CONSIDERATION OF REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

The Executive Policy Committee has had before it the Report of the Committee on Finance and Administration, dated January 28th, 1992, has concurred in the recommendations contained therein and submits same to Council for approval and adoption.

On motion of Councillor Selinger, the Report of the Committee on Finance and Administration dated January 28th, 1992, was considered clause by clause.

West Committee Room,
Council Building, Winnipeg.
January 28th, 1992.

His Worship the Mayor and Councillors:

Your Committee on Finance and Administration submits the following Report and recommends:

Summary of Leases and Sales of Property - July 1st, 1991 to December 31st, 1991.
File FI-2.5

542 - 1. Council on July 18th, 1979, adopted Clause 1 of the Report of the (then) Committee on Finance, dated June 26th, 1979, which sets out the policy for the sale, acquisition, rental, leasing and management of properties for the City.

The policy requires the Committee on Finance and Administration to report all acquisitions, leases and sales of property to Council for information purposes.

Your Committee on Finance and Administration submits for the information of Council, the attached summary of leases and sales of property approved by the Committee during the period July 1st, 1991 to December 31st, 1991.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

Appointment of Special Constable - Civic Properties Department. *File GF-2.3*

543 - 2. Your Committee on Finance and Administration has been informed by the Law Department that the Director of Civic Properties, has requested the following employee of the Civic Properties Department who is employed as a Property Inspector and will be required to perform by-law enforcement duties, be sworn in as a Special Constable:

WILLIAM GRAHAM McCUTCHEON

Your Committee on Finance and Administration recommends that the City Solicitor be authorized to make the necessary application to the Attorney-General's Department to have the above-named employee from the Civic Properties Department sworn in as a Special Constable.

Your Committee also recommends that the Proper Officers of the City be authorized to execute the required Forms of Indemnity of whatsoever kind or nature arising out of the acts and conduct of anything done, said or written by the said Special Constable when he functions as a Special Constable under the said appointment.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

Lease of Part Lot 35, Block 3, Plan 12296 to the Seven Oaks School Division No. 10.
File FI-2.2(24)

544 - 3. Your Committee on Finance and Administration has considered the attached Item 1 of Report No. 1 of the Technical Advisory Committee on City Properties, dated January 14th, 1992, (File No. 5099/99), relative to the leasing of Part Lot 35, Block 3, Plan 12296, to the Seven Oaks School Division No. 10, in the Lord Selkirk-West Kildonan Community.

In 1981, the Seven Oaks School Division advised that it wished to proceed with the development of a football field and running track on its school site at the southwest corner of Adsum Drive and Jefferson Avenue and requested permission to construct part of the facilities on the subject City land.

On August 18th, 1981, the Committee on Finance approved a lease of the subject land to the Seven Oaks School Division No. 10 in accordance with the terms and conditions of lease outlined in Schedule "A" attached hereto. The lease was for a term of 10 years, August 18th, 1981 to August 17th, 1991, at an annual rental of $1.00 together with the option to renew for a further ten year period if the land is not required for City purposes.

The School Division has advised it wishes to renew the lease.

The General Manager of Parks and Recreation advises his Department has no objections to a renewal of the lease.

Pursuant to Order of Council of September 9th, 1987, leasing of park land for a term longer than five years requires approval by at least two-thirds majority of Council.

Your Committee on Finance and Administration therefore recommends:-

1. That a lease renewal with the Seven Oaks School Division No. 10 for the term August 18th, 1991 to August 17th, 2001, with the exception of the right to renew but otherwise in accordance with the terms and conditions outlined in Schedule "A", be approved.

2. That the Proper Officers of the City do all things necessary to implement the above recommendation including the execution of any documents related thereto.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

(Note: See Minute No. 546 for attachment.)

The City to Exercise the Call Option on Debentures Issued Under By-law No. 1158/76 - $50,000,000.00 U.S., 9 1/4%, Maturing March 1st, 1996, Callable on or after March 1st, 1991. *File FC-2*

545 - 4. The debentures issued under By-law No. 1158/76 in the total principal amount of $50,000,000.00 U.S. contain an early redemption clause (call option). This permits the City to call this debenture issue on or after March 1st, 1991, at the following levels:

101.79% if redeemed during the twelve month period beginning March 1st, 1991
101.35% if redeemed during the twelve month period beginning March 1st, 1992
100.90% if redeemed during the twelve month period beginning March 1st, 1993
100.45% if redeemed during the twelve month period beginning March 1st, 1994
100.00% if redeemed during the twelve month period beginning March 1st, 1995

Given the decline in interest rates and relative strength in the Canadian Dollar, it would be advantageous for the City to call this Debenture Issue as soon as is practicable.

A sinking fund reserve in an amount of $35,773,187.87 U.S. will be available on March 1st, 1992, requiring the shortfall of $14,226,812.13 U.S. (approximately $17,600,000.00 CDN., including the call premium) to be refinanced. It is the Acting City Treasurer's intention to refinance the shortfall in Canadian Dollars to further reduce the City's foreign exchange exposure. The financing debenture issue would be between 3 to 5 years in length and in today's capital markets would require an interest rate of 8 1/4% to 8 ½%. The refinancing issue would be fully funded over the life of the issue.

The process of calling By-law No. 1158/76 and refinancing in Canadian Dollars will reduce the City's capital financing costs by approximately $1,075,000.00 per year.

Your Committee on Finance and Administration submits for favourable consideration initial borrowing draft by-law in the amount of $17,600,000.00 duly approved as to financial details by the Acting City Treasurer and certified as to form by the Assistant City Solicitor to provide for the refinancing of the debentures issued under By-law No. 1158/76 and recommends:-

1. That the City exercise its option under the Call Option of this Debenture to redeem all of the $50,000,000.00 U.S. Debentures during 1992, at the redemption price of 101.35% of the principal amount.

2. That the City give the required notice to the registered owners of the Debentures, by advertising once in a daily newspaper printed in the English language and published of general circulation in the City of New York and by mailing a copy of such notice to the registered owners of the Debentures, at least 60 days before the date fixed for redemption. Although the terms and conditions of the Debentures stipulate that at least 30 days notice of redemption be given to the debenture holders, Section 311(1) of The City of Winnipeg Act requires that at least 60 days notice of redemption be given, and the Law Department recommends that we adhere to the requirement of The City of Winnipeg Act by giving at least 60 days notice.

3. That the Proper Officers of the City do all things necessary to implement the above recommendations including the execution of any documents related thereto.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

546 - SEE OFFICIAL SET OF MINUTES FOR ATTACHMENT.

547 - SEE OFFICIAL SET OF MINUTES FOR ATTACHMENT.

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

548 - On motion of Councillor Selinger, By-law No. 5863/92, a By-law of the City of Winnipeg to authorize the borrowing of money by the issue and sale of debentures of the City in the principal amount of Seventeen Million, Six Hundred Thousand Dollars ($17,600,000.00), for the purpose of repaying in full the principal of the debentures issued and sold pursuant to By-law No. 1158/76, was read a first time. File No. FC-2.

Councillor Selinger moved that this constitute the first reading of By-law No. 5863/92, which motion was carried.

On motion of Councillor Selinger, By-law No. 5838/92, a By-law of the City of Winnipeg to authorize the borrowing of money for repaying outstanding debentures of the City, and for other general and utilities purposes of the City by the issue and sale of debentures of the City in the aggregate principal amount of One Hundred Million Dollars ($100,000,000.00) in lawful money of Canada, was read a first, second and third time, the rule being suspended for third reading, and was passed and ordered to be signed and sealed. File No. FC-2.