

FINANCIAL MANAGEMENT COMMITTEE

TO: *MAYOR AND COUNCILLORS*

SUBJECT: FIREHALL STATION #8 - GRANT UPDATE

RECOMMENDATION:

THAT the report titled “Firehall Station #8 – Grant Update” dated May 21, 2024, be received for information.

REPORT

The Financial Management Committee, at its meeting held on May 21, 2024, received and adopted the *attached* report providing an update on the Firehall Station #8 grant from the Western Economic Diversification Canada Program.

On behalf of the Financial Management
Committee,

Councillor P. Calendino
Chair

Councillor A. Gu
Vice Chair

TO: FINANCIAL MANAGEMENT COMMITTEE (FMC)
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: FIREHALL STATION #8 - GRANT UPDATE
PURPOSE: To provide an update on the Firehall Station #8 grant from the Western Economic Diversification Canada Program

RECOMMENDATION

THAT the report titled “Firehall Station #8 - Grant Update” dated May 21, 2024, be received for information.

1.0 POLICY SECTION

Not Applicable.

2.0 BACKGROUND

The City of Burnaby and Western Economic Diversification Canada (WD) entered into an agreement in August 2021, which aims to enhance the City’s emergency response capacity by establishing a new fire hall near the Burnaby Terminal, the terminus of the Trans Mountain pipeline. The agreement outlines WD will provide funding to the City at 59%, up to a maximum of \$30.0 million until March 31, 2037 (15 years) for eligible expenditures. Funding is being utilized for operational requirements (such as firefighter salaries & benefits, training, etc.), Firehall #8 feasibility studies & conceptual design costs (capital), and the procurement of emergency response units (capital) for the new facility. The City’s current funding structure for Firehall #8 is 59% WD grant-funded, with the remaining 41% covered by the Gaming Reserve for operating expenses and a combination of Community Benefit Bonus Reserve (Fire Hall #8 construction costs) and statutory capital reserve funds (vehicles/equipment) for capital expenses.

3.0 GENERAL INFORMATION

The City is required to submit claims on a semi-annual basis (June and December) and to provide quarterly forecast for WD to review and audit the City’s expenditure before the release of grant payments to the City. To date, the City has submitted four claims over the past two years. The following table provides a detailed breakdown of each claim, divided into operating and capital components with the grant received at 59%.

As of January 1, 2024, the City has claimed a total of \$4.8 million, with \$25.2 million outstanding against the remaining 13 year term.

Table 1: Total Operating and Capital Expenditure Grants Received to Date

	Operating Expenditure Grant Received	Capital Expenditure Grant Received	Total Grant Received
2022 Claims	1,298,661	794,455	2,090,116
2023 Claims	1,967,722	715,589	2,683,311
Totals	\$3,266,383	\$1,507,044	\$4,773,427
Total Grant Eligible for the City			30,000,000
Total Funding Received up to Dec 31, 2023			4,773,427
Eligible Grant Funding Remaining			\$25,226,573
Grant Term Remaining (Years)			13

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Not Applicable.

5.0 FINANCIAL CONSIDERATIONS

As mentioned in previous sections of this report, Firehall #8 operations are currently being funded by the Gaming Reserve and the WD grant. The purpose of the Gaming Reserve is to provide funding to expenditures that serve to protect or improve Burnaby’s environment such as public safety, beautification, heritage, international relations or arts & culture. However, funding Firehall #8 operating expenditures with the Gaming Reserve may not be sustainable. Therefore, alternative possible sources of funding will be discussed with Council during the budget process.

Respectfully submitted,
 Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Not Applicable.

REPORT CONTRIBUTORS

This report was prepared by James Cheu, Assistant Manager Budgets and Reporting, and reviewed by Ratan Grewal, Director Budgets and Reporting.