Minutes – Executive Policy Committee – March 18, 2015

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – March 16, 2015

Item No. 2 Addition of a New Project to the 2014 Regional and Local Street Program and Budget Increase for 2014 Regional Street Renewal Program Related to Servicing Agreement AG 215/05

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That an additional project is approved for the 2014 Regional and Local Street Renewal Program to deliver improvements related to developer default of Servicing Agreement AG 215/05.

2. That the 2014 Regional Street Renewal Program budget be amended to include $150,000.00 transferred from Planning, Property & Development Department holding account to partially recover costs related to developer default of Servicing Agreement AG 215/05.

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

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – March 16, 2015

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Lukes,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On March 16, 2015, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **ADDITION OF A NEW PROJECT TO THE 2014 REGIONAL AND LOCAL STREET PROGRAM AND BUDGET INCREASE FOR 2014 REGIONAL STREET RENEWAL PROGRAM RELATED TO SERVICING AGREEMENT AG 215/05**

Critical Path: **STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS - EXECUTIVE POLICY COMMITTEE - COUNCIL**

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Deane, P. Eng.	B.W. Sacher, P. Eng.	M. Ruta	M. Jack A/CAO

RECOMMENDATIONS

1. That an additional project is approved for the 2014 Regional and Local Street Renewal Program to deliver improvements related to developer default of Servicing Agreement AG 215/05.

2. That the 2014 Regional Street Renewal Program budget be amended to include $150,000.00 transferred from Planning, Property & Development Department holding account to partially recover costs related to developer default of Servicing Agreement AG 215/05.

REASON FOR THE REPORT

1. Any new projects using surplus funds in the 2014 Regional or Local Street Renewal Program shall be approved by the Standing Policy Committee on Infrastructure Renewal and Public Works.

2. Council approval is required to increase Capital Budget for a Capital Project.

IMPLICATIONS OF THE RECOMMENDATIONS

Under Servicing Agreement AG 215/05 dated July 27, 2005 a developer was obliged to the City to pave the extension of Leveque Street and the extensions of the existing northbound left turn and southbound right turn storage lanes on Lagimodiere Boulevard at Paterson Street. The City imposed a deadline of November 28, 2013 for this work. The work was not completed by that date. The City considered the developer in default of the Agreement, and therefore made a full draw on the performance security provided by the Developer under the Agreement. The Public Works Department now proposes that the City complete the work as provided for in the Agreement.

The total cost of the work including engineering costs is approximately $279,652.30. The difference between the total cost of this work and the developer default amount received is $129,652.30 and will be funded by surplus identified in the 2014 Regional Street Renewal Program - Lagimodiere Boulevard from Cottonwood to Maginot Capital Project. The Public Works Department included this work in Bid Opportunity 520-2014 which is in the immediate vicinity of Lagimodiere Boulevard from Cottonwood to Maginot which was approved in the 2014 Regional Street Renewal Program and was awarded on December 23, 2014.

The $150,000.00 from the Planning, Property & Development Department holding account was realized from the draw on the developer's performance security. The remainder of the cost is covered by the

2014 Regional Street Renewal Program. Currently all of these unanticipated costs are charged to that budget. Once the work is completed the Public Works Department will ask Legal Services to attempt to recover the remainder of the cost from the developer.

HISTORY

On December 17, 2013, the 2014 Capital Budget was adopted by City Council, which included $35,326,000 in funding in 2014 for the Regional Street Renewal Program.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 19, 2015

Project Name: **First Year of Program** **2015**

ADDITION OF A NEW PROJECT TO THE 2014 REGIONAL AND LOCAL STREET PROGRAM AND BUDGET INCREASE FOR 2014 REGIONAL STREET RENEWAL PROGRAM RELATED TO SERVICING AGREEMENT AG 215/05

	2015	2016	2017	2018	2019
Capital					
Capital Expenditures Required	$ 279,652	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	129,652	-	-	-	-
Additional Capital Budget Required	$ 150,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Developer Funding	$ 150,000	-	-	-	-
Total Funding	$ 150,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 150,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	13,317	-	-	-	-
Net Cost/(Benefit)	$ (13,317)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(13,317)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Total estimated costs of $279,652.30 will be charged to the 2014 Regional and Local Street Renewal Program (Public Works Capital Project # 1804100914 - Lagimodiere-Cottonwood/Dugald) of which $150,000.00 will be transferred from the Property, Planning and Development account #001-299130-632605, available from the draw on the Developer's Performance Security. Recoveries represent the Department Engineering Administration and Corporate Interest overheads.

"Original signed by D. Stewart, CA"
D. Stewart, CA
Manager of Finance & Administration

CONSULTATION

In preparing this Report there was consultation with:

Corporate Finance Department

SUBMITTED BY

Department:	Public Works
Prepared by:	C. Titchkosky
Processed by:	J. Curti
Date:	February 19, 2015
File No.	14-C-05
FILE NAME:	L:\Admin\Reports 2015\C. Titchkosky\January\Budget Increase 2014 Regional Street Renewal Program Related to Serv Agrm AG 215-05_Admin Report January 9 15 .doc