Minutes – Executive Policy Committee – November 18, 2009

REPORTS

Minute No. 11 **Disraeli Bridges Project – Amendment to 2005 Manitoba/Winnipeg Infrastructure Funding Agreement**
eFile SB-3

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommends to Council:

1. That the agreement entitled "Amendment to the 2005 Agreement, Manitoba-Winnipeg Infrastructure Fund", as outlined in the report from the Winnipeg Public Service dated October 28, 2009, be approved.

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

DECISION MAKING HISTORY:

Moved by Councillor Fielding,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

ISSUE: Amendment to the 2005 Agreement, Manitoba-Winnipeg Infrastructure Fund (MWIF) with respect to funding from the Province of Manitoba totaling $53.3 million for the Disraeli Bridge and Overpass Facility (Disraeli)

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Ruta	M. Ruta	N/A	G. Laubenstein

RECOMMENDATIONS

1. That the attached agreement entitled “Amendment to the 2005 Agreement, Manitoba-Winnipeg Infrastructure Fund (MWIF)” be approved.

IMPLICATIONS OF THE RECOMMENDATIONS

Council approval of the agreement will allow the City to proceed with plans for a new or full refurbished bridge facility by minimizing traffic disruptions on the Disraeli.

HISTORY

Council approved construction of Disraeli as a DBFM on May 14, 2008 and on September 24, 2008, Council approved the recommendation that Concept Modified A be approved as the minimum requirement for Disraeli.

On September 30, 2009, Council approved external borrowing of up to $75 million to provide a substantial completion payment relating to the Disraeli Bridge Overpass Facility to replace, in part, private borrowing contemplated through the Design/Build/Finance/ Maintain (DBFM) model.

On October 7, 2009, the City of Winnipeg signed an agreement “Amendment to the 2005 Agreement Manitoba – Winnipeg Infrastructure Fund (MWIF)” which commits Provincial funding under the MWIF of $53.3 million commencing on April 1, 2010 to be

paid by annual instalments of $6.1 million in the first three years and $5 million thereafter.

The City has accounted for these amounts as a financing source in its proposed 2010 to 2015 capital budget under Contributions from Other Levels of Government – Manitoba Winnipeg Infrastructure Program. This amount will offset City funding requirements and allow for the additional funding required in the Disraeli capital project.

FINANCIAL IMPACT

Financial Impact Statement Date:

Project Name: Amendment to the 2005 Agreement, Manitoba-Winnipeg Infrastructure Fund (MWIF)

COMMENTS:
There is no financial impact associated with this report.

Orignal Signed by Michael Ruta

Deputy CAO/ Chief Financial Officer

CONSULTATION

In preparing this Report there was consultation with:

SUBMITTED BY

Department
Division
Prepared by: The Chief Financial Officer
Date: October 28, 2009
File No.

"Keep copy"

Manitoba

Deputy Minister of Intergovernmental Affairs

Legislative Building

Winnipeg, Manitoba R3C 0V8
CANADA
General Office (204) 945-3787
Fax (204) 945-5255

OCT 16 2009

THE CITY OF WINNIPEG
RECEIVED
OCT 20 2009
CHIEF ADMINISTRATIVE
OFFICE SECRETARIAT

Mr. Glen Laubenstein
Chief Administrative Officer
City of Winnipeg
510 Main Street
Winnipeg MB R3B 1B9

Dear Mr. Laubenstein: Glen

I am pleased to advise that the Amendment to the 2005 Agreement, Manitoba-Winnipeg Infrastructure Fund (MWIF) has now been signed by the Minister of Intergovernmental Affairs, on behalf of the Premier of the Province of Manitoba. A signed copy of the Agreement is attached for your records.

This Agreement sets out the terms and conditions for the provision of $53.3 million in additional funding over the next 10 years to meet City of Winnipeg road infrastructure priorities, thereby allowing the City of Winnipeg to consider construction options which will ensure the Disraeli Bridge will not be closed for 16 months.

I would like to thank you for the cooperation of your staff in the development of this Agreement. We look forward to working with the City towards the completion of this very important project.

Sincerely,

Linda

Linda McFadyen
Deputy Minister

Attachment

c: Honourable Ron Lemieux

AMENDMENT TO THE 2005 AGREEMENT
MANITOBA – WINNIPEG INFRASTRUCTURE FUND (MWIF)

2010/11 – 2019/20

This Agreement made October 7, 2009

BETWEEN:

THE GOVERNMENT OF MANITOBA,
as represented by the Premier of the Province of Manitoba,

("Manitoba"),

- and -

THE CITY OF WINNIPEG,
a municipal corporation continued under
The City of Winnipeg Charter, S.M. 2002, c. 39,

("the City").

WHEREAS the Government of Manitoba and the City of Winnipeg have an established history of working in partnership to address the infrastructure priorities of the citizens of Winnipeg through a series of long-term capital funding arrangements;

AND WHEREAS in December, 2005, the Government of Manitoba agreed to provide the City of Winnipeg with a new long-term capital funding arrangement, including $70 million in cost-shared funding over 6 years through the Manitoba – Winnipeg Infrastructure Fund (MWIF) to address strategic infrastructure priorities in Winnipeg;

AND WHEREAS on December 9, 2005 the Minister of Intergovernmental Affairs wrote to the Mayor of the City outlining Manitoba's commitment under MWIF, including the Operating Procedures for the administration of the Manitoba – Winnipeg Infrastructure Fund (the "2005 Agreement");

AND WHEREAS Manitoba has demonstrated a strong commitment to the City's 's road infrastructure development, having committed to provide an annual allocation of $25 million in support of city roads, including the construction, rehabilitation and renewal of regional streets and bridges, in addition to an annual contribution of $7 million from the Building Manitoba Fund for residential street repairs;

AND WHEREAS Manitoba wishes to amend its contribution to the City under MWIF and the 2005 Agreement specifically for Road Infrastructure projects, to provide additional funding over an extended period of 10 years, subject to the entering into of this agreement;

NOW THEREFORE, Manitoba and the City agree as follows:

1. INTERPRETATION

1.1 DEFINITIONS

"Fiscal Year" means the period beginning April 1 of a year and ending March 31 of the following year.

"Operating Procedures" mean the procedures for administration of the MWIF program attached to the December 9, 2005 letter from the Minister of Intergovernmental Affairs to the Mayor of the City.

"Road Infrastructure" means city roads and bridges and any related infrastructure necessary for the construction, rehabilitation or renewal of the roads and bridges.

1.2 PURPOSE

The purpose of this amending agreement is to ensure a long-term, stable and predictable level of capital funding to the City of Winnipeg. This amending agreement will increase Manitoba's contribution to the existing MWIF capital funding program, providing a total of $53.3 million of new funding over the next 10 Fiscal Years (2010/11 – 2019/20) to address City of Winnipeg Road Infrastructure priorities.

1.3 TERM OF MWIF PROGRAM

For the $53.3 million dedicated to Road Infrastructure projects, the term of the MWIF capital funding program is extended to March 31, 2020. The term of the $70 million, 2005 Agreement remains unchanged at March 31, 2011.

1.4 TERMS AND CONDITIONS

Unless otherwise stated in this agreement, the terms and conditions for the MWIF capital funding program as outlined in the Operating Procedures shall remain in effect. With respect to the additional funding for Road Infrastructure projects, if there is any conflict between this Agreement and the 2005 Agreement, the terms and conditions of this Agreement shall take precedence.

2. CONTRIBUTIONS BY MANITOBA

2.1 ADDITIONAL PROVINCIAL CONTRIBUTION

Manitoba will contribute additional funding of $53.3 million to the City for Road Infrastructure projects approved under the Manitoba / Winnipeg Infrastructure Fund over a period of 10 years, effective April 1, 2010 to March 31, 2020.

Manitoba's contribution will be provided on the following basis:

- $6.1 million each year for the Fiscal Years 2010/11, 2011/12 and 2012/13; and
- $5.0 million per year for the 7 Fiscal Years thereafter.

This Agreement shall not act to reduce the full amount of $70 million due under the 2005 Agreement nor shall any contribution made hereunder be considered as part of any renewal or replacement of the said 2005 Agreement.

2.2 PROJECT SELECTION

In accordance with the Operating Procedures, Road Infrastructure projects to receive funding from the additional $53.3 million provided through this amending agreement will be selected by Manitoba, in consultation with the City. Projects selected to receive funding will be documented in an annual project commitment letter to the City, indicating Manitoba's maximum contribution and any terms and conditions for the funding.

2.3 PAYMENT PROCEDURES

To assist the City in managing these projects, provincial funding will be provided in April of each Fiscal Year, starting April 2010, at the outset of the City's construction season. Provincial funding will be reconciled with actual city expenditures on approved projects at the end of each Fiscal Year.

As part of the annual reconciliation, the City agrees to provide documentation to Manitoba by March 31st of each Fiscal Year, supporting the payment of Manitoba's contribution for all approved projects for the Fiscal Year. The documentation must include evidence of the costs incurred and paid by the City and must be certified as accurate and complete by an authorized representative of the City.

Should projects not proceed as anticipated in any given Fiscal Year, Manitoba will, at the City's request, reallocate funding to other city infrastructure projects to ensure the full provincial allocation can be expended in the Fiscal Year in which the funds were allocated.

2.4 *RECORDS*

As outlined in the Operating Procedures, the City agrees to ensure that proper and accurate accounts and records relating to all projects receiving provincial funding are kept and maintained. Records are to be kept for at least three (3) years after construction of the specific project has been completed and the City agrees to make them available, upon reasonable notice, to Manitoba and its authorized representatives for inspection and audit.

2.5 *FINANCIAL STATEMENTS*

The City agrees to reflect Manitoba's contributions in its financial statements, in accordance with established accounting practices.

SIGNATURES

This agreement has been signed on behalf of Manitoba by the Premier of the Province of Manitoba or his designate, and on behalf of the City by the Mayor and the City Clerk.

THE GOVERNMENT OF MANITOBA

R Cerrieux

Premier of the Province of Manitoba
or designate

Date: Oct 7, 2009

THE CITY OF WINNIPEG

Sam Katz

Mayor

Date: Oct. 7, 2009

M. A. C.

Deputy City Clerk

Date: Oct. 7/ 2009

Certified as to financial details:

M P Ruta

Chief Financial Officer

Certified as to form

A/City Solicitor/Manager of
Legal Services