

1982 July 12.

TO: Mayor and Members of Council.
FROM: Victor V. Stusiak - Alderman Finance Liaison

SUBJECT: B.N.R. OVERPASS FINANCING

There have been certain recent developments related to the BNR Project and funding thereof.

Arising from these developments I submit herein some concerns and certain recommendations.

Council will remember that recently we:

- Received tenders for total project with Goodbrand which along with associated work would make a final project cost of 20.7 million dollars.
- Created a special committee of Council to review the cost of the project.
- Rejected the Goodbrand tender.
- Decided to proceed with this project phased over three years.
- Invited tenders for smaller sections of the project.
- Revised the application to Provincial Government for revenue sharing for 1982 budget year.
- Gave three readings to Loan Authorization Bylaw, subject to Section 330 of the Municipal Act.
- Directed that no further work proceed subject to approval of the Province.

Arising from the above have been the following developments:

1. The Province has approved \$3.2 million revenue sharing funds for the 1982 budget year. This, along with other contributions, makes a total of approximately \$9 million committed with an additional \$4 million to come from revenue sharing.

Summary

UTAP and BNR	\$ 5,000,000
Provincial Government	4,000,000
Revenue Sharing to come	<u>4,000,000</u>
Total other Government	\$ 13,000,000

or 60% of project cost will be funded by other than Burnaby taxpayers.

2. Bids have been invited for two parts of the project and final figures of bids submitted indicate a saving of approximately \$700,000.00 or 20% below Goodbrand figures.

See Purchasing Agent's report.

3. The Ministry of Municipal Affairs has approved of the project subject to Section 330 of the Municipal Act.
4. Contained in this section is a provision for 1/20 of the electors to petition within 30 days that the Loan Authorization Bylaw be submitted to the people.
5. An advertisement was placed by a citizen group in Burnaby Today asking for citizens of Burnaby to oppose the bylaw.

This advertisement contained purported projected cost figures including financing to Burnaby. The amounts shown are grossly misleading and are factually incorrect by a considerable margin. This leads to the question whether:

- the ad was deliberately misleading;
- that the parties who placed the ad did not have the facts.

This would raise the further question of the motives of the sponsors of the ad.

In any event the results could be a delay of the project because citizens could be concerned about the untrue stated cost of the project, and petition to put the Loan Authorization Bylaw to the electors.

Further, Council should take steps to put the actual project costs as budgetted to the people in a like size advertisement in the same paper.

I have concerns about a possible delay of this project and herein recommend that Council fund this project utilizing its own authority, financing to be provided using Section 344 of the Municipal Act - Short Term Capital Borrowing.

My concerns about delay arise from the time constraints on expenditure of grants affecting monies from UTAP and the Province.

Also, we have time constraints on granting contracts on two favourable bids.

This project should proceed now because:

1. It is needed by Burnaby.
2. Over 60% of funding is by grants by other, most of which is now in place.
3. Over \$2 million have already been expended.
4. We need the jobs.

Therefore, I recommend that as they are submitted, Council approve the following:

1. Finance the project using existing funds and Section 344 of the Municipal Act. See Manager's report for details and recommendations.
2. Proceed forthwith with three readings of the appropriate bylaw.
3. Let the contract for two tenders for this project subject to not proceeding until reconsideration and final adoption of the bylaw. See Purchasing Agent's report.

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4. Approve funds expenditure for placement of advertisement with correct funding details.
5. As quickly as possible, with a special meeting of Council, give reconsideration and final approval of the bylaw.

This project has been studied extensively over the years:

After considerable debate and citizen input Council approved the existing project.

In my opinion, Council should act promptly using powers within the Municipal Act and proceed with this project.

RECOMMENDATION:

1. That this report be received for the information of Council.

Victor - V. Stuswick

ALDERMAN - FINANCE LIAISON.