COMMITTEE ON WORKS AND OPERATIONS

UNFINISHED BUSINESS

On motion of Councillor Duguid, the rule was suspended and Clause 1 of the Report of the Committee on Works and Operations, dated March 7, 1995, was considered.

Her Worship the Mayor and Councillors:

The Canada/Manitoba/City of Winnipeg Infrastructure Works Program
File S-7 (Vol. 3)

659 - 1. On April 14, 1994, Council adopted the motion that projects totalling $90,453,500.00 be approved as the City of Winnipeg's Program for inclusion in the Canada/Manitoba Infrastructure Works Program.

The Infrastructure Secretariat stipulated in the 1994 agreement that the funds provided were to be used to create training and employment opportunities. Given this mandate, the Operations and Social Services Departments developed the 1994 Community Services Infrastructure Renewal Program. This project was designed to undertake the rehabilitation and/or reconstruction of deteriorated residential street, alley, and sidewalk infrastructure.

The Project received $10 million in funding over a two year period in 1994/1995, with $5 million to be expended in each of the two years. The Construction Branch prepared a work schedule based upon a $5 million budget and because of the excellent weather during the construction season, coupled with the size and efficiency of the workforce, the 1994 work was completed earlier than anticipated. It was determined that work originally scheduled for 1995 could be moved ahead to 1994. A revised work schedule was developed, resulting in $6.4 million being spent in 1994.

Prior to the commencement of the 1994 Community Services Infrastructure Program in May, the Construction Branch in conjunction with members of the Social Services Department, hired 141 social assistance candidates for the approximate twenty week project. These employees completed the removal and new installation of the following; 9.79 kilometres of curb; 21 kilometres of sidewalk; 6 kilometres of joints; 11 kilometres of slab; 2.3 kilometres of back lane renewal; and, 4,066 drilled epoxy dowels and 8,369 drilled tie bars. Following their initial training, the employees reached and maintained a level of proficiency that approximated the City's established productivity standards.

The total expenditure of $6.4 million dollars in 1994 ($2.3 million for wages; $4.1 million for materials and equipment) has resulted in the following savings to all three levels of government in financial assistance:

	Cost for Wages	Financial Assistance Savings: 1994/95*	Net Cost (Investment) of Program
City	$759,266	$319,403	$439,863
Provincial	$759,267	$544,374	$214,893
Federal	$759,267	$863,778	$(105,411)saving
Total	$2,277,800	$1,727,555	$550,245

*Based on cost-sharing formula
*Savings calculated on approximately 21 weeks of employment, and 22 weeks of Unemployment Insurance Benefits

As a net investment, the City expended $439,863.00 in order to obtain $2,277,800.00 in wages, which were totally invested in infrastructure improvement.

The private sector contractors hired twenty-five social assistance recipients during the 1994 season. Given the seasonal nature of the construction industry, the employees tend to be Unemployment Insurance recipients. In 1994, contractors advised that they employed 628 people, 25 of which were hired from Social Assistance and the balance of 603 were employed and recalled directly from the Unemployment Insurance Commission.

It is anticipated that the 1995 program would experience results approximating those of 1994. The Community Services Infrastructure Renewal Program would require an additional $6 million, for a total program budget of $9.6 million, in order to field a program in 1995 that parallels the 1994 experience.

Committee on Works and Operations - Unfinished Business (continued)

The Committee on Works and Operations therefore recommends:-

I. That the City of Winnipeg make application to the Canada/Manitoba Infrastructure Secretariat requesting a further $6 million for Residential Street, Alley, and Sidewalk Renewal works as an enhancement to Winnipeg's 1995 Community Services Infrastructure Renewal Program.

II. That the City of Winnipeg cost-share one-third of the project, equating to $2 million, utilizing funds originally ascribed to the Kenaston Boulevard Underpass Project, or an additional appropriation.

III. That infrastructure projects under the direction of civic administration continue to be staffed on a three to one ratio, three social assistance recipients to one civic employee.

IV. That infrastructure work contracted to the private sector stipulate that contractors make best efforts to hire employees from unemployment insurance and/or social assistance.

V. That consideration be given to targeting the heads of households with children claiming social assistance and the long-term able-bodied unemployed to facilitate re-entry into the job market.

VI. That a bookkeeping/accounting process be established by the City that monitors the social services savings and new tax revenue accruing to the three levels of government as a result of the Infrastructure Works Program and reported on to the Committees on Works and Operations and Planning and Community Services upon completion.

VII. That the Commissioner of Works and Operations be directed to review the district street ratings to ensure that they accurately reflect our priorities for reconstruction and rehabilitation and further that the Commissioner of Works and Operations be delegated the authority to establish the list of projects (streets, alleys, and sidewalks) as may be required for the program in accordance with the Pavement Management System (priority rating).

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

Moved by Councillor Duguid,
Adoption of the clause.

In amendment,

Moved by Councillor Murray,
Seconded by Councillor Duguid,
BE IT RESOLVED that the model contained in the fifth paragraph of the clause reflecting costs for wages, financial assistance savings, and net cost of the program, be amended to add Goods and Services Tax, Provincial Sales Tax, Income Tax, and other revenues to the Federal and Provincial Governments.

Carried.

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

The Speaker Councillor Angus asked to be recorded as having voted against Recommendation No. II of the clause, in accordance with Rule 50.7 of the Procedure By-law.

COMMITTEE ON WORKS AND OPERATIONS

UNFINISHED BUSINESS

On motion of Councillor Duguid, the rule was suspended and Clause 1 of the Report of the Committee on Works and Operations, dated March 22, 1995, was considered.

Her Worship the Mayor and Councillors:

City of Winnipeg Recycling Program
File WT-1.3 (Vol. 16)

660 - 1. Council, on July 11, 1990, approved a waste minimization and recycling action plan which includes support to recycling projects. On June 17, 1992, Council instructed that the final decision relating to recycling programs proposed to be city-wide or pilot in nature in the City, including any contract awarded, be a decision of Council. On July 29, 1992, Council adopted implementation of a multi-material depot recycling program.

Subsequent to the Province advising that discussions surrounding the Canadian Industry Packaging Stewardship Initiative (CIPSI) were terminated, the Minister of Environment, on June 13, 1994, announced an industry-funded recycling initiative called the Manitoba Product Stewardship Program (MPSP) and provided $300,000.00 in trust to the City of Winnipeg toward a recycling program to be implemented by the City, subject to submission of a proposal to the Minister of Environment by March 31, 1995 and an agreement between the City and the Province. Effective January 1, l995, the Province implemented a levy on beverage containers toward funding for the MPSP.

In response to the opportunity afforded by the MPSP, the City held public consultation sessions regarding a recycling program for Winnipeg which indicated support for a more comprehensive recycling program. Surveys of recycling systems in municipalities throughout Canada and some parts of the United States indicated that a trend established for large centres was curbside recycling.

In November 1994, a decision-making process was identified for developing a comprehensive recycling program which involved preparation of a Business Plan. In January 1995, Arthur Andersen & Co. were invited to submit a proposal to prepare a Business Plan using funds held in trust from the Province. Upon approval of funding by the Province on February 10, 1995, Arthur Andersen & Co. commenced preparation of the Business Plan.

On February 16, 1995, the Waste Minimization Advisory Committee developed a consensus regarding a recycling program for consideration in the Business Plan. The objectives and options for a recycling program were presented for comments to stakeholders at a public meeting on February 23, 1995, whereby feedback generally supported the objectives and options presented, and included comments for further consideration in the Business Plan.

The Business Plan prepared by Arthur Andersen & Co., dated March 1995 and designated as Appendix B, provides the framework for achieving a curbside recycling program for Winnipeg. The program consists of bi-weekly curbside collection with optional weekly collection for single-family and multiple-family dwellings. The collection for single-family dwellings would be by way of up to three collection contracts and includes five basic plus three additional materials with other materials to be added in the future. Multiple-family collection would be piloted using the City auto bin system in the first year as a trial phase whereupon a decision could be made as to a City-wide program. This would provide for flexibility given the variability in service requirements for these types of premises and also facilitate an early start to the multi-family component of this program. Ultimately two districts would be established for multi-family collection, and it is envisioned that one would be done by City forces and the other contracted out.

Collection for single-family units will be divided into three districts, possibly less depending on contract prices. Processing of collected materials (newspaper, glass, PET plastic, aluminum and steel food and beverage containers and optional materials including magazines, gable-top containers and box board) would be contracted for up to two material recovery facilities (MRF's), with a potential for one, depending on contract price. It will be the processing contractor's responsibility, not the City of Winnipeg, to market recyclable materials collected.

The estimated expenditure and maximum exposure for the City of Winnipeg for years one to five, based on assumptions, is as follows:

Committee on Works and Operations - Unfinished Business (continued)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Estimated Expenditure (Recovery)	($300,000)	$ 900,000	$ 950,000	$1,000,000	$1,000,000
Maximum Exposure	$1,300,000	$1,500,000	$1,600,000	$1,750,000	$1,750,000

The contracting would occur through a Request for Proposals (RFP) process which would include the following evaluation criteria as outlined in the City of Winnipeg's Recycling Program Business Plan, namely: cost, existing collector and processor involvement, early roll-out, revenue sharing split between the contractor and the City, social development goals (employment opportunities for handicapped), economic development opportunities (e.g. developing local markets and uses for recyclable materials), experience with respect to recycling, education/communication, financial ability, and incremental costs for additional volumes and additional materials.

Proposals for any and all combinations of the collection and processing options would be permitted. During the contracting phase, the details for transition from the existing system to the comprehensive system would be developed. A schedule showing the overall process through to award is outlined in Appendix A.

The Business Plan identifies certain risks to program funding including risks associated with the duration of funding, the amount of funding, the possibility of changes through legislation and the risk to the City's revenues from tipping fees if a competitive landfill to Winnipeg's landfills was established. In order to address the financial risks, the City should obtain assurances from the Province of Manitoba regarding the following:

1. Capitalization of MPSP - That the Province will cover shortfalls, if any, that the MPSP statutory corporation may incur.

2. MPSP Funding Percentage and Duration - That the Province will cover at least 80% of the program costs in accordance with the MPSP funding guidelines, in the long term (minimum 5 years).

3. Multi-Family Unit Curbside Collection - That the multi-family units will be eligible for curbside funding rates.

4. BFI Rosser Landfill - That, inasmuch as there is a risk that with the Rosser landfill funding for the recycling program and operating the City's existing landfills would have to come from the mill rate with implications for other City programs, or alternatively, from a separate charge, the City's Solid Waste Disposal Utility Fund revenues need protection, to ensure and continue the comprehensive Solid Waste Management Program.

In order to meet the optimum program roll out timing of September 1995, the proposed process must be accelerated for preparation of a Request For Proposals, although assurances from the Province relative to the aforementioned will have to be satisfactorily resolved prior to initiating the proposal call. It is suggested that 1995 requirements be funded from the estimated surplus in the Solid Waste Disposal Utility Fund with subsequent years budgeted for from this fund, or alternatively, from the mill rate or separate special charges. Assistance with the proposal process by Arthur Anderson & Co., at an estimated cost of $50,000.00, will be funded from the Solid Waste Disposal Utility Fund, Waste Minimization budget.

The target is to award contracts by the end of April, 1995, thereby enabling the estimated four month period required for equipment and facilities acquisition.

The Committee on Works and Operations therefore recommends:-

I. That Council approve the Business Plan dated March, 1995 by Arthur Andersen & Co., designated as Appendix B, for a curbside residential recycling program for the City of Winnipeg and the recommendations contained therein as detailed in the discussion of this report with the following amendment incorporated therein:

That program element (g) as stated in the Business Plan be deleted, namely:

(g) Separate Special Charges

The City has the capability for separate special charges for solid waste and recycling.

Committee on Works and Operations - Unfinished Business (continued)

II. That a letter, as outlined in Appendix C, be sent to the Minister of Environment requesting assurance regarding the 80% program funding commitment in the long term and protection of Winnipeg's tipping fee revenues.

III. That program funding for 1995 (partial year) in the estimated amount of $500,000.00 be allocated from the estimated surplus of $910,430.00 in the Solid Waste Disposal Utility Fund, and that a commitment be made for subsequent program funding from the Solid Waste Disposal Utility Fund in 1996, 1997 and 1998 for estimated maximum amounts of $1,500,000.00, $1,600,000.00 and $1,750,000.00 respectively, and $1,750,000.00 in each year thereafter.

IV. That preparation of Requests for Proposals proceed immediately by Arthur Andersen & Co., with funding of $50,000.00 plus GST from the Solid Waste Disposal Utility, Waste Minimization budget.

V. That any corporations that are candidates/applicants for the City of Winnipeg Recycling program who collect, haul or process recyclables or waste commit to dispose of waste materials collected in Winnipeg at the City of Winnipeg Brady Landfill and commit to support the City single landfill site policy.

VI. That contribution to the development of the City's "home grown" environmental business sector be within the framework of the economic development and environmental stewardship policies of Plan Winnipeg and the City's economic development strategy.

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

For the information of members of Council, pursuant to the direction of the Committee on Works Operations, the Chairperson of the Committee on Works and Operations forwarded a communication to the Minister of Environment on March 8, 1995, requesting assurances outlined herein relative to program funding commitment and protection of Winnipeg's tipping fee revenues.

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

The Executive Policy Committee recommends the following additional conditions be included, namely:

VIII. That the final results of the Request For Proposal process be first considered by the Committee on Works and Operations, and forwarded to Executive Policy Committee and Council for final approval.

IX. That the City of Winnipeg reserves the right to implement a separate special charge for solid waste and recycling.

Moved by Councillor Duguid,
Adoption of the clause.

In amendment,

Moved by Her Worship Mayor Thompson,
That the recommendations of the Executive Policy Committee be adopted.

With the concurrence of Her Worship Mayor Thompson, and with the permission of Council, Councillor Fraser amended Recommendation No. VIII to read as follows:

VIII. That the Request for Proposal process include a Council Seminar at the beginning of that process followed by consideration by the Committee on Works and Operations and forwarded to Executive Policy Committee and Council for final approval.

Carried.

The Speaker called Councillor Boychuk to the Chair and left the Chamber.

The Speaker returned to the Chamber and resumed the Chair.

Committee on Works and Operations - Unfinished Business (continued)

The Speaker called Councillor Golden to the Chair in order to participate in the debate, and after speaking, resumed the Chair.

The recommendations, as amended, proposed by the Executive Policy Committee were put and declared carried.

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

The Speaker advised that Recommendation Nos. I, III and IX of the clause would be considered separately.

Recommendation No. I was put and declared carried.

Councillor Golden asked to be recorded as having voted against Recommendation No. I, in accordance with Rule 50.7 of the Procedure By-law.

Recommendation No. III was put and declared carried.

Councillor Golden asked to be recorded as having voted against Recommendation No. III, in accordance with Rule 50.7 of the Procedure By-law.

Recommendation No. IX was put and declared carried.

Councillors Golden, Prystanski and Thomas asked to be recorded as having voted against Recommendation No. IX, in accordance with Rule 50.7 of the Procedure By-law.

Recommendation Nos. II, IV, V, VI, VII and VIII were put and declared carried.