

Presentation to Regina City Council regarding Proposed Amendment to Regina Administration Bylaw No. 2003-69, Schedule D “Purchasing Policy”

Submitted by CUPE Locals 7 and 21
March 26, 2012

Introduction

Thank you, Your Worship and Councillors for the opportunity to speak to you tonight.

My name is Tim Anderson and I am President of CUPE Local 21. With me is Lorne Chow, President of Local 7, the inside workers at the City of Regina.

CUPE Local 21 represents about 1100 permanent and casual employees of the City of Regina. Our members provide important front-line services to the citizens of Regina in the areas of public works, parks and recreation and community services.

Our members maintain and repair sewer and water lines, collect garbage and upkeep the landfill site, we maintain and repair city streets, alleys, sidewalks and boulevards, and we keep our parks and green spaces beautiful. Local 21 members also deliver recreational programs to the citizens of Regina and maintain the hundreds of city facilities.

CUPE Local 7 represents 240 administrative, technical and professional staff at the City of Regina. Our members ensure the efficient operation of the city, including enforcing bylaws, assessing property, providing administrative and accounting support and city planning.

Our members are dedicated city employees and proud of the services we provide. We value the work we do for the taxpayers of the City of Regina and want to provide the highest quality of services possible. Our members and their families are also taxpayers and users of city services. We contribute to the economic and social development of our community through our purchasing of goods and services and with our volunteer commitments to various community organizations.

Amendments to Administration Bylaw No. 2003-69, “Purchasing Policy”

We are here tonight to speak to the recommendation of the Executive Committee to amend the Purchasing Policy so that the city could consider Public Private Partnerships, or P3s, as a delivery model for city capital assets.

We appreciate the concerns that the administration and council have on how to meet the infrastructure needs of the city. We agree that the city needs to develop a long term plan to renew and maintain our infrastructure.

We are very concerned, however, that you are considering using P3s to meet these infrastructure needs. Even though the administration has outlined the conditions that have to be met before a P3 delivery model is considered, we believe that there need to be more rigorous criteria and public consultation on this question.

We would like city council to consider the following questions and concerns:

Additional costs and time to prepare P3 proposals

1. Have you considered the lengthy, complex process and extra costs associated with assessing P3s including transaction costs and hiring consultants? The City of Calgary spent over \$1 million in consulting fees preparing its P3 proposal when the federal government disqualified their project.

What kind of capital projects will be considered for P3 delivery

2. Will all capital projects be considered and put through a P3 'screen'?
3. Will there be a threshold for the size of projects being considered as P3s, e.g. any project over \$20 million, or over \$50 million?

Financial implications for city budgets over the long term

4. Have you considered the impact of P3s on city budgets in the long term? Whether the city uses a P3 delivery model or not, the city still has to pay and with a P3 the city will pay more over the long term.
5. Have you examined examples of public private partnerships around the world where the risk transfer has been costly and ultimately remaining with the municipality?

Implications on city employees and bargaining unit work

6. The models of P3s in your document all include either 'operate' and/or 'maintain'. Is the city using this process to privatize city work and what will be the impact on the workforce? We note that Appendix A, point 6 recognizes that any collective bargaining rights under *The Trade Union Act* would have to be transferred to the private partner. Is the city planning to move major aspects of city services to the private sector?

7. What is meant by treating city employees 'fairly'? Will the council pass a bylaw that obligates private sector "partners" to provide their employees with wages and benefits equal to those offered by the City of Regina?

Independent Evaluation Process

8. Is the city committed to a transparent and independent evaluation with full disclosure before signing any contract for a P3? Are city officials confident this is possible?

There are numerous provincial auditors across Canada who have criticized P3s as costing taxpayers more than if traditional procurement had been used. Provincial auditors and independent auditors have also questioned the Value for Money process as being flawed in many cases. The problem is that auditors can only raise problems with these kinds of deals after the fact. Are council and the city administration prepared to disclose all information before entering into deals that could be questionable?

Public Accountability and Democratic Control

9. Will the city disclose all P3 contracts it signs? Or will all contracts be confidential and their terms not disclosed to the public?
10. In Appendix A, the "Conditions for P3," it is stated that P3s will only be considered if "the public interest is protected." What is meant when you state that "appropriate" public control must be preserved? We feel that public control must mean that the city maintains full operation of all city facilities and capital projects.
11. Appendix A, 2(b) and (c) state that "stakeholders have to be appropriately engaged to examine potential impacts of the P3 delivery model..." and that "[t]he community has been appropriately informed about the project."

We feel that the citizens of Regina should be able to not only be engaged and informed about how their tax dollars are being used, but there should be a referendum held on the P3 delivery model. Last year, the citizens of Abbotsford voted in a referendum on a proposed P3 water treatment plant and 75% voted against the P3.

Most P3 projects are long term agreements lasting 20 to 35 years. Citizens have the right to vote on whether or not they want to be tied into long term financial obligations that are difficult to break without paying high legal fees and financial penalties.

Conclusion

The proposed amendment before City Council is not a simple housekeeping matter. This is a major change to the way the city plans to build and deliver public services. Therefore we ask that you give serious and diligent consideration to this proposal.

Twenty years from now, it is unlikely that all of you will be serving on city council. Yet you are making a decision that will have a major impact on how the city delivers public services and the city's financial obligations for many decades.

Many other municipalities have learned the hard way that public private partnerships are not all that they were promised. They have had to take over waste water treatment plants when the private sector failed (for example, Hamilton-Wentworth) they have had to buy out private partners when projects weren't being delivered on time and within budgets (for example, the Township of Langley).

It is critical that council talk to other municipalities who have dealt with failed P3 projects so that we don't repeat their mistakes.

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Abbotsford News

\$3.54 million spent on failed Stave Lake project

Tue Jan 24 2012

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Section: News

Byline: Kevin Mills

The city spent \$2.44 million on the failed Stave Lake water supply and treatment centre project from April to November 2011.

And another \$1.1 million before April 2011, in conjunction with the Abbotsford/Mission Water Sewer Commission (AMWSC) for a combined total of \$3.54 million.

That's according to figures released in a new engineering report.

The report, which was pulled from Monday's council agenda due to time constraints, will be presented at the next regular meeting, scheduled for Monday, Feb. 6.

The document reviews the entire project, including the decision to enter into a public-private-partnership (P3), the public information process and eventual referendum.

Of the \$2.44 million spent after April 2011, \$1.74 million were project development costs, \$372,000 were related to grant application costs and \$327,000 were for the referendum and communication costs.

The \$1.1 million spent by the AMWSC breaks down to \$829,000 for project development costs and \$275,000 for grant applications.

"Preparing the business case for P3 Canada and doing some degree of detailed design on the Stave Lake project, that had to be part of that P3 application. So some of those costs were specifically for the P3 application and some of them were not," said city manager Frank Pizzuto.

And the bulk of the money spent on project development - which includes \$955,000 for Stave intake and pump station preliminary engineering, \$108,000 for an environmental assessment and \$237,000 for a conceptual engineering study - may still be useful.

"We had to do a significant amount of design on the Stave Lake project and regardless whether we proceed in a traditional environment or a P3 environment, if we proceed with Stave Lake, that money is well spent," said Pizzuto..

But close to \$1 million, spent on the grant applications and the referendum, are lost.

The P3 business case, performed for the water commission and then revised for the city of Abbotsford when Mission decided not to pursue a private partner, cost \$502,000.

The Stave Lake project was a proposed \$300-million water source and treatment plant to be built in Mission. Originally a joint venture by the City of Abbotsford and

the District of Mission, the project was to become a P3 project which would see a private company design, build, partially finance and operate the treatment plant for a 20 year period.

Mission voted not to pursue the P3 partnership and Abbotsford chose to continue on its own. A huge public outcry against the plan took place and the idea was defeated by close to a 75 per cent margin, during a November referendum.

While Abbotsford Mayor Bruce Banman was not on council when the project was proposed, he believes some of the money had to be spent.

"The money that they've spent on engineering and the money that they've spent on consultation and reports, that money was not wasted," said Banman.

But he said things could have been done differently.

"Well, \$300,000 is what they spent to send it out to the public to vote on. Whether that was money wisely spent or not, I don't know. In my opinion I think it was campaigned erroneously, I think it was pushed too hard. There was not enough questions answered and more fear used in my opinion.

"Whether or not that was actually wasted money or not, I don't know if you ever waste money when you go and ask the public for their say," said Banman.

City staff are currently discussing Abbotsford options for a new water supply and Stave Lake is still a possibility.

Pizzuto said the AMWSC will give staff

some direction on how to proceed in the short and long term.

"It has always been our intent that we have a partnership with Mission and certainly the need for water for both Abbotsford and Mission is going to be there .. so we are glad to be able to discuss it with them again."

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NEWS RELEASE

For Immediate Release
2009TRAN0019-000261
Feb. 27, 2009

Ministry of Transportation and Infrastructure

PORT MANN PROJECT PROCEEDS USING DESIGN-BUILD CONTRACT

VICTORIA – The provincial government will construct the Port Mann Bridge and Highway 1 Project using a design-build, fixed-price contract after being unable to reach final agreement with Connect BC Development Group, Transportation and Infrastructure Minister Kevin Falcon announced today. The project will create about 8,000 construction jobs and remains on schedule for a 2013 completion.

“The Port Mann/Highway 1 project has always been a certainty, but what was to be confirmed was the best way to finance it,” said Falcon. “We have determined that a traditionally financed arrangement is the better way to proceed at the current time.”

The Province will enter into a fixed-price contract with the joint venture of Peter Kiewit Sons Co. and Flatiron Constructors Canada Limited to design and build the new, 10-lane Port Mann Bridge and Highway 1 widening at the previously agreed upon cost of \$2.46 billion. The contract with Kiewit-Flatiron ensures cost overruns or construction delays are the responsibility of the contractor. All costs will be recovered by electronic tolls, which remain the same as previously indicated, approximately \$3 for cars on opening day.

“We said from the beginning that this was a very challenging capital market environment, and that executing the project would involve complex negotiations,” said Falcon. “We commend Macquarie Group for being able to arrange committed debt and equity for the project through unprecedented turbulence in global markets, and for assembling a first-class team of consortium partners. Unfortunately, the parties could not agree on final terms. Partnerships BC recommended not to proceed, and the Province and Connect BC have mutually agreed to end the P3 procurement process. However, as a Province, we remain committed to using P3 arrangements where they prove to be in the best interests of B.C. taxpayers.”

The Province has engaged Macquarie Group to provide advisory services, including on financing and tolling operations, where Macquarie is recognized as a world leader.

“Although we could not reach a final agreement with the Province we are proud of our accomplishments in putting together a world class proposal and team,” said Paul Donnelly, president and CEO of Macquarie Capital Markets Canada Ltd. “We look forward to sharing our global infrastructure advisory experience, together with our intimate knowledge of the Port Mann project, which we believe will prove invaluable to the Province.”

-more-

The Port Mann/Highway 1 project consists of the construction of a new Port Mann Bridge and widening Highway 1, upgrading interchanges and improving safety and access between McGill Street in Vancouver and 216th Street in Langley, a distance of approximately 37 km.

1 backgrounder(s) attached.

Media Jeff Knight
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Government of New Brunswick News Release

Office of the Auditor General

Auditor General finds public private partnership evaluation process needs to improve

12 January 2012

FREDERICTON (CNB) – Auditor General Kim MacPherson looked at the province's decision to design, build, maintain, and operate the new Eleanor W. Graham Middle School and Moncton North School using a public-private partnership (P3) in her latest report, released today.

Media Contact(s)

Auditor General Kim MacPherson, 506-453-2465.

She found that the P3 decision was not properly supported by a preliminary analysis.

"The analysis should be carried out early in the process so that a reasonable recommendation can be made of a preferred procurement method," said MacPherson. The analysis was performed only after the government announced the P3 decision.

She also noted the government was already committed to this multi-million dollar project long before the legislative assembly had an opportunity to debate it. In her view, government should obtain approval of the legislature through the budget process before multi-year contracts are signed.

MacPherson found some aspects of the value for money (VFM) analysis were appropriate. However, she did not agree with how the VFM analysis considered ongoing maintenance and repair needs of the schools. The analysis assumed all such costs would be funded under the P3 model but not for the traditional model. MacPherson believes if the province is willing to commit funds to maintain the school under the P3 model, it should be willing to do the same under the traditional approach. Treating one model differently distorted the comparison and may have changed the decision to adopt the P3 model.

In her report, the auditor general also noted that provincial budget restraint has led to the deferral of needed maintenance and rehabilitation work at schools. If government approves the construction of a new school, regardless of the delivery method (P3 or traditional), the long-term cost of operating and maintaining the facility should be factored into the decision at the time and protected in future budgets. Otherwise, unanticipated school closures like the 2010 mid school year closure of Moncton High School and École Polyvalente Roland-Pépin in Campbellton will continue.

The Auditor General's 2011 report contains three volumes; Volume I on Provincial Wastewater Commissions was previously tabled in October 2011. Volume II focuses on matters arising from the annual financial audit of the province and Crown agencies. Volume III reports the results of the Value for Money projects completed during 2011. All three volumes are available on the Auditor General website.

LINK:

- Office of the Auditor General: www.gnb.ca/oag-bvg

12-01-12

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Abbotsford News

Water pressure: Mission joins lobby to unlink federal funding for P3 deals

Thu Sep 8 2011

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Section: News

Byline: Neil Corbett

As the City of Abbotsford awaits word on its application for federal P3 funding for a major water supply project, other Lower Mainland communities are resisting the public/private deals.

On Tuesday night, Mission council was asked by a delegation from Water Watch Mission Abbotsford (WWMA) to support Burnaby, which will bring a motion to the Union of B.C. Municipalities pushing for federal funding of public water projects without P3 involvement.

Mission plans to lobby Ottawa directly in writing, and through Pitt Meadows- Maple Ridge-Mission MP Randy Kamp, for alternatives to P3 funding.

WWMA spokesperson Diane Kalen Sukra lauded Mission council at Tuesday's meeting.

"We watched many council members, not just here in Mission but also in Abbotsford, agonize and express dismay at the predicament our municipalities have been put in to access federal funds for vital infrastructure projects."

The group will be asking Abbotsford council to join the lobby for alternatives to P3 funding for water projects at Monday's council meeting.

Public/private partnerships, known as P3s,

have gained provincial and federal government favour over the past decade.

Proponents cite various benefits from having private enterprise invest in civic projects, including greater efficiencies in construction and operation, and less capital borrowing for civic government.

Opponents counter those claims, and express concern over private involvement in critical public services such as water supply.

Mission Mayor James Atebe wants a choice. He said public municipal water infrastructure has historically been eligible to receive grants of one-third funding from each of the federal and provincial governments, but that is not presently the case.

"At this time, the only option they have is P3," he said. "I hope we will continue - and we're lobbying through our MP - to have options for municipalities other than P3."

He said Mission council did not take a philosophical stand against P3s, but took its lead from public opposition to private involvement.

"We listened to our community. When we held public input, the public was very clear," he said. "There was an overwhelming crowd at city hall that made

a case about why they didn't want P3."

Abbotsford Coun. John Smith said the city has to pursue the P3 route, because it can't afford to wait for future funding, hoping it becomes available soon.

He called P3 funding "the lowest hanging fruit. And there isn't a lot of other fruit."

Smith noted it will take about three years to get the Stave Lake water on stream once the work begins. A wait of six or seven years could see the city on water rationing, he predicted.

MP Kamp said there is no Conservative government plan to promote P3 projects at the exclusion of others. He said the funding is available through P3 Canada because municipalities have not applied for it yet - unlike other infrastructure funds which have been drained.

"We're not trying to move in a particular direction," said Kamp, adding that P3 Canada "is not there to encourage municipalities to go the P3 way for water funding."

He agreed that water distribution would require a complex P3 agreement, with a high degree of public oversight and control.

"I understand that certain projects lend themselves better to P3 funding," he said, but added a water project can be developed with "enough safeguards in place." Kamp said more public funds for infrastructure will become available in the future, but the government has been running deficit budgets due to the downturn in the global economy, and it fast-tracked infrastructure projects to stimulate the economy. He is not aware of a timeline for new funding.

He also expressed concern about the fractured relationship between former water system partners Abbotsford and Mission, and how they will work together in the future now that Abbotsford is taking the P3 path, and Mission opposes it.

"It's not clear to me how that's going to work."

The city is proposing to create a new \$284-million water source and treatment centre at Stave Lake. The city has applied for federal funding from PPP Canada to create a public-private partnership to build and operate the new facility

If approval for federal funding is received, it could provide up to 25 per cent of the cost, or in the range of \$70 million.

A referendum will be required to get the assent of the electorate.

It will likely be a two-part question - one regarding the borrowing of funds to pay the capital costs, and the other asking for approval of the financial terms of the P3 agreement.

A decision from PPP Canada is anticipated soon.

A BLUE COMMUNITY

Fighting the commodification of water is the goal of the Blue Community motion put forward by his city, says Burnaby Mayor Derek Corrigan.

The motion will be debated at the Union of B.C. Municipalities convention in Vancouver on Sept. 26-30, and could represent the position of B.C.'s cities and

towns.

"Most people are oblivious that there is a major effort to gain control of water, much as they (corporations) gained control of oil resources," Corrigan told The News.

Abbotsford's only choice for infrastructure funding for its water system is through a public-private partnership, approved by the government agency P3 Canada.

However, Corrigan is adamant that public control over civic services such as water must take priority.

"Intuitively, people are reluctant to give up requirements for human life to the private sector," he said.

BURNABY'S BLUE COMMUNITY MOTION

WHEREAS public health depends on equitable access to clean water supplies;

AND WHEREAS the public ownership and operation of drinking water and wastewater treatment systems has improved access and quality, and public operation has been shown to be cost-effective, efficient, transparent, accountable and responsive to changing technology, priorities, and community needs:

THEREFORE BE IT RESOLVED that UBCM call upon the federal government, through the Federation of Canadian Municipalities and/or other avenues, to fulfil its responsibility to invest in the renewal and replacement of aging local government infrastructure, including that related to drinking water and wastewater, in a manner that ensures continued public

ownership.

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Pricey Moncton courthouse worth it: sheriff

Last Updated: Thursday, February 10, 2011 | 10:46 PM AT

CBC News



The new Moncton courthouse is scheduled to open Monday.

(CBC)

Moncton's new courthouse is scheduled to open Monday, 2½ years late and costing almost twice the original estimate.

The building was slated to open in May 2008 at a cost of \$27 million, but wound up costing more than \$50 million.

The courthouse was built in a public-private partnership arrangement with the Province of New Brunswick.

Citigroup Properties constructed the building and is responsible for operating and maintaining it. The city will lease the building for 30 years at \$7.1 million a year.

Michel Boudreau, the head sheriff in Moncton, said Thursday that the new courthouse will mark a vast improvement over the existing one in terms of security, starting with a metal detector at the front door.

Boudreau said it will be safer for everyone.

"It's hard to put a dollar amount on people's security and safety. How far do we go to ensure that justice is served and to make sure that people are safe?" he said. "It just seemed to be getting worse and worse. People were trying to bring in contraband, knives, weapons of all sorts."

The building has more than 140 security cameras and more than 170 individual panic alarms. There are three separate entrances into the courtrooms — one each for judges, defendants and the public.

That means they won't bump into each other in the hallways, as they did in the old Moncton courthouse.

"To have somebody walk through the corridors and have the victim three or four feet from them, or just have the general public there — to avoid any type of incident to happen, we were putting our officers at risk, we were putting the public at risk," said Boudreau.

More courtrooms

It is bigger than the old courthouse, too, with 15 courtrooms and two hearing rooms. David Leger, regional director of court services for the department of justice, said judges will no longer have problems booking a courtroom.

"It should go a long way in helping in any backlogs we may have had in regards to cases being heard, there's no doubt about it," he said.

The Daily Townsman (Cranbrook)

Keen Rose bails out of Rec Plex agreement

Fri Dec 31 2004

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Section: News

Byline: Carolyn Grant

Dateline: CRANBROOK

Source: The Daily Townsman

CRANBROOK -- In 1999, after a divisive and narrowly contested referendum, the City of Cranbrook entered into a partnership with Keen Rose Technologies to build and operate what is now the Cranbrook Recreation Complex in Balment Park.

Five-and-a-half fractious years later, that particular dream died.

Cranbrook mayor Ross Priest, who in 1999 was a member of the committee opposing the project and the partnership, announced Friday, July 30, 2004 that Keen Rose was getting out of the partnership, and the city was taking over Rec Plex operations entirely.

"This is a true new beginning for the City of Cranbrook and the Rec Plex," said Priest at Friday's press conference at City Hall, as he announced that the often contentious relationship between the City and Keen Rose would be coming to an end.

A tentative agreement has been reached between the City and Keen Rose, whereby the parties mutually agreed that Keen Rose will no longer operate the Rec Plex. The city's erstwhile private partner will transfer all interests and assets at the Rec Plex to the City of Cranbrook and conclude the partnership established under the Omnibus Agreement.

Keen Rose will make a one-time lump sum payment of \$1.7 million to the City of Cranbrook in lieu of any past obligations, unfinished financial differences, outstanding issues arising out of arbitration and any future revenue obligations.

"In essence the City now controls its own destiny," Priest said. "The community has been paying all the freight but didn't have day-to-day control. If we're going to be paying for the bus, we might as well be driving it. Many citizens have told me that the City should have ultimate control of the Rec Plex."

Priest vows the city will do a good job of controlling expenses and seeking out new sources of revenue.

"It's a good opportunity for residents and the city," he said, adding that taxes will not be raised.

The city will continue to be responsible for the capital costs of the Rec Plex.

"City council has considered our on-going relationship with Keen Rose and our desire to provide the type of facility expected in our community," Priest said. "It has become apparent that there is not a workable solution to the differences of opinions regarding anticipated performance and projections between the two parties.

"Unsuccessful attempts at reconciliation over both parties' understandings and interpretations of the Omnibus Agreement during the last couple of years is hindering the delivery of a first class facility. Council wishes to mitigate the ongoing expense of continual legal proceedings for every disagreement between the two parties."

Priest says there have been disagreements over money; the City believes Keen Rose owes them money, Keen Rose believes just the opposite. Keen Rose believes that the City should contribute to their increased insurance costs. The City does not agree. The Omnibus Agreement called for 16 major events a year to be held at the RecPlex. The two parties are currently in arbitration over whether Kootenay Ice home games are a "major event."

"They pick apart the Omnibus Agreement with a battery of solicitors at every point," Priest said. "Both parties have agreed to exit the agreement. It hasn't been a windfall for either side."

As to whether the city can afford it, Priest said that nobody ever brought a wheelbarrow full of money to the Rec Plex.

"Cranbrook taxpayers have been paying the \$3 million operating expenses. I'm confident we can continue to perform with no added expense and may even be able to cut some expenses. There will be no tax increase."

Metrovalley Newspaper Group

Town centre deal dogs former CAO

Sat Sep 4 2004

Page: 0014

Section: Maple Ridge News - Community

Former Maple Ridge district administrator Bob Robertson, fired from Hamilton, was hired by the city of Waterloo and then suspended before he could start work. The following article appeared last weekend in the Kitchener-Waterloo Record.

Ron Parks spent the better part of three months unravelling a complicated, convoluted development project in Maple Ridge, B.C. As a forensic investigator hired to review the \$80 million downtown deal, he and a colleague conducted more than three dozen interviews, digested stacks of documents and wrote a 127-page report. Parks was definitely not impressed, concluding the municipality stubbornly plowed ahead with a public-private partnership in 1999 that broke the rules and cost up to \$11.4 million too much. His report for the Vancouver-area city of 70,000 residents only added fuel to a fire that had burned through two election campaigns. More than 18 months later, Parks stands behind every word of it - even criticism of Bob Robertson, the chief administrative officer whose hiring by the City of Waterloo earlier this month ignited another controversy.

Blindsided by a tip about problems in Maple Ridge a few days after his appointment was announced, Waterloo councillors told Robertson to stay home, with pay, while they get up to speed to determine whether he should stay or go.

Waterloo Mayor Herb Epp, who made the

hiring of a new chief administrator a top priority in the wake of an earlier financing scandal, has said a decision is expected soon.

Robertson, 52, insists he so fully refuted criticism of his role in the downtown project while working as CAO in Maple Ridge from 1996 to 2002 that he didn't consider it worth mentioning in interviews for his \$153,300-a-year job as the top bureaucrat in Waterloo. He wrote a lengthy response, got a letter of support from a majority of Maple Ridge councillors at the time and demanded the report by Parks - then working for consultants Kroll Lindquist Avey, considered one of the country's top forensic auditing firms - be removed from Maple Ridge's website after it was publicly released last year.

"In terms of the way I felt about it, I thought the issue was closed," said Robertson.

Despite threats of a lawsuit from Robertson, however, Parks doesn't see it that way.

"We carefully considered everything that he said in rebuttal," Parks said. "We looked again at the material that we had gathered and we said 'No, it stands the way it is. There will be no apology, no retraction of any part of the report.' "

Underlying a series of mistakes in Maple Ridge, according to Parks, was a refusal to

let go of a grand plan to rejuvenate the downtown even when key parts of it fell apart or were called into question. The project eventually included a six-storey office building, a library, an arts theatre, a youth centre, expanded recreational facilities and underground parking - all now praised by even some of the fiercest critics of the way it came about.

But in the beginning, it was also supposed to involve a hotel, a shopping mall and an international trade centre. The key then, the justification for council working with a single developer instead of putting the project out for tender, was the participation of major government investors from China. There were high hopes through 1997 and 1998 as staff and politicians visited the Beijing area to cement the innovative arrangement, then hosted delegations from China in return.

But by 1999, with expectations raised and a municipal election approaching, the Chinese connection had been severed. There was talk of dropping the project altogether, or stepping back to invite proposals from other interested developers. In the end, however, council unanimously voted to enter into a sole-source deal with Voth Brothers Developments - a local firm the district had already worked with on a seniors' centre - and lease the facilities for 25 years.

Parks estimated the untendered lease deal cost the city up to \$11.4 million more than if it had simply built and financed the project itself. And after Gord Robson, a local businessman, mounted a legal challenge, it was declared invalid by the B.C. Court of Appeal because it committed taxpayers to a long-time liability without giving them a direct say.

Under provincial law, municipalities incurring debts longer than five years must seek public approval in a referendum, a step the district tried to avoid by leasing rather than buying.

"It's hard to know exactly why these things happen the way they do," said Parks, now director of investigations for PricewaterhouseCoopers in Vancouver. "I think it's because they become political footballs. A city council, a mayor, decide they want something so much, they forget about the rules."

The botched project caused a storm of protest in Maple Ridge, saddling the city with a debt it has only recently figured out how to pay and put to voters for approval. Under a renegotiated deal, it now owns the facilities and will pay about \$60 million over 25 years - a whopping \$20 million less, by the city's estimate, than the financial obligation under the original leases.

"It's a beautiful project, but nothing will make the process that was followed correct," said Mayor Kathy Morse. "Nothing will make it a wonderful deal financially, either."

Although there was plenty of blame to go around, Parks portrayed Robertson in his report as one of the driving forces behind the project.

The report alleged that Robertson provided council with "inaccurate and misleading" information. Included, according to his \$60,000 report, were submissions on the key questions of whether a lease amounted to a long-term liability and the soundness of the deal financially. Robertson disputes

every point Parks made, insisting he fully and professionally provided council with all the information it needed to make the proper decisions.

What's more, although he admits there were some mistakes, he rejects the conclusion the deal was fundamentally flawed and needlessly costly. "I don't think it was a disaster," said Robertson, who left Maple Ridge to become the top bureaucrat in Hamilton in 2002.

His opinion is shared by Jim Clements, one of four city councillors who vouched for Robertson as "without reproach" in a letter soon after the Parks report was released. Clements, chairman of the finance committee when the deal was approved, said Robertson is the victim of a "personal vendetta" by a small group of influential people in Maple Ridge and politicians who made hay with the controversy for their own benefit. He said he is proud of his role in the project, still believes it was a good deal and wholeheartedly backs Robertson.

Like the others who signed the letter, Clements belonged to a right-wing slate on council known as the Maple Ridge Non-Partisan Association before he was ousted in the 1999 election after nine years in office. "I'm of the opinion [Robertson] was castrated by a very small group of people because they weren't happy with his management style," he said. "Probably the best way to change that was to see if they could get rid of the man."

Other members of council who approved the untendered lease deal were reluctant to discuss the project, but generally backed Robertson as well.

"I'm happy with what he did for us at

Maple Ridge," said former mayor Carl Durksen. "That's all I'm going to say."

Described as a quiet, reserved man with an intellectual bent and interests in golf and jogging, Robertson also has the support of former mayor Bob Wade in Hamilton. In office when Robertson was hired there in 2002, Wade said he was impressed by his academic credentials, including a PhD in management and organization, and experience in municipalities such as Grand Prairie, Alta., Fredericton and Ottawa. Wade said he was "taken aback" when Robertson was fired early this year in a move described by new Mayor Larry Di Ianni as a change of direction.

"We had a good year and a half, almost two years together, I guess, and I had absolutely no concerns or criticisms of him over that time," he said.

Like officials in Waterloo, Wade said he had no idea before Robertson was hired that he was involved in a deal that went sour in Maple Ridge. But after he learned about it following the release of the Parks report, Wade said, he discussed it with Robertson and took him at his word that concerns had been laid to rest.

"After some months, my understanding was it had all been cleared up and he was given a clean bill of health," said Wade, who didn't look into the controversy any further.

With the city just now hammering out a new deal to cut its losses, that is not how critics in Maple Ridge characterize the fallout from the project. They say it's no surprise former councillors back Robertson, since they were a big part of the problem themselves. They note the Parks

report is still prominently posted on the city's website.

APOLOGY TO TAXPAYERS

And far from issuing an apology to Robertson, they point out that current Mayor Kathy Morse formally apologized to taxpayers after the findings were released.

"He's the one that was supposed to administrate the city and protect us from this stuff," said Gord Robson, the outspoken local resident who took Maple Ridge to court and won. "Any student who has taken Grade 12 economics would look at this deal and say it's crazy."

Ron Hoffart, an architect who was chairman of the city's economic advisory commission when Robertson started there in 1996, worked on designs for the project in the early going, but later raised public concerns about not putting it out to tender. He was initially impressed with Robertson's business-like approach, he said, but grew uneasy as the downtown project continued and staff started complaining about his autocratic style.

"He was basically a one-man show," said Hoffart. "I watched the morale of city hall just completely deteriorate the whole time he was there.

"If he's the chief operating officer and council is relying on him so much - and they clearly were - I think he had some obligation to make sure the numbers added up and it made some good, sound financial sense. The evidence suggests he didn't do that."

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