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 May 12th, 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 May 12th, 1992, was considered clause by clause.

West Committee Room,
Council Building, Winnipeg.
May 12th, 1992.

His Worship the Mayor and Councillors:

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

Grandmont Park Subdivision, Donell Developments Ltd. - AG 56/86 - Finance Department No. 6994 - Appeal of Recoveries for Capital Improvements and Transfer of Surplus Lot to Developer.
File DASZ 56/86

960 - 1. Your Committee on Finance and Administration has been advised that on July 24th, 1987, Development Agreement AG 56/86 - Finance Department No. 6994 was executed between the City of Winnipeg and Donell Developments Ltd. During the latter part of 1987 and 1988, the Developer constructed land drainage trunk facilities along the Beaujolais Coulee in St. Norbert.

Council approved funds in the 1988 Capital Budget in the amount of $130,000.00 for Developer reimbursement for the construction of oversized land drainage trunk works.

On November 9th, 1988, the Waterworks, Waste and Disposal Department recommended to the Finance Department that the Developer be reimbursed in the amount of $135,777.93 with the shortfall of $5,777.93 to be funded through the Developer Capacity Charges Account.

On November 2nd, 1988, the Developer advised the City that they would accept a payment of $135,777.93 for trunk land drainage system reimbursement "without prejudice" as they intended to pursue additional items which they felt also qualified for reimbursement.

Your Committee on April 23rd, 1991, considered representation by Lombard North Group on behalf of Donell Developments regarding recoveries under the above-noted Development Agreement.

On July 18th, 1991, a joint report of the Land Surveys and Real Estate Department, the Land Development Department and the Waterworks, Waste and Disposal Department was submitted to the Commissioner of Finance and Administration regarding the Lombard North Group's brief.

In a letter dated March 6th, 1992 (Attachment "C"), Mr. David Palubeskie representing the developer requested a portion of Lot 9, Block 1, Plan 21,262 be returned to the developer at the same value the developer provided the lot to the City of Winnipeg.

Your Committee considered report dated July 18th, 1991, (Attachment "A") in connection with the development, and concurred in Recommendation No. 1 contained therein and referred for further report Recommendation No. 2 and the concerns outlined in the communication of October 17th, 1991 from the Developer's consultant (Attachment "B"), and approval for expenditures from the Developer Capacity Charges Account is required.

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

The following two items between the City and the Developer require resolution, namely:

Developer Reimbursement for the Trunk Pond Land Drainage System

1. Whether headwalls and fencing constructed by the Developer at the Bellemer Drive crossing of the impoundment constructed along the Beaujolais Coulee are eligible for reimbursement as land drainage works constructed by the Developer in excess of their trunk sewer rate (T.S.R.) charge contribution; and,

Status of Lot 9, Block 1, Plan 21,262

2. Whether Lot 9, Block 1, Plan 21,262 which was originally provided by the Developer to the City for the sum of $1.00 is currently surplus to the City's needs.

The above two issues are discussed respectively as follows:

1. Developer Reimbursement for Trunk Pond Land Drainage System

As summarized in the previous report of July 18th, 1991, the Developer has claimed for additional cost reimbursement for headwalls and fencing at the culvert for the Bellemer Drive crossing in the amount of $8,720.00 and $5,147.90 respectively. The Waterworks, Waste and Disposal Department has again reviewed its position relative to the Developer's request for reimbursement for these items and has found that these costs should not be eligible for City reimbursement. The headwalls and fencing are considered to be features related to the construction of the local roadway, Bellemer Drive, over the Beaujolais Coulee land drainage facility.

The Beaujolais Coulee system is somewhat unique in that it consists of a linear impoundment system constructed over the former Coulee channel. Roadway crossings of the linear impoundment require a culvert through the roadway for flow conveyance.

In calculating the T.S.R. charge for the Beaujolais Coulee system, a culvert through Bellemer Drive had not been allowed for as a crossing at this location had not been envisioned pursuant to earlier development proposals. Bellemer Drive was a Developer induced feature benefiting the local community only and therefore the Land Surveys and Real Estate Department believes that it is appropriate for the Developer to bear the costs associated with the roadway crossing of the land drainage facility. The developer has partially acknowledged this position by installing at its own cost, the culvert connection through Bellemer Drive at a cost of $60,000.00 for which no reimbursement has been requested.

In another development agreement involving Grandmont Boulevard, the collector roadway located to the north of Bellemer Drive, a culvert through the roadway crossing was provided for in the T.S.R. charge derivation. Under AG 37/75, the Developer of these lands constructed an impoundment facility along the Beaujolais Coulee and the culvert through Grandmont Boulevard and received credit for the value of these works against their T.S.R. charge payable under the terms of the Agreement. Later during subsequent stages of the development covered by AG 10/79, the Developer requested additional compensation for riprap and guardrails constructed at the Grandmont Boulevard culvert crossing. This request was granted and the Developer received credit for the cost of the riprap and guardrails in the amount of $14,900.00 against their T.S.R. charge payable under AG 10/79.

The rationale for granting credit for the riprap and guardrails under AG 10/79 is unclear from a review of the development files. It is assumed that since Grandmont Boulevard was a collector roadway required by the City and that the cost of the crossing was provided for in the T.S.R. charge derivation, compensation for the components of the crossing including the culvert, riprap and guardrails were provided to the Developer. As described by the foregoing, the situation at the Bellemer Drive crossing differs and therefore compensation to the Developer for the cost of headwalls and fencing is not recommended.

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

The following summarizes the Developer's claim for additional cost reimbursement and the Department's position on each item:

| | Item | Developer | Waterworks, Waste & Disposal Dept. |
|---|---|---|---|
| 1. | Headwalls | $ 8,720.00 | Nil |
| 2. | Fencing | 5,147.90 | Nil |
| 3. | Survey Costs | 2,000.00 | $2,000.00 |
| 4. | T.S.R. Adjustment (As a result of weir construction cost saving) | 1,317.33 | 1,317.33 |
| | | $17,185.23 | $3,317.33 |

Alternative

The alternative to the above is to provide reimbursement to the Developer for the cost of the headwall and fencing items. Should this action be considered, reimbursement to the Developer for the cost of the culvert under Bellemer Drive in the amount of $60,000.00 cannot be ignored. If it is deemed that the costs for the headwalls and fencing are costs appropriately reimbursed to the Developer, then the cost for the culvert should also be considered for reimbursement, as in the situation at the Grandmont Boulevard crossing. This would result in a total repayment to the Developer of $77,185.23 being required. This alternative is not recommended.

2. Status of Lot 9, Block 1, Plan 21,262

The Developer's consultant on behalf of the Developer in their submission of October 17th, 1991 to the Committee on Finance and Administration and their subsequent letter of March 6th, 1992 (Attachment "C") to the Land Surveys and Real Estate Department has requested that the City return Lot 9, Block 1, Plan 21,262, or residual portion thereof, to the Developer for the sum of $1.00. The subject lot is shown on Attachment "D" (Misc. Plan No. APFG 8227/1).

Council on May 6th, 1987 approved DASZ 56/86 on the basis that the subject lot be provided by the Developer for public reserve access to the Westerndorf Coulee. During the development approval process, the Assiniboine Park-Fort Garry Community Committee and the Committee on Planning and Community Services recommended that a street connection to the lands west of the Westerndorf Coulee be provided at the location of the subject lot.

Subsequently, Executive Policy Committee recommended to Council that a street connection be not provided at this location as it would not be consistent with the "Rural" policy area designation for lands west of the Coulee and further that the lands west of the Westerndorf Coulee were beyond the Urban Limit Line and not capable of being serviced. Council adopted the recommendation and the lot was provided to the City by the Developer for $1.00 for public reserve access under the terms and conditions of AG 56/86. The lot is currently zoned R1-4 and the Developer received no credit for provision of the lot against their park dedication requirement.

Pursuant to the Developer's proposal, the Land Surveys and Real Estate Department canvassed appropriate City Departments to determine whether the subject lot is surplus to the City's needs. These Departments responded that the lot is surplus with the exception of the Parks and Recreation Department which has indicated that a five (5) metre wide public reserve along the most northerly property limit of Lot 9 is required leaving the southerly 13.0 metres of the subject lot as surplus. The Land Surveys and Real Estate Department has estimated the market value of the residual 13.0 metre wide lot at $26,000.00. The Parks and Recreation Department is recommending that the surplus portion be sold at market value and that the proceeds from the sale of the surplus public reserve be credited to the Assiniboine Park-Fort Garry Community Land Dedication Reserve Account.

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

The issue to be resolved is whether it is appropriate to return the residual portion of Lot 9 to the Developer for $1.00 per their proposal, or to offer the lot for sale to the Developer at the market value estimated by the Land Surveys and Real Estate Department. The Developer's position is that the residual portion of the lot should be transferred back to the Developer at the same value that the lot was originally provided to the City, that is for $1.00. As the original intent of providing Lot 9 for street access was not recommended by Executive Policy Committee nor adopted by Council, and since the public reserve access requirements to the Westerndorf Coulee can be met with the reduced requirement identified by the Parks and Recreation Department, return of the Lot 9 to the Developer appears reasonable.

The Committee on Finance and Administration recommends:

1. That payment of an additional $3,317.33 to Donell Developments Ltd. from the Developer Capacity Charges Account No. 03-229302-000101 for construction of land drainage trunk works under AG 56/86, be approved.

2. That Council declare the residual portion of Lot 9, Block 1, Plan 21262 surplus to the City's needs and that it be conveyed back to the Developer for $1.00 plus any costs.

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.

Street Widening - North-West corner of Dumas Avenue and Pembina Highway - Assiniboine Park- Fort Garry Community.

File FI-2(21)

961 - 2. Your Committee on Finance and Administration has considered the attached Item No. 1 of Report 1A of the Technical Advisory Committee on City Properties, dated April 28th, 1992, (File No. 7649/1), in connection with the street widening on the north-west corner of Dumas Avenue and Pembina Highway, in the Assiniboine Park-Fort Garry Community. The lands shown as "Required Acquisition" on the attached Misc. Plan No. APFG 8527 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.

The Board of Commissioners on March 12th, 1992 considered a report from the Director of the Streets and Transportation Department dated February 25th, 1992 and instructed the Director of the Land Surveys and Real Estate Department to negotiate for partial acquisition of the subject property.

The Land Surveys and Real Estate Department has now completed its negotiations and the owner has 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 $10,500.00 ($150/m2 or $13.94/sq.ft.) to be fair and reasonable and consistent with previous acquisitions along Pembina Highway. In addition, there will be costs associated with relocation of the sign and redesign of the improved flower/rock garden. These costs for redesign and relocation will be borne by the City in accordance with Clause 5 of the attached terms and conditions.

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.

Your Committee on Finance and Administration recommends:

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

1. That the proposed acquisition for the subject street widening at a price of $10,500.00 be approved in accordance with the terms and conditions attached hereto as Schedule "A".

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 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.

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. 968 for attachments.)

Acquisition of Property located on the South Side of Academy Road between Lindsay Street and Renfrew Street - Assiniboine Park-Fort Garry Community.
File FI-2(21)

62 - 3. Council at its meeting held on April 15th, 1992, referred back Clause 7 of your Committee's report dated March 10th, 1992, which reads as follows:-

"7. Your Committee on Finance and Administration has considered the attached Item 3 of Report No. 1A of the Technical Advisory Committee on City Properties, dated February 25th, 1992, (File 7583), relative to the proposed acquisition of property located on the south side of Academy Road between Lindsay Street and Renfrew Street, in the Assiniboine Park-Fort Garry Community.

At its meeting held on February 27th, 1992, the Board of Commissioners instructed the Director of the Land Surveys and Real Estate Department to negotiate for the acquisition of the subject property in order to maintain the Winnipeg Hydro power line already in existence and also referred the matter to the Committee on Works and Operations to review the proposed acquisition as to need. Burlington Northern has declared this property surplus to its needs. Glacier Park who are entitled to be the owners of the property will be attempting to market the subject property as a commercial site.

The Land Surveys and Real Estate Department finds the proposed purchase price of $130,000.00 to be reasonable for the 1,793.02 m2 (19,300 square feet).

No specific funding exists for this purchase. However, Winnipeg Hydro has $160,000.00 remaining in a 1988 Capital Budget item which was for the Steam Turbine Plant. These funds could be used for this purpose if the transfer were approved by Council. This amount includes the proposed purchase price, contingencies and costs for G.S.T., Land Transfer taxes and Finance and Administration charges. The Committee on Works and Operations is to consider the proposal at its March 31st, 1992 meeting.

Your Committee on Finance and Administration recommends:

1. That the acquisition of the 1,793 m2 (19,300 square foot) parcel shown as 'Subject Burlington Northern Property' on Land Surveys and Real Estate Misc. Plan No. APFG 7350/3 at a price of $130,000.00 and in accordance with the terms and conditions as specified on the attached Schedule 'A' and such other terms and conditions as are deemed necessary by the City Solicitor, be approved, in order to implement the intent of Council.

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

2. That $160,000.00 funding required for this purchase be transferred from the 1988 Capital Budget of Winnipeg Hydro.

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.

(For the information of Council, the Committee on Works and Operations concurred in the recommendations on March 31st, 1992.)"

Your Committee reconsidered and re-affirmed its March 10th, 1992 decision and therefore recommends:

1. That the acquisition of the 1,793 m2 (19,300 square foot) parcel shown as "Subject Burlington Northern Property" on Land Surveys and Real Estate Misc. Plan No. APFG 7350/3 at a price of $130,000.00 and in accordance with the terms and conditions as specified on the attached Schedule "A" and such other terms and conditions as are deemed necessary by the City Solicitor, be approved, in order to implement the intent of Council.

2. That $160,000.00 funding required for this purchase be transferred from the 1988 Capital Budget of Winnipeg Hydro.

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. 969 for attachments.)

Change in Appointments of Members to the Winnipeg Parking Authority.
Files ST-8.1 and GC-7

963 - 4. Council on March 27th, 1991, re-appointed Mr. Don Love, 18 Kingston Row as the Winnipeg Chamber of Commerce representative on the Winnipeg Parking Authority.

Mr. Don Love can no longer represent the Chamber as he was, as of the February 17th, 1992 meeting of the Downtown Winnipeg Business Improvement Zone, recommended as its representative on the Winnipeg Parking Authority.

The provisions of By-law No. 2054/78, the Winnipeg Parking Authority By-law states that:-

one (1) elector member shall be selected by Council from each of the following:-

(I) *The Downtown Businessmen's Association
(II) A citizen-at-large; and,
(III) The Winnipeg Chamber of Commerce.

(*Subsequently changed to the Winnipeg Downtown Association)

The by-law contemplated different people from each of those organizations.

The Downtown Winnipeg Association was dissolved in December 1990 due to the creation in August 1989 of the Downtown Winnipeg Business Improvement Zone.

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

Your Committee submits draft by-law to amend By-law No. 2054/78 by deleting reference therein to the Downtown Winnipeg Association.

Your Committee therefore recommends:

1. That Mr. David Hicks, 111-93 Lombard Avenue, Winnipeg, R3B 3B1 be appointed as the Winnipeg Chamber of Commerce representative to the Winnipeg Parking Authority for the remainder of the term ending November 1993, or until as soon thereafter a successor is appointed.

2. That Mr. Don Love, 393 Portage Avenue, Winnipeg, R3B 3H6, be appointed as the Downtown Winnipeg Business Improvement Zone representative to the Winnipeg Parking Authority for the term ending November 1994, or until as soon thereafter a successor is appointed.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

Delegation of Authority to Committee on Finance and Administration regarding Leasing of Private Properties.
File GC-11

64 - 5. Council on December 18th, 1991, referred to your Committee on Finance and Administration, the following resolution, namely:-

"WHEREAS Council on July 18th, 1979, delegated to the (then) Committee on Finance, the authority to lease or rent City properties for which the Board of Commissioners has no authority; AND, the authority to lease or rent private property for City purposes for which the Board of Commissioners has no authority;

AND WHEREAS there are no guidelines or restrictions on the delegated authority of the Committee on Finance and Administration and in particular, no ceiling on the amount of money the Committee on Finance and Administration can commit the City of Winnipeg to spend as it relates to leasing arrangements for private properties;

THEREFORE BE IT RESOLVED that the July 18th, 1979, authority delegated to the Committee on Finance (and Administration) as it relates to leasing of private properties by the City for City purposes be amended by providing for guidelines and a ceiling;

AND BE IT FURTHER RESOLVED that By-law No. 4444/86 be amended to reflect the intent of the foregoing."

The Committee on Finance and Administration, at its meeting held January 9th, 1992 directed that a report be prepared addressing the Council resolution of December 18th, 1991 which instructed that the Committee on Finance and Administration delegated authority as it relates to leasing of private properties by the City for City purposes be amended by providing for guidelines and a ceiling.

Council, on July 18th, 1979, delegated to the Committee on Finance the authority to approve the leasing or rental of privately-owned lands and/or buildings, for which the Board of Commissioners has no authority. This rescinded a June 23rd, 1976 policy which granted the Committee on Finance the sole authority to lease privately-owned lands and/or buildings for City purposes for a lease for five years or less, but not to exceed a total of $50,000.00.

In its decision of December 18th, 1991, Council directed that the existing policy be amended by providing for guidelines and a ceiling as "there are no guidelines or restrictions on the delegated authority of the Committee on Finance and Administration and in particular, no ceiling on the amount of money the Committee on Finance and Administration can commit the City of Winnipeg to spend as it relates to leasing arrangements for private properties".

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

The rationale for the existing policy dates back to the June 23rd, 1976 Council decision to delegate to the (then) Committee on Finance with the "sole authority to lease privately-owned lands and/or buildings... in order to streamline the City's business where the leasing of private property for City purposes may be required on short notice".

The ability to act quickly to market opportunities and the need to streamline the City's business are just as true today as they were sixteen years ago.

The discussion leading to Council's motion for guidelines and a ceiling arose out of the proposed lease for the Purchasing Department in the Mandarin Building which in turn came on the heels of a decision to lease the Hamilton Building for a 20 year term.

Your Committee has considered the following alternatives, namely:

Alternative One

Continue the current Committee on Finance and Administration's delegated authority to approve all leases of privately owned property for Civic purposes.

The current practice is upon the definition of need by the client Department, the Land Surveys and Real Estate Department, in conjunction with the Civic Properties Department, report to the Board of Commissioners the results of a survey identifying the Client Department's needs in terms of accommodation and potential locations available to fulfil their requirements. Acting upon Board authority, negotiations with the private landlord are undertaken. The results are then presented for approval to the Committee on Finance and Administration. The Committee on Finance and Administration now has the discretion to forward to Council any decision, lease or otherwise, for which, in its opinion, it does not have delegated authority.

Alternative Two

That Committee on Finance and Administration's current delegated authority be amended to include guidelines and a ceiling.

Guidelines for lease negotiations and documentation are matters of a technical nature. Essentially there is an industry standard lease document which, with the Law Department's input, is customized to the particular set of negotiations. The net lease rate, the responsibility for operating costs, the costs and responsibility for tenant improvements, the term of the lease, and the area required are the significant issues which are dealt with on an administrative basis with subsequent review and approval by the appropriate Committees of Council.

Of primary concern is the need to ensure that the economics are the optimum which can be negotiated under the circumstances and the space meets the needs of the client Department.

For the purpose of continued discussion, a term of up to 10 years will be considered normal practice. This arises out of the expectation that leasehold improvements, usually paid for by the tenant, should have a life expectancy of at least ten years before requiring major rehabilitation.

In terms of an expenditure ceiling this becomes more subjective. If it is assumed that a typical City department occupies 10,000 square feet of space, rented for 10 years and the net rent is in the range of $10.00 per square foot then the expenditure, based on these assumptions, would be one million dollars.

If consideration is to be given to a ceiling then the following is proposed by the Administration:

"If the lease is for more than 10 years or if its net cost to the City, excluding operating costs and tenant improvements, is greater than one million dollars over the lease term, then the lease is subject to review by Council."

**Report of the committee on Finance and Administration, dated May 12th, 1992.**

Your Committee is of the opinion that it should not be recommended that lease approval by the Committee on Finance and Administration be further restricted by guidelines or a ceiling. It is considered that approval, culminating at the Committee on Finance and Administration, provides both a reasonable time frame in which to react to lease opportunities and at the same time safeguard the interests of the City.

If it is a lease, then the existing authority should apply. If it is not a lease or, if there are other concerns or influences which Council should address, which are not currently delegated to the Committee on Finance and Administration, then the matter would be forwarded to Council.

One additional issue is the approval of leases on an "In Camera" basis. On January 9th, 1992 your Committee adopted a procedure whereby all property matters are to be treated on an "In Camera" basis. Once leases have been approved by your Committee they do not, under existing policy, require Council approval. As such, the details of the lease, would not be available to the public, as they are in acquisition and sale transactions upon their registration at the Winnipeg Land Titles Office.

The release of the following Lease Summary information would not likely prejudice the City of Winnipeg and at the same time provide the public with relevant information:

LEASE SUMMARY

1. Location
2. Lessor
3. Area of Leased Premises
4. Net Cost Per Square Foot
5. Term of Lease

Your Committee amended its January 9th, 1992 decision relative to all property matters being treated on an In Camera basis to provide for the release of a lease summary and approved that the following lease summary information be made available to the public: Location, lessor, area of leased premises, net cost per square foot and term of lease.

Your Committee on Finance and Administration recommended that no change be made to its delegated authority to lease or rent private property for City purposes thereby confirming the Committee on Finance and Administration's delegated authority of July 18th, 1979, to approve all leases.

Your Executive Policy Committee recommends that the existing delegated authority granted to the Committee on Finance and Administration relative to the leasing of private properties be amended to include the following:-

"If a lease is for more than 10 years or if its net cost to the City, excluding operating costs and tenant improvements, is greater than $1,000,000.00 over the lease term, the lease shall be subject to review by Council."

Moved by Councillor Selinger,
Adoption of the clause.

In amendment,

Moved by Councillor Clement,
That the recommendation of the Executive Policy Committee be adopted.

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

Moved by Councillor Reese,
That the clause and proposed amendment be referred to Executive Policy Committee.

Moved by Councillor Demare,
That the question be now put.

Carried.

The motion to refer the clause and proposed amendment was put.

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

Yea: Councillors Golden and Reese. 2

Nay: Councillors Boychuk, Clement, Demare, Douglas, Duguid, Fraser, Gilroy, Kaufmann, Mendelson, Selinger, Thomas, Timmers, Mayor Norrie and Councillor Eadie. 14

and the motion to refer was declared lost.

The amendment proposed by Executive Policy Committee was put and declared carried.

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

Loan Guarantee - Windsor Community Centre. Files PR-2 and FC(1992)

965 - 6. Your Committee on Finance and Administration at its February 18th, 1992 meeting considered a request from the Windsor Community Centre, for the City to guarantee a loan in the amount of $100,000.00 for the construction of a new community centre facility, and your Committee laid over consideration of the request pending report/financial analysis on this matter.

Over the past few years, the City has guaranteed loans provided to a number of community centres and other non-profit organizations, for the purpose of improving or expanding their facilities, as follows:

| Date Approved By Council | Organization | Initial Amount Approved | Amount Outstanding December 31/91 |
|---|---|---|---|
| December 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 |
| December 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 |
| April 15, 1992 | St. Norbert Children's Centre Inc. | 175,000.00 | 175,000.00(2) |

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

(1) Funds authorized to date, but not yet advanced to Community Centre

(2) Approved during 1992

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 recommendation."

The Finance Department is concerned that there has been an increasing number of requests for loan guarantees over the past few years, as loan guarantees do in fact constitute meaningful commitments by the City. These commitments have to be recorded in the notes to the City's financial statements and are factors in determining the City's potential liabilities with the possibility of ultimately negatively affecting the City's credit rating. As a result of its concern, the Finance Department has been asked to draft a policy and criteria to be used as a guideline in the consideration of requests for loan guarantees. It should be noted that the request from the Windsor Community Centre would qualify for a loan guarantee under the policy and criteria that the Finance Department will be proposing.

The Windsor Community Centre is proposing to build a new 5200 square foot facility to replace existing buildings which consist of a converted house plus a small building used as change rooms for hockey. The Community Centre has submitted the attached comprehensive information package which includes a description of the project, financial statements, projected budgets, plans for repayment and letters regarding grants that they have received. The information package has been reviewed and it would appear that the Community Centre will be in a good position to handle the interest and principal obligations in connection with the proposed loan. Discussions were also held with the Manager of Community Parks and Recreation in the St. Boniface-St. Vital Community and he indicated that the Parks and Recreation Department is in support of the project and the loan guarantee.

The total cost of Windsor Community Centre's building redevelopment project is estimated to be $449,937.00, and the proposed loan of $100,000.00 represents only 22.2% of the total project costs.

Building Redevelopment Project Funding

| | | |
|---|---|---|
| Windsor Community Centre Funding | $133,000.00 | 29.6% |
| City of Winnipeg, Community Incentive Grant | 124,937.00 | 27.7 |
| Province, Community Places Grant | 67,000.00 | 14.9 |
| Provincial Lotteries Grant | 25,000.00 | 5.6 |
| Bank Loan | 100,000.00 | 22.2 |
| Total Funding | $449,937.00 | 100.0% |

The $100,000.00 loan will be amortized over 15 years and will require a monthly payment of $1,050.00. The Community Centre has indicated that they intend to go initially with an open, floating interest rate and will closely monitor the interest rates with a view to locking in the interest rate if it appears that rates will be rising.

The Committee on Protection, Parks and Culture on May 11th, 1992 recommended that Windsor Community Centre be permitted to proceed with invitations to Tender for a 5,200 sq. ft. Community Centre, estimated cost $449,379.00, subject to the Community Centre having all required funding in place, including City approval of loan guarantee in the amount of $100,000.00 from the Royal Bank.

Your Committee on Finance and Administration recommends:

1. That favourable consideration be given to the Windsor Community Centre for a City of Winnipeg loan guarantee, in an amount not exceeding $100,000.00, with respect to the construction of a new community centre facility.

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

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

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

Exemption from the City of Winnipeg
License By-law No. 4007/85 - Fort Street
Highrisers Club. File EL

966 - 7. Your Committee on Finance and Administration has been advised that the Fort Street Highrisers Club applied for an exemption from the licensing of a billiard table within its premises. It has provided evidence that it operates on a non-profit basis for social and charitable purposes.

The License Branch has inspected the premises and reports that it has not received any complaints regarding the operation. They have therefore recommended that the exemption from licensing be granted. The City of Winnipeg has the power to exempt non-profit clubs from licensing under Section 524(1)(t) of The City of Winnipeg Act and would accomplish same by proceeding with the attached by-law.

Your Committee on Finance and Administration submits for approval and adoption draft by-law to amend By-law No. 4007/85, and recommends:

1. That the Fort Street Highrisers Club be exempted from the licensing of a billiard parlour and certain amusement devices kept at its premises located at 20 Fort Street, Winnipeg, Manitoba pursuant to the provisions of License By-law No. 4007/85.

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.

1992 Special Grant Request Submitted by the
Ellice/Sargent Avenue Business
Improvement Zone.
Files FG-1.1(E) and FL-7.

967 - 8. Council on March 6th, 1991 passed By-law No. 5650/91, which by-law established the Ellice/Sargent Avenue Business Improvement Zone.

On March 19th, 1992, Council approved the 1992 budget of $38,500.00 for the Ellice/Sargent Avenue Business Improvement Zone. Under Section 17(7) of By-law no. 5650/91 this amount is to be paid out as follows:

- 75% of the approved budget on June 30th
- 15% of the approved budget on August 31st
- 10% of the approved budget on October 31st.

Section 17(8) of the By-law empowers the City Treasurer to advance funds to the Ellice/Sargent Avenue Business Improvement Zone for preliminary administrative purposes in an amount not to exceed 5% of the budget. In a memo dated February 10th, 1992, the Ellice/Sargent Avenue Business Improvement Zone was notified of the approved advance which amounted to $1,925.00.

**Report of the Committee on Finance and Administration, dated May 12th, 1992.**

Historically, there has been one instance where a Business Improvement Zone has received over the 5% limit of funding prior to the June date. On April 18th, 1990 Council approved a one-time only arrangement with the Downtown Winnipeg Business Improvement Zone for a conditional repayable loan in the amount of $220,000.00 subject to payment of interest at the City's prime bank rate.

This application from the Ellice/Sargent Avenue Business Improvement Zone is for a further advance on the 1992 levy and should not be considered as a special grant. To make a further advance would require amending the by-law or adopting an arrangement similar to the one with the Downtown Winnipeg Business Improvement Zone.

Your Committee on Finance and Administration did not approve the request for a $10,000.00 grant and recommends:

1. That a One-Time Only arrangement with the Zone for a conditional repayable loan in the amount of $10,000.00 be approved, subject to payment of interest at the City's prime bank rate and deducted at the time of the June 30th payment to the Business Improvement Zone.

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.

968 - Attachments, referred to in Clause 2 of the Report of the Committee on Finance and Administration, dated May 12th, 1992.

SEE PAGES 1418 – 1420 FOR OFFICIAL SET OF MINUTES FOR ATTACHMENT.

969 - Attachments referred to in Clause 3 of the Report of the Committee on Finance and Administration, dated May 12th, 1992.

SEE PAGES 1421 – 1424 FOR OFFICIAL SET OF MINUTES FOR ATTACHMENT.

COMMITTEE ON FINANCE AND ADMINISTRATION

MOTIONS

Moved by Councillor Golden,
Seconded by Councillor Reese,
970 -WHEREAS the Winnipeg Enterprises Corporation refuses to divulge information to City Council or City Councillors regarding contractual obligations entered into both within and not within its mandate; AND WHEREAS the public has asked elected Councillors questions about potential liabilities that may ultimately affect the City budget;

THEREFORE BE IT RESOLVED that the Winnipeg Enterprises Corporation be required to report to Executive Policy Committee on a monthly basis to answer questions of Councillors, in camera if necessary, on personnel matters or contracts, and that Executive Policy Committee be instructed to suspend its rules to allow all Councillors to ask questions.

Required to Stand as Notice
of Motion.

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

971 - On motion of Councillor Selinger, the following By-laws were each read a first, second and third time, the rule being suspended for the third reading of each by-law, and were passed and ordered to be signed and sealed, namely:-

By-law No. 5951/92, a By-law of the City of Winnipeg to amend By-law No. 4444/86, being the Political and Administrative Organization By-law. File No. GL-5.6.

By-law No. 5952/92, a By-law of the City of Winnipeg to amend By-law No. 2054/78, being the Parking Authority By-law. File No. ST-8.1.

By-law No. 5953/92, a By-law of the City of Winnipeg to amend By-law No. 4007/85, being The City of Winnipeg License By-law. File No. EL.