

ITEM	9
MANAGER'S REPORT NO.	57
COUNCIL MEETING	1979 08 27

RE: FINANCING - THE RECONSTRUCTION OF BOUNDARY ROAD  
 BETWEEN IMPERIAL STREET AND MARINE WAY  
 (ITEM 16, REPORT NO. 47, 1979 JULY 03)

Following is a report from the Municipal Treasurer regarding financing for work relative to Boundary Road between Imperial Street and Marine Way.

RECOMMENDATION:

1. THAT the recommendation of the Municipal Treasurer be adopted.

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TO: MUNICIPAL MANAGER  
 FROM: MUNICIPAL TREASURER  
 RE: FINANCING - THE RECONSTRUCTION OF BOUNDARY ROAD  
 BETWEEN IMPERIAL STREET AND MARINE WAY  
 (ITEM 16, REPORT NO. 47, 1979 JULY 03)

1979 August 22  
 File: C4-16

RECOMMENDATION

1. THAT a brief be developed to show that berms and frontage roads are an integral part of major highways, for presentation to the Province for consideration with respect to the Revenue Sharing Act, and for consideration in the construction of highways in which the Province has full financial responsibility.

REPORT

Attached is a copy of the above mentioned report. It refers to the possibility that the Province of British Columbia may not share the cost of the landscaped berm and frontage road on the Burnaby side. The gross cost of this work is estimated at \$750,000, of which it was hoped that \$375,000 would come from the Provincial Revenue Sharing Act fund. However, to ensure that we would have enough money to carry out the work in the event the Province denied our request, Council has given third reading to By-law No. 7393 to appropriate \$2,201,000 from the Tax Sale Moneys Reserve Fund, which appropriation includes the berm and frontage road at its full estimated cost.

We now have advice from the Municipal Programs Engineer of the Ministry of Transportation, Communications & Highways, which states:

"Your enquiry has been considered and I regret to advise that frontage roads and berms are not shareable under the Revenue Sharing Act road program. While these design features are nice, I think you will recognize that there are throughout the Province many locations where funds are required for more basic needs such as right-of-way, a simple roadway or additional lanes on an existing roadway. Funding for the road program is unfortunately at present insufficient to cover even these basic needs."

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Not only would the Boundary Road project be affected by this ruling, it would likely be extended to the Stormont/McBride, Hastings/Gaglardi and 10th Avenue - 20th Street to McBride projects contained in the Transportation Committee report. While these projects are shown in the report as being the responsibility of the Province and are unaffected by the Revenue Sharing fund, there is no doubt in my mind that the Province would refuse to consider the costs of berms and frontage roads as their responsibility unless sufficient pressure was brought to bear.

The costs involved are:

	<u>Gross Cost</u> \$	<u>Probable Burnaby Cost</u> \$	<u>Probable Provincial Cost</u> \$
Stormont/McBride	11,500,000		
Right-of-way acquisition cut and cover		10,000,000	1,500,000
Hastings/Gaglardi	3,800,000		
Right-of-way acquisition from inlet to east of Duthie plus berms		2,200,000	1,600,000
10th Avenue - 20th Street to McBride	20,000,000		
Berm construction and frontage road one side		4,200,000	15,800,000
	<u>\$35,300,000</u>	<u>\$16,400,000</u>	<u>\$18,900,000</u>

As and when the Province is prepared to proceed with these works, Burnaby could find itself contributing some \$16,400,000 towards their cost, unless it was able to persuade the Province otherwise. For this reason, representations should be made to the Province as soon as possible to reconsider its position.

*B. D. [Signature]*  
MUNICIPAL TREASURER

BM:gw  
Attach.

cc: Municipal Engineer  
Director of Planning

ITEM 16  
 MANAGER'S REPORT NO. 47  
 COUNCIL MEETING 1979 07 03

RE: FINANCING - THE RECONSTRUCTION OF BOUNDARY ROAD  
 BETWEEN IMPERIAL STREET AND MARINE WAY

Following is a report from the Municipal Treasurer regarding the above subject.

RECOMMENDATION:

1. THAT the recommendations of the Municipal Treasurer be adopted.

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ITEM 9  
 MANAGER'S REPORT NO. 57  
 COUNCIL MEETING 1979 08 27

1979 June 28  
 File: C4-16

TO: MUNICIPAL MANAGER  
 FROM: MUNICIPAL TREASURER  
 RE: FINANCING - THE RECONSTRUCTION OF BOUNDARY ROAD  
 BETWEEN IMPERIAL STREET AND MARINE WAY

RECOMMENDATIONS

1. THAT, in the event that Council approves the recommendations of the Transportation Committee concerning the reconstruction of Boundary Road from Imperial to Marine Way, a tax sale moneys by-law in the amount of \$2,201,000 should be brought down; and
2. THAT repayment of the \$2,201,000, or whatever portion of this sum is used on the project, together with interest at 9%, be amortized as a charge to the annual budget over a period of ten years to commence with the year 1980.

REPORT

Council has before them a report from the Transportation Committee recommending that the above project be undertaken. The work on the project is expected to take place over the three year period 1979-1981. In this connection, Section 247(1) of the Municipal Act reads:

"The Council shall not incur any liability beyond the amount of the municipal revenue for the current year and any of the accumulated revenue surplus of prior years appropriated for the annual budget or the annual budget as amended, except as hereinafter provided in this Division."

To comply with this Section of the Act, Council must assure itself that there is a definite source or sources of funds to finance Burnaby's share of the cost of the project.

The cost estimates and proposed sharing between Burnaby, Vancouver and the Province are:

Item	Estimated Total Cost \$	Burnaby Share \$	Provincial Revenue Sharing to Burnaby \$	Final Burnaby Cost \$
Construction cost	3,500,000	1,750,000	875,000	875,000
land acquisition costs	2,304,000	1,152,000	576,000	576,000
landscaped berm, Gravel road on Burnaby side	750,000	750,000	375,000	375,000
Total	6,554,000	3,652,000	1,826,000	1,826,000

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As pointed out in the Transportation Committee's report, we have no definite commitment of funds from the Province concerning the landscaped berm and frontage road on the Burnaby side. Therefore, our cost could be \$2,201,000 rather than the \$1,826,000 shown.

This project is shown in the Capital Improvement Program 1979-1984, in the years 1979, 1980 and 1981 with Burnaby's sharing being as follows:

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			<u>CIP Estimate</u>	<u>Committee Estimate</u>
Construction	1979	\$103,000		
and berm	1980	355,000		
	1981	342,900	\$ 800,900	\$ 1,250,000
Land acquisition	1979		576,000	576,000
			<u>\$ 1,376,900</u>	<u>\$ 1,826,000</u>

The C.I.P. was compiled on the best estimates available. Inasmuch as we had a grant for \$576,000 committed by the Province which must be matched and taken up by the year end, the C.I.P. shows Burnaby's \$576,000 coming out of the Reserve for Capital Works. Now that the whole project is before us for financing, it would be better to consider financing this sum from some other source, particularly as the sum must be paid back from general revenue over a period of years in any event.

There are only two sources of funds available:

1. Borrow from the bank, repayable over five years.

This would require the passage of a short term capital borrowing by-law approved by the Inspector of Municipalities.

If Burnaby's share of the cost turns out to be \$2,201,000 as mentioned above, at the current bank prime rate of interest of 12%, repayment cost for each of five years would be \$610,000, which represents almost one mill of taxation. As this is not debenture debt, the Province considers it to be part of the general purposes tax levy, rather than the debt levy. This has significance when the Province imposes tax levy limitations which in 1979 applied to the debt levy only. In any event, I consider this sum of money to be too large to add to the general purposes levy at this time.

2. The alternative is to pass a tax sale moneys by-law pursuant to Section 304 of the Municipal Act. This requires approval of the Minister of Municipal Affairs. In accordance with Council policy, the moneys advanced would be repaid annually over a period of ten years at an average rate of interest which is calculated to be 9%. \$2,201,000 would require a charge to the annual budget of \$343,000 or approximately .55 mills of general purpose taxation.

My recommendation is that Council bring down a tax sale moneys by-law for the full amount of \$2,201,000 and that the by-law make provision that any money left over in the by-law revert to the Tax Sale Fund. This will take care of the situation in the event that we are successful in negotiating revenue sharing with the Province or find some other means of finance for a part of the project.

*David M. ...*  
MUNICIPAL TREASURER

DM:GW