

**METRO VANCOUVER REGIONAL DISTRICT  
FINANCE AND INTERGOVERNMENT COMMITTEE**

**REGULAR MEETING**

**Wednesday, November 18, 2020**

**1:00 p.m.**

**28<sup>th</sup> Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia**

**A G E N D A<sup>1</sup>**

**1. ADOPTION OF THE AGENDA**

**1.1 November 18, 2020 Regular Meeting Agenda**

That the Finance and Intergovernment Committee adopt the agenda for its regular meeting scheduled for November 18, 2020 as circulated.

**2. ADOPTION OF THE MINUTES**

**2.1 October 14, 2020 Regular Meeting Minutes**

That the Finance and Intergovernment Committee adopt the minutes of its regular meeting held October 14, 2020 as circulated.

**3. DELEGATIONS**

**4. INVITED PRESENTATIONS**

**4.1 Evi Mustel, Principal, Mustel Group**

Subject: Public Opinion Survey of Metro Vancouver Infrastructure Projects and Funding

**4.2 David Marshall, Chief Executive Officer, Fraser Basin Council and Bob Purdy, Executive Vice President, Fraser Basin Council**

Subject: Fraser Basin Council – Metro Vancouver Partnership

**5. REPORTS FROM COMMITTEE OR STAFF**

**5.1 Fraser Basin Council – Contribution Agreement 2021-2023**

That the MVRD Board approve a three-year Contribution Agreement with the Fraser Basin Council for an annual amount of \$300,000 for the term January 1, 2021 to

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<sup>1</sup> Note: Recommendation is shown under each item, where applicable.

December 31, 2023, as presented in the report dated October 19, 2020, titled “Fraser Basin Council – Contribution Agreement 2021 - 2023”.

**5.2 Project Delivery Best Practice Response – Project Estimating Framework**

That the GVWD/GVS&DD Board receive for information the report dated November 6, 2020, titled “Project Delivery Best Practice Response – Project Estimating Framework”.

**5.3 Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Strategy**

That the MVRD Board:

- a) endorse the recommended strategy as presented in the report dated October 1, 2020, titled “Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Strategy”, and direct staff to gradually implement ESG/SRI practices in Metro Vancouver’s investments; and
- b) approve the proposed update to the *Corporate Investment Policy* to reflect exclusion of investments in Fossil Fuel as presented in the report dated October 1, 2020, titled “Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Strategy”.

**5.4 School and Youth Leadership Program: Engaging K-12 Audiences Through Curriculum and Leadership Programs**

That the Finance and Intergovernment Committee receive for information the report dated October 19, 2020, titled “School and Youth Leadership Program: Engaging K-12 Audiences Through Curriculum and Leadership Programs”.

**5.5 2020 Budget - Status of Reserves**

That the MVRD/MVHC/GVWD/GVS&DD Board approve the application and transfer of reserves related to the expenditures and provisions as set out in Schedule 1 of the report dated October 27, 2020 titled “2020 Budget - Status of Reserves”.

**5.6 Establishment of a Task Force to Consider Reinstatement of Burrard Inlet Environmental Action Program – Fraser River Estuary Management Program (BIEAP – FREMP) Partnership**

That the GVS&DD Board write letters to the provincial Ministers of: (i) Environment and Climate Change Strategy; and (ii) Forests, Lands, Natural Resource Operations and Rural Development; the federal Ministers of: (iii) Environment and Climate Change Canada; (iv) Fisheries and Oceans Canada; and (v) Vancouver Fraser Port Authority to request their participation in a task force to consider feasibility of reinstating the Burrard Inlet Environmental Action Program – Fraser River Estuary Management Program Partnership, or establishment of an equivalent multi-stakeholder partnership for coordinated environmental management in the Metro Vancouver region.

**5.7 Manager's Report**

That the Finance and Intergovernment Committee receive for information the report dated November 4, 2020, titled "Manager's Report".

**6. INFORMATION ITEMS**

**7. OTHER BUSINESS**

**8. BUSINESS ARISING FROM DELEGATIONS**

**9. RESOLUTION TO CLOSE MEETING**

*Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.*

That the Finance and Intergovernment Committee close its regular meeting scheduled for November 18, 2020 pursuant to the *Community Charter* provisions, 90 (1) (c), (g), and (i) as follows:

"90 (1) A part of the meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:  
(c) labour relations or other employee relations;  
(g) litigation or potential litigation affecting the regional district; and,  
(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose."

**10. ADJOURNMENT/CONCLUSION**

That the Finance and Intergovernment Committee adjourn/conclude its regular meeting of November 18, 2020.

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Membership:

Buchanan, Linda (C) - North Vancouver City  
Dhaliwal, Sav (VC) - Burnaby  
Booth, Mary-Ann - West Vancouver  
Brodie, Malcolm - Richmond

Coté, Jonathan - New Westminster  
Froese, Jack - Langley Township  
Hurley, Mike - Burnaby  
McCallum, Doug - Surrey

McCutcheon, Jen - Electoral Area A  
McEwen, John - Anmore  
Stewart, Kennedy - Vancouver  
Stewart, Richard - Coquitlam

**METRO VANCOUVER REGIONAL DISTRICT  
FINANCE AND INTERGOVERNMENT COMMITTEE**

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Finance and Intergovernment Committee held at 1:00 p.m. on Wednesday, October 14, 2020 in the 28<sup>th</sup> Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia.

**MEMBERS PRESENT:**

Chair, Mayor Linda Buchanan\*, North Vancouver City  
 Vice Chair, Councillor Sav Dhaliwal\*, Burnaby  
 Mayor Mary-Ann Booth\*, West Vancouver (arrived at 1:01 p.m.)  
 Mayor Malcolm Brodie\*, Richmond  
 Mayor Jonathan Côté\*, New Westminster  
 Mayor Jack Froese\*, Langley Township  
 Mayor Mike Hurley\*, Burnaby  
 Mayor Doug McCallum\*, Surrey  
 Director Jen McCutcheon\*, Electoral Area A  
 Mayor John McEwen\*, Anmore  
 Mayor Richard Stewart\*, Coquitlam

**MEMBERS ABSENT:**

Mayor Kennedy Stewart, Vancouver

**STAFF PRESENT:**

Jerry W. Dobrovolny, Chief Administrative Officer  
 Genevieve Lanz, Legislative Services Coordinator, Board and Information Services

**1. ADOPTION OF THE AGENDA**

**1.1 October 14, 2020 Regular Meeting Agenda**

**It was MOVED and SECONDED**

That the Finance and Intergovernment Committee adopt the revised agenda for its regular meeting scheduled for October 14, 2020 as circulated.

**CARRIED**

\*denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*



## **2. ADOPTION OF THE MINUTES**

### **2.1 September 11, 2020 Regular Meeting Minutes**

#### **It was MOVED and SECONDED**

That the Finance and Intergovernment Committee adopt the minutes of its regular meeting held September 11, 2020 as circulated.

**CARRIED**

1:01 p.m. Mayor Booth arrived at the meeting.

## **3. DELEGATIONS**

No items presented.

## **4. INVITED PRESENTATIONS**

No items presented.

## **5. REPORTS FROM COMMITTEE OR STAFF**

### **5.1 2021 – 2025 Financial Plan Overview**

Jerry W. Dobrovolny, Commissioner/Chief Administrative Officer and Dean Rear, General Manager, Financial Services/Chief Financial Officer, provided members with a presentation on the 2021 – 2025 Financial Plan, highlighting 2021 budget adjustments, overall household impact, operating budget and expenditures, and debt amortization.

Presentation material titled “2021 – 2025 Financial Plan Overview” is retained with the October 14, 2020 Finance and Intergovernment Committee agenda.

### **5.2 2021 – 2025 Financial Plan – Centralized Support Programs**

Report dated October 6, 2020 from Jerry W. Dobrovolny, Commissioner/Chief Administrative Officer and Dean Rear, General Manager, Financial Services/Chief Financial Officer, seeking endorsement of the 2021 – 2025 Financial Plan for Centralized Support Programs.

### **5.3 2021 – 2025 Financial Plan – Regional District Service Areas**

Report dated October 6, 2020 from Jerry W. Dobrovolny, Commissioner/Chief Administrative Officer and Dean Rear, General Manager, Financial Services/Chief Financial Officer, seeking endorsement of the 2021 – 2025 Financial Plan for the Regional District Service Areas.

Members were provided with a presentation related to Item 5.2 and Item 5.3 on the 2021 – 2025 Financial Plan for Centralized Support Programs and Regional District Service Areas, highlighting performance metrics, budget overview, operating funding, and household impact.

Presentation materials titled “2021 – 2025 Financial Plan – Centralized Support” and “2021 – 2025 Financial Plan – Metro Vancouver Regional District” are retained with the October 14, 2020 Finance and Intergovernment Committee agenda.

**It was MOVED and SECONDED**

That the Finance and Intergovernment Committee:

- a) endorse the 2021 - 2025 Financial Plan for the Centralized Support Programs as presented in the report dated October 6, 2020, titled “2021 - 2025 Financial Plan – Centralized Support Programs”;
- b) endorse the 2021 - 2025 Financial Plan for the Regional District Service Areas as presented in the report dated October 6, 2020, titled “2021 - 2025 Financial Plan – Regional District Service Areas”; and
- c) forward the 2021 - 2025 Financial Plans for the Centralized Support Programs and Regional District Service Areas to the Metro Vancouver Board Budget Workshop on October 21, 2020 for consideration.

**CARRIED**

**5.4 Manager’s Report**

Report dated October 8, 2020 from Jerry W. Dobrovolny, Commissioner/Chief Administrative Officer, providing members with an update on the Finance and Intergovernment Committee 2020 Work Plan, highlighting Metro Vancouver Housing Corporation property tax appeal.

**6. INFORMATION ITEMS**

No items presented.

**7. OTHER BUSINESS**

No items presented.

**8. BUSINESS ARISING FROM DELEGATIONS**

No items presented.

**9. RESOLUTION TO CLOSE MEETING**

No items presented.

**10. ADJOURNMENT/CONCLUSION**

**It was MOVED and SECONDED**

That the Finance and Intergovernment Committee conclude its regular meeting of October 14, 2020.

**CARRIED**

(Time: 1:36 p.m.)

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Genevieve Lanz,  
Legislative Services Coordinator

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Linda Buchanan, Chair

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To: Finance and Intergovernment Committee

From: Neal Carley, General Manager, Parks and Environment

Date: October 19, 2020 Meeting Date: November 18, 2020

Subject: **Fraser Basin Council – Contribution Agreement 2021-2023**

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### **RECOMMENDATION**

That the MVRD Board approve a three-year Contribution Agreement with the Fraser Basin Council for an annual amount of \$300,000 for the term January 1, 2021 to December 31, 2023, as presented in the report dated October 19, 2020, titled “Fraser Basin Council – Contribution Agreement 2021 - 2023”.

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### **EXECUTIVE SUMMARY**

The Fraser Basin Council (FBC) and Metro Vancouver have worked together since 1997 on environmental and community resiliency initiatives. The current three-year contribution agreement with the FBC expires on December 31, 2020 and staff recommend entering into a contribution agreement for the next three years.

### **PURPOSE**

The purpose of this report is to seek MVRD Board approval of an additional three-year Contribution Agreement with the FBC. This report highlights the proposed terms of the Contribution Agreement.

### **BACKGROUND**

The FBC is an external organization that has received annual funding from Metro Vancouver since 1997. The three-year Contribution Agreement was last approved by the GVRD Board on February 23, 2018 as follows:

*“That the MVRD Board approve a three-year Contribution Agreement with the Fraser Basin Council for an annual amount of \$300,000 for the term January 1, 2018 to December 31, 2020, as presented in the report dated February 6, 2018, titled “Fraser Basin Council – Contribution Agreement”.*

The current three-year agreement expires December 31, 2020. This report seeks Board approval for a renewed three-year Contribution Agreement (Attachment 1) and provides information on the work of the Fraser Basin Council that aligns with the mandate of Metro Vancouver and with the Board Strategic Plan.

### **FRASER BASIN COUNCIL**

FBC is a charitable, non-profit organization that exists to advance sustainability within the Fraser Basin, including Metro Vancouver, and throughout British Columbia. FBC works by promoting and facilitating collaborative action among all orders of government, First Nations, the private sector and the public on a variety of sustainability initiatives.

As described in its 2016-2021 Strategic Plan, FBC's initiatives aimed at promoting sustainability fall within the following strategic areas aligned with Metro Vancouver's strategic priorities:

- Taking action on climate change and air quality;
- Supporting healthy watersheds and water resources;
- Building sustainable communities and regions; and
- Increasing resiliency.

Additional information on the establishment, history and governance of the Fraser Basin Council can be viewed on the Fraser Basin Council's web site (see Reference section).

FBC also has an ongoing role as a convener and facilitator, engaging diverse stakeholder groups on the importance of sustainability in the Fraser Basin and throughout the province. Attachment 2, a letter from Fraser Basin Council, also speaks to FBC's efforts to leverage the annual contribution from Metro Vancouver with contributions from other orders of government, corporations and foundations. By FBC's own estimates, nearly \$10 million in additional funding has been leveraged from the past three years of annual contributions from Metro Vancouver, and of this total, more than \$7.6 million has been directly expended in the Metro Vancouver region.

## **CONTRIBUTION AGREEMENT**

Metro Vancouver and the FBC have a strong and productive relationship and staff recommend continuing this relationship. Attachment 1 is a draft Contribution Agreement developed for the Board's consideration, and proposes continuation of Metro Vancouver's annual contributions to FBC at the current-year amount of \$300,000.

### **Term**

The term of the proposed agreement is three years, from January 1, 2021 to December 31, 2023. Funding would be included in each annual budget over this period, and would be provided to FBC each year without additional approval. Annual funding would be provided in one installment on or before March 31 of each funding year.

### **Activities and Services**

Schedule A of the agreement sets out the activity areas over the three-year term. These activities are presently focused in areas related to: vehicle fleets, including electrification of fleets, public awareness and installation of electric vehicle charging infrastructure; climate change mitigation and adaptation; Lower Mainland flood management; air quality research; and healthy watersheds and water resources.

FBC would be required to provide an annual report to Metro Vancouver on or before January 31 of each year. The annual report would summarize the Council's activities and outcomes for the previous year. Recognizing the potential for the emergence of new activity areas or priorities, the Agreement includes a mechanism for annual work planning and identification of priorities, and the ability to modify service lists within the term of the Agreement.

## **ALTERNATIVES**

1. That the MVRD Board approve a three-year Contribution Agreement with the Fraser Basin Council for an annual amount of \$300,000 for the term January 1, 2021 to December 31, 2023, as presented in the report dated October 19, 2020, titled “Fraser Basin Council – Contribution Agreement 2021 - 2023”.
2. That the MVRD Board receive for information the report dated October 19, 2020, titled “Fraser Basin Council – Contribution Agreement 2021-2023” and provide alternate direction to staff.

## **FINANCIAL IMPLICATIONS**

If the Board approves Alternative 1, the Contribution Agreement funding would be supported through the General Government Program and would commit Metro Vancouver to three years of funding to the Fraser Basin Council in the amount of \$300,000 each year.

The funding for the 2021 contribution to the Fraser Basin Council in the amount of \$300,000 has been approved as part of the 2021 budget approval process, and considered for 2022 and 2023 as part of the 2021-2025 financial plan.

Approval of Alternative 1 would also require Metro Vancouver to provide meeting attendance remuneration and expenses to allow Metro Vancouver’s representative to participate in the meetings of the FBC Board (three per year) and of any FBC Committees to which a representative is appointed.

## **CONCLUSION**

Fraser Basin Council is a charitable, non-profit organization that exists to advance sustainability within the Fraser Basin and throughout British Columbia, including Metro Vancouver. FBC works by promoting and facilitating collaborative action among all orders of government, First Nations, the private sector and the public on a variety of sustainability initiatives.

The local governments within the Fraser Basin have supported FBC since its inception through funding contributions from regional districts, which are used to support the various sustainability programs and initiatives, and to assist in paying for the operations of the FBC organization, including its Board of Directors.

Metro Vancouver benefits from several of the initiatives undertaken by FBC, particularly those that align with and complement the priorities identified by Metro Vancouver in its Board Strategic Plan, and with the work being undertaken within several Metro Vancouver departments. Metro Vancouver also benefits from FBC’s relationship-building and facilitation efforts.

A three-year Contribution Agreement has been drafted to provide the annual contributions. Staff recommends Alternative 1, that the MVRD Board approve the Agreement and authorize a continuation of its annual contributions to FBC at the current-year amount of \$300,000.

**Attachments**

1. Draft Contribution Agreement between Metro Vancouver and Fraser Basin Council, dated 2021 – 2023. *(Doc# 42003242)*
2. Correspondence from Fraser Basin Council to Metro Vancouver, titled “Metro Vancouver – Fraser Basin Council Agreement Renewal”, dated October 29, 2020. *(Doc# 42030694)*

**Reference**

[Fraser Basin Council](#)

**CONTRIBUTION AGREEMENT**

THIS AGREEMENT made the [xx] day of [Month], [Year]

BETWEE

N:

**METRO VANCOUVER REGIONAL DISTRICT**

4730

Kingsway  
Burnaby, BC  
V5H 0C6

("Metro Vancouver")

AND:

**FRASER BASIN COUNCIL**

1st Floor, 470 Granville  
Street Vancouver, BC  
V6C 1V5

(the "Recipient")

**WHEREAS:**

- A. The Recipient is a charitable non-profit society, and a collaboration of four orders of government (federal, provincial, local and First Nations), along with the private sector and civil society. One of the objects of the Recipient is to bring people together to advance sustainability in the Fraser Basin and across British Columbia;
- B. The Recipient has requested to receive, and Metro Vancouver has agreed to provide to the Recipient, funds for a purpose beneficial to the community or an aspect of the community; and
- C. Section 176(1)(c) of the *Local Government Act* provides that Metro Vancouver may provide assistance for the purpose of benefiting the community or any aspect of the community.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, terms and conditions to be hereinafter contained (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree each with the other as follows:



## 1.0 INTERPRETATION

In this Agreement the following terms have the following meanings:

"**Activities**" means, collectively, the services, programs and initiatives set out in Schedule 'A' of this Agreement.

"**Agreement**" means this agreement and the appended schedules, as may be amended from time to time.

"**Event of Default**" has the meaning set forth in Section 11.1(a).

"**Funds**" has the meaning set forth in Section 4.3.

"**Term**" has the meaning set forth in Article 2.0.

## 2.0 TERM

The term of this Agreement will commence on January 1, 2021, and end on December 31, 2023 (the "**Term**"), unless otherwise terminated as provided herein.

## 3.0 PURPOSE

- 3.1 The Recipient shall only use the Funds to carry out the Activities in accordance with the terms and conditions of this Agreement.
- 3.2 The Recipient shall, at Metro Vancouver's written request, provide all information required to enable Metro Vancouver to evaluate the use of the Funds, using the evaluation framework set out in Schedule 'B' of this Agreement.
- 3.3 The Recipient will carry out the Activities under the terms of the Agreement subject to any applicable bylaws of Metro Vancouver and applicable legislation and regulations and in a manner consistent with any applicable guidelines provided by Metro Vancouver.
- 3.4 Metro Vancouver must approve any changes to the Activities in writing prior to the changes being made during the Term.

## 4.0 FUNDING AND PAYMENT

- 4.1 Metro Vancouver has agreed to provide the Funds to support the Activities, in accordance with Section 4.3.
- 4.2 The payment of Funds is subject to Metro Vancouver being satisfied, in its sole and absolute discretion, that the Recipient will carry out the Activities in accordance with all requirements under this Agreement.
- 4.3 Metro Vancouver shall pay by cheque to the Recipient the sum of \$300,000 for each year of the Term (the "**Funds**"), on or before March 31 of the funding year.

## **5.0 REPORTING**

The Recipient shall present an annual report to Metro Vancouver on or before January 31 of the year following the year in which the Funds were received. The annual report shall include at a minimum:

- (a) a summary of the Recipient's activities, achievements and outcomes for the previous year; and
- (b) an outline of the annual work plan and priorities for the current year.

## **6.0 TAXES**

It is the Recipient's responsibility to determine whether or not it has to be registered for GST and/or PST purposes. The amount of funding provided in this Agreement includes any GST and/or PST which may be payable by Metro Vancouver. Any liability for GST and/or PST required in respect of this Agreement will be the responsibility of the Recipient.

## **7.0 SEPARATE FUNDS AND FINANCIAL STATEMENTS**

- 7.1 The books of account of the Recipient shall be kept in accordance with Generally Accepted Accounting Practices.
- 7.2 The Funds provided under Article 4.0 in this Agreement shall be accounted for separately from any other funds of the Recipient and shall be separated in its books of account.
- 7.3 Metro Vancouver may, in its sole and absolute discretion, require that the Recipient maintain a separate bank account for Metro Vancouver funds and revenues from the Activities and to keep all operating revenues and expenditures pursuant to this Agreement separate from other activities that may be undertaken by the Recipient from time to time.

## **8.0 RIGHT OF AUDIT**

At any time, Metro Vancouver may give to the Recipient written notice that it desires its representative to examine the books of account of the Recipient, and the Recipient shall produce for examination to such representative within ten (10) business days after receipt of such notice, its books of account, and the said representative shall have a right of access to all records, documents, books, accounts and vouchers of the Recipient and shall be entitled to require from the directors and officers of the Recipient such information and explanations as, in his/her opinion, may be necessary to enable the representative to report to the Metro Vancouver Board on the financial position of the Recipient.

## **9.0 INDEMNITY AND RELEASE**

- 9.1 The Recipient shall indemnify and save harmless Metro Vancouver, its elected officials, appointed officers, employees, agents and contractors from and against all actions, causes of action, claims, liabilities, damages, losses, costs, legal fees, fees, fines, charges or expenses which any or all of them may incur, be threatened by or be required to pay by reason of or arising out of the Activities carried out by the Recipient, the Recipient's use of any facility related to the Activities, the breach by the Recipient of any term of this Agreement, or by the Recipient's contravention of any law, enactment or regulation of a federal, provincial or local government, or failure to engage or consult First Nations.
- 9.2 The Recipient hereby releases Metro Vancouver, its elected officials, appointed officers, employees, agents and contractors from and waives any claim, right, remedy, action, cause of action, loss, damage, expense, fee or liability which the Recipient may have against any or all of them in respect of an act of Metro Vancouver in relation to this Agreement, except insofar as such claim, right, remedy, action, cause of action, loss, damage, expense, fee or liability arises from the negligence of Metro Vancouver, its elected officials and appointed officers, employees, agents or contractors.
- 9.3 This Article 9.0 shall survive the expiry or sooner termination of this Agreement.

## **10.0 DIRECTORS**

At all times while this Agreement is in force, a representative of Metro Vancouver nominated by Metro Vancouver shall be entitled to sit as a member of the Board of Directors of the Recipient.

## **11.0 TERMINATION**

- 11.1 Metro Vancouver may terminate this Agreement immediately without notice to the Recipient should:
- (a) the Recipient, in the sole and absolute discretion of Metro Vancouver, fail to perform any of its obligations or covenants hereunder (an "**Event of Default**") and such failure shall continue beyond thirty (30) days from delivery by Metro Vancouver to the Recipient of written notice specifying the failure and requiring remedy thereof; or
  - (b) the Recipient make an assignment in bankruptcy or is declared bankrupt.
- 11.2 For the purposes of Section 11.1(a), an Event of Default includes but is not limited to:

- (a) a determination by Metro Vancouver, in its sole and absolute discretion, that the Funds are being used in a manner contrary to the terms of this Agreement or the public interest; and
  - (b) the Recipient making changes to the Activities without the prior approval of Metro Vancouver pursuant to Section 3.4.
- 11.3 Metro Vancouver may terminate this Agreement upon giving one hundred and eighty (180) days' written notice to the Recipient.
- 11.4 If Metro Vancouver terminates the Agreement for any reason, the Recipient shall immediately return any Funds that have not been spent on carrying out the Activities. The Recipient will provide a full accounting of all Funds not returned.
- 11.5 The Recipient may terminate this Agreement upon giving thirty (30) days' written notice to Metro Vancouver should the Recipient, for any reason, be unable to meet its obligations with respect to the carrying out of the Activities as set forth in this Agreement.
- 11.6 Upon termination by the Recipient, the Recipient shall immediately return any Funds that have not been spent on carrying out the Activities. The Recipient will provide a full accounting of all Funds not returned.

## **12.0 NOTICE**

- 12.1 Unless otherwise specified herein, any notice required to be given under this Agreement by any party shall be in writing and will be deemed to have been given if mailed by prepaid registered mail, sent by facsimile transmission, or delivered to the address of the other party as set forth below or at such other address as the other party may from time to time direct in writing, and any such notice will be deemed to have been received if mailed or faxed, seventy-two (72) hours after the time of mailing or faxing, and if delivered by personal delivery, upon the date of delivery. If normal mail service or facsimile service is interrupted by strike, slow down, force majeure or other cause, then a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the notice must utilize any other such services which have not been so interrupted or must deliver such notice by personal delivery in order to ensure prompt receipt thereof.

### **To Metro Vancouver:**

Neal Carley  
General Manager, Parks and Environment  
Metro Vancouver  
4730 Kingsway  
Burnaby, BC V5H 0C6

**To the Recipient:**

Bob Purdy  
Director, External Relations & Corporate Development Fraser Basin Council  
1st Floor, 470 Granville Street  
Vancouver, BC V6C 1V5

**13.0 AUTHORIZATION**

The Recipient hereby represents and warrants that the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement, if any, have been duly and validly authorized by all necessary corporate action of the Recipient, and this Agreement constitutes a legal, valid and binding obligation of the Recipient enforceable against the Recipient in accordance with its terms and the persons signing this Agreement on the Recipient's behalf are duly authorized to do so.

**14.0 TIME**

Time is of the essence in this Agreement.

**15.0 BINDING**

In consideration of being granted the Funds, the Recipient agrees to be bound by the terms and conditions of this Agreement, and if the Recipient represents a group or organization, the Recipient agrees to inform all responsible persons associated with the group or organization of the terms and conditions of this Agreement.

**16.0 ASSIGNMENT**

Subject to Article 17.0, the Recipient may not assign this Agreement in whole or in part without the prior written consent of Metro Vancouver.

**17.0 SUBCONTRACTORS**

The Recipient may retain subcontractors to assist in carrying out the Activities provided that the Recipient shall be and remain fully liable to Metro Vancouver for the performance of any subcontractor.

## **18.0 ENUREMENT**

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, successors and permitted assignees.

## **19.0 RELATIONSHIP OF PARTIES**

No provision of this Agreement shall be construed to create a partnership or joint venture relationship, an employer-employee relationship, a landlord-tenant, or a principal-agent relationship between the parties.

## **20.0 WAIVER**

The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

## **21.0 AMENDMENTS**

This Agreement may not be modified or amended except by the written agreement of the parties.

## **22.0 WHOLE AGREEMENT**

The whole agreement between the parties with respect to the subject matter hereof is set forth in this document and no representations, warranties or conditions, express or implied, have been made other than those expressed herein.

## **23.0 LANGUAGE**

Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.

## **24.0 CUMULATIVE REMEDIES**

No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.

## **25.0 GOVERNING LAW AND JURISDICTION**

This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia and the parties attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.

## **26.0 VALIDITY**

If any provision of this Agreement is declared or held to be invalid or unenforceable, that provision will be severed, and all other provisions will continue to be valid and enforceable.

## **27.0 COUNTERPARTS**

This Agreement may be executed in counterparts with the same effect as if both parties had signed the same document. Each counterpart shall be deemed to be an original. All counterparts shall be construed together and shall constitute one and the same Agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the day and year first above written.

**For the METRO VANCOUVER REGIONAL DISTRICT**

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Jerry W. Dobrovolny, P.Eng., MBA, Chief Administrative Officer

**For the FRASER BASIN COUNCIL**

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David Marshall, Executive Director

## **SCHEDULE 'A'**

### **FRASER BASIN COUNCIL ACTIVITIES (2021 - 2023)**

#### **INTRODUCTION**

The Fraser Basin Council is a charitable, non-profit organization that exists to advance sustainability throughout British Columbia and the Fraser Basin, including Metro Vancouver. The Fraser Basin Council works by promoting and facilitating collaborative action among all orders of government, First Nations, the private sector and civil society on a variety of sustainability initiatives. The Fraser Basin Council is guided by its vision of "social well-being, supported by a vibrant economy and sustained by a healthy environment."

#### **ACTIVITIES**

Under its Contribution Agreement with Metro Vancouver, the Fraser Basin Council will undertake the following general activities:

- Leverage Metro Vancouver's contribution to the Fraser Basin Council through financial contributions from other partners;
- Act as a catalyst for innovative forms of regional engagement with a wide variety of stakeholders for work that serves regional sustainability goals, including work which may not be under Metro Vancouver's core mandate;
- Assist Metro Vancouver in collaborating with senior governments, First Nations, private sector groups and civil society on sustainability initiatives that meet shared interests;
- Provide impartial facilitation and resolution of jurisdictional and other issues and conflicts;
- Develop and make available credible knowledge resources and information networks to inform the need for sustainability, and to support informed engagement and decision-making; and
- Provide opportunities for Metro Vancouver, through participation on the Fraser Basin Council Board of Directors and various Committees, to raise and participate in discussions on regional issues and opportunities of importance.

In addition to these general activities the Fraser Basin Council will provide a range of programs and initiatives that involve and provide direct benefit to Metro Vancouver. These programs and initiatives include but are not limited to:

#### **1. Plug-In BC: Encouraging Electric Vehicles as a Sustainable Mobility Option**

- Encourage consumer and institutional acceptance of electric vehicles
- Provide expert advice and support to current and future charging station hosts, fleet and individual electric vehicle owners, partner organizations

#### **2. Emotive, the Electric Vehicle Experience: Public Awareness of the Benefits of Electric Vehicles**

- work in partnership with Metro Vancouver and other partners to deliver Emotive events,



including ride and drive opportunities

- promote public awareness of electric vehicle technology and benefits, through social media, multi-media, and other engagement activities

**3. West Coast Electric Fleets and Fleet Champions Program**

- oversee West Coast Electric Fleets (WCEF) initiatives and associated tools and resources
- encourage fleets within Metro Vancouver to take the WCEF Pledge and provide access to incentives such as business case assessments and incentives for charging station purchase and installation

**4. E3 Fleet: Reducing Emissions, Improving Air Quality and Increasing Economic Efficiency of Regional Fleets**

- Increase fleet reviews, certifications and re-certifications of regional fleets, targeting both commercial and public sector fleets
- Further develop and share information and resources for improving efficiency of regional fleets

**5. BC Clean Air Research Fund (BC CLEAR): Supporting Air Quality Research**

- Administer a funding program for transformative, groundbreaking research in air quality management
- Communicate funding opportunities to regional interests
- Identify sources of continued funding for BC CLEAR beyond 2020

**6. Lower Mainland Flood Hazard Management Strategy: Building the Case for Proactive Mitigation**

- Raise awareness of the Strategy and the need for collaborative action among all orders of government, the private sector and civil society
- Provide updated information about flood hazards
- Build on understanding of flood vulnerabilities across the region, and the regional assessment of flood management practices and policies
- Develop a regional strategy and action plan and identify options for funding and implementation

**7. Taking Action on Climate Mitigation and Adaptation: Engagement and Capacity Building**

- Further develop resources (e.g. Climate Action Toolkit and Retooling websites) for adaptation and mitigation knowledge of relevance to Metro Vancouver and its member jurisdictions
- Promote, convene and facilitate peer-to-peer learning webinars and workshops

**8. BuySmart Network: Supporting Sustainable Supply Chains**

- Continue to build the capacity of small businesses, public agencies, not-for-profit organizations and social enterprises operating in the region to improve the social and environmental benefits of their procurement policies and practices
- Work with Metro Vancouver to deliver sustainable purchasing engagement and learning events in Metro Vancouver, and further develop web-based resources

- Work with Metro Vancouver to assess future opportunities for BuySmart Network to develop and deliver sustainable purchasing training and networking events in support of Zero Waste and other Metro Vancouver priorities and programs

#### **9. Supporting Healthy Watersheds and Water Resources**

- Working with Metro Vancouver, member municipalities, the development industry and professionals, deliver the Salmon-Safe for Communities urban certification program

Recognizing the potential for the emergence of new priorities or activity areas, a mechanism will be implemented for annual work planning over the term of this Agreement. As noted in Schedule 'B', the Fraser Basin Council will provide regular reporting for each year of this Agreement, and will develop refined Service lists for future years through regular discussions with Metro Vancouver staff and elected officials, as appropriate.

## **SCHEDULE 'B'**

### **ACCOUNTABILITY**

**Oversight** - The MVRD Board will nominate a member of its Board of Directors to serve as the Metro Vancouver representative on the Fraser Basin Council Board of Directors.

**Reporting** - The Fraser Basin Council is required to provide an annual report to Metro Vancouver on or before January 31. The annual report will summarize the Fraser Basin Council's activities performed and outcomes achieved during the previous year in the Council's efforts to carry out the Activities identified in Schedule 'A' of this Agreement. The annual report will also provide a proposed outline of the Fraser Basin Council's annual work plan and priorities, as they relate to Metro Vancouver, for the given year.

**Review** - Metro Vancouver staff will review the annual report and provide feedback to the Fraser Basin Council.



October 29, 2020

B. Neal Carley  
General Manager, Parks, & Environment  
Metro Vancouver  
4730 Kingsway  
Burnaby, BC V5H 0C6

**Re: Metro Vancouver – Fraser Basin Council Agreement Renewal**

Dear Mr. Carley:

This letter respectfully requests that the existing three-year agreement between Metro Vancouver and Fraser Basin Council (FBC), which sets out the terms and conditions for a contribution of \$300K per year by Metro Vancouver to FBC, be renewed for the next three years, effective January 1, 2021.

As you are aware, the partnership between Metro Vancouver and FBC has been in place since the FBC's establishment as a not-for-profit society in 1997. At that time, visionaries representing local, provincial, federal and First Nations governments working alongside members of the private sector and civil society, recognized that in order to address the complex sustainability challenges facing the Fraser River Basin and beyond, a new model of collaborative leadership was essential – one that helped diverse interests coalesce around core values and choose collaboration and shared action over conflict and inaction. Since that time, the work of the FBC has proven, time and time again, the efficacy of the collaborative, multi-jurisdictional approach.

Over the term of the current agreement (2018-2020), the Metro Vancouver – FBC partnership has achieved measureable and meaningful progress on regional and broader sustainability priorities, as set out in annual Metro Vancouver Board Strategic Plans, municipal plans and the sustainability plans of a broad variety of other jurisdictions and interests. Annual reports submitted by FBC to Metro Vancouver over this time period provide detailed information on the wide range of activities undertaken and outcomes achieved.

Metro Vancouver's \$300K annual contribution to FBC has been essential to achieve these outcomes because it has enabled FBC to leverage contributions towards initiatives of importance to both organizations – typically by several orders of magnitude – from other orders of government, corporations, foundations and individuals.

During the current term of our agreement, nearly \$10 million in additional funding has been secured as a direct result of Metro Vancouver's support of FBC (see Attachment "A"). This funding has been used for initiatives of shared interest such as climate change mitigation (e.g., electric vehicle incentive programs, charging infrastructure enhancement, energy efficiency initiatives), coastal and Fraser River flood management (the Lower Mainland Flood Management

Strategy), climate change adaptation (e.g., Adaptation Canada 2020 Conference, Regional Adaptation Collaborative, Salmon Safe BC) and other initiatives including recovery of Southern Resident Killer Whales and advancing Reconciliation with indigenous peoples. Of this total, over \$7.6 million – which does not include Metro Vancouver’s contribution – has been secured by FBC from other sources and expended on these and other initiatives within the Metro Vancouver region.

FBC’s work in other regions of the Fraser Basin and across BC also directly benefits the Metro Vancouver region on several fronts. For example, the Shuswap Watershed Council, a program hosted and facilitated by FBC ([https://www.fraserbasin.bc.ca/Shuswap\\_Water.html](https://www.fraserbasin.bc.ca/Shuswap_Water.html)) focuses on improving water quality in a challenged sub-watershed of the Fraser Basin, resulting in downstream benefits to this region. Similarly, investments in electric vehicle charging infrastructure led by FBC in adjacent regions such as the Squamish-Lillooet and Fraser Valley Regional Districts advance progress on sustainable transportation priorities and improved air quality in a shared “commuter-shed” and airshed.

Metro Vancouver’s investment in FBC over the years has also supported the growth of a highly effective organization that offers the unique skills, capacities and reputation needed to creatively bring people and organizations together at “safe tables” to tackle complex sustainability challenges in informed, action-focused and collaborative ways.

In conclusion, the benefits of the Metro Vancouver – FBC partnership since its establishment in 1997 through visionary local government leaders working with others are clear. On behalf of the Fraser Basin Council, I would like to express our appreciation for Metro Vancouver’s consistent and valued support.

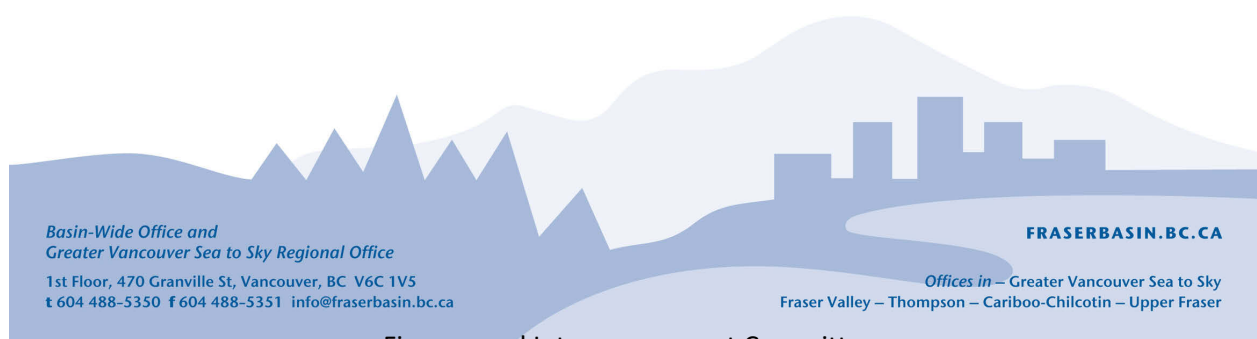
We very much look forward to our continued partnership in the years to come. Should you have any questions please don’t hesitate to contact me.

Yours truly,



David Marshall  
Chief Executive Officer

*Attachment: Fraser Basin Council Expenditures Supporting Metro Vancouver Priorities 2018-2020*



Attachment "A" Fraser Basin Council Expenditures Supporting Metro Vancouver Priorities 2018-2020\*

|   | Total Expenditures* |                    |                    |                    | % of Activity<br>in Metro<br>Vancouver | Expenditures in Metro Vancouver* |                    |                    |                    | Main<br>Funding<br>Sources** |
|---|---------------------|--------------------|--------------------|--------------------|--|----------------------------------|--------------------|--------------------|--------------------|------------------------------|
| Fraser Basin Council Sustainability Initiative                      | 2018                | 2019               | 2020               | Total              |  | 2018                             | 2019               | 2020               | Total              |                              |
|   |                     |                    |                    |                    |  |                                  |                    |                    |                    |                              |
| <b>Climate Change Mitigation</b>                                    |                     |                    |                    |                    |  |                                  |                    |                    |                    |                              |
| Electric Vehicles: Specialty Use Vehicle Incentive                  | \$719,490           | \$1,072,301        | \$625,892          | <b>\$2,417,683</b> | 80%                                    | \$575,592                        | \$857,841          | \$500,714          | <b>\$1,934,147</b> | P                            |
| Electric Vehicles: EmotiveBC  | \$204,081           | \$269,139          | \$77,955           | <b>\$551,175</b>   | 50%                                    |                                  | \$134,570          | \$395,961          | <b>\$530,531</b>   | P                            |
| Electric Vehicles: Fleet Champions Program                          | \$156,110           | \$178,210          |                    | <b>\$334,320</b>   | 65%                                    | \$101,472                        | \$115,837          |                    | <b>\$217,308</b>   | P,C                          |
| Charging Solutions and Incentives Program                           | \$1,124,451         | \$438,286          | \$140,883          | <b>\$1,703,620</b> | 90%                                    | \$1,012,006                      | \$394,457          | \$126,795          | <b>\$1,533,258</b> | P                            |
| FortisBC Energy Efficiency Independent Facilitation                 | \$30,000            | \$18,000           | \$15,000           | <b>\$63,000</b>    | 60%                                    | \$18,000                         | \$10,800           | \$9,000            | <b>\$37,800</b>    | C                            |
|   |                     |                    |                    |                    |  |                                  |                    |                    |                    |                              |
| <b>Climate Change Adaptation</b>                                    |                     |                    |                    |                    |  |                                  |                    |                    |                    |                              |
| Adaptation Canada 2020 Conference                                   |                     | \$200,000          | \$646,000          | <b>\$846,000</b>   | 100%                                   |                                  | \$200,000          | \$646,000          | <b>\$846,000</b>   | F,P,C,I                      |
| BC Regional Adaptation Collaborative                                | \$320,000           | \$220,000          | \$200,000          | <b>\$740,000</b>   | 33%                                    | \$105,600                        | \$72,600           | \$66,000           | <b>\$244,200</b>   | F                            |
| Salmon-Safe BC - Urban and Agriculture Eco-Certification            | \$81,440            | \$52,480           | \$61,800           | <b>\$195,720</b>   | 90%                                    | \$73,296                         | \$47,232           | \$55,620           | <b>\$176,148</b>   | FDN,C                        |
|   |                     |                    |                    |                    |  |                                  |                    |                    |                    |                              |
| <b>Lower Mainland Flood Management Strategy</b>                     |                     |                    |                    |                    |  |                                  |                    |                    |                    |                              |
| Lower Fraser Flood Model  | \$627,000           | \$313,000          |                    | <b>\$940,000</b>   | 50%                                    | \$313,500                        | \$156,500          |                    | <b>\$470,000</b>   | F,P, M, C                    |
| Lower Mainland Flood Risk Assessment                                |                     | \$340,000          | \$340,000          | <b>\$680,000</b>   | 75%                                    |                                  | \$255,000          | \$255,000          | <b>\$510,000</b>   | F,P                          |
| FloodWise.ca Website and Video Series                               | \$16,350            | \$245,250          | \$65,400           | <b>\$327,000</b>   | 100%                                   | \$49,050                         | \$130,800          | \$147,150          | <b>\$327,000</b>   | F,P                          |
| Environmentally Friendly Flood Mitigation Initiatives               | \$32,000            | \$95,000           | \$75,000           | <b>\$202,000</b>   | 50%                                    | \$16,000                         | \$47,500           | \$37,500           | <b>\$101,000</b>   | FDN,P,M,C                    |
| Flood Strategy Engagement and Development                           | \$195,000           | \$195,000          | \$195,000          | <b>\$585,000</b>   | 75%                                    | \$146,250                        | \$146,250          | \$146,250          | <b>\$438,750</b>   | P,M,C                        |
| BC Storm Surge Forecast Model                                       | \$40,000            | \$40,000           | \$40,000           | <b>\$120,000</b>   | 50%                                    | \$20,000                         | \$20,000           | \$20,000           | <b>\$60,000</b>    | P                            |
|   |                     |                    |                    |                    |  |                                  |                    |                    |                    |                              |
| <b>Selected Other Initiatives</b>                                   |                     |                    |                    |                    |  |                                  |                    |                    |                    |                              |
| Reconciliation / UNDRIP Implementation                              | \$15,000            | \$42,500           | \$42,500           | <b>\$100,000</b>   | 100%                                   | \$15,000                         | \$42,500           | \$42,500           | <b>\$100,000</b>   | P,C,FDN,I                    |
| Port of Vancouver ECHO Program Facilitation - Killer Whale Recovery | \$32,000            | \$42,400           | \$45,527           | <b>\$119,927</b>   | 100%                                   | \$32,000                         | \$42,400           | \$45,527           | <b>\$119,927</b>   | C                            |
| Recreation Use Management in the Sea-to-Sky Corridor                | \$2,742             | \$9,416            | \$9,433            | <b>\$21,591</b>    | 20%                                    | \$548                            | \$1,883            | \$1,887            | <b>\$4,318</b>     | P                            |
|   |                     |                    |                    |                    |  |                                  |                    |                    |                    |                              |
| <b>Totals</b>   | <b>\$3,595,664</b>  | <b>\$3,770,982</b> | <b>\$2,580,390</b> | <b>\$9,947,036</b> |  | <b>\$2,478,314</b>               | <b>\$2,676,170</b> | <b>\$2,495,903</b> | <b>\$7,650,386</b> |                              |

\*Expenditures listed **do not** include Metro Vancouver's annual contribution to FBC

\*\*Funding Sources Legend: F=federal government, P=provincial government, M=municipalities, FDN=foundations, C=Corporate, I= individuals

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To: Finance and Intergovernment Committee

From: Cheryl Nelms, General Manager, Project Delivery

Date: November 6, 2020 Meeting Date: November 18, 2020

Subject: **Project Delivery Best Practice Response – Project Estimating Framework**

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### **RECOMMENDATION**

That the GVWD/GVS&DD Board receive for information the report dated November 6, 2020, titled “Project Delivery Best Practice Response – Project Estimating Framework”.

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### **EXECUTIVE SUMMARY**

In February 2020, Metro Vancouver formed the Project Delivery Department to respond to the complex challenges presented by the unprecedented scale of capital projects, the layers of complexity, and market influences. A high level review of Metro Vancouver practices related to project delivery was undertaken shortly thereafter by an independent consultant and a group of experts with expertise in reviewing and constructing multibillion dollar projects. They identified strategic areas of opportunities within the areas of leadership, governance, commerce, stakeholder engagement, and technical knowledge.

- The first update on Project Delivery Best Practice Response was presented to the Board on April 15, 2020 (Attachment 1);
- A second update on initial Best Practice Response activities undertaken by the Project Delivery Department was presented to the Board on October 2, 2020 including a focus on governance (Attachment 2);
- This third update to the Board will provide information regarding Best Practice Response in the area of project cost estimating and control.

### **PURPOSE**

To provide an update on the work of the Project Delivery Department regarding the development and deployment of Project Delivery Best Practice in the area of project cost estimating.

### **BACKGROUND**

Cost estimating is the prediction of the costs of the project, beginning at inception through to project completion. These estimated costs are used to guide decision makers in advancing the project through its various stages. Without a strong cost estimating framework, projects tend to experience cost overrun and scope creep, significant budget revisions during execution, inability to reconcile budget changes over time, and overall poorly informed decision making.

To initiate the development of the cost estimating processes and guidelines, the Project Delivery Department commissioned Deloitte to develop a *Project Estimating Framework* that would:

- Reflect industry leading practices for large capital projects;
- Improve decision making as a project is advanced through its various stages; and
- Improve cost certainty and cost management.

The new framework is expected to be further developed and implemented by a newly created Project Control Group within the Project Delivery Department.

### BEST PRACTICE RESPONSE – PROJECT ESTIMATING FRAMEWORK

The newly developed *Project Estimating Framework* is built on four key pillars:

- **Standardized cost categorization:** To lower the risk of poor estimate quality and insufficient contingencies and increase levels of consistency across projects;
- **Consistent guidelines throughout the project lifecycle:** To limit the need for subsequent restructuring of the estimate, improve the traceability of budget revisions and dramatically improve the effectiveness of historical data analysis;
- **Formalized cost and scope stage gate process:** To increase the effectiveness of an estimate review and the documented estimating assumptions, simplify the identification of scope changes, and improve the overall change process by providing traceability and transparency;
- **Internal database used for benchmarking and knowledge transfer:** To improve the overall estimate quality by limiting the uncertainty of cost elements based on a structured analysis of past projects that provide insight into the delivery of the current projects.

#### 1) Standardized Cost Categorization

The following cost breakdown structure was recommended by Deloitte:

**Table 1 – Cost breakdown structure**

|   | Cost Category                    | Cost Category Description   |
|---|----------------------------------|---|
| + | Base Design & Construction Costs | <ul style="list-style-type: none"> <li>- Design &amp; construction cost estimate</li> <li>- Separate contingency for estimate uncertainty based on level of project definition, estimate class and project characteristics</li> </ul>   |
| + | Owners' Costs                    | <ul style="list-style-type: none"> <li>- Owner oversight, MV staff and owners' advisors</li> <li>- Site acquisition, permitting, procurement and legal costs</li> <li>- Separate contingency for estimate uncertainty based on level of project definition, estimate class and project characteristics</li> </ul> |
| + | Escalation                       | <ul style="list-style-type: none"> <li>- Time/inflation based cost increases estimated using project specific construction indices to project schedule</li> </ul>   |
| + | Risk Reserve                     | <ul style="list-style-type: none"> <li>- Specific reserve to account for risks retained by Metro Vancouver (eg. geotechnical risk)</li> <li>- Based on standardized risk review process</li> </ul>  |
|   | <b>Total Cost Estimate</b>       |   |

In addition to providing a common structure to develop and manage project costs effectively, the new framework also adopts a multi-level, targeted use of contingencies to improve consistency of contingency estimating practices and reduces contingency misuse:



- The base design and construction cost estimate includes a segregated line item for estimating uncertainty contingency, which allows for design refinement and estimating assumptions as the scope becomes further defined throughout the lifecycle. This allows for consideration to be given to the level of scope definition, complexity of the project, and novelty of the scope of work or delivery model;
- The owner cost estimate also includes a segregated line item for estimating uncertainty contingency, which allows for estimating assumptions as the site and oversight model becomes further defined through the lifecycle;
- A separate risk reserve accounts for risks retained by Metro Vancouver, which are identified, managed and quantified according to a standardized risk review process. Having a separate risk reserve encourages thorough consideration of systemic and project specific risks, and can be utilized when assessing procurement model and risk allocation.

## 2) Consistent Guidelines Throughout the Project Lifecycle

Deloitte also developed estimating guidelines across the different phases of a project lifecycle for each category of cost. These guidelines are summarized below.

**Table 2 – Estimating guidelines by phase**

| PHASE                |                   | DEFINITION  |  | DESIGN   |  | CONSTRUCTION  | CLOSEOUT  |
|----------------------|-------------------|---|--|--|--|---|---|
|                      |                   | IDENTIFICATION  | DEFINITION   | PRELIMINARY DESIGN   | DETAILED DESIGN  |   |   |
| Level of Development |                   | <ul style="list-style-type: none"> <li>Need identified</li> <li>Screening Level Business Case</li> </ul>  | <ul style="list-style-type: none"> <li>Conceptual Design</li> <li>Options analysis</li> </ul>  | <ul style="list-style-type: none"> <li>Preliminary Design</li> <li>Bottom-up estimate</li> </ul>   | <ul style="list-style-type: none"> <li>Detailed Design</li> <li>90% design drawings and specs</li> </ul>   | <ul style="list-style-type: none"> <li>Execution of construction</li> </ul>   | <ul style="list-style-type: none"> <li>Completion of Contractual Obligations</li> </ul> |
| Estimate Guidelines  | Base Estimate D&C |   | <ul style="list-style-type: none"> <li>Project estimate <b>Class 4</b></li> <li>Top-down estimate</li> <li>Equipment Factored or Parametric Models</li> </ul>  | <ul style="list-style-type: none"> <li>Project estimate <b>Class 3</b></li> <li>Bottom-up estimate</li> <li>Semi-Detailed Unit Costs with Line Items</li> </ul>  | <ul style="list-style-type: none"> <li>Project estimate <b>Class 3/2</b></li> <li>Bottom-up estimate</li> <li>Detailed Unit Cost with Detailed Take-Off</li> </ul>   | <ul style="list-style-type: none"> <li>Project estimate <b>Class 2/1</b></li> <li>Bottom-up estimate</li> <li>Based on contractual commitments and incurred cost, as applicable</li> </ul>              | <ul style="list-style-type: none"> <li>Actual Cost analysis</li> </ul>                  |
|                      | Owner Cost        | <ul style="list-style-type: none"> <li>Top-down estimate</li> <li><b>Class 5</b> project estimate (Capacity Factored, Parametric Models, Judgment, or Analogy)</li> <li>Consideration given to Owner Cost, Escalation and Risk Reserve</li> <li><b>Note:</b> Detailed estimate for cost of <b>DEFINITION</b> phase with indication of overall project cost</li> </ul> | <ul style="list-style-type: none"> <li>Actual cost for site acquisition, market based estimate for remaining acquisitions</li> <li>% of Base Estimate Design and construction</li> <li>Historical owner cost review, including permitting and legal</li> </ul> | <ul style="list-style-type: none"> <li>Actual cost for site acquisition</li> <li>Consultant contract values</li> <li>Owner organizational chart and payroll</li> <li>Permitting estimate based on federal, provincial and municipal permit requirements</li> </ul> | <ul style="list-style-type: none"> <li>Actual cost for site acquisition</li> <li>Consultant contract values</li> <li>Owner organizational chart and payroll</li> <li>Actual cost for permits and permitting estimate based on federal, provincial and municipal permit requirements</li> </ul> | <ul style="list-style-type: none"> <li>Actual cost for site acquisition</li> <li>Consultant contract values</li> <li>Owner organizational chart and payroll</li> <li>Actual cost for permits</li> </ul> | <ul style="list-style-type: none"> <li>Actual Cost analysis</li> </ul>                  |
|                      | Escalation        |   | <ul style="list-style-type: none"> <li>Construction escalation indices</li> </ul>  | <ul style="list-style-type: none"> <li>Construction escalation indices</li> <li>Executed contracts based on contractual escalation</li> </ul>  | <ul style="list-style-type: none"> <li>Construction escalation indices</li> <li>Executed contracts based on contractual escalation</li> </ul>  | <ul style="list-style-type: none"> <li>Contractual escalation parameters</li> </ul>   | <ul style="list-style-type: none"> <li>Actual Cost analysis</li> </ul>                  |
|                      | Risk Reserve      |   | <ul style="list-style-type: none"> <li>% of Base Estimate Design and construction and Qualitative Risk Analysis</li> </ul>   | <ul style="list-style-type: none"> <li>Based on Quantitative Risk Analysis (QRA) at 80% Confidence Level (CL)</li> <li>Additional reserve as req'd</li> </ul>  | <ul style="list-style-type: none"> <li>Based on QRA at 80% CL</li> <li>Additional reserve as req'd</li> </ul>  | <ul style="list-style-type: none"> <li>Based on QRA at 80% CL</li> <li>Additional reserve as req'd</li> </ul>   | <ul style="list-style-type: none"> <li>Actual Cost analysis</li> </ul>                  |

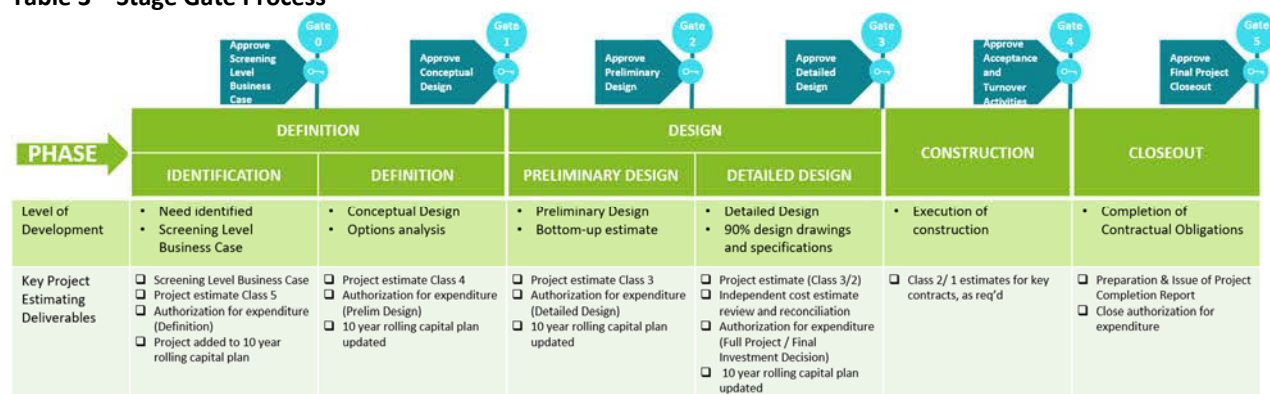
Each phase of the framework corresponds to an evolution of project development from the identification of a business need, all the way to the completion of the contractual obligations and closeout of the project (typically a period of over 10 years). Associated with this evolution of project development is an evolution of the estimating guidelines: as the scope of the project becomes progressively more defined, the estimating guidelines and methods become more detailed and sophisticated, making use of the additional project definition available. As the estimating guidelines become more rigorous, there is an associated narrowing of the uncertainty with respect to the project cost.

The guidelines described above have been developed using the Association for the Advancement of Cost Engineering International's (AACEi) estimate classification system. The classification system includes five estimate classes from Class 5, which corresponds to the lowest project definition, to Class 1, which corresponds to the highest project definition.

### 3) Formalized Cost and Scope Stage Gate Process

The breakdown structure and estimating guidelines would then be integrated into Metro Vancouver's existing stage gate process for project approvals. Specific project estimating deliverables and review process (such as value engineering at the preliminary design stage) would then be required from project teams in order to progress to the next stage of project development.

**Table 3 – Stage Gate Process**



### ALTERNATIVES

This is an information report. No alternatives are presented.

### FINANCIAL IMPLICATIONS

The Project Estimating Framework will improve cost estimating results for large Metro Vancouver capital projects, resulting in stabilized household impact forecasts.

### CONCLUSION

Metro Vancouver has identified four pillars to developing a best practice cost estimating framework. As part of the development and deployment of the new framework, the Project Delivery Department will form a Project Control Group, overseeing, amongst other activities, the deployment of the cost estimating framework to Metro Vancouver's large capital projects. The new group will formalize internal practice and guidelines, and develop training for project estimation. Once the new framework is in use for all large capital projects, the group will develop an internal database used for benchmarking and knowledge transfer—the fourth and final pillar of the framework.

### Attachments:

1. Report dated March 31, 2020, titled "Capital Projects and Project Delivery" (Doc# 38102324)
2. Report dated September 18, 2020, titled "Capital Infrastructure Project Governance" (Doc# 41391246)

41860413

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To: Finance and Intergovernment Committee

From: Jerry W. Dobrowolny, Commissioner / Chief Administrative Officer  
Cheryl Nelms, General Manager, Project Delivery

Date: March 31, 2020

Meeting Date: April 15, 2020

Subject: **Capital Projects and Project Delivery**

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### **RECOMMENDATION**

That the GVS&DD Board receive for information the report dated March 31, 2020, titled “Capital Projects and Project Delivery”.

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### **EXECUTIVE SUMMARY**

In the Fall of 2019, the Board expressed interest in undertaking a review of the way Metro Vancouver delivers major infrastructure projects in order to ensure value for our residents. Responding to capacity needs due to population growth and meeting regulatory requirements have led to a dramatic increase in the scope of Metro Vancouver’s capital project program budget and the scale of projects within this program. The current construction market dynamics coupled with the complex nature of these projects adds additional challenges. In the face of these challenges, Metro Vancouver is undertaking a best practices response, including establishing a Project Delivery department as a Centre of Expertise for the organization on project delivery, engaging a consultant to undertake a high level review of major projects and implementing a forward looking plan.

### **PURPOSE**

To provide information regarding current challenges in the delivery of major infrastructure projects and Metro Vancouver’s response.

### **BACKGROUND**

In the Fall of 2019, the Board expressed interest in directing staff to conduct an independent review of the processes and decision-making related to major infrastructure projects and bring forward recommendations to the Board arising from the review.

### **PROJECT DELIVERY**

Metro Vancouver delivers major infrastructure projects that are necessary for providing the services that our residents rely on every day. The region’s increasing population and the need to anticipate and respond to legislative and regulatory requirements requires significant investments to build, maintain and upgrade our infrastructure.

The delivery of these projects present many challenges, including:

- the unprecedented scale;
- layers of complexity; and,
- market influences.

In light of these challenges, Metro Vancouver is undertaking the following best practices response:

- reorganization, including the creation of a Project Delivery department as a centre of expertise;
- engaging a consultant to undertake a high level review of major projects; and,
- implementing consultant recommendations.

Staff will be providing periodic updates to advisory committees, standing committees, and the Board regarding progress on implementing the recommendations of the consultant.

#### **ALTERNATIVES**

This is an information report. No alternatives are presented.

#### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this report.

#### **CONCLUSION**

The delivery of major infrastructure projects to continue to deliver core services to the region presents a multitude of challenges. In the Fall of 2019, the Board expressed interest in directing staff to undertake a review of the processes and decision-making related to major infrastructure projects in order to ensure value for our residents. Metro Vancouver staff have taken the initial steps in responding to this request, including the creation of a new department, engaging a consultant to undertake a high level review of major projects. Staff will be providing periodic updates on progress on implementing consultant recommendations.

38102324



# Capital Projects and Project Delivery

**Jerry Dobrovolny, P.Eng, MBA**

COMMISSIONER / CHIEF ADMINISTRATIVE OFFICER

**Cheryl Nelms, P.Eng., Ph.D.**

GM, PROJECT DELIVERY

MVRD Board Meeting: April 24, 2020

37132263

Finance and Intergovernment Committee



**metrovancover**  
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

# Board Request

Staff were directed to:

- conduct an independent review of the processes and decision-making related to major infrastructure projects be conducted; and,
- bring forward for Board consideration recommendations arising from the review.



# Outline

- Challenges
  1. Scale
  2. Complexity
  3. Market Influences
- Best Practices Response
  1. Re-organization
  2. Independent high level review by KPMG of major projects
  3. Response to KPMG's strategic recommendations



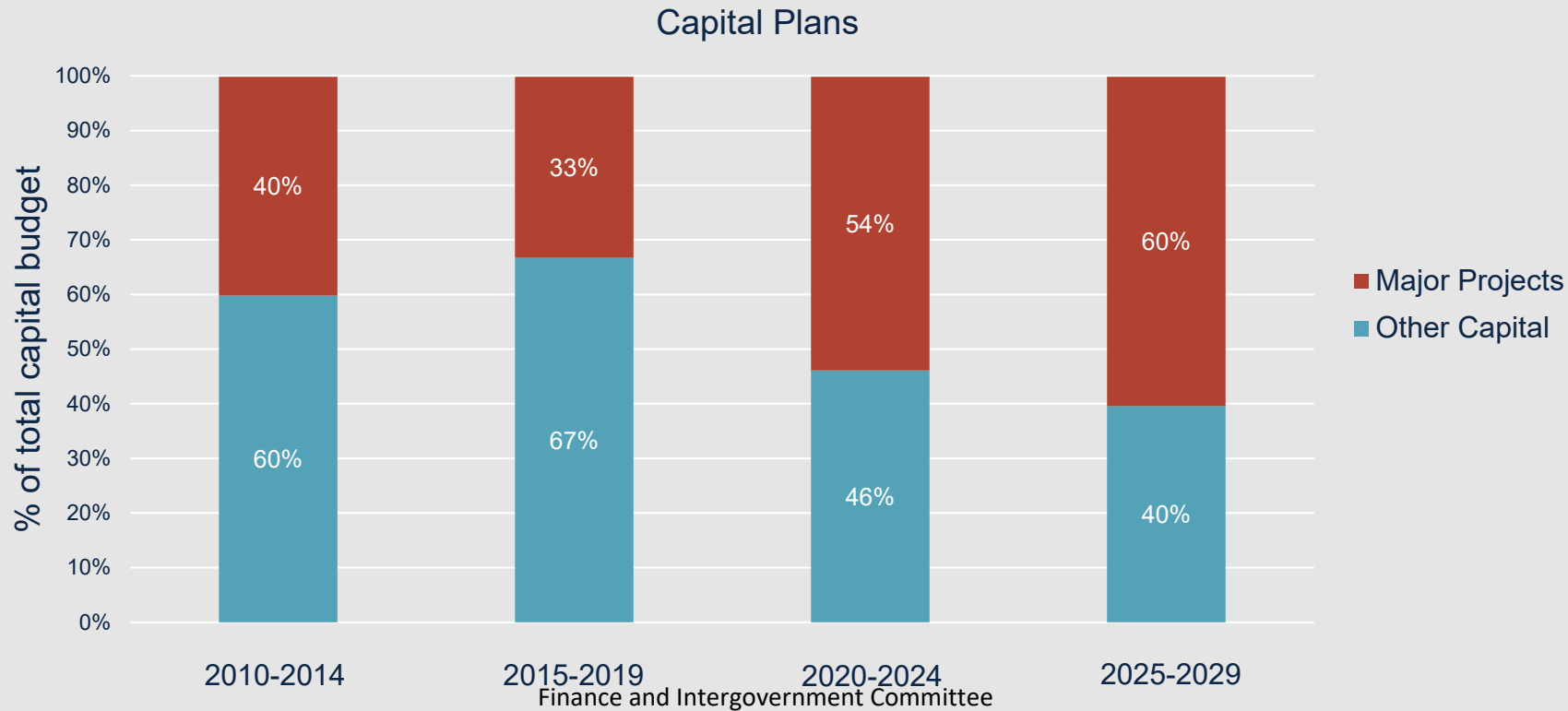
# Challenge 1: Scale





# Challenge 1: Scale

## *Major Capital Projects as Percentage of Plans*



# Challenge 2: Complexity



## Challenge 2: Complexity

- Contract structures
- Environmental requirements
- Stakeholder involvement
- Funding approaches
- Regulatory requirements
- Community benefits
- Indigenous partnerships



# Challenge 3: Market Influences



The image shows the top section of the Vancouver Sun website. It includes the logo, navigation tabs for NEWS, BUSINESS, SPORTS, ARTS & LIFE, HOMES, TRAVEL, OBITS, and CLASSIFIEDS. Below these are sub-tabs for NEWS and LOCAL NEWS, and a featured section with links to THE REAL SCOOP, MEDICINE MATTERS, and THE SEARCH. The main headline reads: "Pattullo Bridge contract awarded to Fraser Crossing Partners". Below the headline is a small snippet of text: "According to an order in council, the B.C. Transportation Financing Authority can sign agreements with Fraser Crossing".

Business About YVR

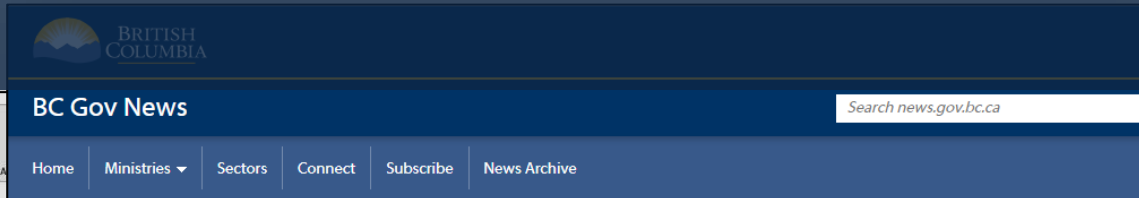
中文 Français Other languages

Updates Media Centre Blog Contact Us

## YVR Breaks Ground on Multi-Year Expansion Projects to Further its Position as a World-Class Connecting Hub and Strong Economic Generator for British Columbia

June 14, 2018 · Richmond, B.C.

YVR investing \$9.1 billion into the airport under its 20-year



The image shows the top section of the BC Gov News website. It includes the British Columbia logo, the title "BC Gov News", and a search bar with the text "Search news.gov.bc.ca". Below the search bar is a navigation menu with links to Home, Ministries, Sectors, Connect, Subscribe, and News Archive.

Transportation and Infrastructure

## Broadway Subway project launched with procurement step

Share



News Release

Vancouver  
Friday, February 15, 2019 1

British Columbia

## B.C. government to go ahead with Site C hydroelectric dam project



The image shows a news article from the Surrey-Langley SkyTrain project. It includes social media sharing icons, the title "Surrey-Langley SkyTrain business case approved by Mayors' Council", the author "Kenneth Chan", the date "Jan 30 2020, 1:39 pm", and a photo of the SkyTrain project.

Finance and Intergovernment Committee

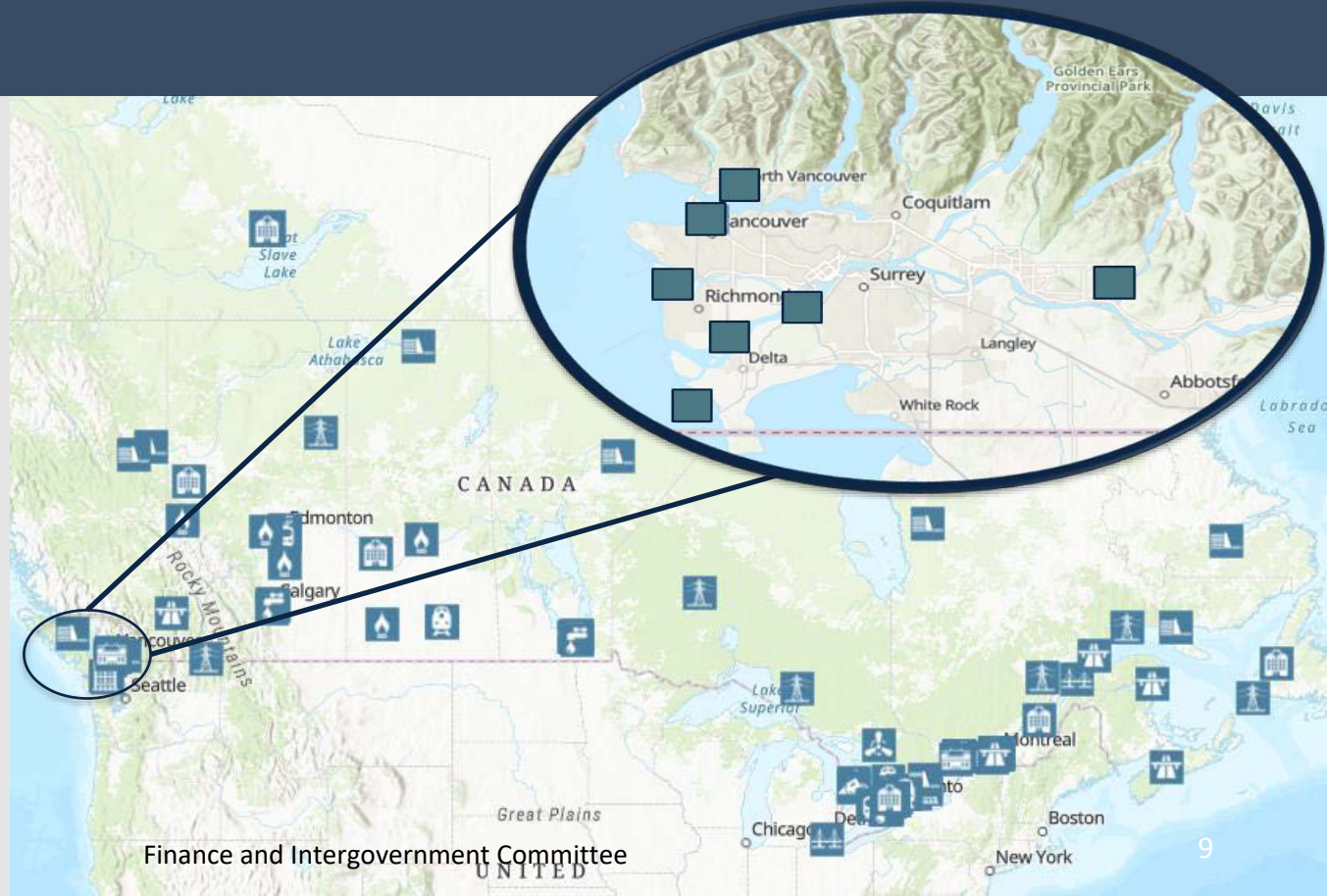


# Challenge 3: Market Influences

## Metro Vancouver Region Projects:

- Broadway Extension
- Roberts Bank Terminal 2
- Vancouver International Airport Upgrades
- Surrey Langley SkyTrain
- Pattullo Bridge Replacement
- North Shore Wastewater Treatment Plant
- Annacis Island Wastewater Treatment Plant Expansion
- George Massey Tunnel Replacement Project

Source: Top100Projects.ca/2019



Finance and Intergovernment Committee

# Best Practices Response



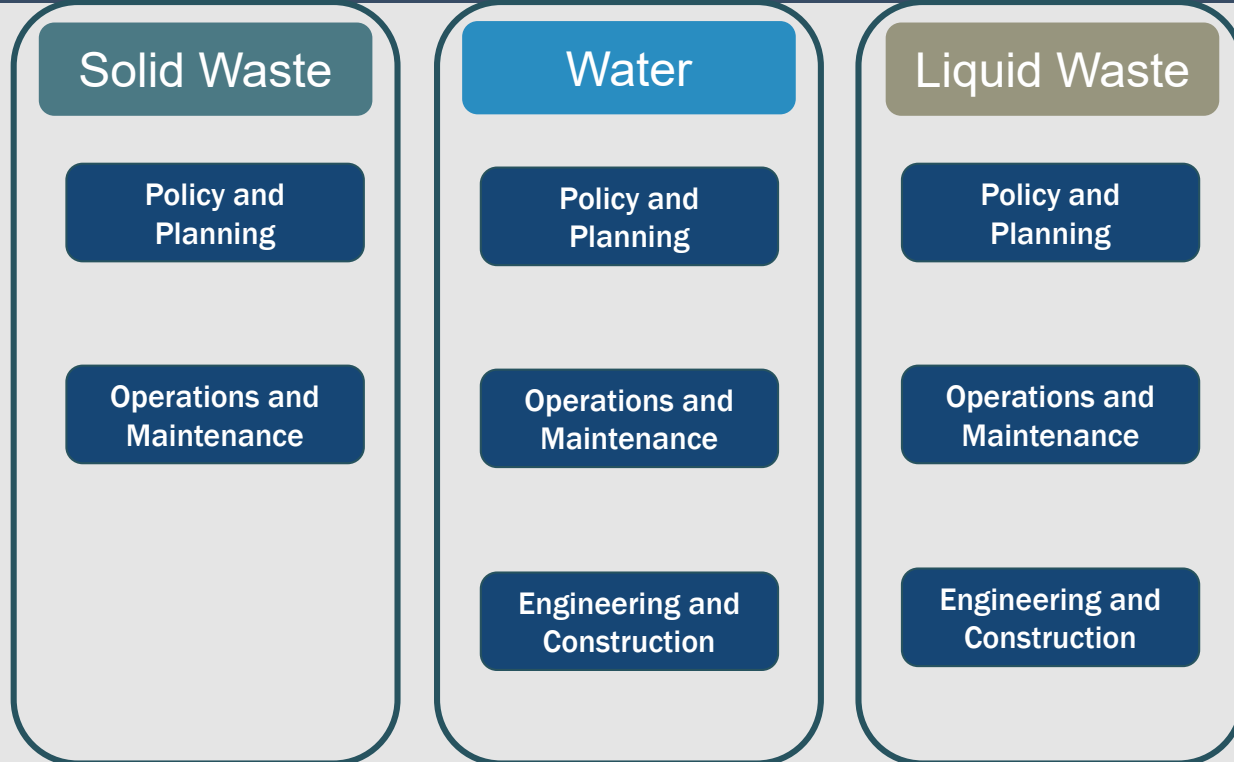
# Best Practices Response 1: Re-organization

## *Pre-2012 Organizational Structure*



# Best Practices Response 1: Re-organization

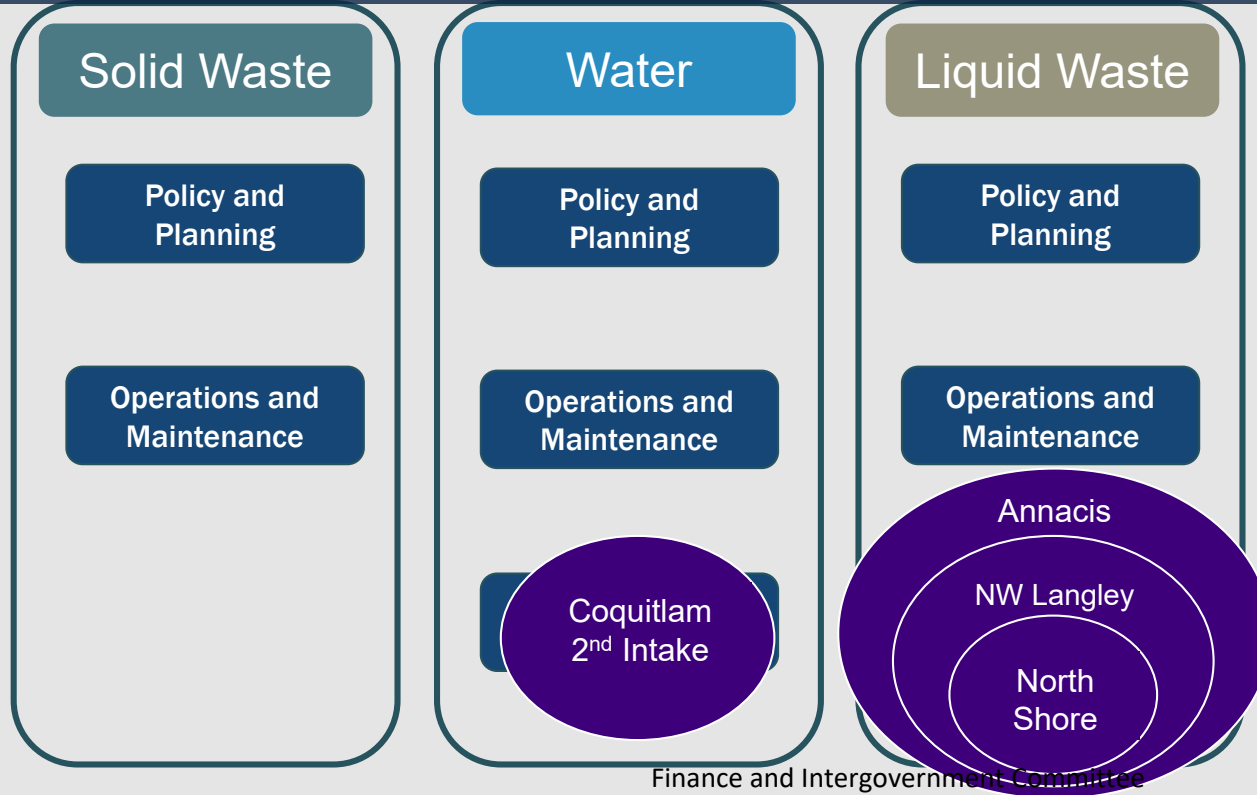
## *2012-2019 Organizational Structure*





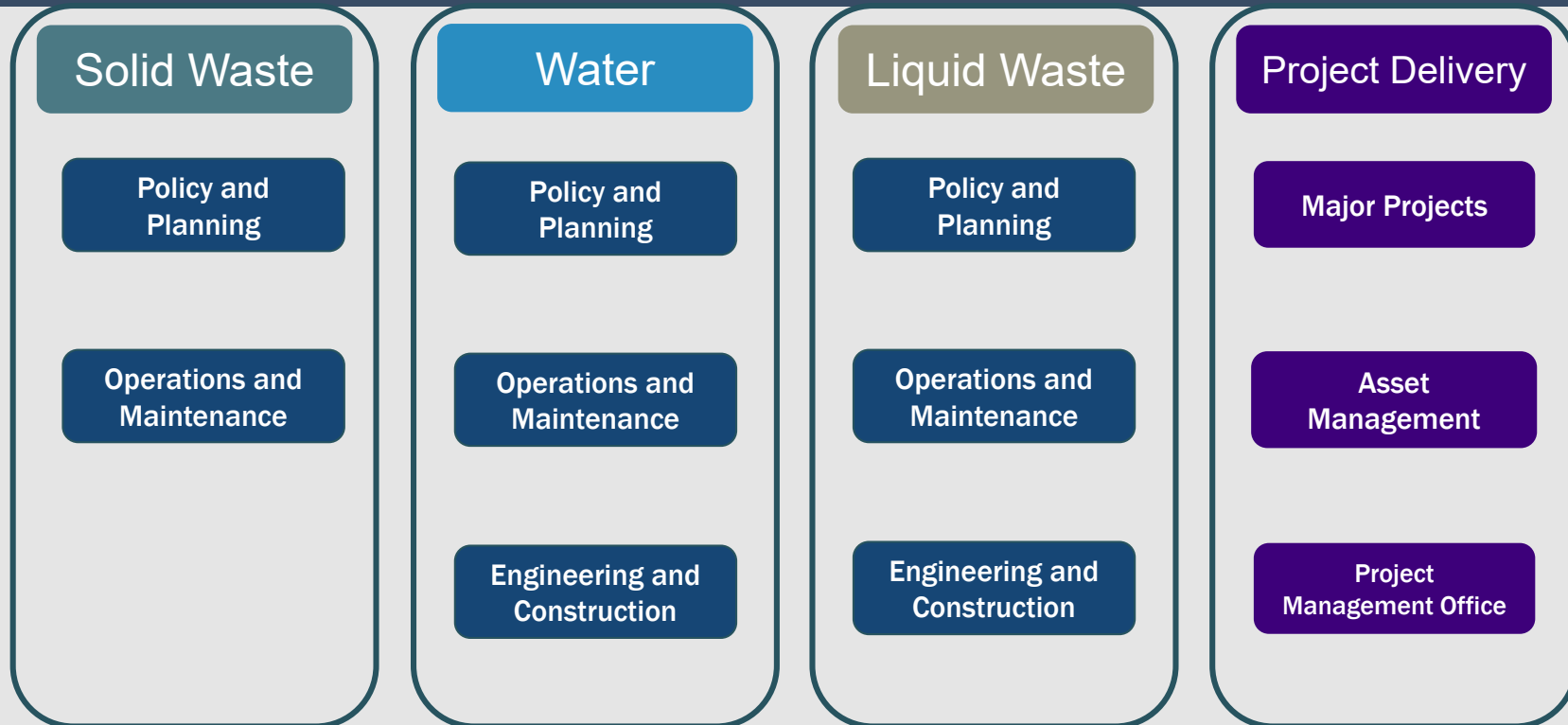
# Best Practices Response 1: Re-organization

## *2012-2019 Organizational Structure*



# Best Practices Response 1: Re-organization

## *2020 Organizational Structure*



# Best Practices Response 1: Re-organization

Project  
Management  
Office Centre of  
Expertise

Major Projects  
Delivery

Asset  
Management

# Best Practices Response 1: Re-organization

## *Functions of a Centre of Expertise*

### **Project Management Framework**

Policy, Processes and Procedures, Standards and Controls

### **Quality Assurance**

Quality Assurance and Control, Monitoring, and Training

### **Asset Management**

Asset Management Strategy and Plan, Policy, Processes and Procedures, Standards, Corporate Reporting

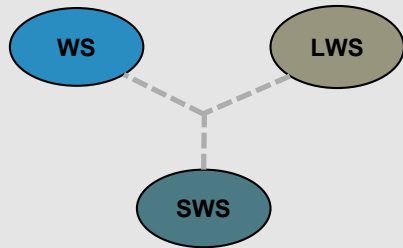
### **Project Delivery**

Project Management of Major Complex Projects

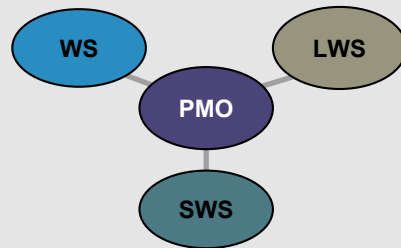
# Best Practices Response 1: Re-organization

## *Project Management Models*

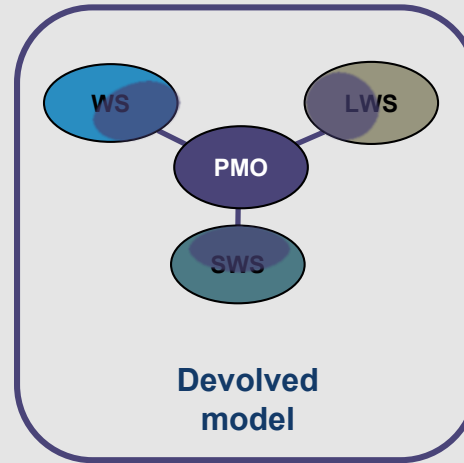
Increasing Project / Department Autonomy



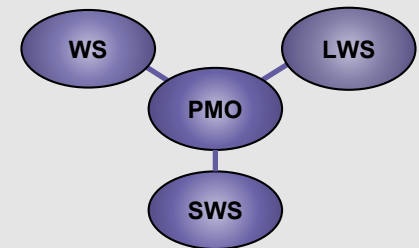
**Decentralized  
model**



**Influencing  
model**



**Devolved  
model**



**Centralized  
model**

Increasing Centralization of Control

# Best Practices Response 2: Independent Review

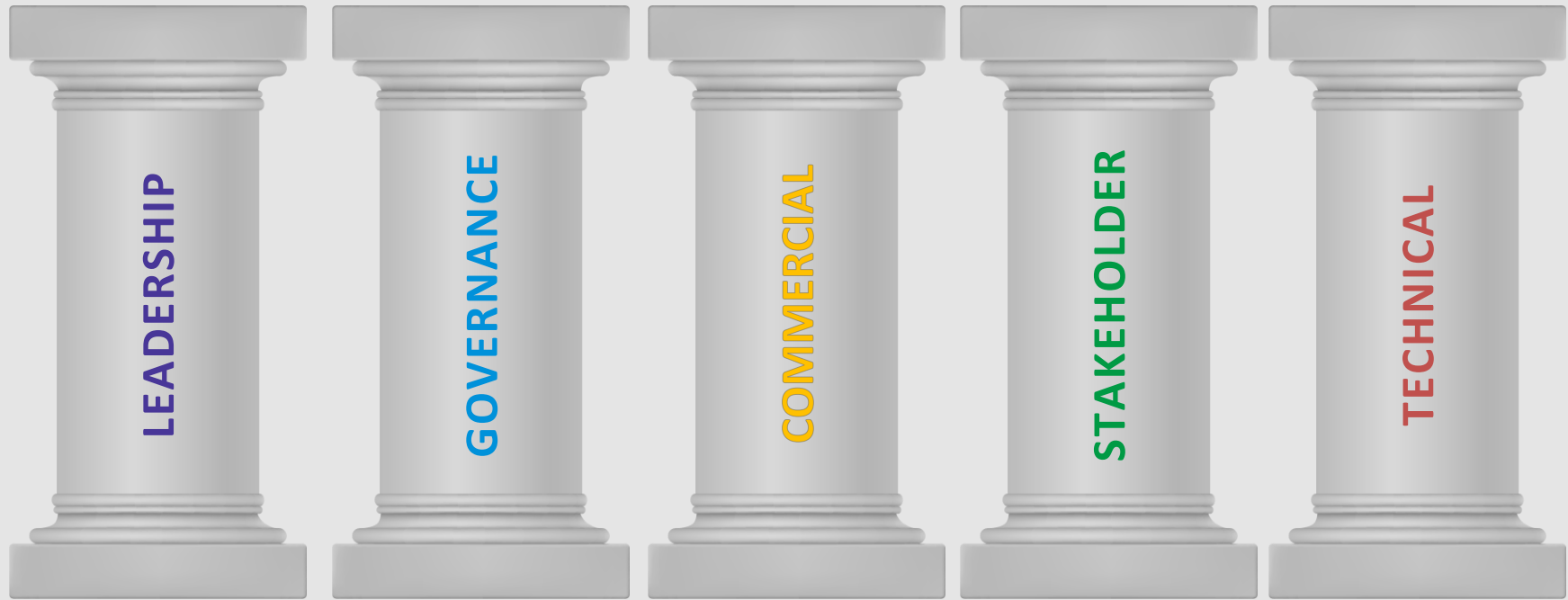
## *KPMG Approach to Project Delivery*

### Key steps:

- Document review: key documents including reports from major projects
- Interviews: key project personnel involved in the delivery of major projects and programs
- Focus Group: validation and review of findings with General Manager working group

# Best Practices Response 2: Independent Review

## *Best Practice Project Delivery Framework - KPMG*



# Best Practices Response 2: Independent Review

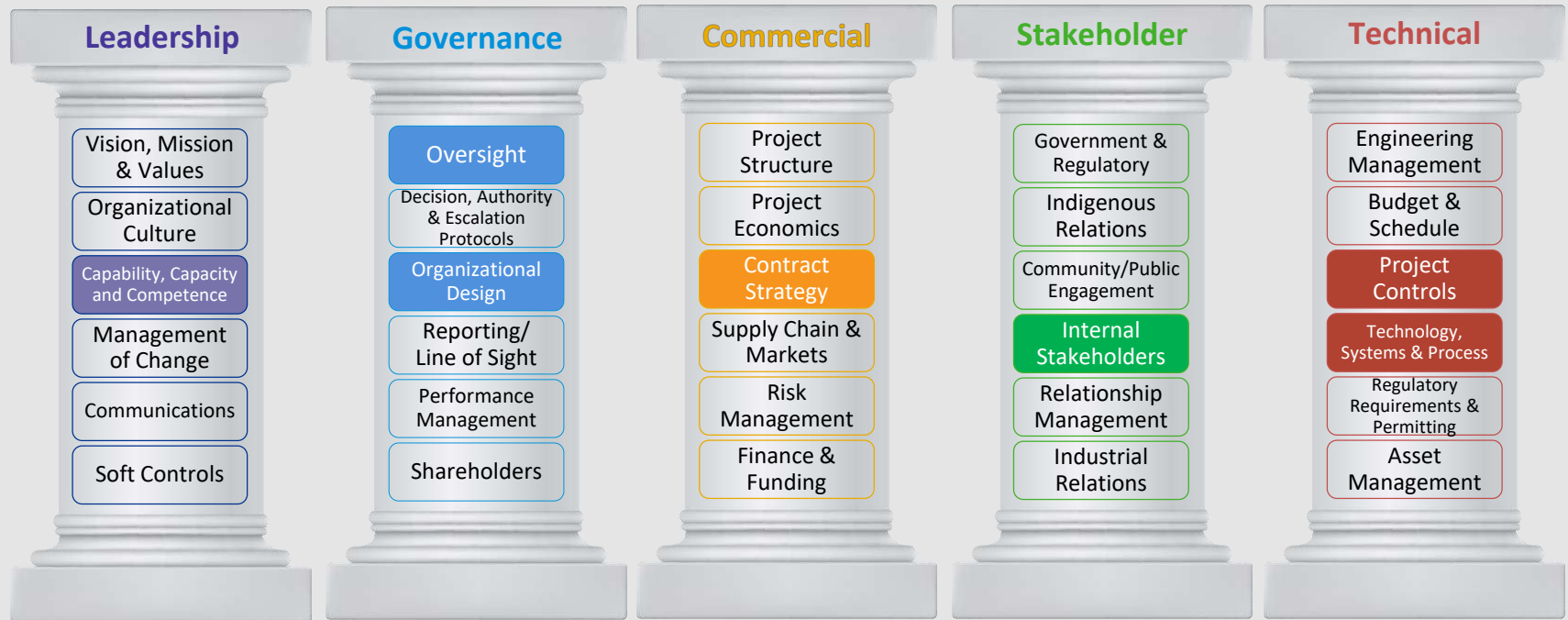
## *The 5 Pillar Framework*





# Best Practices Response 2: Independent Review

## *Strategic Areas of Opportunity*



# Best Practices Response 3: Response to Recommendations

## Next Steps

| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 12 Month Review |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------------|
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------------|

|   |   |                                       |  |  |                        |  |  |  |  |  |  |  |  |  |
|---|---|---------------------------------------|--|--|------------------------|--|--|--|--|--|--|--|--|--|
| Project Delivery Department (PDD)– Initiate PDD - Complete  |   | Initiate new Department               |  |  |                        |  |  |  |  |  |  |  |  |  |
| PA1   | Leadership – Capability, Capacity and Competence<br>Needs Assessment and Resourcing Strategy        |                                       |  | Needs, Resourcing Strategy & Key Hires                               |                        |  |  |  |  |  |  |  |  |  |
| PA2   | Governance – Oversight<br>Oversight Model Development and Alignment                                 |                                       |  |  | Oversight Model Review |  |  |  |  |  |  |  |  |  |
| PA3   | Governance – Organizational Design<br>Organisational Design Model Assessment                        |                                       |  | Org Model Review   |                        |  |  |  |  |  |  |  |  |  |
| PA4   | Commercial – Contract Strategy<br>Development and Implementation Assessment                         |                                       |  | Contract Strategy – Process Review and Individual Project Assessment |                        |  |  |  |  |  |  |  |  |  |
| PA5   | Stakeholder – Internal Stakeholder<br>– Internal Interface Agreements and Communications Plan       |                                       |  | Internal Stakeholder Agreements                                      |                        |  |  |  |  |  |  |  |  |  |
| PA6   | Technical – Project Controls<br>Controls and Assurance Function Planning                            |                                       |  | Project Controls Functionality                                       |                        |  |  |  |  |  |  |  |  |  |
| PA7   | Technical – Technology, Systems and Process<br>Project Management Tools Assessment and Developments |                                       |  | PM Tools and Templates   |                        |  |  |  |  |  |  |  |  |  |
| Change Management and ongoing initiatives<br>To be layered into the development of the Department                 |   |                                       |  | Change Management Plan   |                        |  |  |  |  |  |  |  |  |  |
| Updates to Boards, Committees, and Advisory Committees<br>Regular updates on Project Delivery department progress |   | Finance and Intergovernment Committee |  |  |                        |  |  |  |  |  |  |  |  |  |

# COVID-19 Response

## *Next Steps*

- \$1.7 Billion in work underway
- Over 40 claims received to date
- Coordinated approach to address risk
- Working with the Province and industry on COVID response
- Scenario analysis is currently being conducted to identify the range of potential COVID-19 financial impacts on Metro Vancouver projects



# Discussion



**metrovancouver**  
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

Finance and Intergovernment Committee

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To: GVS&DD Board of Directors  
GVWD Board of Directors

From: Jerry W. Dobrowolny, Commissioner/Chief Administrative Officer  
Cheryl Nelms, General Manager, Project Delivery

Date: September 18, 2020 Meeting Date: October 2, 2020

Subject: **Capital Infrastructure Project Governance**

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**RECOMMENDATION**

That the GVS&DD/GVWD Board receive for information the report dated September 18, 2020, titled "Capital Infrastructure Project Governance".

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**EXECUTIVE SUMMARY**

In the Fall of 2019, the Board expressed interest in undertaking a review of Metro Vancouver's project delivery practices for major infrastructure in order to ensure value for our residents. An independent consultant, KPMG, conducted a high level review of current Metro Vancouver practices and recommended seven strategic areas of opportunity going forward. These recommendations were reported to the Committee and Board in April, 2020. At its meeting held September 11, 2020, the Finance and Intergovernment Committee received an update on progress in implementing the consultant recommendations. A more in-depth discussion of Project Governance was provided by the independent consultant, Dana Hayden, who is a leading expert in this area.

At the request of the Committee, a written report has been provided to accompany the presentation to the Board. Written reports will be provided in all future updates going forward. The next update will be provided in November, 2020.

**PURPOSE**

To provide the Board of Directors with an update on the implementation of KPMG's recommendations regarding the delivery of capital projects at Metro Vancouver.

**BACKGROUND**

In early 2020, an independent consultant undertook a high level review of Metro Vancouver practices related to project delivery. Strategic areas of opportunity were identified within KPMG's five pillars of Project Delivery:

1. Leadership
2. Governance
3. Commercial
4. Stakeholder
5. Technical

## **CAPITAL INFRASTRUCTURE PROJECT GOVERNANCE**

At its meeting held September 11, 2020, the Finance and Intergovernment Committee received an update on progress in implementing the consultant recommendations within the five pillar framework (Attachment). Since the review by KPMG was carried out, progress has been made in the following areas:

- Staffing needs identified and key project leaders hired (*Leadership*)
- Contract strategy reviewed and identified opportunities and areas of action (*Commercial*)
- Ongoing change management initiatives with internal staff (*Stakeholder*)
- Improved and standardized reports to track project progress (*Technical*)
- Established consistent approach to COVID claims (*Technical*)
- Improve internal governance structures to create clarity on decision-making authority (*Governance*)
- Review of governance oversight by independent consultant (*Governance*)

Dana Hayden reported on the findings of the review of governance oversight practices. The consultant outlined best practices with respect to capital project governance, the scalability of project oversight, authority and accountability, and the potential need for independent oversight.

Staff continue to implement the recommendations of KPMG. Additionally, the findings of the governance review are being assessed. Any future decisions will be brought to the Board at the appropriate time.

## **ALTERNATIVES**

This is an information report. No alternatives are presented.

## **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this report.

## **CONCLUSION**

In early 2020 the independent consultant, KPMG, conducted a high level review of current Metro Vancouver practices and recommended seven strategic areas of opportunity going forward. At its meeting held September 11, 2020, the Finance and Intergovernment Committee received an update on progress in implementing the consultant recommendations. A more in-depth discussion of Project Governance was provided by the independent consultant, Dana Hayden, who is a leading expert in this area. At the request of the Committee, a written report has been provided to accompany the presentation to the Board. Written reports will be provided in all future updates to the Committee and Board going forward. The next update will be provided in November, 2020.

## **Attachment:**

1. Presentation dated September 11, 2020, titled "Project Delivery Update"



# Project Delivery Update

**Jerry Dobrovolny**, P.Eng, MBA  
COMMISSIONER / CHIEF  
ADMINISTRATIVE OFFICER

**Cheryl Nelms**, P.Eng., Ph.D.  
GM, PROJECT DELIVERY

**Dana Hayden**, M.Sc., C.Dir  
INDEPENDENT CONSULTANT

Finance and Intergovernment Committee: September 11, 2020

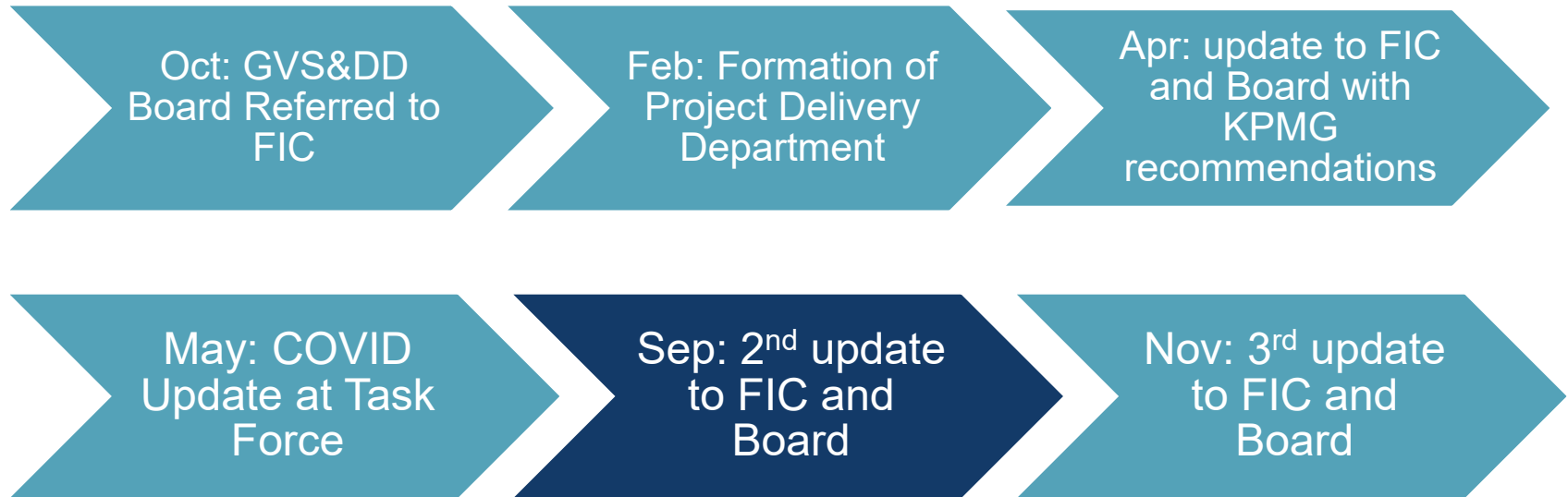
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Finance and Intergovernment Committee



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SERVICES AND SOLUTIONS FOR A LIVABLE REGION

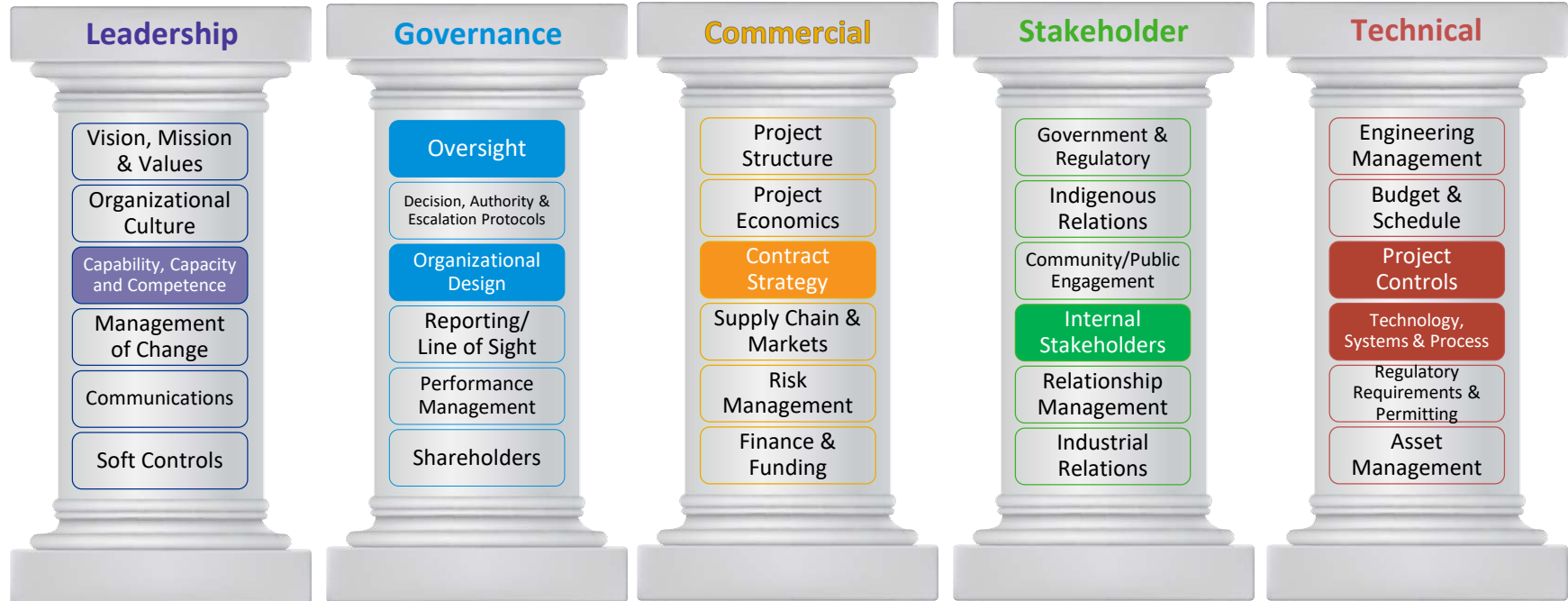
# Timeline





# Best Practice Response: Independent Review

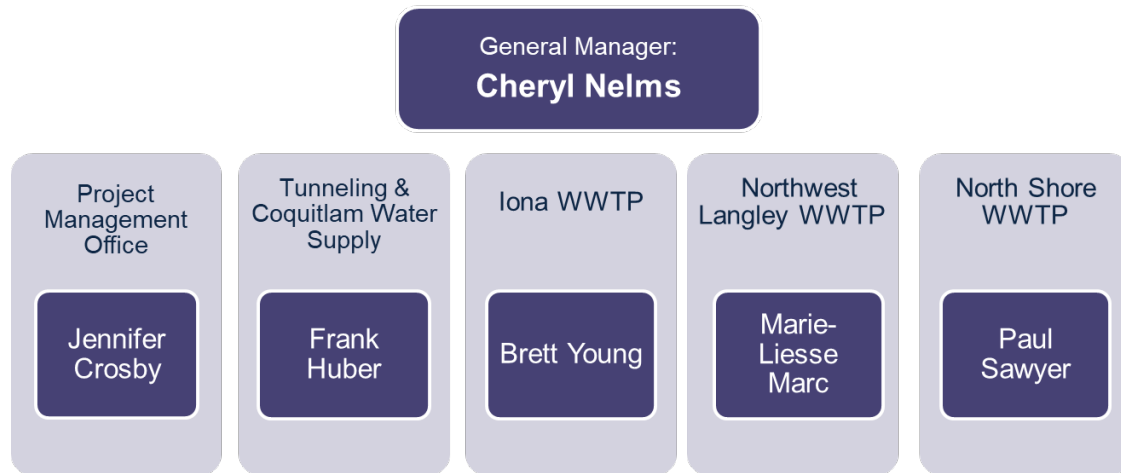
## *Project Delivery Framework – KPMG Review April, 2020*



# Leadership

## *Capability, Capacity and Competence*

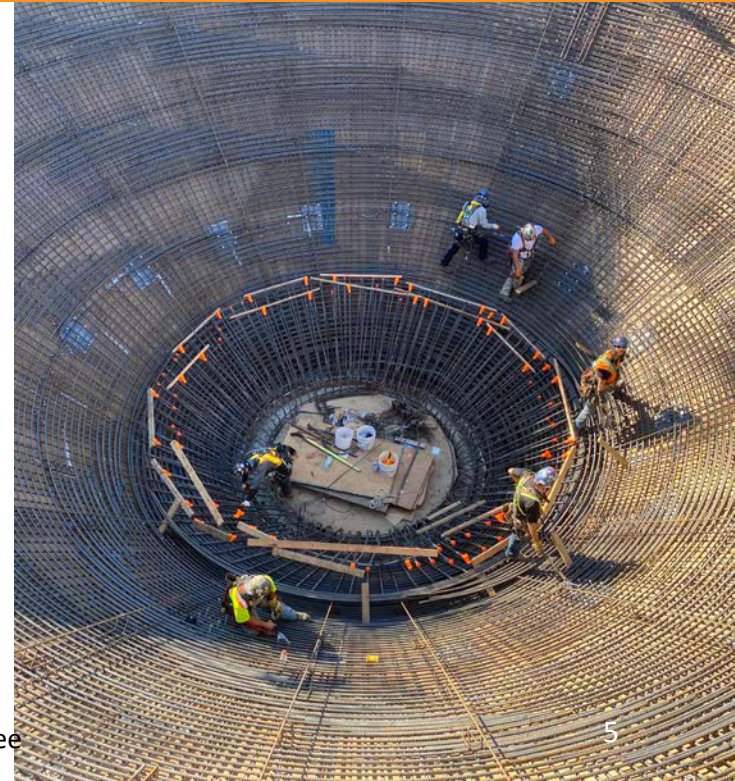
- Staffing needs identified commensurate with the scale and complexity of the key major projects
- Project leaders hired for key major projects with experience in projects with similar scope/complexity



# Commercial

## *Review Contract Strategy*

- Identified opportunities to improve contracts
- Improving contract enforcement
- Maximizing benefits to the local economy
- Market sounding conducted to ensure competitive and attractive procurements
- Enhanced ability to rely on past experience with contractors when making procurement decisions



# Stakeholder

## *Internal Stakeholder Agreements*

- Ongoing change management initiatives with staff
- Proactive internal communications with staff impacted by new department
- Developed agreements to transition projects to Project Delivery Department

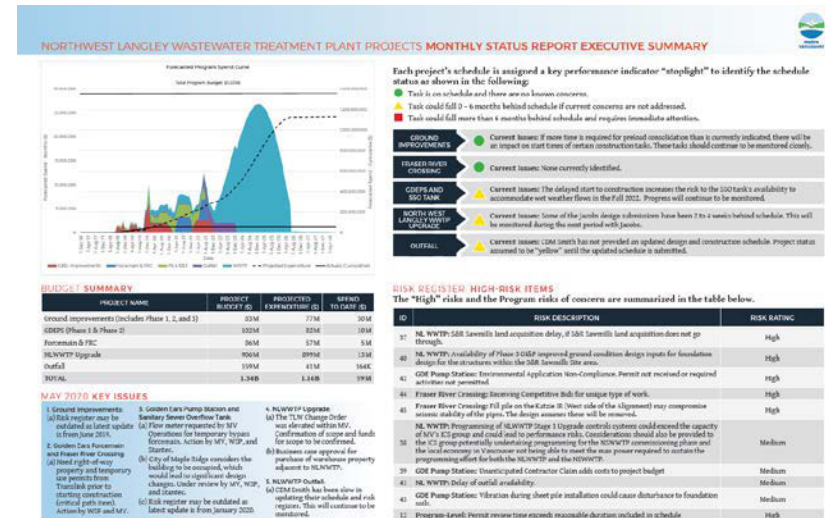


# Technical

## Project Controls & Technology, Systems and Process

### Project Controls

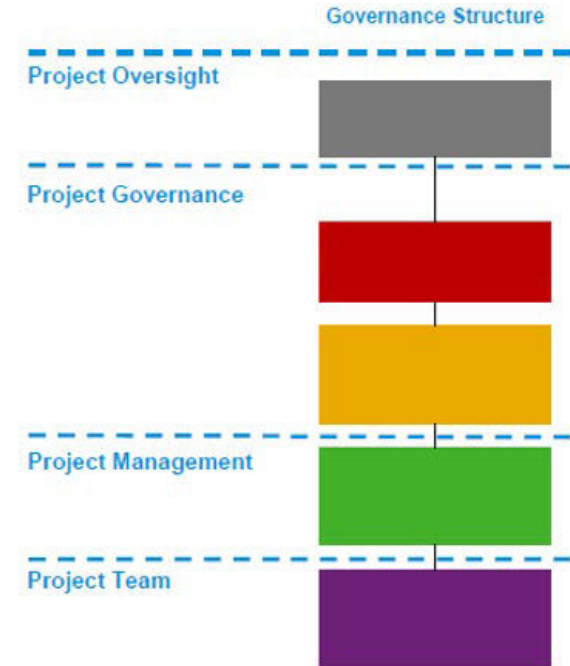
- Established consistent approach to COVID claims
- Technology, Systems & Process
- Improved and standardized monthly reports to track progress



# Governance

## *Oversight and Organizational Design*

- Outside expertise (Dana Hayden) engaged to review governance oversight including:
  1. The scalability of project oversight
  2. Authority and accountability at each level of oversight
  3. The potential need for independent oversight
- Review is ongoing – initial recommendations being acted on



# Capital Project Governance/Oversight Best Practices

Support management and expenditure decision-making, accountability and transparency by establishing processes to:

- Monitor and control projects
- Set performance measures and track them
- Measure benefits and manage risks
- Ensure a smooth transition to operations
- Translate and incorporate “lessons learned”











# 1. Scalability of Project Oversight

## Internal Governance

- Effective oversight of projects requires regular standardized reports customized to each level of oversight

Sample project dashboard

| Key Performance Indicator |  | This report   | Last report   | Comments   |
|---------------------------|--|---|---|--|
| cost                      | Deliver the project within the control budget of \$X   |  |  | No unmanageable cost pressures.  |
| schedule                  | Deliver the project by X date  |  |  | The Covid-19 public health emergency is impacting the ability of contractors to retain adequate staff to meet schedule   |
| safety                    | Deliver the project safely with zero fatalities and a total recordable incident frequency of no more than 1  |  |  | Six recordable incidents occurred over the reporting period. Site inspections are ongoing and staff are working with contractors to reinforce safety procedures.                                   |
| environment               | Protect the environment by meeting all legislated environmental requirements and optimizing opportunities for resource recovery and green building |  |  | 3 minor environmental incidents occurred during the reporting period. Two were unplanned discharges from the Iona outfall and 1 was a small (< 1 litre) release of gasoline that was not reported. |

Finance and Intergovernment Committee



# 1. Scalability of Project Oversight (Cont.)

- Standardized reports required
- Standard project review milestones
- New additional reports
- Improved reports

## 2. Authority and Accountability

- MV to establish consistent Project Charters
  - Consistent levels of authority and accountability between projects
  - Clarity about who can decide what
  - Balance the powers of those accountable with the skills and information required to make decisions
- \$5M contract approval limit should be increased
  - Avoid project delays and facilitate implementation
  - MV staff to come forward with recommendations

### 3. The potential need for independent oversight

- Complex/high risk/high value projects may also benefit from independent (non-staff) expertise. e.g.:
  - construction contract negotiation
  - stakeholder engagement
  - project business environment
  - construction financing
  - risk management
  - claims arbitration
  - project controls
  - indigenous participation
- Potential benefits and implementation options being developed - will report back

# Conclusion & Next Steps

Staff continue to implement recommendations from KPMG review

- New and improved reports
  - Standardized Project Charters to establish authority and accountability to be put in place
  - \$5M contract approval level to be reviewed
  - Independent oversight being assessed
- Staff will report back regularly with progress





# Discussion



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SERVICES AND SOLUTIONS FOR A LIVABLE REGION

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To: Finance and Intergovernment Committee

From: Performance and Audit Committee

Date: October 30, 2020 Meeting Date: November 18, 2020

Subject: **Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Strategy**

---

**PERFORMANCE AND AUDIT COMMITTEE RECOMMENDATION**

That the MVRD Board:

- a) endorse the recommended strategy as presented in the report dated October 1, 2020, titled “Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Strategy”, and direct staff to gradually implement ESG/SRI practices in Metro Vancouver’s investments; and
- b) approve the proposed update to the *Corporate Investment Policy* to reflect exclusion of investments in Fossil Fuel as presented in the report dated October 1, 2020, titled “Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Strategy”.

---

At its October 15, 2020 meeting, the Performance and Audit Committee considered the attached report dated October 1, 2020, titled “Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Strategy”. The Committee endorsed the following recommendation and it is now before the Finance and Intergovernment Committee for consideration.

*That the Performance and Audit Committee:*

- a) endorse the recommended strategy to gradually implement ESG/SRI practices in Metro Vancouver’s investments;*
- b) endorse the proposed update to the Corporate Investment Policy to reflect exclusion of investments in Fossil Fuel; and*
- c) forward the report to Finance and Intergovernmental Committee and the Metro Vancouver Regional District Board for consideration.*

**Attachment:** (Doc# 41413260)

Report dated October 1, 2020 titled, “Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Strategy”

42040218

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To: Performance and Audit Committee

From: Joe Sass, Director, Financial Planning and Operations

Date: October 1, 2020 Meeting Date: October 8, 2020

Subject: **Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Strategy**

---

**RECOMMENDATION**

That the Performance and Audit Committee:

- a) endorse the recommended strategy to gradually implement ESG/SRI practices in Metro Vancouver's investments;
  - b) endorse the proposed update to the *Corporate Investment Policy* to reflect exclusion of investments in Fossil Fuel; and
  - c) forward the report to Finance and Intergovernmental Committee and the Metro Vancouver Regional District Board for consideration.
- 

**EXECUTIVE SUMMARY**

As the ESG/SRI landscape is still immature and rapidly evolving and there are many challenges and barriers to inclusion of ESG principles at this time. It is prudent for Metro Vancouver to take incremental, steady and measured steps to include ESG investments in its portfolio over a period of time. This strategy will position Metro Vancouver to take advantage of potentially higher anticipated yields from ESG over time, without the increased risk of concentration within the portfolio which may create shocks. Furthermore, in order to make true impact through the inclusion of ESG principles, there needs to be a collaborative effort to identify opportunities that will allow expanded investment options, without increasing portfolio risk.

**PURPOSE**

To discuss ESG/SRI investing considerations and provide options for implementing ESG/SRI practices in Metro Vancouver's investment portfolio.

**BACKGROUND**

On June 23, 2020, in a report titled "Corporate Policy Review – Environmental, Social and Governance (ESG) and Socially Responsible Investment (SRI) Principles", an outline was provided to assess the inclusion of ESG/SRI practices in the *Corporate Investment Policy* and procedures. This is the first deliverable from that plan.

**CURRENT ESG/SRI ENVIRONMENT**

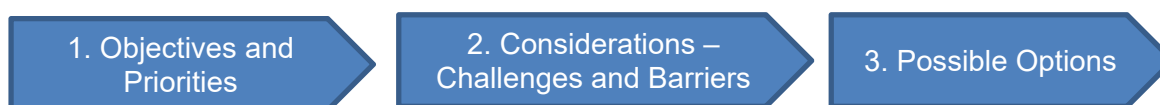
ESG/SRI landscape has evolved significantly from its origins of exclusionary screening of specific investments driven by moral values, traditionally referred to as Socially Responsible Investing (SRI) or Sustainable Investing (SI). With a growing trend in investors seeking out both financial and social returns, with desire to drive positive impact on the world, a more broad-based approach that looks at a company or a fund's ESG track record is gaining momentum. ESG investing considers a broader

set of due diligence questions on how environmental, social and governance factors impact performance. Despite the growing popularity in the ESG/SRI practices, the implementation remains fragmented and complex due to lack of disclosure and standardization for measurement.

### METRO VANCOUVER'S ESG/SRI ASSESSMENT PROCESS

There are many forms and methods for integrating ESG/SRI criteria into the investment decisions. It is important to note that there is no standard or “one size fits all” solution that is suitable for all organizations. Included in Attachment 1 is a guideline based on common practices observed in Switzerland and elsewhere, which provides the key steps for developing a sustainable investment policy. Metro Vancouver is currently at the preliminary stages of gathering information.

This report will address the ESG/SRI considerations in 3 parts.



#### 1. Identifying ESG/SRI Objectives

It is critical to target the set of issues that are most relevant and material, and to clearly define Metro Vancouver's ESG objectives. The Chartered Financial Analyst (CFA) Institute has identified five ESG-related philosophies which articulate the desired impacts which is included in Attachment 2. This is not an exhaustive list or mutually exclusive, and may be considered in combinations. It is important to keep in mind that these objectives for the purposes of ESG/SRI framework should maintain the spirit of the organization's mission and priorities but need to remain broad enough as not to produce unintended consequences such as increased concentration risk by focusing on one particular sector.

#### 2. Other Considerations

There are many challenges and factors that need to be considered in order to determine feasibility of the approach and implementation.

- **Legislation and Asset Selection:** Metro Vancouver's investment portfolio is generally limited to Canadian government securities, bank or credit union securities/deposits, and MFA securities or pooled funds in accordance with Section 183 of the *Community Charter* included in Appendix C of Attachment 7. Further limiting the investment options through ESG application could lead to diminished liquidity and increased concentration risk due to lack of diversification. As Metro Vancouver is unable to directly invest in companies by way of shares or funds, unless created through the MFA, the ESG/SRI application needs to consider the limited investment options available. This is a major barrier as ESG data and practices are mostly geared to equity investors since they drive impact through ownership in the invested entities.
- **Investment Policy Objectives:** The current principles of the *Corporate Investment Policy* are maintaining safety of capital as the foremost objective, followed by providing sufficient liquidity to meet anticipated cash needs and producing the highest yield possible after considering the first two objectives. It is recommended that ESG/SRI considerations do not take precedence over the first two policy objectives given the importance of fiscal prudence and keeping in line with the fundamental investing principles. Applying ESG/SRI factors will come at a cost due to reduced



opportunity although this could shift in the long-run as more companies adopt ESG and sustainability as part of their business model. Given that one of the key priorities of the Board is financial sustainability by adhering to sound fiscal policies that balance the organization's long-term financial health while maintaining affordability for regional ratepayers, it is important to consider how these two objectives, ESG/SRI consideration versus return, will rank in the Policy. Attachment 6 illustrates the potential loss in revenue by shifting funds to ESG-mandated products. Estimated opportunity cost ranges from \$310,000 to \$830,000. It is also important to note that moving from a traditional bank bond to a fossil-fuel-free pooled fund does not translate to increased impact or higher ESG/SRI considerations since both options are fossil-fuel-free.

- **Cash Flow Needs:** Many of the currently available ESG-products do not provide sufficient liquidity or desired maturity profile. For example, MFA's Fossil Fuel Free Bond Fund has a duration of 2-5 years. Green bonds generally have a longer term (20 years plus) and are less liquid, and therefore may be difficult to liquidate. The portfolio needs to maintain a sufficient level of liquidity and produce a matched stream of cash flows to meet the significant cash demands of the capital program. Given the lack of ESG products in the market and our limited scope of investment alternatives, it may be challenging to find suitable products that match Metro Vancouver's risk profile.
- **Measurement:** At present, there is a lack of relevant and timely information available to effectively assess the ESG factors in investments. There are firms that offer models to assess and rate company ESG footprints such as S&P Global, Sustainalytics, etc. However, there still remains major challenges due to the lack of standardization in the reporting and disclosures. Additionally, the evaluation process can be challenging as to whether investments should be reviewed on first-order basis i.e. fundamental level of organization and business, or if it should extend beyond that to include indirect activities of a particular investment or organization, and if so how far reaching it should be. For example, if the investment approach is to exclude pipeline sector, the question posed is whether only those companies that are directly involved in this line of business should be excluded, or if other unrelated entities such as the Canadian government should also be excluded since Canada owns a pipeline. Given the challenges cited, the evaluation of ESG factors should be based on the investment's first-order line of business to remove ambiguity in the evaluation process.
- **Stakeholder Engagement:** As ESG/SRI considerations are driven by non-financial criteria, it is important to engage the appropriate groups to set the key priorities and values that will determine the suitable investment approach. The key stakeholders are identified in Attachment 4 in accordance with their terms of reference and mandate. Depending on the outcome of the review process, there could be other stakeholders that may need to be engaged or consulted.

### 3. Identifying Implementation Options

Once the underlying objectives or goals have been clarified, the practical details of the implementation can be determined. There are six common methodologies that can be implemented to systematically address the ESG desired impacts noted above. These methods are not mutually exclusive and are often used in combinations. Included in Attachment 5 is a table outlining the pros

and cons of each method. Many of these methods are not applicable to Metro Vancouver as they were designed with equity investments in mind.

## RECOMMENDATION

Metro Vancouver has outlined 3 possible strategies along with the advantages, disadvantages, financial impact, timeline and next steps for each option in Table 1 below. Staff recommends Strategy A-Gradual application to ease ESG investing into Metro Vancouver's investment portfolio over time. Metro Vancouver's goal is to be well positioned to take advantage of the evolving investment landscape, while not taking undue risk within the portfolio. This approach provides the following benefits:

- Allow the portfolio to gain exposure over time, which should allow for returns to be generated as the space matures, but does not require Metro Vancouver to take on undue risks.
- Avoids significant shocks to the portfolio, which could make cashflow management more challenging and result in loss of investment revenue as illustrated in Attachment 6.

Based on a first-order measurement, Metro Vancouver's portfolio already excludes any investments in fossil fuel, a key contributor to greenhouse gas emissions. As such, it is proposed that the following language be added to Metro Vancouver's *Investment Policy* as its fourth order objective: "Metro Vancouver will apply exclusionary screening in its portfolios to avoid direct investments in fossil fuel". The proposed revision to the Policy is included in Attachment 7.

Furthermore, it is also recommended that Metro Vancouver works in collaboration with the MFA and the member municipalities to develop opportunities for further ESG/SRI investing in the future.

**Table 1**

| Strategy             | A - Gradual  | B - Immediate Action  | C - Comprehensive   |
|----------------------|--|---|---|
| <b>Explanation</b>   | Monitor ESG space for maturity in reporting and disclosure requirements, and availability of products that suit MV's risk profile.   | Immediate investment in products that are available following minor amendment in Investment Policy Language.                                | Develop detailed ESG objectives, engaging Committees and Board, and develop detailed guidelines.  |
| <b>Advantages</b>    | <ul style="list-style-type: none"> <li>• Allows a maturation of MV ESG approach alongside the sector</li> <li>• No rework of investment policy until maturation of industry, limiting policy evolution over time.</li> </ul> | <ul style="list-style-type: none"> <li>• Allows for immediate Investment in sustainable fund</li> <li>• Modest Re-work of Policy</li> </ul> | <ul style="list-style-type: none"> <li>• "Best Practice" ESG Investing</li> </ul>   |
| <b>Disadvantages</b> | <ul style="list-style-type: none"> <li>• Slows timeline to ESG Investment</li> </ul>   | <ul style="list-style-type: none"> <li>• Risk of sub-optimal returns</li> <li>• Added duration and liquidity risk</li> </ul>                | <ul style="list-style-type: none"> <li>• Sector is immature</li> <li>• Existing Policy limits the value of this process</li> <li>• Requires fundamental rework of Policy</li> </ul> |

|   |   |  |  |
|---|---|--|--|
|   |   |  | <ul style="list-style-type: none"> <li>• Risk of sub-optimal returns</li> <li>• Added duration and liquidity risk</li> </ul> |
| <b>Financial Impact</b><br>(Attachment 6) | No impact   | Loss in Investment revenues of approximately \$310,000 per annum   | Loss in investment revenues of approximately \$830,000 per annum   |
| <b>Timeline</b>                           | Ongoing - Report 3 times a year to PAU on ESG progress  | <p>Immediate Investment in available products following amendment to Policy - January 2021</p> <p>Report 3 times a year to PAU on ESG progress</p> | Estimated Policy Revision Timeline - December 2021   |
| <b>Next Steps</b>                         | <p>Progress updates to PAU as part of the regular investment report provided 3 times a year.</p> <p>Arrange an information session for relevant committees on the ESG/SI principles</p> | Tailor language in Policy and invest in available products   | Long Form governance workshop to identify ESG objectives   |

## NEXT STEPS

If the Performance and Audit Committee (PAU) accepts the recommendation, staff will forward the report to the Finance and Intergovernmental Committee for their review and approval, and consult the MFA and the member municipalities.

## ALTERNATIVES

1. That the Performance and Audit Committee:
  - a) endorse the recommended strategy to gradually implement ESG/SRI practices in Metro Vancouver's investments;
  - b) endorse the proposed update to the *Corporate Investment Policy* to reflect exclusion of investments in Fossil Fuel; and
  - c) forward the report to Finance and Intergovernmental Committee and the Metro Vancouver Regional District Board for consideration.
2. That the Performance and Audit Committee endorse the immediate application of ESG/SRI strategy or the comprehensive application of ESG/SRI strategy.

## FINANCIAL IMPLICATIONS

If Alternative 1 is selected, there are no immediate direct financial implications. If Alternative 2 is selected, the potential loss in revenues range from \$310,000 to \$830,000, and additional resource will be required to incorporate ESG/SRI analysis into the investment process.

## CONCLUSION

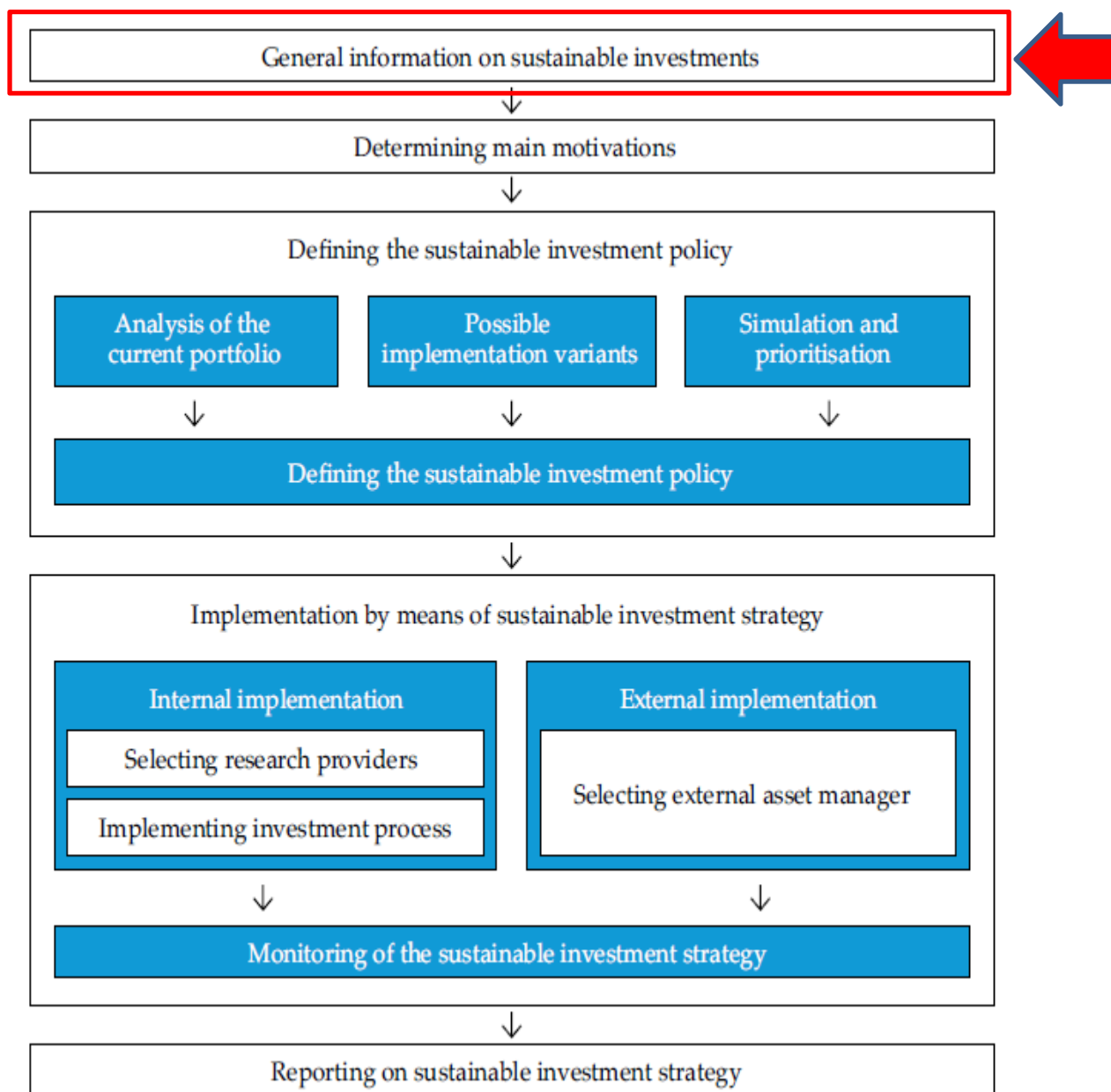
Metro Vancouver is well positioned to take advantage of the growing trend of ESG investing, and is taking a relatively early look at its inclusion in the Investment Portfolio. While the ESG landscape is still immature and rapidly evolving, it is proposed that Metro Vancouver take incremental, steady and measured steps to include ESG investments in its portfolio over a lengthy period of time. This strategy will allow Metro Vancouver to take advantage of potentially higher yields from ESG which may be anticipated in time, without the increased risk within the portfolio which has the potential to create unanticipated shocks.

Alternative 1 is recommended.

## Attachments

- Attachment 1 – Steps for Implement a Sustainable Investment Policy
- Attachment 2 – CFA EGS/SRI Objectives
- Attachment 3 – *Metro Vancouver's Board Strategic Plan 2019-2022*
- Attachment 4 – Key Stakeholders
- Attachment 5 – Pros and Cons of ESG/SRI Methodologies
- Attachment 6 – Portfolio Scenario
- Attachment 7 – *Corporate Investments Policy*
  - Appendix A – Approved Investments (Updated October, 2016)
  - Appendix B – Investment Performance Benchmarks
  - Appendix C – *Community Charter* (Section 183)

**Steps for Implement a Sustainable Investment Policy**



Source: Swiss Sustainable Finance (2016)

## **ATTACHMENT 2**

### **Chartered Financial Analyst (CFA) Institute ESG/SRI Objectives**

1. Understand the ESG factors that impact the risk and return of the investment.
2. Do not violate personal beliefs or missions, principles or beliefs of the organization.
3. Have fewer negative effects and more positive effects on people and society.
4. Capitalize on investment opportunities relating to long-term environmental or social trends.
5. Invest in specific solutions that intend to make measurable contribution to a defined environmental or social need, problem or goal.

### ***Metro Vancouver's Board Strategic Plan 2019-2022***

#### Vision

*Metro Vancouver embraces collaboration and innovation in providing sustainable regional services that contribute to a livable and resilient region and a healthy natural environment for current and future generations*

#### Strategic Plan Themes

Planning at Metro Vancouver is built upon five central themes, which guide the development of Metro Vancouver's long-term plans and budgets.

##### ■ Regional Growth

The region's increasing population, projected to grow by about 35,000 per year, will require core utility services and regional services to expand and optimize to respond to new growth.

##### ■ Environmental Sustainability

Our region is dependent on healthy, functioning ecosystems and requires actions to reduce pollutants, including greenhouse gases, to prevent waste and to conserve our natural ecosystems.

##### ■ Financial Sustainability

Financial sustainability requires that core utility and regional services are delivered with an adherence to sound fiscal policies that balance the organization's long-term financial health while maintaining affordability for regional ratepayers.

##### ■ System Stewardship

Critical regional infrastructure must be sufficiently maintained or replaced to meet current and future service needs and to be resilient to impacts from seismic events, wildfires, power failures, and natural disasters.

##### ■ Regulatory & Legislative Environment

Core utility services and regional services will anticipate and meet regulatory requirements and respond to legislative change.

## ATTACHMENT 4

### Key Stakeholders

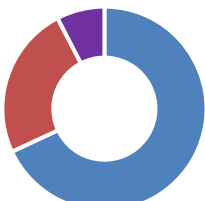
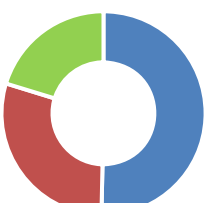
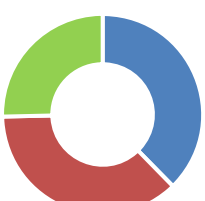
| Stakeholder                           | Terms of Reference/Mandate  |
|---------------------------------------|---|
| Performance and Audit Committee       | Responsible for reviewing financial policies and recommendation to the Finance and Intergovernment Committee on proposed new policies and policy amendments.                            |
| Finance and Intergovernment Committee | Responsible for guiding the development of financial policies for consideration by the Board.   |
| Metro Vancouver Board                 | Serve as the governing body and is informed by discussion and recommendations of its standing Committees.<br><br>Provide final approval for creation and updates to corporate policies. |
| Regional Finance Advisory Committee   | Contribute to discussions impacting the region.   |



## Pros and Cons of ESG/SRI Methodologies

| Method                         | Consideration  | Pros  | Cons   |
|--------------------------------|--|---|--|
| <b>Exclusionary Screening</b>  | Avoid investment in companies, sectors, countries or regions on the basis of traditional moral values, standards and norms. Eg. Ban investments in tobacco or gambling.  | <ul style="list-style-type: none"> <li>Well-established and widely used approach</li> <li>Align investments with objectives or priorities</li> </ul>  | <ul style="list-style-type: none"> <li>Pose investment constraints</li> <li>Could result in opportunity cost of divesting</li> </ul>   |
| <b>Best-in-class selection</b> | Prefer companies with better or improving ESG performance relative to sector peers. Eg. Invest in a company that scores better in energy efficiency compared to the industry average.  | <ul style="list-style-type: none"> <li>Provides in-depth dialogue and higher probability of achieving solutions in line with investment philosophy and desired return</li> <li>Capable of generating better long-term performances</li> </ul> | <ul style="list-style-type: none"> <li>Costly due to substantial resources required for analysis</li> <li>Limited information from companies</li> </ul>  |
| <b>Active Ownership</b>        | Enter into a dialogue with companies on ESG issues and exercise both ownership rights and voice to effect change. Eg. Vote and raise questions at shareholder general meetings.  | <ul style="list-style-type: none"> <li>Could be highly influential if active role taken</li> <li>Focused on specific changes being driven</li> </ul>  | <ul style="list-style-type: none"> <li>Require a lot resources</li> <li>Need majority stake for true influence</li> </ul>  |
| <b>Thematic Investing</b>      | Invest based on trends, such as social, industrial, and demographic trends. Eg. Invest in companies involved in the alternative energy.  | <ul style="list-style-type: none"> <li>Can allocated funds directly to companies, funds or projects that align with the ESG objectives</li> </ul>   | <ul style="list-style-type: none"> <li>Could impact diversification</li> <li>Potentially high cost and lower long-term performance as more emphasis placed non-financial objectives over financial ones</li> </ul> |
| <b>Impact Investing</b>        | Invest with intention to generate and measure social and environmental benefits alongside a financial return. Eg. Invest in a company that provides low-cost services to an underserved area.  | <ul style="list-style-type: none"> <li>Can allocate funds toward specific solutions</li> </ul>  | <ul style="list-style-type: none"> <li>Tend to produce lower returns due to high concentration in particular project</li> </ul>  |
| <b>Integration of ESG</b>      | Integrate ESG risks and opportunities into investment analysis. Unlike Best-In-Class, ESG integration does not require peer group benchmarking or weighting. Eg. Health and safety indicators such as lost production time due to labor injury frequency | <ul style="list-style-type: none"> <li>Lead to portfolios with core holdings with strong sustainability profile</li> <li>May improve risk-adjusted performance in the long run.</li> </ul>  | <ul style="list-style-type: none"> <li>Substantial resources required for analysis</li> </ul>  |

## Portfolio Scenario

| Options  | Assumptions   | Impact   |
|--|---|--|
| <p>A - Gradual</p>  <p>■ FI and CU ■ Government ■ Bond Fund</p>             | <ul style="list-style-type: none"> <li>Base asset of \$395M long term portfolio. Exclude short-term portfolio needed for liquidity.</li> <li>\$100M re-invested as normal, allocated between FIs, Credit unions and MFA Bond Fund.</li> </ul> | <ul style="list-style-type: none"> <li>Estimated annualized Yield of <b>2.06%</b></li> </ul>   |
| <p>B - Immediate</p>  <p>■ FI and CU ■ Government ■ FFF Bond Fund</p>      | <ul style="list-style-type: none"> <li>Base asset of \$395M long term portfolio. Exclude short-term portfolio needed for liquidity.</li> <li>\$100M re-invested in government green bonds and MFA Fossil Fuel Free Fund</li> </ul>            | <ul style="list-style-type: none"> <li>Estimated annualized Yield of <b>1.98%</b></li> <li>Loss in investment revenue compared to Option A is \$310,000</li> </ul> |
| <p>C - Comprehensive</p>  <p>■ FI and CU ■ Government ■ FFF Bond Fund</p> | <ul style="list-style-type: none"> <li>Base asset of \$395M long term portfolio. Exclude short-term portfolio needed for liquidity.</li> <li>\$150M re-invested in government green bonds and MFA Fossil Fuel Free Fund</li> </ul>            | <ul style="list-style-type: none"> <li>Estimated annualized Yield of <b>1.77%</b></li> <li>Loss in investment revenue compared to Option A is \$830,000</li> </ul> |

### CORPORATE INVESTMENTS

Effective Date:

Approved By:

---

#### PURPOSE

To provide guidelines within which investment decisions are made to ensure safety of capital, adequate liquidity and a reasonable rate of return.

#### APPLICATION

This policy applies to all investments on behalf of the corporate entities.

#### POLICY

##### A. General Objectives:

###### i) **Safety of Capital**

This is the foremost objective of this policy. Prudent investments shall be chosen in a manner that ensures preservation of capital. Consideration therefore must be given to both credit and interest rate risk in all investment decisions.

###### ii) **Liquidity**

Investment portfolios will provide sufficient liquidity to meet the ongoing needs of all Metro Vancouver Districts and the Housing Corporation. Investment terms will be structured as much as possible to meet anticipated cash needs.

###### iii) **Yield**

Portfolios will be invested to produce the highest yield after first considering objectives i) and ii) above and within the investment guidelines in **Appendix A**.

###### iv) **Sustainable Investing**

Metro Vancouver will apply exclusionary screening in its portfolios to avoid direct investments in fossil fuel.

##### B. Standard of Care

The standard of care to be applied by staff in carrying out their duties is that of a prudent person, in the context of the management of a diversified portfolio. This in turn translates as the exercise of discretion and judgment, in conformity with policies, with the purpose being investment, rather than speculation.

The [Employee Code of Ethics Policy](#) requires performance to a high standard of integrity, and specifically forbids conflict of interest situations.

### C. Investment Parameters

Investments will at all times be governed by legislation, specifically the Community Charter Section 183 (copy attached as **Appendix C**).

**Short term investments** (maximum term 365 days) are restricted to those with a minimum short term credit rating of Standard and Poor's (S&P) equivalent of A-1 or Dominion Bond Rating Service (DBRS) equivalent of R1Low.

Short term investments will be permitted in non-qualifying institutions when such investments are guaranteed by a qualified institution. An example of this would be an investment in a Credit Union in BC which is in turn guaranteed by the Province of BC.

**Long term investments** must have at a minimum a long term credit rating of 'A-' by S&P or DBRS equivalent (A-low).

Both our short term and long term investments are limited to primarily Government debt (provincial and federal) and Canadian financial institutions. The specific details of the qualified investments as well as the maximum portfolio percentages are listed in **Appendix A**.

In instances where an investment falls below one, but not both of the recommended rating agencies (S&P and DBRS), the investment will remain to qualify as an approved investment.

### D. Investment Terms

**Short Term Investments** will have a maximum term of 365 days and are restricted to terms listed on **Appendix A** attached.

**Long Term Investments** are those with term exceeding 365 days. Long term investments will also be restricted to terms listed on **Appendix A** attached.

### E. Tendering

**Short Term Investments** (under 365 days)

Investments of terms greater than 15 days require at least three quotes from qualifying dealers. (See comments below concerning Long Term Investments as a potential exception to this rule)

**Long Term Investments** (over 365 days)

Long term investments do not necessarily lend themselves to direct comparison. Often there is difficulty in finding the same name or similar credit quality in exactly the same term. This requires that those responsible for long term investing use considerable judgement in determining the investment choice.

Where direct comparisons are possible between like or similar investments at least three quotes from qualifying dealers will be required.

Where direct product comparisons are not available, those responsible for investing must ensure that the offering under consideration is priced fairly. This can be done by verifying spread levels (over benchmark or equivalent term Canada bonds) obtained from two other dealers which support the offering being considered. These spreads should be recorded for subsequent review by internal audit.

#### **F. Safekeeping**

Investments will be held for safekeeping at either RBC Investor Services (Dexia), Royal Bank Dominion Securities, Bank of Montreal or Clearing and Depository Services Inc. (CDS) for securities whose transfer is book-based rather than by physical delivery. Transfers that are neither book-based nor physical delivery such as cash, term deposits and guaranteed investment certificates are held for safekeeping at the respective credit union or issuing bank or held in nominee (in trust) with the Authorized Investment Dealer.

#### **G. Authorized Investment Dealers**

Authorized Investment Dealers must meet one of the following criteria:

- Wholly owned subsidiary of a Canadian chartered bank that is included in the Approved Investments list in **Appendix A**;
- Member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF), and hold assets under management greater than \$10 billion;
- Institution whose deposits or debts are guaranteed by the Credit Union Deposit Insurance Corporation (CUDIC) or a Province of Canada.

Any changes to the Authorized Investment Dealer must be approved by the Investment Management Committee as defined in section H Review, Oversight and Reporting. The Investment Management Committee will also review the list of Authorized Investment Dealers on as needed basis.

#### **H. Review, Oversight and Reporting**

The statutory authority of the *CFO* for investment decisions is delegated to the *Director, Financial Planning and Operations*; *Division Manager, Financial Planning and Processes* and the *Treasury Manager* including any appointed in an acting capacity.

While day to day investment operations are the responsibility of the *Treasury Manager*, the *Division Manager, Financial Planning and Processes* is responsible for its supervision, including review of internal control issues and policy enforcement.

Summary reports on investment positions and performance will be prepared monthly for the *CFO* and the *Director, Financial Planning and Operations*.

The *CFO*; *Director, Financial Planning and Operations*; *Division Manager, Financial Planning and Processes* and the *Treasury Manager* will meet quarterly (or more frequently as required) as the Investment Management Committee (“Committee”) to review the investment activities as well as current investments issues. The Committee will establish the percentage split of the portfolio between long and short term investments as well as the average term of the portfolio based on existing market conditions and expected future conditions.

An Approved List of Investments (“Approved List”), based on the Investment Parameters in section C, will be developed and maintained by the *Division Manager, Financial Planning and Processes*, subject to the approval of the Committee.

While changes to the Approved List outlined in **Appendix A** are subject to the Committee's specific approval, any member of the Investment Management Committee may immediately suspend a previously approved investment at any time on their own authority and, in fact, must do so when he has reason to believe it no longer meets the necessary requirements. *The member will immediately advise the other Investment Management Committee members of the decision for suspension along with the reason and repercussions.*

Quarterly, the investment ratings of all entities included in the Approved List will be reviewed by the *Division Manager, Financial Planning and Processes*.

Upon knowledge of a decrease in the credit rating of an approved investment to a level below the parameters outlined in this policy, the *Division Manager, Financial Planning and Processes* will immediately advise the Investment Management Committee. As this rating is below the minimum acceptable credit rating, the investment position should be sold with all considerations given to losses and/or penalties.

A report will be presented to the Board as of April 30, August 31, and December 31 each year and will include a position statement, performance results compared to benchmark comments and other relevant issues.

Metro Vancouver purchases investments with the intention of holding these until maturity and not with further trading in mind. For this reason we will not adjust the portfolio value based on changes in unrealized market value, but rather report investment performance based on actual return to maturity.

Our short term investment performance will be compared to the Benchmarks detailed on **Appendix B**. Finding a benchmark for our long term investments is difficult as most available benchmarks will reflect changes in market valuation. With this in mind, we will provide the benchmarks included on **Appendix B** as a reasonable general comparison to our long term investment performance.

In addition to the audit activities and procedures performed annually by the external auditors and the oversight of the Director, Financial Planning and Operations, the Internal Auditor will review internal controls and ensure compliance with policy and procedures bi-annually.

All changes to this policy require Board approval.

**Appendices:**

*Appendix A:* Approved Investments (Updated October, 2016)

*Appendix B:* Investment Performance Benchmarks

*Appendix C:* Community Charter (Section 183)

# APPENDIX A

## Approved Investments (October 2016)

|   | Rating                   |           | Proposed  |                              |
|---|--------------------------|-----------|-----------|------------------------------|
|   | Short Term               | Long Term | Max %     | Max Term                     |
| <b>Governments:</b>                                   |                          |           |           |                              |
| Canada  | A-1+                     | AAA       | Unlimited | 30 years (5% max > 10 years) |
| Provinces rated AA- or better by S&P (or equivalent)* |                          |           |           |                              |
| British Columbia                                      | A-1+                     | AAA       | 50%       |                              |
| Alberta   | A-1+                     | AA        | 50%       |                              |
| Saskatchewan  | A-1+                     | AA+       | 50%       |                              |
| Manitoba  | A-1+                     | AA-       | 50%       |                              |
| <i>Total Provinces rated AA- or better Limit</i>      |                          |           | Unlimited | 30 years (5% max > 10 years) |
| Provinces rated A- or better by S&P (or equivalent)*  |                          |           |           |                              |
| New Brunswick   | A-1+                     | A+        | 30%       |                              |
| Ontario   | A-1+                     | A+        | 30%       |                              |
| Quebec  | A-1+                     | A+        | 30%       |                              |
| Nova Scotia   | A-1+                     | A+        | 30%       |                              |
| Newfoundland  | A-1                      | A         | 30%       |                              |
| Prince Edward Island                                  | A-1                      | A         | 30%       |                              |
| <i>Total Provinces rated A- or better Limit</i>       |                          |           | 50%       | 30 years (5% max > 10 years) |
| Municipal Finance Authority of BC                     | A-1+                     | AAA       | 15%       | 30 years (5% max > 10 years) |
| <b>Total Governments</b>                              |                          |           |           |                              |
| <b>Financial Institutions</b>                         |                          |           |           |                              |
| <b>Schedule 1 Banks</b>                               |                          |           |           |                              |
| Bank of Montreal                                      | A-1                      | A+        | 20%       | 10 years                     |
| Bank of Nova Scotia                                   | A-1                      | A+        | 20%       | 10 years                     |
| CIBC  | A-1                      | A+        | 20%       | 10 years                     |
| Royal Bank of Canada                                  | A-1+                     | AA-       | 20%       | 10 years                     |
| TD Bank   | A-1+                     | AA-       | 20%       | 10 years                     |
| National Bank of Canada                               | A-1                      | A         | 15%       | 10 years                     |
| Manulife Bank   | A-1                      | A+        | 15%       | 3 years                      |
| Canadian Western Bank                                 | R1L (DBRS)               | AL (DBRS) | 15%       | 3 years                      |
| <b>Schedule 2 Banks</b>                               |                          |           |           |                              |
| HSBC Bank Canada                                      | A-1+                     | AA-       | 15%       | 10 years                     |
| <b>BC Credit Unions</b>                               |                          |           |           |                              |
| Vancity   | BC Provincial Guaranty** |           | 20%       |                              |
| Coast Capital Savings                                 | BC Provincial Guaranty** |           | 20%       |                              |
| Westminster Credit Union                              | BC Provincial Guaranty** |           | 20%       |                              |
| Blue Shore Credit Union                               | BC Provincial Guaranty** |           | 20%       |                              |
| First West Credit Union                               | BC Provincial Guaranty** |           | 20%       |                              |
| Prospera Credit Union                                 | BC Provincial Guaranty** |           | 20%       |                              |
| <i>Total BC Credit Unions Limit</i>                   |                          |           | 50%       | 5 years (max 30% > 1 year)   |
| <b>Other</b>  |                          |           |           |                              |
| Caisse Central Desjardins                             | A-1                      | A+        | 5%        | 3 years                      |

\*Includes provincially guaranteed institutions

\*\* Implied BC Provincial guaranty

### **Investment Performance Benchmarks**

The benchmarks listed below are used as a guideline to assess the performance / investment returns on investments held.

#### **Short Term Investments**

- Municipal Finance Authority Money Market Fund\*
- Average One Month Banker's Acceptance Rate\*\*
- Average Three Month Banker's Acceptance Rate\*\*

#### **Long Term Investments**

- Municipal Finance Authority Intermediate Bond Fund
- Municipal Finance Authority Long-term Bond Fund

\*Available on the MFA website

\*\*Calculated from the Bank of Canada website



**Community Charter Section 183**

**Investment of municipal funds**

- 183 Money held by a municipality that is not immediately required may only be invested or reinvested in one or more of the following:
- (a) securities of the Municipal Finance Authority;
  - (b) pooled investment funds under section 16 of the *Municipal Finance Authority Act*;
  - (c) securities of Canada or of a province;
  - (d) securities guaranteed for principal and interest by Canada or by a province;
  - (e) securities of a municipality, regional district or greater board;
  - (f) investments guaranteed by a chartered bank;
  - (g) deposits in a savings institution, or non-equity or membership shares of a credit union;
  - (h) other investments specifically authorized under this or another Act.

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To: Finance and Intergovernment Committee

From: Bruce Ford, Communications and Education Coordinator, External Relations  
Larina Lopez, Division Manager, Corporate Communications, External Relations

Date: October 19, 2020 Meeting Date: November 18, 2020

Subject: **School and Youth Leadership Program: Engaging K-12 Audiences Through Curriculum and Leadership Programs**

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### RECOMMENDATION

That the Finance and Intergovernment Committee receive for information the report dated October 19, 2020, titled “School and Youth Leadership Program: Engaging K-12 Audiences Through Curriculum and Leadership Programs”.

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### EXECUTIVE SUMMARY

The Metro Vancouver School and Youth Leadership Program aims to increase awareness about Metro Vancouver and its core services among the kindergarten through grade 12 (K–12) audience. Through this program, K-12 teachers and students are equipped with the understanding, skills, inspiration, and BC curriculum-connected tools to integrate Metro Vancouver content with their ongoing teaching, learning, and leadership initiatives.

Resources, field trips, facility tours, teacher professional development workshops, and youth leadership programs are offered to engage K-12 audiences and promote understanding of regional sustainability topics including water, wastewater, waste, air quality, climate change, regional planning, and ecological health.

In 2019, the School and Youth Leadership Program reached approximately 1,200 K–12 teachers through professional development and 2,300 high school student leaders through youth leadership programs. In 2020, due to COVID-19, the program has focused on enhancing and developing new K-12 resources and pivoting to digital and virtual platforms.

### PURPOSE

This report is provided to update the Committee on the Metro Vancouver School and Youth Leadership Programs for K-12 students and teachers.

### BACKGROUND

At the May 15, 2020 meeting of the Zero Waste Committee, staff were requested to report back on Metro Vancouver’s efforts to engage K-12 audiences in zero waste initiatives. Given that Metro Vancouver School Programs support a range of Metro Vancouver regional priorities, the scope of the report has been broadened to present an overall update on Metro Vancouver School Programs.

Since 1992, Metro Vancouver has offered school programs aligned with the BC curriculum to K–12 audiences to increase awareness about GVRD/Metro Vancouver services and behavior change

(demand management) priorities. First offered as 'direct delivery' programs (classroom presentations) about waste reduction (3R's), these programs later expanded to include water, wastewater, and air quality. In 1998 school programs shifted to a 'teach-the-teacher' model to maximize reach and impact by supporting K-12 teachers to integrate Metro Vancouver content and resources through their ongoing teaching. In 2010, Metro Vancouver's Youth4Action program was established to support increased engagement of high school students as leaders who are uniquely positioned (like teachers) to influence sustainability in schools and communities across the region through green teams, eco-clubs, and other school district leadership initiatives. Beyond high school many Y4A Alumni acknowledge the support received from Y4A and continue as influential sustainability leaders – many of whom have received prestigious scholarships and awards to recognize their achievements as dedicated community leaders as students, early career professionals and entrepreneurs. In response to the renewed BC Curriculum, implemented in 2019, Metro Vancouver School and Youth Leadership Programs (Reference 1) has been updating K–12 resources and programs to support teachers to address and integrate regional sustainability content with their students.

To support effective development and implementation of programs, Metro Vancouver collaborates with a range of K-12 partners, including school districts, municipalities, youth and teacher leaders, K-12 education professional associations and networks, faculties of education (UBC and SFU), and the BC Ministry of Education. Collaboration with internal partners such as Water Services, Regional Parks Liquid Waste Services, Solid Waste Services, Air Quality and Climate Change, Regional Planning and Human Resources is ongoing in order to support development, promotion, engagement, and reach to shared K-12 audiences.

### **Engaging K-12 Audience Through Place-Based Curriculum and Leadership Programs**

Metro Vancouver's School and Youth Leadership Program supports school audiences across our region to know, value, and actively care for their region. Within the program, there is a variety of activities that engage and equip teachers and students with the understanding, skills, tools, and inspiration needed to integrate regional content and conservation choices and actions.

K-12 audiences represent about 15% of our region's population, including approximately 25,000 teachers who are the key decision-makers responsible for implementing the BC curriculum in K-12 schools, and 400,000 K-12 students.

### **The BC Curriculum: An Ongoing Opportunity for Metro Vancouver**

Metro Vancouver school programs offer curriculum-connected resources, programs, professional development, and other learning and leadership opportunities strongly focused on place and sustainability priorities and competencies for active citizenship. The redesigned BC K-12 curriculum provides numerous opportunities to support K-12 teachers and students to integrate community and place-based learning. Notable changes and opportunities for Metro Vancouver's school programs, include requirements for teachers to:

- Cover 'big ideas' and 'content' tied to water, wastewater, solid waste, air quality, climate change, regional planning, ecological health, and other topics.

- Support students to develop core competencies, including thinking skills, communications skills, and personal and social responsibility, which provide added curricular rationale for supporting environmentally and socially responsible behaviors.

The Metro Vancouver School and Youth Leadership Program support teachers as they respond to the updated BC curriculum by integrating connections to Metro Vancouver content and priorities across the curriculum. The alignment of the BC curriculum with Metro Vancouver content, including water, wastewater, solid waste, air quality, climate change, regional planning and ecological health is highlighted in Metro Vancouver K-12 Curriculum Connection Overviews (Reference 2) available on K-12 Resource pages.

### **Overview of K-12 Activities**

The Metro Vancouver School and Youth Leadership Program supports curriculum and instructional leadership by providing the following program components:

*K-12 Resources* (Reference 3) – A range of K-12 tools support BC curriculum-connected teaching and learning about water, wastewater, waste, air quality, and climate change. Curriculum maps, K-12 inquiry spark activities and knowledge builders such as maps and videos.

*K-12 Field Trips and Facility Tours* (Reference 4) – A range of unique and engaging field experiences are offered to support and to enrich K-12 teaching and learning.

- Promotion, management of tour requests, and support materials for teachers and students is provided by the school program staff member.
- Tours of water, wastewater, and waste management facilities are delivered by operations staff.
- In 2019, a total of 92 facility tours were delivered to:
  - 2,535 students (grade 4–8)
  - 88 K–12 teachers (from all regional school districts)
  - 175 new teachers (UBC and SFU teacher education programs)
- Teachers and students are also supported through regional parks field trips and watershed education programs, led by Regional Parks and Water Services staff respectively.

*K-12 Teacher Professional Development Workshops* (Reference 5) support and equip Metro Vancouver K-12 teachers with the knowledge, tools, resources, strategies, and inspiration necessary to integrate Metro Vancouver content in their classrooms.

- K-12 teacher workshops currently available:
  - *Get Outdoors: Exploring K-12 strategies for using the community as a resource*
  - *Shift Happens: Exploring sustainability in the classroom and beyond*
- In 2019, 17 teacher workshops and one teacher conference (Classrooms to Communities) were delivered to 957 K-12 teachers.

Youth4Action (Y4A) (Reference 6) targets high school students as youth leaders to support and influence sustainability in schools and school districts across Metro Vancouver through leadership events and collaborative action. The Y4A programs include:

- *Metro Vancouver Sustainability Toolbox (MVST)*– Regional grade 11/12 course supports students to lead and influence action for sustainability in their schools and communities. (i.e. Green Teams, School / District Leadership Conferences, Sustainabilityteens, etc.). In 2019, 24 student leaders from nine of the 11 school districts participated in MVST.
- *Youth4Action Leadership Clinics*– Highly participatory, fun and experiential learning events focused on sustainability issues relevant to high school students across Metro Vancouver. In 2019, 150 student leaders were reached via delivery of three leadership clinics.
- *Youth4Action Workshops* – Inform, empower and inspire youth leaders (and teams) to take action for sustainable schools. These workshops introduce regional sustainability topics and leadership for action, collaborative action planning, effective teams and systems thinking. In 2019, eight Youth4Action workshops were delivered to 200+ student leaders. These workshops were delivered at school district youth sustainability leadership conferences initiated and coordinated by students involved with Youth4Action.

In summary, the above K-12 Field Trips & Facility Tours, K-12 Resources, Teacher Workshops and Youth Leadership Programs provide numerous entry points for K-12 teachers and students to support teaching and learning about local sustainability tied to Metro Vancouver.

### **COVID-19 Implications on the School and Youth Leadership Program and Adaptations in 2020**

COVID-19 has had significant implications on K-12 schools and K-12 audiences. As K-12 teachers adapted to the changed landscape, demand for professional development workshops was low. Many professional development events for teachers were cancelled while others focused on the many challenges of adapting to teaching and learning from distance.

To meet the shifting needs of teacher and youth audiences Metro Vancouver School and Youth Leadership Programs pivoted to increase focus on updating K-12 resources and to deliver teacher professional development workshops and youth leadership programs online. Updated K-12 resources focused on water, solid waste, liquid waste, air quality and climate change have been developed to date. Additional K-12 Resources focused regional planning and ecological health are in development. As of October 15, 2020, eight teacher workshops have been delivered to 180 teachers.

In April 2020, in response to demand from students in the Youth4Action regional network, Youth4Action pivoted to host regular online regional network meetings and regional leadership events using digital platforms. The Collaboration High School Action Mentorship Program (CHAMP) (Reference 7) was launched in September, in lieu of MVST 2020 (cancelled due to COVID). The CHAMP program equips youth with the knowledge, skills and inspiration needed to influence sustainability in their school communities while also promoting regional collaboration and action. As of October 22, six Youth4Action leadership clinics have been delivered in 2020 to 200+ student leaders.

Additionally, in collaboration with External Relations, virtual field trips were developed by Regional Parks and Water Services to support curriculum-connected student learning linking Metro Vancouver content, including:

- *Salmon Rainforest (A Virtual Regional Park Field Trip (for Grade 2 & 3) (Reference 8) - introduces the life cycle of salmon and explores how salmon contribute to a healthy forest.*
- *Virtual Watershed Field Trip (For Grade 4 & 5) (Reference 9) – supports students to discover where their water comes from, how it is treated and how it gets to them.*

The adaptations made to the Metro Vancouver School and Youth Leadership Programs in response to COVID-19 has enabled continued engagement of regional K-12 audiences in 2020. Emphasis to support engagement of K-12 audiences through online programs and events is expected to continue through the 2020-2021 academic year. The updated K-12 resources and enhanced online delivery have added tools to strengthen the K-12 program and will enable us to increase reach and improve engagement of school audiences during the continued pandemic response and in future years.

## **ALTERNATIVES**

This is an information report. No alternatives are presented.

## **FINANCIAL IMPLICATIONS**

The 2020 Metro Vancouver Schools and Youth Leadership Program has a budget of \$120,000 supported under the External Relations corporate budget.

## **CONCLUSION**

Metro Vancouver School and Youth Leadership Programs continue to support engagement of K-12 audiences and be responsive to the shifting needs of this strategic audience.

Through these programs, K-12 teachers and student leaders across our region are supported to know, value, and actively care for their region. K-12 teachers and students are engaged and equipped with the understanding, skills, tools and inspiration needed to integrate regional content and conservation actions through their ongoing K-12 teaching, learning and leadership initiatives. The Metro Vancouver School and Youth Leadership Program directly supported engagement of school audiences across 11 school districts reaching approximately 1200 K-12 teachers and 2300 high school Youth Leaders in 2019.

Support for K-12 audiences to address the challenges presented by COVID-19 and to be responsive to K-12 audience needs remains a significant opportunity for Metro Vancouver School & Youth Leadership Programs. In 2020, shifts to the online delivery of teacher and youth leadership events, programs and K-12 resources have enabled continued engagement and support for K-12 teaching and learning linked to Metro Vancouver priorities and to the BC Curriculum. These shifts will enable Metro Vancouver School and Youth Leadership Programs to serve K-12 audiences through the remainder of the 2020-2021 school year and into future school years.

## **Attachments:**

1. Youth4Action Leadership Clinic – Exploring Climate Action in Metro Vancouver

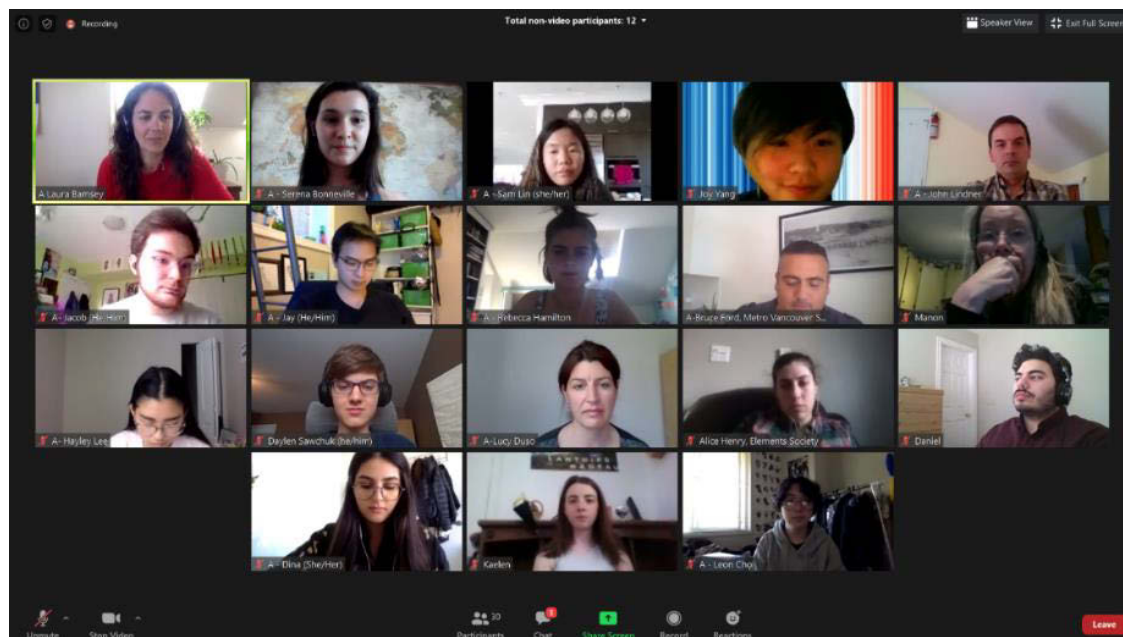
2. Example materials for teachers – Curriculum Connections Overview: Water, Wastewater, Solid Waste
3. Example materials for teachers – Water Inquiry Spark Activity and Systems Overview Handout (maybe also include SW if approved?)

**References:**

1. [Metro Vancouver School and Youth Leadership Programs](#) (K-12 Audience Webpages)
2. [K-12 Curriculum Connection Overviews](#)
3. [K-12 Resources](#)
4. [K-12 Field Trips and Facility Tours](#)
5. [K-12 Teacher Professional Development Workshops](#)
6. [Youth4Action Sustainability Leadership Programs](#) High School Youth (Including: Youth Leadership Clinics, Sustainability Toolbox: A regional leadership field course (Grade 11/12 Course), Workshops, CHAMP & Regional Network Meetings)
7. [Youth4Action Collaborative High School Action Mentorship Program \(CHAMP\)](#)
8. [The Salmon Rainforest \(A Virtual Regional Park Field Trip \(for Grade 2 & 3\)\)](#)
9. [Virtual Watershed Field Trip \(In-class online presentation by Water Services \(for Grade 4 & 5\)\)](#)

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## Youth4Action Leadership Clinic: Exploring Climate Action in Metro Vancouver – May 6, 2020



Youth4Action pivoted to convene regional youth leadership events using digital platforms such as Zoom (screenshot from May 6th. [Exploring Leadership for Climate Action in Metro Vancouver – A Regional Youth4Action Event](#))

As the world responds to COVID19, leaders and citizens around the world are recognizing that coordination of policies, adaptation, mitigation, and innovative actions to address such a significant global crises are indeed challenging, yet absolutely necessary and possible. On May 6th join Youth4Action and student leaders from across Metro Vancouver to explore climate action initiatives in Metro Vancouver. This event will feature a diverse panel of local climate action leaders, including:

- John Lindner, Air Quality Planner, Metro Vancouver
- Veronika Bylicki, City Hive
- Rebecca Hamilton, Sustainabiliteens

Participants will explore:

- the global and regional impacts of climate change
- Climate 2050, Metro Vancouver's regional climate action strategy
- Current youth-led initiatives to influence action and policy to address climate change in cities, school districts and campuses in Metro Vancouver and beyond

Following the presentations and questions, participants will be invited to participate in break out room discussions - to explore ideas and strategies to address climate action at home, at school, and throughout Metro Vancouver. To conclude, highlights from these break out room discussions will be shared out.



## Example materials for K-12 teachers - Curriculum Connections Overviews

Metro Vancouver K-12 Curriculum Connection Overviews for water, wastewater, solid waste, air quality, climate change, regional planning and ecological health can be downloaded at <http://www.metrovancouver.org/events/school-programs/K12publications/K-12-CurricConnections WATER.pdf>

| <b>metrovancouver   K-12 PROGRAMS</b><br><b>Curriculum Connections Overview:</b><br><b>Wastewater</b>   |   |   |
|---|---|---|
| Metro Vancouver K-12 School Programs align strongly with the B.C. curriculum – supporting place-based, experiential learning through engaging Field Trips, Resources, Teacher Workshops and Youth Leadership Programs. <a href="http://www.metrovancouver.org">www.metrovancouver.org</a> |   |   |
| Science   |   |   |
|   | Big Ideas   | Content   |
| GRADE 2   | Water sources, including local watersheds   | <ul style="list-style-type: none"> <li>Water sources, including local watersheds</li> <li>Water conservation</li> <li>The water cycle</li> <li>Local First Peoples knowledge of water: water cycles, conservation, connection to other systems</li> </ul>   |
| GRADE 3   | Wind, water, and ice change the shape of the land   | <ul style="list-style-type: none"> <li>Major local landforms</li> <li>Local First Peoples knowledge of local landforms</li> <li>Observable changes in the local environment caused by erosion and deposition by wind, water, and ice</li> </ul>   |
| GRADE 4   | All living things sense and respond to their environment  | <ul style="list-style-type: none"> <li>Biomass as large regions with similar environmental features</li> <li>Phases of matter</li> </ul>  |
| GRADE 5   | Solutions are homogeneous mixtures  | <ul style="list-style-type: none"> <li>Solutions and solubility</li> <li>Local types of earth materials</li> <li>First Peoples' knowledge of interconnectedness in the environment</li> <li>The nature of sustainable practices around BC's resources</li> </ul>  |
| GRADE 6   | Everyday materials are often mixtures   | <ul style="list-style-type: none"> <li>Matter cycles within biotic and abiotic components of ecosystems</li> <li>Sustainability of systems</li> <li>First Peoples' knowledge of interconnectedness and sustainability</li> </ul>  |
| SCIENCE 9   | The biosphere, geosphere, hydrosphere, and atmosphere are interconnected, as matter cycles and energy flows through them  | <ul style="list-style-type: none"> <li>Local and other chemical processes</li> <li>Green chemistry</li> <li>Solubility of molecular and ionic compounds</li> <li>Stoichiometric calculations in aqueous solutions</li> </ul>  |
| SCIENCE 11  | Complex roles and relationships contribute to diversity of ecosystems. Changing ecosystems are maintained by natural processes. Human practices affect the sustainability of ecosystems. Humans can play a role in the stewardship and restoration of ecosystems. | <ul style="list-style-type: none"> <li>Abiotic characteristics: aquatic, atmospheric, edaphic</li> <li>Energy flows through ecosystems</li> <li>Matter cycles through living organisms</li> <li>First Peoples knowledge and other traditional ecological knowledge in sustaining biodiversity</li> <li>Human actions and their impact on ecosystems</li> <li>Resource stewardship</li> </ul>  |
| SCIENCE 12  | Human actions affect the quality of water and its ability to sustain life. Human activities cause changes in the global climate system. Living sustainably supports the well-being of self, community, and Earth.   | <ul style="list-style-type: none"> <li>Water quality parameters and bioindicators</li> <li>Availability and water use impacts</li> <li>Global water security: laws and regulation, conservation of water</li> <li>Changes to climate systems</li> <li>Impacts of global warming</li> <li>Mitigation and adaptations</li> <li>Personal choices and sustainable living</li> <li>Global environmental ethics, policy, and law</li> </ul> |

## Example Materials for Teachers – Water Inquiry Spark Activity and Systems Overview Handout

(Samples provided focus on water, however K-12 resources for Solid Waste and Liquid Waste are available online)

Inquiry spark activity:

Download full at [www.metrovancouver.org/events/school-programs/K12publications/K-12-WATER-Spark-Activity1.pdf](http://www.metrovancouver.org/events/school-programs/K12publications/K-12-WATER-Spark-Activity1.pdf)

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### HOW DO WE USE WATER IN METRO VANCOUVER?

**ANSWER KEY** DAILY INDOOR WATER USE IN METRO VANCOUVER

From Residential End Use of Water, Version 2, Water Research Foundation

**LEARN MORE!**  
Check out [Metro Vancouver K-12 Field Trips & Facility Tours](#).  
Where can you go to experience and learn more about water in Metro Vancouver?  
Visit [Metro Vancouver's We Love Water website](#).  
How could the ideas and information there support water conservation in your school or community?

**METRO VANCOUVER AND ITS LOCAL GOVERNMENTS WORK TOGETHER TO SUPPLY CLEAN, SAFE DRINKING WATER TO THE REGION.**

**metro Vancouver | K-12 PROGRAMS**

**INQUIRY SPARK ACTIVITY**

### HOW DO WE USE WATER IN METRO VANCOUVER?

**INTRODUCTION**  
Metro Vancouver's 2.7 million residents use a lot of water. Yet, how often do we consider our daily water usage and how we could use it more wisely? This inquiry spark activity aims to generate curiosity about our daily water usage, and engage us in thinking about how we could all be wiser with the water we use.

**ACTIVITY**

**PART I: HOW MUCH WATER DO YOU THINK EACH PERSON IN METRO VANCOUVER USES ON AVERAGE EACH DAY?**  
Consider the above question and possible answer from these options:  
A. 100 Liters or less B. 200 Liters or less C. 300 Liters or less  
(Answer: C. On average Metro Vancouverites use about 270 Liters per person per day)

**PART II: HOW DO WE USE WATER IN METRO VANCOUVER?**  
1. Pose the essential question: How do we use water in Metro Vancouver? Brainstorm some ways we use water every day.  
2. Review and consider the categories of daily indoor water use in Metro Vancouver, including faucets, showers, toilets, leaks, clothes washers, baths, dishwashers and other (see the Daily Indoor Water Use Cards provided).  
3. Distribute the Daily Indoor Water Use Cards. Discuss these questions:  
• Which water use do you think represents the highest average daily household water use?  
• Which water use represents the lowest average daily household water use?

4. Arrange the Daily Indoor Water Use Cards in a sequence from lowest to highest use. When the sequence is completed, discuss the following questions:  
• Why do you think this is the correct order?  
• How much water do you think we use per day for each category?  
• Does water use change seasonally? How so?  
• What do you want to know more about?

5. Compare your sequence of cards to the Daily Indoor Water Use in Metro Vancouver Answer Key. Discuss the following to reflect on your learning:  
• What surprised you the most?  
• What questions do you have now?

**EXTENSION QUESTIONS**  
• How do you think water is used at your school?  
• What ideas and opportunities do you have to use water more wisely?  
• What water conservation actions are happening at your home, school or community?

**METRO VANCOUVER AND ITS LOCAL GOVERNMENTS WORK TOGETHER TO SUPPLY CLEAN, SAFE DRINKING WATER TO THE REGION.**

Water systems overview handout:

Aligned with We Love Water campaign

Download full at: [www.metrovancouver.org/events/school-programs/K12publications/MV-WaterSystemOverview.pdf](http://www.metrovancouver.org/events/school-programs/K12publications/MV-WaterSystemOverview.pdf)

**metro Vancouver | K-12 PROGRAMS**

### WHERE DOES OUR WATER COME FROM?

**METRO VANCOUVER WATERSHEDS**  
The drinking water we use is mostly generated in three of the five Metro Vancouver watersheds. The water is collected in the mountains, filtered and treated, and then pumped to the city of Vancouver. The water is then distributed to homes and businesses throughout the city.

**WE LOVE WATER**  
The We Love Water campaign is a partnership between Metro Vancouver and its local governments. It aims to raise awareness about the importance of water and encourage water conservation.

**HOW DOES WATER GET FROM THE MOUNTAINS TO YOUR TAP?**

**WE LOVE WATER**  
The We Love Water campaign is a partnership between Metro Vancouver and its local governments. It aims to raise awareness about the importance of water and encourage water conservation.

**WHY DO WE CONSERVE WATER IN METRO VANCOUVER?**

Water is a precious resource. It is essential for life, and it is a finite resource. We must conserve water to ensure that we have enough water for ourselves and for future generations.

**PRECIPITATION VS REGIONAL WATER USE**  
Metro Vancouver receives an average of 1,200 mm of precipitation each year. However, the region only uses about 270 mm of water per person per day. This means that we are using only about 20% of the water that falls on the region.

**THE MAIN USES OF WATER IN METRO VANCOUVER**  
The main uses of water in Metro Vancouver are: 1. Residential use (40%), 2. Commercial use (20%), 3. Industrial use (10%), 4. Municipal use (10%), 5. Agricultural use (10%).

**USE A LITTLE LESS, CARE A LITTLE MORE**  
We can all do our part to conserve water. Here are some tips:  
• Turn off the tap when brushing your teeth.  
• Take shorter showers.  
• Don't let the water run while you are shaving or washing dishes.  
• Can you think of any other ways to use less water indoors or outdoors?

**METRO VANCOUVER AND ITS LOCAL GOVERNMENTS WORK TOGETHER TO SUPPLY CLEAN, SAFE DRINKING WATER TO THE REGION.**

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To: Finance and Intergovernment Committee

From: Joe Sass, Director, Financial Planning & Operations

Date: October 27, 2020 Meeting Date: November 18, 2020

Subject: **2020 Budget - Status of Reserves**

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**RECOMMENDATION**

That the MVRD/MVHC/GVWD/GVS&DD Board approve the application and transfer of reserves related to the expenditures and provisions as set out in Schedule 1 of the report dated October 27, 2020 titled "2020 Budget - Status of Reserves".

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**EXECUTIVE SUMMARY**

This report outlines Metro Vancouver's reserve application and transfer update for the 2020 budget, as the original budget contains reserve allocations based on forecasts and estimates. The *Operating, Statutory and Discretionary Reserve Policy* sets out the principles and requirement that guide the establishment, use and management of Metro Vancouver's reserves.

Metro Vancouver uses historical operating surpluses and excess reserve funds over the thresholds outlined in the policy to avoid future capital debt requirements, to fund future equipment purchases, or fund other approved expenditures. The total Metro Vancouver 2019 annual surplus of \$21.3 million has been used to ensure that the operating reserves for the entities and functions meet the policy requirements, and then applied for debt avoidance and other one-time projects.

**PURPOSE**

To present, for approval, additional reserve applications and transfers to those previously approved by the Board in November 1, 2019 and to project the reserve balances of operating, discretionary and statutory reserves for 2020.

**BACKGROUND**

The 2020 Greater Vancouver Districts' Final Budget approved on November 1, 2019 contained estimates of reserve allocations and their proposed uses. Some of these proposed uses were based on forecasts of year-end results. With the 2019 accounting process complete this information can now be updated to reflect the actual year-end results and additional Board directives regarding establishment and use of reserves.

This report is being brought forward for approval of additional 2020 reserve applications required based on year-end results, other initiatives, or to meet requirements of the policy.

**METRO VANCOUVER RESERVES**

In 2018 the MVRD Board approved the *Operating, Statutory, and Discretionary Reserves Policy*. This policy sets out the principles and requirements that guide the establishment, use and management

of Metro Vancouver reserves. The four Metro Vancouver legal entities maintain operating, discretionary and statutory reserves as described below.

**Operating Reserves.** Operating reserves are maintained as a safeguard to cover any unforeseen operating shortfalls within a statutory function. A minimum level for an operating reserve is maintained to provide a reasonable level of financial security based on the operating volatility of a particular function. The minimum operating reserve levels for the services that fall within the four Metro Vancouver legal entities are established as follows:

- |                                       |                             |
|---------------------------------------|-----------------------------|
| • Regional District Services          | 5% of net operating budget  |
| • Liquid Waste Services               | 10% of net operating budget |
| • Solid Waste Services                | 15% of net operating budget |
| • Water Services                      | 15% of net operating budget |
| • Metro Vancouver Housing Corporation | 10% of net operating budget |

As part of the year-end process, operating reserve balances are calculated based on the opening balance and the addition of any operating surpluses and interest earned throughout the year. Any surplus funding that is in excess of the required minimum operating reserve level at the end of the year is to be applied either directly against next year expenditures, or to a discretionary or statutory reserve for future use.

**Discretionary Reserves.** Discretionary reserves are those that are established by Board resolution and are maintained to meet future capital or program funding requirements or set up for specific contingency purposes.

**Statutory Reserves.** Statutory reserves are those reserves that are established based on a legal framework such as a bylaw and are set aside for a legal entity or statutory function for a specific purpose in accordance with the applicable terms and conditions within that legal framework.

Schedule 2 contains reserve applications that were previously approved through the 2020 budget process.

Schedule 3 contains the projected reserve balances for all Metro Vancouver reserves.

#### **ADDITIONAL PROPOSED RESERVE APPLICATIONS AND TRANSFERS**

Additional proposed reserve applications and transfers are outlined in Schedule 1. Applications are draws from reserves to fund planned expenditures for budget year 2020. Transfers are movements between reserve categories as guided by the reserve policy.

#### **Operating Reserves**

Consistent with Board policy, the above applications represent Operating Reserve amounts that are in excess of the minimum required balances and are being applied to 2020 capital expenditures thereby avoiding the need for long-term debt.

*Water Services:*

The 2019 annual surplus for the Water Services was \$5.9 million. After applying this to the Operating Reserve and adjusting to 15% of the 2020 operating budget, \$7.8 million is available for application as recommended below:

- \$6.2 million to fund 2020 capital requirements, avoiding debt.
- \$1.35 million to finalize the purchase of several easements/rights of way land acquisitions nearing completion.
- \$238,750 to support the implementation of the Project Delivery function.

*Liquid Waste Services:*

The 2019 annual surplus for the Liquid Waste Services was \$8.9 million. After applying this to the Operating Reserve and adjusting to 10% of the 2020 operating budgets, \$8.6 million is available for allocation as recommended below:

- \$7.9 million to fund 2020 capital requirements, avoiding debt.
- \$716,250 to support the implementation of the Project Delivery function.

**Discretionary Reserves***MVRD:*

- \$84,000 to fund communications related to the Circular Cities and Regions network.

**Statutory Reserves***Liquid Waste:*

- \$150,000 to fund laboratory equipment

*MVRD:*

- \$200,000 to fund architectural and consulting services for additional concept developments for affordable housing projects.

**Reserve Transfers**

These are primarily movements from Operating Reserves to Discretionary Reserves resulting from the 2019 operating surplus exceeding Operating Reserve minimum levels as established by the reserve policy.

**ALTERNATIVES**

1. That the MVRD/MVHC/GVWD/GVS&DD Board approve the application and transfer of reserves related to the expenditures and provisions as set out in Schedule 1 of the report dated October 27, 2020, titled "2020 Budget - Status of Reserves".
2. That the MVRD/MVHC/GVWD/GVS&DD Board make changes to the proposed application of reserves as appropriate and approve the reserve applications as amended.

**FINANCIAL IMPLICATIONS**

Should the Board(s) approve Alternative 1, there are no financial impacts on the 2020 requisitions or levies to member municipalities. These applications enable Metro Vancouver to use 2019 operating surpluses or excess operating reserve funds to avoid future capital debt requirements, to fund future

equipment purchases, or fund other expenditures as per the *Operating, Statutory, and Discretionary Reserves Policy*. As a result of the reduction in the need for long-term borrowing, these reserve applications will result in savings in future requisitions and levies due to lower debt service costs.

The applications as set out in Schedule 1, if not approved, would remain in their current allocation but would be offside of the reserve policy. While these amounts would be available for use in the future, the short term impact would be higher debt borrowing requirements which would create future upward pressure on the member levies and other rates.

## CONCLUSION

With the year-end process complete, operating, discretionary and statutory reserves projected for 2020 have been updated after including 2019 operating surpluses. Reserve applications have also been updated and are presented in Schedule 1 with a recommendation for approval. These applications are consistent with Board direction on the use of reserves through the adopted reserve policy.

## Attachments *(Doc #40967198)*

Attachment – Metro Vancouver Districts Revenue and Expenditure Summary 2020 Financial Plan

Schedule 1 – Proposed Application and Transfer of Reserves

Schedule 2 – Previously Approved Reserve Applications

Schedule 3 – 2019 Projected Reserve Balances

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**METRO VANCOUVER DISTRICTS  
REVENUE AND EXPENDITURE SUMMARY  
2020 FINANCIAL PLAN**

|   | 2020<br>ORIGINAL<br>BUDGET | PROGRAM PROGRESS<br>REPORT-AUGUST 2020<br>YEAR-END PROJECTION | BUDGET<br>ADJUSTMENTS<br>NOVEMBER 2020 | 2020<br>AMENDED<br>BUDGET |
|---|----------------------------|---|--|---------------------------|
| <b>REVENUES</b>   |                            |   |  |                           |
| Water Sales   | \$ 307,175,053             | \$ 297,439,481  | \$ -                                   | \$ 307,175,053            |
| Liquid Waste Services Levy                              | 274,237,112                | 274,237,112   | -                                      | 274,237,112               |
| Solid Waste Tipping Fees                                | 105,822,892                | 101,651,012   | -                                      | 105,822,892               |
| Metro Vancouver Regional District Requisitions          | 71,779,890                 | 71,779,890  | -                                      | 71,779,890                |
| Compensation Services Revenue                           | 483,893                    | 483,893   | -                                      | 483,893                   |
| Collective Bargaining Services Revenue                  | 887,536                    | 887,536   | -                                      | 887,536                   |
| Housing Rents   | 40,392,325                 | 40,092,325  | -                                      | 40,392,325                |
| Liquid Waste Industrial Charges                         | 11,201,217                 | 9,969,083   | -                                      | 11,201,217                |
| Energy Sales  | 5,681,540                  | 5,313,836   | -                                      | 5,681,540                 |
| Transfer from DCC Reserves                              | 34,172,083                 | 34,172,083  | -                                      | 34,172,083                |
| User Fees   | 5,288,054                  | 5,105,598   | -                                      | 5,288,054                 |
| Housing Mortgage Subsidies                              | 2,103,014                  | 2,203,014   | -                                      | 2,103,014                 |
| Non-Road Diesel Permit Fees                             | 1,760,000                  | 1,560,000   | -                                      | 1,760,000                 |
| Regional Global Positioning System User Fees            | 292,221                    | 292,221   | -                                      | 292,221                   |
| Electoral Area Requisition                              | 376,943                    | 376,943   | -                                      | 376,943                   |
| Love Food Hate Waste                                    | 406,800                    | 372,000   | -                                      | 406,800                   |
| Zero Waste Conference                                   | 230,000                    | 191,000   | -                                      | 230,000                   |
| Other External Revenues                                 | 9,213,671                  | 8,498,156   | -                                      | 9,213,671                 |
| Transfer from Sustainability Innovation Fund Reserve    | 895,000                    | 2,916,884   | 4,278,590                              | 5,173,590                 |
| Transfer from Reserves                                  | 17,650,939                 | 12,300,286  | 2,739,000                              | 20,389,939                |
| <b>TOTAL REVENUES</b>                                   | <b>\$ 890,050,183</b>      | <b>\$ 869,842,353</b>   | <b>\$ 7,017,590</b>                    | <b>\$ 897,067,773</b>     |
| <b>EXPENDITURES</b>                                     |                            |   |  |                           |
| Operating Programs:                                     |                            |   |  |                           |
| Greater Vancouver Water District                        | \$ 309,148,765             | \$ 300,118,728  | \$ 2,866,719                           | \$ 312,015,484            |
| Greater Vancouver Sewerage & Drainage District:         |                            |   |  |                           |
| Liquid Waste  | 328,262,814                | 319,601,362   | 2,803,631                              | 331,066,445               |
| Solid Waste   | 114,088,624                | 108,121,617   | -                                      | 114,088,624               |
| Metro Vancouver Housing Corporation                     | 52,289,752                 | 52,264,752  | -                                      | 52,289,752                |
| Metro Vancouver Regional District                       |                            |   |  |                           |
| Affordable Housing                                      | 5,833,504                  | 6,293,504   | 460,000                                | 6,293,504                 |
| Air Quality   | 11,258,492                 | 11,733,732  | 600,240                                | 11,858,732                |
| E911 Emergency Telephone Service                        | 4,521,227                  | 4,521,227   | -                                      | 4,521,227                 |
| Electoral Area Service                                  | 808,417                    | 809,663   | -                                      | 808,417                   |
| General Government Administration                       | 5,879,900                  | 5,054,900   | -                                      | 5,879,900                 |
| General Government Zero Waste Collaboration Initiatives | 1,679,923                  | 1,684,923   | 84,000                                 | 1,763,923                 |
| Labour Relations  | 3,164,558                  | 2,812,029   | -                                      | 3,164,558                 |
| Regional Economic Prosperity                            | 1,020,000                  | 370,000   | -                                      | 1,020,000                 |
| Regional Emergency Management                           | 237,868                    | 237,868   | -                                      | 237,868                   |
| Regional Global Positioning System                      | 328,849                    | 298,849   | -                                      | 328,849                   |
| Regional Parks  | 46,820,308                 | 46,222,219  | 53,000                                 | 46,873,308                |
| Regional Planning                                       | 3,763,393                  | 3,616,393   | 150,000                                | 3,913,393                 |
| Sasamat Fire Protection Service                         | 943,789                    | 343,789   | -                                      | 943,789                   |
|   | 86,260,228                 | 83,999,096  | 1,347,240                              | 87,607,468                |
| <b>TOTAL EXPENDITURES</b>                               | <b>\$ 890,050,183</b>      | <b>\$ 864,105,555</b>   | <b>\$ 7,017,590</b>                    | <b>\$ 897,067,773</b>     |

## METRO VANCOUVER DISTRICTS

## 2020 Budget - Proposed Application And Transfers of Reserves (To Be Approved by the Board in November 2020)

| Function  | Description  | Operating Reserves     | Discretionary Reserves | Statutory Reserves  |
|---|--|------------------------|------------------------|---------------------|
| <b>PROPOSED APPLICATIONS</b>                            |  |                        |                        |                     |
| <b>GVWD</b>   |  |                        |                        |                     |
| Water Services  | Fund Future Capital Requirements   | (6,233,601)            |                        |                     |
|   | Fund Easement Acquisition  | (1,350,000)            |                        |                     |
|   | Fund Project Delivery Department Adjustment  | (238,750)              |                        |                     |
| <b>GVS &amp; DD</b>                                     |  |                        |                        |                     |
| Liquid Waste Services                                   | Fund Project Delivery Department Adjustment  | (716,250)              |                        |                     |
|   | Fund Future Capital Requirements   | (7,879,649)            |                        |                     |
|   | Fund Laboratory Equipment  |                        |                        | (150,000)           |
| <b>MVRD</b>   |  |                        |                        |                     |
| Affordable Housing                                      | Fund architectural and consulting services for additional concept developments   |                        |                        | (200,000)           |
| General Government Zero Waste Collaboration Initiatives | Fund communications related to the Circular Cities and Regions network   |                        | (84,000)               |                     |
| <b>TOTAL PROPOSED APPLICATIONS</b>                      |  | <b>\$ (16,418,250)</b> | <b>\$ (84,000)</b>     | <b>\$ (350,000)</b> |
| <b>PROPOSED TRANSFERS</b>                               |  |                        |                        |                     |
| <b>GVS &amp; DD</b>                                     |  |                        |                        |                     |
| Liquid Waste  | Transfer of Excess Above Operating Reserve Guideline to Drainage Areas General Reserves                                      | (400,119)              | 400,119                |                     |
| Solid Waste   | Transfer to Solid Waste Operating Reserve to help meet Operating Reserve Guideline   | 7,000,000              | (7,000,000)            |                     |
| <b>MVHC</b>   |  |                        |                        |                     |
| Metro Vancouver Housing Corporation                     | Transfer of Excess Above Operating Reserve Guideline to MVHC Capital Development Reserve                                     | (1,534,122)            | 1,534,122              |                     |
| <b>MVRD</b>   |  |                        |                        |                     |
| Affordable Housing                                      | Transfer of Excess Above Operating Reserve Guideline to Affordable Housing Reserve   | (257,274)              |                        | 257,274             |
| Air Quality   | Transfer of Excess Above Operating Reserve Guideline to Air Quality General Reserve  | (686,630)              | 686,630                |                     |
| E911 Emergency Telephone Service                        | Transfer of Excess Above Operating Reserve Guideline to E911 General Reserve   | (122,372)              | 122,372                |                     |
| Electoral Area Service                                  | Transfer to Electoral Area Operating Reserve to meet Operating Reserve Guideline   | 1,436                  | (1,436)                |                     |
| General Government                                      | Transfer of Excess Above Operating Reserve Guideline to General Government General Reserve                                   | (5,788,460)            | 5,788,460              |                     |
|   | Transfer of Excess Above Operating Reserve Guideline to Regional Economic Prosperity General Reserve                         | (342,207)              | 342,207                |                     |
|   | Transfer from General Government General Reserve to General Government Zero Waste Collaboration Initiative Operating Reserve | 71,555                 | (71,555)               |                     |
|   | Transfer from General Government General Reserve to Regional Economic Prosperity Operating Reserve                           | 20,272                 | (20,272)               |                     |
| Labour Relations  | Transfer of Excess Above Operating Reserve Guideline to Labour Relations General Reserves                                    | (497,935)              | 497,935                |                     |
| Regional Emergency Management                           | Transfer of Excess Above Operating Reserve Guideline to REM General Reserve  | (12,659)               | 12,659                 |                     |
| Regional Geospatial Reference System                    | Transfer of Excess Above Operating Reserve Guideline to Regional Geospatial Reference System Reserve                         | (81,199)               |                        | 81,199              |
| Regional Parks  | Transfer of Excess Above Operating Reserve Guideline to Regional Parks Infrastructure Reserve                                | (526,122)              |                        | 526,122             |
|   | Transfer of Excess Above Operating Reserve Guideline to Regional Parks General Reserve                                       | (200,000)              | 200,000                |                     |
| Regional Planning                                       | Transfer of Excess Above Operating Reserve Guideline to Regional Planning General Reserve                                    | (2,012,071)            | 2,012,071              |                     |
| Sasamat Fire Protection Service                         | Transfer of Excess Above Operating Reserve Guideline to Sasamat FPS Capital Reserve  | (9,119)                |                        | 9,119               |
| <b>TOTAL PROPOSED TRANSFERS</b>                         |  | <b>\$ (5,377,026)</b>  | <b>\$ 4,503,312</b>    | <b>\$ 873,714</b>   |

Note - ( ) Brackets indicate a draw from a reserve.



**2020 RESERVE APPLICATIONS - METRO VANCOUVER DISTRICTS****2020 Budget - Previous Application And Transfers of Reserves (Approved by the Board in October 2019 and February 2020)**

| Function                            | Description   | Reserve Name                          | Discretionary Reserves | Statutory Reserves   |
|-------------------------------------|---|---------------------------------------|------------------------|----------------------|
| <b>PROPOSED APPLICATIONS</b>        |   |                                       |                        |                      |
| <b>GVWD</b>                         |   |                                       |                        |                      |
| Water Services                      | Fund Water Services SIF Projects  | Water SIF Reserve                     |                        | \$ 1,507,969         |
|                                     | Fund Laboratory Equipment Purchases   | Water Lab Equipment Reserve           |                        | 91,000               |
| <b>GVS &amp; DD</b>                 |   |                                       |                        |                      |
| Liquid Waste                        | Fund Liquid Waste Services SIF Projects   | Liquid Waste Services SIF Reserve     |                        | 5,192,381            |
|                                     | Fund Laboratory Equipment Purchases   | Liquid Waste Lab Equipment Reserve    |                        | 150,000              |
|                                     | Fund Movement of Biosolids from Stockpiles at Iona                                    | Biosolids Inventory Reserve           | 4,751,934              |                      |
|                                     | Fund Drainage Equipment, Projects and Initiatives                                     | Drainage General Reserve              | 115,000                |                      |
| <b>MVHC</b>                         |   |                                       |                        |                      |
| Metro Vancouver Housing Corporation | Fund Capital Replacement Activities   | MVHC Capital Replacement Reserve      | 9,000,000              |                      |
| <b>MVRD</b>                         |   |                                       |                        |                      |
| Affordable Housing                  | Fund SIF Projects   | MVRD SIF Reserve                      |                        | 260,000              |
| Air Quality                         | Fund SIF Projects   | MVRD SIF Reserve                      |                        | 710,240              |
|                                     | Fund Air Quality Projects, Initiatives and Equipment Purchases                        | Air Quality General Reserve           | 1,271,986              |                      |
| Electoral Area Service              | Fund Electoral Area A Service Projects, Initiatives and Studies                       | Electoral Area General Reserve        | 250,000                |                      |
| General Government                  | Fund Cultural grants  | Grants Reserve Fund                   |                        | 140,000              |
|                                     | Fund General Government Initiatives   | General Government General Reserve    | 326,000                |                      |
| Labour Relations                    | Fund Labour Relations Workforce Strategy Initiative                                   | Labour Relations General Reserve      | 376,719                |                      |
| Regional Emergency Management       | Fund Integrated Partnership Regional Emergency Management (IPREM) program initiatives | REM General Reserve                   | 74,868                 |                      |
| Regional Parks                      | Fund SIF Projects   | MVRD SIF Reserve                      |                        | 53,000               |
|                                     | Fund Regional Parkland Acquisitions   | Regional Parkland Acquisition Reserve |                        | 11,570,000           |
|                                     | Fund Regional Parks Capital Replacement, Maintenance and Initiatives                  | Regional Parks Infrastructure Reserve |                        | 8,332,432            |
|                                     | Fund Pacific Parklands Foundation Stewardship Programs                                | Regional Parks Legacy Fund            |                        | 56,000               |
| Regional Planning                   | Fund SIF Projects   | MVRD SIF Reserve                      |                        | 150,000              |
|                                     | Fund Regional Planning Projects and Initiatives                                       | Regional Planning General Reserve     | 415,000                |                      |
| Sasamat Fire Protection Service     | Fund New Fire Truck   | SFPS Capital Reserve Fund             |                        | 600,000              |
| Corporate Services                  | Fund Corporate Services Projects, Equipment Replacements and Building Improvements    | Centralized Support Reserve           | 6,925,425              |                      |
| Financial Services                  | Fund Financial Services Projects and Initiatives                                      | Centralized Support Reserve           | 370,000                |                      |
|                                     | Fund Fleet Vehicles and Equipment Purchases and Initiatives                           | Corporate Fleet Reserve               |                        | 4,867,000            |
| Human Resources                     | Fund Human Resources Projects, Initiatives and Corporate Safety Equipment             | Centralized Support Reserve           | 388,214                |                      |
| <b>TOTAL PROPOSED APPLICATIONS</b>  |   |                                       | <b>\$ 24,265,146</b>   | <b>\$ 33,680,022</b> |

## 2020 PROJECTED RESERVE BALANCES

## Schedule 3

|   | 2019<br>RESERVE BALANCE | 2020 PROPOSED<br>APPLICATIONS<br>(see Schedule 1) | 2020 PROPOSED<br>TRANSFERS<br>(see Schedule 1) | PREVIOUSLY APPROVED<br>APPLICATIONS<br>(see Schedule 2) | 2020 BUDGETED<br>CONTRIBUTION TO RESERVE | ESTIMATED<br>INTEREST | 2020 PROJECTED ENDING<br>RESERVE BALANCE |
|---|-------------------------|---|--|---|--|-----------------------|--|
| <b>OPERATING RESERVES</b>                                     |                         |   |  |   |  |                       |  |
|   |                         | (6,233,601)                                       |  |   |  |                       |  |
|   |                         | (1,350,000)                                       |  |   |  |                       |  |
|   |                         | (238,750)   |  |   |  |                       |  |
| <b>WATER SERVICES TOTAL</b>                                   | 24,293,218              | (7,822,351)                                       | -  | -   | -  | 407,641               | 16,878,508                               |
|   |                         | (716,250)   |  |   |  |                       |  |
|   |                         | (7,879,649)                                       |  |   |  |                       |  |
| <b>LIQUID WASTE SERVICES TOTAL</b>                            | 26,002,013              | (8,595,899)                                       | (400,119)                                      | -   | -  | 430,080               | 17,436,075                               |
| <b>SOLID WASTE SERVICES</b>                                   | 140,134                 | -   | 7,000,000                                      | -   | -  | 72,803                | 7,212,936                                |
| <b>MVHC</b>   | 3,931,049               | -   | (1,534,122)                                    | -   | -  | 63,280                | 2,460,207                                |
| <b>AFFORDABLE HOUSING</b>                                     | 295,903                 | -   | (257,274)                                      | -   | -  | 3,345                 | 41,974                                   |
| <b>AIR QUALITY</b>  | 1,176,139               | -   | (686,630)                                      | -   | -  | 16,656                | 506,166                                  |
| <b>E911 EMERGENCY TELEPHONE SERVICE</b>                       | 337,427                 | -   | (122,372)                                      | -   | -  | 5,525                 | 220,579                                  |
| <b>ELECTORAL AREA SERVICE</b>                                 | 20,662                  | -   | 1,436  | -   | -  | 428                   | 22,526                                   |
| <b>GENERAL GOVERNMENT ADMINISTRATION</b>                      | 6,325,542               | -   | (6,130,667)                                    | -   | -  | 65,204                | 260,080                                  |
| <b>GENERAL GOVERNMENT ZERO WASTE COLLABORATION INITIATIVE</b> | -                       | -   | 71,555   | -   | -  | 716                   | 72,270                                   |
| <b>LABOUR RELATIONS</b>                                       | 632,745                 | -   | (497,935)                                      | -   | -  | 7,676                 | 142,486                                  |
| <b>REGIONAL ECONOMIC PROSPERITY</b>                           | -                       | -   | 20,272   | -   | -  | 203                   | 20,475                                   |
| <b>REGIONAL EMERGENCY MANAGEMENT</b>                          | 23,716                  | -   | (12,659)                                       | -   | -  | 348                   | 11,405                                   |
| <b>REGIONAL GEOSPATIAL REFERENCE SYSTEM</b>                   | 95,988                  | -   | (81,199)                                       | -   | -  | 1,108                 | 15,897                                   |
| <b>REGIONAL PARKS</b>   | 2,216,591               | -   | (726,122)                                      | -   | -  | 37,071                | 1,527,540                                |
| <b>REGIONAL PLANNING</b>                                      | 2,165,273               | -   | (2,012,071)                                    | -   | -  | 23,185                | 176,387                                  |
| <b>SASAMAT FIRE PROTECTION SERVICES</b>                       | 21,129                  | -   | (9,119)  | -   | -  | 331                   | 12,341                                   |
| <b>WEST NILE VIRUS</b>  | 354,828                 | -   | -  | -   | -  | 7,097                 | 361,924                                  |
| <b>TOTAL OPERATING</b>  | <b>68,032,357</b>       | <b>(16,418,250)</b>                               | <b>(5,377,026)</b>                             | <b>-</b>  | <b>-</b>                                 | <b>1,142,694</b>      | <b>47,379,776</b>                        |
| <b>DISCRETIONARY RESERVES</b>                                 |                         |   |  |   |  |                       |  |
| <b>LIQUID WASTE SERVICES</b>                                  |                         |   |  |   |  |                       |  |
| Biosolids Inventory Reserve                                   | 14,634,782              | -   | -  | (4,751,934)   | -  | 245,176               | 10,128,024                               |
| General Debt Reserve Fund                                     | 2,060,329               | -   | -  | -   | -  | 41,207                | 2,101,536                                |
| Lions Gate Contingency  | 1,445,943               | -   | -  | -   | -  | 28,919                | 1,474,862                                |
| Drainage General Reserve                                      | 4,795,132               | -   | 400,119  | (115,000)   | -  | 98,754                | 5,179,005                                |
| <b>SOLID WASTE SERVICES</b>                                   |                         |   |  |   |  |                       |  |
| Solid Waste General Reserve                                   | 32,902,962              | -   | (7,000,000)                                    | -   | -  | 588,059               | 26,491,022                               |
| Landfill Post Closure Reserve                                 | 10,971,675              | -   | -  | -   | -  | 219,433               | 11,191,108                               |
| <b>MVHC</b>   |                         |   |  |   |  |                       |  |
| Capital Replacement Reserve                                   | 2,958,801               | -   | -  | (9,000,000)   | 11,220,089                               | 81,377                | 5,260,267                                |
| Capital Development Reserve                                   | 7,236,208               | -   | 1,534,122                                      | -   | 960,303                                  | 169,668               | 9,900,302                                |
| <b>AIR QUALITY</b>  |                         |   |  |   |  |                       |  |
| Air Quality General Reserve                                   | 1,841,254               | -   | 686,630  | (1,271,986)   | 250,000                                  | 33,472                | 1,539,369                                |
| <b>E911</b>   |                         |   |  |   |  |                       |  |
| E911 General Reserve  | 462,559                 | -   | 122,372  | -   | -  | 10,475                | 595,407                                  |
| <b>ELECTORAL AREA SERVICE</b>                                 |                         |   |  |   |  |                       |  |
| Electoral Area General Reserve                                | 1,804,116               | -   | (1,436)  | (250,000)   | 50,000                                   | 34,068                | 1,636,748                                |
| <b>GENERAL GOVERNMENT ADMINISTRATION</b>                      |                         |   |  |   |  |                       |  |
| General Government General Reserve                            | 1,276,049               | (84,000)  | 5,696,632                                      | (326,000)   | -  | 78,387                | 6,641,069                                |
| <b>LABOUR RELATIONS</b>                                       |                         |   |  |   |  |                       |  |
| Labour Relations General Reserve                              | 1,764,990               | -   | 497,935  | (376,719)   | -  | 36,512                | 1,922,718                                |
| <b>REGIONAL ECONOMIC PROSPERITY</b>                           |                         |   |  |   |  |                       |  |
| Regional Prosperity General Reserve                           | -                       | -   | 342,207  | -   | -  | 3,422                 | 345,629                                  |
| <b>REGIONAL EMERGENCY MANAGEMENT</b>                          |                         |   |  |   |  |                       |  |
| REM General Reserve   | 315,336                 | -   | 12,659   | (74,868)  | -  | 5,685                 | 258,811                                  |
| <b>REGIONAL PARKS</b>   |                         |   |  |   |  |                       |  |
| Regional Parks General Reserve                                | -                       | -   | 200,000  | -   | -  | 2,000                 | 202,000                                  |
| <b>REGIONAL PLANNING</b>                                      |                         |   |  |   |  |                       |  |
| Regional Planning General Reserve                             | 802,128                 | -   | 2,012,071                                      | (415,000)   | -  | 32,013                | 2,431,212                                |
| <b>CENTRALIZED SUPPORT RESERVE</b>                            | 21,819,309              | -   | -  | (7,683,639)   | -  | 359,550               | 14,495,220                               |
| <b>TOTAL DISCRETIONARY</b>                                    | <b>107,091,573</b>      | <b>(84,000)</b>                                   | <b>4,503,312</b>                               | <b>(24,265,146)</b>                                     | <b>12,480,392</b>                        | <b>2,068,177</b>      | <b>101,794,309</b>                       |
| <b>STATUTORY RESERVES</b>                                     |                         |   |  |   |  |                       |  |
| <b>WATER SERVICES</b>   |                         |   |  |   |  |                       |  |
| Laboratory Equipment Reserve                                  | 691,028                 | -   | -  | (91,000)  | 46,000                                   | 13,371                | 659,399                                  |
| Sustainability Innovation Fund                                | 13,121,494              | -   | -  | (1,507,969)   | 723,000                                  | 254,580               | 12,591,105                               |
| <b>LIQUID WASTE SERVICES</b>                                  |                         |   |  |   |  |                       |  |
| DCC Reserve Fund  | 227,551,250             | -   | -  | -   | -  | 4,551,025             | 232,102,275                              |
| Laboratory Equipment Reserve                                  | 686,797                 | (150,000)   | -  | (150,000)   | 99,854                                   | 11,734                | 498,386                                  |
| Sustainability Innovation Fund                                | 17,843,138              | -   | -  | (5,192,381)   | 1,127,000                                | 316,209               | 14,093,966                               |
| <b>AFFORDABLE HOUSING</b>                                     |                         |   |  |   |  |                       |  |
| Affordable Housing Reserve                                    | 2,005,205               | (200,000)   | 257,274  | -   | 1,000,000                                | 50,677                | 3,113,156                                |
| Affordable Housing Development Reserve                        | -                       | -   | -  | -   | 4,000,000                                | 40,000                | 4,040,000                                |
| <b>ELECTORAL AREA SERVICE</b>                                 |                         |   |  |   |  |                       |  |
| Community Works Reserve                                       | 169,013                 | -   | -  | -   | 121,474                                  | 4,595                 | 295,082                                  |
| Electoral Area Election Reserve                               | -                       | -   | -  | -   | 30,000                                   | 300                   | 30,300                                   |
| <b>GENERAL GOVERNMENT</b>                                     |                         |   |  |   |  |                       |  |
| Sustainability Innovation Fund                                | 12,048,317              | -   | -  | (1,173,240)   | 347,000                                  | 232,704               | 11,454,781                               |
| Grants Reserve Fund   | 2,270,523               | -   | -  | (140,000)   | -  | 44,010                | 2,174,533                                |
| <b>REGIONAL GEOSPATIAL REFERENCE SYSTEM</b>                   |                         |   |  |   |  |                       |  |
| Regional Geospatial Reference System                          | 917,860                 | -   | 81,199   | -   | 52,780                                   | 19,697                | 1,071,536                                |
| <b>REGIONAL PARKS</b>   |                         |   |  |   |  |                       |  |
| Regional Parks Infrastructure Reserve                         | 4,217,483               | -   | 526,122  | (8,332,432)   | 4,682,000                                | 53,107                | 1,146,279                                |
| Regional Parkland Acquisition Reserve Fund                    | 11,521,175              | -   | -  | (11,570,000)  | -  | 114,724               | 65,899                                   |
| Regional Parkland Acquisition and Development Reserve Fund    | -                       | -   | -  | -   | 11,570,000                               | 115,700               | 11,685,700                               |
| Delta Airpark Reserve   | 104,576                 | -   | -  | -   | 23,000                                   | 2,322                 | 129,897                                  |
| Regional Parks Legacy Fund                                    | 2,696,836               | -   | -  | (56,000)  | -  | 53,377                | 2,694,212                                |
| <b>SASAMAT FIRE PROTECTION SERVICES</b>                       |                         |   |  |   |  |                       |  |
| SFPS Capital Reserve Fund                                     | 683,812                 | -   | 9,119  | (600,000)   | 92,100                                   | 8,688                 | 193,719                                  |
| SFPS Communications Capital Reserve Fund                      | 56,932                  | -   | -  | -   | -  | 1,139                 | 58,071                                   |
| SFPS Emergency Equipment Reserve Fund                         | 93,287                  | -   | -  | -   | -  | 1,866                 | 95,152                                   |
| <b>CORPORATE FLEET</b>  | 14,395,298              | -   | -  | (4,867,000)   | 4,864,884                                | 287,885               | 14,681,067                               |
| <b>CORPORATE SELF-INSURANCE</b>                               | 1,483,973               | -   | -  | -   | -  | 29,679                | 1,513,652                                |
| <b>TOTAL STATUTORY</b>  | <b>312,557,997</b>      | <b>(350,000)</b>                                  | <b>873,714</b>                                 | <b>(33,680,022)</b>                                     | <b>28,779,092</b>                        | <b>6,207,388</b>      | <b>314,388,169</b>                       |
| <b>GRAND TOTAL</b>  | <b>487,681,928</b>      | <b>(16,852,250)</b>                               | <b>-</b>                                       | <b>(57,945,168)</b>                                     | <b>41,259,484</b>                        | <b>9,418,259</b>      | <b>463,562,254</b>                       |

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To: Finance and Intergovernment Committee

From: Andjela Knezevic-Stevanovic, Director, Environmental Management & Quality Control, Liquid Waste Services

Date: November 5, 2020 Meeting Date: November 18, 2020

Subject: **Establishment of a Task Force to Consider Reinstatement of Burrard Inlet Environmental Action Program – Fraser River Estuary Management Program (BIEAP – FREMP) Partnership**

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### RECOMMENDATION

That the GVS&DD Board write letters to the provincial Ministers of: (i) Environment and Climate Change Strategy; and (ii) Forests, Lands, Natural Resource Operations and Rural Development; the federal Ministers of: (iii) Environment and Climate Change Canada; (iv) Fisheries and Oceans Canada; and (v) Vancouver Fraser Port Authority to request their participation in a task force to consider feasibility of reinstating the Burrard Inlet Environmental Action Program – Fraser River Estuary Management Program Partnership, or establishment of an equivalent multi-stakeholder partnership for coordinated environmental management in the Metro Vancouver region.

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### EXECUTIVE SUMMARY

Since disbanding of the Burrard Inlet Environmental Action Program – Fraser River Estuary Management Program Partnership in 2013, there has been no central coordinating body for environmental management initiatives in the Metro Vancouver region. The former Partnership agencies, Environment and Climate Change Strategy; Forests, Lands, Natural Resource Operations and Rural Development; Environment and Climate Change Canada; Fisheries and Oceans Canada; and Vancouver Fraser Port Authority have continued to pursue various environmental initiatives independently of each other. The benefits of a coordinated planning, prioritization, inter-agency collaboration and information sharing have been widely recognized for efficiency and cost-effective management of public resources. Metro Vancouver can demonstrate a leadership role by inviting its former partners to establish a task force to consider the feasibility and merits of reinstating the regional environmental collaboration partnership.

### PURPOSE

To provide the Finance and Intergovernment Committee with an overview of the benefits of the coordinated environmental management in the region, and seek the GVS&DD Board endorsement to invite senior government agencies' participation in a multi-stakeholder task force to consider feasibility and merits of reinstating the regional environmental collaboration partnership.

### BACKGROUND

Burrard Inlet Environmental Action Program – Fraser River Estuary Management Program (BIEAP-FREMP) Partnership was an inter-governmental partnership responsible for environmental management coordination of the two major aquatic ecosystems in the Lower Mainland: Burrard Inlet and the Fraser River Estuary. The Partner Agencies for BIEAP-FREMP included: British Columbia

Ministry of Environment, Ministry of Forests, Lands and Natural Resources, Environment Canada, Fisheries and Oceans Canada, Transport Canada, Port Metro Vancouver and Metro Vancouver. The Partnership was established in 1996, and dissolved in 2013, shortly after the federal funding was withdrawn.

Since disbanding of BIEAP-FREMP, there has been no central coordinating body for environmental management initiatives in the Lower Mainland. An independent review of BIEAP-FREMP's performance conducted by Ernst & Young in 2012, identified a number of benefits, including but not limited to:

- Consolidate planning and inter-agency collaboration;
- One window approach to submission of applications and associated environmental reviews;
- Value for money – deemed 1 to 3 times the original investment expressed as the cost for the same service;
- Innovation, research and information-sharing clearing house; and
- Public awareness and trust.

BIEAP-FREMP had been administered by three staff from an office in Burnaby. The Partnership was funded through an annual contribution from the Partner Agencies, with the Port's contributions 1.5 times than the other partners. At the time of Partnership dissolution, projected Metro Vancouver annual inflationary contribution from 2013 to 2018 was from \$78,500 to \$90,000. Contribution of each of the Partner Agencies in 2013 and their expected contribution in 2021, based on the same Partnership model and an annual increase of 2.5% is shown in the table below:

| Partner Agency  | Contribution in 2013 | Expected Contribution in 2021 |
|---|----------------------|-------------------------------|
| Environment and Climate Change Strategy                           | \$78,500             | \$99,500                      |
| Forests, Lands, Natural Resource Operations and Rural Development | \$78,500             | \$99,500                      |
| Environment and Climate Change Canada                             | \$78,500             | \$99,500                      |
| Fisheries and Oceans Canada                                       | \$78,500             | \$99,500                      |
| Metro Vancouver   | \$78,500             | \$99,500                      |
| Vancouver Fraser Port Authority                                   | \$118,000            | \$149,000                     |

#### **CURRENT OPPORTUNITIES FOR APPLICATION**

Since 2013, senior government agencies have continued to pursue a number of environmental initiatives independently of each other. Some of the current initiatives include Protection of Southern Resident Killer Whales and their Habitat and Prey, Review of Burrard Inlet Water Quality Objectives, Shared Water Alliance, Pollution Tracker, Burrard Inlet Coordinated Monitoring Program. All of these initiatives affect liquid waste management in the region and have a considerable impact on Metro Vancouver's Environmental Management programs and resources.

Metro Vancouver has a vested interest in participation in many senior government and multi-stakeholder ecosystem and environmental health related initiatives. The benefits of joint inter-agency planning, coordinated and prioritized approach, and information sharing among former BIEAP-FREMP partnership agencies are widely recognized. Metro Vancouver can demonstrate a leadership role by inviting its former partners to establish a task force to consider the feasibility and merits of reinstating the regional environmental collaboration partnership.

## **ALTERNATIVES**

1. That the GVS&DD Board write letters to the provincial Ministers of: (i) Environment and Climate Change Strategy; and (ii) Forests, Lands, Natural Resource Operations and Rural Development; the federal Ministers of: (iii) Environment and Climate Change Canada; (iv) Fisheries and Oceans Canada; and (v) Vancouver Fraser Port Authority to request their participation in a task force to consider feasibility of reinstating the Burrard Inlet Environmental Action Program – Fraser River Estuary Management Program Partnership, or establishment of an equivalent multi-stakeholder partnership for coordinated environmental management in the Metro Vancouver region.
2. That the GVS&DD Board receive for information the report dated November 5, 2020, titled “Establishment of a Task Force to Consider Reinstatement of Burrard Inlet Environmental Action Program – Fraser River Estuary Management Program (BIEAP – FREMP) Partnership” and provide alternate direction to staff.

## **FINANCIAL IMPLICATIONS**

If the Board approves Alternative 1, exiting staff resources will be used to invite the former BIEAP-FREMP Partnership member agencies and initiate creation of a task force. Given the COVID-19 pandemic circumstances, the task force members would attend the meetings through remote participation and the associated costs would be covered by the Liquid Waste Services Environmental Management & Quality Control 2021 annual operating budget.

## **CONCLUSION**

Since disbanding of the Burrard Inlet Environmental Action Program – Fraser River Estuary Management Program Partnership in 2013, there has been no central coordinating body for environmental management initiatives in the Lower Mainland. Metro Vancouver is an advocate for environmental sustainability and protection of ecosystem health, but a lack of joint planning, coordinated and systematically prioritized approach has put a strain at its resources and created unrealistic expectations. Metro Vancouver supports inter-agency collaboration, innovation and information sharing among stakeholders for increased efficiency of regulatory processes and cost-effective management of public resources.

Staff recommend Alternative 1.

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To: Finance and Intergovernment Committee

From: Jerry Dobrovolsky, Commissioner/Chief Administrative Officer

Date: November 4, 2020 Meeting Date: November 18, 2020

Subject: **Manager's Report**

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**RECOMMENDATION**

That the Finance and Intergovernment Committee receive for information the report dated November 4, 2020, titled "Manager's Report".

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**Finance and Intergovernment Committee Work Plan**

Attachment 1 to this report sets out the Committee's Work Plan for 2020. The status of the Committee's key priorities is shown as pending, in progress, or complete together with the quarter that each is expected to be considered by the Committee.

**Resilient Region Strategic Framework**

At its meeting held July 31, 2020 the MVRD endorsed development of a Resilient Region Strategic Framework. The framework will seek to adopt a broad view of resilience that encompasses financial and social considerations such as affordability, equity and reconciliation, as well as physical and environmental conditions. This broad view of resilience will be incorporated into the long-range planning activities currently underway in the organization.

Since receiving Board endorsement for the development of the framework, workshops with staff are being undertaken in October and November. Workshop held in October focused on developing a common understanding of resilience, gaining a better understanding on how Metro Vancouver's work can impact resilience and social equity within the region, and exploring potential inputs into the framework such as guiding principles, objectives, and tools and mechanisms to ensure successful implementation of the framework across the organization. In addition to the workshops with staff, engagement with standing committees is being planned for early 2021 to seek additional input in advance of the Board workshop planned for February 2021.

**Attachment**

1. 2020 Finance and Intergovernment Committee Work Plan

## Finance and Intergovernment Committee 2020 Work Plan

Report Date: November 18, 2020

### Priorities

| <b>1<sup>st</sup> Quarter</b>  | <b>Status</b> |
|--|---------------|
| 2020 Standing Committee Events   | Complete      |
| 2020 International Program   | Complete      |
| Federal Gas Tax Fund Expenditures Policy Amendments  | Complete      |
| 2019 Zero Waste Conference   | Complete      |
| 2019 International Events  | Complete      |
| National Zero Waste Council  | Complete      |
| Litigation Updates   | Complete      |
| Procedure Bylaw Amendment  | Complete      |
| Investing in Canada Infrastructure Program   | Complete      |
| Long-Term Financial Plan (Q3)  | In Progress   |
| GVWD Development Cost Charge Update  | Complete      |
| Poplar Landing Update  | Pending       |
| Project Review Methodology   | Complete      |
| Intergovernmental Communications and Engagement Update   | Complete      |
| Board Policies (As Required/Applicable)  | Complete      |
| <b>2<sup>nd</sup> Quarter</b>  |               |
| 2021 Budget Schedule   | Complete      |
| 2019 Statement of Financial Information  | Complete      |
| First Nations – Intergovernmental Relationships  | Complete      |
| Intergovernmental Communications and Engagement Update   | Complete      |
| Board Policies (As Required/Applicable)  | Complete      |
| <b>3<sup>rd</sup> Quarter</b>  |               |
| TransLink Federal Gas Tax Application  | Pending       |
| Litigation Updates   | Complete      |
| Intergovernmental Communications and Engagement Update   | Complete      |
| Board Policies (As Required/Applicable)  | Complete      |
| <b>4<sup>th</sup> Quarter</b>  |               |
| Annual Budget and Five Year Financial Plan – Regional District Service Areas and Corporate Support | Complete      |
| UBC Cliff Erosion  | Pending       |
| First Nations – Intergovernmental Relationships  | Pending       |
| Intergovernmental Communications and Engagement Update   | In Progress   |
| Board Policies (As Required/Applicable)  | In Progress   |