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 June 23rd, 1992, has concurred in the recommendations contained therein, except as noted below, and submits same to Council for approval and adoption.

On motion of Councillor Selinger, the Report of the Committee on Finance and Administration, dated June 23rd, 1992, was considered clause by clause.

West Committee Room,
Council Building, Winnipeg.
June 23rd, 1992.

His Worship the Mayor and Councillors:

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

Street Widening - 1515 Pembina Highway.
File FI-2(21)

1195 - 1. Your Committee on Finance and Administration has considered the attached Item 1 of Report No. 1A of the Technical Advisory Committee on City Properties, dated June 9th, 1992, (File 7649), relating to the street widening, 1515 Pembina Highway on the lands shown as "Required Acquisition" on the attached Misc. Plan No. APFG 8527/1, in the Assiniboine Park-Fort Garry Community which are required to improve the radius in the curve of the southbound roadway on Pembina Highway at Dumas Avenue and to provide adequate sight distance for motorists entering Pembina Highway from Dumas Avenue.

At its meeting held on March 12th, 1992, the Board of Commissioners in consideration of a report from the Director of Streets and Transportation, dated February 25th, 1992, instructed the Director of Land Surveys and Real Estate to negotiate for the partial acquisition of the subject property.

The Land Surveys and Real Estate Department has now completed its negotiations and the owners have indicated that the terms and conditions attached hereto as Schedule "A" are acceptable.

The Land Surveys and Real Estate Department considers the proposed purchase price of $4,900.00 ($150/m2 or $13.96/sq.ft.) to be fair and reasonable and consistent with previous acquisitions along Pembina Highway including the acquisition of the widening from the adjacent property to the south which was approved by Council on May 27th, 1992.

The Streets and Transportation Department advises that all costs associated with this acquisition may be charged to the Future Land Acquisition for Transportation Purposes Account. The large tree within the proposed widening will be removed under the construction works.

Your Committee on Finance and Administration recommends:

1. That the acquisition for the subject street widening at a price of $4,900.00 and in accordance with the terms and conditions attached hereto as Schedule "A", be approved.

2. That the Committee on Works and Operations approve the proposal and instruct the City Solicitor to prepare the necessary street opening By-law in accordance with the attached Misc. Plan No. APFG 8527/1 for submission to Council and that the cost of the By-law estimated to be $200.00 be charged to the Pembina Highway Resurfacing Project of the 1990 Capital Program.

Report of the Committee on Finance and Administration, dated June 23rd,1992.

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.

(Note: See Minute No. 1200 for attachments.)

Transfer of Jurisdiction from the Parks and Recreation Department to the Streets and Transportation Department - North East Corner Plessis Road and Kildare Avenue.
File FI-2(23)

1196 - 2. Your Committee on Finance and Administration has considered the attached Item 2 of Report No. 1A of the Technical Advisory Committee on City Properties, dated June 9th, 1992, (File 4843), relative to the transfer of jurisdiction from the Parks and Recreation Department to the Streets and Transportation Department of the north east corner of Plessis Road and Kildare Avenue, in the East Kildonan-Transcona Community. The subject property, as illustrated on the attached Misc. Plan No. EKT 8575 as "Proposed Street Opening" is required by the Streets and Transportation Department to facilitate a channelization and installation of traffic control signals at the intersection of Plessis Road and Kildare Avenue. As approved in the 1992 Capital Program, a right turn cut-off is required at the North East corner of Plessis Road and Kildare Avenue to accommodate delivery trucks making a westbound right turn and to provide a safer crosswalk for pedestrians.

The land required for the proposed street opening is presently under the jurisdiction of the Parks and Recreation Department and forms part of Kiwanis Park. The subject corner is improved with a wooden sign, chain link fence and five shrubs which the Streets and Transportation Department is prepared to relocate at its cost.

The Parks and Recreation Department have advised that there are no objections to transferring jurisdiction of the subject property to the Streets and Transportation Department.

Pursuant to Section 156(2) of The City of Winnipeg Act (S.M. 1989.90, C.10) no land owned by the City and used for park purposes on the date the act came into operation or acquired thereafter by the City for park purposes shall be disposed of without the approval of at least two-thirds of the members of Council.

The Streets and Transportation Department has advised that all costs associated with this proposed street opening may be charged to Account 03-118117-5192070702.

Your Committee on Finance and Administration recommends:

1. That the transfer of jurisdiction of the "Proposed Street Opening" as identified on the attached Misc. Plan No. EKT 8575, be approved.

2. That the Committee on Works and Operations approve the proposal and instruct the City Solicitor to prepare the necessary street opening By-law in accordance with the attached Misc. Plan No. EKT 8575 for submission to Council and that the cost of the By-law estimated to be $200.00 be charged to the Plessis Road and Kildare Avenue Intersection Project of the 1992 Capital Program.

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.

Report of the Committee on Finance and Administration, dated June 23rd, 1992.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

(Note: See Minute No. 1201 for attachments.)

Refinancing of Debt Issued Pursuant to By-law No. 4247/86 CAN $43,253,000.00 - 9.40% Maturing May 1st, 1993.
File FC-2

1197 - 3. Section 292(3) of The City of Winnipeg Act requires the City to make application to the Minister of Finance not less than six months before the May 1st, 1993 maturity date.

The City of Winnipeg by By-law No. 4247/86, on May 1st, 1986, issued a YEN 5,500,000,000 Debenture @ 7.20% due May 1st, 1991 and a U.S. $30,709,000.00 Debenture @ 7.84% due May 1st, 1993, both of which were swapped in order to create a CAN $43,253,000.00, 7 year sinking fund debenture, which will mature and become payable on May 1st, 1993. A sinking fund reserve in an amount of $10,564,988.76 will be available on May 1st, 1993, requiring the shortfall of $32,688,011.24 to be refinanced.

Your Committee on Finance and Administration submits draft by-law and recommends:

1. That the initial borrowing by-law in an amount of $32,688,011.24 duly approved as to financial details by the Acting City Treasurer and certified as to form by the Deputy City Solicitor, to provide for the refinancing of debt issued pursuant to By-law No. 4247/86, be approved.

2. 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.

Leave and License Agreement in connection with Citizens' Hall of Fame - Assiniboine Riverwalk - The Winnipeg Real Estate Board. File PR-4.1

1198 - 4. Your Committee on Finance and Administration at its meeting held on June 23rd, 1992, considered and approved an agreement between the City of Winnipeg and The Winnipeg Real Estate Board for permission to install, in commemoration of individuals inducted to the Citizens' Hall of Fame, monuments along the Assiniboine Riverbank within the Bonnycastle Park area.

The Committee on Planning and Community Services on April 16th, 1992 considered a communication dated March 24th, 1992 from His Worship Mayor Norrie, together with representation made by The Winnipeg Real Estate Board who submitted the attached proposal relating to the establishment of a Citizens' Hall of Fame along the Assiniboine Riverwalk. The cost to the City for the pedestal supports on piles is available from the Winnipeg Core Area Initiative Riverbank Enhancement Program. The Committee recommended the first set of busts (up to five) be installed along the Assiniboine Riverwalk in 1992 in accordance with Appendix "3" to the report from the Acting Director of Planning, dated April 9th, 1992, and referred the matter to the Committee on Protection, Parks and Culture for favourable consideration.

On June 1st, 1992 the Committee on Protection, Parks and Culture rescinded its May 11th, 1992 decision and accepted on behalf of the City the donation of various monuments by The Winnipeg Real Estate Board, and, approved the location for the Citizens' Hall of Fame along the Assiniboine Riverwalk.

Report of the Committee on Finance and Administration, dated June 23rd, 1992.

In accordance with Council's September 9th, 1987 policy regarding leases of parkland over five years in length, approval is required of at least two-thirds of the members of Council.

Your Committee on Finance and Administration recommends:

1. That Council grant leave and license to the applicant to construct and maintain six (6) Hall of Fame monuments within the Bonnycastle Park at locations satisfactory to the General Manager of Parks and Recreation, consisting of busts of those individuals to be installed by the Licensee on six (6) piles and bases to be provided by the City, in accordance with terms and conditions as set out in the draft agreement between the City and The Winnipeg Real Estate Board hereto attached.

2. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

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

Guarantee of Loan - Winnipeg Convention Centre. File G-1

1199 - 5. Your Committee on Finance and Administration has considered a request from The Winnipeg Convention Centre Corporation for the City to guarantee a loan in the amount of $657,000.00 to meet a "serious cash flow deficiency, to offset the uncontrollable and recessionary impact of unpredicted and dramatically lower activity levels and to keep the Winnipeg Convention Centre on track operational, service-driven, marketing-driven, and poised to take advantage of an economic turnaround".

Section 313 of The City of Winnipeg Act states the following:-

"Subject to the approval of the Minister of Finance, The City may, on such terms and conditions as the Minister of Finance may approve, make loans and grants for, and guarantee indebtedness incurred for, any community undertaking not otherwise authorized under this Act, and the Minister of Finance may refer any application for approval under this section to The Municipal Board for its advice and recommendations."

The City has been faced with an increasing number of requests for loan guarantees over the past few years and at the present time the following loan guarantees exist:-

Date Approved By Council	Organization	Initial Amount Approved	Amount Outstanding December 31/91
Dec. 4, 1985	Kirkfield-Westwood Community Centre Inc.	$425,000.00	$274,835.67
May 25, 1988	Varsity View Community Centre Inc.	300,000.00	239,756.25
July 11, 1990	Maples Recreation Association Inc.	525,000.00	521,536.37

Report of the Committee on Finance and Administration, dated June 23rd, 1992.

Dec. 12, 1990	Westdale Community Centre Inc.	175,000.00	100,000.00 (1)
May 8, 1991	Southdale Community Centre Inc.	145,000.00	92,801.00
July 16, 1991	Gateway Recreation Centre Inc.	300,000.00	295,771.92
Apr. 15, 1992	St. Norbert Children's Centre Inc.	175,000.00	175,000.00 (2)

(1) Funds authorized to date, but not yet advanced to Community Centre
(2) Approved during 1992

The financial need that has arisen at the Winnipeg Convention Centre is the result of a sharp departure from the original financial projections for 1992, which were reasonable, given the information available to the Convention Centre at the time they were set. The projections were consistent with historical levels of activity; they allowed for reasonable increases in activity and revenues and the projections did not predict the dramatic impact of the recession on 1992 convention business.

The financial status of the Winnipeg Convention Centre has changed dramatically, which has resulted in a significant revenue deficiency due to cancelled events, lower attendance at events, and lower average spending at events.

The cash shortfall according to the Winnipeg Convention Centre resulting from these developments is $657,000.00. This amount appears significant until the Winnipeg situation is compared to other convention facilities in Canada, as follows:

Facilities Comparison

Other comparable Canadian facilities*	1991 Deficit	1992 Projected Deficit	1992 Deficit as a Percentage of Revenues
Location No. 1	$500,000.00	$2,700,000.00	47%
Location No. 2	148,000.00	900,000.00	17%
Location No. 3	167,000.00	1,200,000.00	15%
Location No. 4	260,000.00	650,000.00	20%
Winnipeg	173,000.00	657,000.00	7%

*Information was obtained by the Convention Centre Corporation in confidence from the management of these facilities.

The Winnipeg Convention Centre has faced the same types of difficulties as the other facilities, and, in addition, has not yet had a physical upgrade. Despite these constraints, the Centre advised that it has mitigated the recessionary impact.

The Winnipeg Convention Centre has gone through a very difficult few years, but it now advises that it is now on track, with a management and marketing strategy to ensure the long-term viability of the facility.

The 1989 Peat Marwick review resulted in a comprehensive package of management, marketing, and financial recommendations. The Centre's management has made progress in implementing improvements in management and marketing over the past two years. While there remains much more to be accomplished, the Centre has indicated that a level of change momentum has been established which requires diligent support.

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Your Committee has been advised that the current financial difficulties threaten the ability of the Centre to stay on track with management and marketing improvements. Immediate assistance on the cash flow front is required to secure the Centre's future. Under Section 6(1) of The Convention Centre Corporations Act the Centre must receive approval of Council for borrowing, and Section 6(2) of The Act, provides that The City of Winnipeg may, on such terms as may be approved by the Council of The City of Winnipeg, guarantee the payment of all or any of the borrowings of the corporation, and of the interest thereon.

Your Committee on Finance and Administration recommends:

1. That Council approve a loan guarantee of $657,000.00 to The Winnipeg Convention Centre Corporation.

2. That the Winnipeg Convention Centre be requested to review in conjunction with City officials, and/or representatives of the hotel industry, the mandate of the Winnipeg Convention Centre and its involvement in the local market.

3. That the appropriate City administration enter into discussions with the Winnipeg Convention Centre Board of Directors to examine the following, namely:

    a) the past financial funding by the City of Winnipeg to the Winnipeg Convention Centre, and its basis;

    b) what the funding relationship should be between the City and the Winnipeg Convention Centre in the future;

    c) the degree of financial assistance the City should be pursuing with the other levels of Government towards funding the Winnipeg Convention Centre.

4. That the Proper Officers of the City be instructed to take all steps necessary to give effect to Council's decision, including obtaining approval from the Minister of Finance in accordance with Section 313 of The City of Winnipeg Act.

Your Executive Policy Committee recommends:-

I. That recommendation 1. be deleted in its entirety and the following inserted therein:-

    "1. That Council approve in principle, a loan of $657,000.00 to the Winnipeg Convention Centre Corporation subject to terms and conditions to be negotiated between the Convention Centre Corporation and the City of Winnipeg."

    II. That recommendation 2. be deleted in its entirety and the following be inserted therein:-

    "2. That the Winnipeg Convention Centre be required to review in conjunction with City officials, and/or representatives of the hospitality industry and Tourism Winnipeg, the mandate of the Winnipeg Convention Centre and its involvement in the local market, prior to the 1993 budget submission."

III. That recommendation 3. be amended by adding a subsection d) to read as follows:-

    "d) the method of accounting for any new services in competition with the private sector, including the full display of all revenues and expenditures and including any public subsidy if any."

Moved by Councillor Selinger,
Adoption of the clause.

In amendment,

Report of the Committee on Finance and Administration, dated June 23rd, 1992.

Moved by Mayor Norrie,
That the recommendation of Executive Policy Committee be adopted.

Carried.

The Speaker called the Deputy Speaker to the Chair and left the meeting.

The motion for the adoption of the clause, as amended, was put.

Councillor Golden called for the yeas and nays, which were as follows:-

Yea: Councillors Boychuk, Brown, Diamant, Douglas, Duguid, Fleisher, Fraser, Gilroy, Hyman, Kaufmann, Lazarenko, Murray, O'Shaughnessy, Prystanski, Selinger, Thomas, Timmers, Young, Mayor Norrie and Councillor Demare. 20

Nay: Councillors Golden and Timm-Rudolph. 2

and the motion for the adoption of the clause, as amended, was declared carried.

1200 Attachment referred to in Clause 1 of the Report of the Committee on Finance and Administration, dated June 23rd, 1992.

SEE PAGES 1762 – 1764 FOR OFFICIAL SET OF MINUTES FOR ATTACHMENT.

1201 -Attachments referred to in Clause 2 of the Report of the Committee on Finance and Administration, dated June 23rd, 1992.

SEE PAGES 1765 – 1766 FOR OFFICIAL SET OF MINUTES FOR ATTACHMENT.

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

1202 - On motion of Councillor Selinger, By-law No. 5961/92, a By-law of The City of Winnipeg being an initial borrowing 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 Thirty-two Million, Six Hundred and Eighty-eight Thousand, Eleven Dollars and Twenty-four Cents ($32,688,011.24), for the purpose of repaying in full the principal of the debentures issued and sold pursuant to By-law No. 4247/86, was read a first time. File No. FC-2.

Councillor Selinger moved that this constitute the first reading of By-law No. 5961/92, which motion was carried.

COMMITTEE ON FINANCE AND ADMINISTRATION

QUESTION PERIOD

1203 - Councillor Hyman enquired if the Chairman had any discussions with the administration about the impact of Bill 70 on the City as well as on the welfare rates.

Councillor Selinger responded that there has been discussion with the administration and he indicated he had made representation in front of the Legislative Law Amendments Committee and that he obtained a firm undertaking from the Minister that before he implemented any regulations that would cap the rates that he would have further discussions directly with the City through the Official Delegation and also with the SARC Committee of which Councillor Gilroy is a member.