Agenda – Executive Policy Committee – September 17, 2024

Report – Standing Policy Committee on Public Works – September 12, 2024

Moved by Councillor

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 four business days preceding the committee meeting, be considered by Committee.

Item No. 2 Canadian Pacific Rail Cost-Sharing Agreements

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2024, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the City enter into, execute and deliver cost-sharing agreements with the Canadian Pacific Railway Company for the crossing projects included in Canadian Pacific Railway's application for Rail Safety Improvement Program funding, and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the cost-sharing agreement with the Canadian Pacific Railway Company and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the 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 – September 17, 2024

Report – Standing Policy Committee on Public Works – September 12, 2024

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2024, the Standing Policy Committee on 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: Canadian Pacific Rail Cost-Sharing Agreements

Critical Path: Standing Policy Committee on Public Works – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Patman, P.Eng.	J. Berezowsky	T. Graham	S. Armbruster Interim CAO

EXECUTIVE SUMMARY

This report outlines a recommendation to enter into a cost-sharing agreement with Canadian Pacific Railway (CPR) related to the intersection of Inkster Boulevard and Sinclair Street.

CPR intends to improve the rail crossing on Inkster Boulevard east of Sinclair Street. The work will bring it into compliance with Transport Canada's Grade Crossing Regulations and Grade Crossing Standards. This work will be done in conjunction with the ongoing City of Winnipeg Capital Road Renewal project on Inkster Boulevard.

Under existing Board Agreements filed with Transport Canada, the City of Winnipeg is required to contribute 50 percent of the share of the costs for required maintenance and operation of the crossing.

CPR will apply to the Federal Rail Safety Improvement Program for funding for the crossing project and has requested we enter into a cost-sharing agreement prior to its application. The agreement would be updated with a lesser cost-sharing contribution should federal funding be approved.

The City's share of the costs is estimated at $76,547.00. In the event that federal funding is approved, this could be reduced by 50 percent to an estimated $38,273.50.

The City's costs would be funded through existing funds in the Road Safety Improvement Program (formerly the Traffic Engineering Improvement Program). The Road Safety Improvement Program is an annual program that includes improvements to a wide variety of City infrastructure including railway crossing safety improvements.

RECOMMENDATIONS

1. That the City enter into, execute and deliver cost-sharing agreements with the Canadian Pacific Railway Company for the crossing projects included in Canadian Pacific Railway's application for Rail Safety Improvement Program funding, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the cost-sharing agreement with the Canadian Pacific Railway Company and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services 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.

REASON FOR THE REPORT

Council approval is required for the City to enter into the cost-sharing agreement with the Canadian Pacific Railway Company.

IMPLICATIONS OF THE RECOMMENDATIONS

The estimated capital cost of the project with CPR is $153,094.00, of which the City of Winnipeg will pay 50 percent of the total cost and CPR will pay 50 percent. The City of Winnipeg 50 percent share (approximately $76,547.00) will be funded by the Road Safety Improvement Program (formerly the Traffic Engineering Improvements Program) budget. The City's total contribution may be reduced should CPR's application for federal Rail Safety Improvement Program funding be approved.

HISTORY/DISCUSSION

There are over 200 at-grade rail crossings in the City of Winnipeg that are primarily operated by Canadian National Railway Company and Canadian Pacific Railway (CPR). In 2024, CPR is planning to make improvements at the rail crossing located on Inkster Boulevard east of Sinclair Street to bring it into compliance with Transport Canada's Grade Crossing Regulations and Grade Crossing Standards. Under existing Board Agreements filed with the Canadian Transportation Agency[1], the City of Winnipeg is required to contribute its share of costs for required maintenance and operation of the crossings.

CPR will be applying to the Federal Rail Safety Improvement Program for funding in relation to the crossing projects and has requested that the City of Winnipeg enter into cost-sharing agreements for each of the seven at-grade crossing projects in support of its applications.

The purpose of the cost-sharing agreement is to formalize the commitments of each party to the project prior to CPR making an application to the Federal Rail Safety Improvement Program for partial funding of the project. In all cases, the cost-sharing arrangement proposed is equal to or

[1] When a railway intersects with a roadway, the rail company and the road authority (i.e. the City) enter in an agreement typically known as a "Board Agreement" that lays out the responsibilities for each party, including the cost sharing for crossing improvements to maintain compliance with Transport Canada Standards and Regulations. These agreements are filed with the Canadian Transportation Agency who can act to resolve disputes, should they arise.

better than the cost-sharing obligations documented in the existing Board Agreement for each crossing. The project will be completed with or without a successful application for federal funding but a cost-sharing agreement between the road and rail authority is generally seen as favorable in the application process.

Under the proposed cost-sharing agreement, CPR's primary obligations would be to complete the improvements identified below and coordinate the submission of a joint funding application to the Rail Safety Improvement Program. The City's primary obligations would be to contribute its share of the costs based on the proportions in the agreement. CPR estimates it will complete the work by the end of November 2024.

The location of planned project on Inkster Boulevard east of Sinclair Street and the estimated costs are shown in Figure 1 and Table 1.



Figure 1 - Grade Crossing Locations

Location	**Project Description**	**Total Estimated Costs**	**City Proportion**	**Estimated City Costs**
Winnipeg Beach Mile 1.72	Side and Back Lights	$153,094.00	50%	$76,547.00
Total		**$153,094.00**		**$76,547.00**

Table 1 - CPR Project Locations and Costs

The City's share of the costs will be funded through existing funds in the Road Safety Improvement Program (formerly the Traffic Engineering Improvement Program). The Road Safety Improvement Program is an annual program that includes improvements to a wide variety of City infrastructure including railway crossing safety improvements. The Capital budget

sheets for the Road Safety Program explicitly describe “railway crossing safety improvements” as one of the eight categories that are within the scope of the program.

FINANCIAL IMPACT

Financial Impact Statement **Date:** July 30, 2024

Project Name: **First Year of Program** **2024**

Canadian Pacific Rail Cost-Sharing Agreements

	2024	2025	2026	2027	2028
Capital					
Capital Expenditures Required	$ 80,531	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	80,531	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	3,984	-	-	-	-
Net Cost/(Benefit)	$ (3,984)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(3,984)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The total estimated cost of $80,531.00 will be funded by the 2024 Road Safety Improvement Program, Public Works Capital Project (#1831000024). Incremental Revenue/Recovery represents the Departmental Engineering, Corporate Interest, and Administrative overheads.

J. Ruby, 2024-07-30

J. Ruby CPA, CA
Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg 2045
This report is in accordance with OurWinnipeg2045 as per:

- ***Policy 4.10 Transportation Safety:*** Design, construct, maintain, and regulate an integrated and sustainable transportation system and related infrastructure that optimize safe, connected, and reliable mobility, and minimize severe injuries and fatalities for all road users.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Public Works
Division: Transportation
Prepared by: Greg Blatz, P.Eng. Traffic Management Engineer
Date: July 31, 2024