REPORT OF THE

STANDING POLICY COMMITTEE ON PUBLIC WORKS

DATED NOVEMBER 20, 2001

On motion of Councillor Timm-Rudolph, the Report of the Standing Policy Committee on Public Works, dated November 20, 2001, was considered clause by clause.

Moved by Councillor Timm-Rudolph,
That the Consent Agenda, Clauses 1,2,3,4 and 5 be adopted.

Carried.

Winnipeg Transit Bus Fleet Insurance
File TE-1 (Vol. 7)

102 - 1. The Standing Policy Committee on Public Works has been advised that in 1972, the Province of Manitoba exempted the Winnipeg Transit bus fleet from the compulsory insurance plan.

From 1972 until 1995, the compulsory insurance plan allowed the right to sue for bodily injury and property damage. During this time the Winnipeg Transit bus fleet was self- insured for the first $1,000,000.00 and purchased a layer of reinsurance over the $1,000,000.00 for limits up to $75,000,000.00. During this period, Manitoba Public Insurance (MPI) administered the claims and billed Winnipeg Transit for the actual cost of the claims and an administration fee.

In 1995, MPI introduced the No Fault program known as the Personal Injury Protection Plan (PIPP). Under this plan, the right of individuals to sue for bodily injury sustained in a traffic accident was eliminated. Instead, injured persons would immediately begin receiving benefits as predefined under the PIPP program. On April 19, 1995, City Council gave formal approval of the insurance coverage for the Winnipeg Transit buses as arranged by the City Treasurer and the City's Insurance Consortium identified on Appendix "A".

During the last quarter of 2000, MPI advised the City that effective January 1, 2001, they could no longer offer the reinsurance coverage that had been provided since April of 1995. MPI has agreed to provide temporary insurance during the year 2001 to allow time for the City to decide on a course of action with respect to insuring the Transit bus fleet.

The Risk Management Division of Corporate Finance directed the City's Insurance Consortium to search the private market for insurers willing to offer a reinsurance program for the Transit bus fleet, but they were not able to find any insurer that would provide the necessary coverage.

Since there were no options available in the private insurance market, the Risk Management Division, in conjunction with the City's Insurance Consortium, obtained a proposal from MPI for the Winnipeg Transit bus fleet to enter the Autopac Fleet Program identified on Appendix "B". To enter the Autopac Fleet Program, Winnipeg Transit must make a formal application to MPI, who will then approach the Public Utilities Board for approval.

The No Fault automobile insurance plan that was introduced in 1995 took away the right to sue for injuries sustained in an automobile accident. Instead, anyone injured in an automobile accident in Manitoba immediately becomes eligible to receive benefits as described in PIPP. This has produced considerable savings in most cases.

On the other hand, certain types of claims, particularly those that result in long-term care, can often result in much higher costs than would have been incurred under the previous "tort" system. MPI has advised that long-term care for serious injuries can easily reach $6 or $7 million compared to $2 or $3 million under the "tort" system.

The increased costs in this area have placed upward pressure on MPI's re-insurance premiums. They have reached the point where MPI can no longer offer the Winnipeg Transit bus fleet reinsurance over the self-insured amount of $1,000,000.00.

The Winnipeg Transit bus fleet is exposed to the risk of large losses if multiple people are injured in a single accident. Long-term care for three or four people could result in claims in the range of $20 to $30 million. An accident involving a transit bus with a full load of passengers could result in a catastrophic loss.

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Depending on actual claims experience, participants in the Autopac Fleet Program are entitled to premium rebates in the event of low losses. The claims history of the Winnipeg Transit bus fleet, from 1976 until the present, shows that the full rebate would have applied in each year. The premiums quoted by MPI to enter the Autopac Fleet Program (assuming full rebate) would, on average, be about the same as the actual cost of the current arrangement of self-insurance and reinsurance. Therefore, entering in to the Autopac Fleet Program will not significantly change the existing budget projections for the Winnipeg Transit bus fleet.

There are currently approximately 118 open claims involving transit buses, each of which will remain open until all of the PIPP benefits have been exhausted. The current reserves on a claim could increase if the medical condition of an injured person worsens. The only way to prevent the possibility of Winnipeg Transit being charged for increased claims costs is to "Buy Out" the claims for $214,000.00 as quoted by MPI. Upon receipt of this payment, MPI will assume the risk of any additional costs that may arise.

In order to enter the Autopac Fleet Program, the Winnipeg Transit bus fleet will have to give up its exempt status under the compulsory automobile plan. Once given up, it is very unlikely that any appeal to reinstate the exemption would succeed.

City Council approval is required for Winnipeg Transit to apply for coverage of the bus fleet under Autopac's Fleet Program and to waive its existing self-insurance exemption under MPI's regulations.

The Financial Impact Statement is outlined on Appendix "C".

The Standing Policy Committee on Public Works recommends:

I. That Winnipeg Transit be authorized to apply to Manitoba Public Insurance for inclusion of the Winnipeg Transit bus fleet in the Autopac Fleet Program, and that the Transit bus fleet continue to be treated as a separate fleet for insurance purposes.

II. That the City buy-out the existing bus fleet claims for $214,000.00 as per Manitoba Public Insurance's quotation.

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 thereto.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Proposed Amendment to Sewer By-law No. 7640/2000, Section 42.1 – Large Volume Sewer Discount Adjustment

File WW-2.3 (Vol. 15)

103 - 2. On January 26, 2000, City Council amended and adopted Clause 1 of the Report of the Standing Policy Committee on Public Works dated January 18, 2000, which included a recommendation that a discount sewer rate be provided in support of economic development for large users, effective July 1, 2000.

On May 24, 2000, Council passed By-law No. 7640/2000, an amendment to Sewer By-law No. 7070/97, to include Section 42.1, Large Volume Sewer Discount Adjustment, as follows:

"42.1 Large Volume Sewer Discount Adjustment

Any person may receive a large volume sewer discount adjustment as listed in Schedule "A" subject to meeting all of the following criteria:

1) the owner or occupant uses over the base amount shown on Schedule "A" in sewer services (uniform sewer rate and/or over strength wastewater surcharge) in a calendar year; and
2) the owner or occupant makes application on a yearly basis by March 15 following the calendar year in which the discount is being requested; and
3) sales outside of the City must account for at least twenty-five (25%) percent of the owner's or occupant's sales on a calendar year basis. The owner or occupant, at their own expense and to the

satisfaction of the Sewer Utility, must provide an audited statement of sales by an independent accounting professional, authorized to provide such opinions in the Province of Manitoba; and

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4) the nature of business or undertaking of the owner or occupant is limited to the manufacture, fabrication, assembly or processing of goods and materials at premises located within the City; and
5) an owner or occupant is not in default under the Sewer By-law or the Water Works By-law.

The Sewer Utility may credit the discount annually. A discount credit will be applied directly to the owner's or occupant's sewer services account."

In addition, Schedule "A" to By-law No. 7070/97 was revised to include the following:

"Schedule "A"

18. Large Volume Sewer Discount Adjustment – Section 42.1
Thirty (30%) percent discount on the total dollar value of sewer services (uniform sewer rate and/or over strength wastewater surcharge) in a calendar year over and above the first one hundred thousand ($100,000.00) dollars of billed services (the "base amount").

which shall come into force and effect on July 1, 2000."

In June of 2001, the Water and Waste Department completed a review of the first year of the program. There were several inquiries regarding the March 15 deadline for submitting applications for the discount. Many clients had difficulty in meeting this deadline and the department extended the application date to May 7, 2001, taking into consideration that this was the first year of the program. Some customers also experienced concern regarding the cost of having to provide an additional audited statement of sales that was required to determine eligibility for the Large Volume Sewer Discount.

Based upon customers' comments and the first year's experience, the Water and Waste Department is recommending that the March 15 deadline for applications be extended to December 31 following the calendar year in which the discount is being requested. This flexibility would: (1) permit the customer to have the audited statement of sales completed in conjunction with their fiscal year end audits and may help in consolidating or reducing their audit costs, and (2) provide sufficient time to complete the application. There would be no cost implications to the department since, in the event that a customer delays application for the discount, the utility earns interest on the working capital.

In January 2002, as part of the current communication strategy, the top fifty customers will be mailed an information package and advised of the deadline extension beginning 2002. The information package will detail program requirements and highlight the change in submission date.

There is no financial impact associated with extending the application deadline.

An amendment to the Sewer By-law requires Council approval.

The Standing Policy Committee on Public Works recommends:

I. That effective January 1, 2002, Council approve an amendment to the Sewer By-law No. 7070/97, Large Volume Sewer Discount Adjustment, Section 42.1 Part 2, that changes the deadline for application from March 15 to December 31, as follows:

"2) the owner or occupant makes application on a yearly basis by December 31 following the calendar year in which the discount is being requested; and"

II. 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.

Adopted by consent.

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Local Improvement Project - 14 feet (6 inches thick) Concrete Lane Pavement on all lanes in the block bounded by Essex Avenue and Ellesmere Avenue, Egerton Road and Des Meurons Street
File SL(2001) (Vol. 1)

104 - 3. The Standing Policy Committee on Public Works has been advised that a "Petition For" has been received with respect to a 14' x 6" concrete lane pavement local improvement project on all lanes in the block bounded by Essex Avenue and Ellesmere Avenue, Egerton Road and Des Meurons Street. As a note, the north-south portion of the lane is to be constructed 16 feet wide with the property owners benefited to be assessed on the basis of a 14' x 6" concrete lane pavement.

On November 13, 2001, the Riel Community Committee recommended that this local improvement project be proceeded with.

The Standing Policy Committee on Public Works therefore recommends:

I. That the Local Improvement Project for a 14' x 6"concrete lane pavement on all lanes in the block bounded by Essex Avenue and Ellesmere Avenue, Egerton Road and Des Meurons Street be proceeded with.

II. That in accordance with the policy for funding local improvements adopted by Council on July 22, 1998, as outlined in Clause 1 of the Report of the Standing Committee on Fiscal Issues dated July 13, 1998, construction be deferred until the year 2002, and necessary funding be identified in the 2002 Annual Capital Estimates.

III. That the City Solicitor/Manager of Legal Services be requested to prepare the necessary Local Improvement By-law in accordance with the foregoing and submit same directly to Council for approval.

IV. 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.

Adopted by consent.

Local Improvement Projects - Riverbank Stabilization
File SL(2001) (Vol. 1)

105 - 4. The Standing Policy Committee on Public Works has been advised that three (3) successful "Petitions For" have been received with respect to riverbank stabilization works in the form of erosion control, representing 100% of the properties listed below:

- Petition 1 – 196, 200, 202, 208 and 210 Kingston Row, 3 to 19 Dunkirk Place inclusive, and 23 Dunkirk Place
- Petition 2- 409, 413, 419 and 435 Kingston Crescent
- Petition 3 – 163, 165, 169 and 171 Kingston Row

On November 13, 2001, the Riel Community Committee recommended that these local improvement projects be proceeded with.

On November 20, 2001, the Standing Policy Committee on Public Works considered the matter and Councillor Steeves submitted a revised Petition 1 with respect to the properties located on Kingston Row, namely:

> "The construction of works to stabilize the bank of the Red River in the form of erosion control (rip rap) along the rear of the properties located at 196 to 210 Kingston Row both inclusive and 3 to 19 Dunkirk Place both inclusive and 23 Dunkirk Place."

The Standing Policy Committee on Public Works therefore recommends:

I. That the Local Improvement Projects for the construction of works to stabilize the bank of the Red River in the form of erosion control (rip rap) along the rear of the properties, be proceeded with, namely: -

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Petition 1 - 196 to 210 Kingston Row both inclusive and 3 to 19 Dunkirk Place both inclusive and 23 Dunkirk Place
Petition 2 - 409, 413, 419 and 435 Kingston Crescent
Petition 3 -163, 165, 169 and 171 Kingston Row

II. That the works be done in conjunction with the Local Improvement District Dike Project using the same standards as the erosion control works for that project and that the estimated cash cost per assessable lineal meter is $475.00, and further that the estimated annual rate per assessable lineal meter is $46.07 based on a twenty-year term.

III. That the City Solicitor/Manager of Legal Services be requested to prepare the necessary Local Improvement By-law in accordance with the foregoing and submit same directly to Council for approval.

IV. 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.

Adopted by consent.

IV. 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.

Adopted by consent.

Proposed Local Improvement - Elm Park Community Flood Protection
File SL(2001) (Vol. 1)

106 - 5. On November 20, 2001, the Standing Policy Committee on Public Works passed the following motion, namely:

WHEREAS the Elm Park community is receiving upgraded flood protection through the Canada-Manitoba-City of Winnipeg Agreement on Secondary Diking Enhancements;

AND WHEREAS a large part of the Elm Park peninsula will receive riverbank stabilization and erosion control as part of the diking program;

AND WHEREAS those parts of the community that will not be protected from riverbank erosion through the flood protection program desire this protection;

AND WHEREAS 22 residents have petitioned for riverbank stabilization in the form of erosion control through the local improvement process as provided for in The City of Winnipeg Act;

AND WHEREAS doing this work in conjunction with the flood control works provides these residents with a unique and unforeseen opportunity to obtain this protection at a greatly reduced cost;

AND WHEREAS the residents will be paying 100% of the cost of this project over time;

THEREFORE BE IT RESOLVED that the 2002 Local Improvement Budget be increased by $195,000.00 to interim fund this initiative and that these funds be designated as a first charge against the 2002 Capital Budget.

and submits same to Council for approval.

Adopted by consent.

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CONSIDERATION OF BY-LAWS

107 - On motion of Councillor Timm-Rudolph, By-law No. 7923/2001, a by-law of The City of Winnipeg to authorize the undertaking of certain local improvements in the Kingston Crescent/Kingston Row Community Ring Dike Local Improvement District, was read a second and third time, and was passed and ordered to be signed and sealed. File SL-1 (Vol. 21)

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. 7939/2001, a by-law of The City of Winnipeg to authorize the undertaking of certain local improvements during the year 2002. File SL (2001) (Vol. 1)

By-law No. 7945/2001, a by-law of The City of Winnipeg to amend By-law No. 7070/97, being the Sewer By-law. File WW-2.3 (Vol. 15)