Minute No. 230
Report – Executive Policy Committee – February 15, 2006

Item No. 1 **Executive Policy Committee – Final Recommendations - 2006 Annual Capital Budget – 2007 to 2011 Five-Year Capital Forecast**
File FC(2006)

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee regarding the preliminary 2006 Annual Capital Budget – 2007 to 2011 Five-Year Capital Forecast, as amended, and adopted the following:

1. That the 2006 Capital Budget totalling $307,583,000, requiring borrowing authority totalling $93,560,000 for the Waterworks System, Local Improvements and the Transit System (loan from the Federation of Canadian Municipalities), and the 2007 to 2011 Five Year Capital Forecast as tabled at the Executive Policy Committee meeting on February 6, 2006, and amended by Recommendation No. 2, be approved.

2. That the following changes be made to the 2006 Capital Budget tabled on February 6, 2006:

Description	Amount
Preliminary Capital Budget Tabled on February 6, 2006	**$307,583,000**
Increase the *Pedestrian and Cycle Facilities – Various Locations* project.	100,000
Provide funding for a *Playground Replacements* project.	250,000
Re-direct funds from *Special Innovative Capital* to the two projects above.	(350,000)
Allocate $1,100,000 from *Regional Street Renewals – Annual Program – Various locations to be identified* to *Bison Drive – Pembina Highway to Markham Road*.	--
Correct the *Ness Avenue rehabilitation project - Belvidere Street to Ferry Road* to reflect Ness Avenue as Westbound instead of Eastbound.	--
Capital Budget as recommended by Executive Policy Committee	**$307,583,000**

3. That the transfers from utility operations, reserves and other funds outlined in the capital budget submission be approved, with cash flows to be determined by the Chief Administrative Officer.

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COUNCIL DECISION (continued)

4. A. That the City establish a Public Transit Reserve, in accordance with Section 289(1) of *The City of Winnipeg Charter*, dedicated for Government of Canada (Bill C-66) Funds, for eligible projects;
   B. That the Fund Manager for the Public Transit Reserve be the Director of Transit; and
   C. That the Public Transit Reserve be terminated once eligible projects have been completed.

5. That the Director of Water and Waste be given the authority to redistribute federal gas tax revenue and retained earnings as sources of financing for approved capital projects, provided the total approved financing is not exceeded, to ensure the most effective use of federal gas tax revenues.

6. That the City work with the Province of Manitoba on project selection for funding under the new Manitoba/Winnipeg Infrastructure Program from priorities included in the City's Capital Budget.

7. A. That the Administration identify, investigate and recommend private-public partnership(s) for the police facilities identified in the "Four District Model Building Replacement" capital project; and

   B. That funding for this process, including expressions of interest, be authorized from capital funds already approved for this project in prior years.

8. That the Administration identify, investigate and include private-public partnerships in recommendations for the construction of new arterial roads or expressways identified in the five year capital forecast and report back prior to the development of future capital budgets.

9. That the 2006 Capital Budget funding of $1 million for the City's Affordable Housing Initiative be provided to the Housing Rehabilitation Investment Reserve for the following programs:

   A. $200,000 for Aboriginal Housing;
   B. $640,000 for the 4 Housing Improvement Zones ($160,000 each for William Whyte, Spence, North Point Douglas and West Broadway); and
   C. $160,000 for a new Housing Improvement Zone established in the Centennial Neighbourhood.

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COUNCIL DECISION (continued)

10. That Council authorize the expenditures of $9,888,000 prior to the adoption of the 2007 capital budget as a first charge, in accordance with Subsection 288(2) of *The City of Winnipeg Charter*, for the purchase of diesel electric hybrid transit buses in accordance with agreements to be entered into with the Federation of Canadian Municipalities, of which $6,471,000 will be financed from the Transit Bus Replacement Reserve, and that Council approve borrowing authority for the balance of $3,417,000 for 2007.

11. That the City actively pursue discussions and support negotiations with the Province of Manitoba and Government of Canada for a new multi-year and cost shared infrastructure works program for the purpose of funding infrastructure renewal, including the goal of fully funding the City's annual infrastructure renewal requirements.

12. That the City actively pursue discussions and support negotiations with the Province of Manitoba to re-instate Provincial funding in the amount of 50% of the Transit Department for a more realistic funding formula in both the capital and operating budgets.

13. That the City Solicitor/Manager of Legal Services be requested to submit the necessary borrowing by-law directly to Council.

14. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

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DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,
That the recommendation of the Executive Policy Committee be adopted.

In amendment,

Moved by Councillor Wyatt,
Seconded by Councillor O'Shaughnessy,

WHEREAS the Strategic Infrastructure Reinvestment Policy (SIRP) report of 1998 estimated an overall accumulated infrastructure deficit of approximately $750 million and continuing to grow at an estimated rate of $81.7 million per year;

AND WHEREAS the SIRP report of 1998 and the SIRP Implementation Committee Report of 2000 called for more Cost Shared Programs involving the Provincial and Federal governments;

AND WHEREAS on March 28, 2003, Council adopted Report "A" – Executive Policy Committee – March 25, 2003, Item No. 1, 2003 Preliminary Capital Budget Estimates with clause No. 6 that stated "That the City continue to negotiate with the Province of Manitoba and Government of Canada for infrastructure funding";

AND WHEREAS the tri-partite infrastructure works programs have been a major benefit to our municipality leveraging millions in Federal and Provincial dollars for infrastructure renewal;

AND WHEREAS at a presentation to the Standing Policy Committee on Public Works on September 9, 2003, the city administration estimated that a total of $161.1 million should be spent annually on Parks, Buildings, Bridges, and Roadways and that the city was annually under funding this infrastructure by $70 million;

AND WHEREAS the new revenues derived from the Federal Gas Tax funding will assist the city with infrastructure renewal but still falls short of meeting the annual infrastructure funding needs of the city and therefore fails to reduce or eliminate the current accumulated infrastructure deficit;

THEREFORE BE IT RESOLVED THAT Item No. 1 of the February 15, 2006 Executive Policy Committee Report on the Final Recommendations – 2006 Annual Capital Budget and 2007 to 2011 Five- Year Capital Forecast be amended by adding the following clause:

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DECISION MAKING HISTORY (continued)

> "That the City actively pursue discussions and support negotiations with the Province of Manitoba and Government of Canada for a new multi-year and cost shared infrastructure works program for the purpose of funding infrastructure renewal, including the goal of fully funding our annual infrastructure renewal requirements".

In amendment,

Moved by Councillor Wyatt,
Seconded by Councillor Gerbasi,

WHEREAS there is a need for a greater provincial government role in the funding of both the capital and current budget of the Winnipeg Transit Department;

AND WHEREAS this was identified by Council with the approval of the 2004 Annual Capital Budget – 2005 to 2009 Capital Budget Forecast, Item No. 1, Clause No. 10 which stated "That the City initiate discussions and support negotiations with the Province of Manitoba to re-instate Provincial funding in the amount of 50% to the Transit Department for a more realistic funding formula in both the capital and current budgets";

AND WHEREAS this need was again reiterated in the Final Report of the Rapid Transit Task Force, "Made in Winnipeg Rapid Transit Solution" September 2005, Item No. 7, Clause 4, Provincial Issues, which stated that "City Council negotiate with the Province to restore the historical 50% share subsidy of Transit, a higher proportion of Handi-Transit funding and dedicate a portion of the Provincial gas tax to Transit Improvements";

AND WHEREAS Provincial funding still falls short of the historical levels of 50% in either of the current or capital budgets of the Transit Department and therefore underscores the need to more actively lobby the province on this pressing matter;

THEREFORE BE IT RESOLVED that Item No. 1 of the February 15, 2006 Executive Policy Committee Report on the Final Recommendations – 2006 Annual Capital Budget and 2007 to 2011 Five –Year Capital Forecast be amended by adding the following clause:

> "That the City actively pursue discussions and support negotiations with the Province of Manitoba to re-instate Provincial funding in the amount of 50% to the Transit Department for a more realistic funding formula in both the capital and current budgets".

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DECISION MAKING HISTORY:

The amendment proposed by Councillors Wyatt and O'Shaughnessy, pertaining to infrastructure, was put.

Councillor Wyatt called for the yeas and nays, which were as follows:

Yea: His Worship Mayor Katz, Councillors O'Shaughnessy, Benham, Clement, De Smedt, Gerbasi, Lubosch, Magnifico, Pagtakhan, Smith, Steeves, Swandel, Thomas, Wyatt and Eadie. 15

Nay: 0

and the amendment was declared carried.

The amendment proposed by Councillors Wyatt and O'Shaughnessy, pertaining to transit funding, was put.

Councillor Wyatt called for the yeas and nays, which were as follows:

Yea: His Worship Mayor Katz, Councillors O'Shaughnessy, Benham, De Smedt, Gerbasi, Lubosch, Magnifico, Pagtakhan, Smith, Steeves, Swandel, Thomas, Wyatt and Eadie. 14

Nay: Councillor Clement 1

and the amendment was declared carried.

The motion for the adoption of the recommendation of the Executive Policy Committee, as amended, was put and declared carried.

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 15, 2006, the Executive Policy Committee concurred in the preliminary 2006 Annual Capital Budget – 2007 to 2011 Five-Year Capital Forecast, with the following amendments:

- Delete Recommendation No. 1 in its entirety and replace with the following:

    1. That the 2006 Capital Budget totalling $307,583,000, requiring borrowing authority totalling $93,560,000 for the Waterworks System, Local Improvements and the Transit System (loan from the Federation of Canadian Municipalities), and the 2007 to 2011 Five Year Capital Forecast as tabled at the Executive Policy Committee meeting on February 6, 2006, and amended by Recommendation No. 2, be approved.

- Insert the following as Recommendation No. 2

    2. That the following changes be made to the 2006 Capital Budget tabled on February 6, 2006:

Description	Amount
Preliminary Capital Budget Tabled on February 6, 2006	**$307,583,000**
Increase the *Pedestrian and Cycle Facilities – Various Locations* project.	100,000
Provide funding for a *Playground Replacements* project.	250,000
Re-direct funds from *Special Innovative Capital* to the two projects above.	(350,000)
Allocate $1,100,000 from *Regional Street Renewals – Annual Program – Various locations to be identified* to *Bison Drive – Pembina Highway to Markham Road*.	--
Correct the *Ness Avenue rehabilitation project - Belvidere Street to Ferry Road* to reflect Ness Avenue as Westbound instead of Eastbound.	--
Capital Budget as recommended by Executive Policy Committee	**$307,583,000**

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DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

and renumber the balance of the recommendations accordingly;

- Amend Recommendation No. 4.A. establishing a Public Transit Reserve by deleting the words "Federal Gas Tax" so as to read as follows:
  4.A. That the City establish a Public Transit Reserve, in accordance with section 289(1) of The City of Winnipeg Charter, dedicated for Government of Canada (Bill C-66) Funds, for eligible projects;

- Insert the following as Recommendation No. 9

  9. That the 2006 Capital Budget funding of $1 million for the City's Affordable Housing Initiative be provided to the Housing Rehabilitation Investment Reserve for the following programs:

     A. $200,000 for Aboriginal Housing;
     B. $640,000 for the 4 Housing Improvement Zones ($160,000 each for William Whyte, Spence, North Point Douglas and West Broadway); and
     C. $160,000 for a new Housing Improvement Zone established in the Centennial Neighbourhood.

  and renumber the balance of the recommendations accordingly,

and submitted the matter to Council.

On February 6, 2006, the Executive Policy Committee referred the Preliminary 2006 Annual Capital Budget and the 2007 to 2011 Five-Year Capital Forecast to the following budget process timetable, namely:

February 7 to February 9, 2006	Standing Policy Committees - Review
February 13, 2006	Executive Policy Committee - Delegations
February 15, 2006	Executive Policy Committee - Recommendation to Council
February 21, 2006	Council Meeting

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DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

Further, on February 6, 2006, the Executive Policy Committee tabled the Preliminary 2006 Annual Capital Budget – 2007 to 2011 Five-Year Capital Forecast, which outlined the following recommendations, namely:

1. That the 2006 Capital Budget totalling $307,583,000.00 requiring borrowing authority totalling $93,560,000.00 for the Waterworks System, Local Improvements and the Transit System (loan from the Federation of Canadian Municipalities), and the 2007 to 2011 Five Year Capital Forecast be reviewed and submitted to Council for adoption.

2. That the transfers from utility operations, reserves and other funds outlined in the capital budget submission be approved, with cash flows to be determined by the Chief Administrative Officer.

3. A. That the City establish a Public Transit Reserve, in accordance with Section 289(1) of the City of Winnipeg Charter, dedicated for Government of Canada Federal Gas Tax (Bill C-66) Funds, for eligible projects;
   B. That the Fund manager for the Public Transit Reserve be the Director of Transit; and
   C. That the Public Transit Reserve be terminated once eligible projects have been completed.

4. That the Director of Water and Waste be given the authority to redistribute federal gas tax revenue and retained earnings as sources of financing for approved capital projects, provided the total approved financing is not exceeded, to ensure the most effective use of federal gas tax revenues.

5. That the City work with the Province of Manitoba on project selection for funding under the new Manitoba/Winnipeg Infrastructure Program from priorities included in the City's Capital Budget.

6. A. That the Administration identify, investigate and recommend private-public partnership(s) for the police facilities identified in the "Four District Model Building Replacement" capital project; and
   B. That funding for this process, including expressions of interest, be authorized from capital funds already approved for this project in prior years.

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DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

7. That the Administration identify, investigate and include private-public partnerships in recommendations for the construction of new arterial roads or expressways identified in the five year capital forecast and report back prior to the development of future capital budgets.

8. That Council authorize the expenditures of $9,888,000.00 prior to the adoption of the 2007 capital budget as a first charge, in accordance with Subsection 288(2) of The City of Winnipeg Charter, for the purchase of diesel electric hybrid transit buses in accordance with agreements to be entered into with the Federation of Canadian Municipalities, of which $6,471,000.00 will be financed from the Transit Bus Replacement Reserve, and that Council approve borrowing authority for the balance of $3,417,000.00 for 2007.

9. That the City Solicitor/Manager of Legal Services be requested to submit the necessary borrowing by-law directly to Council.

10. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.