



EXECUTIVE COMMITTEE

**Wednesday, February 13, 2013
11:45 AM**

Henry Baker Hall, Main Floor, City Hall



**Public Agenda
Executive Committee
Wednesday, February 13, 2013**

Approval of Public Agenda

Minutes of the meeting held on January 16, 21 and 30, 2013.

Other Reports

EX13-10 Regina Public Library Budget

Recommendation

That this document be referred to the February 19, 2013 City Council meeting for consideration.

Communication

EX13-15 Moose Mountain Bus Lines

Recommendation

That this communication be received and filed

Administration Reports

EX13-11 2013 Reassessment Tax Policy

Recommendation

1. That the following principles be adopted in establishing mill rate factors for 2013:
 - a) That the relative share of property taxes between classes does not change due to reassessment; and
 - b) That long-term stability be considered in establishing tax policies for mill rate factors.
2. That based on these principles, the following mill rate factors be set for the group of residential classes of properties and the group of non-residential properties:

Residential Group	0.87880
Non Residential Group	1.32901



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3. That the subclass for Golf Courses be continued and the mill rate factor set at 0.86359 so that the effective tax rate is equal to 65% of the effective commercial tax rate;
4. That a phase-in of property tax changes be implemented for the Commercial and Industrial class of properties for changes in property taxes as a result of the 2013 reassessment, whereby the phase-in shall be revenue-neutral by phasing in decreases and increases, with decreases and increases applied as follows:
 - 2013 increases and decreases limited to 1/3 of the property tax change.
 - 2014 increases and decreases limited to 2/3 of the property tax change.
 - 2015 the full increase or decrease would be applied; and
5. That the City Solicitor be instructed to prepare the necessary bylaws to implement the changes set out in these recommendations.
6. That this report be forwarded for consideration by City Council on February 19, 2013.
7. That CR12-99 be removed from the outstanding list for Executive Committee.

EX13-12 WWTP Upgrade - Procurement Recommendation

Recommendation

1. That City Council approve proceeding with the Design/Build/Finance/Operate/Maintain (DBFOM) procurement approach for the upgrade of the wastewater treatment plant (WWTP).
2. That City Council authorize the Deputy City Manager of City Operations to proceed with the preparation of procurement documents (Request for Qualifications (“RFQ”) and Request for Proposals (“RFP”) in support of the DBFOM model for the upgrade of the WWTP (the “Project”) based upon the following scope:
 - a. the design and construction of a WWTP that meets the City’s WWTP permit effluent quality requirements that come into effect on December 31, 2016;
 - b. the boundary for the Project that begins upstream of the WWTP valve chamber, includes the WWTP site and the effluent discharge to Wascana Creek. For further certainty McCarthy Boulevard Pumping Station and the forcemain are not included within the scope of the Project;



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- c. a capacity of the upgraded WWTP that will be able to meet the needs of a population of 258,000.
 - d. a construction period that results in substantial completion of the Project in early 2017; and
 - e. a maximum 30 year term in the Project Agreement, which will include construction, operation and maintenance by the successful proponent. This includes the period for private operation of the current WWTP during construction and monthly payments, which will provide a performance based payment for operation, maintenance and financing of the Project. The City will continue to retain ownership of the WWTP.
3. That City Council authorize the Deputy City Manager of City Operations to prepare and issue a RFQ to identify short-listed proponents who could deliver the Project.
4. That City Council authorize the Deputy City Manager of City Operations to award an opportunity to participate in the RFP process to the three highest scoring proponents identified by the RFQ process.
5. The City Council authorize the Deputy City Manager of City Operations to prepare and issue a RFP to identify the successful proponent who will deliver the Project.
6. Subject to the preferred proponent meeting all RFP requirements, that City Council authorize the Deputy City Manager of City Operations to enter into a P3 Project Agreement (“Project Agreement”) to deliver the Project with the preferred proponent identified by the RFP.
7. That City Council approve that Administration submit a business case for the Project as a DBFOM delivery model to PPP Canada Inc. (“PPP Canada”) for funding consideration.
8. That City Council authorize the Deputy City Manager of City Operations to pursue discussions with PPP Canada, negotiate and finalize any funding agreements required by PPP Canada.
9. That City Council authorize the Deputy City Manager of City Operations to proceed with an RFQ while awaiting a PPP Canada funding decision, but the Deputy City Manager of City Operations shall not issue an RFP without first confirming that the City will receive PPP Canada funding for the Project.



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10. That City Council require the City Administration seek further direction from City Council in the event the PPP Canada does not approve the Project for funding from the P3 Canada Fund or in the event that the scope of the Project or capital requirement for the Project change, pursuant to the requirements of *The Regina Administration Bylaw*.
11. That the following funding model for the WWTP Upgrade be approved:
 - a. Capital commitment of up to \$224.3 million for the design, construction, servicing, planning, procurement and project management costs, for the DBFOM procurement be funded from the following funding sources:
 - i. Up to \$118.3 million in debt through the private partner;
 - ii. Up to \$58.7 million, representing 25 % of eligible costs funded through the P3 Canada Fund, offsetting additional City debt;
 - iii. \$19.8 million from the General Utility Reserve; and
 - iv. \$27.5 million in previously approved capital funding.
 - b. In principle, the ability to pursue up to 30 year debt up to \$118.3 million. All debt issues require City Council approval through a debt borrowing bylaw, and will be brought forward to Council at a future date. In addition, the financial model includes payments to cover debt principal and interest payments that must be paid and recovered from revenue streams over 30 years.
 - c. In principle, a commitment to providing a performance-based payment for operations, maintenance and availability of the facility, compensating for a range of DBFOM service over the 30 year term, with an estimated cost of:
 - i. \$378.0 million (assuming 3.5 % inflation) in the operation and maintenance portion of the payment to P3 Contractor ("Project Co.") for the WWTP. These costs are currently an ongoing part of the utility program;
 - ii. \$117.2 million in the major maintenance portion of the payment to Project Co., to ensure that the WWTP's assets are maintained and upgraded appropriately through the WWTP's lifecycle; and
 - iii. \$265.0 million towards the capital payment portion of the payment to Project Co.
 - d. That the operation maintenance and the debt servicing costs be considered and funded through future budget proposals over 30 years and funded through revenue sources, including but not limited to the collection of:



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- i. \$44.6 million in funding from the Utility Servicing Agreement Fee (SAF) Reserve, to be applied to capital financing costs;
 - ii. Up to \$707.6 million in utility revenues; and
 - iii. \$8.0 million in funding through contractor funding, including deposit interest.
 - iv. That the debt considered in the above assumptions for \$118.3 million be forwarded to the 2014 budget process for consideration.
12. That the City Clerk be authorized to execute the Project Agreement and any funding agreements required by PPP Canada.

EX13-13 Wastewater Treatment Plant Upgrade - Procurement Team Contracts

Recommendation

1. That the Deputy City Manager of City Operations be authorized to negotiate and approve the terms of an addendum (Addendum) to the Pre-Design, Design and Construction Services Agreement between the City and AECOM Canada Ltd. (AECOM) dated as of January 31, 2011 and amended on September 25, 2012 to have AECOM provide engineering, technical, design and construction advice to the City for the remainder of the Project;
2. That the Deputy City Manager of City Operations issue a request for proposals (Fairness Advisor request for proposal (RFP)) to obtain an independent fairness advisor to advise the City on delivery planning and procurement of the Project;
3. That City Council authorize the Deputy City Manager of City Operations to award and finalize the terms of an agreement with the successful proponent chosen from the Fairness Advisor RFP;
4. That the Deputy City Manager of City Operations issue a request for proposals (Business Advisor RFP) to obtain a business advisor to advise the City with financial and business matters in relation to procurement phase of the Project;
5. That City Council authorize the Deputy City Manager of City Operations to award and finalize the terms of an agreement with the successful proponent chosen from the Business Advisor RFP; and



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6. That the City Clerk be authorized to execute the following agreements after review and approval by the City Solicitor:
 - a. the Addendum;
 - b. the contract awarded to the successful proponent as a result of the Fairness Advisor RFP; and
 - c. the contract awarded to the successful proponent as a result of the Business Advisor RFP.

EX13-14 RRI Stadium Project - Engineering Services for Design and Construction of Site Preparation Works

Recommendation

1. The Deputy City Manager & CFO be authorized to award and finalize the terms of an agreement with the successful proponent chosen from the request for proposals (Site Preparation RFP). This RFP will be issued to obtain engineering services relating to the design and construction of the site preparation for the RRI Stadium Project.
2. The City Clerk be authorized to execute the agreement awarded to the successful proponent as a result of the Site Preparation RFP after review and approval by the City Solicitor.

Resolution for Private Session