Agenda – Executive Policy Committee – December 4, 2009

CAPITAL BUDGET REVIEW

Item No. 1 City of Winnipeg P3 Portfolio
eFile GL-5.6.1

COUNCIL DECISION:

On September 30, 2009, Council concurred in the recommendation of the Standing Policy Committee on Finance and adopted the following:

1. That the July 22, 2009 Council Motion pertaining to the City of Winnipeg P3 Portfolio be referred to the Winnipeg Public Service for review and report back in conjunction with the 2010 Capital Budget process.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

COUNCIL DECISION:

On September 30, 2009, Council adopted the recommendation of the Standing Policy Committee on Finance, namely, that the July 22, 2009 Council Motion pertaining to the City of Winnipeg P3 Portfolio be referred to the Winnipeg Public Service for review and report back in conjunction with the 2010 Capital Budget process.

On July 22, 2009, Council ruled automatic referral of the following motion to the Standing Policy Committee on Finance:

Moved by Councillor Wyatt,
Seconded by Councillor Gerbasi,

WHEREAS Winnipeg City Council has made decisions to conduct Public Private Partnerships on various projects, such as the Charleswood Bridge, and more recently, the Consolidated Four District Police Stations, the Disraeli Bridge, and the Chief Pegius Trail Extension;

AND WHEREAS the City of Winnipeg is contemplating future P3 projects for a potential new Public Works East Yards, a new Public Safety Building, and Waste Water Treatment Plants;

AND WHEREAS in the 2007 Capital Budget, Council limited lease payments on the tax supported Public Private Partnerships by specifying that they be funded annually from the cash to capital contribution in the Operating Budget up to a maximum of 25% of the cash to capital amount, including the lease payments on the previously approved Charleswood Bridge Project;

AND WHEREAS in the 2008 Capital Budget, Council changed and expanded the policy by agreeing that lease payments on tax supported Public Private Partnerships be funded annually up to a maximum of 30% of the cash to capital contribution in the Operating Budget AND the Federal Gas Tax Funding amount;

AND WHEREAS no consolidated report has been provided to Council on the short and long term financial implications of the P3 projects with regard to both the direct impact on future capital budgets and indirect impact on future operating budgets;

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

THEREFORE BE IT RESOLVED THAT Council be provided with a detailed breakdown of the cash flow projections of the City of Winnipeg P3 portfolio over the next five years, starting in 2010;

AND BE IT FURTHER RESOLVED THAT the report will identify potential sources of funding for the annual lease/debt P3 repayments, provide for an analysis of the potential impact on our future financial statements, as well as the impact of the expected annual repayments on both our Capital and Operating Budgets.