REPORT OF THE

EXECUTIVE POLICY COMMITTEE

DATED NOVEMBER 8, 2000

On motion of His Worship Mayor Murray, the Report of the Executive Policy Committee, dated November 8, 2000, was considered clause by clause.

Moved by His Worship Mayor Murray,
That the Consent Agenda, Clauses 1,2,3,4,5,6,7,8 and 9, be adopted.

Councillor Steek requested that Clause 8 be pulled from the Consent Agenda.

The motion to adopt the Consent Agenda, Clauses 1,2,3,4,5,6,7 and 9 was put and declared carried.

Winnipeg Football Club - Amendment to the March 17, 2000 Stakeholder Agreement

File F-5 (Vol. 21)

33 - 1. On March 22, 2000, Council adopted the recommendation of Executive Policy Committee to enter into a Stakeholder Agreement, the purpose of which is to document the participation of the Province of Manitoba, The City of Winnipeg and Winnipeg Enterprises Corporation ("Stakeholders") in a plan to facilitate the preservation of a Canadian Football League professional football team franchise in Manitoba, and to further participate in such undertaking through the granting of financial assistance. The City of Winnipeg became a party to the Stakeholder Agreement on March 17, 2000.

On April 18, 2000, Winnipeg Football Club and The WFC Interim Steering Committee Inc. entered into a Grant Agreement for the purpose of disbursing financial assistance received through the Stakeholder Agreement.

By correspondence dated September 25, 2000, solicitors for The WFC Interim Steering Committee Inc. provided the City Solicitor's office with a copy of The WFC Interim Steering Committee Inc. resolution supporting an amendment to the Stakeholder Agreement, as outlined in Appendix "B".

The Stakeholder Agreement in Clause 1 provides as follows:

1. Each of the Stakeholders commits to participate in the Restructuring Plan. The participation will be conditional upon the Winnipeg Football Club receiving $2,250,000.00. from the sale of season tickets for the Canadian Football League 2000 regular league season. The participation will be in the form of:

   (a) Financial assistance for the Franchise by way of a staged grant to a potential maximum amount of $2,200,000.00 ("Grant").

   (b) The formation of a committee to monitor on a limited basis the general course of operations of the Franchise until such time as the Restructuring Plan has been fully implemented ("Steering Committee").

The proposed amendment provides deleting Clause 1 and substituting therefore the following:

1. Each of the Stakeholders commits to participate in the Restructuring Plan. The participation will be conditional upon the Winnipeg Football Club receiving $2,200,000.00 from the sale of season tickets or season ticket equivalent on the basis of game day walk-up sales in excess of game day budgeted amount, for the Canadian Football League 2000 regular league season. The Participation will be in the form of:

   (a) Financial assistance for the Franchise by way of a staged grant to a potential maximum amount of $2,200,000.00 ("Grant').

   (b) The formation of a committee to monitor on a limited basis the general course of the Franchise until such time as the Restructuring Plan has been fully implemented ("Steering Committee").

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A $200,000.00 cash advance to the Winnipeg Football Club made in December 1999 constitutes the City's share of financial support under the Stakeholder Agreement. There is no financial impact to the City.

The Executive Policy Committee recommends:

I. That consideration be given to the request made on behalf of The WFC Interim Steering Committee Inc. to amend the March 17, 2000 Stakeholder Agreement in the form outlined in Appendix "A".

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

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Adopted by consent.

Proposed Widening of the East Side of McPhillips Street between Jefferson and Kingsbury Avenues
File DAO 8/00 (Vol. 1)

34 - 2. The Executive Policy Committee has been advised that the dedication of this property as a public street requires a by-law pursuant to Section 495 of The City of Winnipeg Act.

The widening of McPhillips Street was a part of the 1996 Capital Project approved by City Council.

The proposal was reviewed and approved by all interested City departments and public utilities. The construction of the widening was completed in 1997.

Negotiations for the acquisition of the property north of Kingsbury Avenue were unsuccessful and proceedings for the expropriation of the land were initiated in 1998. Continued negotiations resulted in an agreement with the property owners for the purchase of the land and the expropriation procedure was terminated. The City is now entitled to the ownership of all of the lands required for this project, and the process by which the lands are dedicated as public street may proceed.

This report is submitted in accordance with the provisions of By-law No. 7325/98, a by-law to amend current procedures to allow certain street opening and closing applications to be submitted to the Executive Policy Committee for report to Council without the requirement to be reviewed by a Standing Policy Committee.

The following criteria must be met before the authority given in the by-law may be exercised:

- The proposed opening and acquisition must have been approved by the Director of Public Works.
- The proposed opening must have been submitted to all affected City Departments and public utilities with no objections having been received.
- Any conditions regarding engineering aspects (i.e. relocation of facilities) must have been mutually agreed to.
- The affected property owner(s) must have agreed to the terms and conditions of the acquisition of the land required for the opening.
- The terms and conditions of any agreements concerning the proposed opening and acquisition must have been approved by the Director of the department that requested the opening and either the Committee on Fiscal Issues, the Standing Policy Committee on Property and Development, or the Director of Planning, Property and Development Services, as is appropriate.

The Executive Policy Committee recommends:

I. That the City Solicitor be instructed to prepare the necessary by-law for submission to Council to effect the street opening in accordance with Schedule A, Misc. Plan No. 9641/6.

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

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Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Adopted by consent.

Winnipeg Development Agreement, Sub-Program 3A, Neighbourhood Revitalization, Lord Selkirk Park Tenants Association – Community Building Towards a Co-op Management Framework FR-3.2(PA-3) (Vol. 5)

35 - 3. The Executive Policy Committee has been advised that the Urban Renewal Partnership Agreement that developed this housing project in the early 60's will result in the transfer of responsibility for these properties from the Province of Manitoba to the City of Winnipeg in 2016.

The Province of Manitoba Family Services and Housing is prepared to support funding for this initiative in the second year and beyond to assist the Lord Selkirk Park Tenants Association achieve their objective.

City Council approved the Lord Selkirk Park Neighbourhood Revitalization Strategy on July 28, 1998 allocating $150,000.00 towards Lord Selkirk Park Development and $250,000.00 towards Employment.

The Lord Selkirk Tenants Association in conjunction with Community Education Development Association developed a proposal for funding for consideration by the Province and City with initial funding support requested through the Winnipeg Development Agreement.

The project will allow the City and the Province to pilot a conversion process which in the end will result in a board governance model with greater accountability back to the community; an effective working relationship with the Housing Authority; heightened participation by tenants in rebuilding the community and an anticipated reduction in annual operating costs. A model for conversion of Toronto's Alexander Park Public Housing Project to the Atkinson Housing Cooperative will serve as a guide to support the transition process.

Lord Selkirk Park is a 314 unit public housing complex comprised of 178 family townhouses and a 126 unit high-rise apartment complex designed for seniors. Constructed in the early 60's under an Urban Renewal Partnership Agreement, the project is currently managed by the Manitoba Housing Authority.

In its prime, the developments commanded a stable population of low-income individuals and families who actively participated in preserving the community's vitality and desirability as a place to live. Waiting lists were the norm as young families and seniors sought affordable good quality housing within a stable neighbourhood.

Lord Selkirk Park Developments experienced significant decline and tenant turnover in recent years and by 1997, vacancy rates in the townhouses had reached a high of 60%. Lord Selkirk Park Neighbourhood and the Lord Selkirk Park Developments had become one of the most distressed neighbourhoods in the City. Faced with increasing gang violence, prostitution, and increasing decline of the physical infrastructure, long term residents along with key agencies banded together to address critical issues.

A community development approach, resulted in the Province providing vacant townhouse units to support agencies and services including Community Police Office, a Family Resource Centre and Clothing Depot, an Off Campus School Program for David Livingstone Elementary School, and a Counseling Centre for Women and Children Victims of Family Violence.

A tenant relation's officer was re-deployed to work on-site to place new tenants and refer tenant complaints and concerns to the Housing Authority. A rent cap was instituted to retain tenants with improved incomes.

A safety audit conducted with the tenants resulted in the removal of 5 foot barrier walls between the townhouse clusters to improve sight-lines. The developments are patrolled on weekends by a citizen based foot patrol. A tenants association was formed under the guidance and support of CEDA and leadership by its members has resulted in closer ties with the Housing Authority to address issues related to building maintenance and operations.

The tenants association have met with Provincial staff; toured public housing projects in the US reclaimed from local gangs by the residents; met with Mark Goldblatt, the Co-op Housing Federation's staff who facilitated Alexander Park's conversion; and examined non-profit and co-op management models with experts in the field.

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A tenant survey, conducted over the summer of 1999 resulted in the majority of tenants supporting greater community control over the housing project including establishing "house rules" to define tenant responsibilities; repair and improvements to living units; control over tenant placement; and a move towards local hiring to support grounds and building maintenance.

The Lord Selkirk Park Tenants Association is a small group of dedicated women and men who have advocated for better housing conditions and greater resident accountability as part of their objective to rebuild their neighbour-hood.

The project will provide funding to support hiring of a community development team including a community development worker and co-op housing facilitator to engage in an educational process and solicit community consensus on the proposed model. The tenants association will be trained in board management, financial management, effective communications and community building. Financing to support furnishing of an office/onsite meeting space in a designated unit including the first year of operations is required to implement the project. A notional fund to support small resident driven projects to strengthen the community building process over the course of the first year is needed to increase the board's credibility as they move the tenants through the process of change.

At the end of the first year, the project is expected to result in tenant consensus on the question of co-op conver-sion; the Tenant's Association will be trained and transitioned to a working board with tenant committees struck to advance their conversion plan; the office/meeting space will function as a point of contact for tenants, community development staff and Manitoba Housing staff working collaboratively to achieve project objectives. The Association will have planned and implemented small improvement projects (e.g.: a tools bank), to address tenant needs and demonstrate board management skills.

The project will be monitored through an evaluation plan developed and mutually agreed upon by the Tenants Association, the Community Development Team hired to implement the process, City of Winnipeg and Province of Manitoba Staff.

Estimated Project Cost:	$275,000.00
Contributions from other Sources:	
Province of Manitoba (dedicated space, resource staff)	65,000.00
Co-op Housing Federation (resource facilitation)	10,000.00
Community Education Development Association (advocacy, support)	25,000.00
WDA Funds requested:	$175,000.00
Percentage of funding from WDA:	64%

WDA funds have been budgeted for in prior years, therefore there is no additional borrowing authority required to accommodate this project.

The Executive Policy Committee recommends:

I. That funding in the amount of $175,000.00 be allocated from the Winnipeg Development Agreement, Sub-Program 3A, Neighbourhood Revitalization to facilitate the Lord Selkirk Tenants Association in the development and implementation of a community strategy to transition from a publicly managed housing project to a tenant managed housing co-operative.

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

Adopted by consent.

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Reallocation of Expenditures from Land Dedication Reserve Fund – Tyndall Park Community Centre – Lord Selkirk-West Kildonan Community Committee
File EP-2 (Vol. 26)

36 - 4. The Executive Policy Committee has been advised that the Lord Selkirk-West Kildonan considered the above-noted matter and passed the following motions, namely:-

WHEREAS Council approved funds in the amount of $34,000.00 from the Lord Selkirk-West Kildonan Land Dedication Reserve fund to the Elwick Satellite Site for repairs to the outdoor rink;

AND WHEREAS the Elwick Satellite Site is unable to proceed with the repairs at this time;

AND WHEREAS the two outdoor rinks at Tyndall Park Community Centre are deemed to be unsafe;

THEREFORE BE IT RESOLVED that funds in the amount of $34,000.00 from the Lord Selkirk-West Kildonan Land Dedication Reserve be withdrawn from the Elwick Satellite Site and reallocated to the Tyndall Park Community Centre.

WHEREAS Council approved funds in the amount of $13,766.00 to the Tyndall Park Community Centre for a frost-free water line for the rink located at the Meadows West School;

AND WHEREAS due to an unresolved conflict within the members of the Meadows West Community, the rink will not be operational this season;

AND WHEREAS the two outdoor rinks at Tyndall Park Community Centre are deemed to be unsafe;

THEREFORE BE IT RESOLVED that funds in the amount of $13,766.00 from the Lord Selkirk-West Kildonan Land Dedication Reserve be reallocated to the Tyndall Park Community Centre for the replacement of rink boards, and forwarded to the Executive Policy Committee.

The Executive Policy Committee concurs with the above and recommends that funds in the amount of $34,000.00 from the Lord Selkirk-West Kildonan Community Committee Land Dedication Reserve Fund allocated to the Elwick Satellite Site, and funds in the amount of $13,766.00 allocated to the Meadows West School site, be reallocated in the amount of $47,766.00 to the Tyndall Park Community Centre.

Adopted by consent.

Expenditure from Land Dedication Reserve Fund – Harte Trail Group – Assiniboia Community Committee
File EP-2 (Vol. 28)

37 - 5. The Executive Policy Committee has been advised that the Assiniboia Community Committee has recommended the allocation of $4,000.00 from the Assiniboia Land Dedication Fund for the re-grading of slopes and stop sign installations at 10 street right-of-ways in order to enhance safety for trail users.

The Executive Policy Committee concurs with the above and recommends that funds in the amount of $4,000.00 be approved from the Assiniboia Community Committee Land Dedication Reserve Fund for the project.

Adopted by consent.

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Amendments to The Municipal Assessment Act

File AA (Vol. 15)

38 - 6. On April 18, 2000, a presentation on Assessment Issues was made to a Council Workshop. Mr. Andy Anstett of A.E.C. Valuations of Toronto did a comparative analysis of the City's position on outstanding assessment appeals vis-à-vis other jurisdictions. During the course of this analysis, he identified some significant differences in legislation between Manitoba and most other assessment jurisdictions throughout Canada. These distinctions have presented and continue to present obstacles to a more efficient assessment appeal system. The participants at the Workshop requested that the changes be prioritized and brought forward to Council.

The first group of legislative changes are required immediately to support the upcoming reassessment. For this reason, the following changes to The Municipal Assessment Act are being proposed for immediate submission to the Province.

- Revise the definition of "value" as defined in The Municipal Assessment Act, so as to give the two levels of tribunals the authority to consider "value in use" in addition to the currently used "value in exchange". This would permit the valuation of unique and limited market properties on the basis of the current owner or occupier being viewed as an important potential purchaser.

  Currently, the Boards in the case of unique and/or limited market properties seem to only look at alternative uses for these types of property. Two landmark cases that refer to this are "Sun Life Assurance Co. of Canada v. Montreal", Supreme Court of Canada, 1950 and "Office Speciality v. Ontario", Supreme Court of Canada, 1974. In both of these cases, the Courts ruled that the present owner had to be considered as a potential purchaser of the property. In another case in British Columbia, "Southam Inc. and the Assessor for Area #14 Surry/White Rock", once it was established that the property in question was a limited market property built for the present owner, the Cost Approach to value was the only approach considered.

  Additionally, in British Columbia they use legislated manual rates to value limited use properties to ensure consistency within these types of properties. As well, they define what types of properties fall within this group.

- Give the two levels of tribunals the authority to assign a fair and equitable market value, including the ability to increase an assessment that has not been appealed by the Assessor, but has only been appealed by the property owner or their agent.

- Revise The City of Winnipeg Act with regard to The Business Assessment Act which is currently on a 3-year cycle to coincide with The Municipal Assessment Act which is a 4-year cycle. This would co-ordinate the production of these two separate general assessments at the same reference year. Additionally, income information and analysis compiled for the Realty general assessment can be used towards the production of the Business general assessment if the two general assessment reference years are the same, saving time and money.

Financial Impact Comments

The amendments would give the Boards a broader definition of value and lessen the possibility of major reductions on unique and limited market properties when the Boards are only looking at "value in exchange" and give no consideration to "value in use."

This would provide for a more equitable tax sharing arrangement, as not having the ability to increase an assessment to a fair and equitable market value shifts that tax burden onto other property owners.

In addition, it would co-ordinate business processes to ensure a proper sequence between these two separate general assessments.

The Executive Policy Committee recommends:

I. That the Province of Manitoba be requested to amend The Municipal Assessment Act and The City of Winnipeg Act in order to implement the following recommendations, namely:-

   (a) revise the definition of "value" as defined in The Municipal Assessment Act, so as to give the two levels of tribunals the authority to consider "value in use" in addition to the currently used "value in exchange";

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(b) give the two levels of tribunals the authority to assign a fair and equitable market value, including the ability to increase an assessment that has not been appealed by the Assessor, but has only been appealed by the property owner or their agent; and

(c) revise The City of Winnipeg Act with regard to The Business Assessment Act which is currently on a 3-year cycle to coincide with The Municipal Assessment Act which is a 4-year cycle. This would co-ordinate the production of these two separate general assessments at the same reference year;

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

Adopted by consent.

Rebate of Diesel Fuel Tax
Files GG-2 (Vol. 25), TT-2 (Vol. 12)

39 - 7. On October 31, 2000, the Standing Policy Committee on Public Works considered the above-noted matter and passed the following motion, namely:-

WHEREAS Winnipeg Transit is one of the most efficient major transit systems in Canada and, therefore, no significant further economies are obtainable;

AND WHEREAS fuel prices have increased by 74 percent in the past 18 months, reaching record levels;

AND WHEREAS this dramatic increase in the price of diesel fuel has caused Winnipeg Transit to exceed its 2000 diesel fuel budget by $1.7 million;

AND WHEREAS Winnipeg Transit projects that its diesel fuel account will be underfunded by approximately $1.7 million in 2001;

AND WHEREAS Winnipeg Transit currently pays to the Province of Manitoba, a tax on diesel fuel at 10.9 cents per litre, for a total of $1.7 million annually;

THEREFORE BE IT RESOLVED that in order to avoid a further fare increase in 2001, beyond the five cents currently contemplated, to cover normal inflationary costs, and in order to show support for transit operations, the City of Winnipeg requests the Province of Manitoba to rebate to Winnipeg Transit, the full amount it pays in diesel fuel tax annually, to offset the increased costs of diesel fuel.

The Executive Policy Committee concurs with the above and submits same to Council for approval.

Adopted by consent.

Water Treatment for the City's Water Supply
File WS-7 (Vol. 5)

40 - 8. On May 26, 1999, Council approved a process for public consultation on whether or not to proceed with a water treatment plant. A Council Seminar was held on October 6, 1999 to present a summary of water quality guidelines, public health risks and consequences, recommended water treatment process, cost and financing of a water treatment plant. Subsequently, on October 21 and 28, 1999, Special Meetings of Executive Policy Committee were held to hear from the public on the need to construct a water treatment plant.

Previously in 1993, Council approved the creation of the Water Treatment Reserve Fund to cash finance a portion of the cost of a water treatment plant. In 1994, The Regional Water Supply Conceptual Planning Study recommended that the City conduct pilot water treatment testing to develop a process to treat Shoal Lake water.
In 1996, a group which included international experts, and City and Provincial Health Officials completed a risk assessment. They concluded that while the risk of a waterborne disease outbreak is low, the consequences are high, justifying the implementation of comprehensive water treatment facilities for the existing water supply for Winnipeg. In June 1998, Pilot Water Treatment Program recommended the baseline water treatment process.

Safe water is an absolute requirement for any community. Winnipeg residents expect that the City will take all necessary and reasonable steps to provide a water supply that is reliable and safe. In the opinion of the Water and

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Waste Department, supported by health professionals, the risk to public heath associated with drinking water in Winnipeg is too high and a water treatment plant is required. Experience elsewhere has demonstrated conclusively that the consequences of a waterborne disease outbreak are severe in terms of human health, economic losses, and loss of public confidence.

The Need For Water Treatment

There are two fundamental reasons why a water treatment plant is needed:

1. To reduce the risk of a waterborne disease outbreak caused by chlorine-resistant microorganisms.

To date, Winnipeg uses chlorine as the primary disinfectant. It is now recognized that chlorine resistant pathogens such as “Cryptosporidium” and “Giardia” are present in surface water supplies and that water treatment processes, such as the use of alternative disinfectants and filtration, are required to prevent waterborne disease outbreaks. To our knowledge, there has been no waterborne disease outbreak over the last 80 years in Winnipeg, but positive “Cryptosporidium” and “Giardia” samples have been obtained from Shoal Lake. In fact, Iskatewizaagegan No. 39 First Nation commissioned a water treatment plant in 1998 to protect their community of 370 persons from waterborne microorganisms in Shoal Lake.

While the risk is low in any year, when viewed over a longer term, say the next 50 years, the risk that an outbreak will occur becomes unacceptable. In addition the growth in human activity within the Shoal Lake watershed that has been occurring will continue. The consequences of disease outbreaks are high. Large numbers of residents would be sick and some would die. Of particular concern are the proportion of Winnipeg’s population with severely weakened immune systems. This population includes, persons with HIV/AIDS, persons with cancer, recipients of organ or bone marrow transplants and those being treated with immunosuppressing drugs.

In addition to illness and death, consequences generally involve boil water advisories, lawsuits from affected groups and inevitably a decision to quickly install or improve water treatment.

Recently “Cryptosporidium” and “Giardia” have been associated with waterborne disease outbreaks or boil water orders in other locations in Canada using surface water supplies such as Thunder Bay, Dauphin, Kelowna, Kamloops and Moncton.

In 1989, in response to emergent chlorine resistant pathogens, the US Advanced Surface Water Rule was passed which stated that all surface water systems must be filtered unless exceptional circumstances apply. The Canadian Drinking Water Quality Guidelines typically follow regulation trends established by the Safe Drinking Water Act in the USA. If this rule was adopted in Canada, Winnipeg would be required to build a water treatment plant.

The concept of a multiple barrier approach to protection from pathogens is well recognized in the water supply industry. The multiple barrier approach requires utilities to have source protection programs, water treatment, and disinfection throughout the distribution system. A treatment plant is a critical component in the overall protection of the water supply.

2. To reduce the levels of disinfection by-products to conform with the Canadian Drinking Water Quality Guidelines established to reduce the risk of cancer.

The second fundamental reason for treatment is that Winnipeg’s drinking water does not meet current limits set to protect public health for chlorinated disinfection by-products. Treatment is necessary to reduce disinfection by-products.

Public health research in the last 25 years has significantly enhanced the knowledge surrounding the constituents in drinking water. Although chlorine has provided invaluable public health benefits by controlling typhoid and cholera, it was first recognized in 1974 that chlorine reacts with natural organic matter in water to form chlorinated disinfection by-products. Studies since that time have shown an association between the long-term exposure to disinfection by-products and cancer.

In 1993, the Canadian interim maximum acceptable concentration for disinfection by-products measured as Total Trihalomethanes (TTHMs) was reduced from 350 to 100 micrograms per litre. Studies undertaken since 1993 have indicated that even the 100 micrograms per litre limit may not be sufficiently protective and the guideline is currently under review. In 1999, the USA limit was reduced from 100 to 80 micrograms per litre. The USA EPA has formally announced that the disinfect ion by-product limit for TTHMs may be lowered to 40 micrograms per litre.

These guidelines and regulations have been set to minimize the risk of cancer from disinfection by-products to negligible levels. In 1998, the City’s water supply had an average disinfection by-product concentration of 112 micrograms per litre exceeding even the current guideline of 100 micrograms per litre.

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In a March 1999 survey of customers expectations of the utility, residents gave providing water that is safe and healthy to drink an importance rating of 9.7 (1 least important to 10 most important). Customers rated the City's current performance on this measure as 7.1 out of 10.

Overall, as shown in Table 1, the present water supply system does not meet Canadian guidelines for total trihalomethanes, turbidity, taste and odour. However, with treatment, compliance with the guidelines will be achieved. It is important that Winnipeg strive to meet these guidelines to protect public health.

Table 1: Comparison of Canadian and USA Water Quality Targets

Treatment Goal	Specific Parameter	Typical Winnipeg Drinking Water Quality	Canadian Guidelines	USA Regulations	
				Current	Future
Clear water	Turbidity (NTU)	0.3 - 2.6	<1.0	0.3	0.1
DBP control	TTHMs (ug/L)	50-205	100	80	40
	THAAs (ug/L)	50-120	NG	60	30
Taste & Odour control	TON (threshold odour number)	10 to >200	Aesthetic	3	3

NG - no guideline

The fundamental reasons for a water treatment plant are protection of public health through increased protection from pathogens and reduction in exposure to disinfection by-products linked to cancer to comply with the Canadian Drinking Water Quality Guidelines. Additional benefits will occur. Water treatment will result in improved taste, odour and appearance. The existing water system is subject to episodes of algae blooms resulting in undesirable taste and odour. A recent survey suggests that 41% of utility customers are not satisfied with the taste and odour of the water. Taste, odour and appearance of the water will dramatically improve with full treatment. Public confidence in the perceived safety of the drinking water increases with improved appearance, taste and odour.

Economic activity may also be enhanced. Many industries need high water quality meeting the Canadian Drinking Water Guidelines. A high quality water is important to those businesses when considering a site for new facilities or expansions.

Water Treatment is about public health. While the service is delivered by organizations such as the Water and Waste Department, oversight is under the Public Health Act of Manitoba. It is important that Council be aware of the recommendations from Health officials who are fully familiar with the Shoal Lake Water Supply and with the proposed water treatment plant.

As outlined in the next section on public consultation, Dr. Jim Popplow, Medical Officer of Health with the Province of Manitoba made a presentation in support of the water treatment plant.

In addition, Dr. Margaret Fast, who at the time was the City's Medical Officer of Health made a presentation in support of water treatment. As part of recent reorganization of responsibilities, Dr. Fast is now Medical Officer of Health with the Winnipeg Regional Health Authority. In a letter to the Director of Water and Waste, dated May 24, 2000, Dr. Fast indicated:

"It is my understanding that your Department will be requesting the approval of City Council to proceed with the construction of a water treatment plant for the City's water supply. The rationale for construction of a water treatment plant is based primarily on health concerns and it is for this reason that I offer my support for this request.

The risks associated with waterborne parasites like Cryptosporidium and Giardia are well documented and, although an outbreak associated with our water supply is unlikely, the consequences could be significant. The risks related to elevated levels of disinfection by-products in drinking water are less clear but increasing evidence indicates associations with adverse pregnancy outcomes and elevated cancer risks.

You have previously heard support from the international, national and provincial public health community for the construction of a water treatment facility and I would like to reiterate my support for this initiative."

Public Consultation and Special Meetings of Executive Policy Committee

Extensive public consultation was carried out on Water Treatment. On October 6, 1999, a Council Seminar was held to brief Council on the issues surrounding water treatment. A media briefing was held on the same day to provide an opportunity for the media to be informed and ask questions of experts on health impacts and water treatment. The media attended the pilot plant and reported extensively on water treatment. Staff appeared on local media shows to explain water treatment.

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Newspaper ads were placed on water treatment and announcing the special afternoon and evening meetings of Executive Policy Committee. The public was invited to make presentations to Executive Policy Committee. An eight-page brochure entitled "Should Winnipeg Build a Water Treatment Plant?" was distributed on request to 2000 Winnipeg residents. Information was placed on the City of Winnipeg's web page including the engineering studies on water treatment processes for Winnipeg.

On October 21 and 28, Special Meetings of Executive Policy Committee were held to hear from the public on the need to construct a water treatment plant. The Water and Waste Department made two presentations and the City's Medical Health Officer made one presentation in support of water treatment.

There were 12 delegation presentations heard by Executive Policy Committee and 20 additional submissions in the form of letters and emails to the City pertaining to this subject, for a total of 32 submissions. The 32 public submissions were grouped into 3 categories: 20 In Support, 6 In Opposition and 6 For Information. (See Appendix "A").

In Support:

The majority of the delegations In Support believed that a water treatment plant should be built for the protection and enhancement of Winnipeg's drinking water. They indicated support as follows:

- That the citizens of Winnipeg are dependant on the City for safe water;
- A delay in the construction of a water treatment plant was unacceptable;
- Concern with seasonal taste and odour events and questioned whether the drinking water was actually safe;
- Customer confidence and public trust in the City's water supply will be enhanced because a water treatment plant will provide more consistent taste and odour.

In Opposition:

Various messages were received from those In Opposition:

- That the current water supply system was adequate;
- That bottled water could be purchased for the small volume of drinking water required;
- That the City should look at alternatives to water treatment.

For Information:

Can the water treatment plant be constructed in stages to reduce cost?

Can new technologies be used to reduce cost?

What is the benefit of Deacon Reservoir?

The questions raised during the public meeting and responses prepared by the Department are outlined in Appendix "B".

Baseline Water Treatment Process
An extensive testing program was carried out to develop a baseline water treatment process to meet the water quality goals. A pilot water treatment plant was constructed and operated to test various treatment processes and to optimize production rates for Shoal Lake water.

The recommended water treatment process consisting of:

Rapid mix + enhanced coagulation (ferric chloride) + flocculation + dissolved air flotation (DAF) + ozone (O3) + biological activated carbon filtration (BAC) + monochloramine (NH2C1) for secondary disinfection + water stabilization, provided the most cost effective option on a life-cycle cost basis, considering both capital and operating costs, while meeting established drinking water quality goals. This process will meet the current and foreseeable drinking water quality guidelines.

The water treatment plant would be constructed at the Deacon Reservoir in the Rural Municipality of Springfield. It would be subject to environmental approval under the Environment Act of Manitoba.

Alternative Processes and Emerging Technologies

Water treatment and disinfection technologies continue to evolve rapidly. Staff will monitor and investigate these over the next three years to ensure that the most effective technology is used in the water treatment plant. At the present

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time, the most promising emerging technologies include ultraviolet (UV) light for disinfection in place of ozone, and the use of membrane technology in place of biological activated carbon (BAC) for filtration. These technologies in particular will be studied in pilot form. Any others that warrant consideration will be evaluated against water quality goals and the recommended baseline treatment process. To be acceptable, any new technology must meet the water quality goals and be more economical.

Financial Impact

Capital Costs:

The capital cost of a water treatment plant is estimated at $204 million. This estimated cost is based upon conceptual engineering and is considered to be accurate within plus or minus 10%. It includes design, engineering, construction, environmental approvals, inflation, contingency and finance / administration charges.

In 1993, Council approved the establishment of the Water Treatment Plant Reserve to accumulate funds towards the future construction of a water treatment plant. The Reserve is funded through the water rates and under the current financial plan, will fund 50% or $102 million of the estimated cost. The remaining 50% will be financed through the issuance of long-term debt.

As at December 31, 1999 there was $26.4 million in the Water Treatment Plant Reserve and that balance is expected to grow to $35 million by the end of 2000.

A summary of the capital program and related financing is shown in Table 2.

Table 2
WATER TREATMENT PLANT
CAPITAL EXPENDITURE AND FINANCING PLAN
(thousands of dollars)

Year	CAPITAL EXPENDITURE	BLOCK 1 WATER RATE (per hcf)	FINANCING			BALANCE, END OF YEAR	
			Reserve Fund		Debt	Reserve Fund	Debt
			Rate per hcf	Annual Contribution			
1994	$0	$1.55	$0.07	$1,503		$1,503	
1995	$240	$1.70	$0.13	$3,435		$4,698	
1996	$977	$1.89	$0.02	$1,287		$5,008	
1997	$533	$2.10	$0.02	$904		$5,379	
1998	$362	$2.32	$0.40	$9,640		$14,657	
1999	$261	$2.54	$0.42	$12,024		$26,420	
2000	$2,500	$2.70	$0.44	$11,318		$35,238	
2001	$3,000	$2.75	$0.44	$11,477		$43,715	
2002	$6,127	$2.75	$0.46	$11,986		$49,574	
2003	$26,000	$2.78	$0.59	$15,157		$38,694	
2004	$84,000	$2.82	$0.47	$12,530	$34,012	$1,235	$34,012
2005	$80,000	$2.83	$0.44	$10,739	$67,988	$0	$102,000
2006				$0		$0	$102,000
Total	**$204,000**			**$102,000**	**$102,000**	**$0**	**$102,000**

hcf = hundred cubic feet

Report of the Executive Policy Committee dated November 8, 2000

Operating Costs:

The annual operating and maintenance costs, including property taxes, are estimated at $12 million. These costs, as well as the annual debt servicing costs of approximately $10 million are incorporated into the utility's ten year financial and rate plan.

Impact on Water Rates:

In 2000, the combined water and sewer rate increased by 2.6% for the typical residential customer (family of four), resulting in a $2.94 increase in the typical quarterly bill.

The 2000 rate strategy, based upon the then available information, did not anticipate further rate increases over the planning time frame. While this plan cannot be considered a rate freeze (results are based upon a series of assumptions that are subject to change) it does include all capital and operating costs associated with a water treatment plant.

Impact on Water Rates if the Water Treatment Plant is Not Proceeded With:

If Council decides not to proceed with the plant, a decrease in the combined water and sewer rate of approximately 18% could be considered by City Council for implementation over the next four to six years. This drop in the cost of water and sewer services would result from both a decision not to build a water treatment plant, and completion of the Aqueduct Program in 2003. This decrease also assumes no other major improvements in Winnipeg's water and sewer system would be required.

Timing of Water Treatment

Proposed Schedule:

The current financial plan and water rate model calls for construction of the water treatment plant to commence in 2004 with an in-service date of 2006. A change in timing would impact the current financial plan.

Advance the Project:

Advancing the project would shorten the time to accumulate funds in the Water Treatment Plant Reserve which would require more long-term debt financing for the project. If the project was advanced by three years (the soonest date the plant could be in service would be 2003 since it will take 3 years to design and build), debt servicing costs would rise by approximately 40%. The residential (Block 1) water rate would have to increase by approximately 6% to support the increased debt service costs.

Another disadvantage to advancing the project would be the inability to investigate emerging technologies and alternative project delivery strategies.

Delay the Project:

Delaying the project would lengthen the time to accumulate funds in the Water Treatment Plant Reserve which would require less long-term debt financing for the project. For each year the project is delayed, long-term debt requirements would decrease by approximately 10%. The reduced debt servicing requirements would approximate a 1% decrease in the residential (Block 1) water rate.

While a project delay would result in a slight decrease in the water rate, it is not recommended because of the ongoing risk of a waterborne disease outbreak.

Alternate Project Delivery Strategies

There are several alternatives with respect to how a water treatment plant can be designed, constructed and operated. For example, an alternative to the conventional project tender and subsequent operation by city staff would be to enter into a long-term public-private operation to build and operate the plant.

This was done recently in Seattle, WA, Dauphin, MB, and Cartier, MB. In order to consider the alternatives and the advantages and disadvantages, a consultant will be engaged to conduct a study of the full range of project delivery options. The water industry has developed an innovative process for conducting this analysis of alternative project delivery which will be useful in this study. The results of this work will be included in a report to Council with a recommendation on the preferred project delivery strategy.

Report of the Executive Policy Committee dated November 8, 2000

Federal and Provincial Funding of Water Treatment Infrastructure

The City of Winnipeg finances 100% of water and sewer capital and operating costs through the utility rates. The financial plan shown herein is based on continuing this method of financing. It is appropriate that City Council weigh the total costs of water treatment against the need. The total cost must be justified.

Typically large urban centres such as Winnipeg, Calgary and Edmonton have not received Federal or Provincial money for water treatment projects. At the same time, Federal and Provincial governments have made contributions to water treatment infrastructure in the past to smaller communities or rural areas through jointly funded programs. The Dauphin water treatment plant is an example. Other examples of provision of funding from senior levels of government are the Cartier water system and the Sanford water system.

Should Council elect to proceed with a water treatment plant, inter-governmental discussions concerning funding should take place. The Department will prepare appropriate documentation in support of any application by Council for Federal and Provincial Funding.

Overall Schedule

The design and construction of a water treatment plant is a significant undertaking. The following work activities have been identified in order to bring the water treatment plant into service by late 2006.

2000-2001:

- Evaluate the benefits and costs of emerging technologies such as UV and Membrane processes.
- Appoint a Major Capital Project Steering Committee (pursuant to the recommendations of the Main Norwood Audit).
- Develop and implement a project risk assessment and major capital projects reporting program which will be ongoing for the duration of the project.
- Engage an independent consultant to conduct a study of the full range of project delivery options for this water treatment plant. The study will rely on methodology developed for the water industry. A report and recommendations concerning the outcome of this study will be made to Council before implementation of any delivery alternative.
- The Department will prepare appropriate documentation in support of any application for Federal and Provincial Funding.

2002:

- A consultant will be engaged to conduct an Environmental Impact Assessment and prepare an application for approval of the project in conformance with Provincial regulation and City policy.

2002 - 2003:

- Once the above studies are completed, the selected project delivery alternative will be implemented for the design of the water treatment plant.

2004-2006:

- It is anticipated that it will take 2 to 3 years to construct the water treatment plant.

2006:

- Commissioning and operation of the water treatment plant is scheduled to take place in the last quarter of 2006.

On October 11, 2000, the Executive Policy Committee considered the administrative report dated June 12, 2000 from the Chief Administrative Officer and referred it to the Standing Policy Committee on Public Works for review and report back within 30 days.

On October 31, 2000, the Standing Policy Committee on Public Works considered the referral from the Executive Policy Committee and concurred in the recommendations contained within the report dated June 12, 2000 from the Chief Administrative Officer.

The Executive Policy Committee recommends:

I. That the City of Winnipeg proceed with treatment of the water supply as described herein.

II. That design and construction activities be undertaken so that the water treatment plant be operational in the year 2006.

III. That the water treatment process as identified through the pilot testing and described herein be adopted as the baseline process for comparison to alternatives and new technologies.

Report of the Executive Policy Committee dated November 8, 2000

IV. That the administration:

a) Investigate and report on emerging technologies such as ultraviolet disinfection and membranes;
b) Investigate and report on alternative project delivery strategies;
c) Prepare documents in support of any application by Council for Federal and Provincial funding.

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

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

The Speaker called the Deputy Speaker, Councillor Lazarenko, to the Chair, in order to participate in the debate, and after speaking resumed the Chair.

The motion for the adoption of the clause was put.

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

Yea: Councillors Lazarenko, Angus, Clement, De Smedt, Gerbasi, Lubosch, Prystanski, Steek, Steeves, Vandal, Eadie, His Worship Mayor Murray and Councillor O'Shaughnessy. 13

Nay: Councillor Smith 1

and the motion for the adoption of the clause was declared carried.

Amendment to Access Advisory Committee Terms of Reference
Files GC-7 (Vol. 30), CR-3 (Vol. 5)

41 - 9. On January 25, 1999, Council adopted Clause 20 of the Report of the Executive Policy Committee dated January 18, 1995, which established Access Advisory Committee's Terms of Reference and the following composition of the Committee, namely:-

- two members of Council;
- eight members with disabilities; and
- two members who may or may not have a disability, but are interested in access issues the Mayor as an ex-officio member.

The Executive Policy Committee has been advised that on September 27, 2000, the Access Advisory Committee requested that their Terms of Reference with respect to the composition of the Committee be amended as follows:-

- one member of Council and an alternate; and
- a provincial representative under the purview of the Minister Responsible for Persons with Disabilities.

The Executive Policy Committee recommends:

I. That the Access Advisory Committee Terms of Reference with respect to the composition of the Committee be amended as follows:-

- two members of Council" be changed to "one member of Council and an alternate" and
- the addition of "a provincial representative under the purview of the Minister Responsible for Persons with Disabilities".

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

Adopted by consent.

REPORT OF THE

EXECUTIVE POLICY COMMITTEE

DATED NOVEMBER 15, 2000

On motion of His Worship Mayor Murray, the Report of the Executive Policy Committee, dated November 15, 2000, was considered clause by clause.

Moved by His Worship Mayor Murray,

That the Consent Agenda, Clauses 1,2,3,4,5 and 6, be adopted.

Councillor Eadie requested that Clause 2 be pulled from the Consent Agenda.

Councillor Steek requested that Clause 3 be pulled from the Consent Agenda.

Councillor Vandal requested that Clause 5 be pulled from the Consent Agenda.

Councillor Angus requested that Clause 6 be pulled from the Consent Agenda.

The motion to adopt the Consent Agenda, Clauses 1 and 4 was put and declared carried.

Strategy for Internal Programs and Services

File GL-5.6 (Vol. 9)

42 - 1. The Executive Policy Committee has been advised that Council has articulated its commitment to high standards of service and to ensuring sound management of City resources. (*draft* Plan Winnipeg 2020 Vision)

In order to deliver high quality services to the public, managers and staff must have the resources (e.g. staff, equipment, supplies) they need, when and where they need them. Further, the systems managers and staff use to access and use these resources must be efficient. To this end, the Chief Administrative Officer conducted a comprehensive review of the City's internal programs and services.

Following a competitive bid process, Ernst and Young was engaged to conduct the review. Under the direction of the Chief Administrative Officer and an Advisory Committee of senior managers, Ernst and Young reviewed each of the City's internal program areas: finance, human resource, information, physical assets and corporate stewardship.

From January to April 2000, Ernst and Young:

- Interviewed and surveyed both users and providers of internal services.
- Collected high level costs on each internal service.
- Researched leading practices and benchmarks from other organizations (including other Canadian municipalities).
- Compared City performance against external standards.

Ernst and Young submitted a final report in August 2000.

The Chief Administrative Officer and the Advisory Committee have considered the results of the study, as well as, some additional, critical factors facing the organization. In response, principles have been developed to guide the provision of internal services in the coming years. In addition, the following three strategies will be implemented over the next 24 months:

Strengthening of systems to ensure clear direction and timely decisions under the CAO model.

- Reorganization of internal service departments to ensure senior strategic attention to human resource and information management.
- Streamlining of core administrative processes through work redesign and the application of technology.

The overall findings of the review and details regarding each of these strategies are outlined in Appendix "A". The strategies will be implemented within existing budget including the Enterprise Resource Planning System (Capital Budget 2000-2005).

Report of the Executive Policy Committee dated November 15, 2000

The Executive Policy Committee recommends:

I. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the drafting of amendments to the organizational by-law for approval by Council.

II. That the Chief Administrative Officer's strategy for internal services be received by City Council as information.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Adopted by consent.

Delegation of Authority for Mayor to Accept Items for Public Display at City Hall
Files G-7 (Vol. 4), GC-11 (Vol. 7)

43 - 2. On November 15, 2000, the Executive Policy Committee passed the following motion, namely:

WHEREAS opportunities arise through the Office of the Mayor for the City to receive the loan of gifts for public display;

AND WHEREAS a decision concerning the acceptance of such loans may be expedited through the Office of the Mayor;

THEREFORE BE IT RESOLVED that the Mayor be authorized to accept the loan of gifts for public display at City Hall; and that the Mayor, in consultation with the City Solicitor, be authorized to settle the terms of any formal agreement necessarily incidental thereto.

and submits same to Council for approval.

Moved by Councillor Vandal,
Adoption of the clause.

In amendment,

Moved by His Worship Mayor Murray,
Seconded by Councillor Eadie,

THAT the clause be amended by deleting the word "gifts" in the first whereas and replacing it with the word "items";

AND THAT the resolve be amended by deleting the word "gifts" and replacing it with the words "artwork, memorabilia, and other items".

The amendment was put and declared carried.

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

Report of the Executive Policy Committee dated November 15, 2000

Red River College Campus on Princess Street
File G-3.1.2 (Vol. 7)

44 - 3. On November 15, 2000, the Executive Policy Committee passed the following motion, namely:

WHEREAS The Province of Manitoba shares the City of Winnipeg's goal to revitalize the Historic Exchange District and also recognizes the important role that a new Red River College Campus on Princess Street could play in advancing that goal;

AND WHEREAS for the Princess Street site to also meet the educational and financial goals of the Province of Manitoba, aspects must be enhanced;

AND WHEREAS it is the intention of the The Province of Manitoba to locate a new downtown campus for Red River College on Princess Street;

THEREFORE BE IT RESOLVED that Council concur in principle with the requirements setout in the letter from the Province of October 31, 2000 (Appendix "A") subject to successful negotiations between the Province of Manitoba and the City of Winnipeg on specific terms and conditions;

AND BE IT FURTHER RESOLVED that the Chief Administrative Officer be requested to provide due diligence to the approval and the terms and conditions for report back within 60 days to the Executive Policy Committee and Council.

and submits same to Council for approval.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

Winnipeg Housing Steering Committee
Files EX-9 (Vol. 7), GC-7 (Vol. 30)

45 - 4. On November 15, 2000, the Executive Policy Committee passed the following motion, namely:

WHEREAS Council on March 22, 2000 approved the housing renewal strategies outlined in the "City of Winnipeg Housing Implementation Framework dated March 10, 2000" which was prepared by the Winnipeg Housing Steering Committee to establish appropriate mechanisms to support the goals and direction established through the Housing Policy as approved by Council on November 17, 1999.

AND WHEREAS Council on June 21, 2000 established the Housing Rehabilitation Investment Reserve Fund to fund these housing programs with an initial funding allocation of $2 M.

AND WHEREAS it is in the interests of the City of Winnipeg and the Winnipeg Housing Steering Committee to deliver housing programs in an efficient and expeditious manner.

THEREFORE BE IT RESOLVED THAT:

I. Council appoint the Winnipeg Housing Steering Committee to direct the implementation of the housing programs as outlined in the Implementation Framework;

II. That the Winnipeg Housing Steering Committee be delegated the authority to establish eligibility criteria for specific housing programs and approve the allocation of funds to other appropriate housing programs within the financial limits as approved by Council; and

III. That the Housing Committee provide reports every 6 months to the Executive Policy Committee on the status of the City's housing programs.

and submits same to Council for approval.

Adopted by consent.

Report of the Executive Policy Committee dated November 15, 2000

Community Incentive Grant Application –
Festival du Voyageur Inc.
File PR-2.6(35) (Vol. 9)

46 - 5. The Executive Policy Committee has considered an application from the Festival du Voyageur Inc. for a Community Inventive Grant, in the amount of $60,000.00, for Bourgeois House.

The application does not meet the eligibility criteria contained in the Community Incentive Grant Program.

The Executive Policy Committee recommends approval of a Community Incentive Grant to the Festival du Voyageur Inc. in the amount of $60,000.00, for the purpose requested, and recommends:

I. That the following eligibility criteria for the Community Incentive Grant Program, be waived in this instance, namely:-

a) The organization is to be a non-profit community recreation and sport organization or a non-profit organization offering recreational services;
b) The total project funding is to be confirmed;
c) The project is not to include any funds from the City of Winnipeg.

II. That a Community Incentive Grant in the amount of $60,000.00, not to exceed a maximum of fifty percent (50%) of the total project cost, be approved to the Festival du Voyageur for the purpose requested, subject to the following conditions:

a) Confirmation of other funding sources;
b) Approval of final plans and specifications for the project by the Director; and
c) The applicant entering into a formal agreement with the City of Winnipeg.

III. That the Community Incentive Grant in the amount of $60,000.00 be allocated as follows:

a) $17,000.00 in the year 2000;
b) $23,000.00 as a first charge in the 2001 Capital Budget Program;
c) $20,000.00 as a first charge in the 2002 Capital Budget Program.

IV. That the Community Incentive Grant in the amount of $60,000.00 be subject to

a) Festival du Voyageur granting to the City a first right of refusal to acquire the properties owned by the Festival and commonly known as 768 ave Tache, 138 rue Aubert and the southeast corner of ave Tache and rue Aubert for a five year period.
b) The City's grant in the total amount of $250,000.00 being credited to the City's purchase price if the City acquires the subject properties

V. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing and to execute such documents as are necessary with the agreement(s) to provide for such terms and conditions as are deemed necessary by the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services to achieve the intent of Council and to protect the City's interests.

Moved by His Worship Mayor Murray,
Adoption of the clause.

In amendment,

Report of the Executive Policy Committee dated November 15, 2000

Moved by Councillor Vandal,
Seconded by His Worship Mayor Murray,

THAT the clause be amended as follows:

1) That recommendation III. b) and c) be amended by adding the words "subject to budget approval;" at the end thereof;

2) That recommendation IV. a) be amended to read as follows:

a) Festival du Voyageur granting to the City an option to purchase the properties owned by the Festival and commonly known as 768 ave Tache, 138 rue Aubert and the southeast corner of ave Tache and rue Aubert for a five year period in accordance with terms and conditions satisfactory to the Standing Policy Committee on Property and Development, and;

The amendment was put and declared carried.

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

Restructuring The City of Winnipeg Employee Benefits Program
File GU-3.9 (Vol. 17)

47 - 6. On December 15, 1999, Council adopted Clause 6 of the Report of the Executive Policy Committee dated December 8, 1999, relative to the restructuring the City of Winnipeg Employee Benefits Program.

The Executive Policy Committee has been advised that the terms of the Letter of Understanding now differ materially from that initially adopted by Council on December 15, 1999 in the following respects:

The parties have agreed to implement an interim agreement of the Letter of Understanding which is outlined on Appendix "B", whereby:

a) up to $150 million of the existing surplus shall be immediately allocated to improve benefits that do not increase the Program's future service liabilities beyond December 31, 2002;

b) up to $150 million of the existing surplus shall be immediately allocated to the credit of the City to refund the City's 1998 and 1999 excess contributions and to provide contribution holidays in the year 2000 and subsequent years until fully utilized; and

c) The Letter of Understanding may be terminated by either party in the event any term of that Letter cannot be implemented in full excepting that the interim agreement shall be implemented.

In the event of a wind-up of the Program and where no unfunded liability exists the City shall be entitled to all monies in the City Account and an arbitrator shall determine the distribution of any surplus in the Main Account and in the event of a wind-up of the Program and where an unfunded liability exists and steps 1 to 7 of the Agreement-in-Principle have been implemented, monies in the City Account may be required to reduce the unfunded liability. Given the preceding, the City may wish to review the level of its contributions to the Program on an ongoing basis.

Implementation of the Agreement-in-Principle has proven to be more complex a process than anticipated by the parties. The terms of this Letter of Understanding as they relate to the interim agreement offers all parties the opportunity to gain immediate benefit from current Program surplus and provides the parties with the time necessary to fully realize those benefits upon completion of the implementation process. However, in the unlikely event that implementation is frustrated, none of the parties will be unfairly prejudiced by that result.

The following is a history of the events to date:

- Negotiations commenced in 1998
- Mandate approved September 15, 1999
- Agreement-in-Principle reached November 9, 1999
- Ratification of the Agreement-in-Principle by all Civic Unions/Associations and City Council was completed on or before December 15, 1999
- Pursuant to the Agreement-in-Principle, the effective date of implementation of the restructured Program was to be January 1, 2000 and the target date for completion of the implementation process was to be July 1, 2000

Report of the Executive Policy Committee dated November 15, 2000

- The Joint Implementation Committee began the process of gaining the necessary approvals from the regulatory authorities, drafting the trust agreement, changing systems and procedures, and recalculating pension and benefit payments in December 1999
- The Employee Benefits Board in accordance with the Council resolution of December 15, 1999 has partially implemented some benefit improvements effective January 1, 2000 that could not otherwise be made retroactively
- The City ceased making contributions to the Program effective January 1, 2000 with the exception of Long Term Disability payments of approximately $3 million
- Subsequent to January 1, 2000 the Manitoba Pension Commission has informally advised that some elements of the proposed restructuring are, in its view, not permissible under The Manitoba Pension Benefits Act.

Counsel for each of the parties to the Agreement-in-Principle have advised that amendments to The City of Winnipeg Act exempting the City from those specific provisions of The Pension Benefits Act are necessary to implement all elements of the Agreement-in-Principle.

The Canada Customs and Revenue Agency (CCRA) has advised by letter dated June 9, 2000 that the existing registered pension plan is in excess surplus pursuant to The Income Tax Act and that the excess surplus must be used to suspend current service cost contributions for a period of 64 bi-weekly pay periods commencing January 1, 1998 – this is the first requirement for return of the City's contributions for 1998 and 1999 (approximately $34 million) by the Employee Benefits Board.

The Manitoba Pension Commission must authorize the Employee Benefits Board to make that return of contribu-tions to the City and that authorization is expected but not assured given the support of all parties to the Agreement-in-Principle upon signing of this Letter of Agreement and implementation of the specified benefit improvements by the Employee Benefits Board.

Related correspondence dated October 24, 2000 provides that in the event the Agreement-in-Principle is implemented but for the issue of the Long Term Disability plan (LTD), LTD benefits shall revert to the status quo as at December 31, 1999 and the parties shall then review the LTD plan in its entirety including funding and benefit structure.

The Executive Policy Committee recommends:

I. That the Proper Officers of the City be authorized to prepare the required amendments to By-law No. 5300/89 and do all things necessary to give effect to sections (17)(i) and (ii) of the Letter of Understanding.

II. That the Employee Benefits Board proceed to implement the benefit improvements set out in Appendix "B" of that Letter, conditional upon the City receiving a refund of its 1998 and 1999 excess contributions to the Employee Benefits Board.

III. That the City of Winnipeg continue taking contribution holidays for the year 2000 and subsequent years until the monies specified are fully utilized.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

EXECUTIVE POLICY COMMITTEE

CONSIDERATION OF BY-LAWS

48 - On motion of His Worship Mayor Murray, the following by-laws were 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. 7721/2000, a by-law of The City of Winnipeg to widen the east side of McPhillips Street between Jefferson Avenue and Kingsbury Avenue. File DAO 8/2000

By-law No. 7722/2000, a by-law of The City of Winnipeg to open the public lane north of Melbourne Avenue, east of Watt Street. File DAO 2/2000

EXECUTIVE POLICY COMMITTEE

QUESTION PERIOD

49 - In reference to Clause 1 of the Report of the Secretariat Committee dated November 20, 2000 "Council Members Compensation Package", Councillor Steek questioned if there had been ongoing discussions, over the last year and a half, with the actuarial consultants and Executive Policy Committee.

His Worship replied in the negative and stated that the Secretariat Committee and the Chair of the Standing Committee on Fiscal Issues were involved for a period of time to determine the costs and implications of the pension plan.

Councillor Steek questioned whether a number of options were presented, to which His Worship confirmed that more than one option was available and noted that Councillors were individually briefed upon their request.