

OCTOBER 19, 1962

An Adjourned meeting of the Municipal Council was held in the Committee Room, Municipal Hall, 45<sup>1/2</sup> East Grandview-Douglas Highway, on Friday, October 19, 1962 at 3:15 p.m.

PRESENT: His Worship Reeve Emmott in the Chair;  
Councillors Blair, Hicks, Harper,  
Kalyk and Edwards

ABSENT: Councillors Prittie, MacSorley and  
Clark

MOVED BY COUNCILLOR HICKS,  
SECONDED BY COUNCILLOR HARPER:

"That the Council do now resolve into  
a Committee of the Whole."

CARRIED UNANIMOUSLY

MUNICIPAL MANAGER -- REPORT NO. 56, 1962

(2) Construction of Sanitary Sewers - South Slope #3.

The Manager advised that four bids were received including a bid by the Corporation on the South Slope Sewer No. 3 Sewer Project.

The bids received were:

No. 1 - G.W. Ledingham & Co. -	\$ 605,397.00
No. 2 - Bedford Construction Co. -	561,409.35
No. 2 - Bedford Construction Co.-alternate bid on Pipe not as per Burnaby specifications -	551,363.00
No. 3 - Patrick Construction Co. -	546,079.30
No. 4 - Corp. of the District of Burnaby -	606,486.60

To properly compare the Corporation bid, which includes all engineering and inspection, it is necessary to add \$33,000.00 representing the cost of engineering and inspection, to the private contractor bids. For example, the actual cost to the Utility for South Slope #3 if the low bid were accepted would be \$546,979.30 plus \$33,000.00 - or \$579,979.30.

South Slope #2 was done by Bedford Construction Co. and the Municipal Engineer draws attention to the fact that this Company, in his opinion, was an exceptionally excellent contractor on that project and there is only \$15,000.00 difference between the bid of that Company and the low bid by a new firm as far as Burnaby is concerned.

The financial status of the low bidder has been checked and is satisfactory. Mr. Patrick has assured the Municipal Engineer that he was fully cognizant in bidding of the stringent specifications and the requirement for "clean" work.

The Manager recommended that the bid of Patrick Construction Company (Head Office in Saskatoon) for \$546,079.30 for the

South Slope #3 Sewer Project be accepted.

MOVED BY COUNCILLOR HARPER,  
SECONDED BY COUNCILLOR KALYK:

"That the recommendation of the Manager  
be adopted."

CARRIED UNANIMOUSLY

(1) Re: Waterworks Capital Requirements.

The Manager reported that by the end of the year 1962, main renewal and extension programmes now underway in the Water - works Utility would be complete.

The Waterworks Engineer has produced a forecast of future Capital needs of the Utility. Over a fifteen year period it is predicted that \$3,240,000.00 will be required working out to an average of \$200,000.00 per year. Actual programming, however, cannot be related directly to this average annual need. The actual programme over the next five years has been developed as follows:

1962 -	\$ 550,000.00
1963 -	200,000.00
1964 -	300,000.00
1965 -	200,000.00
1966 -	<u>300,000.00</u>

\$1,550,000.00

The major new programmes which should be embarked upon as soon as possible are:

<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>	<u>Cost</u>
C.N.R. right-of-way Douglas	Meadow Ingleton	Wiggins Rosser	8" 36" & 30"	2,900' 4,150'	45,000.00 175,000.00
Gilmore Spratt	Douglas Norland	Lougheed Ardingley	28" 8"	1,628' 915'	58,000.00 14,100.00
Sumner Stratford	Freeway Pandora	South	8" 6"	280' 92'	4,200.00 1,110.00
Albert-Hastings Lane	Madison	Willingdon	8"	1,372'	15,900.00
Alpha	Venables	Parker	6"	480'	3,450.00
Arcola	Kingsway	East	6"	586'	3,570.00
Bayview	Barnet	Braeside	6"	325'	3,000.00
Bayview Extn. Esmond	Braeside Albert	Ridge Dr. Albert-	6"	450'	3,750.00
		Hastings Lane	8"	160'	1,640.00
Gilmore Sperling	Dawson Grandview	Lougheed Claude	8" 12"	570' 360'	7,600.00 9,200.00
Hastings-Pender Lane	Madison	Willingdon	8"	1,372'	15,900.00
Hazel	Kingsway	WPL 4611 Hazel	6"	355'	4,140.00
Mahon	Gilpin	North	8"	400'	3,200.00
Marlborough	Kingsway	N. of Arrow	6"	1,281'	7,500.00
Norland	Douglas Rd.	East	8"	2,050'	26,700.00

<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>	<u>Cost</u>
Patterson	Kingsway	Farrington	8"	1,116'	8,700.00
Royal Oak	Kingsway	Lane	10"	900'	11,500.00
Royal Oak	Victory	McKee	10"	1,300'	
			8"	1,450'	31,350.00
16th Ave.	4th St.	Cumberland	8"	3,890'	31,200.00
Hardwick	E. of Royal	W. of			
	Oak	Douglas	6"	300'	2,590.00
Strathearn Ext.	Carson	Sunland	6"	630'	4,100.00
Waverley	Imperial	South	6"	832'	4,750.00
Westminster	Regent	Manor	8"	650'	7,000.00
Woolwich	Halifax	Buchanan	6"	312'	2,540.00
Woolwich	Broadway	Parkcrest	6"	939'	5,850.00
Reconditioning Willingdon- Edinburgh Main 18", 20", 24" steel				16,350'	110,000.00
					\$ 622,540.00

The Manager reported further that since formation of the Utility in 1958 two series of debentures bearing the guarantee of the Province of B. C. have been issued. The possibility of obtaining a government guarantee of another debenture issue at this time had not been explored and it would not be wise for the Corporation to attempt to market debentures without the guarantee, especially in view of the Capital requirements of the Municipality for works of Local Improvement and Parks.

An alternate source of money borrowings can be found through the Greater Vancouver Water District in accordance with Section 6A of the Greater Vancouver Water District Act.

It was considered the Utility should borrow the sum of \$500,000.00 at this time for its Capital needs related to the Capital needs calendar this would provide for sufficient capital funds for the system during the years 1963 and 1964. It was considered to be in the Municipality's best interests to seek financing through the Greater Vancouver Water District rather than through the sale of debentures.

The Manager referred to legislation passed recently whereby the Utility could obtain authority to finance its capital needs without a vote of the owner electors. Section 253 of the Municipal Act covered and provided for the passage of a By-law provided a notice was published in two separate issues of a newspaper laying out the amount to be borrowed, general terms of work, the length of time within the proposed debt would be repayable, and provision for a statement that unless, within thirty days of the last publication of the notice, not less than one-tenth in number of the owner-electors petition the Council for the submission of the By-law for the assent of the owner-electors.

It was recommended that Council request the Greater Vancouver Water District to finance the sum of \$500,000.00 for the Burnaby Water Utility as authorized in Section 6A of the Greater Vancouver Water District Act.

MOVED BY COUNCILLOR EDWARDS,  
SECONDED BY COUNCILLOR HICKS:

"That the recommendation of the Manager  
be adopted."

CARRIED UNANIMOUSLY

Following approval by the Greater Vancouver Water District would come the passage of the necessary By-law. This would increase carrying charges estimated at \$43,500.00 per year for twenty years or about \$40,000.00 if the District borrows on a twenty-five year term. There is a low profit margin in the Water Utility and the 1961 surplus was shown as \$14,680.00 and the 1962 budgeted surplus is \$6,305.00. However, in view of the decreased gallonage this year due to the wet summer it is estimated the Utility will end up with a surplus of \$48,645.00. The Council was cautioned that this should not be accepted as a normal surplus figure as the water picture during the current year was abnormal. Additional carrying charges when applied to forecast budgets based on a normal operating year would result in an estimated deficit in 1963 of \$38,000.00 and \$48,000.00 in 1964 with the existing water rate schedule.

while the accumulated surplus for the Utility is in a rather healthy state it was considered that this should not be relied upon as the Minister's approval for the borrowing may be difficult to obtain since it could not be shown that the Utility is meeting its 1963 expenditures from the current revenues of the Utility.

A comparison of Water Rates in 1962 for 12 Lower Mainland communities was presented and it was suggested that Council give serious consideration to adjusting its flat rate charges since this comparison indicated Burnaby's flat rates in general were low and the metered rates were quite competitive.

A 20% increase in flat rates would produce an estimated surplus of \$100,000.00 in 1963 and \$80,000.00 in 1964. A decided levelling-off in the cost of water was expected unless the Greater Vancouver Water District embarked on another large scale Capital programme. If this reasoning is correct, a 20% increase in flat rates with a corresponding correction in minimum metered rates should be sufficient to maintain the Utility in a profit position for six years taking into account future borrowings according to the programme.

It was recommended that:

- (a) Effective 1st January 1963 the Utility Flat Rates be adjusted to \$30.00 per annum for single family dwellings and \$50.00 per annum for duplexes.
- (b) Metered rates be left unchanged.
- (c) The minimum charge on metered accounts be increased to \$30.00 per annum (including meter rental).

MOVED BY COUNCILLOR EDWARDS,  
SECONDED BY COUNCILLOR HARPER:

"That effective 1st January 1963 the  
Utility Flat Rates be adjusted to \$30.00  
per annum for single family dwellings and  
\$50.00 per annum for duplexes."

CARRIED  
COUNCILLOR HICKS -  
AGAINST

MOVED BY COUNCILLOR HARPER,  
SECONDED BY COUNCILLOR KALYK:

"That the metered rates be left unchanged."

CARRIED  
COUNCILLOR HICKS -  
AGAINST

MOVED BY COUNCILLOR HARPER,  
SECONDED BY COUNCILLOR HICKS:

"That the minimum charge on metered accounts be increased to \$30.00 per annum (including meter rental)."

CARRIED UNANIMOUSLY

(3) Re: Jamieson Paving Contract.

Council has been made aware that the Corporation has conducted an investigation with respect to the Jamieson paving contract.

Authoritative evidence has now been obtained which indicates that fears held by the Engineering Department were well-founded.

The Corporation is now in the position that the next action must emanate from Council and it is recommended that Council authorize such action.

In view of the seriousness of the situation, the Municipal Solicitor has suggested that all steps from now on should be taken with the strong possibility of litigation in mind. The Municipal Solicitor has recommended that outside Counsel be retained and he proposes to retain Mr. Hinkson.

It was suggested that before placing this matter in the hands of an outside Solicitor the Council should have a proper breakdown of fees prior to commencement of any action and approximate trial time involved so that the Council can make a decision with full particulars available.

It was also suggested that the initial consideration might be given by the Municipal Legal Department if the workload permitted. It was pointed out, however, that the Municipal Solicitor was of the opinion this particular action should be handled by Mr. Hinkson in view of his greater experience with actions of this kind and that while it was not definite at this stage the matter would go to litigation, it would be preferable for Mr. Hinkson to commence whatever proceedings are necessary and follow through if circumstances warrant with further action.

MOVED BY COUNCILLOR EDWARDS,  
SECONDED BY COUNCILLOR KALYK:

"That the Reeve be instructed to obtain an estimate of the fees which might be expected and which would result from the hiring of Mr. Hinkson and also in the event further action was contemplated, the approximate trial time involved."

CARRIED UNANIMOUSLY

MOVED BY COUNCILLOR EDWARDS,  
SECONDED BY COUNCILLOR HARPER:

"That the Committee do now rise and  
report."

CARRIED UNANIMOUSLY

THE COUNCIL RECONVENED.

MOVED BY COUNCILLOR HICKS,  
SECONDED BY COUNCILLOR BLAIR:

"That the report of the Committee be  
adopted."

CARRIED UNANIMOUSLY

The meeting adjourned at 4:35 p.m.

Confirmed:

Certified Correct:

  
\_\_\_\_\_  
REEVE

  
\_\_\_\_\_  
CLERK