

AGENDA

FINANCE COMMITTEE REGULAR MEETING

**Thursday, July 16, 2009
9:00 a.m.
2nd Floor Boardroom
4330 Kingsway, Burnaby, BC**

Committee Members:

Chair, Director Malcolm Brodie, Richmond
Vice Chair, Director Colleen Jordan, Burnaby
Director Ralph Drew, Belcarra
Director Rick Green, Langley Township
Councillor Robin Hicks, North Vancouver District
Director Marvin Hunt, Surrey
Councillor Craig Keating, North Vancouver City
Councillor Michael Lewis, West Vancouver
Director Raymond Louie, Vancouver
Director Don MacLean, Pitt Meadows
Director Gayle Martin, Langley City

Please advise Eleanor Boldt at (604) 436-6836 if you are unable to attend.



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**NOTICE TO THE GVRD
FINANCE COMMITTEE**

9:00 a.m.

Thursday, July 16, 2009

2nd Floor Boardroom, 4330 Kingsway, Burnaby, British Columbia.

A G E N D A

1. ADOPTION OF THE AGENDA

1.1 July 16, 2009 Regular Meeting Agenda

Staff Recommendation:

That the Finance Committee adopt the agenda for its regular meeting scheduled for July 16, 2009 as circulated.

2. ADOPTION OF THE MINUTES

2.1 June 11, 2009 Regular Meeting Minutes

Staff Recommendation:

That the Finance Committee adopt the minutes of its regular meeting held June 11, 2009 as circulated.

2.2 June 11, 2009 Special Meeting Minutes

Staff Recommendation:

That the Finance Committee adopt the minutes of a special meeting held June 11, 2009 as circulated.

3. DELEGATIONS

No items presented.

4. INVITED PRESENTATIONS

No items presented.

5. REPORTS FROM COMMITTEE OR STAFF

5.1 Financial Projections for 2010 to 2014

Designated Speaker: Jim Rusnak

Recommendation:

That the Board endorse the five year financial framework for 2010-2014 for budget and long range planning purposes as outlined in the report titled "Financial Projections for 2010 to 2014" dated June 30, 2009.

5.2 Financial Challenges Facing the Region

Designated Speaker: Jim Rusnak

Presentation to be provided On Table.

5.3 2009 Financial Performance Report as of May 2009

Designated Speaker: Phil Trotzuk

Recommendation:

That the Finance Committee receive the report titled "2009 Financial Performance Report as of May 2009" dated June 26, 2009 for information.

5.4 Summary of Internal Audit Report: Vehicle Fleet Management

Designated Speaker: Jennifer Rosen, Internal Auditor

Recommendation:

That the Finance Committee receive the report dated June 25, 2009 titled "Summary of Internal Audit Report: Vehicle Fleet Management" for information.

5.5 Tender/Contract Award Information – May 2009

Designated Speaker: Tracey Husoy

Recommendation:

That the Finance Committee receive the report dated June 26, 2009 titled "Tender/Contract Award Information – May 2009" for information.

5.6 Manager's Report (verbal)

Designated Speaker: Jim Rusnak

6. INFORMATION ITEMS

6.1 Correspondence from United Steelworkers, Local 1-1937 dated June 3, 2009.

6.2 Correspondence from TransLink dated June 29, 2009.

7. OTHER BUSINESS

7.1 Board and Committee Remuneration (verbal report)

Designated Speaker: Chair Lois Jackson

8. RESOLUTION TO CLOSE MEETING

Staff Recommendation:

That the Finance Committee close its regular meeting scheduled for July 16, 2009 pursuant to the *Community Charter* provisions, Section 90 (1) (d) (e) (g) as follows:

"90 (1) A part of a committee meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(d) the security of the property of the regional district.

9. ADJOURNMENT

Staff Recommendation:

That the Finance Committee conclude its regular meeting of July 16, 2009.

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**GREATER VANCOUVER REGIONAL DISTRICT
FINANCE COMMITTEE**

Minutes of the Regular Meeting of the Greater Vancouver Regional District (GVRD) Finance Committee held at 9:01 a.m. on Thursday, June 11, 2009 in the 2nd Floor Boardroom, 4330 Kingsway, Burnaby, British Columbia.

PRESENT:

Chair, Director Malcolm Brodie, Richmond
 Vice Chair, Director Colleen Jordan, Burnaby
 Director Ralph Drew, Belcarra
 Director Rick Green, Langley Township (departed at 10:25 a.m.)
 Councillor Robin Hicks, North Vancouver District
 Director Marvin Hunt, Surrey (departed at 10:25 a.m.)
 Councillor Craig Keating, North Vancouver City
 Councillor Michael Lewis, West Vancouver
 Director Don MacLean, Pitt Meadows (arrived at 9:14 a.m.)
 Director Gayle Martin, Langley City (arrived at 9:03 a.m.)

ABSENT:

Director Raymond Louie, Vancouver

STAFF:

Johnny Carline, Commissioner/Chief Administrative Officer
 Jim Rusnak, Chief Financial Officer, Finance and Administration Department
 Klara Kutakova, Assistant to Regional Committees, Corporate Secretary's Department

1. ADOPTION OF THE AGENDA**1.1 June 11, 2009 Regular Meeting Agenda****It was MOVED and SECONDED**

That the Finance Committee:

- a) amend the agenda for its regular meeting scheduled for June 11, 2009 by adding item 7.1 Report to the Chair and Directors of Metro Vancouver on David Cadman's ICLEI Local Governments for Sustainability Activities to the end of April 2009; and
- b) adopt the agenda as amended.

CARRIED

2. ADOPTION OF THE MINUTES**2.1 April 16, 2009 Regular Meeting Minutes****It was MOVED and SECONDED**

That the Finance Committee adopt the minutes of its regular meeting held April 16, 2009 as circulated.

CARRIED

3. DELEGATIONS

No items presented.

4. INVITED PRESENTATIONS

No items presented.

5. REPORTS FROM COMMITTEE OR STAFF

5.1 Information Management Policy Framework

Report dated April 27, 2009 from Chris Plagnol, Deputy Corporate Secretary, Corporate Secretary's Department, providing the draft Information Management Policy Framework for consideration by the Board.

9:03 a.m.

Director Martin arrived at the meeting.

It was MOVED and SECONDED

That the Board endorse the Information Management Policy Framework, as presented in the report dated April 27, 2009, titled "Information Management Policy Framework."

CARRIED

5.2 Metro Vancouver Regional Services – Funding, Cost Sharing and Financing Alternatives – Proposed Budget and Timelines

Report dated May 21, 2009 from Jim Rusnak, Chief Financial Officer, Finance and Administration Department, seeking Board approval of the RAAC/RFAC sub-committee Terms of Reference, Budget and Timelines.

9:14 a.m.

Director MacLean arrived at the meeting.

It was MOVED and SECONDED

That the Board approve the proposed Terms of Reference, Budget and Timelines, and direct staff to commission a study on "Metro Vancouver Regional Services – Funding, Cost Sharing and Financing Alternatives."

CARRIED

5.3 2008 Schedules of Financial Information

Report dated May 21, 2009 from Phil Trotsuk, Financial Planning and Operations Division Manager, Finance and Administration Department, presenting the 2008 Schedules of Financial Information as part of the reporting requirements of the *Financial Information Act*.

Request of Staff

Staff was requested to consider, for future reporting, to segregate suppliers and other flow through items into separate categories.

It was MOVED and SECONDED

That the Board approve the 2008 Schedules of Financial Information for Remuneration and Expenses and for Payments to Suppliers for Goods and Services.

CARRIED

5.4 Fall MFA Borrowing for Member Municipalities – GVRD Security Issuing Bylaw 1107, 2009

Report dated May 6, 2009 from Phil Trotzuk, Financial Planning and Operations Division Manager, Finance and Administration Department, seeking approval of the City of Port Coquitlam borrowing request for the construction of Coast Meridian overpass in the amount of \$25,000,000.

It was MOVED and SECONDED

- a) That the GVRD Board, pursuant to Sections 182(1)(b) and 182(2)(a) of the Community Charter, give consent to the request for financing from the City of Port Coquitlam in the amount of \$25,000,000;
- b) That “Greater Vancouver Regional District Security Issuing Bylaw No. 1107, 2009” being a bylaw to authorize the entering into of an Agreement respecting financing between the Greater Vancouver Regional District and the Municipal Finance Authority of British Columbia, be introduced and read a first, second and third time;
- c) That “Greater Vancouver Regional District Security Issuing Bylaw No. 1107, 2009” be reconsidered, passed and finally adopted;
- d) That “Greater Vancouver Regional District Security Issuing Bylaw No. 1107, 2009” be forwarded to the Inspector of Municipalities for Certificate of Approval.

CARRIED

5.5 Floating Rate Exposure 2009 – January to April

Report dated May 19, 2009 from Phil Trotzuk, Financial Planning and Operations Division Manager, Finance and Administration Department, reporting on the GVRD’s exposure to interest rate risk from floating rate debt, as required by policy.

It was MOVED and SECONDED

That the Finance Committee receive the report titled “Floating Rate Exposure 2009 - January to April” dated May 19, 2009 for information.

CARRIED

5.6 Status of Utilities Capital Expenditures to April 30, 2009

Report dated May 27, 2009 from Tim Jervis, Manager, Engineering and Construction Department, and Phil Trotzuk, Financial Planning and Operations Division Manager, Finance and Administration Department, reporting on the status of utilities capital expenditures.

It was MOVED and SECONDED

That the Finance Committee receive for information the report titled “Status of Utilities Capital Expenditures to April 30, 2009”, dated May 27, 2009.

CARRIED

5.7 Waste-to-Energy Facility – 2008 Financial Update

Report dated May 19, 2009 from Chris Allan, Senior Engineer, Engineering and Construction Department, providing a 2008 financial update for the Metro Vancouver Waste-to-Energy facility.

It was MOVED and SECONDED

That the Finance Committee receive for information the report titled “Waste-to-Energy Facility - 2008 Financial Update”, dated May 19, 2009.

CARRIED

5.8 Regional Development Cost Charges for Affordable Housing

Report dated May 22, 2009 from Lorraine Copas, Senior Housing Planner, Policy and Planning Department, seeking the Committee's comments on potential implications of reducing regional development cost charges (DCCs) to support the development of affordable housing.

Members provided the following comments:

- local government needs to make some contribution to affordable housing otherwise its request for funding to senior levels of government will fall short
- regional DCCs are collected for building regional infrastructure; diversion of these funds to affordable housing is inappropriate
- affordable housing is senior governments' responsibility; a national housing strategy needs to be adopted to resolve the issue
- reduction of regional DCCs is a form of downloading
- municipalities should consider waiving DCCs as an incentive for affordable housing; however, waiving DCCs at the regional level is inappropriate
- waiving DCCs is just shifting the burden on the property taxes to another area

It was MOVED and SECONDED

That the Finance Committee receive for information the report titled “Regional Development Cost Charges for Affordable Housing” dated May 22, 2009.

CARRIED

5.9 Investment Position and Returns – January 1, 2009 to April 30, 2009

Report dated May 8, 2009 from Gord Nicol, Comptroller Treasury, Finance and Administration, Finance and Administration Department, reporting on the investment returns pursuant to the requirements of the Investment Policy.

It was MOVED and SECONDED

That the Finance Committee receive the report titled “Investment Position and Returns – January 1, 2009 to April 30, 2009” dated May 8, 2009 for information.

CARRIED

5.10 Tender/Contract Award Information – March and April 2009

Report dated May 25, 2009 from Tracy Husoy, Purchasing and Risk Division Manager, Finance and Administration Department, informing about contracts valued at or estimated at more than \$250,000.

It was MOVED and SECONDED

That the Finance Committee receive the report dated May 25, 2009 titled “Tender/Contract Award Information – March and April 2009” for information.

CARRIED

5.11 Manager’s Report

Report dated June 1, 2009 from Jim Rusnak, Chief Financial Officer, Finance and Administration Department, providing an update on the 2009 Finance Committee’s program priorities.

The Committee was extended an invitation to attend the July 10, 2009 Regional Planning Committee meeting, at which the 10-year Transportation Plan will be considered.

It was MOVED and SECONDED

That the Finance Committee receive the report titled “Manager’s Report”, dated June 1, 2009 for information.

CARRIED

6. INFORMATION ITEMS

6.1 “Experience the Fraser” – Lower Fraser River Corridor Project

Report dated May 4, 2009 from the Parks Committee, seeking Board approval for Metro Vancouver’s participation in the Lower Fraser River Corridor Project, acceptance of a \$1.25 million grant from the Province, authorization to expend grant funds, and receiving direction on a number of items related to initiating the project, process, timing and working with the Fraser Valley Regional District, the Province and other partners.

It was MOVED and SECONDED

That the Finance Committee receive for information the report dated May 4, 2009, titled “Experience the Fraser” – Lower Fraser River Corridor Project”.

CARRIED

7. OTHER BUSINESS

7.1 Report to the Chair and Directors of MV on David Cadman’s ICLEI Local Governments for Sustainability Activities to the end of April 2009

On-table correspondence dated May 4, 2009 from Councillor David Cadman, City of Vancouver, to Lois Jackson, Chair, Metro Vancouver Board of Directors, providing an outline of Councillor Cadman’s ICLEI Local Governments for Sustainability activities to the end of April 2009 and seeking approval of additional expenses to the end of the fiscal year.

Discussion ensued on Councillor Cadman's request for approval of expenses related to ICLEI travel from July to December 2009. The Committee requested that Councillor Cadman be provided a written confirmation of resolutions adopted by the Board in 2008 and 2009 concerning ICLEI travel expenses and that he be advised that no further expenses are approved after June 2009.

It was MOVED and SECONDED

That the Board:

- a) confirm in writing to Alternate Director Cadman the following resolutions adopted by the Board regarding ICLEI travel expenses:
March 27, 2009 GVRD Board Meeting
"That the Board:
 - i. authorize a budget in the maximum amount of \$8,500 for remuneration and expenses for attendance by Alternate Director Cadman at ICLEI related events for the first six months of 2009, for expenses related to the ICLEI Management and Executive Committee and Board meetings in Edmonton June 12-19, 2009;
 - ii. approve that if funds are requested by Alternate Director Cadman in relation to ICLEI services after June 2009, expenses must be pre-approved by the Board, with full information."

November 28, 2008 GVRD Board Meeting

"That the Board reaffirm the appointment of Alternate Director David Cadman, City of Vancouver as a nominee to ICLEI - Local Governments for Sustainability Executive Board for a three-year term."

- b) remind Alternate Director Cadman that no further expenses are approved.

CARRIED

10:25 a.m.

Directors Green and Hunt departed the meeting.

8. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the Finance Committee close its regular meeting scheduled for June 11, 2009 pursuant to the *Community Charter* provisions, Section 90 (1) (d) (e) and (g) as follows:

- "90 (1) A part of a committee meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
- (d) the security of the property of the regional district;
 - (e) the acquisition, disposition or expropriation of land or improvements, if the board or committee considers that disclosure could reasonably be expected to harm the interests of the regional district; and
 - (g) litigation or potential litigation affecting the regional district.

CARRIED

9. **ADJOURNMENT**

It was MOVED and SECONDED

That the Finance Committee conclude its regular meeting of June 11, 2009.

CARRIED
(Time: 10:26 a.m.)

Klara Kutakova,
Assistant to Regional Committees

Malcolm Brodie, Chair

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**GREATER VANCOUVER REGIONAL DISTRICT
FINANCE COMMITTEE**

Minutes of the Special Meeting of the Greater Vancouver Regional District (GVRD) Finance Committee held at 10:57 a.m. on Thursday, June 11, 2009 in the 2nd Floor Boardroom, 4330 Kingsway, Burnaby, British Columbia.

PRESENT:

Chair, Director Malcolm Brodie, Richmond
 Vice Chair, Director Colleen Jordan, Burnaby
 Director Ralph Drew, Belcarra
 Director Rick Green, Langley Township
 Councillor Robin Hicks, North Vancouver District
 Director Marvin Hunt, Surrey
 Councillor Craig Keating, North Vancouver City
 Councillor Michael Lewis, West Vancouver
 Director Don MacLean, Pitt Meadows
 Director Gayle Martin, Langley City

ABSENT:

Director Raymond Louie, Vancouver

STAFF:

Johnny Carline, Commissioner/Chief Administrative Officer
 Jim Rusnak, Chief Financial Officer
 Klara Kutakova, Assistant to Regional Committees, Corporate Secretary's Department

Recess

The Committee recessed from 10:57 a.m. to 11:39 a.m.

1. ADOPTION OF THE AGENDA**1.1 June 11, 2009 Special Meeting Agenda****It was MOVED and SECONDED**

That the Finance Committee adopt the agenda for its special meeting scheduled for June 11, 2009 as circulated.

CARRIED

2. REPORTS FROM COMMITTEE OR STAFF**2.1 2010 Pre-Budget Workshop**

Johnny Carline, Commissioner/Chief Administrative Officer, provided an outline of the following:

- Background
- Strategic priorities for 2010
- Main budget drivers and challenges
- Current draft capital plan

- Five-year projections for the Greater Vancouver Regional District, for the Greater Vancouver Water District, liquid waste and solid waste vs. 2010 board approved projections and CAO's proposed budget modifications
- 2010 program planning schedule and process

Presentation material is retained with the June 11, 2009 Finance Committee agenda.

The Committee provided the following comments:

- The Greater Vancouver Sewerage and Drainage District should start to build up its reserves now (for the upcoming liquid waste projects)

In response to questions, the Committee was informed about the following:

- budget cuts may result in delays of preventative maintenance of the regional infrastructure
- upgrades of both primary treatment plants simultaneously by 2020 is contingent on 2/3 of the funding being provided by the senior government
- the Iona Wastewater Treatment plant is the major capital expenditure budget item

Concerns were expressed about the impact of the proposed budget cuts on services provided and on necessary maintenance.

3. ADJOURNMENT

It was MOVED and SECONDED

That the Finance Committee conclude its special meeting of June 11, 2009.

CARRIED

(Time: 12:04 p.m.)

Klara Kutakova,
Assistant to Regional Committees

Malcolm Brodie, Chair

REPORTS FROM COMMITTEE OR STAFF

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Finance Committee Meeting Date: July 16, 2009

To: Finance Committee

From: Johnny Carline, Chief Administrative Officer
Delia Laglagaron, Deputy Chief Administrative Officer
Jim Rusnak, Chief Financial Officer

Date: June 30, 2009

Subject: Financial Projections for 2010 to 2014

Recommendation:

That the Board endorse the five year financial framework for 2010-2014 for budget and long range planning purposes as outlined in the report titled “*Financial Projections for 2010 to 2014*” dated June 30, 2009.

1. PURPOSE

To review and endorse financial projections as part of the 2010 Program Planning and Budget Process.

2. CONTEXT

Program Planning and Budget Process

A key part of the Program Planning and Budget process is the establishment of a framework of five year financial projections which are used to set the context for budget development purposes (see Schedule 1 attached for the timeline of our process).

These financial projections reflect, at this point in time, the anticipated program budget changes based on Board supported initiatives as well as legislative and operational requirements. Some of the key corporate financial drivers impacting on operations are general inflation, inflation affecting labour costs, along with a need for increased maintenance on our water and liquid waste system infrastructure. The impact of these factors varies by legal entity, and are addressed in the discussion that follows.

This year the process of reaching the 5 year projections included more consultation in advance of bringing forward the targets. The consultation included strategic discussions with the Finance Committee (June 11th) and with RFAC (June 17th). It was intended to get feedback from RAAC and REAC in advance of the July 16th Finance Committee meeting, however, both of these committees have rescheduled their meetings to now occur after Finance Committee.

In the pre-budget discussion with Finance Committee, the key feedback from the committee was:

- Concerns were expressed about the impact of proposed budget cuts on services provided and on necessary maintenance
- The GVS&DD should start to build up its reserves now, for upcoming liquid waste major projects

At the RFAC meeting, there was discussion around the urgency of finding an alternative to Cache Creek, given the 2010 closure of the landfill, and a general discussion around the cost drivers associated with various alternatives. We also heard from RFAC that proper communication and messaging is an important part of helping taxpayers understand rising utility costs, and that, generally speaking, municipalities have received very few complaints about increases in sewer and water rates.

As in the past, these projections, subject to unpredictable new cost drivers and uncertainties, are reviewed and endorsed by the Board.

Historical Budget Perspective

The Finance Committee has been interested in understanding the historical progression of the Districts' budgets. As in the prior years, Schedule 2 shows this information and includes annual budget changes along with explanations of any significant swings.

Overview of 5 year Budget Framework

Accurately forecasting 5 year financial projections is difficult. Since the Board endorsed the 5 year financial projections in 2008 many things have happened. These include the increased costs of the tunnel contract associated with the Seymour-Capilano Filtration Project due to well known issues with the previous contractor. In addition, there has been the increased focus on asset management, and managing the risks associated with required maintenance of our water and liquid waste systems, the emerging feedback from the discussion and consultation on the new Liquid Waste and Solid Waste Management Plans. All of this takes place in the midst of a world wide down turn in the economy. As discussed with the Board, earlier in the year, and again with the Finance Committee at the special pre-budget workshop in June, there are positive and negative impacts on Metro Vancouver as a result of the economic circumstances. On the one hand, it is a very good time to continue with project work, with reduced input costs, more skilled labour available, more competitive tenders and RFP's as well as a relatively low cost of capital to Metro Vancouver. On the other hand we need to be aware of consumer and taxpayer fatigue, rising unemployment and pressure on the municipal property tax base. The projections discussed below reflect such, particularly for 2010 budget. There is a balance however, as too much cost deferral particularly in the area of system maintenance will serve to put pressure on future year's projections.

Each legal function is covered in detail below. Overall the projections shown will increase the average household cost in 2010 for District services by approximately \$36. An average household is approximately \$600,000 in assessed value which is consistent with 2009.

Regional District:

Impact to Average Household

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
July 2008 Projections	5.5%	5.5%	3.5%	3.5%	--
Updated Projections	4.0%	5.5%	5.5%	3.5%	3.5%
Impact to Household	\$1.43	\$2.04	\$2.15	\$1.45	\$1.50
Total annual Household cost	\$37.11	\$39.15	\$41.30	\$42.75	\$44.25

Note: In this case we are assuming that growth in the region will be 1.5%.

It is proposed that for 2010 it will be targeted to absorb the impact of 1.5% regional growth. The main budget drivers in the Regional District continue to be primarily the impact of inflation and the implementation of the Parks Greenway Management Plan (PGMP) of approximately \$15 million which is being phased in over 10 years. The reduced projection for 2010 will likely result in the deferral of some of the planned expenditures under the PGMP. This is proposed to be accommodated in future years. In addition, it should be noted that new Board initiatives may fall within the Regional District budget, as they have in the recent past (e.g. agriculture, culture, international engagement).

Water District:

Impact to Average Household

Water Rate (m3)	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
July 2008 Projections	.4672	.4859	.5053	.5255	--
• Impact of New Tunnel Contract	.0300	.0500	.0700	.0850	--
• Impact of Lower Consumption	--	.0330	.0450	.0630	--
• Impact of Increased Maintenance/Other	--	.0150	.0204	.0358	--
Updated Projections	.4972	.5839	.6407	.7093	.7556
Impact to Household (rounded)	\$21	\$33	\$22	\$26	\$21
	12.3%	17.4%	9.7%	9.5%	6.6%
Total annual Household cost	\$190	\$223	\$245	\$271	\$289

The upward pressure on the wholesale water rate is due to the debt service and operating costs associated with the Seymour-Capilano Filtration Plant. In particular, increased tunnel contract costs, updated projections of declining water consumption and increases in system maintenance and costs associated with asset management planning have pushed the water rate projections higher than those endorsed by the Board last year. It is targeted for 2010 that these upward pressures be absorbed with the exception of the increased tunnel costs. It is further projected that the deferrals from 2010 be accommodated in future years. Legal action is being taken to recover the additional tunnel costs, however, resolution of such may be several years into the future and not reflected in the above projections.

The Water Rate projections for 2010-2013 have been increased to reflect the impact of these budget drivers. A projected water rate of \$0.7556 has been added for 2014 as well.

Budget uncertainties not reflected in current projections:

- 1) Water Sales revenue variances: a wet summer can cause revenue variances of +/- 3% (\$3 million).
- 2) The market indicators on long-term interest rates are indicating a possible increase in future borrowing costs.
- 3) Financial implications regarding the recovery of the increased tunneling costs of the Seymour-Capilano Filtration Project.

Sewerage and Drainage District:

Liquid Waste:

Impact to Average Household

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
July 2008 Projections	4.0%	4.0%	4.0%	4.0%	- -
Updated Projections	2.5%	6.0%	6.0%	5.5%	5.0%
Impact to Household (rounded)	\$4	\$10	\$10	\$10	\$10
Total annual Household cost	\$162	\$172	\$182	\$192	\$202

Note: We are assuming that population growth in the region will be 1.5%

It is proposed that for 2010 it will be targeted to absorb the impact of 1.5% regional growth. The main budget drivers in Liquid Waste continue to be the impacts of inflation on labour rates, and the increased costs associated with the maintenance of our aging infrastructure. The Liquid Waste budget is particularly sensitive to the need for increased maintenance. The proposed reduction in 2010 will likely be the result of a deferral of maintenance related projects which will be adjusted for in future years.

The Liquid Waste projections for 2010-2013 have been increased to reflect the impact of these budget drivers. A projection of 5.0% has been added for 2014 as well.

Budget uncertainties not reflected in current projections:

- 1) Possible costs associated with the Secondary Treatment Upgrade projects at the Lulu Island and Lions Gate Treatment Plants should these projects commence sooner than currently planned.
- 2) The market indicators on long-term interest rates are indicating a possible increase in future borrowing costs.

Solid Waste:

Impact to Average Household

Tipping Fee (\$71 per tonne)	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
July 2008 Projections	\$75	\$80	\$88	\$103	--
Updated Projections	\$82	\$87	\$98	\$113	\$130
Impact to Household (rounded)	\$11	\$4	\$11	\$15	\$16
Total annual Household cost	\$80	\$84	\$95	\$110	\$126

The impact of 3rd party contract inflation and the rising cost of fuel have put upward pressure on the tipping fee in recent years; however, this pressure has been offset by continuously increasing waste flows in the region and energy revenues through the sale of steam and electricity. This is no longer holding true. A deficit in 2008 and one projected for 2009 are reflective of declining waste flow and the loss of the associated economies of scale. The 2010 projection includes \$6 to recoup the projected 2009 deficit.

The Solid Waste Tipping Fee projections for 2010-2013 presented last year have been increased to reflect these changes. These increased tipping fee projections are driven by several factors:

- Projected 2009 deficit.
- Third party contract inflation.
- Declining waste flows.
- The financial impacts of the current draft of the Solid Waste Management Plan (SWMP) which is currently in the consultation process. In particular, the projection reflect the debt service costs associated with the projected construction of new waste management facilities at a cost estimated, at this stage, to be likely in excess of \$700 million. The SWMP provides for increasing waste diversion from the current 52% to 70% by 2015. This reduction in waste flows through the system would result in the loss of some economies of scale in the short term, therefore putting upward pressure on the tipping fee. In addition, with the Cache Creek Landfill closing in 2010, a higher cost waste disposal alternative has been included to bridge the gap until the increased waste management capacity is available in 2015. **While the projected tipping fees are reflective of the financial impacts discussed, many uncertainties and financial concerns remain to be resolved and quantified as the plan for regional waste management is finalized.**

Budget uncertainties / financial concerns:

- 1) In the near term, with the impending closure of the Cache Creek Landfill uncertainties exist with regard to the waste disposal alternative to be employed until a long term waste management solution is finalized.
- 2) The resource requirement associated with increasing the rate of waste diversion in the system as called for under the Draft SWMP has not been quantified in a detailed manner.
- 3) The timing of adoption of an amended SWMP, and the capital spending that flows from it, will have significant impact on projections. If the plan is finalized sooner than assumed, this will accelerated the capital components and the financing required, thus putting upward pressure on tipping fee.

MVHC - Regional Affordable Housing:

The MVHC, the majority of which is governed by partnership operating agreements, is supported by revenue from property rentals which have exceeded expenditures in recent years. Over the past few years a number of operational improvements have been made leading to more efficient use of existing resources and some properties were refinanced to improve the MVHC financial picture. Despite these improvements a review in conjunction with our funding partners is underway in developing a longer term management plan regarding two significant issues facing the MVHC: 1) the financing of the required water ingress repairs and 2) ongoing maintenance and capital replacement of our now aging portfolio.

We continue to move towards resolving some of these issues which should assist in meeting the financial pressures to maintain the existing portfolio in the near future.

3. ALTERNATIVES

- 1) The Board can endorse the five year financial framework as presented
- 2) The Board can provide direction for amending the five year financial framework as it considers appropriate

4. CONCLUSION

While some uncertainties remain, several things have happened since the financial projections were presented during the 2009 Program Planning and Budget process. As a result the projections for 2010 – 2014 reflect the information known at this time. The projections are reflective of the sensitivity to the economic uncertainties for the region showing restraint in 2010 where possible through deferral to future years.

PT/eb

Attachments:

Schedule 1 - 2010 Program Planning Schedule

Schedule 2 - Greater Vancouver Districts' Historical Budget Analysis

Document #004945961

2010 Program Planning Schedule

Date (2009)	Action
Internal Deadlines	
May 25	CAO/Managers' meeting to discuss strategic priorities and key expenditure drivers for 2010
May 26	2009 PIP open to program owners
June 12	Deadline for department dependency identification
July 17	Deadline for program owners' completion of programs/budget and staffing
July 31	Deadline for completion of Managers' program review
Aug 1-21	Finance department review of programs
Aug 24-28	CAO administrative review
Aug 31-Sep 11	Managers' appeal
Sep 18	Final adjustments to Finance
Five-Year Projections	
June 11	Five-year Projections to Finance Committee (informal discussion)
June 17	Five-year Projections to RFAC
June 24	Five-year Projections to RAAC (Meeting cancelled, defer to July)
July 3	Five-year Projections to REAC (Meeting changed to July 17th)
July 16	Finance Committee review and approve Five-year Projections/Targets
July 31	Board review and approve Five-year Projections
Committee Review	
Sep 18	Electoral Area Committee review of programs
Sep 18	Housing Committee review of programs
Oct 6	Environment & Energy Committee review of programs
Oct 7	Parks Committee review of programs
Oct 8	Agriculture Committee review of programs
Oct 8	Labour Relations Bureau review of programs
Oct 9	Regional Planning Committee review of programs
Oct 14	Water Committee review of programs
Oct 14	Waste Management Committee review of programs
Oct 15	Intergovernmental Committee review of programs
Oct 15	Finance Committee review of programs
Oct 15	Finance Committee review of Draft Budget
Oct 28	Info Session for RAAC/REAC/RFAC
Public Consultation	
TBD	Public Consultation Session
Municipal Consultations	
TBD	Municipal Consultation Session – North Shore, City of North Vancouver
TBD	Municipal Consultation Session – City of Vancouver City Hall
TBD	Municipal Consultation Session – Fraser North, New Westminster City Hall
TBD	Municipal Consultation Session – City of Richmond City Hall
TBD	Municipal Consultation Session – Fraser South, City of Surrey City Hall
Board Review	
Oct 21	Board budget workshop
Oct 23	MVHC Board - approval of programs & budget
Oct 30	RD, WD & SD Boards - approval of programs & budget

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**Greater Vancouver Districts'
Historical Budget Analysis**

	2005	2006	2007	2008	2009
REGIONAL DISTRICT:					
Tax Requisitions	\$ 33,519,695	\$ 35,141,405	\$ 37,765,056	\$ 38,792,473	\$ 39,633,544
% Change*	3.20%	4.84%	7.47%	2.72%	2.17%
Cost Per Average Household	\$ 32	\$ 33	\$ 35	\$ 35	\$ 35

With Regional Parks comprising about 60% of the Regional District their costs were kept relatively flat for several years and although this kept the requisitions down it also resulted in deterioration of basic Park's infrastructure. The increases in 2003 and 2004 begin to address the maintenance and upgrade of this infrastructure as well as the cost increases associated with an increase in the number of park visitors and 2005 is maintaining that level of service. 2006 is up primarily due to increases in 911. 2007 and 2008 up due to new initiatives in Strategic Planning (Agriculture and Environment) and implementation of PGMP.

WATER DISTRICT

Water Rate	\$ 0.250	\$ 0.291	\$ 0.348	\$ 0.383	\$ 0.443
% Change	12.00%	16.23%	19.67%	9.91%	15.82%
Cost Per Average Household	\$ 110	\$ 128	\$ 151	\$ 166	\$ 169 **

2004	Increases due to the start of the construction of the new filtration plant, upgrading of facilities to current seismic and safety standards and \$5.6 million increase in "pay as you go" funding for capital.
2005	Increases due to the continuing construction of the new filtration plant.
2006	Increases due to the continuing construction of the new filtration plant.
2007	Increases due to the continuing construction of the new filtration plant.
2008	Increases due to the continuing construction of the new filtration plant.

LIQUID WASTE

Sewer Levy	\$ 125,633,786	\$ 130,457,023	\$ 136,333,761	\$ 144,065,223	\$ 151,338,286
% Change*	1.19%	3.84%	4.50%	5.67%	5.05%
Cost Per Average Household	\$ 139	\$ 143	\$ 147	\$ 153	\$ 158

Increases in the Liquid Waste budget over this period has been relatively consistent and has been the result of increased maintenance and upgrade requirements to an aging infrastructure(both operating and capital). The increase in 2005 was less than the trend due mainly to some efficiencies in operations.

Greater Vancouver Districts'
Historical Budget Analysis (continued)

SOLID WASTE

Tipping Fee	\$	65.00	\$	65.00	\$	65.00	\$	68.00	\$	71.00
Cost Per Average Household	\$	64	\$	64	\$	64	\$	67	\$	69

The Solid Waste Tipping Fee was changed to \$65.00 per tonne in 1996 from \$69.00 and has remained constant through 2007. This has been made possible by increases in waste flows over the years as well as the addition of other sources of revenue such as the sale of steam generated at the waste to energy facility and the use of that steam to produce and sell electricity. 2008 will result in a \$3 increase in the Tipping Fee due to the Zero Waste Challenge and other planning initiatives moving forward.

- * Impact per average household would be approximately 1.5% less.
- ** Drop in projected per household consumption from 430 cubic metres to 382.



Finance Committee Meeting: July 16, 2009

To: Finance Committee

From: Phil Trotzuk, Financial Planning and Operations Manager

Date: June 30, 2009

Subject: **2009 Financial Performance Report as of May 2009**

Recommendation:

That the Finance Committee receive the report titled "2009 Financial Performance Report as of May 2009" dated June 26, 2009 for information.

1. PURPOSE

To present the Finance Committee with an update on financial performance to May 31, 2009 and provide a forecast for the year.

2. CONTEXT

This is the first in a series of three reports for 2009 on the financial performance of the Districts.

Year-to-date results as presented are based on the actual results for the first five months of the year with the main focus then on the projections to year-end.

3. ALTERNATIVES

Not applicable

4. CONCLUSION

Overall the Districts are projecting a surplus of approximately \$9.6 million or within 2% of budget. This is largely due to savings in debt service costs in Water and Liquid Waste.

All Districts are projecting a surplus for the year with the exception of Solid Waste. The decrease in regional waste flows which have accompanied the economic decline have resulted in a projected deficit of approximately \$6.6 million. This will be funded from existing reserves; however, this will cause the reserve level to drop below the Board established minimum operating reserve and, by policy, must be replenished over a maximum two year period.

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Greater Vancouver Districts

2009 Financial Performance

As of May 2009



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Table of Contents

Overview.....	1
Statement of Surplus/(Deficit)	2-3
District Summaries	
• Regional District Summary.....	4-5
• Water District Summary	6
• Sewerage & Drainage District Summaries	
➤ Liquid Waste	7
➤ Solid Waste	7
• Housing Corporation Summary	8
• Corporate Programs	9-10
Financial Indicators	11-13

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Greater Vancouver Districts Overview

Overall, the Districts and Housing Corporation are projecting a surplus of \$9.6 million for the 2009 fiscal year. The overall surplus is mainly due to the deferral of some projects and lower than budgeted debt costs in both Water and Liquid Waste.

The projected results for 2009, by district, are as follows:

Surplus/(Deficit) \$ Millions

	Revenues	Operating Expenditures	Debt Service Costs	Total
Regional District	\$ (0.4)	\$ 0.7	\$ -	\$ 0.3
Water District	(0.3)	5.0	6.0	10.7
Sewerage & Drainage				
➤ Liquid Waste	0.1	3.4	1.9	5.4
➤ Solid Waste	(13.4)	4.0	2.8	(6.6)
MV Housing Corporation	(0.3)	-	0.1	(0.2)
	\$ (14.3)	\$ 13.1	\$ 10.8	\$ 9.6

The operating surplus in the Regional District can be mainly attributed to savings resulting from staff vacancies in Labour Relations, Strategic Planning and Electoral Areas and the resulting deferred project costs.

The Water District's projected surplus is largely the result of lower than budgeted debt charges due to delays in capital spending compared to budget, delays in some maintenance projects and water treatment cost savings.

The Liquid Waste surplus projection for 2009 is primarily due to savings in debt service costs, delays in some maintenance projects and the expected savings of the operating contingency.

The Solid Waste deficit is primarily due to lower than expected waste flows in the system and lower than expected energy sales.

The Housing Corporation is projecting net income less than budget primarily due to a shortfall in net revenues.

In addition to the above surpluses, corporate programs are also projecting a surplus for 2009 of approximately \$500,000 primarily due to staff vacancies.



Greater Vancouver Districts
Statement of Surplus (Deficit)
For the period ending May 31, 2009

	Year to Date			Year End			
	Budget	Actuals	Variance	Annual* Budget	Year End Forecast	Projected Year End Variance	% Variance to Budget
DISTRICT / CORPORATION							
Regional District							
Revenue	4,260,776	4,223,557	(37,219)	50,318,774	49,918,774	(400,000)	(0.8%)
Expenditure	21,931,375	19,730,454	2,200,921	50,318,774	49,636,517	682,257	1.4%
Surplus (Deficit)	(17,670,599)	(15,506,897)	2,163,702	-	282,257	282,257	-
Water District							
Revenue	62,134,424	61,638,028	(496,396)	179,778,869	179,482,244	(296,625)	(0.2%)
Expenditure	67,376,856	52,323,921	15,052,935	179,778,869	168,766,019	11,012,850	6.1%
Surplus (Deficit)	(5,242,432)	9,314,107	14,556,539	-	10,716,225	10,716,225	-
Sewerage and Drainage District							
Liquid Waste							
Revenue	2,407,658	1,481,490	(926,168)	173,342,693	173,439,427	96,734	0.1%
Expenditure	64,678,249	52,773,876	11,904,373	173,342,693	168,037,813	5,304,880	3.1%
Surplus (Deficit)	(62,270,591)	(51,292,386)	10,978,205	-	5,401,615	5,401,615	-
Solid Waste							
Revenue	42,951,514	32,756,112	(10,195,402)	104,169,895	90,732,240	(13,437,655)	(12.9%)
Expenditure	43,127,826	35,368,968	7,758,858	104,169,895	97,292,522	6,877,373	6.6%
Surplus (Deficit)	(176,312)	(2,612,856)	(2,436,544)	-	(6,560,282)	(6,560,282)	-
MV Housing Corporation							
Revenue	15,036,025	14,676,715	(359,310)	36,028,800	35,738,609	(290,191)	(0.8%)
Expenditure	14,921,236	14,233,982	687,254	35,746,832	35,658,609	88,223	0.2%
Surplus (Deficit)	114,789	442,734	327,945	281,968	80,000	(201,968)	-
Consolidated Surplus (Deficit)	(85,245,145)	(59,655,298)	25,589,846	281,968	9,919,815	9,637,847	-

* 2009 Budget includes reserve and surplus carry-forward applications as approved by the Board.



**Greater Vancouver Districts
Regional Function's Surplus (Deficit)
For the period ended May 31, 2009**

FUNCTION	Year to Date			Year End			
	Budget	Actuals	Variance	Annual* Budget	Year End Forecast	Projected Year End Variance	% Variance to Budget
911 Emergency Telephone							
Revenue	-	(19,952)	(19,952)	3,625,644	3,625,644	-	0.0%
Expenditure	1,780,292	1,703,862	76,430	3,625,644	3,625,644	-	0.0%
Surplus (Deficit)	(1,780,292)	(1,723,814)	56,478	-	-	-	0.0%
Air Quality							
Revenue	515,466	226,285	(289,181)	5,544,948	5,044,949	(499,999)	(9.0%)
Expenditure	2,250,702	2,061,645	189,057	5,544,948	5,504,746	40,202	0.7%
Surplus (Deficit)	(1,735,236)	(1,835,360)	(100,124)	-	(459,797)	(459,797)	-8.3%
General Government							
Revenue	543,440	739,946	196,506	5,216,412	5,316,412	100,000	1.9%
Expenditure	2,451,241	2,059,189	392,052	5,216,412	5,033,059	183,353	3.5%
Surplus (Deficit)	(1,907,801)	(1,319,244)	588,557	-	283,353	283,353	5.4%
Labour Relations							
Revenue	171,764	175,456	3,692	2,597,189	2,597,189	-	0.0%
Expenditure	1,097,357	883,314	214,043	2,597,189	2,347,189	250,000	9.6%
Surplus (Deficit)	(925,593)	(707,858)	217,735	-	250,000	250,000	9.6%
Regional GPS							
Revenue	-	-	-	563,919	563,919	-	0.0%
Expenditure	234,984	80,762	154,222	563,919	517,919	46,000	8.2%
Surplus (Deficit)	(234,984)	(80,762)	154,222	-	46,000	46,000	8.2%
Regional Parks							
Revenue	2,792,790	2,909,246	116,456	29,391,400	29,391,400	-	0.0%
Expenditure	12,619,592	11,706,974	912,618	29,391,400	29,391,400	-	0.0%
Surplus (Deficit)	(9,826,802)	(8,797,728)	1,029,074	-	-	-	0.0%
Strategic Planning							
Revenue	223,515	180,560	(42,955)	2,672,686	2,672,686	-	0.0%
Expenditure	1,208,997	1,048,868	160,129	2,672,686	2,591,886	80,800	3.0%
Surplus (Deficit)	(985,482)	(868,308)	117,174	-	80,800	80,800	3.0%
West Nile Virus							
Revenue	-	-	-	111,622	111,622	-	0.0%
Expenditure	46,810	24,959	21,851	111,622	99,722	11,900	10.7%
Surplus (Deficit)	(46,810)	(24,959)	21,851	-	11,900	11,900	10.7%
Electoral Area							
Revenue	9,424	4,933	(4,491)	396,931	396,931	-	0.0%
Expenditure	158,872	102,075	56,797	396,931	326,931	70,000	17.6%
Surplus (Deficit)	(149,448)	(97,143)	52,305	-	70,000	70,000	17.6%
Sasamat Volunteer Fire Dept.							
Revenue	4,377	7,083	2,706	198,023	198,023	-	0.0%
Expenditure	82,528	58,805	23,723	198,023	198,023	-	0.0%
Surplus (Deficit)	(78,151)	(51,721)	26,430	-	-	-	0.0%
Regional Surplus (Deficit)	(17,670,599)	(15,506,897)	2,163,702	-	282,257	282,257	-

* 2009 Budget includes reserve and surplus carry-forward applications as approved by the Board.

Greater Vancouver Districts 2009 Financial Performance District Summaries

Greater Vancouver Regional District

The Regional District at the end of May 2009 is in a surplus position of approximately \$2.2 million. This surplus is due to the timing of actual expenditures being slower than budget, primarily in Regional Parks, and staff vacancies in Labour Relations, Strategic Planning and Electoral Areas. It is anticipated that the delayed expenditures to date will be incurred by year-end and that the projected surplus for 2009 will be reduced to approximately \$280,000.

❖ **911 Emergency Telephone**

E911 is currently in a surplus position of approximately to \$56,000. This is largely due to the delay in purchasing new upgraded telephone equipment. The additional requirement for translation services and telephone services will be offset by the anticipated savings from the deferral of the equipment upgrade. The program is projected to be on budget for the year.

❖ **Air Quality**

Air Quality is currently in a deficit position of \$100,000 primarily due to the receipt of lower than anticipated permit fees. As permit fees are tied to air emissions, these improvements, as well as the decline in the economy, particularly the wood industry, are expected to result in a deficit in permit fees for the year. Discretionary expenditures will be reduced where possible; however, air Quality is expected to be in a deficit position of close to \$460,000 by year's end. This deficit will be funded from excess reserves due to past year's surpluses in the function.

❖ **General Government**

General Government is in a surplus position of close to \$589,000 due to Board meetings included in the budget that have not taken place, some expenditures delayed until the latter part of the year, and unanticipated interest revenue. It is expected that some of the delayed expenditures will be incurred by year-end and that the General Government surplus will be reduced to approximately \$280,000.

❖ **Labour Relations**

Labour Relations is in a surplus position of approximately \$217,000 due to vacant staff positions and lower than expected spending on consulting services for member services projects. Savings in staffing costs and a reduced level of spending on consulting will result in the surplus increasing to \$250,000 by year-end.

Greater Vancouver Regional District (continued)

❖ **Regional Global Positioning System**

GPS is projected to have a surplus of \$46,000 by year-end as a result of savings in miscellaneous operating costs.

❖ **Regional Parks**

Regional Parks is in a surplus position at the end of May of approximately \$1.0 million due primarily delays in hiring some seasonal staff, the deferral of some project related expenditures until later in the year, asset purchases, and materials and supply expenditures to the summer and fall months.

At this time, all budgeted expenditures are expected to be incurred during the year and Regional Parks is projecting to be on budget at the end of the year.

❖ **Strategic Planning**

Strategic Planning is currently in a surplus position of approximately \$117,000 primarily in labour savings due to vacancies and delays in the start of some consulting studies. It is expected that by the end of the year the consulting studies will be completed and the surplus will be reduced to \$81,000.

❖ **West Nile Virus**

West Nile Virus program is expected to show a small surplus for 2009 of close to \$12,000 due to less spraying than anticipated in the budget.

❖ **Electoral Areas**

The Electoral Areas currently have a year-to-date surplus of approximately \$52,000 due primarily to staff vacancies which in turn has resulted in the deferral of the Official Community Plan amendments. The vacancy has recently been filled, however, it is expected that Electoral Areas will be in a surplus position of \$70,000 at year end.

❖ **Sasamat Volunteer Fire Department**

Sasamat Volunteer Fire Department is currently in a surplus position of \$24,000 due to timing of actual expenditures being slower than budget. As these expenditures are expected to be incurred by year-end, the program is expected to be on budget for the year.

Greater Vancouver Water District

The Water District is currently in a year to date surplus position of close to \$14.6 million which is expected to decrease to approximately \$10.7 million by year-end.

Water District revenues to the end of May are \$496,000 under budget due to the timing of some external revenue amounts and a small shortfall in Water Sales. The warmer and dryer weather since the beginning of the year has resulted in water consumption for the first 4 months of 2009 to be essentially on budget and 3% higher than the same period last year. Using information from June consumption estimates and updated projected weather impacts for the remainder of the year, it is estimated that water sales revenues will progress at close to budget. This along with the expected receipt of some miscellaneous external revenue will result in a year-end revenue shortfall of close to \$300,000. Should the weather in the remaining part of the year turn cooler and wetter than normal, this shortfall could increase.

Water District expenditures are currently \$15.1 million below budget due primarily to a lower debt service costs (\$6.0 million) resulting from slower than anticipated expenditures in the fall of 2008 and early 2009, particularly regarding the twin tunnels, staff vacancies, deferral of several engineering and maintenance projects to the more favourable summer months, delays in the commissioning of the Seymour-Capilano Filtration Plant until the latter part of the year and lower than anticipated costs for water treatment, pumping and water purchases from B.C. Hydro.

At year-end, it is expected that the final expenditure surplus will decrease to approximately \$10.7 million. This surplus is largely the result of savings in debt service costs (\$6.0 million), delays in maintenance engineering projects due to some staffing vacancies and savings in water treatment costs due to less required material / chemical purchases.

Greater Vancouver Sewerage and Drainage District

❖ **Liquid Waste**

Liquid Waste is anticipating a 2009 surplus of approximately \$5.4 million primarily due to the savings or deferral of some operating costs and savings in debt service costs. The projected surplus can be split as follows: FSA \$2.47 million, LIWSA \$1.35 million, VSA \$1.08 million, Drainage \$0.03 million and NSSA \$0.47 million.

Total revenue is projected to be essentially on budget with a small surplus of close to \$100,000 due to the additional requirement of Development Cost Charge revenue to fund slightly higher than anticipated growth debt.

Debt service costs are expected to be approximately \$1.9 million under budget due to delays in capital projects and lower than anticipated long term financing.

Total operating expenditures is expected to be under budget by approximately \$3.4 million for the year. Wastewater Collections is projecting a surplus of about \$850,000, the majority of which is related to less than anticipated work on the Gilbert Trunk Sewer Project (LIWSA). Some staffing vacancies and less unplanned maintenance projects is expected to result in savings or deferral of \$1.3 million in maintenance related work, the Residuals program is expecting savings of \$400,000 due to fewer disposal trips for grit and screenings, savings of \$350,000 in miscellaneous operating costs is expected and the operating contingency is not expected to be needed.

❖ **Solid Waste**

Currently the Solid Waste function is projecting an overall deficit of close to \$6.6 million for 2009. The projected decline in Metro Vancouver's waste flows is the main contributor to this deficit.

Revenues for 2009 are projected to be less than budget by approximately \$13.4 million of which \$10.6 million is the result of a decrease in waste flows within the system, \$1.1 million due to the delay in the implementation of residential drop off fee increases and \$1.7 million of a shortfall in energy revenue due to the reduction in customer demand for steam.

Total overall expenditures in 2009 are projected to be under budget by \$6.8 million of which \$4.8 million is due largely to lower processing costs due to the decrease in waste flows, \$3.4 million savings in reduced debt costs due to some deferred capital work (including capital expenditures of our third party contractor) and \$0.5 million savings in reduced payments under the terms of a steam share agreement. These savings are partially offset by \$1.9 million of third party contract inflation proving higher than budget.

This projected 2009 deficit will be funded from reserves which will be replenished to their Board required minimum level in 2010 through the tipping fee.

Metro Vancouver Housing Corporation

The Metro Vancouver Housing Corporation (MVHC) has an operating surplus of \$443,000, \$328,000 higher than budget for the first five months of the year.

Revenues for the first five months of the year are \$359,000 lower than budget, primarily due to lower interest and subsidy revenue and upward pressure on subsidy expenses and vacancies. Rent increases coming into effect in the fall will offset any further revenue impact, so revenues are projected to be about \$280,000 lower than budget by year-end.

Expenditures for the first five months of the year are \$687,000 below budget however, a substantial amount of maintenance work is in progress, but not completed and billed. Overall, planned maintenance is on schedule and on budget. Expenditure levels are being monitored and will be adjusted if economic conditions continue to erode revenue projections.

By year-end, the projected operating surplus is expected to be about \$80,000, approximately \$200,000 lower than budget.

In 2009, the MVHC budgeted water ingress repairs and capital replacement expenditures totaled \$9.1 million. As at May 31, \$2.3 million had been spent. Many capital projects have been tendered and awarded and work will be proceeding in the coming months. Total expected expenditures on capital and water ingress related work for 2009 is forecast to be approximately \$7 million. These capital expenditures are funded from reserves and, therefore, have no impact on the operating surplus.

Corporate Programs

Overall, Corporate Programs are in a surplus position of approximately \$2.4 million for the first five months of 2009. This surplus is largely due to the timing of actual expenditures being slower than that anticipated in the budget and savings from staff vacancies.

As the majority of the delayed expenditures are expected to be made by year-end, the overall Corporate Program surplus is projected to decline to approximately \$500,000 primarily the result of staff vacancies.

❖ **Chief Administrative Officer**

The CAO's Office is essentially on budget to date and is expected to be such at the end of the year.

❖ **Corporate Relations**

Corporate Relations is currently in a surplus position of approximately \$550,000 due mainly to vacant positions and delays of some communication initiatives related to the Zero Waste Challenge and the Regional Growth Strategy.

At this time, the vacant positions are expected to be filled and the delayed initiatives completed by year-end thus reducing the surplus to a projected level of \$63,000 for the year.

❖ **Human Resources**

The Human Resources department is approximately \$160,000 under budget to date due largely to vacancies in the early part of the year which have now been filled and the timing of several employee related projects to occur later in the year. This surplus is expected to be eliminated by year-end with the department essentially on budget for the year. The staff savings from early in the year will be off set by some unanticipated system enhancements and legal costs associated with labour relations issues.

❖ **Finance and Administration**

The Finance and Administration department is in a surplus position of approximately \$300,000 to the end of May 2009, primarily due to staff vacancies.

The surplus is expected to increase to close to \$400,000 at year-end as some of the staff vacancies are expected to continue.

Corporate Programs (continued)

❖ **Information Technology**

Information Technology is in a surplus position of approximately \$170,000 for the first five months of 2009 due primarily to delays in planned purchases of computer equipment and some staff vacancies at the beginning of the year.

At this time it is expected that the delayed equipment purchases will be made by year-end and Information Technology will be essentially on budget for the year.

❖ **Other Corporate Services**

At the end of May 2009, other corporate services are in a surplus position of approximately \$1.2 million. This is mainly due to the deferral of some head office maintenance projects until later in the year, timing regarding the delivery of some corporate safety related programs, contracted security budgeted for the Seymour Filtration Plant has been delayed until the plant is commissioned later in the year and the delay of some capital projects / corporate initiatives has resulted in the deferral of some budgeted public consultation work.

It is anticipated that these delayed expenditures will proceed in the latter part of the year. As a result, the overall surplus for Other Corporate Services is expected to be approximately \$41,000 for 2009.

Greater Vancouver Districts Financial Indicators

These ratios are intended to help indicate the Greater Vancouver District's financial ability to continue to provide services to the region on a sustainable basis. This involves evaluating a number of factors, including the ongoing ability to ensure revenues meet expenditures, ability to meet debt obligations, and the flexibility to address unexpected contingencies. Forecast ratios can help to identify potential financial problems in advance.

1) Municipal Property Tax and Levies / Total Revenue

This ratio is a measure of the diversification of revenues. A high ratio indicates a reliance on property tax related levies / fees. A low ratio illustrates a greater range of revenues which is seen as beneficial. However, other revenue streams may not be sustainable or fluctuate more than tax requisitions.

	2006 Actual		2007 Actual		2008 Actual		2009 Budget		2009 Forecast	
<u>Total Property tax/levies</u>	\$173,509,345	38.3%	\$181,422,031	37.8%	\$189,898,996	38.4%	\$198,475,322	36.5%	\$198,475,322	37.5%
<u>Total Revenue**</u>	\$452,881,285		\$479,594,860		\$494,933,894		\$543,639,031		\$529,311,294	

The GVRD has a reasonably well diversified revenue base. Some revenue streams are subject to fluctuations during the year. In particular, Solid Waste User Fees and Water Sales are projected to be down for 2009.

2) i) Debt Service Costs/ Total Revenue

This is the percentage of revenue committed to payment of interest and principal on temporary and long-term debt for the regional, sewer, solid waste and water operations. A high percentage indicates greater use of revenues for the repayment of debt, and less ability to adjust to unplanned events and changing circumstances.

	2006 Actual		2007 Actual		2008 Actual		2009 Budget		2009 Forecast	
<u>Debt Service Costs</u>	\$123,206,919	27.2%	\$130,963,502	27.3%	\$130,520,023	26.4%	\$153,617,572	28.3%	\$143,248,061	27.1%
<u>Total Revenue**</u>	\$452,881,285		\$479,594,860		\$494,933,894		\$543,639,031		\$529,311,294	

** 2009 Budget includes reserve and surplus carry-forward applications as approved by the Board.

Financial Indicators (continued)

2) ii) Interest Costs/ Total Revenue

This is the percentage of revenue committed to payment of interest on temporary and long-term debt for the regional, sewer, solid waste and water operations. A high percentage indicates greater use of revenues for servicing interest on outstanding debt, and less ability to adjust to unplanned events and changing circumstances.

	2006 Actual		2007 Actual		2008 Actual		2009 Budget		2009 Forecast	
<u>Interest Costs</u>	<u>\$64,666,569</u>	14.3%	<u>\$67,536,647</u>	14.1%	<u>\$66,442,009</u>	13.4%	<u>\$83,424,847</u>	15.3%	<u>\$76,735,826</u>	14.5%
<u>Total Revenue**</u>	<u>\$452,881,285</u>		<u>\$479,594,860</u>		<u>\$494,933,894</u>		<u>\$543,639,031</u>		<u>\$529,311,294</u>	

Both debt service costs and interest costs as a percentage of revenue is down compared to budget indicating that less of our revenue is required to service outstanding debt (principal and interest) and more is available to fund current projects.

3) Operating Reserves/ Total Revenues

Reserve levels are an indicator of financial strength since they provide the ability to meet unforeseen expenditures or revenue losses.

	2006 Actual		2007 Actual		2008 Actual		2009 Budget		2009 Forecast	
<u>Operating Reserves</u>	<u>\$57,531,437</u>	12.7%	<u>\$28,064,038</u>	5.9%	<u>\$65,349,084</u>	13.2%	<u>\$36,583,782</u>	6.7%	<u>\$46,423,597</u>	8.8%
<u>Total Revenue**</u>	<u>\$452,881,285</u>		<u>\$479,594,860</u>		<u>\$494,933,894</u>		<u>\$543,639,031</u>		<u>\$529,311,294</u>	

Projected operating reserves are up from the prior year due to the projected surplus, however, the aggressive application of excess reserves to avoid debt will bring these reserves down to consistent levels. The level of operating reserves appears adequate to meet potential unexpected contingencies.

** 2009 Budget includes reserve and surplus carry-forward applications as approved by the Board.

Financial Indicators (continued)

4) Total Municipal Taxes, Water, Sewer and Solid Waste Charges / Per Capita

This indicator is a representation of the per capita cost impact of the regions tax payer supported services. These costs are passed on to the tax payer through our member municipalities. The 2009 population is assumed to increase at a rate of 1.5% over 2008.

	2006 Actual	Per Capita	2007 Actual	Per Capita	2008 Actual	Per Capita	2009 Budget	Per Capita	2009 Forecast	Per Capita
Total Tax Revenue ***	\$367,229,493	\$167	\$396,252,949	\$177	\$411,960,926	\$181	\$456,916,062	\$108	\$445,020,612	\$193
Total Population ****	2,199,121		2,237,559		2,271,224		2,305,292		2,305,292	

This increase in per capita cost is consistent with our budget increases in the cost of regional services, particularly water treatment and regional parks. The decrease in the forecast over budget is the result of the projected shortfall Solid Waste User Fees.

** 2009 Budget includes reserve and surplus carry-forward applications as approved by the Board.
 *** Total Tax Revenue defined as Regional District tax requisition, Water Sales, Sewer & Drainage Levy and Solid Waste User Fees.
 **** Based on Population Section, BC Stats, Ministry of Labour & Citizens' Services, Government of British Columbia, December 2008.

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Finance Committee Meeting Date: July 16, 2009

To: Finance Committee

From: Jennifer Rosen, Internal Auditor, Finance & Administration Department

Date: June 25, 2009

Subject: **Summary of Internal Audit Report: Vehicle Fleet Management**

Recommendation:

That the Finance Committee receive the report dated June 25, 2009 titled “*Summary of Internal Audit Report: Vehicle Fleet Management*” for information.

1. PURPOSE

To provide the Finance Committee with an overview of the results from an internal audit completed of Vehicle Fleet Management.

2. CONTEXT

Internal Audit conducts independent audits and examinations that provide objective information, advice and assurance to senior management, the Finance Committee and the Board of Directors for the purpose of adding value and improving Metro Vancouver’s operations.

Internal Audit promotes best practices and contributes to enhancing the effectiveness of risk management, control and governance processes at Metro Vancouver.

3. DISCUSSION

The attached Appendix 1, which was extracted from the above referenced Internal Audit Report, summarizes the results of an audit recently completed of Vehicle Fleet Management, together with management responses to the audit recommendations.

Our audit suggests some opportunities for improvement in controls over Vehicle Fleet Management.

Management agreed to all the recommendations provided by Internal Audit Division that will further improve the efficiency, administration and management of the vehicle fleet services.

Attachment: Appendix 1

IA/JR
Doc. No. #004946470

Appendix 1

Fleet Services, which is part of the Maintenance Division of the Operations and Maintenance Department, is responsible for the acquisition and maintenance of vehicles and equipment at Metro Vancouver. There are approximately 600 units, including on-road vehicles, equipment, boats and trailers, in the fleet.

Fleet Services garage is located at the Lake City Operations Centre. There are 12 staff reporting to the fleet management supervisor. Mechanics at the garage perform routine maintenance for the fleet. Private sector facilities provide specialized repair services.

Fleet Services implemented fleet management software in July 2008 to collect repair and asset maintenance information. This fleet management software was excluded from the scope of the audit due to use of the software being at preliminary data entry phase.

An audit of Vehicle Fleet Management was last completed by Internal Audit Division in 2001. The focus of this audit was on the 370 on-road vehicle fleet of Metro Vancouver.

The objectives of the Vehicle Fleet Management Audit were to evaluate the effectiveness of the internal controls and procedures designed to ensure:

- Vehicle fleet acquisitions were based on documented business needs and adequate analysis.
- Vehicle fleet acquisitions were properly authorized and approved by management.
- Vehicle assignment was based on needs assessment.
- Vehicles were assigned to employees with valid driver's licenses.
- Vehicle fleet usage was for Metro Vancouver's business purposes only.
- Fleet vehicles were adequately maintained at a reasonable cost¹.
- Vehicle parts were procured at reasonable cost and were for Metro Vancouver's vehicle fleet only.
- Vehicle fleet disposals were justified, timely and appropriate.
- Vehicle fleet transactions were properly recorded and reported to management.

All audit observations and findings were discussed with management who agreed to all of the recommendations. Detailed observations are discussed below:

¹ We defined reasonable cost to be parts cost comparable to other vehicles of same age, type and condition; maintenance labour hours comparable to industry recommended time standards.

VEHICLE ACQUISITION

Observations:

- The approved capital budget was used to determine the number of vehicles to be purchased on an annual basis. This approved capital budget was based on the previous year's budget plus specifically identified equipment. For replacement vehicles, Fleet Services requests the user department to communicate any changes to vehicle requirements. However, the business need for a new or replacement vehicle was not documented. Fleet Services is currently developing a needs assessment process for vehicles and equipment.
- The total number of on-road vehicles in the fleet remained stable during the year while lease costs increased by 63% (from \$209,000 in 2007 to \$340,000 in 2008). Leases were intended to fill short-term (< 1 year) vehicle needs of user departments. Eight (12%) of the 64 vehicles leased during the period January 1, 2007 to August 31, 2008 were for terms greater than 12 months.
- Subsequent to the audit, in December 2008, Fleet Services bought out 22 leased vehicles for \$769,000. According to Fleet management, the 9 to 12 month buying cycle contributes to the need to lease vehicles to meet operational needs of the user departments until delivery. Some leased vehicles are outfitted extensively. This equipment would have to be removed from the leased vehicle and installed in the purchased vehicle. These factors reduce the price differential between purchases and lease buy-outs.

Recommendations:

1. All requests for new vehicles should be supported by a detailed business justification and expected annual business kilometers to be driven based on work duties.
2. Consider developing a longer term (3 to 5 year) capital plan for vehicle acquisitions to minimize lease buy-out arrangements.
3. Based on the capital plan, forecast annual vehicle requirements and schedule a competitive selection process for the purchase of these vehicles.
4. For vehicles not included in the annual forecast, work with the Purchasing and Risk Management Division who are authorized to conduct informal competitive selection processes for purchases less than \$75,000 thus reducing the procurement process to a matter of days.
5. Review and analyze the vehicle leasing history, by department, on an ongoing basis to identify repetitive long-term leases that should be replaced with outright purchases.

Management Responses:

1. Agreed. Business justification and expected annual business kilometers to be included in needs assessment process. We will need to address the question of who is the arbiter when there are differences of opinions in these needs assessments.
2. Agreed. Work to complete this is currently underway. (Fleet Services)
3. Agreed. (Fleet Services and Purchasing and Risk Management)
4. Agreed. (Fleet Services and Purchasing and Risk Management)
5. Agreed. Depending on resources available, this will be considered a longer term goal. (Fleet Services)

VEHICLE ASSIGNMENT

Observations:

- Vehicle fleet assignment was based on historical fleet assignment information and management request. There was no established process within Fleet Services to align vehicle assignments with the duties and job description of the assigned driver.
- The Purchasing and Risk Management Division did not have a current driver's license on file for 22 of the 30 drivers (73%) tested. Upon request, all 22 drivers provided copies of their valid driver's license to Internal Audit.

Recommendations:

6. See recommendation no. 1.
7. Develop a communication strategy to remind drivers of Metro Vancouver vehicles of the policy requirement to provide a legible copy of their driver's license to the Purchasing and Risk Management Division.
8. Work with the Human Resources Department and the Purchasing and Risk Management Division to develop a process to ensure current driver's licenses and driving abstracts are obtained for all drivers of Metro Vancouver vehicles.

Management Responses:

6. See management response no. 1.
7. Agreed.
8. Agreed. Work is currently underway. The Operations and Maintenance Department would like to use the SSEM training records and/or PeopleSoft for maintaining and tracking this information. (Fleet Services, Purchasing and Risk Management Division and Human Resources Department)

VEHICLE USAGE

Observations:

- There was no process to track and review annual kilometres driven for each assigned vehicle.
- There were 41 vehicles that were not being used and were stored for 5.5 to 12 months, awaiting auction. Total costs including towing fees to storage, and motor vehicle insurance was approximately \$29,000.

Recommendations:

9. Review the kilometers driven for each vehicle in the fleet on an annual basis and compare to expected annual business kilometers.
10. All vehicles flagged for disposal should be sent to auction immediately to avoid holding costs.

Management Responses:

9. Agreed. This will be supported by existing processes and the OBD-II Data Stream telemetry pilot currently underway with Fleet Services.
10. Agreed.

VEHICLE DISPOSAL

Observation:

- Vehicle fleet disposal is normally based on age. Four older light-duty vehicles, with less than 70,000 kilometers, were sold at auction in 2007 and 2008.

Recommendation:

11. Vehicles should be disposed of based on age, mileage and documented condition assessment.

Management Response:

11. Agreed. Disposal may also be based on other criteria including obsolescence of assignment, low usage, regulatory changes or enhancements, and/or the ability to support technology (for example CNG vehicles). Reason for disposal will be documented.

VEHICLE FLEET TRANSACTION RECORDING AND REPORTING

Observations:

- Comparison to budget is a key financial control over expenditures. Fleet expenses other than labour were budgeted within user department accounts. Vehicle fleet operational costs were either charged directly to the end-user department or to the vehicle fleet program.
- Financial analytical information such as operating cost per unit for the vehicle fleet operations did not include vehicle-related operating expenditures that were charged directly to the end-user department.
- The current distributed method of recording fleet budget and expenses provides an incomplete picture of fleet program costs. Reported fleet financial statistics were inaccurate as they were based on incomplete program costs.
- Account coding for the same type of expenses was inconsistent. The account codes did not accurately describe the types of expenses incurred for the fleet.

Recommendations:

12. All fleet operating expenditures should be recorded in one financial program to determine the full cost of vehicle fleet operations. Total program costs should be compared to budget.
13. Fleet Services should work with Financial Planning and Operations to develop account codes and budgets that will provide meaningful cost information. Training should be provided to staff with recording duties.

Management Response:

12. Agreed.
13. Agreed.

VEHICLE FLEET MONITORING

Observation:

- There were no key performance indicators for the vehicle fleet operations. Workload standards and performance measures for mechanics and technicians were not available during the audit.

Recommendation:

14. Develop key performance indicators including workload standards for Fleet Services, using full costing, to assist management in monitoring the vehicle fleet operations. Consider:
 - Developing and/or adopting industry standards for expected repair times.
 - Tracking and reporting servicing or maintenance activity that is not part of a regular and planned service.
 - Tracking vehicle in/out times/dates at the garage for monitoring and reporting turn around time for vehicle maintenance.

Management Response:

14. Agreed. Industry standards are difficult to adopt as much of our equipment is specialized or we do much more in the way of inspection items. Fleet Services does agree that a set of standard times should be developed and measured against. In addition, Fleet Services plans to identify and track non-inspection activities using industry standard codes.



Finance Committee Meeting Date: July 16, 2009

To: Finance Committee

From: Tracey S. Husoy, Purchasing & Risk Manager, Finance & Administration

Date: June 25, 2009

Subject: Tender/Contract Award Information – May 2009

Recommendation:

That the Finance Committee receive the report dated June 25, 2009 titled “*Tender/Contract Award Information – May 2009*” for information.

1. PURPOSE

To provide the Finance Committee information with regard to contracts valued at or estimated at more than \$250,000.00.

2. CONTEXT

Information pertaining to the award of contracts and standing offer agreements valued at more than \$250,000.00 is reported to the Committee monthly.

The following contract was **awarded** during the month of **May 2009**:
(Details attached as APPENDIX A)

1. CWA Engineers Inc. \$519,424.50 GVWD

Request for Consulting Engineering Services – Cleveland Dam Air Shaft Elevator.

The following **previously reported** contract was **amended** during the month of **May 2009**:
(Details attached as APPENDIX C)

	<u>Original or Previously Amended Value</u>	<u>Value of Amendment</u>	<u>Total Amended Value of Contract</u>	<u>Amendment Type</u>
1. Sandwell Engineering Inc.	\$2,702,705.38	\$311,850.00	\$3,014,555.38	Additional Work

To cover additional detailed design services for additional structural analysis and modeling due to complex soil conditions for the Port Mann Water Supply Tunnel-Fraser River Crossing Project.

Attachments:

- APPENDIX A:** Detailed information with regard to newly awarded contracts
- APPENDIX B:** Contracts amended to a value of more than \$250,000 but not previously reported to the Finance Committee ***(Nothing to report)***
- APPENDIX C:** Contracts amended in value in accordance with Contracting Procedure No. 9 – Contract Amendments and previously reported to the Finance Committee
- APPENDIX D:** List of tenders and proposals received but not awarded (presently being reviewed)
- APPENDIX E:** List of current open tender/proposal calls for contracts anticipated to be valued at greater than \$250,000

AWARD OF CONTRACT

RFP NO. 09-040

- 1. A contract was awarded May 26, 2009 for the **GVWD**

To: **CWA Engineers Inc.**

for the anticipated amount of **\$684,996.90** for the Request for Consulting Engineering Services – Cleveland Dam Air Shaft Elevator for review of previous work, pre-design and detailed design services and construction and post-construction work.

A contract for review of previous work, pre-design and detailed design services was awarded in the amount of \$519,424.50 and it is fully anticipated, that upon satisfactory performance the construction and post-construction services will be added to the contact at a future date in the form of a change order to the Contract Documents.

Original Estimate was \$700,000.

- 2. Proposals were requested by MV & BC Bid web sites and private invitation on February 13, 2009.

Closing Date: March 26, 2009

3. Proposals Received:	<u>Anticipated Value for all Contemplated Engineering Services</u>
Sandwell Engineering Inc.	\$476,937.30
CWA Engineers Inc.	\$684,996.90

- 4. Proposals reviewed and evaluated by:

Contractual: Purchasing Division Staff

Technical: Engineering and Construction Department Staff

- 5. Award make to the highest ranked proponent based on the evaluation criteria established in the RFP.

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AMENDMENT TO A PREVIOUSLY REPORTED CONTRACT

RFP No. 05-120
PURCHASE ORDER NO. 091366

Consulting Engineering Services for Detailed Design and Construction of Port Mann Water
Supply Tunnel-Fraser River Crossing
for the **GVWD**

1. Name of Contractor: Sandwell Engineering Inc.
2. Date Contract Reported: February 2006
3. Original Reported Value of Contract: \$1,734,302.00
4. Amendment Number: 03
5. Value of Amendment: \$311,850.00
6. Amendment Type: Additional Work
7. Total Amended Value of Contract: \$3,014,555.38
(includes value of previous Amendment
No's. 01 & 02 in the amount of
\$968,403.38)
8. Previous Amendment Explanation: **(Reported to Finance Committee October 2007 &
as per authorized Change Orders)**

Amendment No. 01 covered additional detailed design services and test drilling related primarily to the increased technical complexity of the seismic work.

Amendment No. 02 covered costs associated with additional seismic modeling required due to changes in soil parameters.

9. Budget Status:

The total approved budget for this phase of the project is \$3,900,000 of which this contract forms a part. The current commitments and expenditures to date are \$3,643,000. The estimated cost at completion as reported to the Finance & Water Committees in June 2009 is \$3,940,000.

10. Reason for Amendment to Contract:

To cover additional detailed design services for additional structural analysis and modeling due to complex soil conditions.

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Appendix D

As at June 26, 2009

Tenders/Proposals Received But Not Awarded (Presently Being Reviewed)

Tender/RFP	Date Closed	Estimated Value
RFP No. 08-018 Request for Consulting Engineering Services to Upgrade Gleneagles Pump Stations	July 3, 2008	\$720,000
RFP No. 09-005 Provision of Planning and/or Production of Exterior Grade Signage	February 12, 2009	\$2, 250,000 (over 3 years)
RFP No. 09-007 Professional and Technical Services – Residuals Management	March 17, 2009	\$920,000 (over 3 years)
Tender No. 09-022 Parks Area West Area Office – Airport Square Tenant Improvements (awarded at less than \$250,000)	April 21, 2009	\$520,000
RFP No. 09-083 Real Estate Appraisal Services	April 30, 2009	\$400,000
RFP No. 09-042 Installation of Jervis Forcemain No. 2 – Extension to Eighth Avenue	May 7, 2009	\$6,000,000
RFP No. 09-001 Barnston/Maple Ridge Pump Station Request for Consulting Engineering Services	May 14, 2009	\$1,650,000
Tender No. 09-052 Douglas Road Main No. 2 Phase 3 – Supply and Delivery of Butterfly Valves (awarded at less than \$250,000)	May 21, 2009	\$350,000
RFP No. 09-095 Supply and Delivery of Sodium Bisulphite Solution (38% SBS)	May 21, 2009	\$1,800,000
Tender No. 09-020 Northwest Langley Wastewater Treatment Plant – Installation of Headworks Equipment (awarded at less than \$250,000)	June 4, 2009	\$250,000

Appendix D

Page 2

Tender No. 09-061 Supply and Installation of Scour Protection at Various Locations	June 9, 2009	\$2,000,000
RFP No. 09-110 Internet Circuit	June 11, 2009	\$270,000
RFP No. 09-097 Coquitlam Landfill – Request for Proposals for Comprehensive Engineering Consulting Services	June 11, 2009	\$2,150,000
Tender No. 09-103 Construction of Seymour-Capilano Filtration Plant Guardhouse	June 16, 2009	\$400,000
Tender No. 09-054 Lions Gate Wastewater Treatment Plant – Administration and Pump Roof Repairs	June 16, 2009	\$300,000
RFP No. 09-036 AIWWTP Stage 5 Expansion – Project Definition Report	June 23, 2009	\$1,500,000

Appendix E

As at June 25, 2009

Current Open Tender/Proposal Calls for Contracts Anticipated to be Valued at Greater than \$250,000

Tender/RFP	Closing Date	Estimated Value
RFP No. 09-041 Supply and Delivery of Trickling Filter Pump No. 5 c/w Motor and VFD-Annacis Island Wastewater Treatment Plant	June 25, 2009	\$2,200,000
Tender No. 09-031 Installation of Jervis Forcemain No. 2 – Sunset Beach Section	June 30, 2009	\$1,300,000
Tender No. 09-118 Twin Bridge Replacement – Lower Seymour Conservation Reserve	June 30, 2009	\$500,00
RFP No. 09-129 Biosolids Operations at Similco Mines	July 7, 2009	\$1,500,000
Tender No. 09-126 Cleaning and Lining of Digested Sludge Storage Tank (DSST)-Annacis Island Wastewater Treatment Plant	July 7, 2009	\$600,000
Tender No. 09-098 Lions Gate Wastewater Treatment Plant Administration Building Refurbishment	July 9, 2009	\$410,000
Tender No. 09-024 25 th Avenue Main Replacement Phase 3 – Dumfries Street to Victoria Drive	July 9, 2009	\$1,250,000
RFP No. 09-119 Janitorial Services for Wastewater Treatment Plants and Lake City Operations Centre	July 14, 2009	\$549,000 (over 3 years)

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INFORMATION ITEMS

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June 3, 2009

6.1

Lois Jackson, Chair
Metro Vancouver Regional District
4330 Kingsway
Burnaby, BC
V5H 4G8

Dear Chair and Board Members:

USW Local 1-1937 is a newly merged Local Union that represents approximately 5000 workers from Tswassen to the Alaska border, most of Vancouver Island and the Queen Charlotte Islands. Our members work in numerous Industries but are predominately forest workers.

As you are probably aware the recent economic downturn has had a devastating impact on Forest Workers, their Families, and their Communities. It is for this reason that we are writing you and/or your group to solicit your support for forest workers in need of employment.

The Local is working with a number of Industry Companies to put together and manage projects that can be funded through the Community Development Trust Fund which is administered by the Province and funded by the Federal Government.

We are working with a Company that has experience with these projects and is in the audit stage of their last project. The audit was completed in mid May which told us what was done right and what was done wrong. We are now in the process of applying for funding of other projects in the mid island area, however, we are in need of more projects in other areas. If you are aware of projects in your area such as;

- Recreation site and trails management
- fire protection projects such as fuel management,
- Silviculture (e.g. brushing, spacing, planting)
- Stream restoration
- Ecosystem and range restoration

or anything that falls within the scope of the community development trust please forward those ideas and the Location of such projects to our Local Union at the following address:

USW Local 1-1937
Attn: Rick Wangler
301-841 Cliffe Avenue
Courtenay, B.C. V9N 2J8



Area Office: Duncan

351 Brae Rd.
Duncan, B.C. V9L 3T9
Tel: 250-746-6131
Fax: 250-746-1012

Email: dunadmin@usw1-1937.ca

Area Office: Burnaby

#301 - 8988 Fraserton Court
Burnaby, B.C. V5J 5H8
Tel: 604-874-0274
Fax: 604-874-8137

Email: buradmin@usw1-1937.ca

Area Office: Port McNeill

Box 214
Port McNeill, B.C. V0N 2R0
Tel: 250-956-4312
Fax: 250-956-4988

Email: pmcadmin@usw1-1937.ca

Area Office: Terrace

#206 - 4721 Lazelle Ave.
Terrace, B.C. V8G 1T3
Tel: 250-635-7314
Fax: 250-635-2458

Email: teradmin@usw1-1937.ca

You can find more on what are eligible projects at <http://www.cd.gov.bc.ca/cdt/jobs/activities.htm>

These projects are designed to help unemployed forest workers and their Communities get through the current economic downturn and Forestry downturn. If your Community has projects that fit the CDT funding criteria we would be pleased to work with you and our partners in these projects to help to find work for unemployed forest workers in your communities.

We look forward to hearing from you.

Best Regards,
United Steelworkers Local 1-1937



Rick Wangler,
2nd Vice-President

RW/jw
usw, local 1-1937

pc:file

**TransLink**

1600 - 4720 Kingsway
Burnaby, BC V5H 4N2
Canada

Tel 604-453-4500

Fax 604-453-4637

www.translink.bc.ca

South Coast British Columbia
Transportation Authority

June 29, 2009

Mr. Jim Rusnak
Chief Financial Officer
Finance Department
Metro Vancouver
4330 Kingsway Avenue
Burnaby, B.C. V5H 4G8

Dear Mr. Rusnak,

We are pleased to provide the attached reports as regards Strategic Priority Funding status for the South Coast British Columbia Transportation Authority (SCBCTA) as per the January 27th, 2006 agreement between the Greater Vancouver Regional District (GVRD) – now Metro Vancouver and the The Greater Vancouver Transportation Authority (GVTA) – now South Coast British Columbia Transportation Authority and the Union of British Columbia Municipalities (UBCM). This report has been developed through the federal government reporting structure as supplied by Infrastructure Canada and through consultation with UBCM.

Of note:

- This is the third year of reporting for SCBCTA
- Incremental spending as per methodology discussed with UBCM surpasses the Net Capital spending requirements.

Capital Expenditures (per audited financial statements) are:

a. Year One	2006	\$491 million
b. Year Two	2007	\$393 million
c. Year Three	2008	\$315 million

This spending meets the required test of being in excess of the total incremental spending target for the first **five** years of Gas Tax funding (\$591 million).

Should you have any questions, please contact me at 604 – 453 – 4504

Sincerely,

Darlene Smid
Chair – Government Funding Working Committee - SCBCTA

cc. B. Gibson UBCM
Attchs.

Annual Expenditure Report - Fiscal Year: 2008

Gas Tax Fund	Annual (\$)	To Date (\$)
South Coast British Columbia Transportation Authority	2008-01-01 - 2008-12-31	2005-09-19 - 2008-12-31
Opening Balance of Unspent Funding	34,021,838.00	0.00
Received From Union of British Columbia Municipalities	62,148,185.90	184,945,065.90
Plus: Interest	1,103,054.00	4,334,750.00
Less: Administration	111,684.00	131,854.00
Spent On Eligible Projects	37,693,236.00	129,679,804.00
Closing Balance of Unspent Funding	59,468,157.90	59,468,157.90

Expended on Eligible Projects

Project Number	Project Title	Expenditures (\$)
8655	Bus Fleet Expansion 2007-2008	25,871,847.00
11196	Articulated Trolley Buses	1,808,806.00
11201	SkyTrain Operating and Maintenance Centre	10,012,583.00
	Total	37,693,236.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

(tabular amounts in thousands of dollars)

12 GAS TAX AGREEMENT, PUBLIC TRANSIT AGREEMENT AND PUBLIC TRANSIT INFRASTRUCTURE PROGRAM (CONTINUED):

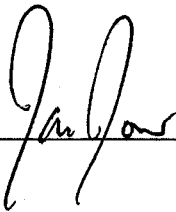
Gas Tax Agreement Funds	2008	2007
Opening balance, unspent funds	\$ 34,022	\$ 40,554
Add: Amount received during the year	62,148	49,119
Interest earned	1,103	1,594
Less: Amount spent on projects	(37,693)	(57,225)
Amount spent on administration	(112)	(20)
Closing balance, unspent funds	\$ 59,468	\$ 34,022

Public Transit Agreement Funds	2008	2007
Opening balance, unspent funds	\$ –	\$ 4,405
Add: Interest earned	–	148
Less: Amount spent on projects	–	(4,537)
Amount spent on administration	–	(16)
Closing balance, unspent funds	\$ –	\$ –

Public Transit Infrastructure Program Funds	2008	2007
Opening balance, unspent funds	\$ 23,233	\$ –
Add: Amount received during the year	–	34,035
Interest earned	416	222
Less: Amount spent on projects	(23,619)	(11,021)
Amount spent on administration	(30)	(3)
Closing balance, unspent funds	\$ –	\$ 23,233

I hereby certify that:

- (1) to the best of my knowledge, the Annual Expenditure report: **Gas Tax Fund Fiscal Year 2008** contained herein is complete and accurate;
- (2) to the best of my knowledge South Coast British Columbia Transportation Authority (SCBCTA) has, during the year, complied with all material provisions of its Funding Agreements, including that:
 - (a) this year's expenditures of the principal of the Funds were for Eligible Costs of Eligible Projects;
 - (b) this year's expenditures of the interest or other investment income on the Funds were for either Eligible Costs of Eligible Projects or administrative costs incurred as a result of implementing the applicable Funding Agreement;
 - (c) all contracts for Eligible Projects were awarded and managed this year in accordance with SCBCTA's relevant policies and procedures and any that were awarded this year were awarded in a manner that was transparent, competitive and consistent with value for money principles;
 - (d) if an infrastructure asset resulting from an Eligible Project was disposed of this year by either the SCBCTA or another Eligible Recipient to whom the SCBCTA has provided Funds for the Eligible Project, and if , in accordance with the Funding Agreement, that disposal triggers a repayment to UBCM of a proportionate share of the amount of funds contributed by Canada, then that repayment has been made; and
 - (e) SCBCTA's financial statements for the year were prepared following Generally Accepted Accounting Principles for Not-for-Profit entities.



Ian Jarvis
Vice-President, Finance & Corporate Services
South Coast British Columbia Transportation Authority

June 29, 2009

Date Signed