

Minutes of a Regular Meeting of Council held at City Hall in the City of Portage la Prairie on Monday, July 12, 2010 at 6:00 p.m.

PRESENT: Mayor Ken Brennan, Chair; Councillors Bereza, Keryluk, Quinn, and Shindle

ABSENT: Councillors Ferris and Wagner

ADOPTION OF MINUTES 187/10 Moved by: Councillor Quinn
Seconded by: Councillor Shindle

RESOLVED THAT the Minutes of the Regular Meeting of Council held at City Hall on Monday, June 28, 2010, be approved as circulated.
Carried.

DELEGATIONS:

Mr. Bill Knott Mr. Knott asked a question regarding expenses incurred by Councillors attending the FCM conference in Toronto, and what the per diem is for. Mayor Brennan explained this is according to our by-law and this is standard throughout Manitoba Municipalities. Mr. Knott also asked whether the 2011 budget process has begun. Councillor Quinn explained that Administration has begun their part, but it has not gone to Council. City Manager will review with the Director of Finance, then it goes to Council. Mr. Knott inquired whether Council will give direction to the City Manager to hold the budget line to reduce taxes. Councillor Quinn explained that Administration's job is to identify expenditures necessary to carry on directives as given. Then it becomes Council's decision to decide on the path the City is going to take. Council will make the cuts.

Mr. John Boehm Mr. Boehm presented Council with handout sheets taken from City financial reports and spoke about the PCU Centre and how large projects might be handled in the future, such as the Nutrient Removal upgrade project. Mayor Brennan explained that the numbers are given by the Province and by consultants, and they do fluctuate. Mayor Brennan also explained that the Nutrient Removal is mandated by the Province; it is not a City initiative. Figures have been taken based on estimates from Brandon, and tri-party funding.

Mr. Don Pelechaty Mr. Pelechaty inquired as to why the competition length pool was dropped from the original plans for the PCU Centre. Mayor Brennan explained that difficult choices had to be made, based on how many people were affected, whether to put in a leisure pool or a competition pool. At the time, our competitive team had only 19 members with one or two events in the last 2 years. They were also influenced by Brandon's situation where they considered doing away with their competition pool.

Mr. Pelechaty also asked about overall time of construction and Tower's involvement: How much extra has it cost tax payers to complete the PCU Centre and what is our daily cost overrun to the construction companies and has this been figured in to the new budget? Mayor Brennan explained there were a number of expensive legal delays. A daily overrun cost has not been determined – how many days would you count? Mr. Pelechaty asked if the over-runs are being figured into the 2011 budget. Mayor Brennan indicated they are, with the exception of the additional \$2 million in debt which is up for Council approval tonight.

HEARINGS: None

COMMITTEES:

**Finance,
Legislative &
Property
Committee** The Finance, Legislative and Property Committee respectfully submits the following reports:

By-Law #10-8461 Unpaid Water, Sewer, and Solid Waste to Taxes for June 2010 – 1st This is part of the normal monthly procedure to allow unpaid water, sewer and solid waste accounts to be added to property taxes.

Reading

- 188/10 Moved by: Councillor Quinn
Seconded by: Councillor Shindle
RESOLVED THAT By-Law No. 10-8461 being a by-law to authorize unpaid water, sewer and solid waste charges be added to taxes be read a first time.
Carried.

By-Law #10-8488
Amend Fees &
Charges by-Law
#09-8449 –
Compost Bins – 2nd
& 3rd Reading

The City has been charging \$25 for compost bins for the past several years. New bins were recently purchased by the City at a cost of \$30 plus taxes per bin. On resale, the City must also charge and remit GST and PST. It is therefore necessary to increase the fee from \$25 to \$33.60 in order to recover the City's basic cost. A fee of \$35, including taxes, would include a nominal amount for transportation, handling and administration.

- 189/10 Moved by: Councillor Quinn
Seconded by: Councillor Shindle
RESOLVED THAT By-Law No. 10-8488 being a by-law to amend the Fees & Charges By-Law No. 09-8449 be read a second time.
Carried.

- 190/10 Moved by: Councillor Quinn
Seconded by: Councillor Shindle
RESOLVED THAT By-Law No. 10-8488 being a by-law to amend the Fees & Charges By-Law No. 09-8449 be read a third time, finally passed, signed, and sealed.
Carried.
In Favour: Councillors Bereza, Keryluk, Quinn, Shindle, and Mayor Brennan

Industrial Park
Subdivision –
Manitoba Hydro
Natural Gas
Easement
Agreement

Centra Gas Manitoba Inc. has requested easements, 5.0m in width, over lot frontages along McCain Avenue, Westco Dr. and Jeff Avenue in the McMillan Industrial Park, as shown on the attached drawing for the purpose of installing and maintaining gas pipelines.

This easement was requested at the time the proposed revised plan of subdivision of the Industrial Park land to the east of Westco Dr, and an agreement is required between the City and Centra Gas Manitoba Inc. prior to the legal plan of subdivision being registered.

Their standard easement agreement has been provided for Council's review and approval.

The City will be forced to place its water and sewer pipes in the ditches of the road right-of-way. The lower elevation of the ditch might result in higher installation cost for water and sewer due to the groundwater table.

- 191/10 Moved by: Councillor Quinn
Seconded by: Councillor Shindle
RESOLVED THAT Council of the City of Portage la Prairie authorize the Mayor and Manager of Administration to sign, on behalf of the City, an agreement, between the City of Portage la Prairie and Centra Gas Manitoba Inc., authorizing an easement over City-owned property along McCain Avenue, Westco Drive and Jeff Avenue, in the McMillan Industrial Park, as shown on the attached sketch, and as described in the agreement.
Carried.

New Server for
Thin Clients

A new server at City Hall is needed to replace the terminal server that enables thin client users to process data without having their own PC. We currently have 4 Finance staff on this but plan to expand the use of the thin client in the future.

This server has been experiencing problems with unplanned failures and shutdowns. The IT Manager has spent numerous hours on it and consulted with other experts in attempt to diagnose the problem with no real solution other than replacement. It is expected that the server will crash at anytime.

The cost of new server is \$4,500 plus additional components, totalling \$6,000. The current Computer Reserve Budget has an allowance for the components but funding for the \$4,500 is needed.

The server is in the process of being purchased. However, Council needs to authorize the unbudgeted expenditure if it is to be funded by the Computer Reserve (as per the Municipal Act). The Computer Reserve has sufficient funds to pay for this as it has an estimated 2010 ending balance of \$107,000 not including this expenditure.

192/10 Moved by: Councillor Quinn

Seconded by: Councillor Shindle

RESOLVED THAT Council authorize the purchase of a new server for the thin clients of up to \$4,500 to be funded by the Computer Reserve.

Carried.

**City Planning &
Economic
Development**

The City Planning & Economic Development Committee respectfully submits the following reports:

Monthly Activity
Reports

Council reviewed the monthly activity reports.

**Public Safety
Committee**

The Public Safety Committee respectfully submits the following reports:

Nothing to report.

**Waterworks
Committee**

The Waterworks Committee respectfully submits the following reports:

Councillor Keryluk submitted a letter from residents requesting a stop sign be placed at the corner of 8th Street NW and 5th Avenue. Administration is to provide a report to Council.

The Redboine Conservation District passed a resolution endorsing the Boyne Valley Water Initiative.

**Transportation
Committee**

The Transportation Committee respectfully submits the following reports:

Nothing to report.

**Community
Services
Committee**

The Community Services Committee respectfully submits the following reports:

Nothing to report.

**DEFERRED
BUSINESS**

None

NEW BUSINESS

2009 Audited
Financial
Statements

The Municipal Act requires that the auditor's report including the audited financial statements be received by the municipality before June 30 of every year and be reviewed at the first regular meeting of the council after receiving the report. Also included is the Federal Gas Tax Report in accordance with the Gas Tax funding agreement.

Council was provided with unaudited results in March for the City's General and Utility Operating Funds announcing 2009 surpluses of \$49,680 and \$324,320 respectively. These are the results of the Financial Plan budget and remain unchanged since the audit of the 2009 City accounts. The Financial Plan includes transfers to reserves, the principal portion of debt payments and capital purchases. This format and taxation process is set by the Province.

The March reported operating surpluses are included in the enclosed 2009 Year End Financial Statements. However, these statements do not present the results in the Financial Plan format. The new statements encompass accounting standards that are now required by municipal government for yearend reporting purposes. The 2009 audited statements are under the new format prescribed by the Province and meet Public Sector Accounting Standards.

The Financial Plan budget format and process does not change. Tax rates are set by cash needs. The Province has not yet mandated PSAB budgeting practises and Administration

does not see this happening in the near future. In the mean time, the Financial Plan results will continue to be reported by Administration throughout the year and at year end to give Council an indication of the performance of the Budget Plan.

Schedule 10 (Page 31) reconciles the City's Financial Plan to a PSAB Budget, which may be easier to compare to the PSAB statements. Please note the Financial Plan is balanced for both General and Utility but becomes a surplus of \$22.5 Million when amortization, interest expense, transfers and consolidated entities are considered. Again, this is not the formula for determining tax rates. The tax levy, as per the Financial Plan, is listed on Schedule 12.

The entire package attached contains not only the City's accounts but also entities that are either fully or partially controlled by the City. This being the Handivan, Portage Regional Library, Portage Regional Planning District and the Portage Regional Landfill Authority (PRRA starts in 2010). These entities are included in the consolidated statements and schedules.

The major change in accounting treatment is the amortization of assets rather than the purchase of assets on the income (or Operations) statement. Transfers to and from Reserves and debt payments on principal are removed.

Schedule 1 provides the totals for the City's Capital Assets. In 2009, the book value is \$62.336 Million, including the PCU Centre with costs recognized as assets under construction.

Schedule 3 (Page 19) compares the consolidated expenses from 2009 to 2008. The largest variances are in Protective Services (due to increased costs), Road construction (projects based) and Planning and Zoning (granted permit fees for PCU Centre but this is offset in Revenues).

Council may find Schedule 5 (Page 22) worthy to note. Under the PSAB standard the 2009 Operating Surplus for Core Government Services is \$7.74 Million while in 2008 the Operating Surplus for Core Government Services was \$1.5 Million. This is mainly due to Capital Grants for the PCU Centre received in 2009. Schedule 2 (Page 18) also shows this in the Schedule of Revenues – grants section.

On a Consolidated basis (including all the controlled entities indentified earlier), the City's 2009 operating surplus is \$7.95 Million (Page 6).

The Notes section (Page 9-14) has expanded from the previous format, including more information that may be of interest to the reader.

The auditors are available to explain the new format in great detail if Council so desires.

The 2009 Audited Statements are available for viewing at City Hall and on the City's web site.

Councillor Quinn read 4 points from the first page of MNP Auditors letter.

193/10 Moved by: Councillor Quinn

Seconded by: Councillor Shindle

RESOLVED THAT the Audited Financial Statements for the twelve months ended December 31, 2009 be adopted.

Carried.

Industrial Park
Easement
Agreements with
MTS

MTS Allstream Inc. has requested two easements, 5.0m in width, over lot frontages along McCain Avenue, Westco Dr. and Jeff Avenue in the McMillan Industrial Park, as shown on the attached drawing, for the purpose of installing and maintaining telephone lines.

These easements were requested at the time the proposed revised plan of subdivision of the Industrial Park land to the east of Westco Dr, and agreements are required between the City and MTS Allstream Inc. prior to the legal plan of subdivision being registered.

Two standard easement agreements have been provided for Council's review and approval.

The City will be forced to place its water and sewer pipes in the ditches of the road right-of way.

194/10 Moved by: Councillor Quinn

Seconded by: Councillor Shindle

RESOLVED THAT Council of the City of Portage la Prairie authorize the Mayor and Manager of Administration to sign, on behalf of the City, the two agreements between the City of Portage la Prairie and MTS Allstream Inc., authorizing easements over City-owned property along McCain Avenue, Westco Drive and Jeff Avenue, in the McMillan

Industrial Park, as shown on the attached sketch, and as described in the agreements.
 Carried.

Award of Tender –
 Janitorial Services

This tender is for Janitorial Services to be performed at the City Operations Department, Water Pollution Control Facility, Water Treatment Plant, Portage Library, R.C.M.P building/ Public Safety building, and City Hall, for a two-year period beginning September 1, 2010.

The tender was advertised in the Daily Graphic and on the City’s website, and packages were sent out to former contractors. Four bids were received from the above companies.

COMPANY NAME	BID PRICE
JG Janitorial Services	\$157,575.60
A. Leader	\$168,084.00
Swan Clean	\$179,676.80
Bee Clean	\$191,825.94

The lowest bid is from JG Janitorial Services. The work generally involves the supply of labour only, and the City supplies most of the cleaning materials. The tender shows a slight increase of \$328.00 over the past contract. JG Janitorial Services’ references show experience in similar contracts with the City of Winnipeg and the Province of Manitoba. This contract would be within budget forecasts for 2010.

195/10 Moved by: Councillor Quinn
 Seconded by: Councillor Shindle

RESOLVED THAT the Council of the City of Portage la Prairie award the contract for Janitorial Services to JG Janitorial Services for their bid of \$157,575.60 including all applicable taxes, for a 2 year period ending August 31, 2012.
 Carried.

OLD BUSINESS

By-Laws #10-8483 and #10-8484 to amend Borrowing By-Laws 07-8371 (PCU Centre) and 09-8439 (Portage Mutual Arena) – 2nd & 3rd Reading

The PCU Centre and Mutual Arena estimate of costs was reported to Council in May. Notes are as follows:

<u>Funding</u>		
Total Funding required		\$43,272,417.
Funding Provided:		
RM of Portage la Prairie	\$8,000,000.	
Province of Manitoba	5,000,000.	
Government of Canada	5,000,000.	
Donations (note 3)	<u>3,400,000.</u>	
Total non-City funding		<u>21,400,000.</u>
City funding required		\$21,872,417.
City Funding authorized to date		
Recreation Reserve	\$1,879,368.	
General Reserve	4,691,090.	
Borrowing	<u>13,350,000.</u>	
		<u>19,920,458.</u>
Additional funding required		<u>\$1,951,959.</u>
<u>Additional Debt Request:</u>		<u>\$2,000,000.</u>

A borrowing by-law for \$1.5Million for the PCU Centre and a borrowing by-law for \$500,000 for the Mutual Arena were submitted to the Municipal Board for approval. The Municipal Board approved the borrowing in Order No. E-10-125 and Order No. E-10-126.

Amendment is required to the By-Law No. 10-8483 in the 5th, 6th, and 7th whereas clauses as follows:

“submitted to the Municipal Board for approval authorized by Municipal Board Order No. E-10-089.” The authorization took place after first reading and the Board would like this noted in the by-law.

196/10 Moved by: Councillor Quinn

Seconded by: Councillor Shindle

RESOLVED THAT By-Law No. 10- 8483 authorizing the City's request to borrow up to \$1,500,000.00 for the additional costs of construction of the PCU Centre be amended in the 5th, 6th, and 7th whereas clauses as follows:

~~“submitted to the Municipal Board for approval~~ authorized by Municipal Board Order No. E-10-089.”

AND THAT By-Law No. 10- 8483 authorizing the City's request to borrow up to \$1,500,000.00 for the additional costs of construction of the PCU Centre be given 2nd Reading as amended.

Carried.

197/10 Moved by: Councillor Quinn

Seconded by: Councillor Shindle

RESOLVED THAT By-Law No. 10- 8483 authorizing the City's request to borrow up to \$1,500,000.00 for the additional costs of construction of the PCU Centre be given 3rd Reading, finally passed, signed and sealed.

Carried.

In Favour: Councillors Bereza, Keryluk, Quinn, Shindle, and Mayor Brennan.

198/10 Moved by: Councillor Quinn

Seconded by: Councillor Shindle

RESOLVED THAT By-Law No. 10- 8484 authorizing the City's request to borrow up to \$500,000.00 for the additional costs of construction of the Mutual Arena be given 2nd Reading.

Carried.

199/10 Moved by: Councillor Quinn

Seconded by: Councillor Shindle

RESOLVED THAT By-Law No. 10- 8484 authorizing the City's request to borrow up to \$500,000.00 for the additional costs of construction of the Mutual Arena be given 3rd Reading, finally passed, signed and sealed.

Carried.

In Favour: Councillors Bereza, Keryluk, Quinn, Shindle, and Mayor Brennan.

Portage Agri-Sales
Senior Slo-Pitch
Team Request for
Funding

Councillor Bereza presented a request from the Portage Agri-Sales Senior Slo-Pitch Team for funding assistance which was previously denied and recommended that Council approve the \$400 Hosting assistance grant.

City Manager Dale Lyle explained reasons given for the denial: this was a recurring annual event which does not qualify according to the Hosting Assistance Grant Program policy. Also, a group that has previously received funding is placed lower on the priority list. Councillor Quinn recommended that Policy ECD-ED-AD - Hosting Assistance Grant Program be reviewed for clarity.

200/10 Moved by: Councillor Bereza

Seconded by: Councillor Keryluk

RESOLVED THAT the previously denied request from the Portage Agri-Sales Senior Slo-Pitch Team for funding assistance of \$400 be granted;

AND THAT Policy ECD-ED-AD – Hosting Assistance Grant be reviewed.

Carried.

ADJOURNMENT

There being no further business to discuss, Council adjourned at 6:55 p.m.

Mayor

Manager of Administration