Agenda - Council - December 14, 2005

Report - Standing Policy Committee on Protection and Community Services - December 6, 2005

Item No. 1 2006 Capital Budget, First Charge - Insect Control Chemical Storage Facilities
File FC(2006)

STANDING COMMITTEE RECOMMENDATION:

On December 7, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection and Community Services and submits the following to Council:

1. That an expenditure of $100,000.00 be authorized before the 2006 Capital Budget is adopted, as a first charge against the 2006 Tax Supported Capital Budget in order to properly complete construction of the secure yard surrounding the Insect Control Chemical Storage Facility, in time for commencement of Insect Control operations in April 2006.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report - Standing Policy Committee on Protection and Community Services - December 6, 2005

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 7, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection and Community Services and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On December 6, 2005 the Standing Policy Committee on Protection and Community Services concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: Access to 2006 Capital Funds for the Construction of the Secure Yard Surrounding the Insect Control Chemical Storage Facilities

FOR SUBMISSION TO: Standing Policy Committee on Protection and Community Services

ORIGINAL REPORT SIGNED BY: Ursula Stelman, Director
Community Services Department

REPORT DATE: November 28, 2005

RECOMMENDATION(S):

- That Council authorize an expenditure of $100,000, before the 2006 Capital Budget is adopted, as a first charge against the 2006 Tax Supported Capital Budget in order to properly complete construction of the secure yard surrounding the Insect Control Chemical Storage Facility, in time for commencement of Insect Control operations in April 2006.

REPORT SUMMARY:

Key Issues:

- In the 2005 Adopted Capital Budget, funding of $550,000 was approved for the construction of new Insect Control Branch chemical storage facilities, in order to ensure health and safety compliance.

- In addition, Council approved the Insect Control Strategy in March 2005, which included the recommendation that $150,000 be added to the 2006 City of Winnipeg Capital Budget to build a secure equipment yard and acquire additional GPS Technology Equipment. ($100,000 of these funds is required for the secure equipment yard).

- The construction of the chemical storage facility and the secure yard are integrated and therefore require access to both the 2005 and 2006 Capital Program at the same time.
    - Both the chemical storage facility and the secure yard are located on the same parcel of land. There is a requirement to grade the entire site, including the secure yard, to meet environmental permits. Therefore it is necessary from a financial and construction perspective, to integrate these projects during the lot grading stage. In order for the 2005 Capital project to proceed within the adopted budget, access to the 2006 funds are also required.

- Completing the secure yard also provides additional security to the chemical storage building. Building a secure yard around the chemical storage facilities should proceed at the same time as the construction of the chemical storage facilities given that vandalism at the Insect Control yards has been an issue in the past.

- There is an urgency in receiving Council's approval for access to 2006 Capital funds. A delay in the 2005 Capital project will not allow for the completion of the chemical storage facilities by April 2006, the commencement of Insect Control operations.

Implications of the Recommendation(s):

General implications:
X None
For the organization overall &/or for other departments
For the community and/or organizations external to the City
Involves a multi-year contract

Comment(s):

Policy implications:
X No
Yes

Comment(s):

Environmental implications:
No
X Yes
Comment(s):
Upgraded chemical storage facilities are required to comply with current environmental health and safety standards. There is a requirement to grade the entire site, including the secure yard, to meet environmental permits. Access to the 2006 Capital Budget funds is required in order for construction of the chemical storage facility and secure yard to be completed in time for commencement of the 2006 Insect Control season.

Human Resources implications:
X No
Yes Comment(s):

Financial implications:

Within approved current and/or capital budget

X Current and/or capital budget adjustment required

Comment(s):

Access to $100,000 from the 2006 Capital Budget for the building of a secure yard surrounding the chemical storage facilities is required.

REASON FOR THE REPORT:

Council approval, through a first charge against the 2006 Capital, is required in order to expend 2006 Capital funds prior to the adoption of the 2006 Capital Budget.

HISTORY:

Funds in the total amount of $550,000 for the upgrading of Insect Control chemical storage facilities are included in the 2005 Adopted Capital Budget of the Community Services Department.

On March 11, 2005, the Standing Policy Committee on Protection and Community Services concurred with the administrative report, the Insect Control Strategy, which included the recommendation that $150,000 be added to the 2006 Capital Budget to build a secure equipment yard and acquire additional GPS Technology Equipment.

On March 16, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection and Community Services and submitted the matter to Council.

On March 23, 2005, Council adopted the Insect Control Strategy, which included the recommendation that $150,000 be added to the 2006 City of Winnipeg Capital Budget to build a secure equipment yard and acquire additional GPS Technology Equipment. ($100,000 of these funds is required for the secure equipment yard).

On September 6, 2005, The KGS Group was awarded the professional engineering services for the construction of chemical storage facilities located at the Insect Control yards at 620 Tyne Avenue. The KGS Group has advised the project management steering committee that there is a requirement to grade the entire site, including the secured yard, to meet environmental permits. This requires access to $100,000 of the 2006 Capital Program, in addition to the $550,000 approved in the 2005 Capital Program.

DISCUSSION:

The upgrading of the Insect Control chemical storage facilities at 620 Tyne Avenue is comprised of the construction of a 3500 sq. ft. steel framed metal clad pre-engineered cold storage chemical building and a 450 sq. ft. warm storage building that meet the building codes, Transport Canada regulations and environmental permits. $550,000 was approved in the 2005 Capital Budget for the construction of these facilities.

Site preparation is a critical component for both the chemical storage building construction and surrounding secure yard because the site is situated on a former landfill site and must be built in compliance with requirements for buildings on landfills. This involves removal of old fill, replacement with appropriate granular fill, and re-grading of the entire site to meet building codes and environmental permits. The KGS Group has advised that the entire site, including the secure yard, be prepared at the same time as the two capital projects are interconnected. This will allow both projects to remain within budget. The Insect Control Strategy that was passed by Council in March 2005 contained a requirement for $150,000 to be allocated in the 2006 Capital Budget to build a secure equipment yard and acquire additional GPS Technology Equipment. ($100,000 of these funds is required for the secure equipment yard).

Council approval, through a first charge against the 2006 Capital Budget is required in order to expend $100,000 from the 2006 Capital funds prior to the adoption of the 2006 Capital Budget. This will ensure that the contract can be awarded and the project completed in time for the start of the Insect Control operations in April 2006.

Financial Impact Statement

Date: November 28, 2005

Project Name:

ACCESS TO 2006 CAPITAL FUNDS FOR THE SECURE YARD SURROUNDING INSECT CONTROL CHEMICAL STORAGE FACILITIES

First Year of Program 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ 100,000				
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ 100,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 100,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The $100,000 is required for the construction of the secure yard as contained in the 2006 Departmental Capital submission. The 2006 Capital Budget will not be approved until March 2006. Therefore, access to these funds is required in order to complete the upgraded chemical storage facilities and yard by April 2006 which is the start of the 2006 Insect Control season. The $550,000 required to build the chemical storage building component was included in the 2005 Adopted Capital Budget.

Clive Wightman, BA, CGA
Manager of Finance and Administrative Services

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCY BY:

- The KGS Group
- Planning Property and Development, Civic Accommodations Division

THIS REPORT SUBMITTED BY:

Community Services Department
Prepared by: Kelly Goldstrand, Manager
Community Resource, Protection & Safety Services

File No.

6008