



SPECIAL CITY COUNCIL

**Monday, September 19, 2016
10:00 AM**

Henry Baker Hall, Main Floor, City Hall

If you wish to address City Council, you must submit the following to the City Clerk's Office by 8:00 A.M., Monday, September 19, 2016:

- 1. A letter requesting permission to appear before City Council.**
- 2. A copy of your presentation (i.e. a brief which sets out the full text of your presentation and the request being made of City Council.)**

E-mail: clerks@regina.ca

Phone: 306-777-7262



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**Agenda
Special City Council
Monday, September 19, 2016**

CONFIRMATION OF AGENDA

COMMITTEE REPORTS

EXECUTIVE COMMITTEE

CR16-105 Public Transit Infrastructure Fund (PTIF) and Canada Water Wastewater Fund (CWWF) – Proposed Projects

Recommendation

1. That the following projects be approved for consideration by the federal and provincial governments under the Public Transit Infrastructure Fund (PTIF) and the Canada Water Wastewater Fund (CWWF).

PTIF:

- Arcola Express Bus Route (3 buses) - \$1.725 million;
- Paratransit Bus Addition Spare Ratio Increase (1 paratransit bus) - \$130,000;
- Transit Customer Service and Safety - \$1.548 million;
- Transit Technology and Software Improvements - \$1.2 million;
- Fleet Addition (3 buses) - \$1.725 million;
- Transit Fleet Replacement (17 buses and 9 paratransit buses) \$10.945 million.

CWWF:

- Upgrades to McCarthy Boulevard Pump Station (MBPS) – third force main approximately \$15 million;
- Wastewater and storm water collection system rehabilitation – approximately \$5 million;
- Wastewater collection and drainage system upgrades - \$7.4 million.

2. That the City Manager or his designate be authorized to prepare, negotiate, review and submit applications for funding through the PTIF and CWWF for the projects identified in recommendation one, in accordance with the terms and conditions of the PTIF and CWWF programs.



Office of the City Clerk

3. That the City of Regina (City) funding requirement be funded as follows:
 - \$8,637,506 from the Asset Revitalization Reserve; and
 - \$6,850,000 from the General Utility Reserve.
4. That the City Manager report back to Executive Committee on the progress of discussions with the provincial government and the status of the application process.

ADJOURNMENT

September 18, 2016

To: His Worship the Mayor
and Members of City Council

Re: Public Transit Infrastructure Fund (PTIF) and Canada Water Wastewater Fund (CWWF)
– Proposed Projects

**RECOMMENDATION OF THE EXECUTIVE COMMITTEE
- SEPTEMBER 14, 2016**

1. That the following projects be approved for consideration by the federal and provincial governments under the Public Transit Infrastructure Fund (PTIF) and the Canada Water Wastewater Fund (CWWF).

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 - \$8,637,506 from the Asset Revitalization Reserve; and
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EXECUTIVE COMMITTEE – SEPTEMBER 14, 2016

The Committee adopted a resolution to concur in the recommendation contained in the report.

Mayor Michael Fougere, Councillors: Shawn Fraser (Chairperson), Sharron Bryce, Bryon Burnett, John Findura, Jerry Flegel, Bob Hawkins, Wade Murray, Mike O'Donnell and Barbara Young were present during consideration of this report by the Executive Committee.

The Executive Committee, at the **PRIVATE** session of its meeting held on September 14, 2016, considered the following report from the Administration:

RECOMMENDATION

1. That the following projects be approved for consideration by the federal and provincial governments under the Public Transit Infrastructure Fund (PTIF) and the Canada Water Wastewater Fund (CWWF).

PTIF:

- Arcola Express Bus Route (3 buses) - \$1.725 million;
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- Upgrades to McCarthy Boulevard Pump Station (MBPS) – third force main approximately \$15 million;
- Wastewater and storm water collection system rehabilitation – approximately \$5 million;
- Wastewater collection and drainage system upgrades - \$7.4 million.

2. That the City Manager or his designate be authorized to prepare, negotiate, review and submit applications for funding through the PTIF and CWWF for the projects identified in recommendation one, in accordance with the terms and conditions of the PTIF and CWWF programs.
3. That the City of Regina (City) funding requirement be funded as follows:
 - \$8,637,506 from the Asset Revitalization Reserve; and
 - \$6,850,000 from the General Utility Reserve.
4. That the City Manager report back to Executive Committee on the progress of discussions with the provincial government and the status of the application process.

CONCLUSION

Administration was recently informed that the Government of Saskatchewan and the Government of Canada are in a position to sign the bilateral agreement for the CWWF and PTIF and that an event announcing the signing will occur in the very near future.

In preparation for this announcement, the intent is to submit a list of Council-authorized projects for consideration under PTIF and CWWF to possibly announce as part of the signing event. As such, the purpose of this report is to receive City Council approval on a list of projects to be considered under these funding streams and the funding source for the City's portion of the costs.

BACKGROUND

The federal government has committed to providing \$60 billion over ten years in infrastructure investment in two phases. Phase I, focused on the state of good repair of existing infrastructure, includes \$11.9 billion for short-term projects designed to address repair and maintenance needs. Phase I funding directed to municipal priorities will be delivered through the Public Transit Infrastructure Fund (PTIF) and the Clean Water and Wastewater Fund (CWWF). The remaining \$48.1 billion in funding will be announced as part of Phase II of the long-term plan, for which consultations with stakeholders is currently underway.

DISCUSSION

PTIF:

The PTIF is a \$3.4 billion fund that will primarily support investments that meet immediate public priorities including: projects that improve the state of good repair of public transit; that support system optimization and efficiency; increase asset management capacity; and, design and plan for future expansion of public transit systems. Effective use of innovative new technologies that can unlock improved environmental benefits and projects that advance improvements in safety and accessibility are also eligible. Projects for system expansion may be considered if they can be completed within the program timeframe.

Eligible investments include:

- Capital projects for the rehabilitation, optimization and modernization of public transit infrastructure, or that improve the efficiency, accessibility and/or safety of public transit infrastructure (including rehabilitation or enhancement of existing guide ways, maintenance and storage facilities, or other existing public transit capital assets; refurbishment or replacement of existing rolling stock; and replacement or enhancement of transit stations);
- Expenditures to support the asset management capacity of a public transit system;
- Expenditures to support the design and planning for the future expansion and improvements to public transit systems, including transportation demand management measures and studies and pilot projects related to innovative and transformative technologies; and,
- Projects for system expansion, which may include active transportation, if they can be completed within the program timeframe.

Allocation details:

- Total Saskatchewan allocation is \$29 million.
- Program completion date: March 31, 2018; however, projects will be eligible for a one-year extension to March 31, 2019, on a case-by-case basis.
- Regina will receive an allocation from the Government of Canada based on the 2014 Canadian Urban Transit Association (CUTA) statistics.

| Funding Source | Percentage of Contribution | Dollar Value |
|----------------------------|-----------------------------------|---------------------|
| Government of Canada | 50% | \$8,637,506 |
| Government of Saskatchewan | 0% | \$0 |
| City of Regina | 50% | \$8,637,506 |
| TOTAL: | 100% | \$17,275,012 |

Projects for Consideration:

1. Arcola Express Bus Route:

The growth in the southeast portion of the City has outpaced the expansion of bus routes to that area. There is limited bus service to the new communities in this area. The addition of an express route would service the communities of Greens on Gardner, Woodland Grove, Windsor Park, and Gardiner Heights.

The current service to these areas results in lengthy travel time to reach the downtown areas. The longest trip could take up to 55 minutes. Three additional buses are required to be purchased to establish this service and would reduce the travel time to 15 minutes to the downtown.

2. Paratransit Bus Fleet Addition – Spare Ratio Increase:

Currently, the City’s paratransit fleet has 32 buses, with 28 operating in peak service times resulting in a 12.5% spare bus ratio. The industry standard is a 15% spare bus ratio to ensure there are sufficient buses that can be taken out of service for repairs and maintenance. The current ratio of 12.5% results in impacts to services and service levels when buses are not available.

3. Transit Customer Service and Safety:

There are a number of service and safety initiatives identified that will impact the transit service for customers. These include:

- Improved bus stop accessibility including painting bus stop poles, adding braille identification plates at stops, adding large stop signage at eye level and repairs to concrete bus stop pads.
- Replacement of 65 bus shelters to meet accessibility standards in various locations.
- Implementation of external bus stop announcements and internal stop displays.
- Installation of Q-Pod securement systems (forward facing mobility device) and quantum securement systems (rear facing mobility device) on conventional buses.
- Purchase and instalment of adjustable paratransit driver seats to improve driver comfort and safety and reduce injuries.

4. Transit Scheduling Software:
Transit requires a new scheduling software to improve efficiency in scheduling operators to deliver established service levels.
5. Transit Technology Improvements:
The technology currently employed by Regina Transit is outdated and requires upgrades. Transit has identified several projects that will improve current technology and increase the efficiency and enhancement of customer service.
6. Transit Fleet Addition:
Increasing the size of the fleet by three buses will ensure the City's ability to continue delivering current levels of transit services to the community.
7. Transit Fleet Replacement:
The City has established a Transit Fleet Replacement Plan to ensure a clean, safe, and reliable equipment compliment is available to satisfy operational requirements as well as reduce the risk of unmanageable repair costs on equipment that has exceeded its economic life. Replacement of 17 conventional and nine Paratransit buses that have completed or exceeded their economic service life are in support of this plan.

CWWF:

The CWWF is a \$2 billion fund designed to encourage economic growth and support sustainable, livable communities. The fund will primarily focus investments on meeting immediate priorities for clean water and wastewater to support a cleaner and healthier environment for communities.

Eligible investments include:

- the rehabilitation and optimization of water, storm water and wastewater related infrastructure;
- improvement of asset management approaches, including studies and pilot projects;
- planning for future upgrades to wastewater treatment and collection infrastructure to meet applicable regulatory requirements; and
- new construction projects, including the construction of naturalized systems for management and treatment of wastewater and storm water may also be considered if they can be completed within the program timeframe.

Allocation details:

- Total Saskatchewan allocation is \$89,342,112.
- Program completion date: March 31, 2018; however, projects will be eligible for a one-year extension to March 31, 2019, on a case-by-case basis.
- Regina will receive an allocated portion of funding with Regina's portion being \$27.4 million.

| Funding Source | Percentage of Contribution | Dollar Value |
|----------------------------|-----------------------------------|---------------------|
| Government of Canada | 50% | \$13,700,000 |
| Government of Saskatchewan | 25% | \$6,850,000 |
| City of Regina | 25% | \$6,850,000 |
| TOTAL: | 100% | \$27,400,000 |

Projects for Consideration:

1. Upgrades to McCarthy Pump Station (MBPS):

To meet regulatory requirements set in place by the Water Security Agency (WSA), the City must upgrade the MBPS. The new provincial regulatory requirements require the City to not release untreated wastewater, at the MBPS, to the environment during a major rainfall event. As the weather becomes more extreme and the infrastructure ages, there is an increased risk that wastewater could be diverted to the environment without a significant upgrade. Analysis indicates that installing a third force main from the MBPS to the wastewater treatment plant will be required at a cost of approximately \$15 million.

2. Wastewater and storm water collection system rehabilitation:

The City of Regina has a proactive pipeline relining program to ensure the underground wastewater and storm water infrastructure is preserved and restored for future generations. The program is based on prioritizing critical infrastructure like large diameter wastewater and storm water pipelines. The City is actively relining this infrastructure and expects the program to continue for years to come. The estimated cost to continue this work is approximately \$5 million

3. Wastewater collection and storm system upgrades:

The City is in the process of completing a wastewater master plan in order to maintain/improve its level of service, accommodate growth, reduce risk and meet provincial regulatory requirements. It is expected that the wastewater master plan will recommend significant upgrades to the wastewater collection system in order to avoid discharging untreated wastewater to the environment during major rainfall events. This work will include twinning wastewater trunks and upsizing existing wastewater pump stations and pipes. This work will also include upgrading our storm water system to reduce the amount of rainwater from entering the wastewater system. This will reduce the risk of flooded basements and discharges of untreated wastewater to the environment. Significant investments are required in this infrastructure and approx. \$7.4 million will be submitted for the CWWF.

RECOMMENDATION IMPLICATIONS

Financial Implications

Administration is recommending the funding for the City's portion of the cost allocation be from the Asset Revitalization Reserve and the Utility Reserve as follows:

- Public Transit Infrastructure Fund amount of \$8,637,506 to be accessed from the Asset Revitalization Reserve; and
- Canada Water Wastewater Fund amount of \$6,850,000 from the Utility Reserve.

Reserves are a critical component of the City's long range financial planning. Utilizing the existing funding in these reserves to cover the City's portion of the costs will not affect future proposed mill rates and eliminates the need to access debt to complete the projects.

The Asset Revitalization Reserve was established in 2008 for the primary purpose of having dedicated funds available for strategic priorities of the City to assist in managing growth and revitalization of the City. This reserve is funded mainly by directing a portion of the interest revenue earned during the year to the reserve. As noted in the 2015 Annual Report, the December 31, 2015 balance of this reserve was \$18.6 million.

The Utility Reserve is utilized by the Utility to support the self-sustaining, user-pay model. Surpluses at year end are held in the Utility Reserve to fund future infrastructure projects, renewal and replacement projects, and smooth out the effect of ongoing operating costs and capital projects on rates charged to customers. The December 31, 2015 balance of the Utility Reserve was \$79.9 million.

The City holds a number of reserves to respond to unexpected emergencies or revenue shortfall. As reported in the 2015 Annual Report, the balance of the City of Regina reserves was \$213.7 million on December 31, 2015. Reserves enable the City to smooth the effect of spending decisions that impact property taxation, finance unexpected/emergency spending requirements, minimize our use of debt to fund projects and support the City's credit rating. The reserves are also used to match revenues and expenses of specific services such as landfill operations and development, fleet replacement, asset revitalization.

The risk associated with the recommended funding option is that the City of Regina's reserves are relatively low in comparison to the cost of our capital assets of \$2.8 billion on December 31, 2015. The City is in the process reviewing the reserve policy and developing a long range financial plan that will provide a strategy to establish an appropriate level of reserves and support our long term service and infrastructure needs.

While this is a risk, utilization of reserves to fund projects that will leverage federal and provincial funding is appropriate; fits within the proposed purposes of the reserves identified; and is the most feasible option.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

None with respect to this report.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Any and all communication activities will be discussed between all parties involved, as per the terms of the Contribution Agreement.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,

EXECUTIVE COMMITTEE

A handwritten signature in black ink, appearing to read 'Jim Nicol', written in a cursive style.

Jim Nicol, Secretary

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