STANDING POLICY COMMITTEE ON

PUBLIC WORKS

On motion of Councillor Timm-Rudolph, the Report of the former Committee on Works and Operations dated September 19, 1997, was considered.

Restoration of various Retained Earnings Accounts utilizing year end surplus in General Revenue Fund File FT-1(Vol. 5)

75 - ***Note: Clause 6 has been referred to the Standing Committee on Fiscal Issues for review.***

Referred to the Standing Committee on Fiscal Issues for review

STANDING POLICY COMMITTEE ON

PUBLIC WORKS

On motion of Councillor Timm-Rudolph, the Report of the former Committee on Works and Operations dated November 4, 1997, was considered clause by clause.

Moved by Councillor Timm-Rudolph,
That the Consent Agenda, Clauses 3 and 4 be adopted.

Carried.

1998 Water, Sewer And Solid Waste Utility Rates File WW-2.3 (Vol. 11)

76 - 1. On November 4, 1997, the Committee on Works and Operations considered an Administrative report dated October 29, 1997, relative to the Water and Sewer Utility Rates for 1998, including a request that the following principles be formally adopted as part of the Utilities' Financial Plan to ensure the future predictability of Water and Sewer Utility rates and the continued financial stability of the Water and Sewer Utilities.

Water, Sewer and Solid Waste Principles of Operation

1. Self supporting utilities - The Utilities do not receive subsidies from the mill rate.

2. Cost of service - Water and Sewer customers pay rates which reflect the cost of providing the Utility service to them. The City of Winnipeg pays tipping fees which represent the average cost per tonne of processing waste. Rates for other municipalities and commercial customers are based on cost of service plus additional amounts.

3. Service debt - The Utility Revenue is sufficient to provide funding to cover principal and interest payments.

4. Working capital of 11% of sales - Water and Sewer Utility reserves are maintained to protect the Utility from fluctuations in revenue or expenditures due to fluctuations in consumption or other unforeseen circumstances.

5. The Solid Waste Utility will strive to maintain a minimum $1,000,000.00 in retained earnings. This reserve level is set to protect the utility from fluctuations in revenue due to fluctuations in tonnages processed at the landfill and through recycling. Retained earnings is being used to establish the reserve instead of working capital given the current uncertainty surrounding landfill operations. This will be reviewed once some stability is achieved.

6. Rates are planned over 5 years - Rates are set in the Water and Sewer Utilities to try to eliminate significant fluctuations from year to year. A time frame of 5 years has been established as a reasonable period for this purpose.

7. Transfer to mill rate - A transfer to the general revenue fund is established at 10% of sales revenue (net of transfers to capital reserves) as a reasonable return to the City on its investment in the Water and Sewer Utilities.

8. Additional transfers are made to the mill rate to support the fire hydrant and land drainage programs in the general revenue fund. A fixed transfer to support the fire hydrant and land drainage program has been phased in and supports 100% of the fire hydrant program in 1998 and 100% of the land drainage program in 1999.

9. Establishing reserves - Reserves are established for major capital projects to mitigate significant increases in rates and establish a "pay-as-you-go" philosophy for capital programs in the Utility.

Report of the Committee on Works and Operations dated November 4, 1997

It is essential for the continuing financial stability of the Utilities that the above principles continue to be followed.

Water and Sewer Rates

The overall impact on a customer using the same amount of water and sewer services in 1998 versus 1997 is an increase in sewer and water charges in the range of 3.8% to 4.3%. Total revenue is expected to increase only 1.1% from the 1997 budget due to declining water use.

Ten-year financial projections have been made for the Water and Sewer Utilities. These projections take into consideration known future borrowing for the ten-year capital program, changes in operating expenditures and anticipated changes in consumption. In addition, these projections include adjustments to reflect the Utilities increase of their contribution to the General Revenue Fund to support the fire hydrant program in the Water Utility and the land drainage program in the Sewer Utility. The introduction of these additional supports to the mill rate over the past 3 years has moved the Utilities away from some of the stated principals of operation noted above. As a result of these additions, the Water and Sewer Utilities will be contributing 17% and 13% (1997 percentages - 17% and 12%) respectively of their sales revenue to the General Revenue Fund in 1997. These percentages do not include additional transfers to the General Revenue fund resulting from 1997 cost savings, anticipated to be approximately $2.7 million or 5% of forecasted net water sales and $3.5 million or 5% of forecasted net sewer sales. The 17% contribution from the Water Utility is expected to remain fairly constant in the future. The 12% contribution from the Sewer Utility is expected to increase to 14% in 1999 as the Land Drainage program becomes totally absorbed by the utility.

An aqueduct rehabilitation reserve was started in 1992. In 1997, the reserve contribution was 43.5¢ per 100 cubic feet. The 1998-2007 financial plan includes contribution amounts to the reserve to fully fund the aqueduct on a pay-as-you-go basis . A water treatment reserve was started in 1994. In 1997, the reserve contribution was 2¢. The 1998-2007 rate plan includes contribution amounts to the reserve to enable the Water Treatment Project to be 50% cash financed in the year 2006. The total increase in these two reserve contributions is 10¢ in 1998.

The ten year sewer projections show no rate increase in 1998. The projections indicate that the overall rate increase would be 0% in 1998-2002 with modest decreases in 2003-2007. This was accomplished, despite lower revenues as a result of reduced consumption, by continuing to control budgeted expenditures and by reducing the overall amounts contributed to the environmental projects reserve over the next 5 year period when compared to the previous financial projection. An environmental projects reserve was established in 1994. In 1997, the Reserve contribution was 19.4¢ per 100 cubic feet. The 1998-2007 rate plan includes contributions to the reserve to fully fund currently known environmental projects over the ten year period. The potential scope of future environmental projects is not known and depends to a large degree on future Provincial Government Legislation. The increase of 1.4¢ in the contribution to the reserve for 1998 has been offset by a reduction in the sewer base rate to enable the sewer utility to hold 1998 rates at 1997 levels. Reductions in contributions to the reserve from the 1997 financial plan are planned in the subsequent five years.

The Sewage Disposal capital program has been financed on a pay-as-you-go basis since January 1, 1996. No additional borrowing will be required into the foreseeable future for new capital projects.

The 1998 Water and Sewer Financial Projection Assumptions

There are several assumptions built into the financial projections. All of these assumptions were reviewed and some were changed to better reflect an appropriate financial framework.

1. The financial projections extend 10 years. The degree of uncertainty increases as projections extend beyond 1 or 2 years, however it is important to have a longer term view to coincide with longer capital planning cycles.

2. Consumption projections have decreased from the 1997 rate model. Research on the future trends in water consumption indicates consumption is not anticipated to continue to increase at historic rates. Price, economic conditions, weather and conservation initiatives are factors that contribute to this trend.

3. The utilities target to achieve a reserve of 11% of net sales in working capital in each fifth year of the financial projection (ie, 2002 and 2007).

   Working capital is used instead of retained earnings because it is a better measure of liquidity. The purpose of the reserve is to provide stability in any given year when consumption falls short of anticipated levels or if emergency funds are required. Therefore it is important that this reserve be made up of cash or near cash items which is defined as cash and receivables net of current accounts payable, ie. working capital. The

Report of the Committee on Works and Operations dated November 4, 1997

target percentage of 11% is based on historical data of consumption fluctuations. Consumption fluctuations of 11% are rare. Therefore this percentage was used as a reasonable target to protect the utility.

4. The Water and Sewer financial projections have assumed that savings generated in 1997 due to deficit avoidance, and other cost cutting measures will be transferred to the General Revenue fund. If the Utilities were allowed to keep 100% of the forecasted savings in 1997 of $2.7 million in Water and $3.5 million in Sewer, proposed rates for Water and Sewer could each have been reduced by 3¢ for each of the next 5 years over the current financial projection. This would result in a reduction of the combined Water and Sewer rate increase for residential customers from 4.0% to 2.9% in 1998.

The most significant impact of changes in the above assumptions is the amount of the transfer made by the Utilities to the general revenue fund. The majority of the transfer to the general revenue fund is based on 10% of net sales. Anticipated sales revenue has decreased because consumption projections have decreased. The transfer to the mill rate from the Water Utility for 1998 is $8,063,000.00. This is an increase of $335,000.00 from forecasts for 1997 but $178,000.00 less than previous projections for 1998.

The transfer to the mill rate from the Sewer Utility for 1998 is $9,208,000.00. This is an increase of $466,000 from forecasts for 1997 but $322,000.00 less than previous transfer projections for 1998.

Solid Waste Disposal Utility Rates

The completion of the BFI Landfill in Rosser, Manitoba has had significant financial impacts on the Solid Waste Disposal Utility and General Revenue Fund in 1997.

The Solid Waste Utility charges the City of Winnipeg a tipping fee for disposal of residential waste. The fee charged has historically been based on the average cost of disposal per tonne of waste processed. The cost of disposal includes debt service costs incurred on landfill capital expenditures and employee benefits and other administrative costs associated with operating the landfills.

The tonnages to be disposed of at the landfills have decreased in 1997. The majority of the operating costs associated with the landfill do not fluctuate with the volume of waste processed. They are fixed costs. Consequently as the tonnages processed decrease the average cost per tonne of processing increases.

Based on the analysis of the 1997 and 1998 budgeted expenditures and the anticipated tonnages to be processed, the average cost per tonne was $25.00 in 1997, and was proposed to be $29.00 in 1998. A close review of budgeted expenditures and anticipated tonnages was done for 1998. As a result of anticipated increases in 1998 projected tonnages, the tipping fee rate for the City of Winnipeg will be $27 per tonne for 1998. This will result in an overall reduction in the City of Winnipeg refuse collection payments for landfill tipping of $390,000.00.

The Solid Waste Utility has contributed significant amounts to the General Revenue fund in the past. This, coupled with the anticipated significant reductions in the Landfill revenue has resulted in an impairment of the Utility's retained earnings. In order to achieve some financial stability in the Solid Waste Utility in 1997 and continuing in 1998, the utility did not anticipate any transfers to the General Revenue Fund. In 1997 however, it is anticipated that savings generated during the year through deficit avoidance of approximately $800,000.00 will be transferred to the General Revenue fund.

The Take Pride Winnipeg program, which is funded by a portion of the commercial tipping fee will see a decrease from forecasted amounts of $480,000.00 in 1997 to $312,000.00 in 1998. These reductions are directly related to anticipated reductions in commercial waste tonnages disposed of at the landfills.

As predicted, the BFI Landfill has had far reaching effects on both the Solid Waste Utility and the General Revenue funds.

The recycling program has also impacted the Utility budget. Currently, the expected tonnages to be recycled are lower than previously hoped. Commodity prices for the sale of recyclables have also been budgeted to continue to remain low in 1998. As a result, the recycling program is budgeted at a net cost of approximately $714,000.00 in 1998. This represents an improvement over the previously projected loss from recycling of $1,695,000.00. This reduction is due to lower anticipated program costs mainly in lower contract payments to Laidlaw as a result of lower tonnages. It is also anticipated that the Multi Material Stewardship Board will fund 80% of net costs in the recycling program as indicated in their recycling program plan. The Utility is continuing to review and optimize this developing program.

Report of the Committee on Works and Operations dated November 4, 1997

The following appendices are provided for the information of Council, namely:

Appendix "A" - Schedule of recommended increases to miscellaneous fees and charges.

Appendix "B" - History of Water, Sewer and Solid Waste Rates for the past 6 years.

Appendix "C" - Ten year financial projection of revenue, expenditures and working capital for the Waterworks System Fund based on the recommendations contained in this report.

Appendix "D" - Ten year financial projection of revenue, expenditures and working capital for the Sewage Disposal System Fund based on the recommendations contained in this report.

Appendix "E" - The impact of the Water and Sewer recommendations on sample customers January 1st, 1998.

Appendix "F" - The Solid Waste Disposal Utility 1997 forecast, and 1998 budget summary.

The Department of Water and Waste recommends:

I. That the water rates, based on water used, be increased January 1st, 1998 as follows:

from $2.10 to $2.32 per 100 cu. ft. from 0 - 9,600 cu. ft./quarter (Block 1)
from $1.72 to $1.91 per 100 cu. ft. from 9,600 - 96,000 cu. ft./quarter (Block 2)
from $1.33 to $1.50 per 100 cu. ft. over 96,000 cu. ft./quarter (Block 3)
which includes 15.5¢ per 100 cubic feet for the Aqueduct Rehabilitation Reserve and 40.0¢ per 100 cubic feet for the Water Treatment Reserve.

II. That the sewer rate, based on water used, remain unchanged from 1997 at $2.83 per 100 cu. ft. which includes 20.8¢ per 100 cubic feet for the Environmental Projects Reserve.

III. That the landfill tipping fee charged for commercial disposal remain at $40.00 per tonne.

IV. That the landfill tipping fee charged to The City of Winnipeg for residential disposal increase from $25.00 to $27.00 for 1998.

V. That the landfill tipping fee charged to municipalities outside the City of Winnipeg be set at $32.00 for 1998.

VI. That the additional fees and charges outlined on Appendix "A" be approved effective January 1, 1998.

VII. That the City Solicitor be instructed to prepare the necessary By-laws for submission to Council at the November 19, 1997 meeting.

VIII. 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 hereto.

On November 4, 1997, the Committee on Works and Operations considered this matter and in view of a tie vote, submits this to Council without recommendation.

A copy of the Appendices referred to in the above clause are on file in the office of the City Clerk.

The Executive Policy Committee concurs with recommendations I. to VIII. of the Administration, as noted above.

Moved by Councillor Timm-Rudolph,
That the clause be considered.

Moved by Deputy Mayor Eadie,
That the recommendation of the Executive Policy Committee be adopted.

Report of the Committee on Works and Operations dated November 4, 1997

The recommendation proposed by Executive Policy Committee was put.

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

Yea: Councillors Prystanski, Angus, O'Shaughnessy, Phillips, Silva, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Clement. 9

Nay: Councillors Golden, Lazarenko, Lubosch, Murray, Steek, Thomas and Vandal. 7

and the recommendation of the Executive Policy Committee was declared carried.

Award Of Contract For The Mechanical Collection Of Solid Waste From Apartments And Small Commercial Establishments - Tender No. P.D. 97-105, 106 And 107
Files GL-9(Vol. 10) [c/r WT-1.2(Vol.11)]

77 - 2. The existing multi-year contracts for the Mechanical Collection of Solid Wastes from Apartment and Small Commercial Establishments will expire on January 31st, 1998. Tenders for new multi-year contracts for the period from February, 1998 to January, 2001 were advertised in the Winnipeg Free Press on August 18th, 1997. Funds for this work are included every year in the Annual Current Estimates, Account No. 01 552404 610301 and Account No. 01 552404 610302.

Tenders closed on September 9th, 1997 for PD 97-105, September 10th, 1997 for PD 97-106 and September 11th, 1997 for PD 97-107 with those bids being received shown in the Tabulations of Tender as outlined in Appendix "A". A summary of the tender submissions received are outlined in Appendix "B". In all cases, the recommended tender submissions are for the lowest bid submitted having met all requirements of the specifications.

The tender amounts exceed the pre-tender estimates by a total of $679,931.83 per year or by 30%. In addition, as disposal costs at the landfill have not changed, it is really the collection costs that have increased. Compared to the previous contracts, collection costs have risen from $724,000.00 to $1,368,000.00 which represents an increase of $644,000.00 or 89%, as outlined in Appendix "C".

The Contractor has indicated that the price increase, in part, relates to very low bids submitted in the past. This can be supported by the fact that costs for this work decreased by 15.4% six years ago and another 28.2% three years ago.

The City does not have the capability to do this work, nor could it mobilize by January 31st, 1998. The City has no estimate of the cost to do this work in-house. There is no reason to believe that re-tendering would change the prices, or that the tender could be changed materially. Accordingly, it is recommended that the contract be awarded as tendered.

It is also noted that Canadian Waste Services is the low bid for all three tenders for the Alternative B condition of all disposals at a single Brady Road Landfill site. This alternative will be utilized once the Summit Road site is closed down, and represents an additional $69,570.00 contract cost--or a further 9.6% increase--over current costs.

As noted in the Tender Tabulation, PD 97-106, Serpreco Systems Ltd. were properly deemed non-responsive due to an omission of including a bid security with their offer. However, it is noted that they have given formal notice of their intention to request Committee's reconsideration of this designation, as they wish consideration of a Bidding Condition which allows the waiving of technical requirements relative to their bid, which they think is in the best interests of the City.

This Contract will be awarded for a three year period. Clause BI:23 "Award of Contract" states that a Contract award for a three year period is subject to approval of funds by City Council. In the event that funding is not approved for a particular year, no work will be performed under this Contract and the City will have no obligation to pay the contractor for that year.

Report of the Committee on Works and Operations dated November 4, 1997

Engineering staff of this department are satisfied that the low tenderer has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The Contractor has satisfactorily carried out previous construction works of a similar nature.

The Manager of the Materials Management Division has advised that each of the tender submissions was accompanied by a bid bond and an agreement to bond, which have been certified by Legal Services except for the bid submitted by Serpreco Systems Ltd. which was determined to be non-responsive.

The tender recommended for acceptance is the low bid having met all requirements of the specifications. This offer is open for acceptance until November 23rd, 1997 for PD 97-105, November 24th, 1997 for PD 97-106 and November 25th, 1997 for PD 97-107.

The tendering of these three contracts was approved by the Expenditure Management Committee on July 15th, 1997, acting under the direction of the Executive Policy Committee.

The Committee on Works and Operations recommends:

I. i) That a contract for mechanical collection of solid waste from apartments and small commercial establishments within the southwest sector (PD97-105) be awarded to Canadian Waste Services Inc., the lowest bidder meeting the specifications, for the period February 1, 1998 to January 31, 1999 in the conditional amount of $689,301.12;

ii) That in accordance with BI:233.05 of the Tender Documents, the above contract provide that the City may extend the contract for up to 2 consecutive one-year terms if, in respect of each such one-year terms, City Council approves funding of the contract for that particular year, and that if funding is not so approved, the contract shall terminate.

II. i) That a contract for mechanical collection of solid waste from apartments and small commercial establishments within the northeast and southeast sector (PD97-106) be awarded to Canadian Waste Services Inc., the lowest bidder meeting the specifications, for the period February 1, 1998 to January 31, 1999 in the conditional amount of $1,135,511.55;

ii) That in accordance with BI:233.05 of the Tender Documents, the above contract provide that the City may extend the contract for up to 2 consecutive one-year terms if, in respect of each such one-year terms, City Council approves funding of the contract for that particular year, and that if funding is not so approved, the contract shall terminate.

III. i) That a contract for mechanical collection of solid waste from apartments and small commercial establishments within the west central and northwest sector (PD97-107) be awarded to Canadian Waste Services Inc., the lowest bidder meeting the specifications, for the period February 1, 1998 to January 31, 1999 in the conditional amount of $1,115,119.34;

ii) That in accordance with BI:233.05 of the Tender Documents, the above contract provide that the City may extend the contract for up to 2 consecutive one-year terms if, in respect of each such one-year terms, City Council approves funding of the contract for that particular year, and that if funding is not so approved, the contract shall terminate.

IV. That the Administration review the feasibility of:

i) providing for collection of solid waste from apartments and small commercial establishments in-house;
ii) replacing existing refuse collection bins with smaller autobins;
iii) implementing recycling services for small commercial establishments and multiple-family dwellings; and
iv) discontinuing the collection of solid waste from small commercial establishments and multiple-family dwellings.

V. That the “Reshaping Our Civic Government” document be amended and the matter of privatization of waste collection be revisited and a commitment be made to maintain both public and private waste collection services.

Report of the Committee on Works and Operations dated November 4, 1997

VI. 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 hereto.

The Executive Policy Committee concurs with recommendations I., II., III., and VI., and recommends that recommendations IV. and V. be laid over for further discussion.

Moved by Councillor Timm-Rudolph,
Adoption of the clause.

In amendment,

Moved by Deputy Mayor Eadie,
That the recommendation proposed by the Executive Policy Committee be adopted.

In amendment to the amendment,

Moved by Councillor Lubosch
Seconded by Councillor Vandal,

WHEREAS the award of contract for the mechanical collection of solid waste from apartments and small commercial establishments represents an increase of $644,000 or 89% compared to previous contracts;

AND WHEREAS the objective of privatization of collecting solid waste was initiated to provide for more cost efficient service delivery to the citizens of Winnipeg;

AND WHEREAS the feasibility of privatization of collecting solid waste from apartments and small commercial establishments must be reviewed and evaluated on an ongoing basis to ensure that the objective of more cost-efficient service delivery for tax payers is achieved;

THEREFORE BE IT RESOLVED that Clause 2 and the Executive Policy Committee recommendations be amended to include Recommendations IV and V.

On a question from a member of Council, the Speaker ruled the amendment to the amendment in order.

The Speaker called the Deputy Speaker, Councillor Prystanski, to the Chair in order to participate in the debate.

In amendment,

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

THAT Recommendation V. of the clause be amended by deleting all words after the word revisited in the second line thereof.

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

78 - The Deputy Speaker recognized in attendance in the gallery, Mr. Simon Matse, a student from Swaziland studying democracy.

Report of the Committee on Works and Operations dated November 4, 1997

The amendment proposed by Councillors O'Shaughnessy and Steek was put.

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

Yea: Councillors Clement, Angus, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie and Her Worship Mayor Thompson. 9

Nay: Councillors Golden, Lazarenko, Lubosch, Murray, Thomas, Vandal and Prystanski. 7

and the amendment proposed by Councillors O'Shaughnessy and Steek was declared carried.

The amendment to the Executive Policy Committee recommendation was put.

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

Yea: Councillors Golden, Lazarenko, Lubosch, Murray, Steek, Thomas, Vandal and Prystanski. 8

Nay: Councillors Clement, Angus, O'Shaughnessy, Phillips, Silva, Timm-Rudolph, Deputy Mayor Eadie and Her Worship Mayor Thompson. 8

and the amendment to the Executive Policy Committee recommendation was declared lost, in accordance with Rule 58 of the Procedure By-law.

The amendment proposed by the Executive Policy Committee was put.

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

Yea: Councillors Clement, Angus, O'Shaughnessy, Phillips, Silva, Timm-Rudolph, Deputy Mayor Eadie and Her Worship Mayor Thompson. 8

Nay: Councillors Golden, Lazarenko, Lubosch, Murray, Steek, Thomas, Vandal and Prystanski. 8

and the recommendation of the Executive Policy Committee was declared lost, in accordance with Rule 58 of the Procedure By-law.

The motion for the adoption of the clause, as amended, was put.

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

Yea: Councillors Clement, Angus, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Deputy Mayor Eadie and Her Worship Mayor Thompson. 9

Nay: Councillors Golden, Lazarenko, Lubosch, Murray, Thomas, Vandal and Prystanski. 7

and the motion for the adoption of the clause, as amended, was declared carried.

Report of the Committee on Works and Operations dated November 4, 1997

Additional Spending for Sewer Renewal/Sewer Relief Works
File WS-5 (Vol. 18)

79 - 3. The Committee on Works and Operations has been advised that an amount of 85¢ per frontage foot is charged for the Sewer Renewal Frontage Levy, as authorized by Bylaw No. 6803/96, for a total budgeted revenue of $8.54 million. Council approved the 1997 Capital Program which included an amount of $6.08 million for Combined Sewer Renewals, $0.42 million for Wastewater Sewer Renewals, and $0.5 million for Combined Sewer Relief, for a total of $7.0 million.

There are economically viable Combined Sewer Renewal and Combined Sewer Relief projects which could practicably be undertaken in the winter months, and which would normally be funded from the Combined Sewer Renewal budget. It is expected that pricing for these works would be competitive given the low volume of work available to sewer and water contractors this winter. Surplus funds exist in the Combined Sewer Renewal Reserve and in the Combined Sewer Renewal Allowance for Unforeseen which can be allocated to fund these works as outlined in Appendix "A".

The Wastewater and Combined Sewer Renewal Programs are funded from the Sewer Renewal Frontage Levy, as per By-Law No. 6803/96.

In January of 1997, the Department initiated the Sewer Management Study, the objective of which was to develop a Best Management Practice for sewer infrastructure. This included development of a framework for sewer condition assessment, in order to ensure a consistent rating method for quantifying defects, and provide a foundation for the collection of this data in a manner consistent with database management and interpretive assessment objectives. Using existing sewer televising videotapes, priorities have been established for sewer renewal and rehabilitation. These projects have a high benefit cost ratio. It is recommended that a supplemental sewer renewal program be undertaken for the sewers which have been identified using funding of $0.5 million available from the Combined Sewer Renewal Allowance for Unforeseen, and $0.7 million from the Combined Sewer Renewal Reserve, for a total of $1.2 million.

From 1977 to 1995 inclusive, the Combined Sewer Relief Program was solely mill-rate financed. In 1996, Council approved an increase in the Sewer Renewal Frontage Levy, and also approved a policy that the Combined Sewer Relief Program be funded by the frontage levy.

The goal of the Combined Sewer Relief Program is to upgrade the level of protection against basement flooding from sewer backup for a rainstorm with a return frequency of five years. The Program has tangible benefits higher than program costs. Also, intangible benefits include reduced health risks associated with basement flooding, the personal security that comes with a high level of protection and a better image of Winnipeg as a modern city with adequate infrastructure.

Improvements to the Baltimore Sewer District are recommended as the next priority under the Combined Sewer Relief Program. Tendering of these works could take place as early as December of this year. This would allow for project completion prior to the late spring and summer rainy season.

It is recommended that this project be funded using $0.3 million available from the Combined Sewer Relief Program and $1.1 million from the Combined Sewer Renewal Reserve for a total allocation of $1.4 million.

Future sewer renewal/ rehabilitation and relief works will be undertaken as per the Five Year Capital program. The proposed 1998 Capital provides for extensive sewer televising in order to expand the sewer condition database. It is anticipated that a priority listing of sewer renewal/rehabilitation projects will be produced via this database, and that future sewer renewal capital budgets will be fully expended.

The Committee on Works and Operations recommends:

I. That funding in the amount of $500,000.00 from the Combined Sewer Renewal Allowance for Unforeseen and $700,000 from the Combined Sewer Renewal Reserve be approved for a supplemental sewer renewal program.

Report of the Committee on Works and Operations dated November 4, 1997

II. That funding in the amount of $1,100,000.00 from the Combined Sewer Renewal Reserve be approved for Baltimore District Combined Sewer Relief.

III. 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 hereto.

Adopted by consent.

Proposal to Reinstate $80,000 for Fall Street Cleaning File SC-3 (Vol. 6)

80 - 4. Council at its meeting held on October 22, 1997, ruled automatic referral of the following motion to the Committee on Works and Operations, under Rule 16.1 of the Procedure By-law No. 5400/90:

Moved by Councillor Thomas,
Seconded by Councillor Murray,

WHEREAS city streets are in a dirty and unsightly condition from various debris, soil and leaf matter;

AND WHEREAS it is important that the City of Winnipeg not create a hazard for sewer and catchment blockage and the possibility for surface flooding of residents;

AND WHEREAS fall street cleaning is a preventative action that will preempt expenditures in the spring by Water and Waste;

THEREFORE BE IT RESOLVED THAT the $80,000 for fall street cleaning be reinstated into the budget for fall of 1997 and the Streets and Transportation Department be notified to commence cleaning when appropriate.

Due to the untimeliness of the request, the Committee on Works and Operations is unable to act upon any fall street cleaning and therefore recommends that this motion be filed and submits same to Council for approval.

Adopted by consent.

STANDING POLICY COMMITTEE ON PUBLIC WORKS

MOTIONS

Moved by Councillor Lazarenko
Seconded by Councillor Phillips,
81 - WHEREAS on October 22, 1997, Council amended the City Policy on Snow and Ice Control to reduce the accumulation requirement for plowing residential streets from 15 cm to 10 cm in order to provide an increased level of service at an additional cost of approximately $500,000 annually;

AND WHEREAS Winnipeg Police officials have stated that increased snow clearing will reduce automobile accidents;

AND WHEREAS and Manitoba Public Insurance officials have commented that fewer accidents will lessen the cost of insurance claim payouts;

THEREFORE BE IT RESOLVED THAT the City of Winnipeg study the relation between an increased level of snow clearing and MPI payouts, with a view to discussions with the province on cost recovery.

The Speaker ruled automatic referral to the Standing Policy Committee on Public Works, in accordance with Rule 16.1 of the Procedure By-law.

STANDING POLICY COMMITTEE ON PUBLIC WORKS

CONSIDERATION OF BY-LAWS

82 - On motion of Councillor Timm-Rudolph, the following by-laws were read a first, second and third time, the rule being suspended for the third reading of each by-law, and were passed and ordered to be signed and sealed, namely:

By-law No. 7022/97, a by-law of The City of Winnipeg to amend certain provisions and regulations of Local Improvements By-law No. 98/72 as amended. File SL-1 (Vol. 20)

By-law No. 7113/97, a by-law of The City of Winnipeg to amend By-law No. 1573/77, being The City of Winnipeg Traffic By-law. File ST-5.2 (Vol. 24)

On motion of Councillor Timm-Rudolph, the rule was suspended and the following by-laws were read a first time, namely:

By-law No. 7121/97, a by-law of the City of Winnipeg to amend By-law No. 504/73, being the Water Works By-law. File WW-2.3 (Vol. 11)

By-law No. 7122/97, a by-law of the City of Winnipeg to estimate and fix the surcharges as provided for in By-law No. 7070/97, being the Sewer By-law. File WW 2.3 (Vol. 11)

Councillor Timm-Rudolph moved that this constitute the first reading of By-law Nos. 7121/97 and 7122/97, which motion was carried.

On motion of Councillor Timm-Rudolph, By-law Nos. 7121/97 and 7122/97 were read a second time.

Councillor Timm-Rudolph moved that this constitute the second reading of By-law Nos. 7121/97 and 7122/97.

The motion was put.

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

Yea: Councillors Clement, Angus, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Vandal, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Prystanski. 11

Nay: Councillors Golden, Lazarenko, Lubosch, Murray and Thomas. 5

and the motion that this constitute the second reading of By-law Nos. 7121/97 and 7122/97 was declared carried.

On motion of Councillor Timm-Rudolph, the rule was suspended and By-law Nos. 7121/97 and 7122/97 were read a third time.

The motion to suspend the rule was put.

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

Yea: Councillors Clement, Angus, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Vandal, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Prystanski. 11

Nay: Councillors Golden, Lazarenko, Lubosch, Murray and Thomas. 5

and the motion to suspend the rule to allow By-law Nos. 7121/97 and 7122/97 to be read a third time was declared carried.

Standing Policy Committee on Public Works - Consideration of By-laws (continued)

Councillor Timm-Rudolph moved that this constitute the third reading of By-law Nos. 7121/97 and 7122/97.

The motion was put.

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

Yea: Councillors Clement, Angus, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Vandal, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Prystanski. 11

Nay: Councillors Golden, Lazarenko, Lubosch, Murray and Thomas. 5

and the motion that this constitute the third reading of By-law Nos. 7121/97 and 7122/97 and that same be passed and ordered to be signed and sealed, was declared carried.