Agenda – Executive Policy Committee – July 19, 2006

Moved by Councillor

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, may also be considered by Committee at this time.

ADDENDUM REPORTS

Item No. 15 Municipal Rural Infrastructure Fund Applications – June 1, 2006
File S-7

ADMINISTRATIVE RECOMMENDATION:

That the report be received as information.

Re: **Municipal Rural Infrastructure Fund Applications – June 1, 2006**

FOR SUBMISSION TO: **Executive Policy Committee**

ORIGINAL REPORT SIGNED BY: **Chief Administrative Officer**

REPORT DATE: **July 13, 2006**

RECOMMENDATION:

1. That this report be received as information.

Report Summary

Key Issues:

- At its meeting on June 29, 2005, Council adopted guidelines with respect to the endorsement of applications for funding under the Municipal Rural Infrastructure Fund (MRIF)
- The City of Winnipeg will not endorse any MRIF application from an external group which requires a capital contribution from the City.
- To allow all groups equal opportunity to apply, the Council set three deadline dates for consideration of MRIF applications: September 1, 2005, January 1, 2006, and June 1, 2006. This report speaks to applications received for the June 1, 2006 deadline.
- One application was received for the June 1 deadline; it was from the Council of Caribbean Organizations of Manitoba.

Implications of the Recommendation(s):

General Implications

( ) None

( ) For the organization overall and/or for other departments

(X) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s):

Community groups/organizations interested in applying for MRIF require endorsement by the City.

Policy Implications

(X) No

( ) Yes

Comment(s):

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(X) No

( ) Yes

Comment(s):

Human Resources Implications

(X) No

( ) Yes

Comment(s):

Financial Implications

(X) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s):
There are no financial implications associated with this report

Report

REASON FOR THE REPORT:

The guidelines for funding under the MRIF adopted by Council on June 29, 2005, require external groups to provide copies of their MRIF application to the Executive Policy Committee Secretariat for review and comment by the Administration.

HISTORY:

At its meeting of June 29, 2005, Council adopted policy guidelines to regulate the endorsement of applications applying for funding under the Municipal Rural Infrastructure Fund (MRIF).

DISCUSSION:

One MRIF application was received for the June 1, 2006 deadline from the Caribean Council.

The Council of Caribbean Organizations proposes the development of a cultural centre in Inkster Gardens to service the Caribbean community in Winnipeg. The goals and objectives of the Caribbean Community Building Project is to acquire a large building and develop it to enhance the cultural, economical, social and political growth of the youths, adults and seniors in the community.

The Caribbean Cultural Centre is envisioned to be:

1. A meeting place for developing, nurturing and encouraging academic and cultural pursuits
2. A complex that will be economically and financially viable through the monthly revenue from functions and programs in the facility.
3. A complex to enhance the development and expression of artistic talent, and the promotion of cultural activities.
4. A facility for the activities of seniors and youths in the context of education, recreation and cultural retention.
5. A facility for the Caribbean community's cultural and social events/activities.
6. The renovated facility would be energy efficient and sustainable with LEEDS certification.
7. The facility would provide services to the Caribbean and wider community.

The Centre's services would include: a drop in centre; programming such as social services, academic courses, including tutorial and skill development, language development, income tax preparation, crafts, painting and designing, a Caribbean cafe/restaurant, and settlement support for new immigrants.

The total eligible costs: $1.147 M ($1.065 M after tax rebate; total project $1.45 m)

Applicant's contribution: $355,000 toward eligible costs (it is not clear if these funds are currently in place)

The funds would be used to purchase/renovate a facility.

The Administration conducted a cursory review of the Caribbean Council's MRIF application and business plan. In general, the plan is an ambitious one and there is limited information upon

which to evaluate the project's financial sustainability. More information is required for example, regarding the applicant's share of the funding, current construction estimates, projected operating expenditures/revenues, the status of the Caribbean Council's offer to purchase and the current financial statements of the Caribbean Council itself. With respect to the Caribbean Council's funding plan for the total project, there is reference to $150,000 being provided from "Winnipeg Community Incentive". At this point, $10,000 has been approved through the City of Winnipeg's Community Incentive Grant Program (February 21, 2006) and $30,000 from the Land Dedication Reserve (March 22, 2006). There is no information on whether or not the balance has been secured. The financial information provided suggests that significant revenues will be required to meet operating expenses. Based on the information provided, it appears, the budget is quite tight, and with no contingencies should issues arise. To summarize, a detailed financial analysis of the proposal has not been completed and as such, it would be premature to confirm that a solid business plan is currently in place.

Having said that, clearly the Caribbean community in Winnipeg has put in significant effort toward developing this proposal and they have a strong vision for a cultural centre that will meet the needs of current and new community members.

City Council may wish to endorse in principle the Caribbean Council's MRIF application so that the Caribbean Council can proceed with their application and further development of their business plan/project. City Council may wish to emphasize that an endorsement in principle by City Council does not signal a financial obligation by the City to the project.

Financial Impact Statement — Date: July 13, 2006

Project Name: — **First Year of Program** 2006

Municipal Rural Infrastructure Fund Applications - June 1, 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

There are no financial implications associated with this report.

(Original signed by R. Abeysekera)
Manager of Finance & Administration
Corporate Services Dept.

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Corporate Finance Department

Community Services Department

External Consultation With:

THIS REPORT SUBMITTED BY:

CAO Secretariat
Division: Strategic Management
Prepared by: Connie Walker
File #: