

REPORT TO COUNCIL

STANDING COMMITTEE OF COUNCIL
ON CITY SERVICES AND BUDGETS

MARCH 2, 2006

A Regular Meeting of the Standing Committee of Council on City Services and Budgets was held on Thursday, March 2, 2006, at 9:30 a.m., in the Council Chamber, Third Floor, City Hall.

PRESENT: Councillor Peter Ladner, Chair
Mayor Sam Sullivan
Councillor Elizabeth Ball
Councillor Kim Capri
Councillor George Chow
Councillor Heather Deal
Councillor B.C. Lee
Councillor Raymond Louie, Vice-Chair

ABSENT: Councillor Suzanne Anton (Leave of Absence - Civic Business)
Councillor David Cadman (Leave of Absence - Civic Business)
Councillor Tim Stevenson (Leave of Absence - Civic Business)

CITY MANAGER'S OFFICE: Brent MacGregor, Deputy City Manager

CITY CLERK'S OFFICE: Denise Salmon, Meeting Coordinator

ADOPTION OF MINUTES

The Minutes of the Standing Committee on City Services and Budgets meeting of February 2, 2006, were adopted.

RECOMMENDATION

1. False Creek Neighbourhood Energy Utility (VanRIMS No. 11-2000-20)

The Committee had before it an Administrative Report dated February 27, 2006, in which the Manager of City Sustainability Group in consultation with the General Manager of Engineering Services, Project Manager of Southeast False Creek and the Olympic Village, and Director of Financial Planning & Treasury, sought Council approval of recommendations which will commit the City to act as the developer of a neighbourhood energy utility (NEU), with a projected capital investment requirement from the City of \$14.0 million by 2010. The City Manager noted a community energy system is a way in which the City can work toward achieving its community GHC targets while achieving a financial return on its investment, and recommended approval.

Thomas Osdoba, Manager, Sustainability Group, and Rowan Birch, Assistant City Engineer, Departmental Services, with the aid of an overhead presentation, provided Council with an overview of the report. Mr. Osdoba also noted a clerical change required to staff's recommendation C to replace the words "General Manager of Engineering Services", with the words "City Manager".

Mr. Osdoba, Brian Crowe, Projects Engineer, Ken Bayne, Manager of Financial Planning and Treasury, and Trent Berry, consultant with Compass Resource Management, in response to questions, provided Council with additional details related to:

- potential use of the energy utility technology in East Fraser Lands and the False Creek Flats;
- financing issues;
- exit strategy if required; and
- the potential for public/private partnership.

Tom Timm, General Manager of Engineering Services, provided clarification on particulate matter as it relates to the biomass heat generation option.

MOVED by Councillor Louie

THAT the Committee recommend to Council

- A. THAT Council approve in principle the creation of a False Creek Neighbourhood Energy Utility (NEU) to provide for space heating and domestic hot water to multi-family residential, commercial, institutional and industrial buildings, with interim financing of a maximum of \$14.0 million provided by the Capital Financing Fund.
- B. THAT Council approve the following work program for the first phase of the NEU (See Figure B) which includes the Olympic Village and the private land parcels developing prior to the Olympics ("Phase 1"):
 - i. Preliminary and final design of the NEU distribution system for Phase 1;
 - ii. Preliminary design work for a sewer heat recovery energy plant to serve Phase 1 of the NEU, and
 - iii. further investigation of the feasibility of biomass heat as an alternative heat source in Phase 1 or later phases.

at a cost estimated to be \$970,000 including project management; this cost to be financed from the source identified in Recommendation A of the Administrative Report dated February 27, 2006, entitled "False Creek Neighbourhood Energy Utility" on terms acceptable to the Director of Finance, with repayment being subject to long term financing arrangements to be reported back, noting that should the NEU not proceed, the General Manager of Engineering Services, in consultation with the Director of Finance will identify an alternative funding source.

- C. THAT Council authorize the City Manager to enter into a contract with FVB Energy Inc. for the design of Phase 1 NEU heat distribution system outside the Olympic Village, as described in the Administrative Report dated February 27, 2006, entitled "False Creek Neighbourhood Energy Utility" and on such terms and conditions as are approved by the Director of Legal Services.
- D. THAT Council instruct the Director of Legal Services to seek from the Provincial Government appropriate amendments to the Vancouver Charter in support of the NEU objectives outlined in the Administrative Report dated February 27, 2006, entitled "False Creek Neighbourhood Energy Utility".
- E. THAT Council approve a temporary project manager in Engineering Services to complete the preliminary design of the energy plant and work with the Southeast False Creek and Olympic Village Project Office to complete the detailed design and construction of the distribution system for Phase 1 at a cost of \$84,000 annually. The position is funded from the same source as noted in Recommendation B of the Administrative Report dated February 27, 2006, entitled "False Creek Neighbourhood Energy Utility", which includes funding for the first two years of the position.
- F. THAT Council instruct the City Engineer and Manager of the Sustainability Group, in consultation with the SEFC and the Olympic Village Project Manager, to report back by November 30, 2006 on the:
 - i. Short- and long-term ownership, operations, and governance strategy for the NEU;
 - ii. long-term financing options;
 - iii. policy recommendation with regard to requiring private property owners within a defined service area to connect to the NEU for all new development, and
 - iv. business and operational plans, including additional resources required to complete Phase 1 and scope of work for future Phases.
- G. THAT Council instruct staff to seek support for the NEU through grants from senior levels of government and other partners.

CARRIED UNANIMOUSLY

2. World Peace Forum 2006 Funding Request (VanRIMS No. 08-3000-11)

WITHDRAWN.

The Committee adjourned at 11:00 a.m.

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CITY OF VANCOUVER

REGULAR COUNCIL MEETING MINUTES STANDING COMMITTEE OF COUNCIL ON CITY SERVICES AND BUDGETS

MARCH 2, 2006

A Regular Meeting of the Council of the City of Vancouver was held on Thursday, March 2, 2006, at 11:01 a.m., in the Council Chamber, Third Floor, City Hall, following the Standing Committee on City Services and Budgets meeting, to consider the recommendations and actions of the Committee.

PRESENT: Mayor Sam Sullivan
Councillor Elizabeth Ball
Councillor Kim Capri
Councillor George Chow
Councillor Heather Deal
Councillor Peter Ladner
Councillor B.C. Lee
Councillor Raymond Louie

ABSENT: Councillor Suzanne Anton (Leave of Absence - Civic Business)
Councillor David Cadman (Leave of Absence - Civic Business)
Councillor Tim Stevenson (Leave of Absence - Civic Business)

CITY MANAGER'S OFFICE: Brent MacGregor, Deputy City Manager

CITY CLERK'S OFFICE: Denise Salmon, Meeting Coordinator

COMMITTEE OF THE WHOLE

MOVED by Councillor Chow
SECONDED by Councillor Deal

THAT this Council resolve itself into Committee of the Whole, Mayor Sullivan in the Chair.

CARRIED UNANIMOUSLY

COMMITTEE REPORTS

Report of Standing Committee on City Services and Budgets March 2, 2006

Council considered the report containing the recommendations and actions taken by the Standing Committee on City Services and Budgets. Its items of business included:

1. False Creek Neighbourhood Energy Utility
2. World Peace Forum Funding Request - WITHDRAWN

MOVED by Councillor Lee

THAT the recommendations and actions taken by the Standing Committee on City Services and Budgets at its meeting of March 2, 2006, as contained in item 1, be approved.

CARRIED UNANIMOUSLY

RISE FROM COMMITTEE OF THE WHOLE

MOVED by Councillor Ball

THAT the Committee of the Whole rise and report.

CARRIED UNANIMOUSLY

ADOPT REPORT OF COMMITTEE OF THE WHOLE

MOVED by Councillor Capri
SECONDED by Councillor Lee

THAT the report of the Committee of the Whole be adopted.

CARRIED UNANIMOUSLY

MOTIONS

A. Administrative Motions

None.

B. Motions on Notice

1. Support for Childcare (VanRIMS No. 08-0500-12)

At the Regular Council meeting on February 28, 2006, the following motion was submitted by Councillor Deal. Councillor Capri called Notice under Section 5.4(c) of the Procedure By-law.

MOVED by Councillor Deal
SECONDED by Councillor Louie

WHEREAS the City of Vancouver has a long tradition of providing leadership in the development and support of licensed, non-profit childcare;

AND WHEREAS, the previous federal government committed almost \$5 billion over 5 years to establish a national childcare program, of which \$633 million was to come to BC;

AND WHEREAS, the current federal government promised to rip up these agreements in March of 2007;

AND WHEREAS the current federal government is replacing the national childcare plan with individual payments to families with children that are in fact taxable family bonuses and will do nothing to further develop a national childcare program;

AND WHEREAS the suggested bonus of \$1200 a year will cover just over one month's cost for children under 18 months;

AND WHEREAS there is a lack of facilities for younger children, including those with parents who can afford to pay for child care;

AND WHEREAS the provincial government has been slow to raise opposition to this plan, despite very public concern expressed by other provinces, families and the childcare community;

THEREFORE BE IT RESOLVED that the City of Vancouver write a letter to the federal government urging that they maintain their commitment to the Federal Early Learning and Childcare Agreement;

AND BE IT FURTHER RESOLVED that the City of Vancouver write a letter to the province encouraging them to be more proactive in opposing the elimination of a national childcare program.

referred

The Mayor noted a request to speak had been received, and Council agreed to refer this matter to the afternoon meeting of the Standing Committee on Planning and Environment.

The Council adjourned at 11:02 a.m.

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