Agenda – Council – July 15, 2015

Report – Executive Policy Committee – July 8, 2015

Item No. 13 Request for First Charge against the 2016 Capital Budget – 288 Portage Avenue, Communication Tower Relocation (Fort Rouge – East Fort Garry Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 8, 2015, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That a new 2016 capital project entitled "Communication Tower Relocation" for Corporate Support Services (see Appendix A for capital budget detail sheet) be approved.

2. That subject to the approval of Recommendation 1, the expenditure of up to $850,000 be authorized on the new Communication Tower Relocation capital project in 2015 or prior to the adoption of the 2016 capital budget as a first charge against the general capital fund, in accordance with Subsection 288(2) of The City of Winnipeg Charter in order to remove the existing tower and equipment and establish a new communication facility.

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

Report – Executive Policy Committee – July 8, 2015

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 8, 2015, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **Emergency funding Request for 288 Portage Avenue Communication Tower Relocation**

Critical Path: **Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
E. Richardson	L. Burch	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That Council approve a new 2016 capital project entitled “Communication Tower Relocation” for Corporate Support Services (see Appendix A for capital budget detail sheet).

2. Subject to Council approving recommendation 1, that Council authorize expenditure of up to $850,000 on the new Communication Tower Relocation capital project in 2015 or prior to the adoption of the 2016 capital budget as a first charge against the general capital fund, in accordance with Subsection 288(2) of the City of Winnipeg Charter in order to remove the existing tower and equipment and establish a new communication facility.

REASON FOR THE REPORT

As per the agreement with Canad Inns, the City of Winnipeg has been given notice to remove its communication tower and related equipment located at 288 Portage Avenue by November 24, 2015. The project is unexpected; therefore no budget has been previously approved.

EXECUTIVE SUMMARY

The unexpected termination of a longstanding lease agreement obligates the City of Winnipeg to remove its communication facility from the rooftop of 288 Portage Avenue by November 24, 2015. This site is critical to the delivery of two-way voice, data and video signals for multiple City of Winnipeg Departments. The cost to remove the existing equipment and establish a new communication facility at a downtown location is estimated to cost up to $850,000. Corporate Support Services has no budget approval to cover the costs.

IMPLICATIONS OF THE RECOMMENDATIONS

Funding for the removal and relocation of the existing communication facility has not been forecast.

Because of its central location, the 288 Portage Avenue tower site provides coverage to over 90% of the City of Winnipeg. Without a centrally located tower, mission critical, city-wide communications to the affected departments would be impossible.

HISTORY

Lease Agreement

- The City of Winnipeg has continuously leased rooftop tower space at 288 Portage Avenue since approximately 1974.
- A new 5-year extension to the lease was negotiated with Canad Inns, the property owner, in late February 2015. The annual lease payment is $13,500.00 including taxes.
- The lease contains a termination clause allowing either party to terminate the agreement by providing 180 days written notice.
- On May 27, 2015, Canad Inns provided written notice to the City of Winnipeg that they wish to exercise their right to terminate the lease agreement and that the City must vacate the site by November 24, 2015.
- The rooftop of 288 Portage Avenue contains approximately 50 antennas for non-City of Winnipeg entities. We understand that all entities will be, or have been asked to vacate the roof top.

City Services

- The City has maintained a 100 foot communication tower and an equipment building on the roof of 288 Portage Avenue.
- The communication tower has been used to support a growing number of two-way voice, data or video communications initiatives for the following departments:
    - Winnipeg Fire Paramedic Service
    - Public Works
    - Water & Waste
    - Community Services
    - Transit
    - Winnipeg Police Service
- The 288 Portage Avenue radio site is not used for the WPS or WFPS two-way Public Safety voice radios. These departments currently use the MTS Inc.'s FleetNet radio system for that purpose.
- Because of its central location, the 288 Portage Avenue tower site provides coverage to over 90% of the City of Winnipeg. Without a centrally located tower, mission critical, city-wide communications to the affected departments would be impossible.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 25, 2015

Project Name: **First Year of Program** **2016**

Emergency Funding Request for 288 Portage Avenue Communication Tower Relocation

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ 850,000				
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ 850,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants					
Reserves, Equity, Surplus					
Other					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 850,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: In 2015, the $850,000 for the Communication Tower Relocation capital project is proposed to be interim financed by the General Capital Fund. A first charge on the 2016 capital budget is proposed to repay the interim financing. A corresponding authorization for a new 2016 capital project is required.

(Original Signed by R. Hodges)
Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this Report there was consultation with:

OURWINNIPEG POLICY ALIGNMENT

This request aligns with OurWinnipeg Policy 01-2 Safety and Security, by providing funding for infrastructure that ensures that emergency preparedness, response and recovery support and services are available.

In addition there is alignment with the strategies of 01-3 Prosperity. Construction of the new communication facility aligns with Managing facilities to achieve strategic fit, flexibility and affordability in support of the physical consolidation of civic departments and the promotion of cross dependencies and innovative workplace strategies.

SUBMITTED BY

Department:	Corporate Support Services
Division:	Business Technology Services
Prepared By:	E. Richardson P.Eng.
Date:	June 26, 2015
File No.	

CORPORATE SUPPORT SERVICES - GENERAL CAPITAL FUND

Project Name: **Communication Tower Relocation**

Dept ID: 340667
Department: **Corporate Support Services**
Project: 3401203016

Service: Organizational Support Services
OurWinnipeg: Prosperity

AUTHORIZATION	Previous Budgets	2016 Estimate	FORECAST 2017	2018	2019	2020	2021	Five-Year Forecast Total	Six-Year Total
Project Costs ($000's)	N/A *	850	-	-	-	-	-	-	850
Financed by:									
Cash to Capital		850						-	850

CASH FLOW	2016	2017	2018	2019	2020	2021	Beyond 2021	Total
Project Costs ($000's)	850	-	-	-	-	-	-	850
Financed by:								
Cash to Capital	850							850

NET OPERATING IMPACT ($000's)	2016	2017	2018
Operating costs			
External debt and finance charges			
Transfer to General Capital Fund	850	-	-
Total Direct Costs	850	-	-
Less: Incremental Revenue/Recovery			
Net Cost/(Benefit)	850	-	-
Incremental Full Time Equivalent Positions	-	-	-

Class Estimate: 5

As per the agreement with Canad Inns, the City has been given notice to remove its communication tower currently located at 288 Portage Avenue by November 24, 2015. The need to remove and relocate this tower is unexpected; therefore, Corporate Support Services has no budget approval to cover the costs. A report going for Council approval on July 15, 2015 is requesting approval of a new 2016 capital project to be entitled Communication Tower Relocation. Also being requested is the expenditure of $850,000 in 2015, prior to the adoption of the 2016 capital budget, as a first charge against the general capital fund (in accordance with Subsection 288(2) of the City of Winnipeg Charter) to remove existing tower and equipment and establish a new communication facility.