Agenda - Executive Policy Committee - October 8, 2003

REPORTS

Item No. 4 Millennium Library Project Funding
File L(32.1)

ADMINISTRATIVE RECOMMENDATION:

That the report be received as information.

Agenda – Executive Policy Committee – October 8, 2003

DECISION MAKING HISTORY:

COUNCIL DECISION:

On September 24, 2003, Council adopted the following:

1. That the revised budget and reallocation of funds for the construction of the Millennium Library Project (as outlined in the attached administrative report dated August 29, 2003) be approved, with $468,000.00 of said funding being a first charge against the 2004 Capital Budget.

2. That the previously approved Capital funds in 1992 and 2000, in the amount of $468,000.00, be cancelled.

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

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 17, 2003, the Executive Policy Committee requested the Chief Administrative Officer to provide clarification and assurance that the reallocation of funding for the Millennium Library Project is a reallocation of existing funds, versus new borrowed money.

RE: Millennium Library Project Funding

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Chief Financial Officer

REPORT DATE: September 23, 2003

RECOMMENDATION(S):

That this report be received as information.

Report Summary

Key Issues:

Implications of the Recommendation(s):

General Implications

X	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment:

Policy implications

X	No
	Yes

Comment:

Environmental implications

X	No
	Yes

Comment:

Human Resources implications

X	No
	Yes

Comment:

Financial Implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment: There are no financial implications associated with this informational report.

REASON FOR THE REPORT:

On September 17, 2003 Executive Policy Committee requested the Chief Administrative Officer to provide clarification and assurance that the reallocation of funding for the Millennium Library Project is a reallocation of existing funds, versus new borrowed money.

HISTORY:

On July 18, 2001, Council approved a budget for the Millennium Library Project. Later detailed designs indicated there was a shortfall of $1.626 million and the department, through reallocation of accounts, made up the difference. The accounts reallocated were as follows:

- Operating budget reallocations totaling $433,000:
- $258,000 from PP&D 2003 mechanical budget;
- $100,000 from the 2004 Library materials budget;
- $75,000 from the 2005 Library materials budget,
- The GMEF grant of $50,000 in 2004,
- A Library Reserve Fund reallocation of $300,000 in 2004
- A Library Reserve Fund reallocation of $300,000 in 2005
- A $75,000 Library trust funds reallocation in 2004, and
- A capital reallocation of $468,000 in 2004 from the PP&D roof project (previously approved Capital funds in 1992 and 2000)

When this was submitted for approval there was a question of whether the $468,000 was indeed a reallocation of existing funds, versus new borrowed money.

DISCUSSION:

The allocation of funding for the Millennium Library Project is a reallocation of existing funds, versus new borrowed money. The amount in question was a capital reallocation of $468,000 from the Planning, Property and Development centennial roof project (previously approved capital funds in 1992 and 2000).

This $468,000 is made up of:

a) $235,000 - Part of the 2000 Annual Capital and 2001-2005 Five-Year Capital Forecast as approved by Council on December 16, 1999.

For further clarification please find attached as Appendix “A” a communication from the City Clerk, dated December 16, 1999, with attached relevant pages highlighting the amount approved in the 2000 budget.

b) $234,300 - Part of the 2000 Supplementary Capital Budget and Borrowing Authority Cancellation approved by Council on January 31, 2001.

For further clarification and assurance please find attached as Appendix “B”:

I. a communication from the City Clerk, dated January 31, 2001;
II. an excerpt of the report identifying the Supplementary Capital Budget requiring approval;
III. the reconciliation of the total tax-supported required $25,339,200 reconciled to the authority required; and
IV. finally, a listing that includes the item of $234,300.

These indicate that Council approved the borrowing authority for this item, which was part of the $22,679,820 for old projects being carried forward.

Financial Impact Statement

Date: September 23, 2003

There are no financial implications associated with this report as the report is to be received as information only.

"*original signed by Bob Gannon*"

Robert P. Gannon
Chief Financial Officer

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCE BY:

THIS REPORT SUBMITTED BY:

Department Office of the Chief Financial Officer
Division
Prepared by: Robert Gannon
File No. C/L-1

THE CITY OF WINNIPEG
VILLE DE WINNIPEG

Appendix "A"

CITY CLERK'S DEPARTMENT / BUREAU DU GREFFIER
510 Main Street • Winnipeg • Manitoba • R3B 1B9 • Fax: (204) 947-3452

December 16, 1999

File FC (2000) & FC-1 (2001-2005)

His Worship Mayor G. Murray
Mayor's Office, Council Building

Councillor J. Eadie
Secretary of Intergovernmental Affairs

Preliminary 2000 Annual Capital Estimates and 2001-2005 Five-Year Capital Forecast

I enclose for your attention, copy of Clause 1 of Report "A" of the Executive Policy Committee, dated December 8, 1999 in the above connection, which was adopted by Council at its meeting held on December 16, 1999. By-law No. 7530/99 was given first reading on December 16, 1999, and was forwarded to the Minister of Finance, as outlined in The City of Winnipeg Act.

If more information is required on this matter, please contact Mr. Bob MacCallum, Clerk of the Executive Policy Committee at 986-2136.

Dorothy Browton

D. Browton
City Clerk

RSM/bas

Enclosure

c. Mrs. U. Goeres, City Solicitor/Manager of Legal Services
Mr. R. P. Gannon, Chief Financial Officer
Mr. K. Dowdall, Director, Corporate Finance
Ms J. Ferrier, Manager of Financial Planning & Budgets, Corporate Finance Department
Mrs. D. Browton, City Clerk
CAO Secretariat
EPC Secretariat

K:\EPC\COUNCIL_LET\991208A.LET

Winnipeg '99

WINNIPEG - HOST CITY OF THE 1999 PAN AM GAMES
WINNIPEG - VILLE HÔTESSE DES JEUX PANAMÉRICAINS DE 1999

THE CITY OF WINNIPEG
RECEIVED
DEC 16 1999
CHIEF FINANCIAL OFFICER

99/12/9

Report "A" of the Executive Policy Committee dated December 8, 1999

Appendix "A"

Preliminary 2000 Annual Capital Estimates and 2001-2005 Five-Year Capital Forecast
Files FC (2000) & FC-1 (2001-2005)

1. In accordance with the provisions of Sections 30(1) and 336(1) of The City of Winnipeg Act, the Executive Policy Committee submits the Preliminary 2000 Annual Capital Estimates and the 2001-2005 Five-Year Capital Forecast for the consideration of Council.

Estimate documentation was tabled at a meeting of the Executive Policy Committee held on May 26, 1999 at which time the matter was referred to all Community Committees and the Standing Policy Committees for their consideration.

On July 13, 1999, the Executive Policy Committee heard delegations relative to the Preliminary 2000 Annual Capital Estimates and 2001-2005 Five-Year Capital Forecast.

On December 8, 1999, the Executive Policy Committee conducted its review of the estimates and considered the recommended changes from the Community Committees and Standing Committees. The recommended changes by the Executive Policy Committee are outlined in Appendix "B" which have a neutral impact on the bottom line of the Capital Budget.

The Executive Policy Committee therefore recommends:

I. That the 2000 Capital Estimates totalling $134,953,000, requiring borrowing authority of $29,390,000 for Winnipeg Hydro, and the 2001 to 2005 Five-Year Forecast as outlined on Appendix "A" be forwarded to Council for approval;

Note: This approval fulfils the requirement under Subsection 336(1) of The City of Winnipeg Act to adopt a capital expenditure program for the five years following 1999.

II. That the City request the Province to match funding for the following capital programs/projects, over and above UCPA funding (Urban Capital Projects Allocation):

A. a residential street renewal program for Winnipeg for the years 2000 and beyond; and

B. a capital project for Convention Centre cladding in the year 2000.

Note: Provincial financing for this project should be negotiated from video lottery terminal (VLT) revenue - the 25% urban economic development project component - which is over and above the City's annual base Video Lottery Grant (the 10% component) in the City's operating budget.

III. That the City's adoption of estimates for the Provencher Bridge project for the years 2001 through 2005, as set out in the Five Year Capital Expenditure Program be on the understanding that the Standing Committee on Fiscal Issues will review financing options identified during the preliminary design phase, and may bring forward recommendations to

enable the construction of the bridge to proceed in the most cost efficient manner, including such interim financing as may be necessary.

IV. That Council adopt a policy whereby all capital projects with a total estimated cost of $10 million or more, be submitted by the relevant City Department to the Standing Committee on Fiscal Issues for review and recommendation prior to any bid solicitation being issued. The review by the Standing Committee on Fiscal Issues may take place either before or after Council's adoption of the Capital Estimates, as timing permits.

V. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related thereto.

ADOPTED BY COUNCIL
- December 16, 1999

Appendix "A"

CAPITAL PROJECTS SUMMARY FUNCTION/PROJECT	DETAIL PAGE NO.	PLAN WPG. IND.	2000 000's BUDGET ADOPTED BY COUNCIL	2001 000's FORECAST ADOPTED BY COUNCIL	2002 000's FORECAST ADOPTED BY COUNCIL	2003 000's FORECAST ADOPTED BY COUNCIL	2004 000's FORECAST ADOPTED BY COUNCIL	2005 000's FORECAST ADOPTED BY COUNCIL	2000-2005 000's 6 YEAR TOTAL ADOPTED BY COUNCIL
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT									
CIVIC ACCOMMODATIONS									
General Building Renovation and Refurbishing	3-67	1D-01	300	209	400	300	300	500	2,009
Civic Buildings. Barrier Free Access	3-68	4A-02	106	206	206		104		622
Removal of Asbestos	3-69	5C-55		168	168		168		504
Administration Building Alterations	3-70	5C-55				200	200		400
510 Main Street - Elevator Controls	3-71	5C-55			390				390
Council Building Redevelopment	3-72	5B-04		500					500
Fire Safety Upgrading - Various Locations	3-73	5C-55			100	400			500
Central Yard Relocation	3-74	1D-01				1,382	1,600	500	3,482
251 Donald St - Complete Roof Replacement	3-75	5C-55	235						235
Total Civic Accommodations			641	1,083	1,264	2,282	2,372	1,000	8,642
Special Projects:									
Public Safety Building. Exterior Cladding	3-76	5C-55			550	3,000	1,500	1,000	6,050
Concourse Upgrading	3-77	5C-55		300					300
Computer Automation	3-78	1D-02	100					200	300
Cooling Plant Refurbishing	3-79	5C-55			300	850			1,150
Energy Conservation	3-80	3G-02					225	200	425
Restoration of Historic Gates	3-81	6C-01			154				154
Civic Centre Carpark Tunnel	3-82	5C-55			1,092				1,092
Tenant Improvement Prepayment. Major Department	3-83	6C-09						600	600
Historic Building Stabilization	3-84	5B-04	200	300		500		500	1,500
Total Civic Accommodations Special Projects			300	600	2,096	4,350	1,725	2,500	11,571
Total Civic Accommodations			941	1,683	3,360	6,632	4,097	3,500	20,213
PLANNING & LAND USE									
Weather Protected Pedestrian System	3-85	5B-07				250	250		500
Streetscaping - St Anne's/St Mary's Roads	3-86	6B-07	300						300
Streetscaping	3-87	6A-03	250	250	250	400	500	500	2,150
Riverbank Stabilization for City-Owned Riverbanks	3-88	3E-05	300	200	200	200	200		1,100
Land Acquisition - Riverbank	3-89	6B-10	300						300
Riverbank Greenway Programs (Formerly Pathways/Stabilization)	3-90	3E-05	100			440	460	350	1,350
Subtotal			1,250	450	450	1,290	1,410	850	5,700

PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT - GENERAL CAPITAL FUND

Project Name: 251 Donald - Complete Roof Replacement

Centre No: 63yy0307xx
Program/Service: Physical Asset Stewardship - Physical Asset - Design and Construction

Capital Priority Rating: Priority Points 3 - 3
Plan Winnipeg Indicator: Regional Services and Facilities Provide High Quality Maintenance (5C-55)

AUTHORIZATION	Previous Budget	Adopted 1999	Adopted 2000	2001	2002	2003	2004	2005	6 Year Total	7 Year Total
Project Cost ($000's)			235						235	235
Funded by:										
City			235						235	235

CASH FLOW		1999	2000	2001	2002	2003	2004	2005	Beyond 2005	Total Costs
Project Cost ($000's)			35	200						235
Funded by:										
City			35	200						235

NET IMPACT ON THE CURRENT BUDGET (based on above authorizations and cash flow only)	1999	2000	2001
Revenue Increase/(Decrease)			
Less: Increase/(Decrease) in Operating Expenditures			
Increase in Debt and finance charges	0	2	16
Surplus/(Deficit) in Current Budget	0	(2)	(16)

Net impact on Current Budget = Revenue - Operating expenditures - Debt and finance charges

It is anticipated the Centennial Library roof will require replacement no later than 2000. One half of the total cost has already been budgeted for in 1992 with the current allocation sufficient to complete the project. While the roof is currently approaching disrepair, the potential for the redevelopment Millennium Library Proposal, which would see the rehabilitation of the entire building including the roof, will necessitate deferring this work another year.

The budget for the project has increased $28,000 from $207,000 to $235,000 with an offsetting decrease to the Public Works Yard Relocation.

Essentials: Structural Repairs.

Appendix "B"

Winnipeg

City Clerk's Department • Bureau du greffier

January 31, 2001

File FC(2000) (Vol. 1)

Mr. R. P. Gannon
Chief Financial Officer

2000 Supplementary Capital Budget and Borrowing Authority Cancellation

I enclose for your attention, copy of Clause 6 of the Report of the Executive Policy Committee, dated January 17, 2001, in the above connection, which was adopted by Council at its meeting held on January 31, 2001.

If more information is required on this matter, please contact Mr. R. S. MacCallum, Clerk of the Executive Policy Committee at telephone number 986-2136.

R. Kachur
Acting City Clerk

RSM/bar

Enclosure

cc EPC Secretariat
Mr. R. K. Dowdall, Director, Corporate Finance Department
Ms J. Ferrier, Manager of Financial Planning and Review, Corporate Finance Department

K:\EPC\COUNCIL.LET\2000-2001\010117.clause6.council.letter.doc



The City of Winnipeg presently has a significant amount of outstanding borrowing authority for the years 1991 through 1995. In order to reaffirm the policy on borrowing authority, and at the same time continue funding for incomplete projects that are high priority, it is recommended that all unused borrowing authority be cancelled after five years (by a cancellation by-law) and any remaining residual funding requirements be included in a Supplementary Capital Budget for adoption by Council.

A listing of borrowing authority recommended for cancellation is outlined on Schedule "A". The 2000 Supplementary Capital Budget is outlined on Schedule "B". The residual cost estimates for the various projects included in the Supplemental Budget were compiled by Corporate Finance from information obtained from the originating departments. An initial Borrowing By-law will be required to approve the Supplementary Capital budget.

Of the total of $65,073,650 to be cancelled, approximately $19.60 million pertains to tax-supported programs. The result of canceling this borrowing authority is reflected in Schedule "C". Since most of these projects were at some stage of inactivity they were not cash flowed until 2006, which was beyond the most recent adopted capital budget. Therefore as Schedule "C" indicates, the benefits to the tax-supported budget in the form of reduced debt and finance charges do not appear until 2006. The benefit in that year is a reduction to debt and finance charges of $833,000. That benefit increases to $2.2 million starting in 2007 and continues until 2026.

Alternatively, the $19.6 million of tax-supported borrowing authority or a portion of it could be used without acquiring further Provincial approval. However, increasing the City's overall capital spending over and above what is currently planned in the capital budgets would result in an increase to the tax-supported debt and finance charges over and above what is currently forecast.

On November 21, 2000, the Standing Committee on Fiscal Issues considered an administrative report dated October 23, 2000, with respect to the above-noted matter and passed the following motion, namely:-

That the recommendations be concurred in, namely, that a net cancellation of borrowing authority of $65,073,650.00 be achieved by implementing the following:

a) The unused capital borrowing authorities of previous initial Borrowing By-laws in the amount of $87,753,470.00 be cancelled, comprised of $37,317,669.00 for Tax Supported Purposes and $50,435,801.00 for Utilities;

b) The 2000 Supplementary Capital Budget requiring borrowing authority in the amount of $22,679,820.00 (for old projects being carried forward) be approved, comprised of $14,699,820.00 for Tax Supported Purposes and $7,980,000.00 for Utilities;

The Executive Policy Committee concurs with the recommendations of the Standing Committee on Fiscal Issues and recommends:

I. That a net cancellation of borrowing authority of $65,073,650 be achieved by implementing the following:

Report of the Executive Policy Committee dated January 17, 2001 **Appendix "B"**

A) The unused capital borrowing authorities of previous initial Borrowing By-laws in the amount of $87,753,470 be cancelled. The total amount to be cancelled consists of $37,317,669 for Tax Supported Purposes and $50,435,801 for Utilities, as outlined on. Schedule "A".

B) The attached 2000 Supplementary Capital Budget requiring borrowing authority in the amount of $22,679,820 (for old projects being carried forward) be approved. The total amount to be approved consists of $14,699,820 for Tax Supported Purposes and $7,980,000 for Utilities, as outlined on Schedule "B".

ADOPTED BY COUNCIL
- January 31, 2001

Schedule "B" referred to in Clause 6 of the Report of the Executive Policy Committee dated January 17, 2001

Appendix "B"

Schedule B

THE CITY OF WINNIPEG

2000 SUPPLEMENTARY CAPITAL ESTIMATES

SUMMARY OF BORROWING AUTHORITY

OCTOBER, 2000

Tax Supported	14,699,820
Utilities	7,980,000
Borrowing Authority Required	22,679,820

Appendix "B"

THE CITY OF WINNIPEG

2000 SUPPLEMENTARY CAPITAL ESTIMATES

ANALYSIS OF BORROWING AUTHORITY

Tax Supported		
Less: Available financing		
-Previously Committed Province of Manitoba UCPA Funding	(977,700)	
-1991 to 1995 Borrowing Authority Pre-Financing	(9,661,680)	(10,639,3
Tax Supported Borrowing Authority Required		14,699,8
Utilities		
Transit System	1,034,600	
Less: 1991 to 1995 Borrowing Authority Pre-Financing	(264,600)	
Waterworks System	2,081,700	
Less: Financing from Waterworks System Retained Earnings	(2,081,700)	
Sewage Disposal System	8,761,900	
Less: Financing from Sewage Disposal System Retained Earnings	(6,731,200)	
Environmental Projects Reserve	(2,030,700)	
Solid Waste Disposal System		
Utilities Borrowing Authority Required		7,980,00

Appendix "B"

TAX SUPPORTED continued

	Page #		
Land Drainage			
-Weed & Algae Management Program	40	410,000	
-Basement Flooding Relief-Preliminary Engineering	41	47,500	
			457,5
Community Services			
-North-West Branch	42	59,900	
-Sports Facility Program	43	340,000	
-Assiniboine Park Conservatory Restaurant	44	98,800	
-Community Incentive Grants	45	57,200	
-Meeting & Program Space-Various	46	41,700	
			597,6
Police			
-Photo Radar	47	20,500	
			20,5
Planning, Property & Development			
-Centennial Library Roof Replacement	48	234,300	
-Weather Protected Pedestrian System	49	883,600	
-Land Acqusition-Various	50	81,800	
-Central Yard Relocation	51	8,828,200	
-District 6 Operations Yard & Parks & Rec	52	719,700	
-Campus Plan	53	1,300	
-Public Safety Building	54	6,500	
-Demolition of Former Swift Plant	55	22,800	
-Riverbank Walkway/Bicycle Path System/Stabilization	56	5,100	
-Energy Conservation-General	57	35,200	
-1168 Dakota - Rehabilitation of Structural Floor	58	105,300	
-395 Main St. - Prepayment of Tenant Improvements	59	23,600	
-Streetscaping - Various Locations	60	22,100	
-Heritage Building Support Program	61	4,100	
-Land Acquisition for Riverbanks	62	74,200	
-Winnipeg Development Agreement	63	3,669,500	
			14,717,3
Corporate Finance			
-Financial Management System	64	1,770,300	
			1,770,3
Property Assessment			
-Assessment Automation	65	834,500	
			834,5
TOTAL TAX SUPPORTED			$ 25,339,2