Agenda – Executive Policy Committee – July 8, 2015

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – June 23, 2015

Item No. 1 Donation of Surplus Greater Winnipeg Water District (GWWD) Railway Equipment

STANDING COMMITTEE RECOMMENDATION:

On June 23, 2015, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That surplus GWWD Railway equipment, namely four (4) wooden boxcars and one (1) set of railway trucks located in the St. Boniface rail yard, be donated to Mr. T. W. (Bill) Graham.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the donation agreement with T. W. (Bill) Graham and such other agreements as determined necessary by the Director of Legal Services and City Solicitor, in accordance with the terms and conditions set forth in this report and such other terms and conditions deemed necessary by Director of Legal Services and City Solicitor to protect the interests of the City.

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

Agenda – Executive Policy Committee – July 8, 2015

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – June 23, 2015

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 23, 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: **DONATION OF SURPLUS GWWD RAILWAY EQUIPMENT**
BID SOLICITATION NO. 53-2015 (#5020)

Critical Path: **Standing Policy Committee on Infrastructure Renewal and Public Works - Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
Zeljko Bodiroga, P. Eng. Acting Manager of Water Services	T. W. Shanks, P. Eng. Acting Director, Water and Waste Department	n/a	M. Jack

RECOMMENDATIONS

1. That surplus GWWD (Greater Winnipeg Water District) Railway equipment, namely four (4) wooden boxcars and one (1) set of railway trucks located in the St. Boniface rail yard, be donated to Mr. T. W. (Bill) Graham.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the donation agreement with T. W. (Bill) Graham and such other agreements as determined necessary by the Director of Legal Services/City Solicitor, in accordance with the terms and conditions set forth in this report and such other terms and conditions deemed necessary by Director of Legal Services/City Solicitor to protect the interests of the City.

REASON FOR THE REPORT

The donation of City property must be approved by Council.

EXECUTIVE SUMMARY

The Water and Waste Department wishes to donate surplus GWWD Railway equipment to Mr. T. W. (Bill) Graham a collector of vintage equipment at no cost to the City. The equipment has no market value and the cost of recycling the equipment exceeds the salvage value. It is in the best interest of the City to donate this equipment as the surplus equipment is occupying space in the rail yard, and may be a potential fire hazard and attract vagrants.

IMPLICATIONS OF THE RECOMMENDATIONS

There is no financial cost to the City for this recommendation. The surplus rail equipment recommended for donation has no market value, and the recycling costs exceed the salvage value.

Removal of this equipment will provide more rail storage space for GWWD Railway use.

HISTORY

The Vintage Locomotive Society Inc. (VLS), as an associate of Mr. Bill Graham, has requested that the City donate surplus GWWD rail equipment, namely four (4) wooden boxcars and one (1) set of railway trucks to Mr. Bill Graham, an independent collector of railway equipment (see Appendix A).

[1]Construction of the Greater Winnipeg Water District Railway started in 1914 and was completed in 1915. The Railway was built to transport men and supplies for the construction of an aqueduct from Shoal Lake on the Manitoba-Ontario border to Winnipeg. The aqueduct project started in 1915 and was completed by 1919 when the first water was supplied from Shoal Lake to Winnipeg. Shoal Lake is the source of drinking water for the City of Winnipeg.

[2]Over the years, the GWWD Railway, along with transporting workers and supplies, was also used for transporting other passengers and goods in order to reduce overall operating costs. The Greater Winnipeg Water District no longer exists. The railway and the aqueduct belong to the City of Winnipeg, and are maintained and operated by the Water and Waste Department. The railway is now only used for the City of Winnipeg water supply needs. The Department has surplus equipment on site in the rail yard at 598 Plinguet Street.

Based on research completed by The Water and Waste Department, Water Services Division, the equipment has no market value and cannot be placed in service. There is an opportunity to recycle the steel, but the recycling costs exceed the salvage value. It is also occupying space in the rail yard, and may be a potential fire hazard and attract vagrants.

The Materials Management Policy B4.3 states that the Chief Administrative Officer can approve the method of disposal of a surplus City asset without the solicitation of competitive offers where:

- the cost of disposal of property is reasonably anticipated to exceed the fair market value of the property.

Pursuant to Section 205(1)(d) of The City of Winnipeg Charter, the City may dispose of by gift on terms and conditions acceptable to Council, property of the City that Council considers no longer necessary for the purposes of the City.

The Water and Waste Department recommends that surplus GWWD (Greater Winnipeg Water District) Railway equipment, namely four (4) wooden boxcars and one (1) set of railway trucks

[1] The Greater Winnipeg Water District Railway - Water and Waste - City of Winnipeg
[2] The Greater Winnipeg Water District Railway - Water and Waste - City of Winnipeg

located in the St. Boniface rail yard, be donated to Mr. Bill Graham. Mr. Graham will be responsible for the dismantling and transporting of these components at his own cost including any insurance requirements and there is no cost to the Department for this donation.

T.W. (Bill) Graham will be required to sign a donation agreement to release and indemnify The City of Winnipeg from liability.

FINANCIAL IMPACT

Financial Impact Statement **Date:** May 5, 2015

Project Name:

DONATION OF SURPLUS GWWD RAILWAY EQUIPMENT
BID SOLICITATION NO. 53-2015 (#5020)

COMMENTS:

There is no financial impact associated with this recommendation.

"Original signed by M. L. Geer, CA"
Moira L. Geer, C. A.
Manager of Finance and Administration

js
29-Apr-15

CONSULTATION

In preparing this report there was consultation with:

Materials Management Division
Legal Services Department, (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

In following the OurWinnipeg Plan Action Plan, Actions for Safety and Security, the removal of this surplus equipment (that has no market value and the cost of recycling the equipment exceeds the salvage value) from the St. Boniface rail yard will avert the potential for fire hazard and interest of vagrants.

SUBMITTED BY

Water and Waste Department
Water ServicesDivision
Prepared by: Chris Sauve, P. Eng., PMP
Date: May 6, 2015
File No. 012-13-00-00-00

c: Director of Legal Services/City Solicitor, Legal Services Department (email**)**
Manager of Materials, Corporate Finance Department (email)
WWD-Report-Processor (email)
L. Toews, Water and Waste Department (email)

APPENDIX A



P.O. Box 33021 RPO Polo Park, Winnipeg MB R3G 3N4
Phone: (204) 832-5259 / Fax: (204) 255-8641
www.pdcrailway.com / info@pdcrailway.com

Paul Newsome
General Manager, VLS
Tel: (204) 255-6540
Email: gpauln@mymts.net

RECEIVED
MAR 0 2 2015

February 25, 2015

FILE NO. 208993 MAYOR'S OFFICE

His Worship Mayor Brian Bowman
City Hall
510 Main Street
Winnipeg, Manitoba R3B 1B9

Your Worship:

RE: GREAT WINNIPEG WATER DISTRICT RAILWAY

The Vintage Locomotive Society Inc. (VLS) is a volunteer registered charitable organization which owns and operates the Prairie Dog Central Railway (PDCR). This 1910 era vintage steam train is the oldest regularly scheduled train of its kind in North America, and is a Manitoba icon which has operated since 1970. Since that time, it has delighted over 400,000 people from the City, Canada and all parts of North America and across the seas.

We are writing to you on behalf of an associate of the VLS, Mr. Bill Graham, an independent businessman from Alberta who is an ardent collector of historic railway memorabilia. Specifically, there are two related matters regarding the Great Winnipeg Water District Railway (GWWD) on Plinquet Street in St. Boniface we wish to address.

Equipment Storage

The VLS is working with Mr. Graham who is in the process of acquiring and bringing to Canada from the USA six (6) 1930-1950 coaches and two (2) dining cars of the same era. Part of this acquisition includes two operating ex-Canadian Pacific steam locomotives. These locomotives are historically significant because they were among the last steam locomotives built for CP in the late 1940s. Of the six (6) that were ultimately saved, only one (1) is in Canada, but is stored inoperable at the Canada Science & Technology Museum in Ottawa and not accessible to the public.

It is Mr. Graham's intention, working with the VLS, to eventually place these coaches into revenue service under the PDCR banner and offer a variety of tourist excursions. It is hoped that these coaches will in the future become part of the VLS's own collection and become a much needed second train set for the PDCR. If acquired, this train set would be used to ease the wear and tear on our 100+ year old vintage coaches by reducing - but not eliminating - the number of annual excursions utilizing these historic coaches. As this second train set also includes dining cars, this set would permit expanded charter services for such events as dinner trains, conventions, board meetings, conferences, etc.

A pressing concern for Mr. Graham is to relocate this equipment from the current U.S. locale because of all this equipment must be moved within the next two months or earlier due to an expiring non-renewable storage lease.

This presents a problem both for him and the VLS since there presently is very limited storage space available at Inkster Junction, our operating base. The VLS is only able to store the steam locomotives at Inkster Junction. I should add that Mr. Graham is covering all the costs associated with the move.

Given the extremely tight timelines which are beyond everyone's control, we are requesting therefore that we be allowed to store these coaches at the Plinquet Street facility for what may be a period of 12 to 24 months. None of these coaches contain any toxic or hazardous materials, and since they can be moved on their own wheels by the Class 1 railways, they pose no risk of failure.

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Paul Newsome
General Manager, VLS
Tel: (204) 255-6540
Email: gpauln@mymts.net

February 20, 2015

Surplus Equipment

The VLS has become aware of four (4) old wooden boxcars and one (1) old set of railway trucks at Plinquet Street (see attached photos, page 3) which we understand are surplus to GWWD needs. In a recent visit to the City and to the VLS, Mr. Graham was made aware of these items and expressed a keen interest in them. He is prepared to salvage all four boxcars and the set of trucks at his cost if they can be donated to him. There is no demand on City staff other than to switch these cars to a location where Mr. Graham's people can dismantle them.

We respectfully ask that you give this matter your complete and earliest consideration, and we are prepared to meet with you or your representatives to discuss this matter in more detail.

Yours truly,

Paul Newsome

Copy To: Matt Allard - Councillor, St. Boniface Ward
Ed Clarkson - G.W.W.D.
Bob Goch - President, The Vintage Locomotive Society Inc.

GWWD Surplus Equipment

Surplus Boxcars



Surplus Railway Truck



The Vintage Locomotive Society Inc. (VLS)

The VLS is a Registered Charity whose primary objective is to maintain and operate the Prairie Dog Central Railway vintage steam train.

Ref:
PDC Railway | Contact

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