Agenda – Executive Policy Committee – December 7, 2011

CAPITAL BUDGET REVIEW

Item No. 2 General Council of Winnipeg Community Centres – Replenishment of the Community Centre Investment Fund

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. Given the Community Centre Investment Fund (CCIF) had been previously approved by Council as an interim financing mechanism for specified Community Centre projects, and that as a result of such the CCIF now requires necessary reimbursement in the amount of $522,453 in order to fund other Council approved allocations to Community Centre projects, that Council approve the following:

    a. A transfer of $82,453 to the CCIF from the Planning, Property and Development Department's Non-Specified Capital Account in order to complete the repayment of interim financing of $500,000 for completion of the Bronx Park Community Centre Capital Project.

    b. A transfer of $140,000 from the Land Operating Reserve Fund to the Community Centre Investment Fund, prior to disposition of the Glenlee site, as repayment of interim financing for the completion of the Norberry-Glenlee Community Centre Capital Project

    c. A transfer of $300,000 from the Land Operating Reserve Fund to the Community Centre Investment Fund, prior to disposition of the Silver Heights site, as repayment of interim financing for the completion of the Sturgeon Creek- Silver Heights Community Centre Amalgamation Capital Project.

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 26, 2011, the Executive Policy Committee concurred in the following recommendations from the General Council of Winnipeg Community Centres:

1. That the Council approved interim financing of $500,000 for the Bronx Park Community Centre Capital Project be returned to the Community Centre Investment Fund.

2. That the Council approved interim financing of $140,000 for the Norberry-Glenlee Community Centre Capital Project be returned to the Community Centre Investment Fund.

3. That the Council approved interim financing of $300,000 for the Sturgeon Heights Community Centre Capital Project be returned to the Community Centre Investment Fund.

Further, the Executive Policy Committee referred the following recommendation from the General Council of Winnipeg Community Centres to the 2012 Capital Budget review process:

4. That the City of Winnipeg, the Province of Manitoba and the Federal Government consider replenishment of the Community Centre Investment Fund in the 2012 Capital budget process so that prioritized redevelopment of Community Centres may continue.

GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES RECOMMENDATION:

The General Council of Winnipeg Community Centres submitted the following recommendations to the Executive Policy Committee:

1. That Council approved interim financing of $500,000 for the Bronx Park Community Centre Capital Project is returned to the Community Centre Investment Fund.

2. That Council approved interim financing of $140,000 for the Norberry-Glenlee Community Centre Capital Project is returned to the Community Centre Investment Fund.

DECISION MAKING HISTORY (continued):

GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES RECOMMENDATION (continued):

3. That Council approved interim financing of $300,000 for the Sturgeon Heights Community Centre Capital Project is returned to the Community Centre Investment Fund.

4. That the City of Winnipeg, the Province of Manitoba and the Federal Government consider replenishment of the CCIF in the 2012 Capital budget process so that prioritized redevelopment of Community Centres may continue.

ADMINISTRATIVE REPORT

Title: **Public Service Response to General Council of Winnipeg Community Centres Replenishment of the Community Centre Investment Fund (CCIF)**

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. McGinn	B. Thorgrimson C. Wightman	Michael Ruta, CFO	Deepak Joshi, COO

RECOMMENDATION(S)

1. Given the Community Centre Investment Fund (CCIF) had been previously approved by Council as an interim financing mechanism for specified Community Centre projects, and that as a result of such the CCIF now requires necessary reimbursement in the amount of $522,453 in order to fund other Council approved allocations to Community Centre projects, that Council approve the following:

    a. A transfer of $82,453 to the CCIF from the Planning, Property and Development Department's Non-Specified Capital Account in order to complete the repayment of interim financing of $500,000 for completion of the Bronx Park Community Centre Capital Project.
    b. A transfer of $140,000 from the Land Operating Reserve Fund to the Community Centre Investment Fund, prior to disposition of the Glenlee site, as repayment of interim financing for the completion of the Norberry-Glenlee Community Centre Capital Project
    c. A transfer of $300,000 from the Land Operating Reserve Fund to the Community Centre Investment Fund, prior to disposition of the Silver Heights site, as repayment of interim financing for the completion of the Sturgeon Creek- Silver Heights Community Centre Amalgamation Capital Project.

REASON FOR THE REPORT

Public Service response to the report **GCWCC - Replenishment of the Community Centre Investment Fund**, submitted by the General Council of Winnipeg Community Centres, is required.

Council approval is required to transfer funds from the Land Operating Reserve in order to provide the necessary repayment of $522,453 to the Community Centre Investment Fund.

IMPLICATIONS OF THE RECOMMENDATIONS

- Replenishment of the $522,453 to the CCIF will allow the completion of other Council approved community centre redevelopment capital projects.
- Net proceeds of $417,547 from the sale of 755 Henderson Highway are in the process of being reimbursed from the LOR. When considering the totality the Report **Recommendations** of the Public Service and the aforementioned, the reimbursement to the CCIF of Council approved interim financing from the CCIF of $940,000 will be complete which allows the CCIF to meet its financial obligations.
- The strategy for funding re-imbursement to the CCIF will not create any negative financial implications for the identified funding sources.
- The recommendations by the Public Service are in response to the GCWCC report entitled **Replenishment of the Community Centre Investment Fund** that was heard at EPC on October 26th, 2011. The recommendations concur with GCWCC's request (recommendations 1, 2, 3) to reimburse all Council approved interim financing to the CCIF so that current project obligations may be met.
- The Public Service has not responded to the last recommendation (4) of GCWCC as any discussion to begin tripartite negotiations as to future funding to the CCIF will require political will from all levels of government.

HISTORY

As part of the Recreation, Leisure and Library Facilities Program adopted by Council in 2005 an allocation of $10,000,000 was made to the Community Centre Investment Fund for the development and rehabilitation of Winnipeg's Community Centres.

Over the past six years, as a direct result of funding from the CCIF, new facility development has occurred at the following sites:

- Bronx Park CC
- Winakwa CC
- Norberry-Glenlee CC
- Sturgeon Creek-Silver Heights CC
- Valour CC
- Sinclair Park CC
- Lindenwoods CC

In some instances, Council approved interim financing from the CCIF, based upon repayment from land sales of Community Centre and other City-owned property, in order to facilitate timely project completion.

Bronx Park Community Centre

On April 2, 2007, General Council of Winnipeg Community Centres (GCWCC) motioned to approve interim financing of the additional capital project requirements to a maximum of $650,000 from the existing Community Centre Investment Fund with the understanding that the CCIF would be reimbursed from Community Incentive Grant Program and property disposition of 755 Henderson Hwy and 280 Henderson Hwy. Council concurred with the recommendation. To date CGIP commitments of $150,000 have been realized and net proceeds of $417,547 from the sale of 755 Henderson Highway have been realized leaving an outstanding balance of $82,453 as related to property disposition outstanding.

Norberry-Glenlee Community Centre

On October 12, 2007, General Council requested that $250,000 from the Community Centre Investment Fund be allocated to the Norberry-Glenlee Community Centre Expansion Project. In addition, a $140,000 loan from the Community Center Investment Fund was advanced to the Norberry-Glenlee Community Centre Expansion Project, which was to be repaid from the sale of the Glenlee CC site. Council concurred with the recommendation.

Sturgeon Creek- Silver Heights Community Centre Amalgamation

On May 19, 2010 Council approved interim financing of $300,000 from the CCIF be to the Sturgeon Creek – Silver Heights Community Centre Amalgamation Project. The interim financing was to be replenished by way of land sales attributed to sale of the Silver Heights CC site.

Inasmuch as not all land sales have been completed to date and these projects are substantially completed, it is recommended that:

- the Land Operating Reserve Fund be utilized to repay the CCIF for anticipated sale of the Silver Heights Community Centre property (up to a maximum of $300,000) and;
- that the Land Operating Reserve Fund be utilized to repay the CCIF for anticipated sale of the Glenlee Community Centre property (up to a maximum of $140,000).

Once property disposition has occurred, all net proceeds from the sale of the Glenlee and Silver Heights C.C. sites would remain in the Land Operating Reserve Fund.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 26, 2011

Project Name: **First Year of Program** **2011**

Reimbursement of the Community Centre Investment Fund (CCIF)

	2011	2012	2013	2014	2015
Capital					
Capital Expenditures Required	$ 940,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 940,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal		$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Land Operating Reserve	857,547	-	-	-	-
PPD Non-Specified Capital Account	82,453	-	-	-	-
Total Funding	$ 940,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 940,000				
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: Capital expenditures represent costs to be incurred to complete various capital projects approved under the $43M Recreation and Leisure capital program. Funding of $857,547 from the Land Operating Reserve consists of $417,547 in realized net proceeds from the sale of 755 Henderson Highway + $440,000 in unrealized proceeds. The transfer of $82,453 from PPD's NSCA is required fund the gap between realized/unrealized net proceeds of $857,547 and the $940,000 capital budget requirement.

"Original signed by"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

Chief Financial Officer
Legal Services Department

SUBMITTED BY

Department: Planning, Property & Development Services Department
Community Services Department
Division:
Prepared by: M. McGinn
Date: October 26, 2011
File No.



GCWCC CCIF
Replenishment Repor

o:\reports directive\financial services\reimbursement of the community centre investment fund (ccif) 25-10-11.doc

GENERAL COUNCIL OF WINNIPEG COMMUNITY CENTRES

ISSUE:

Repayment of $940,000 by the City of Winnipeg to the Community Centre Investment Fund (CCIF) of Council approved interim financing for the Bronx Park, Norberry-Glenlee and Sturgeon Heights Community Centre Capital Projects

Replenishment of the Community Centre Investment Fund

CRITICAL PATH: Executive Policy Committee

RECOMMENDATION

1. **That Council approved interim financing of $500,000 for the BronxPark Community Centre Capital Project is returned to the Community Centre Investment Fund.**

2. **That Council approved interim financing of $140,000 for the Norberry-Glenlee Community Centre Capital Project is returned to the Community Centre Investment Fund.**

3. **That Council approved interim financing of $300,000 for the Sturgeon Heights Community Centre Capital Project is returned to the Community Centre Investment Fund.**

4. **That the City of Winnipeg, the Province of Manitoba and the Federal Government consider replenishment of the CCIF in the 2012 Capital budget process so that prioritized redevelopment of Community Centres may continue.**

IMPLICATIONS OF THE RECOMMENDATIONS

Replenishment of the $940,000 due to the CCIF from the City of Winnipeg.

As there will be no remaining funds in the CCIF, replenishment will allow the continued prioritized redevelopment of Winnipeg Community Centres.

HISTORY

As part of the Recreation, Leisure and Library Facilities Program adopted by Council in 2005 an allocation of $10,000,000 was made to the Community Centre Investment fund for the development and rehabilitation of Winnipeg's Community Centres.

Over the past six years, as a direct result of funding from the CCIF new facility development has occurred at the following sites:

- Bronx Park CC
- Winakwa CC
- Norberry-Glenlee CC
- Sturgeon Heights CC
- Valour CC
- Sinclair Park CC
- Lindenwoods CC

Interim financing based upon repayment from land sales for the Bronx Park, Norberry-Glenlee and Sturgeon Heights Projects were approved by Council in order to facilitate timely project completion.

On April 2, 2007 General Council of Winnipeg Community Centres (GCWCC) motioned to approve interim financing of the additional capital project requirements to a maximum of $650,000 from the existing Community Centre Fund with the understanding that the Community Centre Investment Fund be reimbursed from Community Incentive Grant Program and property disposition of 755 Henderson Hwy and 280 Henderson Hwy. Council concurred with the recommendation. To date CGIP commitments of $150,000 have been realized leaving a balance of **$500,000** as related to property disposition.

On October 12, 2007 General Council requested that $250,000 from the Community Centre Investment Fund be allocated to the Norberry-Glenlee Community Centre Expansion Project. In addition a **$140,000** loan from the Community Center Investment Fund was advanced to the Norberry-Glenlee Community Centre Expansion Project which was to be repaid from the sale of the Glenlee CC site. Council concurred with the recommendation.

On May 19, 2010 Council approved interim financing of **$300,000** from the CCIF be to the Sturgeon Creek – Silver Heights Community Centre Expansion Project. The interim financing was to be replenished by way of land sales attributed to sale of the Silver Heights CC site.

To date only 755 Henderson Highway has been sold and none of the $940,000 outstanding to the CCIF has been reimbursed by the City of Winnipeg. Receipt of proceeds from 755 Henderson will reduce the outstanding liability accordingly.

CONSULTATION

In preparing this Report there was consultation with:

- City of Winnipeg Community Services Department

SUBMITTED BY

Prepared by: General Council of Winnipeg Community Centres
August 22, 2011