Moved by Councillor Eadie,

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, be considered by Committee.

Carried

ADDENDUM REPORTS

213. From the Manager, Executive Policy Committee Secretariat
Motion 2002/05/08

Increase of Loan Guarantee to the Manitoba Opera Association
File FC-2.2 Vol. 2)

Moved by Councillor Angus,
WHEREAS on July 19, 1999, Council approved a loan guarantee to The Manitoba Opera Association (MOA) in the form of a line of credit for a maximum amount of $250,000.00, subject to the following:

a) Should Council approve the loan guarantee, and should the attempts for restructuring fail and the loan guarantee is called, the City will recover its costs over a period of five years, at a sum not to exceed $50,000.00 per year, which is approximately equivalent to the current operating grant being provided to the Manitoba Opera Association; said recovery being charged against the Amusement Tax Revenue for the following fiscal years; and further that the City's policy for Cultural Grants (C 302) regarding its guaranteed level of funding be amended accordingly.";

AND WHEREAS in order to help the MOA to carry its debt and still manage its cash-flow, the Province of Manitoba also provided a loan guarantee in the amount of $250,000.00;

AND WHEREAS shortly after the Province agreed to the line of credit (but before they had signed its agreement with The MOA), the Royal Bank converted its line of credit into a demand loan for $115,000.00, which was the amount that the MOA had charged against its bank line of credit at the time, and inasmuch as the Province had not signed the agreement, they agreed to up their guarantee to $285,000.00 in recognition of the loss of this amount on the bank side;

AND WHEREAS if the City were to increase its loan guarantee to $285,000.00 to match the Province's level, it would restore the MOA's ability to manage its accumulated debt in light of the diminished loan capacity on the bank's side;

AND WHEREAS as the MOA begin to implement their long range plans and retire their deficit, they will be less reliant on their line of credit, however, during this transition period, an increase in the line of credit will allow them to consolidate their debt in one location and ensure they can manage the cash-flow;

THEREFORE BE IT RESOLVED that the City of Winnipeg increase their loan guarantee to The Manitoba Opera Association in the form of a line of credit from $250,000.00 to a maximum of $285,000.00, subject to the Province of Manitoba confirming their share, and providing any necessary approval of the City's loan guarantee,

and forwarded to Council.

Carried