



General Purposes Committee

Date: Monday, December 3, 2012

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Derek Dang (entered at 4:56 p.m.)
Councillor Evelina Halsey-Brandt
Councillor Ken Johnston
Councillor Bill McNulty
Councillor Linda McPhail
Councillor Harold Steves

Absent: Councillor Linda Barnes

Call to Order: The Chair called the meeting to order at 4:51 p.m.

MINUTES

It was moved and seconded
That the minutes of the meeting of the General Purposes Committee held on Monday, November 19, 2012, be adopted as circulated.

CARRIED

LAW AND COMMUNITY SAFETY DEPARTMENT

1. **RICHMOND SISTER CITY COMMITTEE – 2011 YEAR IN REVIEW**
(File Ref. No.) (REDMS No. 3651453)

It was moved and seconded
That the Richmond Sister City Committee 2011 Year In Review, attached to the report dated September 12, 2012 from the Director, Intergovernmental Relations and Protocol Unit, be received for information.

CARRIED

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Councillor Dang entered the meeting (4:56 p.m.).

COMMUNITY SERVICES DEPARTMENT

2. **UBCM AGE-FRIENDLY COMMUNITY PLANNING AND PROJECT GRANT APPLICATION**

(File Ref. No.) (REDMS No. 3708063)

It was moved and seconded

That an application for a UBCM 2013 Age Friendly Community Planning and Project Grant be endorsed, the purpose of which is to fund the project titled "Kiwanis Towers: Ready, Set, Plan – A Collaborative Stakeholder Process to Support Health Tenancy in a Seniors Affordable Housing Project".

CARRIED

ENGINEERING AND PUBLIC WORKS DEPARTMENT

3. **GOVERNANCE & FINANCING – ALEXANDRA DISTRICT ENERGY UTILITY**

(File Ref. No.) (REDMS No. 3442906)

Cecilia Achiam, Interim Director, Sustainability and District Energy, accompanied by John Irving, Director, Engineering, provided background information, noting that Phases I and II of the Alexandra District Energy Utility (ADEU) have been completed.

Councillor Steves left the meeting (4:59 p.m.) and did not return.

Ms. Achiam commented on the financial risks associated with the ADEU investment model, noting that the proposed financial model may help mitigate risks. Also, Ms. Achiam stated that the ADEU is self-financing over the long term, with pay back of the total costs by 2017 – 2018. She advised that the proposed business model for the ADEU would result in a 6.5% internal rate of return over a 30 year period.

Also, Ms. Achiam spoke of the need for a dedicated staff person to manage the growing needs of District Energy Utility, noting that the proposed financial model projections indicate that additional revenue from future phases of the ADEU would help offset salary costs.

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Mr. Irving stated that staff are recommending the establishment of a wholly City owned corporation named the Lulu Island Energy Company to own and operate the ADEU. He stated that the proposed model has successfully been utilized by other local governments and analysis indicates that it provides the best combination of flexibility, control, risk management, financing and accountability for the ADEU.

In reply to queries from Committee, Ms. Achiam commented on the various benefits of appointing only City staff as members of the proposed Lulu Island Energy Corporation (LIEC) Board. Also, Ms. Achiam spoke of the structure of the ADEU utility rate, noting that Council set the 2012 ADEU rate in May 2012.

In response to comments made by Committee, Mr. Irving stated that it is suggested that the corporation be named Lulu Island Energy Company in an effort to preserve maximum flexibility for future expansion of district energy utilities in the City. Also, Mr. Irving advised that staff would bring back a report detailing the financing and payback options for Council consideration.

It was moved and seconded

That Council:

- (1) authorize staff to incorporate a wholly owned local government corporation including:***
 - (a) naming the corporation Lulu Island Energy Company (pending name availability)(LIEC) with the City of Richmond as the sole share holder to own and operate the Alexandra District Energy Utility (ADEU);***
 - (b) authorizing the Chief Administrative Officer and the General Manager, Engineering and Public Works to execute legal agreements and documentation related to the incorporation;***
- (2) authorize staff to explore the merits of external borrowing of up to \$6M to finance phase 3 of the ADEU and report to Council through Committee on the budget impacts to future capital projects;***
- (3) re-classify the District Energy Manager position from Temporary Full Time (TFT) to Regular Full Time (RFT); and***
- (4) approve the creation of a Position Control Complement (PCC) for the District Energy Manager position.***

The question on the motion was not called as in reply to a query from Committee, Mr. Irving advised that staff would report back on financial options protocol.

The question on the motion was then called and it was **CARRIED**.

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ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:15 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the General Purposes Committee of the Council of the City of Richmond held on Monday, December 3, 2012.

Mayor Malcolm D. Brodie
Chair

Hanieh Berg
Committee Clerk