REPORT OF THE

STANDING COMMITTEE ON FISCAL ISSUES

DATED NOVEMBER 2, 1999

On motion of Councillor Clement, the Report of the Standing Committee on Fiscal Issues, dated November 2, 1999, was considered.

Moved by Councillor Clement,

That the Consent Agenda, Clause 1, be adopted.

Councillor Vandal requested that Clause 1 be pulled from the Consent Agenda.

Amendment to the Idea Bank Reserve - Delegation of Authority to the Alternate Service Delivery Committee
File GL-5.6 (Vol. 9)

56 - 1. Council at its meeting held on April 30, 1997, adopted the recommendations of its Executive Policy Committee and created the Idea Bank Reserve to provide loans to fund creative and innovative ideas that foster improvement within the organization. The Ad Hoc Committee on Innovation, or its designate, was given the mandate of recommending ideas for funding, as well as approving the terms of the loans advanced.

The Idea Bank Reserve is setup as a revolving fund, which is self-sustaining and replenished by funds flowing back to the reserve in the form of loan payments comprised of principal and interest. The reserve was initially funded by the capital budget in the amounts of $774,000.00 in 1997 and $1.0 million in 1998. Three Idea Bank loans have been approved to date. The reserve balance at the end of 1998 was $1.7 million. Based on current information, the projected balance at December 31, 1999, is $1.3 million.

While the Idea Bank Reserve is still in operation, the Ad Hoc Committee on Innovation is no longer active. Current organizational circumstances require an amendment to the Idea Bank structure to continue to optimize the use of this reserve.

Notably, on March 26, 1998, Council adopted the Policy and Framework for Alternative Service Delivery in the City of Winnipeg. Council subsequently passed By-law No. 7398/99 on March 24, 1999, establishing the Alternate Service Delivery (ASD) Committee to oversee the policy implementation.

ASD options to be explored for numerous areas of civic operations include the options of contracting out, privatization, public/private partnerships and the creation of Special Operating Agencies. Many of the initiatives brought forward for review by the ASD Committee may require financing arrangements in order to be successful. The Idea Bank Reserve would provide an established funding source to help implement ASD initiatives. To this end, the ASD Committee has forwarded a recommendation to the Executive Policy Committee and Council that a loan in the maximum amount of $500,000.00 be approved from the Idea Bank Reserve to offset initial start-up costs of the Animal Services Special Operating Agency, as outlined in Clause 1 of the Alternate Service Delivery Committee dated October 29, 1999.

The Standing Committee on Fiscal Issues therefore recommends:

I. That the purpose of the Idea Bank Reserve be expanded to provide funding/financing support for Alternative Service Delivery (ASD) initiatives, and the City's Policy C457 be amended accordingly.

II. That the Alternate Service Delivery Committee be granted the same authority originally granted by Council on April 30, 1997, to the Ad Hoc Committee on Innovation, namely:

A. To recommend funding for innovative ideas and associated costs to the Executive Policy Committee for approval. (Note: Loans in excess of $100,000.00 would require approval from Council.)

Report of the Standing Committee on Fiscal Issues dated November 2, 1999

B. To approve the payback terms of the loan including prepayment options, choices of loan periods and the annual interest rate. The principle repayments will be set to replenish the original level of the reserve.

III. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary amendment to The City Organization By-law No. 7100/97 in order to place jurisdiction for the Idea Bank Reserve under the Alternate Service Delivery Committee.

IV. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

Moved by Councillor Clement,
Adoption of the clause.

The motion for the adoption of the clause was put and declared carried.

Councillor Vandal asked to be recorded as having voted against the clause, in accordance with Rule 50.7 of the Procedure By-law.

STANDING COMMITTEE ON FISCAL ISSUES

MOTIONS

Moved by Councillor Clement,
Seconded by Councillor Eadie,
57 - THAT the November 30, 1999 meeting of the Standing Committee on Fiscal Issues be rescheduled to Tuesday, December 7, 1999, to commence at 9:00 a.m. in the North Committee Room; and the 1999 Schedule of Meetings be amended accordingly;

AND FURTHER THAT the 2000 Schedule of Council and Committee Meetings adopted by Council on October 20, 1999, be amended in order that the meetings of the Standing Committee on Fiscal Issues be held as follows, namely:

Tuesday, 9:00 a.m., North Committee Room

January 4	February 1
February 29	April 4
May 2	May 30
June 27	August 29
September 26	October 24
November 21	

Carried.

STANDING COMMITTEE ON FISCAL ISSUES

QUESTION PERIOD

58 - Councillor Steek referred to a newspaper quoting the Mayor as indicating that the Winnipeg Football Club would be receiving half a million dollars in support from the City. He questioned the validity and status of this matter.

Councillor Clement advised that a request from the Winnipeg Football Club had been received by Winnipeg Enterprises. He noted that the Canadian Football League was willing to provide the Club with half a million dollars if they were able to match the contribution. He advised that Winnipeg Enterprises would provide $200,000 in cash and $300,000 out of what was paid to the City for amusement taxes owed by the Football Club which was being paid back to Winnipeg Enterprises. Councillor Clement further noted that the Mayor had identified that Winnipeg Enterprises was a City-backed corporation and as a result that the City and the Enterprises were viewed as the same entity. He further indicated that $100,000 was provided by the Province last week and that the Province would be providing a further $50,000 imminently.

Councillor Steek asked for clarification on what it was the Province was coming to the table with.

Councillor Clement advised that the Football Club requested a half a million dollars from the Province, which would be structured as a loan. His understanding was that the Province had agreed to provide $200,000 for the short term; $100,000 went to the Football Club last Tuesday; a further $50,000 would go in two weeks or thereabouts and a further $50,000 beyond that. He also indicated that the other $300,000 would be forthcoming but that the Province wanted to see where the Football Club landed on a business plan which was obviously going to have to reflect a change in management style.

Councillor Steek questioned if there had been any overture from the private sector made toward Winnipeg Enterprises regarding the change in the status of the Football Club.

Councillor Clement stated he was not aware of any overtures. He noted that $10 million had been spent on the stadium in the last 18 months. He indicated that someone from the private sector would have to work out a functioning agreement with Winnipeg Enterprises to reduce that debt.

Councillor Vandal questioned when the Capital Budget for the year 2000 would be dealt with, to which Councillor Clement advised that he would be looking into the matter but was uncertain as to whether it would be ready to discuss at a December Council Meeting.

Councillor Steek noted that a request for another additional appropriation of $350,000 regarding second term work on 395 Main Street had been referred to Fiscal Issues and questioned whether the matter would be coming forward to the December Council Meeting.

Councillor Clement believed that the matter would be considered by Fiscal Issues on December 7.