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MANAGER'S REPORT NO.	56
COUNCIL MEETING	1979 03 20

RE: "A COMPREHENSIVE TRANSPORTATION PLAN FOR BURNABY"

RECOMMENDATION

1. THAT this report be received for information purposes.

REPORT

The above mentioned Plan has been referred by Council to a special meeting to be held on 1979 August 20 at 19:00 h.

On the agenda for the meeting appears a letter from Chuck Cook, MP, North Vancouver-Burnaby, in which it is stated that the grant from Transport Canada for the B.N.R. overpass is still available to Burnaby. Mr. Cook expresses concern that if Burnaby does not deal with this matter within a reasonably short time, there may be a rethinking in Ottawa and a possibility that the money will be reallocated for some other purpose. In this connection it is worthy of note that all future requests for railway grade separation grants have to be made to the Province.

If Council is satisfied with the alignment of the B.N.R. overpass as outlined in the above Plan and are of the opinion that the project should proceed, the following steps should be taken:

1. Approve the alignment.
2. Instruct Associated Engineering Services Ltd. to prepare the plans and specifications for the new alignment as soon as possible. A minimum of three months will be required for this work.
3. Firm up the financing.

The 1978 cost of the original project as shown in the Kensington Overpass Comparative Evaluation Report dated 1978 May was \$6,050,000. Updated to include inflation, the estimated cost - if it were constructed in the year 1979 - would be \$6,534,000. Likely the total cost would have exceeded \$6,534,000 since construction would likely take place over four years and continuing inflation would be experienced.

The 1979 rough estimate of the revised project is \$8,000,000, exclusive of additional right-of-way costs. This, too, would be subject to inflation over a four year period.

At the onset of the B.N.R. crossing project, the only grant available from the Province of B.C. was the sum of \$180,000. Therefore, to meet the requirements of funds for the project, after consideration of the grant from Transport Canada and the grant from the Province, we accumulated funds from the annual budget, which accumulation currently amounts to \$3,089,117. We planned to borrow any balance of funds required from the bank on authority of a by-law pursuant to Section 260 of the Municipal Act, repayable over five years.

As far as we know, the project meets the qualifications for a grant under the Provincial Revenue Sharing Act enacted in 1978, subject to funds being available, in which case the financing would be as follows:

Burnaby	\$2,727,920
Province of B.C.	2,727,920
Transport Canada	<u>2,544,160</u>
	<u>\$8,000,000</u>

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There is no question in our minds that the project is qualified for a grant from the Province of B.C. The question is, when? For 1979 we are informed that the \$5,000,000 revenue sharing appropriation for this purpose is fully allocated. We are told, too, that applications (unapproved) for 1980 exceed the probable allocation for that year. The Department of Municipal Affairs is asking municipalities to defer projects. We are informed that work done in, say, 1980 cannot be made eligible for a grant in 1981 on a retroactive basis.

In other words, if the project is to proceed, it may be necessary for Burnaby to provide the financing, other than the grant from Transport Canada. This may be done as follows:

Gross cost		\$8,000,000
Less Transport Canada grant	\$2,544,160	
Less reserves on hand	3,089,117	
Less further appropriation to be made by Council from the Capital Works Reserve	<u>1,100,000</u>	<u>6,733,277</u>
Balance to be borrowed pursuant to Section 260 of the Municipal Act and repaid over 5 years		<u>\$1,266,723</u>

Of the \$4,189,117 coming from reserves, in line with past policy it is expected that \$3,000,000 would be repaid to the Reserve for Capital Expenditures, together with interest, from the annual budget over a ten year period. Due to inflation, the sum borrowed would exceed the amount shown.

Pursuant to Section 260 of the Municipal Act, Council by by-law may borrow sums for capital purposes to a limit of \$35 multiplied by the population of the municipality. Burnaby's limit is \$4,605,965, of which \$1,764,067 has been committed by By-laws Nos. 7252 and 7253 for the financing of the Eastburn and North-east Burnaby Recreation Centres, leaving a balance of borrowing available of \$2,841,898, which should be sufficient to meet the \$1,266,723 shown above, plus inflation in costs that is likely to occur over the four year construction period.

A by-law passed pursuant to Section 260 requires the approval of the Inspector of Municipalities. Our experience is that he will require that the project and the proposed financing be included in the Corporation's six year Capital Improvement Program. As it is not included, it will be necessary to amend Burnaby Capital Expenditure Programme By-law 1979, By-law No. 7363, enacted 1979 May 07, to make such a provision.

Pursuant to Section 247 of the Municipal Act, Council must have financing arrangements complete before letting contracts which are to run beyond a calendar year. Therefore, it is advisable to bring down a by-law to permit the borrowing of a sum of money which, together with moneys on hand and the grant from Transport Canada, will complete the project - ignoring the possibility of grants from the Province of B.C. If grants are subsequently received, the amounts to be borrowed, as provided in the by-law, will be reduced by the sums so received. We followed this practice with the Eastburn and Northeast Burnaby Recreation Centres projects. We brought down a borrowing by-law for the full sum required for these projects and we hope to reduce the amount to be borrowed by allocations from the 1979 recast and the 1980 annual budgets.

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Under the circumstances, if it is the decision of Council that this project proceed, the following steps should be taken:

1. Approve the alignment of the B.N.R. overpass.
2. Instruct Associated Engineering Services Ltd. to proceed with the preparation of the plans and specifications of the new alignment with dispatch.
3. Direct staff to produce a new estimate of cost to include provision for the additional property required for the new alignment and provision for estimated inflation in costs over the four year construction period.
4. Direct staff to bring down an amendment to Burnaby Capital Expenditure Programme By-law 1979, By-law No. 7363, to make provision for this project, using the estimate in 3.
5. Direct staff to make, as soon as possible, an application for a grant from the Revenue Sharing Fund, based on the estimate referred to in 3.
6. Direct staff to bring down a short term borrowing by-law pursuant to Section 260 of the Municipal Act of whatever sum is required, for submission to the Inspector of Municipalities.
7. On completion of steps 1 to 6, call for tenders.

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