**Agenda – Executive Policy Committee – May 12, 2010**

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

**Report – Standing Policy Committee on Finance – May 10, 2010**

**Item No. 1 Revisions to the 2007, 2008 and 2010 Capital Budgets – Funding for Arena Upgrade Projects approved under the Recreational Infrastructure Canada (RINC) Program**
**eFile PR-2.1**

STANDING COMMITTEE RECOMMENDATION:

On May 10, 2010, the Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the revision of the 2007 A/C Plant Refurbishing – Ozone Depletion Act Compliance Capital program account number 1885000106 to include "Chiller Replacement at Vimy Arena and Ice Plant Replacement at Century Arena" be approved.

2. That the revision of the 2008 Arena Capital program account number 6391000508 Parking Lot Repairs – Various to include "Ice Plant Replacement at Century Arena" be approved.

3. That the revision of the 2010 Arena Capital program account number 6391000210 Ice Plant Component Replacement/Repair at Vimy/Bertrand/Charles Barbour/Old Ex/River East/Sargent Park/Billy Mosienko Arenas to include "Century Arena" be approved.

4. That subject to approval of "1" to "3" above, the various capital funding sources for the Ice Plant Replacement at Century Arena be consolidated in one distinct capital project budget as laid out in the report from the Winnipeg Public Service dated April 20, 2010.

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

**Report – Standing Policy Committee on Finance – May 10, 2010**

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On May 10, 2010, the Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Issue:** Council approval is required to revise the 2007, 2008 and 2010 Capital budget in order to provide sufficient funds to undertake arena upgrade projects approved for funding under the Recreational Infrastructure Canada (RINC) Program.

**Critical Path:** Standing Policy Committee on Finance - Executive Policy Committee - Council

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| M. McGinn | D. Joshi | M. Ruta | P. Sheegl<br>Deputy CAO |

## RECOMMENDATIONS

1. That Council approves the following:

    a. The revision of the 2007 A/C Plant Refurbishing – Ozone Depletion Act Compliance Capital program account number 1885000106 to include “Chiller Replacement at Vimy Arena and Ice Plant Replacement at Century Arena.”

    b. The revision of the 2008 Arena Capital program account number 6391000508 Parking Lot Repairs – Various to include “Ice Plant Replacement at Century Arena.”

    c. The revision of the 2010 Arena Capital program account number 6391000210 Ice Plant Component Replacement/Repair at Vimy/Bertrand/Charles Barbour/Old Ex/River East/Sargent Park/Billy Mosienko Arenas to include “Century Arena.”

    d. Subject to approval of “a.” to “c” above, that the various capital funding sources for the Ice Plant Replacement at Century Arena be consolidated in one distinct capital project budget as laid out in the report.

## REASON FOR THE REPORT

Council approval is required to revise the 2007, 2008 and 2010 Capital budget in order to provide sufficient funds to undertake City of Winnipeg Arena upgrade projects approved for funding under the Recreational Infrastructure Canada (RINC) Program.

## IMPLICATIONS OF THE RECOMMENDATIONS

- No additional funding is being requested as this report simply recommends change to the nature of use and inclusion of additional facilities on which the funds will be spent and/or increases in project budgets where incremental funding from other levels of government has been secured.
- The recommendations will allow the City to complete the approved projects under the Recreational Infrastructure Canada (RINC) Program. Completion of all projects outlined in the City's application for funding is a requirement to receiving the federal contribution.
- If the recommended changes 1 through 3 are accepted, it is further recommended to consolidate capital program budgets for the Ice Plant Replacement at Century Arena within a single capital project budget making accounting for and reporting on the financial status of the project less complex and more transparent.
- Consolidation of budgets will enable the Public Service to more effectively and efficiently track progress on and the final cost of the project.

## HISTORY

The City of Winnipeg arena inventory is currently between 30-45 years old. There are a number of upgrades required to keep this inventory functioning to meet the needs of the community.

The Century Arena is located at 1377 Clarence Avenue. It was constructed in 1967 and requires an ice plant replacement. The ice plant equipment is the original equipment and well past its useful life. The ice plant replacement will include components to decrease greenhouse gas emissions as well as water consumption.

The Vimy Arena at 255 Hamilton Avenue was constructed in 1972. The equipment is original and requires a chiller to continue non interrupted operation of the arena.

There are currently five arenas that require refrigerant conversion to operate in compliance with the current Ozone Depleting Substances Regulation. It is proposed that R-22 refrigerant be replaced with R-438. The arenas that require this conversion are Bertrand (294 Bertrand), Charles Barbour (500 Nathaniel), Old Exhibition (80 Sinclair), River East (1410 Rothesay) and Sargent Park (1111Wall).

Capital program funding is available in the 2007 A/C Plant Refurbishing – Ozone Depletion Act Compliance Capital program account number 1885000106 to complete the refrigerant

conversion at the five identified arenas. Remaining capital in this program is required to fund the chiller replacement at Vimy Arena and ice plant replacement at Century arena.

This nature and location of work required described above is determined to be of a more critical nature than the planned parking lot repairs at various arenas.

## FINANCIAL IMPACT

### Financial Impact Statement Date: April 7, 2010

### Project Name:

**City of Winnipeg Arena Upgrade Projects Approved For Funding Under the Recreational Infrastructure (RiNC) Program.**

**COMMENTS:**

No additional funding is being requested as this report simply recommends changes to the nature of use and inclusion of additional facilities on which the funds will be spent and/or increases in project budgets where incremental funding from other levels of government has been secured. Consolidation of funding sources for the ice plant replacement at Century arena will enable the Public Service to more effectively and efficiently track projects on and the final cost of the project. The recommended consolidation of funding for the ice plant replacement at Century arena is outlined in Appendix 1 of this report.

*"Original Signed By"*
Mike McGinn, CA
Manager of Finance

## CONSULTATION

**In preparing this report there was consultation with:**

Community Services Department

## SUBMITTED BY

Department: Planning, Property and Development
Division: Financial Services
Prepared by: Kelly Lemoine – Supervisor of Financial Services
Date: April 20, 2010

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## APPENDIX 1

### Consolidation of Budgets for Ice Plant Replacement at Century Arena

The Ice Plant Replacement at Century Arena project ("the project") involves plant replacement including components to decrease greenhouse emissions as well as water consumption.

Funding for the project, which totals $454,345 is currently distributed to several different capital program budgets. The City of Winnipeg submitted an application for grant funding to the Federal Government (Minister of Western Economic Diversification) under the Recreational Infrastructure Canada (RINC) Program and received approval of $265,655 toward ice plant replacement. This additional funding will, pending Council approval, result in a total budget of $720,000 as shown below.

Consolidation of these budgets into a single capital project budget will facilitate transparency and ease of recordkeeping and reporting related to the work performed at this site.

### Ice plant Replacement at Century Area

| Capital Program # / Funding Source | Description | Approved Budget / Funding | Portion Related to Ice Plant Replacement |
|---|---|---|---|
| Funding Sources to be Consolidated - subject to approval by Council: | | | |
| 1885000106 (*) | A/C Plant Refurnishing-Ozone Depletion Act Compliance | 200,000 | 90,000 |
| 6391000508 (*) | Arena Capital Program - Parking Lot Repairs - Various Arenas | 100,000 | 97,688 |
| 6391000210 (*) | Arena Capital Program - Ice Plant Components Repair/Replace | 275,000 | 266,657 |
| Sub-Total | | 575,000 | 454,345 |
| *Incremental* Funding Sources to be Consolidated - subject to approval by Council: | | | |
| n/a | Arena Upgrades (funding from the Recreational Infrastructure Canada Program-Project Number 8518) | 265,655 | 265,655 |
| **Total Budget** | | **840,655** | **720,000** |

(*) Funding pending approval of recommendations 1 through 3 of this report.