Agenda - Executive Policy Committee - March 17, 2004

Report - Standing Policy Committee on Public Works - March 9, 2004

Item No. 5 Additional Contribution to the Commitment Reserve for the Construction of a Sand/Salt Storage Facility at the 1539 Waverley Street Public Works Yard
File FE-5

STANDING COMMITTEE RECOMMENDATION:

On March 9, 2004, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submits the following to Council:

1. That an amount of $300,000.00 be re-directed from the 2003 surplus funds of the snow and ice control operating budget fund for the completion of a Sand/Salt Storage facility at the 1539 Waverley Street Public Works yard.

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

Further, the Standing Policy Committee on Public Works requested the Administration to provide the actual costs once the sand/salt storage facility at the 1539 Waverley Street Public Works Yard is completed.

Agenda - Executive Policy Committee - March 17, 2004

Report - Standing Policy Committee on Public Works - March 9, 2004

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On March 9, 2004, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to Executive Policy Committee and Council. Further the Standing Policy Committee requested the Administration to provide the actual costs once the sand/salt storage facility at the 1539 Waverley Street Public Works Yard is completed.

On March 9, 2004, the Manager of Streets Maintenance Division, Public Works Department, provided the Standing Policy Committee on Public Works with a listing of the additional cost breakdown for the sand/salt storage facility at 1539 Waverley Street.

On February 10, 2004, the Standing Policy Committee on Public Works laid over the matter to the meeting of the Standing Policy Committee on Public Works scheduled for March 9, 2004 and requested the Administration to provide detailed information with respect to the additional $300,000.00 required for the completion of a Sand/Salt Storage facility at the 1539 Waverley Street Public Works yard

Re: ADDITIONAL CONTRIBUTION TO THE COMMITMENT RESERVE FOR THE CONSTRUCTION OF A SAND/SALT STORAGE FACILITY AT THE 1539 WAVERLEY STREET PUBLIC WORKS YARD

For Submission To: STANDING POLICY COMMITTEE ON PUBLIC WORKS

Original Report Signed By: A/Director of Public Works

Report Date: February 27, 2004

Recommendations:

That an amount of $300,000.00 be re-directed from the 2003 surplus funds of the snow and ice control operating budget fund for the completion of a Sand/Salt Storage facility at the 1539 Waverley Street Public Works yard.

REPORT SUMMARY:

Key Issues:

- The Standing Policy Committee on Public Works requested that the Administration provide further information with regard to the details of the additional funding that is required.

- An additional contribution to the Commitment Reserve of $300,000.00 is required to complete the construction of the sand/salt facility.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications:

X	None
	For the organization overall and/or other departments
	For the community and/or organizations external to the City
	Involves a multi-year phase in process

Comments:

Policy Implications:

[ ] No
[X] Yes

Comments:

Existing policy directs unexpended Snow and Ice Control Current Budget funds to be transferred to the City's Snow Clearing Reserve Fund.

Environmental Implications:

[ ] No
[X] Yes

Comments:

Environment Canada's proposed Code of Practice for Environmental Management of Road Salts required that road authorities develop and implement a salt management plan that contains best management practices to protect the environment from the negative impacts of road salts. The construction of sand/salt storage facilities that meet the requirements of the Transportation Association of Canada's "Syntheses of Best Practices Road Salt Management" will be a positive step forward for the City of Winnipeg in environmental stewardship.

Human Resource Implications:

[X] No
[ ] Yes

Comments:

Financial Implications:

[X] Within approved current and/or capital budget
[ ] Current and/or capital budget adjustment needed

Comment:
Current Budget

REPORT

REASON FOR THE REPORT:

The Standing Committee on Public Works must approve the transfer of funds from the Current Budget to the Commitment Reserve.

HISTORY:

On September 26, 2001, City Council approved a report recommending that approval be provided to construct a new sand/salt facility at 1220 Pacific Avenue and that the $550,000 expenditure required for the project be charged to the 2001 Snow and Ice Control Current Budget. This facility was constructed in the winter of 2001 and put into operation for the 2002/2003 winter.

On January 13, 2003 the Standing Policy Committee on Public Works approved a report recommending that approval be provided to construct a new sand/salt storage facility at the 1539 Waverley Street Public Works yard and that the $600,000.00 expenditure required for the project be charged to the 2002 Snow and Ice Control Current Budget.

As the construction of the facility would not commence until June 2003, the Standing Policy Committee on Public Works further recommended that the $600,000.00 be recorded as a contribution to the Commitment Reserve.

In January of 2003, the Chief Financial Officer approved a report that recommended that a contribution to the Commitment Reserve in the amount of $600,000 be made for the construction of a sand/salt storage facility at the 1539 Waverley Street Public Works yard.

Council previously adopted the 2003 Current Program including:

Funding for Snow and Ice Control Program $13,538,558

On February 10, 2004, the Standing Committee on Public Works considered a report from the Public Works Department recommending that an amount of $300,000 be redirected from the 2003 surplus funds of the snow and ice control operating budget to the Commitment Reserve fund for the construction of the sand/salt facility at the 1539 Waverley Avenue Public Works Yard. The Standing Committee requested that the Administration provide further information with regard to the details of the additional funding that is required.

DISCUSSION:

The original cost estimate of $600,000 included the cost of the building component and some minor site preparation works and was based on constructing a similar building as the sand/salt storage facility constructed in 2001 at the yard at 1220 Pacific Avenue.

However, upon completing a preliminary site investigation, it was determined that more extensive site preparation and underground works than originally anticipated would be required to complete the project. At the 1220 Pacific Avenue site, the site preparation and underground works for the salt/sand facility had been completed previously with the redevelopment of the Streets Maintenance building and yard site. The scope of the required site design and preparation works at 1539 Waverley Street were beyond the capability of current in-house staff, especially for the design of underground works conforming to Water & Waste Department standards. Subsequently, an assignment was made to an engineering consultant to design, estimate the cost and prepare a site which would be in accordance with the Transportation Association of Canada's Synthesis of Best Practices in Road Salt Management, published in September of 2003.

The additional $300,000.00 of funding is required to cover the costs of:

1) consultant engineers to conduct a detailed site design, oversee the work, prepare a building tender and provide contract administration ($100,000);
2) extensive site preparation works ($100,000) which include new approaches, paved haul roads and excavation and subbase placement;
3) underground utility works ($60,000) which includes land drainage sewer, wastewater collection system and watermains conforming to Water & Waste Department standards and to Environment Canada's Code Of Practice for meltwater collection of road salt/sand storage facility; and
4) landscaping features to shield the site from the adjacent Linden Ridge residential development along Chevrier Boulevard ($40,000), which include berms, shrub beds and sodding.

The detailed site design commenced in December of 2003. The schedule calls for the design to be completed by March 7, 2004; the site preparation work to be completed by June 30, 2004, and the storage facility completed by August 31, 2004.

The total expenditure for snow and ice control was $13,215,000.00 leaving a surplus of over $320,000. Surpluses from snow clearing activities are otherwise transferred to the snow reserve account.

It is therefore recommended:

That an amount of $300,000 be re-directed from the 2003 surplus funds of the snow and ice control operating budget fund to the Commitment Reserve for the completion of a Sand/Salt Storage facility at the 1539 Waverley Street Public Works yard.

Financial Impact Statement

Date: January 28, 2004

Project Name: **First Year of Program 2003**

Additional Contribution to the Commitment Reserve for the construction of a Sand/Salt storage facility at the 1539 Waverley Street Public Works yard.

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - To Be Determined					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 300,000				
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 300,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	300,000	-	-		
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The construction of the building is not expected to add any significant net costs to the annual operation of the Snow Removal program in future years.

"Original signed by Darcy Stewart, CA"

Manager of Finance & Administration

Approved by Divisional Accountant Trainee: ☑

In preparing this report, there was consultation with and concurrence by:

N/A

This Report Submitted by:

Department:	Public Works
Division:	Streets Maintenance
Prepared by:	K. Boyd, P. Eng. (986-5076)
Processed by:	P. Peters
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