

Smaller Cities Forum

Tuesday, September 17, 2002

Participants:

Joe Angelo, Bellville
Dwight Brown, Medicine Hat
Tom Clarke
Doug Floyd, Delcan, Toronto
David Klippenstein, UMA, Edmonton
Chi Lee, Red Deer
Aziz Merali, Earthtech, Calgary
Nick Tunnacliffe, Region of Peel

Chairs of Forum:

Bud Hogeweide, Lethbridge
Ted Snure, Brandon

Introductions

Bud Hogeweide, one of the chairs of the forum, explained to the participants that there were some goals for this forum:

- to get “smaller cities” together for a discussion,
- to define what a “smaller city” is,
- to identify issues that smaller cities face that are unique from larger cities and
- to define the role of TAC in addressing smaller city issues.

Finance

The first topic discussed at the forum was Finance. It was mentioned that this is a big issue for smaller cities because:

- transportation funding is discretionary
- there is a lack of stability in funding
- larger projects are a big worry for smaller cities
- development charges haven't solved smaller cities' issues

Other issues:

- There is a resistance from developers even though the levy is not large (asked to cover 25% of the city's funding).
- Ontario has legislation requiring development charges whereas a by-law is passed (in Lethbridge) whenever development charges change.
- Brandon doesn't have any development charges and this cannot be recovered through rates unless the City Council gives them money. (There is no planning section in the city).
- In Red Deer, some of the funding can be recovered after through utility/roads – levy charges.

- Another example is where the developer builds the collectors and residential streets but arterial is a shared cost (based on 25% of cost).
- Cities have better control and better participation if they pay for some of the funding – you don't want the developer to pay 100%. But you also shouldn't be using transportation funding to help out the developers.
- The City of Grande Prairie reviewed their development charges – the new Transportation Plan is on their web site. And if a developer comes with a major development on their own, the developer must pay for additional lanes that may be needed to current streets.
- A city can also explore alternative methods such as pay-as-you-go or having a reserve. An example was given of a levy from property tax and development charges which is put in reserves for a 20 year plan.
- Lethbridge estimated their need over the next 5 years. They propose to increase taxes 2.5% each year until they can do a “pay as you go” plan.
- Another issue for smaller cities is that while provinces may offer some money for road building but then the city has to match it by a certain percentage and that may be difficult for cities with small budgets. They may have to consider borrowing over the line, which affects other programs.
- The City of Calgary has Boundary Funds. This is a transportation levy on utility bill (frontage levy), which goes towards transportation.
- Lethbridge has a street levy – which is applied after the house is 15 years old. This levy is not allowed to go into general revenue. It is earmarked for transportation.
- St. Albert has a similar system where they added up all maintenance expenditures of the system (sidewalk & roadways) (on an annual basis) and divided it by the number of house assessments (over 15 years)
- Other examples for collecting funding are through “community lighting charges” on utility bills, infrastructure bonds, which are tax exempt, and Manitoba hydro bonds.
- In regards to Private-Public Partnerships (design – build – operate) most smaller city projects are not big enough to attract private sector (\$34 million – tolling a bridge – not big enough!). This is partly due to the cost of the management process (due diligence – from lending institutions). There needs to be a template to reduce cost of due diligence.

Professional Development

- How do you find good consultants that can provide new and innovative ideas for smaller cities. For example – City wanted to build a pedestrian bridge but the consultant chosen used provincial standards and provided nothing original.
- Going with the low bid doesn't work. It's not the way to go. Cities are looking for industry standard but are willing to pay for quality and innovative ideas.
- Another idea is to create a partnership with three or four consultants with the right skill sets. A key to this is getting the right program manager who knows the complexities of smaller cities.
- One city will send out an RFP requesting that the consultant build an appropriate team to do the job. The budget is not set in the RFP and when the team is chosen they decide who they want and they will develop the budget together.
- There can be problems when the consultants are taxpayers.
- One city finds that if they work with the Ministry there is more leverage because they can choose quality work (not the lowest bid) if the Ministry is agreeable and footing 75% bill.
- Some of these ideas may be hard to sell to the City Council – would need recommended procedures that have worked in the past.

- Having consultants working in small cities/towns allows for continuity – they know the town and issues well. Having a standing offer to be able to go to same consultant helps.
- In Lethbridge, projects under \$50,000 can be sole sourced and projects from \$50,000 – \$100,000 they can use a leader.
- Smaller cities feel that they can't compete for consultants against bigger projects in bigger cities. However Earthtech dismissed this fear - a majority of their projects are outside of major cities.
- How do you attract younger people? Give them the opportunity to learn and grow with your department. Alberta Transportation has co-op students that get to try out different areas of engineering. Smaller cities must be willing to accept EIT's and think about offering a mentoring program.

Transportation Planning

- Brandon reported that they had to partner with province to do transportation planning.
- A “best practices” guide would be useful for smaller cities where they could consult guidelines to help make decisions.
- Design standards are different for Lethbridge vs Calgary.
- Some data collection was done with the trucking industry to collect data on truck movement into and through Brandon.
- Some smaller cities also reported that they worked in partnership with universities to gather traffic data.

At the end of the forum discussion turn towards what should be next. What is a smaller city? Under 100,000? Can they benefit from the standards and guides that TAC works on? The participants felt that it would be hard to define a smaller city by a population threshold. It would be more in regards to how certain municipalities operate. For example: those municipalities that do not have a big planning-engineering department or those municipalities who must use consultants for most of their projects.

Participants of this forum suggested that at the TAC Annual Conference there be a full day of sessions or a half-day focused on smaller city issues. For the conference program sessions that may touch upon some smaller city issues should be highlighted. This information will be brought back to the Urban Transportation Council and the TAC Secretariat.