



FINANCIAL MANAGEMENT COMMITTEE

MINUTES

An Open meeting of the Financial Management Committee was held in the Clerk's Committee Room, Burnaby City Hall, 4949 Canada Way, Burnaby, B.C. on **Wednesday, 2019 April 24** at 5:00 p.m.

1. CALL TO ORDER

PRESENT: His Worship, Mayor Mike Hurley
Councillor Sav Dhaliwal (*arrived at 5:03 p.m.*)
Councillor Paul McDonell
Councillor Pietro Calendino

STAFF: Mr. Lambert Chu, City Manager
Mr. Leon Gous, Director Engineering
Ms. Noreen Kassam, Director Finance
Mr. Dave Ellenwood, Director Parks, Recreation & Cultural Services
Mr. Ed Kozak, Director Planning and Building
Mr. Dave Critchley, Director Public Safety and Community Services
Ms. Shari Wallace, Chief Information Officer
Mr. Tim Van Driel, Manager – Civic Building Projects
Ms. Elaine Wong, Executive Assistant to the Mayor
Ms. Nikolina Vracar, Administrative Officer

The Chair called the Open meeting to order at 5:02 p.m.

The Chair acknowledged the unceded, traditional, and ancestral lands of the hə́ŋqəmiñəŋ and sk̓w̓xwú7mesh speaking people, and extended appreciation for the opportunity to hold a meeting on this shared Coast Salish territory.

2. MINUTES

- a) **Minutes of the Financial Management Committee Open meeting held on 2019 March 19**

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT the minutes of the Open Financial Management Committee meeting held on 2019 March 19 be adopted.

CARRIED UNANIMOUSLY

b) Minutes of the Financial Management Committee Open meeting held on 2019 April 09

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT the minutes of the Open Financial Management Committee meeting held on 2019 April 09 be adopted.

CARRIED UNANIMOUSLY

Without objection by any member, agenda Item 4(a) was brought forward at this time.

4. DELEGATION

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT the delegation be heard.

CARRIED UNANIMOUSLY

- a) Heights Merchants Association BIA**
Re: Property Tax Fairness and Pressure on Local Small Businesses
Speakers: Isabel Kolic, Executive Director
Christophe Bonzon, Board Director

Ms. Isabel Kolic, Executive Director, and **Mr. Christophe Bonzon**, Board Director, Heights Merchants Association BIA, appeared before the Committee regarding the impact of property taxes on local small businesses.

Councillor Dhaliwal arrived at the meeting at 5:03 p.m.

Ms. Kolic provided a brief overview of the Heights Merchants Association BIA, which was established in 1994 and has a membership of 330 merchants. The BIA monitors the business climate in the Heights and factors that may make merchants' work untenable over a long term, and advocates on policies for businesses to be competitive. The speaker advised that the Heights businesses have created 2,000 local jobs with a wide-range of pay, contribute to the neighbourhood's character, and attract individuals to shop and live in the area. In addition, the majority of merchants reside in the neighbourhood or within five kilometers.

Ms. Kolic advised that increasingly the BIA has been hearing from the merchants regarding the impact of the property taxes. Property taxes and high rents are one of the most commonly cited reasons for businesses leaving the Heights. Some

businesses have ceased operations and other businesses have transferred operations from brick and mortar stores to online.

Ms. Kolic informed the Committee that at the provincial level the BIA is advocating for split assessments, or for assessments to be based on current and actual use as opposed to highest and best use.

At the municipal level, the BIA is advocating for a change in the ratio of property tax paid by commercial properties versus residential properties. Ms. Kolic advised that in 2018, the commercial property tax rate was 4.21 times higher than the residential property tax rate. The speaker suggested that with development of new condominiums, an introduction of small increments in residential property tax rate over a period of 10 years would make the taxation for small and independent businesses more sustainable.

In closing, the delegation encouraged the Committee to support walkable neighbourhoods, local economy, and diversity in the community, through the City's tax policy.

The Committee advised that the City is aware of the pressures faced by small businesses throughout the community, and the City continues to work with the Province to achieve results and relief on the matter.

Staff advised that the Provincial Government has a representative on the inter-municipal Small Business Property Tax Working Group that is examining changes to the Provincial property value assessment legislation, and BC municipalities are advocating to the Province regarding the needed changes.

The normal order of the agenda resumed.

3. PRESENTATION

a) Major Civic Building Projects Status Update **Presenter: Tim Van Driel, Manager - Civic Building Projects**

Mr. Tim Van Driel, Manager - Civic Building Projects, provided the following updates regarding the major civic building projects:

- Burnaby Lake Aquatic and Arena Facility/C.G. Brown Memorial Pool (awarded contract to HCMA for Phase I with an option to proceed to Phase II, and hired a geotechnical engineer);
- Willingdon Heights Community Centre (report coming to Council to recommend the contract award, hired a geotechnical engineer, and completed the environmental site assessment);
- Confederation Community Centre/Eileen Dailly Pool (hiring a geotechnical engineer, completed the environmental site assessment, and architect request for proposal (RFP) closes in May 2019);

- Cameron Community Centre (completed the environmental site assessment, geotechnical RFP will be issued in May 2019, and architect RFP will be issued in summer 2019);
- South Burnaby Ice Arena (tender to prequalified general contractors closes in May 2019, recommendation to Council is forthcoming in May 2019, and building permit and preliminary plan approval drawings updated with rezoning changes);
- Child Care – Montecito and Capitol Hill Elementary Schools (working with modular building manufacturer regarding the materials, and general contractor is proceeding with civic construction);
- Child Care – Stride Avenue Community School (the design method changed to stick-frame construction, see Item 5 (j) on the agenda);
- Child Care – Cascade Heights Elementary (project on hold until an alternative location is selected);
- Emergency Generators at Civic Facilities (proceeding at Bonsor Recreation Complex and Edmonds Community Centre, and a report to the Committee is forthcoming);
- Laurel Street Works Yard Phase I – Yard Building (the building will be completed in May 2019);
- Laurel Street Works Yard Phase II – Main Building (consultant team is finalizing tender documents, second public Open House was held in April 2019, and additional environmental investigations are ongoing);
- Edmonds Community Centre Pool Gutter Replacement (completed);
- RCMP Interior Renovation (Phase I (records room) is complete, Phase II (watch commander) will be completed in April 2019, and Phase III (former operational communications centre) will be completed in May and June 2019);
- RCMP Drug Lab (detailed design RFP closed and architect will be hired in April 2019);
- Metrotown Events Centre (in preliminary stages of RFP for conceptual design);
- Burnaby Lake/Deer Lake Pedestrian Overpass (Parks, Recreation and Culture Commission approved funding for a feasibility study); and
- Covered sports boxes.

The Committee inquired regarding the completion of the covered sports boxes project.

Staff advised that soil testing at the Central Valley Greenway identified contamination and logistic problems, and they are evaluating covering two existing sports boxes at Confederation Park and Riverway Sports Complex.

Arising from discussion and without objection by any member, the Committee requested that staff note the target completion date for the current phase of the major civic building projects in future project status updates.

Staff undertook to follow-up.

The Committee inquired regarding delays in creation of child care spaces at Stride Avenue Community School and Cascade Heights Elementary.

Staff advised that delays are due to unanticipated, additional funding provided by the Provincial Government to the School District for modular units and pre-school and after-school care, which has resulted in changes to locations for the child care facilities.

4. DELEGATION

- a) **Heights Merchants Association BIA**
Re: Property Tax Fairness and Pressure on Local Small Businesses
Speakers: Isabel Kolic, Executive Director
Christophe Bonzon, Board Director

This agenda item was dealt with previously in the meeting.

5. REPORTS

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR DHALIWAL

THAT the reports be received.

CARRIED UNANIMOUSLY

- a) **Report from the Director Finance and**
Director Public Safety and Community Services
Re: Insurance Contract Renewals - Nine Programs

The Director Finance and the Director Public Safety and Community Services submitted a report seeking approval to award insurance contracts for the annual property and liability insurance programs maintained by the City.

The Director Finance and the Director Public Safety and Community Services recommended:

1. THAT the Financial Management Committee recommend Council approve the award of nine contracts of insurance, as outlined in this report. The total amount payable to Jardine Lloyd Thompson is \$965,175 to fund the insurance premiums for all nine contracts.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR DHALIWAL

THAT the recommendation of the Director Finance and the Director Public Safety and Community Services be adopted.

CARRIED UNANIMOUSLY

b) Report from the Director Finance
Re: 2019 Local Service Tax Bylaw

The Director Finance submitted a report seeking Council approval to bring forward a Local Service Tax Bylaw to impose parcel taxes for new local improvement works completed at 2018 December 31.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor bring forward a Local Service Tax Bylaw to impose parcel taxes for completed local improvement works on benefiting properties included in Attachment 1, as outlined in the report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

The Committee expressed concern regarding the cost borne by property owners for replacement of problematic trees.

Staff advised that the Local Service Area Program provides property owners with an opportunity to advance replacement of the trees that are not suitable to their property and that may not be due for replacement. Similarly, staff noted that property owners have an opportunity to advance replacement of ditch enclosures which are not dangerous and therefore are not due for replacement.

Arising from discussion and without objection by any member, the Committee requested that staff provide existing policies on ditch enclosures in front of the properties and tree replacement for the Committee's review.

Staff undertook to follow-up.

c) Report from the Director Finance
Re: Latex Large Format Printer Replacement Project

The Director Finance submitted a report requesting a Capital Reserve Fund Bylaw to finance the Latex Large Format Printer Replacement Project.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$55,000 to finance a Latex Large Format Printer Replacement Project, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR DHALIWAL

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

d) Report from the Director Finance
Re: Centralized Online Donation Acceptance

The Director Finance submitted a report providing the Committee with information regarding the acceptance and processing of donations through a third party processor.

The Director Finance recommended:

1. THAT the Committee receive this report for information.

MOVED BY COUNCILLOR DHALIWAL
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

The Committee inquired regarding the approximate amount of donations received by the City, acknowledgement of receipt of donations, and the cost to the City to absorb the credit card fee for donations.

Staff advised that donations range between a few thousand dollars to \$250,000. A third-party company would collect the full donation amount for donations made by a credit card, issue the donation receipt to donor, subtract the credit card fee, and

provide the net amount to the City. Donations are tracked and included in the City's financial statements. Cost of absorbing the credit card fees varies based on the donation amount.

Arising from discussion and without objection by any member, the Committee requested that staff track the amount of donations collected for a year.

Staff undertook to follow-up.

e) Report from the Director Finance
Re: Land Assembly and Development Capital Program

The Director Finance submitted a report requesting a Capital Reserve Fund Bylaw to finance the Land Assembly and Development Program.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$7,000,000 to finance the Land Assembly and Development Program, as outlined in this report.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

f) Report from the Director Finance
Re: Expanding Investment Opportunities

The Director Finance submitted a report requesting Council to support changes to the Community Charter to allow for prudent investor rules, thus expanding investment parameters and opportunities.

The Director Finance recommended:

1. THAT the Committee recommend Council provide support for changes to the Community Charter to allow for expanded asset class investments under prudent investor rules.
2. THAT the Committee recommend Council request support from other municipalities for the requested changes to the Community Charter.

3. THAT the Committee recommend Council submit a resolution, as outlined in Section 4.1 of this report, to the Union of British Columbia Municipalities, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendations of the Director Finance be adopted.

CARRIED UNANIMOUSLY

g) Report from the Director Public Safety and Community Services
Re: City of Burnaby and the Burnaby Firefighters Association
(Local 323) Health and Wellness Initiative

The Director Public Safety and Community Services submitted a report seeking to obtain Council approval to extend the Health and Wellness agreement with the Burnaby Firefighters Association (Local 323) and Fortius Institute Inc.

The Director Public Safety and Community Services recommended:

1. THAT the Financial Management Committee recommend Council authorize staff to extend the Health and Wellness agreement with the Burnaby Firefighters Association (Local 323) and Fortius Institute Inc. for another five year term, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Director Public Safety and Community Services be adopted.

CARRIED UNANIMOUSLY

h) Report from the Director Engineering
Re: 2019 April Engineering Capital Infrastructure Bylaw Funding
Request

The Director Engineering submitted a report requesting the use of Waterworks Utility and Sanitary Sewer Reserves and requesting a Capital Reserve Fund Bylaw to finance 2019 Engineering capital infrastructure projects.

The Director Engineering recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserves Fund Bylaw in the amount of \$3,530,000, the use of Sanitary Sewer Capital Fund in the amount of \$142,000 and the use of Waterworks Utility Capital Fund in the amount of \$807,000 to finance Engineering capital infrastructure improvement projects, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

i) Report from the Director Engineering
Re: 2019 April Engineering Capital Facilities Management Gaming
Reserve Request

The Director Engineering submitted a report requesting the use of Gaming Reserve funds to finance the Norland Materials Handling Works Yard.

The Director Engineering recommended:

1. THAT the Financial Management Committee recommend Council authorize the use of Gaming Reserve funds in the amount of \$2,000,000 to finance the Facilities Management project, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

j) Report from the Major Civic Building Project Coordination Committee
Re: Child Care Facilities - Funding Request

The Major Civic Building Project Coordination Committee submitted a report seeking to obtain funding approval to undertake the detailed design and construction of the Stride Child Care Facility in partnership with the Burnaby School District 41.

The Major Civic Building Project Coordination Committee recommended:

1. THAT Council be requested to authorize the use of Community Benefit Bonus funds in the amount of \$4,000,000, inclusive of GST, to fund the design and construction of child care facilities, as further outlined in Section 3.0 of this report.
2. THAT Council authorize staff to explore the desirability and feasibility of including child care facilities in the building program for future community centres, as outlined in Section 4.0 of this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

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

CARRIED UNANIMOUSLY

k) Report from the Director Planning and Building
Re: Infant/Toddler Childcare Facility - Burnaby North Secondary
Redevelopment (ON TABLE)

The Director Planning and Building submitted a report providing information on a proposal for the creation of infant/toddler childcare spaces in a childcare facility planned for the new Burnaby North Secondary School.

The Director Planning and Building recommended:

1. THAT Council approve in principle an expenditure of up to \$664,000 from Community Benefit Bonus Policy funds to support the development of a 24-space infant/toddler childcare centre within the new childcare facility being developed on the Burnaby North Secondary School site.

MOVED BY COUNCILLOR DHALIWAL
SECONDED BY COUNCILLOR MCDONELL

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

CARRIED UNANIMOUSLY

6. NEW BUSINESS

Mayor Hurley – Sign Bylaw

His Worship, Mayor Hurley requested, without objection by any member, that staff conduct a full review of the Sign Bylaw.

Staff undertook to follow-up.

7. INQUIRIES

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

8. ADJOURNMENT

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR DHALIWAL

THAT this Open Financial Management Committee meeting do now adjourn.

CARRIED UNANIMOUSLY

The Open Meeting of the Financial Management Committee adjourned at 6:28 p.m.

Nikolina Vracar
Administrative Officer

Mayor Mike Hurley
CHAIR