

September 11, 2006

A Special Meeting of the Finance & Administration Committee of Council was held this afternoon with Chair Deputy-Mayor Scott presiding and all members of the Committee in attendance with the exception of Councillor White. Staff member present was C.A.O., T. Lapierre.

Councillor Levasseur asked that a 'moment of silence' be held in honour of all those people who lost their lives in the 9/11 attacks which took place five years ago today.

1. LAURENTIAN SCHOOL/FESTIVAL HALL BUILDING

Deputy-Mayor Scott advised that this special meeting of the Finance & Administration Committee had been called to review the various options related to the continued use of Festival Hall. He noted that he had asked the C.A.O. to compile a list of pros and cons for the Committee members to consider. He had also asked him to investigate what it would cost to demolish the portion of the school that would not be required for Festival Hall.

The C.A.O. advised that he had discussed the matter of demolition with Mr. Morris, of Morris, Thueman Architects. Mr. Morris had advised that it could cost anywhere from \$300,000. to \$400,000. to demolish the building based on a square footage estimate. An environmental assessment would have to be undertaken at a cost of 14¢ per cubic foot and depending on the results of it the costs could increase upwards to 1 million dollars.

The C.A.O. advised also that he had discussed the matter of restrictions on the City's Offer to Purchase should the City wish to proceed with the purchase of the building for \$1.00. He had received an email today, he advised, from Stephanie Giesebrecht advising that the School Board was unlikely to place any restrictions on the offer as they were confident the City was making a sincere effort to come up with a plan to save Festival Hall.

Deputy-Mayor Scott reviewed the list of concerns regarding Festival Hall including the fact that the City already has a high debt load. Taxes are already too high and taxpayers are telling us that they do not want to take on any more debt. The City's sidewalks and streets are in poor shape and are deteriorating at a rapid rate. Do we want to put close to 6 million dollars into an already 'aged' building or would it be more prudent to spend approx. 10 million on a new municipal facility? If the building were renovated several additional studies would have to be done, including a hazardous materials

report, electrical, heating & ventilation improvements made, etc. These upgrades would increase the cost of the updating of the building as well. If the building were used for all three City departments, there would be parking limitations as there is not a lot of land around the building.

In conclusion, Deputy-Mayor Scott noted that Councillor White had asked him to express her concern with the parking issue, as the Police Department would need a secure compound for seized vehicles as well as their own. This would be a major concern for her, he noted.

Councillor Lowe advised that she had received a ballpark estimate of between \$250,000. and \$500,000. to sever Festival Hall from the current building and install new mechanical systems such as heating and air conditioning.

Although Councillor Lowe was not sure the City should be taking on the role landlord, she did note that she had heard a rumour that the French Public School may be interested in leasing some of the building and she recalled that some non-profit organizations had previously expressed interest in renting space.

Councillor Henderson reminded everyone that the annual operating costs of just Festival Hall are already close to \$150,000. Should Council purchase this building they would then become responsible for the heating and electrical costs of the entire building. As owner of the building if maintenance work is required we would be responsible for it as well.

Councillor O'Neill pointed out that Festival Hall is only facility of its kind in all of Renfrew County. It would be a shame to lose it but the thought of buying the building, even for \$1.00, is frightening. No matter what we do it is still an old building and it would probably cost upwards of 10 million dollars to bring it up to Ontario Building Code standards. It is a 'huge' building and he just could not foresee a developer just rushing in to buy it. He agreed that it is difficult for the Festival Hall Committee to keep going when there are so many unknowns, but the costs to keep the building going are going to be high.

Mayor Jacyno pointed out that before the City even thinks of purchasing the building, the costs are going up. He noted that he had received a notice from Enbridge today that they have applied for a 14% increase to their rates for the winter 2006/07 season. He too had concerns about getting into the landlord business. He did point out that Smiths Falls had

recently been in a similar situation and turned it down. A developer did eventually buy the old school which now has some businesses in it creating tax revenue for the Town. He suggested that if the City decided not to proceed with the purchase, it could ask the School Board to put a 'condition' on the sale that would allow Festival Hall to continue in its present location. In conclusion, Mayor Jacyno pointed out that the City really cannot afford to purchase the building but any decision that is made, regardless, must be cost efficient.

Councillor Levasseur, in noting the opinions of his constituents, notes that the younger generation seem to want to see the City proceed, while the older generation seem to be saying the City just cannot afford to buy the building. He felt that the City needs to take a 'leap of faith' and be visionary on what can be done with the building so that Festival Hall can continue. If the City proceeds with the purchase of the building, then the City gets to control the future of Festival Hall. He agreed that there are many factors to be considering including the fact that if the various City Departments were to move over to Laurentian School what would happen to the buildings they vacated. It would not be that easy to sell the existing properties. Cultural development is important and he felt that Pembroke should take the leading role.

Councillor Severin noted that all of Council is concerned about saving Festival Hall. He agreed that there just is no money at this time and even if the City did purchase the building for \$1.00 there are on-going costs that are going to have to be accommodated. Of importance, as well, is the fact that there are reports in existence now that state that both the Police Department and Fire Department buildings are deficient and not up to date by today's standards.

Councillor Henderson noted his concern as well with the present debt load. He noted that the core responsibilities for municipal government are the provision of clean water, sewage and good and passable roads. Council has been visionary in the past and taken calculated risks. He too did not want to lose Festival Hall. He wondered if a fundraising committee were established to help raise funds to defray the costs of the building. If the City were not successful in making something happen with the building fundraising could perhaps even be done to help pay for the demolition costs.

Councillor Lafreniere noted her concerns about losing the facility as well. She did not want to see the City rush into anything though and wondered if the City should not be meeting with the municipal partners first to discuss their

willingness to participate in the saving of the building. She felt that a joint ownership of the building would be a better plan. She suggested that there may be other area municipal governments, as well, that would participate in a partnership agreement. The City really cannot afford to go it alone, she concluded.

MOTION: Moved by Mayor Jacyno,
Seconded by Councillor Henderson,
THAT the Finance and Administration Committee
recommend to Council that the City of Pembroke offer
to purchase Laurentian Public School for the all
inclusive cost of \$1.00 so that Festival Hall can be
preserved. CARRIED.

Once again Councillor Lafreniere reiterated her wish to proceed as a joint group to purchase the building. She just did not feel the City can afford to take a chance doing it alone.

Councillor Henderson also noted that he would like to see a group partnership but he was also concerned that time was running out for the City to be able to purchase the building for \$1.00. He felt certain the good will of area municipalities would continue and something could be worked out.

At this point Councillor Lowe took the chair to allow Deputy-Mayor Scott an opportunity to speak on the issue.

Deputy-Mayor Scott felt the purchase of the building for \$1.00 was a good deal. The land the building is located on is prime real estate and the building is worth 3 to 4 million dollars. He also agreed that the City cannot afford to take on any more debt. Taxpayers have stated loud and clear that they have reached their limit when it comes to paying taxes. He did note that one debenture is maturing in 2007 which would free up some money for additional road work.

In conclusion, Deputy-Mayor Scott hoped that the area municipalities would participate in this endeavour. The City might have to bite the bullet for a few years, he noted, but he felt that a cultural centre is important.

The meeting then adjourned on motion of Councillor Severin, seconded by Councillor O'Neill.

Finance & Administration
Committee
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