



CORPORATION OF THE TOWN OF PETROLIA

COUNCIL MINUTES

SPECIAL MEETING OF COUNCIL
(48 hours notice was provided in accordance
with the Town of Petrolia's Procedural By-Law)
Monday, September 8, 2014
1:00 pm
Victoria Hall, Council Chambers

1. CALL TO ORDER

Mayor McCharles called the meeting to order at 1:00 pm

2. ROLL CALL

Council:

John McCharles, Mayor
Tim Brown, Councillor
Joel Field, Councillor
Helen Havlik, Councillor
Mary-Pat Gleeson, Councillor
Liz Welsh, Councillor

Staff:

Manny Baron, CAO/Clerk
Joe Adams, Director of Operations
Rick Charlebois, Director of Corporate Services/Treasurer
Dave Menzies, Director of Community Services
Mandi Pearson, Deputy Clerk/Operations Clerk
Richard Poore, Director of Performing Arts

Regrets:

Mary-Jane Samela, Councillor

3. DECLARATION OF PECUNIARY INTEREST

- None declared at this time

4. ADOPTION OF AGENDA

MOVED: Joel Field

SECONDED: Helen Havlik

“THAT the Agenda be approved as submitted”

Carried
SC - 01 – 09/08/2014

5. CONSIDERATION OF MINUTES OF PREVIOUS MEETING(S)

- a) Deferred to next regular session of Council

6. REPORT TO COUNCIL – IN CAMERA SESSION

- None at this time

7. COUNCIL EDUCATION SESSION

Mayor McCharles advised prior to discussions beginning that no business discussions or decisions of Council will be made during this meeting as it is for educational purposes only.

- i) Presentation by Manny Baron and Joe Adams regarding Petrolia Line

Mr. Adams presented:

(water distribution line map as laid out on Petrolia Line was shown)

- Twice now valves have prevented the complete shutdown of service while repairs were needed to the water line along Petrolia Line;
- Centre Street through to the Bridge is the section of old water line pipe that we will be touching on today;
- The valves along the side street are also giving trouble and not holding in the areas of Tank, Oil, Greenfield, Wingfield and the Centre Street intersection;
- If the water line was constructed of newer material, the valves could be isolated and replaced and then in the future the line could be replaced;
 - o Our predicament is that all of this in the area noted is cast. Under *the Clean Water Act* once exposed the line as well as the valves are required to be replaced.
- To achieve this upgrade to the line, service would be shut down, to eliminate service interruption to CEE Hospital a by-pass line would be put into place;
- As this is a County Road, there is some financial assistance for the surface area of the reconstruction. Staff have contacted the County and they have been brought up to speed on the situation, staff will also be meeting with the County in the near future to proceed further;
- Town Staff have been in contact with an Engineer to develop a preliminary plan;
- In the area of water service, we would anticipate the project to proceed similar to the Princess Street project to enable minimum service disruption to business and residents;
- As the current storm sewer along this area is brick and at a depth of 14 feet we are compelled to stay at this current depth;
- The old main because it is cast it is likely to split, if this occurs since we can't valve down we would have a major problem on our hands;
- Valves: they are a double disc valve, the bottom has a groove and there is a lip there that the double disc fits into to create the seal, over time and with higher chlorine regulations a calcium build up occurs creating a sediment carbuncle , this prevent the disc from closing and sealing.....it is important to stress that this is not due to negligence just a product of the age and era of the valves.

Discussion:

Councillor Field: approx.. how old is the cast line?

Mr. Adams: estimated to be 50 years old.

Mr. Baron: if a harsh winter were to occur and the line broke, what would happen since the valves cannot be closed?

Mr. Adams: two option we would be presented with;

1. We could call for a company to come and cryo-freeze that section and isolate the repair area, this is costly and they companies that are capable of doing so are not located near our Town, so they would be coming from about 3 hours away at best.
2. We could close the valves further up the distribution line, but this would most definitely impact most of our residents, businesses, schools, care facilities and the hospital until the line is repaired.

Councillor Gleeson: what is the estimated time line?

Mr. Adams: it would take 5 months to complete;

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- To create the least impact on businesses in the area the traffic would be diverted onto alternate clearly marked routes.surface coats would need to occur on Tank, Railroad and Station Street to accommodate the influx of diverted traffic flow
- Discovery Line would become the road specified for truck traffic;
- The whole project is estimated at 5 months and that includes the preliminary works with detour routes.

Councillor Welsh: How will the storm sewer be addressed and in the perfect scenario when would the start date be?

Mr. Adams: it will be dug up, the only thing that will remain in the ground is the existing water line. The start date would at earliest be May 2015, as the season needs to be open for ½ loads.

Councillor Havlik: What is the cost going to be?

Mr. Adams: at this time as we are not completely into the details we can approximate a ball park figure of \$3 million, for the Town with \$2 million for the County portion.

Mr. Adams noted that as much of the preliminary that could be done without interruption to Petrolia Line would be taken into consideration, as we realize this is our major traffic road.

Mayor McCharles noted that if this project were to be done in sections, it does not really make sense as we would have to disrupt the same residents and businesses of the service for the same period of construction.

Manny Baron presented:

- We know there will be impact to the residents and businesses which we will strive to create the least amount of impact for, but when complete the benefit will be a beautiful infrastructure in to the Town with a life span of 20-25 years;
- Not to be taken with any disrespect or intended to be perceived the wrong way , however from 1995 – 2005 the Town of Petrolia enjoyed a 0% tax increase , if there had been slight increases during this time we would likely have reserves to fund this infrastructure need. As we don't have the reserve, staff are working to secure funds of \$3 million for this project in other ways to best benefit the Town;
- With proper 10-20 year long term planning the solution we are working toward as staff can be achieved;
 - o We are going to need Capital funds for the long term
 - o Staff has been brainstorming for some creative ideas to achieve this, such as a Town sustainability fee, levy, local improvement fee, etc...
- Council should be assured that Staff are looking into all revenue sources possible including grants;
- We anticipate as staff that in 10-20 years all capital projects needed can be accomplished through revenue planning and source funding, which will create a vibrant, renewed Town that can then going forward be maintained.

Power Point Presentation:

Petrolia Line Construction Project

- Current situation – oral brief by Joe
- Salient Points:
 - Town must address Petrolia Line earlier than planned, need to replace water main valves and waterline from Centre to the bridge
 - Joint project with County (they cover cost of road work)
 - Implications are very broad:
 - shut downs include the hospital;
 - Impact on Petrolia Line businesses (at least 5 months of construction);
 - road resurfacing for alternate routes;
 - etc
 - Cost estimates in development - rough estimate is that Town's share is about \$3M including portion that would be funded from Water Operations
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Petrolia Line Construction Project

- Council has the opportunity to put Petrolia on a much better footing going forward for the next decade which would result in:
 - Having our critical infrastructure renewed, eg. roads, storm sewers, fire vehicles, etc
 - Proactively investing in infrastructure to meet service levels and avoid service interruptions
 - About \$40 per month per property would provide the financial capability to significantly address the backlog of Town capital projects
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Financial Considerations

- From 1995-2005, Petrolia had a property tax freeze. The CPI for that period was 22.2%, which means the Town's budget has had to absorb this inflation, or reduction to our funding base. We have/are seeing the impact of this budget freeze on operations, eg. not able to put funds into reserves for future capital investments; road maintenance issues; etc
- The Town of Petrolia is a capital intense organization (\$85M cost of tangible capital assets)
- These assets are critical to the Town maintaining its level of service to the residents of Petrolia
- Asset Management Plans are now essential to receive (or even apply for) Provincial/Federal funding
- Significant impact on operating budgets, getting more difficult each year to balance operating budgets
- Town has not been able to put funds into Reserves to help fund future Town capital projects
- Our Town Working Capital Reserve has about \$625K, but we will need another \$250K for CLFHT expenses
- **The solution is a long term one, not one that can be solved over night as it has taken many years to get into our current situation**

Benchmarking Results Lambton County 2012

Municipality	Residential Tax Rate	Total CVA	
		Assessment per Household	Municipal Levy per Household
Petrolia	0.785187%	176,403	1,535
Oll Springs	0.769661%	194,987	1,760
Sarnia	0.759205%	257,446	1,226
Brooke-Alvinston	0.718898%	314,179	1,108
Point Edward	0.570879%	268,329	1,825
Dawn-Euphemia	0.509533%	298,394	1,566
Lambton Shores	0.505108%	348,960	840
St. Clair	0.495799%	436,456	995
Plympton-Wyoming	0.425908%	545,327	2,027
Warwick	0.358991%	394,172	1,779
Enniskillen	0.354488%	120,519	893
Average	0.546847%	305,016	1,414
Petrolia Rank	11/11	2/11	6/11

Other Funding Suggestions

- Storm sewer charge
- 5% increase in non-tax revenue and/or decrease in expenses
- Lottery
- 10% Town Capital Sustainability charge
- Reduce services
- "Signature" events
- Sell assets
- Implement "right of way" fees for utilities
- Apply for grants – Federal/Provincial and others (Town staff proficient at this)

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Current Senior Grants Available

- Province has just announced two major grant programs available to Municipalities
 - Ontario Community Infrastructure Fund – which is open to municipalities with population of less than 100,000. There are two parts to this program:
 - Formula Based Funding - Petrolia will informed soon on annual grant amount (\$25K or more)
 - Application Based Funding – will fund up to 90% for maximum project cap of \$2M
 - Small Communities Fund – federal and provincial program; no dollar cap; up to 2/3s funding
 - Town is able to submit one application for each program
- Staff are currently completing Small Communities Fund grant application funding for WWTP Upgrade Project which is a federal-provincial program that could provide 2/3s funding to Town
- Petrolia Line Project – should Petrolia submit a grant application to the Ontario Community Infrastructure Fund ?

Next Steps

- Meet with County staff to determine responsibilities, cost sharing arrangements and timelines
- Complete cost estimate work
- Develop a project activities chart with timelines; eg, completing any engineering work/studies required; resurfacing of alternate routes; alternate water supply for Hospital; information sessions with affected businesses/residents; etc
- Prepare grant application, if required
- Determine funding options
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Discussion:

Councillor Field: with the grants recently announced for funding to be received in early 2015, we are applying for funding for both the WWTP and Petrolia Line, if successful for funding will both projects run simultaneously?

Mr. Baron: there are planning options to have Petrolia Line line up to have the tail end of that project end with the beginning of the WWTP project.

Mayor McCharles noted that Petrolia Line is in an emergent situation, once work is started we would not be able to apply for grant funding; this is a concern because if we wait until early February to hear about grant funding we could run into needing emergency repairs

There is a possibility if we apply for both grants that only one would be issued, and we don't want to jeopardize funding for the WWTP if a grant for Petrolia Line is sought. There are ways to fund Petrolia line from borrowing and re-claiming the expense through a possible lev or improvement fees.

This is not a fun thing to have to do, but both projects are needing to be done.

Councillor Welsh: If applying for grant funds would it not be best to apply with the plan to be straight through to Eureka Street?

Mr. Adams: if we do apply that would make sense.

Mr. Baron: the grant that would be particular to this project, also comes with a funding cap of \$ 2 million.

Councillor Welsh: Are there any concerns with stability of the hill going to the bridge?

Mr. Adams: this will be considered in the road works, options to stabilize will be part of our discussions with the County.

Councillor Gleeson noted that there is a concern with waiting as its old infrastructure and needs attention.

Councillor Brown: since there is no debt borrowing capacity for both projects, what would happen if grant funds are not received?

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Mr. Adams: The Ministry of Environment is currently reviewing the WWTO, if Petrolia Line develops a line break both project become in need of emergent funding.

Mr. Baron: we are looking for funding options for Petrolia Line with the anticipation of no grant funding.

8. ADJOURNMENT

MOVED: Mary-Pat Gleeson

SECONDED: Liz Welsh

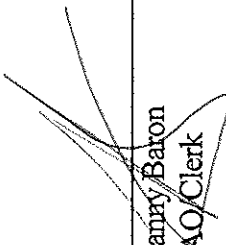
“THAT the September 8, 2014 Special meeting of the Council of the Town of Petrolia – Education Session on Petrolia Line be adjourned.”

Carried
SC - 02 – 09/08/2014

The meeting adjourned 2:05 p.m.



John McCharles
Mayor



Manny Baron
CAO/Clerk