



PUBLIC WORKS COMMITTEE

**Thursday, September 6, 2012
4:00 PM**

Henry Baker Hall, Main Floor, City Hall



**Public Agenda
Public Works Committee
Thursday, September 6, 2012**

Approval of Public Agenda

Minutes of the meeting held on July 17, 2012.

Administration Reports

PW12-14 PW12-14 2013 Alley Maintenance Strategy and Special Tax Levy Funding Options

Recommendation

That the City Solicitor be instructed to prepare the appropriate bylaw for alley maintenance in 2013, which includes the following levies, proposed revenues, and estimated costs:

Paved Alleys **\$3.56** per assessable foot
Gravel Alleys **\$2.33** per assessable foot

The proposed revenues and estimated costs for maintenance of alleys in 2013 are:	
Paved Alleys	\$2,816,700
Gravel Alleys	\$1,427,600
TOTAL	\$4,244,300

PW12-15 PW12-15 2013 Servicing Agreement Fee Rates & Development Levy Bylaw

Recommendation

1. That the 2013 Servicing Agreement Fee (SAF) Rate of \$241,958 per hectare (ha) be approved to come into effect January 1, 2013.
2. That the 2013 Development Levy Bylaw Rate of \$241,958 per hectare (ha) be approved to come into effect January 1, 2013.
3. That the City Solicitor be instructed to prepare the necessary amendment to Bylaw 2011-16 being *The Development Levy Bylaw, 2011* to include the new development levy rate.
4. That this report be forwarded to the October 9, 2012 City Council meeting to allow for sufficient time for public notice of the amendments to *The Development Levy Bylaw*.

Adjournment

AT REGINA, SASKATCHEWAN, TUESDAY, JULY 17, 2012

AT A MEETING OF THE PUBLIC WORKS COMMITTEE
HELD IN PUBLIC SESSION

AT 4:00 PM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

Present: Councillor Sharron Bryce
Councillor Louis Browne
Councillor Fred Clipsham
Councillor John Findura
Councillor Jocelyn Hutchinson

Also in Attendance: Committee Assistant, Elaine Gohlke
Solicitor, Jayne Krueger
Deputy City Manager, City Operations, Dorian Wandzura
Director of Parks & Open Space, Neil Vandendort
Director of Water and Sewer Services, Stella Madsen

APPROVAL OF PUBLIC AGENDA

Councillor Hutchinson moved, AND IT WAS RESOLVED, that the agenda be approved, as submitted, with delegations to be heard at the call of the Chair.

ADOPTION OF MINUTES

Councillor Clipsham moved, AND IT WAS RESOLVED, that the minutes for the meeting held on June 19, 2012 be adopted.

PW12-11 Project Management Consulting Services

Recommendation

1. That the Deputy City Manager & COO of City Operations be authorized to initiate the public procurement process to engage professional consulting services to provide project management services, to support and deliver the Utility's Capital Program, as well as some operational initiatives within Water and Sewer Services, as the contract(s) value for consulting services is projected to exceed \$500,000 per contract to a maximum of four (4) contracts.
2. That the authority to award and finalize terms for a consulting services contract(s), after review of proposals from professional consulting firms, be delegated to the Deputy City Manager & COO of City Operations.
3. That the City Clerk be authorized to execute said agreements following review by the City Solicitor.

Councillor Browne moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

PW12-12 Environment Advisory Committee Supplementary Communication

A communication dated July 17, 2012 from the Environment Advisory Committee was submitted to the Committee.

Mike Berry and Norm Henderson, representing the Environment Advisory Committee, addressed the Committee.

Councillor Browne moved, AND IT WAS RESOLVED, that this communication be received and filed.

PW12-13 Pesticide Reduction - Draft Revised Recommendations

Recommendation

1. The City of Regina adopt a policy of avoiding pesticides for cosmetic or non-essential use in the management of lands owned or administered by the City.
2. The City of Regina encourage Wascana Centre Authority to avoid pesticides for cosmetic or non-essential use in the management of lands under the jurisdiction of Wascana Centre Authority.
3. The City of Regina encourage residents to avoid pesticides for cosmetic or non-essential use on their own lands.
4. The City of Regina undertake a public education campaign on avoiding pesticides for cosmetic or non-essential use.
5. The City of Regina review the pesticide policy and its practices after two years and continue or modify them as appropriate at that time.
6. The City of Regina identify, through conspicuous signage, areas that it has treated with any and all biocides.
7. The City of Regina encourage the Regina Public School Board and the Regina Catholic School Board to avoid pesticides for cosmetic or non-essential use in the management of lands under the jurisdiction of each school board.

The following addressed the Committee:

- Jennifer Milo;
- Krista Anderson, representing Bayer CropScience and Certified Crop Science Consultants;
- Bryce Thompson;
- Nigel Bowles, representing Saskatchewan Nursery Landscape Association;
- Devon Young, representing Weed Man;
- Lucille Bouvier, representing Plant Ranch Garden Centre;
- Al Taylor;

- Paule Hjertaas, representing Saskatchewan Network for Alternatives to Pesticides; and
- Marlene Macfarlane.

Councillor Clipsham moved that this communication be received and filed.

Councillor Clipsham withdrew his motion to receive and file this communication.

Councillor Clipsham moved, AND IT WAS RESOLVED, that:

This matter be referred to the Administration for a report to a special Public Works meeting to be scheduled in late November 2012, that provides further information on the recommendations made by the Environment Advisory Committee, in particular, adopting a policy of avoiding herbicides, including the following:

1. **Budgetary implications;**
2. **Information on the precautionary approach and how it applies here;**
3. **Information on the former Integrated Pest Management Advisory Committee;**
4. **That Administration contact open space managers at Wascana Centre Authority, the Public School Board and the Catholic School Board for information on their present weed regimes;**
5. **That Administration seek further information on the partnership between the Saskatchewan Environmental Society and the City of Saskatoon with respect to their use of social marketing for pesticide reduction;**
6. **That Administration contact Regina Qu'Appelle Health Region, the Provincial Health Officer, the College of Physicians and Surgeons of Saskatchewan, and the Saskatchewan Watershed Authority for their opinion on the use of pesticides;**
7. **Discussion on how the City's use of pesticides is communicated; and**
8. **That Administration request information from the Pest Management Regulatory Agency regarding scientific information on pesticides.**

ADJOURNMENT

Councillor Clipsham moved, AND IT WAS RESOLVED, that the meeting adjourn.

The meeting adjourned at 9:06 p.m.

Chairperson

Secretary

September 6, 2012

To: Members,
Public Works Committee

Re: 2013 Alley Maintenance Strategy and Special Tax Levy Funding Options

RECOMMENDATION

That the City Solicitor be instructed to prepare the appropriate bylaw for alley maintenance in 2013, which includes the following levies, proposed revenues, and estimated costs:

Paved Alleys **\$3.56** per assessable foot
 Gravel Alleys **\$2.33** per assessable foot

The proposed revenues and estimated costs for maintenance of alleys in 2013 are:	
Paved Alleys	\$2,816,700
Gravel Alleys	\$1,427,600
TOTAL	\$4,244,300

CONCLUSION

The proposed increase for the 2013 Alley Maintenance Program is consistent with the previously approved strategy to continue to maintain the City’s alley inventory in an acceptable and sustainable condition. The 2012 alley maintenance budgets have increased by amounts that reflect rising costs of labour, equipment, and materials. For paved alleys, this represents an increase of 8.7% and for gravel alleys, an increase of 6.8%. Additionally, the Administration recommends a 22% administrative corporate overhead cost, which was phased in starting last year (7% in 2012) and will continue to be phased in over the next two years (7% in 2013 and 8% in 2014).

The Administration is committed to ensuring that the full costs of delivering alley maintenance services are reflected in the levy’s charged to residents. Ongoing reviews will be necessary given the upcoming changes occurring in service delivery and impact on alleys. In particular, once the solid waste conversion to cart containers is completed, it has the potential to alter or influence the public’s view on the preferred level of service associated with the alleys.

BACKGROUND

Historical information on the Alley Maintenance Program and special tax levy has been included in Appendix A.

DISCUSSION

The City of Regina’s Alley Maintenance Program is intended to provide a sustainable alley system that is passable, safe, affordable, efficient and environmentally responsible. There are approximately 304 kilometres of alleys in the city. This alley inventory consists of 172 kilometres of paved alleys and 132 kilometres of gravel alleys.

The City of Regina's Alley Maintenance Program is governed by *The Cities Act*, Sections 275 – 278, which provides the authority to levy a special tax on properties for specific services. Property owners abutting paved or gravel alleys are required to pay the special tax. Revenues collected from the special tax provide 100% of the operating funding dedicated to the Alley Maintenance Program.

Proposed 2013 Paved Alley Budget

The proposed budget for 2013, as shown by activity, and the special tax levy for paved alleys are summarized in Table 1. These are based on the continuation of the strategy for a sustainable alley system. The approved 2012 budget and special tax levy are provided for comparison. An 8.7% increase to the paved alley budget to adjust for the estimated increased costs of labour, equipment, materials and 14% for the corporate overhead.

Table 1 – Proposed and Existing Paved Alley Maintenance Budgets

Program Item	2012 Operating Budget	Proposed 2013 Operating Budget	Proposed 2013 Budget Including 14% Corporate Overhead
Pavement Maintenance	\$ 593,605	\$ 645,200	\$ 735,500
Paved Alley Reconstruction	\$ 1,679,495	\$ 1,825,600	\$ 2,081,200
Total	\$ 2,273,100	\$ 2,470,800	\$ 2,816,700

Paved Alley Levy	2012	Proposed 2013
Assessable Footage*	787,674	791,626
Levy Rate	\$ 3.09/ft.	\$ 3.56/ft.
Levy Amount per 50 ft. lot	\$ 154.50	\$ 178.00

* Any change in assessable footage can be attributed to continual updating of City records.

Proposed 2013 Gravel Alley Budget

The proposed budget for 2013, as shown by activity, and the special tax levy for gravel alleys are summarized in Table 2. These are based on the continuation of the revised strategy for a sustainable alley system. The approved 2012 budget and special tax levy are provided for comparison. A 6.8% increase to the gravel alley budget to adjust for the estimated increased costs of labour, equipment, materials and 14% for the corporate overhead.

Table 2 – Proposed and Existing Gravel Alley Maintenance Budgets

Program Item	2012 Operating Budget	Proposed 2013 Operating Budget	Proposed 2013 Budget Including 14% Corporate Overhead
General Maintenance	\$ 378,542	\$ 404,200	\$ 460,800
Reconstruction/Refreshing	\$ 794,057	\$ 848,100	\$ 966,800
Total	\$ 1,172,599	\$ 1,252,300	\$ 1,427,600

Gravel Alley Levy	2012	Proposed 2013
Assessable Footage*	613,921	613,836
Levy Rate	\$ 2.04/ft	\$ 2.33/ft
Levy Amount per 50 ft. lot	\$ 102.00	\$ 116.50

* Any change in assessable footage can be attributed to continual updating of City records.

Full Level of Service Cost Recovery

While the Administration is committed to the principle of full cost recovery, it has become apparent in the process of identifying those costs that more detailed level of service statements are required for all budget line items. It is important that the public, administration and operations have a common understanding of what services are, and are not, provided based on the fees being paid. The original 1996 Alley Maintenance Strategy approved by City Council provided a basic clarity on the reconstruction/gravel refresh components of the gravel and paved alley budgets. In summary, that strategy provided a 30-year reconstruction life cycle for paved alleys and a 40-year reconstruction life cycle for gravel alleys. However, there are currently no defined levels of service statements for routine alley maintenance. This gap in the Alley Maintenance Service will require further clarification.

RECOMMENDATION IMPLICATIONS

Financial Implications

The recommended increases to paved and gravel alley levy's will allow the administration to maintain its current service levels. The increases are a result of cost increases for labour, equipment, materials and the phasing in of corporate overhead rates. The alley maintenance program is fully funded by revenues obtained through the special alley tax levy to property owners abutting alleys.

Environmental Implications

None with respect to this report.

Strategic Implications

The Alley Maintenance Strategy approved by City Council in 1996 was intended to maintain the alley inventory in an acceptable and sustainable condition. Funding to fully implement that strategy was phased in over a ten year period. Full funding for the strategy was achieved in 2006 and has continued since that time. The primary focus of the strategy is the provision of a 30 year reconstruction cycle in paved alleys and a 10 year systematic gravel refreshment cycle in gravel alleys.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

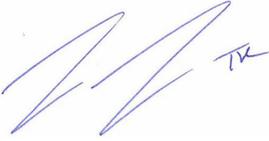
COMMUNICATIONS

Public notice of the special tax levy will be carried out in accordance with the requirements contained in *The Cities Act*. The Administration also provides information to various parties, including affected property owners upon request. In addition, construction notices where the scope of construction is significant are hand delivered to affected abutting properties prior to the commencement of work.

DELEGATED AUTHORITY

Special tax levies for 2013 require approval of City Council.

Respectfully submitted,

Handwritten signature of Trevor Kosolofski in blue ink, consisting of stylized initials and a small 'TK' mark.

Trevor Kosolofski,
Acting Director
Roadway Operations

KW/sk/jg

Respectfully submitted,

Handwritten signature of W. Dorian Wandzura in black ink, featuring a large 'D' and 'W' followed by a horizontal line.

W. Dorian Wandzura
Deputy City Manager & COO
City Operations

APPENDIX A

HISTORY OF THE ALLEY TAX LEVY

PAVED ALLEY MAINTENANCE

In 1996, a condition survey estimated that over 47% of paved alleys required extensive repair or reconstruction. The majority of those alleys were constructed in the 1960s or 1970s and had far exceeded their design life expectancy.

As a result, in 1996 City Council adopted a strategy to achieve a 30-year reconstruction cycle for paved alleys. This approved strategy was phased in over a ten year period by increasing the number of paved alley reconstructions by four alleys per year until a full implementation of 45 alley reconstructions per year was achieved. During the first half of the ten year period, annual funding increases were approximately in the order of 10%. However, in 2001, City Council deferred the increase to the special tax levy for one year pending the results of an evaluation on strategy objectives, design methodology, and construction costs. The 2001 evaluation concluded that the approach was sound. In 2002, the strategy continued along with the requested special tax increases.

In 2006, funding for the strategy was fully phased in and the 30-year reconstruction cycle strategy has been maintained since that time. In 2008, an additional line item was added to the paved alley budget for snow ploughing paved alleys. In 2009, additional line items were added to the paved alley budget to initiate bylaw enforcement for the pruning of private trees and for the time spent cost of engineering work related to alleys.

GRAVEL ALLEY MAINTENANCE

Typical maintenance activities which are undertaken to maintain stable surfaces in gravel alleys are regular maintenance blading, systematic gravel refreshing, re-grading to improve significant drainage concerns, and spot gravelling. During the 1996 review, a 40-year reconstruction life cycle strategy was adopted by City Council for gravel alleys with the original intent that the 40-year life cycle be fully phased in by 2005.

Increasing funding levels between 1996 and 2001 resulted in the completion of those gravel alley reconstruction locations which had originally been identified and required. The 2001 alley evaluation previously referred to confirmed objectives for reconstruction had been substantially met. A revised strategy was developed which provided additional efforts aimed towards improving surface maintenance rather than the deeper, structural reconstructions. The revised gravel alley maintenance strategy involved maintenance blading approximately four to five times during the non-winter months, spot gravelling, cleaning of catch basin sumps, minor reconstruction/drainage improvements, and achieving a systematic program of gravel refreshment based on a ten year cycle. In conjunction, the number of full depth reconstructions was reduced to roughly the equivalent of two locations per year.

In 2006, the revised strategy was fully phased in and the strategy has been maintained since that time. In 2008, an additional line item was added to the gravel alley budget for snow ploughing gravel alleys. In 2009, additional line items were added to the gravel alley budget to initiate bylaw enforcement for the pruning of private trees and for the time spent cost of engineering work related to alleys.

September 6, 2012

To: Members,
Public Works Committee

Re: 2013 Servicing Agreement Fee Rates & Development Levy Bylaw

RECOMMENDATION

1. That the 2013 Servicing Agreement Fee (SAF) Rate of \$241,958 per hectare (ha) be approved to come into effect January 1, 2013.
2. That the 2013 Development Levy Bylaw Rate of \$241,958 per hectare (ha) be approved to come into effect January 1, 2013.
3. That the City Solicitor be instructed to prepare the necessary amendment to Bylaw 2011-16 being *The Development Levy Bylaw, 2011* to include the new development levy rate.
4. That this report be forwarded to the October 9, 2012 City Council meeting to allow for sufficient time for public notice of the amendments to *The Development Levy Bylaw*.

CONCLUSION

On December 21, 2009, Council approved report CR09-171 detailing the *Servicing Agreement Fee Policy* (the "Policy"). As determined by a cash flow analysis of Servicing Agreement Fee revenues versus eligible capital projects funded in accordance with this policy, the required 2013 SAF Rate is \$241,958 per hectare of development, which represents an increase of 1.3% from the 2012 rate.

On August 22, 2011, Council approved report CR11-97 which authorized the preparation of Bylaw 2011-16 being *The Development Levy Bylaw* (the "Bylaw"). The Bylaw provides for a rate that is equivalent to the SAF Rate, which is \$241,958 per hectare of development for 2013.

BACKGROUND

The Planning and Development Act, 2007, allows municipalities to establish Servicing Agreement Fees (SAFs) and Development Levies necessary to fund the infrastructure investment required for new growth. For developments that occur with a subdivision, SAFs are collected from the developers when the servicing agreements are approved; and in the case where no subdivision is required, Development Levies are collected from the developers when the development or building permits are approved.

SAFs and Development Levies reflect the costs directly related to providing, altering or upgrading sewage, water, drainage and other utility services, as well as transportation and park and recreation facilities that directly or indirectly service new subdivisions. SAFs and Development Levies revenues are held in reserve and used only for projects that comply with legislative requirements and City Council's policies regarding these fees.

In 2007, Watson & Associates Ltd. (Watson) completed a review of the City's SAF policy. Prior to this review, principles related to SAFs were reviewed only once every five years and were never formally adopted as a Council-approved policy. Rapid changes in the pace of development between the years 2002 and 2007 resulted in inadequate SAF policies and a SAF Rate that did not reflect the true cost of providing services to new developments in the City. In order to ensure this did not occur in the future, City Council instructed the Administration to recommend a new SAF Rate for their approval on an annual basis.

In 2009, the Administration submitted the Policy with the proposed SAF Rate for 2010. This document, adopted by Council on December 21, 2009 provided a more clearly defined policy based on the recommendations and principles contained within the Watson Report.

In 2011, Council authorized the preparation of a Bylaw to collect a development levy to recover the capital cost of infrastructure required for circumstances where development occurs without a subdivision, and therefore SAF cannot be applied. The Bylaw provides for a rate that is equivalent to the SAF Rate.

DISCUSSION

The authority to charge SAFs and Development Levies is provided to the City of Regina through *The Planning and Development Act, 2007*. The fees collected from new developments are used to provide water, wastewater, drainage, roadway, parks, and recreation services that directly or indirectly serve these developments.

In administering SAFs and Development Levies, the City creates a list of projects that are necessary to provide services to new developments expected to be built over a certain time horizon (generally 20 years), as determined through information provided by the development community, the Official Community Plan, and the pace of development during the previous five years. On a simplified level, the SAF and Development Levy Rate is the cost of providing services divided by the number of hectares that will benefit from those services, to determine a cost per hectare.

2013 SAF and Development Levy Rate Calculation

In January of 2012, the Administration and Regina and Region Home Builders Association (RRHBA) met to begin discussions on a comprehensive rate review. At this meeting the Administration informed RRHBA that the projects and project costs were in the process of being adjusted and the Administration requested that the developers update their development phasing plans for the model.

The Administration has completed the comprehensive review and revised the current capital projects model including additional lands required to maintain a 20-year model. Completed projects have been removed from the model; pending projects have been reviewed to ensure cost estimates and project scheduling include the most current available information; and additional projects have been added to the model, beyond the Stage I scenario, to ensure the Capital Projects Model reflects a 20-year horizon. The additional projects representing development within the Stage II scenario are generic and not specific within the future growth areas but have a cost attached to them that is comparable to current development projects.

A proposed project that was of particular interest during this review was the New Development Water Meter Installations project. This potential SAF project proposed to cover the capital cost of installing water meters in new development areas (on-going maintenance and future replacement would continue to come from the City's operations budget). During the review with the RRHBA, it was determined that further evaluation of this proposed project is required. Therefore, this particular project is not included in the SAF Model at this time, to allow more time to discuss with key stakeholders.

The City's Construction and Compliance Department in coordination with the Finance Department has calculated the final 2013 SAF and Development Levy Rate, including carrying costs, over a 20-year period. When adjusted for inflation and interest, the recommended SAF and Development Levy Rate for 2013 requires a 1.3% increase, to \$241,958 per hectare. This increase is lower than inflation, because the updated cost estimates for some projects decreased, and because some projects were deferred beyond the 20-year planning horizon.

RECOMMENDATION IMPLICATIONS

Financial Implications

Collecting and managing SAFs and Development Levies appropriately is important for the sustained financial health of the City. If inadequate SAFs and Development Levies are collected to provide the new infrastructure required for growth, the projects will have to be funded from other sources such as current contributions to capital or provincial and federal funding, as the demand for them will exist with the development of new neighbourhoods. Alternatively, new infrastructure could be deferred until the required resources become available, but with the effect of slowing the pace of new development. A properly calculated and applied SAF and Development Levy Rate is essential to ensure there is adequate capital investment to provide future infrastructure requirements related to growth.

Environmental Implications

There are no environmental implications with respect to this report.

Strategic Implications

Strengthening City infrastructure and managing public assets will be achieved through effective financial management. Appropriate SAF and Development Levy Rates enable the City to provide reliable water, wastewater, storm and roadway infrastructure through SAF and Development Levy funding, ensuring other funds remain available for other City priorities.

Other Implications

There are no other implications with respect to this report.

Accessibility Implications

There are no accessibility implications with respect to this report.

COMMUNICATIONS

Amendments to *The Development Levy Bylaw* are subject to public notice requirements as well as the requirement to hold a public hearing. Given this, it is being recommended that this report

be forwarded to the October 9, 2012 City Council meeting to allow for sufficient time for the advertising requirements to be met.

Ongoing consultation has occurred between the Administration and the Regina and Region Homebuilders Association.

DELEGATED AUTHORITY

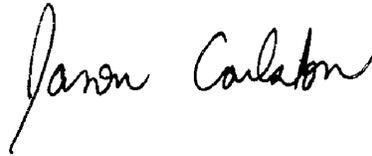
The disposition of this report requires City Council approval.

Respectfully submitted,



Kelly Wyatt, Director
Construction and Compliance

Respectfully submitted,



Jason Carlston, Deputy City Manager
Community Planning and Development