs). This approach balances the key considerations of current cost equity (owners pay for their share of the project cost based on the size of their property, the main factor influencing the volume of contributing flow) and historic cost equity (original storm main construction was typically funded as a condition of original subdivision or cost-shared through the LASP). This proposed cost sharing model is in line with past practice where the City typically shares in the cost of approved LASP projects to make projects more affordable for single family properties.

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4.2 Capital Financing Cost (Interest)

The second financial consideration is the capital financing cost. For Burnaby, this traditionally reflects the foregone investment income from City capital reserves used to finance the initial construction cost. This approach takes into account the fact that cost recovery from benefitting properties is delayed until the individual properties subdivide or undertake construction valued at more than \$250,000 (or otherwise trigger a connection to the stormwater infrastructure). Under the current bylaw, for all benefitting properties, their share of the cost is updated on an annual basis at simple interest, based on the prior year City investment portfolio yield rate. Some property owners have expressed concern about the growing amount due upon redevelopment (although inflation will neutralize much of this increase) and annual updates to the bylaw involve administrative effort and cost. In response, there are three main options for the capital financing cost which applies to beneficiaries:

i. Status Quo

The fee or amount owing is updated annually at simple interest, based on the prior year City investment portfolio yield rate. Under this scenario, interest is charged specifically to each property depending on the time of payment or redevelopment.

ii. Fixed Interest

To best reflect the desired 50% cost share between the City and benefitting properties, the cost to finance capital projects could be included in the total project costs before the costs are shared 50/50 with property owners. The recommended financing cost model is based on a fixed interest rate over a 15-year amortization period as this accurately reflects the financing costs should the capital be borrowed versus being financed from city reserves.

Using this financing cost model, the amount paid by benefitting property owners would include a fixed interest charge proportionally shared by all properties and the City. The interest charge would be calculated based on a 3-year rolling average of City investment yield rates at the time of project completion, and based on a 15-year repayment term, which is aligned with the longest repayment period for the Local Area Service Program. Discounts would be offered if payment occurs before 15 years. Discounts would be applied as follows, with the total amounts owing reflected in the bylaw:

- Years 1 - 5 = 75% discount on fixed interest
- Years 6 - 10 = 50% discount on fixed interest
- Years 11 - 15 = 25% discount on fixed interest
- Years 16+ = 0% discount on fixed interest

For context, the City would not likely recover full costs from all benefitting owners for more than 40 years, as not all the benefitting properties are expected to fully redevelop within 40 years.

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iii. **No Interest**

If interest charges were not considered, the City would effectively be increasing the proportion of the total project capital cost paid by the City, and decreasing the amount recovered from property owners.

4.3 Beneficiary Options

The *Storm Sewer Extension Contribution and Fee Bylaw 2017* currently requires properties that benefit from a completed storm sewer extension to pay the required fee, plus accrued interest, at the time of subdivision approval or building permit issuance for any construction value exceeding \$250,000. Although not typical, there have been requests by benefitting property owners to connect to the storm sewer extension earlier than redevelopment of their property or to use another storm sewer system (such as pumping to a higher street sewer main or draining to a rock pit with acceptable percolation rates).

In order to provide more options for property owners/developers, the following options are proposed for benefitting properties:

- A choice to connect to and use the storm sewer extension prior to subdivision approval or building permit exceeding \$250,000 construction value; or,
- Reliance on an alternate storm sewer system capable of managing runoff generated on-site to the satisfaction of the Director Engineering

It is anticipated that most benefitting property owners would connect to the storm sewer extension as a gravity connection provides the most reliable service with the least risk of flooding to the owner's property.

4.4 Refunds for Collected Storm Sewer Extension Contributions and Fees

The final significant financial consideration related to any potential bylaw change is refunds to property owners who have previously paid toward a storm extension under the *Storm Sewer Extension Contribution and Fee Bylaw 2017*.

If Council accepts the recommendation to amend the bylaw to reflect cost sharing with City funds, the City is not required to refund property owners who have paid under the existing *Storm Sewer Extension Contribution and Fee Bylaw 2017*. However, the City could choose to offer full or partial refunds and establish criteria determining how much and who to refund. The current value of refunds would be approximately \$1.25 Million (taking into account the 50/50 cost share and interest recommendations under sections 4.1 and 4.2 of this report).

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When refunds are provided, City policy is to provide the refunds to the original person or organization from whom the payment was received and through the original source of payment. However, if the property owner has changed since the storm extension was completed, staff would review which person or organization should receive the refund. An initial analysis indicates that about 100 properties, including approximately 50 for storm sewer extensions that are not yet completed, would be issued partial refunds if the recommendations in this report are approved.

In order to provide equity for the properties that have paid contributions and fees under the *Storm Sewer Extension Contribution and Fee Bylaw 2017*, it is recommended that partial refunds be provided. Generally the refund would be the difference between the amount paid for the property under the current bylaw provision and the proposed cost share model in the amended bylaw.

5.0 CONCLUSION AND RECOMMENDATIONS

This report provides further background on drainage servicing in Burnaby, the *Storm Sewer Extension Contribution and Fee Bylaw 2017*, and an alternative funding option.

As discussed in sections 4.1, 4.2 and 4.3 of this report, a cost-sharing (50/50) funding methodology with a fixed interest calculation based on a 15-year term (Option ii) and options for benefitting properties are recommended as the alternative to the current requirements under the *Storm Sewer Extension Contribution and Fee Bylaw 2017*. This approach balances cost recovery, considers current and historic cost equity, improves transparency and certainty, and reduces the overall administrative effort. Staff also recommend that proportionate refunds are provided to those who previously paid as a condition of the current bylaw.



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

JWH:ac

Copied to: City Manager
City Solicitor
Director Finance
Director Planning & Building



Meeting 2020 Oct 14

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 October 06

FROM: DIRECTOR ENGINEERING

FILE: 36500-03

SUBJECT: AMENDMENTS TO SOLID WASTE & RECYCLING BYLAW 2010

PURPOSE: To propose amendments to the fee schedules relating to waste receptacles and multi-family garbage disposal services in the *Solid Waste & Recycling Bylaw 2010*.

RECOMMENDATION:

1. **THAT** the Finance Management Committee recommend Council authorize the City Solicitor to bring forward a bylaw to amend the fee schedules in the *Solid Waste and Recycling Bylaw 2010*, as set out in sections 4.1 and 4.2 of this report.

REPORT

1.0 INTRODUCTION

The Solid Waste & Recycling Division of the Engineering Department provides waste collection and recycling service to 33,500 single and two family homes and 36,000 multi-family dwellings. Additionally, the Division provides services to public schools, civic facilities, community organizations, and commercial businesses. Fees are collected to offset the direct costs of providing these services. The proposed fee amendments are intended to further help offset increases in solid waste and recycling program operating costs and to encourage greater waste diversion through recycling.

Single Family, Two Family and Row House Annual Garbage Receptacle Fees

Single family, two family, and some row house complexes receive curbside service where each dwelling is provided with its own garbage receptacle, green waste receptacle, and recycling containers. Collection service is provided fortnightly for garbage and weekly for green waste and recycling.

These property owners pay an annual fee, based on the size of the garbage receptacle in service on January 01 of each year. The fee is included on their annual utility bill.

Currently, the fees collected for the 120L receptacles (5,500 in service) and 180L receptacles (21,000 in service) do not offset an adequate portion of the cost of providing

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the service. Fees for the 240L receptacles (5,000 in service) and 360L receptacles (1,500 in service) more adequately offset the cost of providing service.

Additionally, Council previously approved an adjustment in receptacle fees for 2019 to reduce the difference in fees between the 180L and 240L receptacles. The reasons for this change were to discourage residents from reducing the size of their receptacles for financial reasons resulting in the overfilling of smaller receptacles and to facilitate a streamlining of operations by offering only three sizes of receptacles. The recommendations in this report are consistent with this initiative.

Multi-Family Garbage Disposal Service Fees

Multi-family, institutional, and commercial complexes (MFICI) receive container service where receptacles are shared. Most commonly, steel containers are provided for garbage (collected weekly or twice weekly as required) and cardboard recycling (collected weekly), and totes are provided for recycling of containers, paper, and glass and food scraps (collected weekly). Fees for container rental and disposal (pick-up charges) are billed quarterly. The Solid Waste & Recycling Division currently has 1,100 MFICI accounts.

Within the MFICI program, the fees for garbage disposal collected from two classes of properties – multi-family strata and co-op complexes – do not adequately offset the cost of providing the service. The current fee structure includes an exemption for these two classes of properties from paying garbage disposal fees for the first pick-up of each container each week. MFICI fees have not been revised for some time and this exemption originated at a time when there was no charge for single family, two family and row house garbage collection. Disposal and waste diversion fees have increased in the past few years along with toter fees. It is an appropriate time to review MFICI service fees to bring them more in line with single family, two family and row houses.

2.0 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.

Goals

- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets
- A Healthy Community
 - Healthy environment –
Enhance our environmental health, resilience and sustainability

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Multi-family strata (385 accounts) and co-op complexes (25 accounts) have been exempted from paying the cost for disposal of the first pick-up of each container each week.

The Solid Waste & Recycling Division service models and fee structures should be designed to encourage waste reduction and to promote diversion from the garbage stream to recycling and green waste collection.

3.0 BACKGROUND

In 2019, the MFICI section of Solid Waste & Recycling Division performed 87,500 garbage container pick-ups. Due to the exemption for strata and co-op complexes, only 40,500 or 46% were billed.

Exempting customers from paying disposal fees does not encourage diversion to the recycling and green waste streams. There is no financial incentive to reduce waste or to monitor container fullness. Inefficient service may occur if nearly empty containers are put out for collection.

4.0 DISCUSSION

4.1 Single Family Annual Receptacle Fees

It is recommended that the 2021 fees collected for 120L and 180L receptacles be increased. Staff propose the 120L receptacle fee should be increased from \$25 per year to \$40 per year. Staff propose the 180L fee should be increased from \$75 per year to \$100 per year. Staff propose the rates for the 240L receptacles (\$140 per year) and 360L receptacles (\$385 per year) remain unchanged as the fees currently provide a proportionate ratio of revenue to direct costs. The rate changes are projected to increase revenue by \$607,500 in 2021. The projected increase has been included in the 2021-2025 Provisional Financial Plan. These changes are proposed to be effective 2021 January 01 and if approved by Council, will be reflected in the 2021 Utility Notices.

4.2 Multi-Family Garbage Collection Service Fees

Staff recommend the MFICI pick-up rates remain unchanged in 2021. However, it is recommended that, effective 2021 July 01, the exemption from paying garbage disposal fees for the first pick-up of each container each week for multi-family strata complexes be removed, but the first free pick-up each week for co-op and other non-profit housing complexes be maintained.

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 From: *Director Engineering*
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Many of these complexes currently only receive service once per week and do not pay any garbage disposal fees. Only modest fees for container rentals are paid, so the projected impact of the new fees is varied assuming clients do not increase diversion or decrease collection frequency.

The proposed MFICI rates are comparable to the fees paid by single family residences. With the exemption removed, 85% of multi-family strata households will pay a 2022 rate at or below the single family residential rate for a 240L receptacle.

If removal of the exemption for multi-family strata complexes fee structure is approved, the Solid Waste & Recycling Division will notify strata complexes and prepare updated service agreements where required. Staff anticipate implementing the changes and adjusting service contracts will take several months and will take effect in the middle of next year. Implementing the change mid-year distributes the financial impact equally over two years and provides adequate time to work with clients to mitigate the effects of the change. Removing the exemption is projected to increase revenue by \$450,000 in 2021 and a further \$450,000 in 2022. The projected increases have been included in the 2021-2025 Provisional Financial Plan.

4.3 Cost Mitigation Strategies

To mitigate the cost increases, Solid Waste & Recycling Division staff will be available to meet with complexes in the spring of 2021 to review the projected cost increases and make recommendations to reduce the financial impact. Complexes will have time to implement cost saving changes before the exemption is removed on 2021 July 01.

The cost saving initiatives that complexes can implement include:

1. Increasing the diversion of garbage to recycling programs. The 2018 waste composition study indicated that 18% of MFICI garbage can be diverted to recycling programs.
2. Increasing the diversion of garbage to green waste collection. The 2018 waste composition study indicated that 38% of MFICI garbage is compostable, consisting of mostly food scraps.
3. Monitoring garbage container fullness. Only putting out garbage containers that require collection reduces disposal fees. The Solid Waste & Recycling Division offers a range of flexible scheduling options.
4. Ensuring the optimal number and sizes of containers and service frequency is established for garbage, recycling, and green waste collection.
5. Utilizing the large item service provided as part of the service package to keep furniture and mattresses out of the garbage stream.

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These cost saving measures support the environmental stewardship objectives of the City and are complimentary to technological advancements the Solid Waste & Recycling Division are working on to enhance collection, monitor contamination, and provide useful garbage weight information to MFICI clients.

5.0 SUMMARY

The proposed changes to the fee schedules in the *Solid Waste and Recycling Bylaw 2010* improve the financial resiliency of the Solid Waste & Recycling Division and fairly distribute the costs of service to those receiving the services.

- The increased annual receptacle fees for single family residential collection improves cost recovery and better aligns fees with the cost of providing the service.
- The removal of the MFICI first weekly container pick-up fee exemption for multi-family strata produces more equity, encourages waste reduction and diversion, improves cost recovery, and better aligns fees with the cost of providing the service while mitigating cost increases to co-ops and non-profit housing.

The Solid Waste & Recycling Division conducts community outreach and provides educational materials and workshops. The Division conducts waste stream analysis and pursues innovative pilot programs to help our clients increase diversion and reduce waste. Our clients are not subject to hidden fees or surcharges. The total service cost for garbage, green waste, and recycling services remains fair and comparable.

6.0 RECOMMENDATION

Staff recommend that the Financial Management Committee recommend Council authorize the City Solicitor to bring forward changes to the fee schedules in the *Solid Waste and Recycling Bylaw 2010* set out in sections 4.1 and 4.2 of this report, effective 2021 January 01 and 2021 July 01 respectively.



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

AS/JL:nh

Attachment

Copied to: City Manager
 City Solicitor
 Director Finance
 Deputy Director Engineering
 Assistant Director Finance - Revenue Services

SCHEDULE A (BYLAW 13620)

- A. Multi-family, institutional, commercial and industrial rates for garbage receptacles (subject to applicable taxes).

Municipal Receptacle	Type	Rent Per Month	Pick-up Charges	Non-Scheduled Pick-Ups
6 cu.yd.	Skids Only	\$27	\$59 ⁽¹⁾	\$66
4 cu.yd.	Skids	\$26	\$45 ⁽¹⁾	\$53
	Castors	\$31	\$45 ⁽¹⁾	\$53
3 cu.yd. or less	Skids	\$25	\$39 ⁽¹⁾	\$45
	Castors	\$30	\$39 ⁽¹⁾	\$45
360L	Toter	\$11	\$9	Not available
180L or 240L	Toter	\$11	\$7	Not available

⁽¹⁾ First pickup each week is without pick-up charge with rental of City receptacle for multi-family dwellings that are co-op or non-profit housing.

- B. Multi-family, institutional, commercial and industrial rates for recycling and/or green bin receptacles (subject to applicable taxes).

Municipal Receptacle and Type	Rent per month (no disposal fee)
Cardboard container – 3, 4 or 6 cu.yd.	\$22 ⁽²⁾⁽³⁾
Recycling toter-mixed paper, newspaper or mixed containers	\$6 ⁽²⁾⁽³⁾
Green bin container – food scraps or yard waste	\$5 ⁽²⁾⁽³⁾

⁽²⁾ Recycling and/or green bin services only available to customers with an existing City garbage account

⁽³⁾ Emptied weekly

C. (BYLAW 14124)

Burnaby Yard Waste Drop-off Charges:

- (1) Same as Recycling Fee for Green Waste under Greater Vancouver Sewerage and Drainage District Tipping Fee and Solid Waste Regulation Bylaw No. 306, 2017, as amended or replaced from time to time;
- (2) No minimum charge; and
- (3) No fee for a resident of Burnaby with a load of 100kg or less (limit of one free visit per day)

- D. Cost for purchase/replacement of new receptacles is outlined in the table below. A \$50 service fee is payable for Toter exchanges.

Garbage and Yard Waste Container Replacement Costs	
Container Size	Replacement Cost (includes applicable taxes)
120 L (available for garbage container only)	\$65
180 L	\$75
245 L	\$85
360 L	\$95

- E. Single Family properties, two family properties, and row housing properties that receive curbside collection service. Per dwelling based on garbage receptacle volume ⁽⁴⁾. Taxes not applicable. (BYLAW 14090)

Receptacle Size (litres)	Current Annual Fee	Proposed Annual Fee
120 L	\$25	\$40
180 L	\$75	\$100
245 L	\$140	\$140
360 L	\$385	\$385

⁽⁴⁾ If paid on or before March due date in the year for which they are payable the above-noted fees shall be subject to a discount of 5%. (BYLAW 13964)



Meeting 2020 October 14

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 October 1

FROM: DIRECTOR FINANCE

FILE: 6400-20

SUBJECT: TEMPORARY FINANCING BYLAW

PURPOSE: To obtain borrowing authority to temporarily finance expenditures.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Temporary Financing Bylaw to permit borrowing of up to \$10 million as required, during the period 2021 January 01 to December 31, repayable 2021 December 31.

REPORT**1.0 INTRODUCTION**

Temporary borrowing sometimes becomes necessary during the year, prior to collection of property taxes, and at other times to make large unexpected payments or to cover an overdraft resulting from revenue shortfalls. Section 177 of the Community Charter provides that Council may authorize borrowing of this nature through a bylaw to meet current lawful expenditures. The debt under this bylaw must not exceed the total of the unpaid taxes nor can it represent a value greater than 75% of all property taxes imposed.

2.0 POLICY SECTION**Goal**

- 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: Temporary Financing Bylaw
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3.0 BACKGROUND

For 2020, a temporary financing bylaw was adopted authorizing \$10 million for operating needs between January and December. As of 2020 September 08, the City utilized the credit facility only once on 2020 January 20 for one day in the amount of \$2,025,110.00. This occurred because there was a delay in the return of maturing investment funds from a brokerage firm. The overdraft fee that was charged to the City was reimbursed by the brokerage firm due to their oversight.

For 2021, it is estimated that a \$10 million temporary financing bylaw will be sufficient to cover any City cash shortfalls which may occur at different times during the year.

4.0 RECOMMENDATION

It is recommended that Council authorize the City Solicitor to bring forward a Temporary Financing Bylaw to permit borrowing of up to \$10 million as required, during the period 2021 January 01 to December 31, repayable 2021 December 31.



Noreen Kassam, CPA, CGA
 DIRECTOR FINANCE

NK:nl / md:dg

Copied to: City Manager
 City Solicitor



Meeting 2020 October 14

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 October 07

FROM: DIRECTOR FINANCE

FILE: 7500-20

SUBJECT: ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AND
SOCIALLY RESPONSIBLE INVESTMENT (SRI) STRATEGY

PURPOSE: To provide information about the City's investment portfolio related to Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) strategy.

RECOMMENDATION

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

REPORT**1.0 INTRODUCTION**

Environmental Social and Governance (ESG) and Socially Responsible Investment (SRI) strategies are being widely considered within the municipal environment, recently catapulted by numerous climate emergency declarations. The City of Burnaby commenced incorporating focused SRI products with the City's investment portfolio a few years ago and currently holds a Bank of Montreal SRI product as well as products within the Municipal Finance Authority of British Columbia (MFABC) Mortgage Fund and the Fossil Fuel Free Short Term Bond Fund.

This report will provide the Committee with information on ESG and SRI concepts and the City's investment portfolio and strategy, endorsed by Council, as it pertains to these respective concepts.

2.0 POLICY SECTION**Goal**

- A Healthy Community
 - Healthy environment – Enhance our environmental health, resilience and sustainability

To: Financial Management Committee
 From: Director Finance
 Re: Environmental, Social and Governance (ESG) and
 Socially Responsible Investment (SRI) Strategy
 2020 October 14 Page 2

- A Thriving Organization
 - Organizational culture –
Ensure that our core values are reflected in our policies, programs and service delivery
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

3.0 BACKGROUND

Since the mid-1970's, the relatively focused concept of investing in “ethical companies” or investing in “ethical funds” has more recently - in the last two decades - grown to include a plethora of products and investment vehicles that are considered “*green, ethical, environmental, socially responsible or that invest in entities that employ good governance practices*”. Considered non-financial criteria, the concept today is commonly called socially responsible investing (SRI) which focuses an investor on the environmental and social effects of an investment.

The science and dialog around global warming and climate impacts of carbon emissions or other business practices has evolved (and accelerated) over time and this has been a catalyst in raising investor awareness about the companies they invest in and the various investment products available to them. In general, terminology relating to ethical investing has evolved into the acronym “ESG” - which stands for Environment, Social and Governance - referring to the three key factors when measuring the societal benefits and general sustainability of a company's operational “footprint” and performance.

Strategic portfolio investment into companies that meet the investor's identifiable goals or standards pertaining to its operations, products it sells and societal impact is a fast growing concept. While the effects of SRI or ESG investing can be difficult and challenging to quantify, investors can find various investment options through avenues such as mutual funds, exchange traded funds (ETFs) or through investment brokers that specialize in researching companies based on non-financial criteria such as social or environmental factors.

As a new industry, with a virtually unlimited number of ESG factors being analyzed, and uncertain and developing science used to determine the value proposition of each factor, the ESG landscape is extremely fractured with as many players as approaches to the process, with very limited standardization and comparability between products. The screening and other processes around investment selection varies dramatically between firms that create ESG products.

As margins on traditional investment products have been steadily decreasing over the years due to standardization and competition, and ESG investing has become a highly focused area, the investment industry has quickly capitalized on the unstructured and non-standardized nature of the space. The research and analysis needed to create ESG

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 From: *Director Finance*
 Re: *Environmental, Social and Governance (ESG) and
 Socially Responsible Investment (SRI) Strategy*
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products has meant increased fees and higher management expense ratios which often translates into increased revenues for the structuring firms and sellers of these products. Until common disclosure standards are introduced, which may require government or global standard setters to introduce legislation and/or set global guidelines and legislation, the ESG space will remain very difficult to navigate for investors. The United Nations, as an example, introduced a set of guidelines called Principles of Responsible Investment (UN PRI) which is a list of possible actions for incorporating environmental, social and governance factors into various decision making process. While the goals are inspirational, they are however voluntary and must be tailored for each investor/organization, and they do not provide minimum requirements or a system of performance standards or measurement.

Defining, narrowing down and then navigating ESG principals into investment guidelines and a portfolio composition is an extremely challenging task that adds much complexity to the investment process, and if not done very carefully can often lead to unfortunate consequences. This can include negatively impacting a municipalities primary objectives of safety, liquidity and return on investments. Understanding the principals, its limitations and options when introducing SRI or ESG objectives does not mean there will not be detractor from the main objectives, but being aware is key when exploring investment alternatives.

The first step in deciding to incorporate ESG factors into the investment portfolio is to ascertain a “moral compass” and decide not only which of the myriad of factors are most important and can be incorporated into the investment process, but just as importantly which factors are more important than others. Investing is all about “optimizing” a portfolio to meet certain objectives and therefore it must first be decided what to optimize. So, a simple example, may be to choose several factors such as minimizing carbon footprint in the portfolio and excluding companies who extract or transport fuels; or not investing in “vice” companies such as alcohol, tobacco or gambling providers, both of which are exclusionary actions. An investor may consider not investing in companies that do not have at least a 25% female composition on the board of directors and 20% of female representation in senior management. But even if all the hundreds of ESG factors to choose from were looked at, next it must be decided which factor is more important than the other.

A follow on activity would be to come up with standardized ways for comparing companies in a dynamic world and where ESG disclosures are voluntary, often non-existent and certainly not done in a consistent fashion. Counting the number of women on a board may be easy, but Board composition changes all the time. If an investor is looking to minimize carbon footprints, a decision must be made to stop at the company’s own carbon footprint or start adding all the downstream uses of carbon that are inherent with using a company’s products.

To: *Financial Management Committee*
 From: *Director Finance*
 Re: *Environmental, Social and Governance (ESG) and
 Socially Responsible Investment (SRI) Strategy*
 2020 October 14Page 4

There now is a widely accepted conviction that climate and other changes can be affected through financial tools. Exclusion of companies by an investor is a means of exerting pressure to enact behavioral or other changes. Using fossil fuels as an example, we all use the fuels and by products in our daily lives and Canada is considered a heavily resource based economy. Investment policy for a municipality must consider many variables, including that some taxpayers may want divestment while others may not as this may be an industry they are employed or receive large community benefits.

As a local government investor, once an assessment of the City's "moral compass" is attained and the realization that the city itself cannot possibly analyze and compare investments options on its own, a discussion about out sourcing these decisions can be looked at. With so many products now available, it is extremely challenging to wade through the marketing and other materials associated with each and to determine what investment parameters provide the best solution for the exclusionary or inclusionary type of investing available or to be designed. Or, which analytics company out of many, provides the best and most reliable and accurate measurement of compliance. Most notably, there are investment framework categories that are continuously reported on, such as "fossil fuel free", "socially responsible investing (SRI)" and "impact" investing" designed to simplify the selection process. But there are challenges to all ESG methods as there are varying standards globally.

In Canada for example, Federal and Provincial bonds are all considered ESG compliant investments as these are government lead initiatives within a modern and transparent country; thus meeting social, environmental, governance and many other prudent investment standards. Canadians and resident analytic firms would consider this debt for general ESG investing and specific funds such as SRI and fossil fuel free. For example, the MFABC Fossil Fuel Free Short Term Bond Fund, which excludes "companies involved in the extraction, production and transportation of coal, oil and natural gas" can hold Government of Canada and Province of Alberta Bonds. Yet, both the Government of Canada and the Province of Alberta directly own a pipeline and a tar sands upgrader.

Some investors outside of Canada, in contrast namely to some European Union countries, do not include Government of Canada bonds or Alberta Bonds as eligible for ESG branded investments. In fact, some investors exclude all Canadian Government Bonds as we are a very heavy carbon-intense economy. Canada is considered the worst ranking government on fossil fuel subsidies as stated by the UK Overseas Development Institute!

If an investor looks at Canadian banks as an ESG investment option, depending on the ESG criteria used, they may find that the banks do fare very well when considering the entirety of their lending portfolios. Financial institutions provide various mortgages and loans, primarily for residential and commercial properties which ensures social equality, opportunity and long term sustainable growth and wealth opportunity. A very strong argument for an SRI or fossil fuel free fund. However, some analysts have cautioned that Canada's top five banks also provide large loan facilities to companies in the fossil industry.

To: *Financial Management Committee*
 From: *Director Finance*
 Re: *Environmental, Social and Governance (ESG) and
 Socially Responsible Investment (SRI) Strategy*
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So even mutual funds and specific investment funds that maintain an ESG screening or standards policy, can be questioned when you consider the reach of investment dollars in a financial institution that has many lending avenues. The dynamics lead to the very question of the standards and criteria set for the investor.

4.0 CITY OF BURNABY INVESTMENTS

The Community Charter provides legislative guidelines for the guarantors the City invests in such as the Government of Canada, Provincial Governments, regional districts, the MFABC debt or pooled funds, other municipalities, banks and other financial institutions which includes credit unions. The Charter does not stipulate or provide guidelines on the credit quality of these institutions nor does it suggest standards related to social or responsible investing. The City of Burnaby maintains our own set of investment guidelines to maximum limits on institutions and to ensure diversification of holdings and risk mitigation.

Currently, the City's investment portfolio of \$1.9 billion is invested in and guaranteed by the Government of Canada, the Province, MFABC, and Schedule I bank bonds as well as bank and credit union deposits. The deposits include fixed income securities and floating rate securities. As well, the City holds \$30 million in MFABC pooled funds: the Mortgage Fund (\$10 million) and the Fossil Fuel Free Short Term Bond Fund (\$20 million), and staff are planning to add to these positions.

The City has not traditionally invested into MFABC funds, other than our initial enrolment in 1989 and the mandatory accompanying \$1.00 deposit, but we have been slowly shifting funds recently to MFABC to take advantage of investment asset class diversification, sustainability funds and potential higher yields as the market has shifted dramatically since the MFABC Fossil Fuel Free fund inception. In addition, the MFABC Act provides for investment guarantors in the pooled funds for which the City cannot invest directly under the Community Charter. This spread yield allows for improved risk adjusted returns in the future.

While the City does not currently have a defined policy regarding ESG or SRI investments, the portfolio essentially invests in ESG products within the limitations of the Community Charter. The nature of the City's holdings in government and financial institution bonds and deposits would be considered a socially responsible investment portfolio under many standards. However, there are countries and investment funds whose screening and analytics excludes these same guarantors. Thus, the nature of the ESG world is one with varying standards, different methodologies, analytical variances and limited governance. When isolating British Columbia for example, the provincial and municipal governments, Burnaby included, derive annual income from casino operations. It is difficult to determine SRI or ESG guidelines in such a specific and prescribed manner when there are so many factors and areas of engagement, including citizenry who earn their livelihood from a plethora of different industries.

To: *Financial Management Committee*
 From: *Director Finance*
 Re: *Environmental, Social and Governance (ESG) and
 Socially Responsible Investment (SRI) Strategy*
 2020 October 14Page 6

The City does not invest directly into fossil fuel free companies. However, the bonds and deposits that we do invest in through Federal, Provincial and Schedule I Bank debt, may lend and invest in industries and companies that include fossil fuel related activities. The City's investments are considered some of the most secure and socially responsible investments available. Providing deposits to or investing in a Canadian government entities both federal and provincial, Canadian banks and credit unions does not limit the use of those funds by that institution. As discussed, these institutions may offer various credit facilities to said companies. As an investor, setting a threshold or criteria for determination of which financial institution or government we invest must be easily measurable and transparent. However, implementing a blanket approach when it comes to selecting guarantors based on ESG criteria, can have risk adjusted limitations and unanticipated consequences. In addition, there are ongoing operating costs for analytic subscriptions.

5.0 MFABC ESG/SRI INITIATIVES

5.1 MFABC Fossil Fuel Free Short Term Bond Fund

In 2017, the MFABC was approached by several municipalities requesting the creation of an SRI pooled fund. The MFABC was not able to obtain commitments from enough investors to meet the minimum \$100 million threshold needed to get the fund started. With only \$60 million committed by a few municipalities – for which the City of Burnaby designated up to \$20 million – initial and ongoing fund costs were prohibitive. Had the MFABC received sufficient funding commitments however, the next step and biggest challenge would have been defining the SRI initiatives and guidelines for the fund. This in itself would have proven to be a tremendous task.

In late 2019 however, the MFABC once again was approached by a few municipalities seeking a short term bond fund that would divest of fossil fuel companies. Based on this simple and seemingly defined approach while utilizing the relationship and expertise of Phillips, Hager & North (PH&N), the MFABC was able to significantly reduce startup and other costs while leveraging the screening model already in place. The MFABC Fossil Fuel Free (FFF) Short Term Bond Fund was created and went live in May 2020, utilizing the screening services from Sustainalytics and the Carbon Underground 200 list to direct the fund manager PH&N in screening out fossil fuel related companies. The fund therefore does not hold Petro Canada bonds for example, but does invest in Government of Canada and Provincial bonds based on the analytics reporting provided. This is some of the same entities the City directly invests in today. The fund however does hold corporate bonds, which the City cannot invest directly under the legislated guidelines of the Community Charter, but which the MFABC is able to invest in under the MFA Act.

While the City has invested \$20 million in the MFABC FFF short term bond fund along with several other cities as a means of enacting moral guidance, diversifying asset class holdings and reducing various investment risks, fossil exclusionary investing means the removal of companies, even if they are transitory in their corporate activities and business model. This new MFABC fund is a good start in meeting the needs of many municipalities,

To: Financial Management Committee
 From: Director Finance
 Re: Environmental, Social and Governance (ESG) and
 Socially Responsible Investment (SRI) Strategy
 2020 October 14Page 7

but it may not be the best method for impacting climate change globally. And in fact, just recently the MFABC repositioned the former Intermediate Pooled Fund into a highly liquid government and major bank fund called the Government Focused Ultra-short Bond Fund, which is also considered to be Fossil Fuel Free. Thus providing municipalities with SRI and ESG related investment opportunities.

As noted, a fossil fuel free exclusionary lens is not the only way to invest. Adopting an “impact” ESG model for example, broadens the field of eligible companies as they are engaged with government agencies and shareholders; dedicated to working through a long term change to their business model. The process is to make substantial changes that impacts - for the positive - the companies profile when it comes to ESG criteria and reducing their carbon footprint as a company. This is achieved through engagement not exclusion for which there is not significant evidence showing that divestment of holdings is having any bearing on capital funding or revenue generation. In fact, an RBC survey in 2018 reported that 45% of respondents would prefer investments to be engaging and affecting change while only 8% wanted exclusionary investing to be the guiding measure.

5.2 MFABC – Sustainable Growth Fund (new)

While the City of Burnaby’s investment portfolio over the last 20 years has performed well compared to our peers and benchmarks – 2019 yield of 3.16% (2020 projected 2.98%) – there are limitations to the risk adjusted returns available to the City. Yields are projected to remain low for several years to come, which will mean lower returns for the City. At the end of a three decade bond bull-run where globally interest rates are at all-time historical lows, ensuring diversification of investments to reduce risks while increasing returns is critical.

At the September 2019 Union of British Columbia Municipalities (UBCM) conference, resolution B128 submitted by the City of Burnaby was presented and unanimously passed. This meant the municipalities present confirmed they wanted the Ministry of Municipal Affairs and Housing to review, discuss and respond to the resolution which requested the authority for British Columbia municipalities to expand asset class diversification through prudent investor rules. The request would mean a change to the Community Charter and would allow investments in equities, mortgages and other asset classes as deemed appropriate by the municipality.

The Provinces of Alberta, Saskatchewan and Ontario have already gone through the legislative changes to provide prudent standards for municipal investments with expanded asset class choices, global investment diversification and overall risk reduction. It was recognized that long term sustainment requires broader investment parameters; after all, cities maintain reserves and other funds that should be earning greater than the rate of inflation. These funds are critical for future development and long term growth, but are prescribed to limited investment options within the Community Charter.

To: Financial Management Committee
 From: Director Finance
 Re: Environmental, Social and Governance (ESG) and
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 2020 October 14Page 8

In February 2020, the Ministry of Municipal Affairs and Housing responded to the UBCM resolutions and specifically noted that the provincial government is not willing to make changes to the Community Charter, and that *“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”*.

After the Ministry’s response, the City of Burnaby and the MFABC continued discussions regarding risk adjusted returns and all options available to ensure long term financial sustainability for BC municipalities. The MFABC has recently obtained a legal opinion with respect to the MFA Act and the Trustee Act confirming their ability to implement a new multi-asset class growth fund for municipalities, designed for investing long term reserve funds not required for ten years or longer. The MFABC will be meeting with Ministry officials in the fall 2020 to discuss the intentions under the noted Acts, of providing such a fund.

The work and effort put into these discussions are a culmination of many hours by City of Burnaby and MFABC staff. Working diligently and with Burnaby Councils involvement from the beginning with the UBCM submission, we have been able to find and bring about investment opportunity for many municipalities, not just Burnaby. While in other provinces a city may set their own investment guidelines and goals relative to prudent investing, with the decision by the BC Ministry, our only option is to explore a collective pooled fund through the MFABC. When it comes to SRI or ESG related guidelines for this fund, the complexity will become even greater as the MFABC designs and offers one-size-fits-all funds. The plan is to incorporate a sustainability lens for this new fund which hopefully will be available by the end of Q2-2021. The challenge is to find a “moral compass” that all municipalities agree upon; whether that is simply a fossil fuel free exclusionary growth fund or a specific set of guidelines within an ESG mandate. Though there is still much work ahead, the process is still slowly moving forward, which is a positive. Shifting up to \$300 million of the City’s long term reserves to the new MFABC Sustainable Growth Fund, for a ten year or longer timeframe, would allow the City to maintain a more diversified portfolio of assets with greater risk adjusted returns targeting 5% per annum. Committing funds longer term also smooths out any market volatility that can occur in the short term.

6.0 RECOMMENDATION

The growth of socially responsible investment parameters and investing based on various environmental, social and governance policies has grown substantially over the last decade. Concerns regarding climate change, labour laws and employment standards and fairness are driving change for a better and more sustainable future for all.

The current SRI and ESG market however is still rather immature with many actors utilizing different standards and varying metrics. This poses a challenge when determining if an investment decision should exclude a particular industry all together or simply specific companies.

To: Financial Management Committee
 From: Director Finance
 Re: Environmental, Social and Governance (ESG) and
 Socially Responsible Investment (SRI) Strategy
 2020 October 14Page 9

Until such time that the ESG landscape matures with clear disclosure, standardization and cost-effective approaches, formally incorporating ESG standards beyond the prescribed investment limitations under the Community Charter will continue to be a challenge. However, the City's existing investment portfolio which does not have an official ESG specific guideline, already invests in widely accepted government and financial institution investments who prescribe to the United Nations Principles for Responsible Investing. Thus, the City is investing in guarantors that are committed to the incorporation of environmental, social and governance factors into various decision making processes and operations.

When looking at the MFABC pooled funds, which are all currently managed by PH&N who is a UN PRI signatory, the investment holdings are screened prior to purchase. And while the MFABC identifies two funds as ESG specifically guided, essentially all of the pooled funds are.

The City continues to work with the MFABC to move forward with prudent investment standards by obtaining final consultation with the Ministry of Municipal Affairs and Housing. The end goal being a multi-asset class growth fund, which would introduce equities and other types of assets to an MFABC pooled fund, designed for reserve funds not required for ten or more years. This will ensure investment based on risk adjusted returns and long term financial sustainability. Maintaining a completely prescribed portfolio of government and bank/credit union debt actually introduces multiple levels of risk that can be addressed with this new fund. Meetings with Ministry and Provincial officials are scheduled over the next several months. As additional information becomes available and develops, a report will be provided with further investment recommendations.

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



Noreen Kassam, CPA, CGA
 DIRECTOR FINANCE

NK:DS / md:dg

Copied to: City Manager



Meeting 2020 Oct 14
Committee REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 Oct 05

FROM: DIRECTOR - PARKS, RECREATION &
CULTURAL SERVICES

FILE: 62500-01

SUBJECT: 2020 OCTOBER - PARKS, RECREATION AND CULTURAL
SERVICES GAMING RESERVE PROJECTS

PURPOSE: To request the use of the Gaming Reserve to finance Parks projects as outlined in this report.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend that Council authorize the use of the Gaming Reserve in the amount of \$575,000 to finance the projects outlined in this report.

REPORT

1.0 INTRODUCTION

Funding approval is being requested to allow staff to proceed with the projects identified in this report. Expenditure for all projects is planned for 2021, subject to operating conditions.

2.0 POLICY SECTION

The projects identified in this report are aligned with the Corporate Strategic Plan by supporting the following goals and sub-goals of the plan.

Goal

- A Safe Community – Community amenity safety
- A Dynamic Community – City facilities and infrastructure
- An Inclusive Community – Serve a diverse community

3.0 BACKGROUND

This report requests that financing from the Gaming Reserve be approved for the following projects:

To: Financial Management Committee
 From: Director - Parks, Recreation & Cultural Services
 Re: 2020 October - Parks, Recreation and Cultural
 Services Gaming Fund Projects
 2020 Oct 5 Page 2

1. **Accessibility Improvements** **\$100,000 (estimated)**
(DPW.0481)
 Improvement to connections between activity sites and parking to allow wheelchair and stroller mobility. The work includes curb cuts, path hardening, width of entry gates, accessible pads under benches, picnic tables and washroom access routes.
2. **Water Conservation Devices** **\$175,000 (estimated)**
(DPW.0511)
 This project is for the installation and improvements to irrigation systems on sports fields, drinking fountains and water features to reduce water consumption.
3. **Trail System Development** **\$100,000 (estimated)**
(DPW.0510)
 Reconstruction of trails throughout the parks system and installation of new pathways with loop trails for improved access to park features. Work includes regrading steep sections, trail widening, slope stabilization, safety railings and rebuilding washout areas as well as excavation of top soil, preparation of sub base and paving of pathway in neighborhood parks.
4. **Burnaby Mountain Conservation Area** **\$200,000 (estimated)**
(DPW.0486)
 Continued development of the trail system to include safety improvements, slope grading, riparian work and the extension and widening of trails.

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

4.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend that Council authorize the use of the Gaming Reserve in the amount of \$575,000, to finance the projects outlined in this report.



Dave Ellenwood
 DIRECTOR - PARKS, RECREATION & CULTURAL SERVICES

JQ:km
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Copied to: Director of Finance



Meeting 2020 Oct 14

Committee REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 Oct 06

FROM: DIRECTOR - PUBLIC SAFETY AND
COMMUNITY SERVICES

**SUBJECT: REPEAL OF TAXICAB BYLAW REGULATIONS AND REDUCTION
OF THE BUSINESS LICENCE FEES CHARGED FOR TAXICABS**

PURPOSE: To recommend that Council repeal the *Burnaby Cab Regulations Bylaw 2009* and related penalties in the *Burnaby Bylaw Notice Enforcement Bylaw 2009* and amend the *Burnaby Business Licence Fees Bylaw 2017* to reduce licence fees for taxicabs.

RECOMMENDATIONS:

1. **THAT** Financial Management Committee recommend Council to authorize the City Solicitor to bring forward a bylaw to repeal the *Burnaby Cab Regulations Bylaw 2009* in response to Provincial legislative changes related to Passenger Directed Vehicles.
2. **THAT** Financial Management Committee recommend Council to authorize the City Solicitor to bring forward an amendment to the *Burnaby Bylaw Notice Enforcement Bylaw 2009* to repeal the portion of the bylaw relating to the *Burnaby Cab Regulations Bylaw 2009*.
3. **THAT** Financial Management Committee recommend Council to authorize the City Solicitor to bring forward an amendment to the *Burnaby Business Licence Fees Bylaw 2017* to align business licence fees for taxicabs with the fees for Transportation Network Services vehicles (TNS or ride-sharing vehicles) under *Burnaby Inter-Municipal TNS Business Licence Bylaw 2020*.
4. **THAT** Financial Management Committee recommend Council to authorize a partial refund to Bonny's Taxi Ltd. for its 2020 business licence fees based on the reduced fees set out in this report.

To: Financial Management Committee
 From: Director - Public Safety and Community Services
 Re: REPEAL OF TAXICAB BYLAW REGULATIONS AND THE REDUCTION OF
 BUSINESS LICENCE FEES CHARGED FOR TAXICABS
 2020 Oct 14 Page 2

REPORT

1.0 BACKGROUND

Passenger Directed Vehicles (PDVs) are a class of vehicle that includes taxis, limousines and Transportation Network System (TNS) vehicles. TNS vehicles are also commonly referred to as ride-hailing and/or ride-sharing vehicles. The Province regulates PDVs through the *Passenger Transportation Act*, the *Motor Vehicle Act*, and the *Commercial Transportation Act*. Prior to the introduction of TNS operations in BC, taxicabs made up the vast majority of provincial PDV operations.

On 2019 September 16 the Provincial Government implemented legislation that greatly reduced municipal authority to regulate all classes of PDVs. Preceding this action, local governments and the Province held parallel authority in regulating PDVs. Many municipalities had bylaws in place that regulated taxicab operations within their borders and established fees for business licences.

On 2020 April 27, Council adopted the *Burnaby Inter-Municipal TNS Business Licence Agreement Bylaw 2020* and the *Burnaby Inter-Municipal TNS Business Licence Bylaw 2020*. These bylaws were enacted in order to permit Burnaby to participate in a joint licensing scheme for TNS vehicles along with 25 other municipalities, and to set fees for the new inter-municipal business licence.

As a result of the limitations placed on local government's authority to regulate PDVs, and the adoption of the ride-sharing Inter-Municipal Business Licence (IMBL) regulatory scheme, Licence Office staff have undertaken a comprehensive review of the bylaw regulations governing taxicab operations in Burnaby. This report outlines the results of that review, and provides recommendations to Council related to taxicabs.

2.0 POLICY SECTION

The recommended actions align with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the plan:

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

To: Financial Management Committee
 From: Director - Public Safety and Community Services
 Re: REPEAL OF TAXICAB BYLAW REGULATIONS AND THE REDUCTION OF
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3.0 NEW REGULATORY STRUCTURE

3.1 Provincial vs. Municipal Authority

The table below illustrates the changes in regulatory authority related to PDVs prior to and post 2019 September 16. The vast majority of regulatory authority now rests with the Province.

Regulatory Condition	Provincial Authority	Municipal Authority (Prior to Sept 16, 2019)	Municipal Authority (Current)
Licencing PDV Businesses and Vehicles	✓	✓	✓
Regulating Use of Municipal Roads	×	✓	✓
Fare Rates	✓	×	×
Issuing Chauffeur Permits	✓	✓	×
Vehicle Standards (Safety and Inspection requirements, vehicle identification)	✓	✓	×
Vehicle Standards (Age, number of accessible vehicles)	✓	✓	×
Fleet Size	✓	✓	×

Areas that the Province now has sole regulatory authority for PDVs include:

- Regulating fleet size
- Regulating service areas and operating boundaries
- Regulating vehicle requirements including age, vehicle standards, identifiers as well as conducting mileage based vehicle inspections
- Regulating driver requirements, including criminal and driving record checks and Class 4 driver's licences and the requirement to obtain a driver's check certificate
- Establishing fare rates
- Data submission requirements

Municipalities continue to have the following authority:

- Issuing business licences
- Setting business licence requirements
- Regulating use of municipal roads

To: Financial Management Committee
 From: Director - Public Safety and Community Services
 Re: REPEAL OF TAXICAB BYLAW REGULATIONS AND THE REDUCTION OF
 BUSINESS LICENCE FEES CHARGED FOR TAXICABS
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Under Provincial legislation, municipalities are not permitted to:

- Refuse to issue a business licence to operate a PDV for the sole reason that the person holds a business licence issued by another municipality
- Prohibit PDVs from operating in the municipality
- Regulate the number of PDVs that may be operated, including placing requirements for a specific number of dual use taxicabs or other vehicle types
- Issue municipal chauffeur's permits to taxicabs and TNS drivers

3.2 Impact on the *Burnaby Cab Regulations Bylaw 2009* and related penalties under *Burnaby Bylaw Notice Enforcement Bylaw 2009*

As a result of the Provincial legislation, municipalities now have very limited regulatory authority in respect to PDVs. In effect, the City's authority related to taxicabs has been restricted to the ability to issue business licences and regulate various uses of City roads through the *Burnaby Street & Traffic Bylaw 1961*.

In light of the new Provincial regulatory structure, almost all of the regulations in the *Burnaby Cab Regulations Bylaw 2009* relate to matters that the City can no longer regulate. The only regulations that remain under City authority are the requirements to hold a valid Burnaby business licence, obtain approval from the Passenger Transportation Board and display a copy of the business licence at the taxicab business premises. These requirements are already adequately addressed by the *Burnaby Business Licence Bylaw 2017*. As a result, it is recommended that the *Burnaby Cab Regulations Bylaw 2009* be repealed in its entirety.

If Council approves repeal of the *Burnaby Cab Regulations Bylaw 2009*, the associated penalties for contraventions of this bylaw also need to be removed from the *Burnaby Bylaw Notice Enforcement Bylaw 2009*. It is recommended that an amendment to the *Burnaby Bylaw Notice Enforcement Bylaw 2009* be brought forward concurrently to remove the portion of this bylaw relating to the *Burnaby Cab Regulations Bylaw 2009*.

4.0 BURNABY BUSINESS LICENCE FEE BYLAW AMENDMENTS

4.1 Licence Fees

The City maintains the authority to issue business licence to taxicab operators. The existing business licence fees for taxicabs are set at \$510.00 for the first year or initial licence fee and \$280.00 for subsequent annual renewals, on a per vehicle basis. The owner(s) of each vehicle is required to obtain a business licence for that vehicle and there are no discounts for accessible or zero emission vehicles.

In contrast, the business licence fees charged for TNS vehicles under the *Burnaby Inter-Municipal TNS Business Licence Bylaw 2020* are \$150.00 for each standard vehicle, \$30.00 for zero emission vehicles, and \$0.00 for wheelchair accessible vehicles.

To: Financial Management Committee
 From: Director - Public Safety and Community Services
 Re: REPEAL OF TAXICAB BYLAW REGULATIONS AND THE REDUCTION OF
 BUSINESS LICENCE FEES CHARGED FOR TAXICABS
 2020 Oct 14 Page 5

In the interest of fairness, it is recommended the Burnaby business licence fees charged to taxicab operators be amended to be consistent with the fees charged to TNS operators. It is also recommended that the language used in the licence category be amended to reflect the Provincial terminology of "Passenger Directed Vehicle", rather than "Taxicab".

It is proposed that the following amendments be made for the *Burnaby Business Licence Fees Bylaw 2017*, under Schedule "A":

- that the categories and fees listed below be removed:

Business Category	Initial Licence Fee	Prorated Initial Licence Fee (effective July 1)	Renewal Licence Fee	Shared Location Fee
Taxicab (Class A)	\$510	\$390	\$280	N/E
Taxicab (Class E – Charter Cab/Limo)	\$600	\$450	\$180	N/E
Taxicab (Class H – Wheelchair Access)	\$510	\$390	\$280	N/E
Taxicab (Misc)	\$600	\$450	\$180	N/E
Taxicab (Vehicle Transfer Inspection Fee)	\$0	\$0	\$110	N/E
Taxicab and Driving Instruction Office	\$600	\$450	\$180	\$180

- and the following categories and fees be added:

Business Category	Initial Licence Fee	Prorated Initial Licence Fee (effective July 1)	Renewal Licence Fee	Shared Location Fee
Passenger Directed Vehicle / per standard vehicle	\$150	N/E	\$150	N/E
Passenger Directed Vehicle – per accessible vehicle	\$0	N/E	\$0	N/E
Passenger Directed Vehicle – per zero emission vehicle	\$30	N/E	\$30	N/E
Passenger Directed Vehicle or Driving Instruction Business	\$600	\$450	\$180	\$180

To: Financial Management Committee
 From: Director - Public Safety and Community Services
 Re: REPEAL OF TAXICAB BYLAW REGULATIONS AND THE REDUCTION OF
 BUSINESS LICENCE FEES CHARGED FOR TAXICABS
 2020 Oct 14 Page 6

4.2 Partial Refund to Bonny's Taxi Ltd.

Bonny's Taxi Ltd. and its subsidiary company, Select Taxi Ltd., are the only taxicab operators in the City of Burnaby. For 2020, they have a total of 141 taxicabs and 24 wheelchair accessible taxicabs licenced to operate in Burnaby. The renewal cost for these vehicles for the 2020 calendar year was \$280.00 per vehicle for a total of \$46,200.00. At the beginning of 2020, Bonny's Taxi Ltd. submitted payment in full for its required 2020 business licence fees.

Under the proposed fee reduction for PDVs, the 2020 renewal costs would be reduced to \$150.00 per standard taxicab, \$0.00 per wheelchair accessible taxicab, and \$30.00 per zero emission taxicab. If these fees were in place when Bonny's Taxi Ltd. made payment on its 2020 licences, the aggregate fees would have been reduced from \$46,200.00 to \$21,150.00, a difference of \$25,050.00.

Since the 2020 licence fees that have been paid by TNS companies were at the lower rates under the *Burnaby Inter-Municipal TNS Business Licence Bylaw 2020*, it is recommended that Bonny's Taxi Ltd. also pay the reduced fees for the 2020 licence year. Therefore, staff recommend that Council authorize a partial refund to Bonny's Taxi Ltd. for the difference in 2020 licence fees of \$25,050.00.

5.0 RECOMMENDATIONS

In accordance with this report, staff recommend that Council authorize the City Solicitor to bring forward the following bylaws and bylaw amendments to:

- repeal the *Burnaby Cab Regulations Bylaw 2009* to adapt to the Provincial legislative changes related to Passenger Directed Vehicles.
- remove the portion of the *Burnaby Bylaw Notice Enforcement Bylaw 2009* relating to the *Burnaby Cab Regulations Bylaw 2009*.
- amend the *Burnaby Business Licence Fees Bylaw 2017* to align business licence fees for taxicab operations with the fees charged for TNS or ride-sharing businesses under the *Burnaby Inter-Municipal TNS Business Licence Bylaw 2020*.

It is further recommended that Council authorize a partial refund to Bonny's Taxi Ltd. for the difference between the amount paid by the company for its 2020 business licence fees and the amount payable based on the reduced business licence fees proposed in this report.

The *Community Charter* requires that before adopting a bylaw in regard to business regulation, Council must give notice of its intention and provide an opportunity for persons who consider they are affected by the bylaw to make representations to Council. In order to ensure all interested parties are provided sufficient notification, notice of the proposed amendments will be advertised in the local newspaper for two consecutive weeks after

To: Financial Management Committee
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first, second and third reading of the above bylaws. The notice will provide a deadline of 2020 November 18 to make written submissions. All responses will be collected and provided to Council prior to final adoption of the bylaws.



Dave Critchley
DIRECTOR - PUBLIC SAFETY AND COMMUNITY SERVICES

DC:nk

Copied to: City Manager
Director Finance
City Solicitor
Chief Licence Inspector



Meeting 2020 October 14

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 October 07

FROM: MAJOR CIVIC BUILDING PROJECT
COORDINATION COMMITTEE

FILE: 4230 06
Reference: Fire Hall No. 1

SUBJECT: 2020 CAPITAL GAMING RESERVE REQUEST – FIRE DISPATCH
CENTRE RELOCATION (ABX.0017)

PURPOSE: To request the use of the Gaming Reserve to finance the Fire Dispatch Centre Relocation project.

RECOMMENDATION:

1. **THAT** the Financial Management Committee authorize the use of the Gaming Reserve in the amount of \$300,000 to finance the Fire Dispatch Centre Relocation project, as outlined in this report.

R E P O R T**1.0 INTRODUCTION**

The Fire Department has identified the need for a replacement of the existing dispatch facility in Fire Hall No. 1. In order to facilitate operational requirements, a relocation of the dispatch facility from Fire Hall No. 1 to Fire Hall No. 7 is required. The new dispatch facility will include 4 workstations, office and associated ancillary area (e.g. kitchen) as the existing dispatch facility in Fire Hall No. 1 currently accommodates 3 workstations.

The overall project cost is estimated at \$2,700,000 of which \$300,000 will be utilized for feasibility and design while the \$2,400,000 remaining project cost will be for retrofitting and new dispatch communication equipment purchases.

JDA Management and Consulting Group was engaged in January 2020 to undertake Phase 1 work on the dispatch relocation which includes the feasibility study, conceptual design, as well as the provision of a Class D cost estimate. The Major Civic Building Project Coordination Committee is requesting \$300,000 to finance the above-mentioned costs along with detailed design and contract administration for the relocation of the dispatch facility.

2.0 POLICY SECTION

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

- **A Safe Community**
 - Community Amenity Safety – Maintain a high level of safety in City buildings and facilities for the public and City staff.

To: Financial Management Committee
 From: Major Civic Building Project Coordination Committee
 Re: 2020 Capital Gaming Reserve Request – Fire Dispatch Centre Relocation (ABX.0017)
 2020 October 07.....Page 2

- **A Dynamic Community**
 - City Facilities and Infrastructure – Build and maintain infrastructure that meets the needs of our growing community.
- **An Inclusive Community**
 - Enhance City Workforce Diversity – Support a diversified City workforce by identifying barriers and implementing proactive strategies.
- **A Thriving Organization**
 - Organizational Culture – Ensure that our core values are reflected in our policies, programs and service delivery.

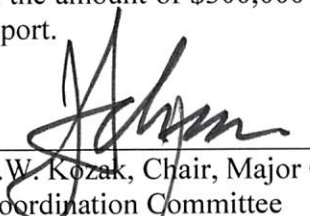
3.0 PROJECT SUMMARY


This project proposes to retrofit an existing room of approximately 1,000 sq.ft. initially earmarked as a future dorm room in Fire Hall No. 7 as the new dispatch facility. The existing dispatch area in Fire Hall No. 1 will be in operation during construction, and be repurposed for other uses once the relocation is complete. Upon completion of the detailed design, construction and equipment, funding will be requested in a subsequent report to the Financial Management Committee.

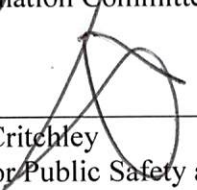
The 2020 – 2024 Financial Plan includes \$600,000 for this project, however as outlined above at this time \$300,000 is being requested; additional costs will be included as part of the 2021 – 2025 Provisional Financial Plan and funding will be requested in a future report. Sufficient Gaming Reserves are available to finance the total capital project costs outlined in this report.

4.0 RECOMMENDATION

It is recommended that the Financial Management Committee authorize the use of the Gaming Reserve in the amount of \$300,000 to finance the Fire Dispatch Centre Relocation project, as outlined in this report.


 E.W. Kozak, Chair, Major Civic Building Project
 Coordination Committee


 Leon Gous, Director Engineering


 Dave Critchley
 Director Public Safety and Community Services

TVD/sla

cc:	City Manager	Director Corporate Services	Director Finance
	Purchasing Manager	Chief Information Officer	Acting City Clerk
	City Solicitor	Chief Building Inspector	