COUNCIL OF THE CITY OF WINNIPEG
Tuesday March 21, 2006

The Council met at 9:33 a.m.

The Clerk advised the Speaker that a quorum was present.

The Speaker called the special meeting to order.

The opening prayer was read by Councillor Smith.

ROLL CALL

Clerk: Mr. Speaker Councillor Eadie, His Worship Mayor Katz, Councillors O'Shaughnessy, Lazarenko, Benham, Clement, De Smedt, Gerbasi, Lubosch, Magnifico, Pagtakhan, Smith, Steeves, Swandel, Thomas, Wyatt.

Mr. Speaker: Could I have the notice calling the special meeting read please.

Clerk: *Pursuant to Section 79(1) of The City of Winnipeg Charter, the City Clerk is directed by His Worship Mayor Katz to arrange a Special Meeting of Council on Tuesday, March 21, 2006, at 9:30 a.m., to consider the 2006 Operating Budget.*

Richard Kachur,
City Clerk.

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

Mr. Speaker: We have no pages with us this morning. Under Guests I draw your attention to the west gallery where we have a number of students from the Politics Society and Mass Media Program of the Canadian Mennonite University under the direction of Councillor Benham. On behalf of all members of Council I welcome you to the Council chamber this morning.

DELEGATIONS

Mr. Speaker: We have two delegations with respect to the Budget today, one in support, one in opposition. The first delegation in support of the report of EPC is Mr. Nick Ternette who will have 10 minutes. Mr. Ternette.

Mr. Nick Ternette: Mr. Speaker, Mayor Sam Katz and City Council. The difference between the City's 2006 Operating Budget and the previous Operating Budgets, especially in the last few years, is that there is no philosophical thrust to this Budget. No long term plan. It is merely a fiscally conservative Budget.

Former Mayor Murray's New Deal whether you agreed with it or not was an attempt to recognize that cities could not finance themselves through property taxes alone through the 21st Century and that other sources of revenue included, but not limited to, a larger share of the gas tax from the Federal government, a better cost sharing agreement between the Provinces and the City. User fees and sin taxes, etcetera were needed to offset the inability of taxpayers to continue to pay for City services through property taxes alone.

Never mind the fact that for the last decade City Councillors continually harped on the idea that education tax should be taken out of property taxes and funded by the Provincial government through general revenues even though we are aware that the education levy taxes that the Provincial government has been taken from property taxes but the rest of the taxes have not.

Unfortunately there is not a hint in Mayor Sam Katz's Budget of how the City will finance itself in the long term ensuring that in the future there will either be a significant property tax increase especially in view of Mayor Sam Katz's determination to get rid of the business tax ultimately sometime at around $60 million dollars revenue or even more significant cuts to services.

While it is true that the 2006 Operating Budget like Katz library advocates to some degree and I'm very pleased to see that there were an additional $50,000 dollars put in to buy additional books, the fact is there has been a freeze on library funding for over a decade and the $50,000 dollars won't go nearly far enough to catch up although it's a beginning.

And it also placates tree lovers to an extent again, $400,000 dollars for tree pruning as well as the Dutch Elm Disease, but again there has been a freeze for over a decade and it's a long way to catch up.

And yeah I'm an anti-graffiti activist and I know that Councillor Wyatt is happy to add an extra $200,000 dollars to combat graffiti although as I noticed in the paper today one would hope that there will be a coordinated graffiti attack rather than the way it is being presently being carried out.

But the fact is that in this Budget the average homeowner will be hit with an approximately $100 dollar tax hike because of reassessment. Values of homes have gone up significantly in the past years as compared to 2002, $100 dollar average tax saving to the majority of City businesses. If you believe in the free enterprise system and the market then let the market determine how much business tax, business tax owners pay. Otherwise maybe homeowners are to have a tax cap just as businesses will.

Regarding the status quo Budget there is some good news and that's why I indicate there is funding for a new ambulance and 12 more Paramedics. Forty-eight new Police Officers will be hired. Again this is thanks to the funding from the Provincial government and I would like to see these officers used for street patrols but I suspect it's not going to happen.

$1.9 million dollars for mosquito control. Again I've asked this question of EPC and others how much will we be for larviciding and how much will go to mosquito spraying with malathion is unknown although Councillor Steeves assured me at the EPC meeting that in fact the priority is for larviciding and only in emergencies will it be used for spraying which is a good news but I would hope that that would somehow be reflected in the discussion that we have about the Budget.

On the other hand a cut of $452,000 dollars in consultant fees, while this is a start, is peanuts as far as I'm concerned as compared to a total of $24 million dollars and that was Mayor Sam Katz's own figures at the EPC meeting that the City spends on consultant fees per year. Now and again that's true it was previously $40 million dollars so there has been some significant cuts in that. However, I think and I still don't understand why this City continues to hire American consultants to do the work that could be done by City staff.

There is also a $100,000 dollar cut in funds for travel and conferences. Kind of ironic I think, considering the City is going to be paying $100,000 dollars to former New York Mayor Rudy Giuliani, to come and give a talk about the City. It kind of gives me the impression that the City giveth on one hand and taketh away on the other hand but ultimately it would find out it's a zero situation because I would suspect that we're not gaining anywhere on these cuts particularly.

Funding for Transit is the same this year as it was last year and nobody has been able to say that differently to me. The Provincial government however has given the City $3.5 million dollars additional Transit funding this coming year. Yet the Operating Budget shows the same amount for Transit as last year. Why? Is it that the City is off-loading its share of the Transit budget onto the Province? I don't know. I look to somebody to give me an answer to that question.

There will be close to $3 million dollars in cuts to public service jobs. It is interesting to note that the cuts will be from WAPSO rather than CUPE 500, which just signed an agreement guaranteeing no job cuts over the next three years. Union solidarity I really wonder about that. While I have no real problem with cuts to middle management positions, I am concerned that the Chief Administrative Officer be given, has been given the right to do that without a vote by Council and no accountability ultimately to the public.

Furthermore I am significantly concerned about the $1 million dollar cut to alternative service delivery initiatives. Especially in view of the adoption of *The Reshaping our Civic Government* document in 1997 under former Mayor Susan Thompson which recognized that

municipalities have been a force to consider how they produce and distribute services.

Unfortunately the Alternative Service Delivery Committee which was struck after 1997 has only looked at, throughout this period of time, at creating Special Operating Agencies, SOA's and privatization. And to be blunt both of these have not worked very well. In fact, SOA's are losing money for the City of Winnipeg, for example recently in the newspapers the golf courses.

The City of Winnipeg needs to look at as I said within the concept of contracting out various other concepts which have not been looked at such as franchising, subsidies, vouchers, volunteer and self help models. Neither of which are in the public or private sphere of delivery of municipal services but ought to be seriously looked at and have never been looked at and I'm, you know I'm wondering if we are looking at how are we going to deliver services in the future and that we need to look at alternative ways of doing it and saving money instead of constantly relying on the taxpayer.

It is important for Councillors to recognize that this is a short-sighted fiscally conservative Budget, that I'm sure most Winnipeggers will be very happy with, but that only maintains the status quo in the baser sense but leaves citizens for those who are concerned about long-term of where we are going as a City long before an Operating Budget with some vision that will take the City into the future. Thank you very, very much.

Mr. Speaker: Okay are there any questions of the delegation? Councillor Benham.

Councillor Benham: Thank you Mr. Speaker and through you I thank Mr. Ternette for his presentation. Mr. Speaker, Mr. Ternette has talked today and similarly made a point in a letter to the editor the other day about the new revenues that are needed by the City.

Would Mr. Ternette support a system of transferring tax points from the Federal government to the cities in the same way that the Federal government transferred tax points to the provinces regarding health care. Would he support a similar proposal so that the overall tax burden wouldn't grow but more money would flow to the City from Federal, from what are now Federal revenues?

Mr. Nick Ternette: Mr. Speaker, Mr. Councillor, absolutely. In many cities in the United States use income tax as means of financing themselves. Now they have the authority and the legislation to do it and we know that cities are creations of the Province. The Province can determine how financing happens. You know I've always argued that we should be, cities ought to be constitutionally recognized as independent authorities and to be able to use their own taxing authority including income tax.

So that kind of concept of point sharing as they do with the health care system would significantly improve the cost sharing agreements between the Federal government and the cities which would help out the cities and I guess I would resolutely support that kind of direction.

Mr. Speaker: Okay. Councillor Gerbasi.

Councillor Gerbasi: Thank you and thanks for your excellent presentation Nick. One of the issues you've always come here every budget year and spoken about often pointing out the process of the budget but this year did I hear you correctly in saying that this process this year only three, less than three weeks, did you find this worse or different than what's been happening even under Mayor Glen Murray?

Mr. Nick Ternette: Mr. Speaker, yes. As I said both with the Capital Budget and the Operating Budget, the process stinks. And sorry I'll use the blunt language here. This is way too short, even for the Councillors from what I understand. A lot of Councillors were unable to really digest the material as effectively or not, but as I've argued with both the Capital and the Operating, we've always had workshops either before the Budget ever came down,

ranging all the way from one year about three or four years ago when Mayor Glen Murray was around of six workshops throughout the City, where people were actually asked to develop a budget and those ideas were used in preparation of the development budget.

To at least even during Susan Thompson's regime of having workshops where interest groups, unions, businesses, Chamber of Commerce and individual activists were invited to participate in the full day seminars to outline their concerns and their ideas. None of this happened.

The process of community involvement and community participation has deteriorated drastically and quite bluntly as you notice I seem to be one of the few activists left here that keeps on speaking at City Hall. I still remember in 1992, '93 when Susan Thompson's first budget came out, we had over 65 delegations to speak on the Operating Budget. Today we are down to two. I think it indicates the kind of level of interest that citizens have. They don't feel that they're being listened to or that they have a chance to really participate in the budget process.

Mr. Speaker: Thank you very much Mr. Ternette. Mr. David Saunders on the other side of the issue.

Mr. David Saunders: Mr. Speaker, Your Worship, members of Council. My name is David Saunders. I am a Senior Manager of Property Tax Services with Deloitte. I have some 11 years of experience with business tax in the City of Winnipeg and I've asked to speak to you morning not because I'm opposed to limiting business tax increases, I'm not opposed to that, but I am appearing to express my concerns about the present wording and potential interpretation of the proposed 2006 Business Tax Phase-In By-law, to seek some clarification of Council's intentions and to suggest perhaps some possible improvements.

The specific proposal submitted to you for approval this morning include the policy clause in the Executive Policy Committee recommendations asking that Council make a determination in accordance with Section 68 of *The Municipal Assessment Act* "that any increase in business tax resulting from the 2006 general assessment in excess of 15% is unreasonable in the circumstances and to limit all such increases to 15%." It is noted that the intent is that the total business tax revenues will remain at the 2005 levels.

The proposed By-law itself specifically states that pursuant to Section 68 of *The Municipal Assessment Act* "in the year 2006 all increases in business taxes resulting from the 2006 general assessment shall be limited to 15%." And it's important in this By-law, business taxes are defined to mean business taxes imposed under subsection 332(2) of *The City of Winnipeg Charter* and does not include business improvement zone taxes or any other taxes, levies and charges imposed under *The City of Winnipeg Charter,* which will be added to or collected in the same manner as real or personal property or business taxes.

Before Council adopts these proposals I would ask you to consider a few points. The first one is that increases in the 2006 business improvement zone taxes are not being capped by these proposed legislation. And as you can see for the purpose of this particular By-law business improvement zone taxes are specifically excluded from the definition of business taxes whose increase is to be capped at 15%.

So as proposed the new 2006 BIZ levies will be applied in full to the new 2006 business assessment or annual rental values of businesses that are located within each of the zones. This is consistent with the particular business improvement zone levy rates which EPC is recommending to City Council for approval tomorrow morning and the proposed 2006 Business Improvement Zone By-law also coming before Council tomorrow.

If you have them and you refer to the appendices to EPC's report for tomorrow's Council meeting plus the By-law and Budget attachments, you will see

that the zones generally try to hold the line on their budget levy requirements increasing by a weighted average of only 3.3% overall, hundreds of dollars, and they all estimated their individual business tax rates based on earlier projections of the new 2006 business assessment in each zone.

However the actual 2006 ARVs for businesses located in the zones which were issued last November totalled $184 million dollars up more than 14% from the 2005 total. The Downtown BIZ ARV went up by 17%, while West Broadway went down by 22%.

In each case the City's Corporate Finance department preparing for tomorrow's meeting has divided the requested budget levy by the actual 2006 zoning RV with the result the 2006 BIZ levy rates will decline by as much as 20.8% in the French Quarter and increase by as much as 52% in West Broadway South Sherbrook.

Now since these 2006 BIZ levy rates have been calculated without any adjustment or cap on individual business assessment increases, Council should anticipate that many of those businesses facing what EPC describes as unreasonable increases in business assessment, that is more than 15%, will in fact be receiving 2006 business tax bills reflecting increases of more than 15% above their 2005 business tax bills.

I provide a couple of examples and these are not extraordinary. Here are the actual numbers for a retail tenant of Portage Place Shopping Centre which is in the Downtown BIZ. The new 2006 ARV issued last November was for $47,220. That represented an increase of 89% over the 2005 ARV of $25,020. Just 10 days ago the tenant received a corrected 2006 ARV of $83,100 which now represents an increase of 232% over the 2005 ARV. The Property Assessment department says the original computer generated ARVs were based on the wrong rental rates and therefore they have now issued similar "corrected" 2006 ARVs to many of the tenants in the shopping centre. They are not alone.

And I illustrate with the calculations here that based on the proposed legislation the 2005 business tax bill for both the business taxes and BIZ levies paid by that tenant totalled $2,306.59. With the proposed cap in legislation for 2006 with a much higher assessment, the 2006 business tax rate will be capped. The BIZ levy will not be capped and the total business tax bill for that occupant will be $3,273.65 which is a 42% increase over the 2005 business tax bill and that's after the 2006 cap is applied in accordance with the proposed By-law. Please note that if Council takes no further action with regard to establishing a cap for 2007, the 2007 tax bill at present tax rates will be about $7,500 which represents an increase of 225% over the 2005 tax bill.

And just so you can better understand the impact of these tax measures I can give you another example. A similar one where the tenant was assessed originally for $36,000, a 73% increase, that's horrible, and then 10 days ago receiving a correction to $63,000, 106% over the previous year's ARV. Again correction given as the reason, the computer made the wrong number. But you'll see in this case that the 2005 business tax bill was $2,843 but with the cap in place for this coming year the bill will still rise to $3,548, a 25% increase. Again if nothing is done then the following year in 2007 the increase will be 100% over 2005.

But more importantly and in case these dollar values seem small it may interest you to know that in the 2003 reference year this particular tenant in the shopping centre paid total gross rent of only $15,000 dollars. Which is a great deal less than the corrected 2006 ARV of $63,000 produced by the Property Assessment department's mass appraisal computer program and still greater less than the actual gross rent which would be paid by a Portage Place tenant who would be fairly assessed with an ARV of $60,000 using the current methodology. These are tenants with areas in the range of 2,500 to 4,000 square feet, typical retail tenants in the City.

The second point that I draw to your attention is these proposals affect only

2006 business taxes and they are silent with regard to 2007, 2008 and 2009, which are the remaining three years of the new assessment cycle. I'd ask you to note that if you use Section 68 in *The Municipal Assessment Act* as the authority then it cannot be used to limit the tax to be paid in the last year of the assessment cycle which would be 2009 under present legislation or possibly next year 2007, if Council's recent request to introduce a two year cycle were implemented with a new general assessment for 2008.

So in other words if you are using that section of *The Municipal Assessment Act* as authority, business tax must be phased in to the full tax rates based on the new annual rental values before the end of the current assessment cycle. And really should businesses be subject and above be budgeting to pay business taxes without any further limitations as early as next year or what should they plan on doing?

On the other hand if the intent of City Council is to limit the increase in business taxes throughout the current assessment cycle however long it turns out to be perhaps Council should consider using different authority for adjustments in business tax which now appears in Section 322 of *The City of Winnipeg Charter*. This relatively new legislation does permit Council to limit an increase in the business tax for one of more years of a general assessment and the year before the next general assessment that is can be extended for the whole term.

I am advised that I am running out of time and that's why I have a written submission. I would ask that it be read into the record. I would ask Council to look carefully at the concern about just what business taxes will be limited, just what will be limited by 15%. The definitions provided in the By-law are unclear or worse and if interpreted literally it will mean that any tenant who faces a change in location, a change in area, would be immediately be taken out of the category covered by the cap.

And finally I would ask that you consider the possibility that perhaps the business taxpayer should have some right to appeal the tax collector's decision to apply or not apply the cap in their case of their 2000 business taxes. That matter is not appealable to the assessment appeal process, this is a matter of taxes, not assessment. There is provision in the Act for dealing with appeals under Section 334.1 of *The Charter* and perhaps that could be considered here.

Since Council members may not be aware I would refer you to the last three pages of my brief which explain why these increases are so great and it is important to understand why they are so great because there is a reason. There are three reasons. First of all the change in value was eight years not four in '95 to 2003. Secondly they are based on computer generated market net rents that bear no necessary connection to actual rents for properties. And thirdly because they have been based on the department's realty assessment computer files, even the areas involved are as a result of significant errors producing unusually high or in all of this, unfairly low assessments as well. I would commend the document to members of Council before you vote on these today.

Mr. Speaker: Thank you very much Mr. Saunders. Are there any questions of…? Councillor Benham.

Councillor Benham: Thank you Mr. Speaker and I thank Mr. Saunders for his presentation and I've also spoken to him privately on this matter. Through you Mr. Speaker could Mr. Saunders explain to members of Council the relationship between the property, the value of property as the City sees it for the purpose of assessing property taxes on commercial properties and the value of the property as the City sees it for annual rental value. Is there a connection between those two or not I would ask Mr. Speaker? Thank you.

Mr. David Saunders: Through the Speaker there is supposed to be. If most commercial properties are valued on the income approach to value involving the use of a market net rent for the premises, business assessment for those same

premises should reflect that same market net rent, assuming it's correct, plus standard occupancy costs which the assessor applies for minimal utilities consistently throughout the City.

In the event that it's a property value in the cost approach the assessor and boards generally assume in market net rent equal to 10% of the capital value and that is the method used. So in both cases there should be a very direct connection between the realty assessment of a property, a commercial property, and the income based business assessment for premises located in it.

Mr. Speaker: Supplementary question. Is there a supplementary Councillor Benham?

Councillor Benham: And does that connection exist in reality or is there sometimes a disconnect?

Mr. David Saunders: It definitely does exist and the assessor has attempted to increase the coincidence if you will of these matters by developing the realty assessment with a computer model and using the same model in used business assessment. The problem is that the computer model generated by the City the first time this time around was not very good about reproducing the market. As a result that there is considerable difference between rents actually paid for a specific premises of which business assessment typically would be paid and the rents that the computer generated for properties. And the examples I gave you of Portage Place illustrate that.

Councillor Benham: Thank you Mr. Speaker.

Mr. Speaker: Any other questions? There are none. Thank you very much Mr. Saunders, thank you for your presentation.

Mr. David Saunders: Thank you.

Mr. Speaker: Proceed to the report of the Executive Policy Committee, clause 1, Mr. Mayor Katz, I'm assuming you're introducing the clause.

REPORT OF THE EXECUTIVE POLICY COMMITTEE
DATED MARCH 15, 2006

Mayor Katz: Mr. Speaker thank you very much. Yes I would like to introduce the clause very briefly and then turn it over to the chair of Fiscal. Councillors I know the Capital Budget was much easier to choose than the choice you face today. It was easier in part because we are building a new relationship with Ottawa. We asked for what we needed rather than taking what they would give us.

And that gave us room to stand 110% more on maintaining roads. It gave us room to invest in new Transit service. Happily cooperation with the Provincial government has also paid dividends giving us modest fiscal room this year to propose some changes to improve the Budget. Now that we've proposed those changes, there are two key issues I expect to hear more about today.

The first is EPC's call for a $2.8 million dollar target in reduced salaries and benefits. Many Councillors have asked us, how did we come to that figure? I'll be frank, in the final weeks of the Budget process Executive Policy Committee was faced with several million dollars in potential shortfalls. We set some additional targets.

One of those targets was a $2.5 million dollar savings from salaries and benefits. Another was accepting an additional administrative recommendation for specific staff reductions in a particular department. We asked for advice on how those targets would be reached. In the end the advice we heard was that if we felt we needed to accept that target we should make two changes.

First we were advised we should allow the administration maximum flexibility and set one global target of almost $3 million dollars combining both of those staff reductions into one envelope. Next we were advised that we should do what has always been done and allow the administration to use its experience to allocate that target rather than managing

positions and staff impacts at a political level.

Given the fact that this was a Budget target and not a specific change in surface levels we accepted the target and the advice because it was the right thing to do. Some Councillors object to this approach, and I do understand their concerns. But I believe that the CAO can deliver on that target without impacting frontline services and when asked by EPC the CAO agreed.

If we truly believe the statement that we are to be a board of directors and not a group of micro-managers there comes a time when we have to state our objective and let the CAO do the work to achieve it. I've heard the argument that we should have used a consultant to figure out where the changes should come. I've also heard the argument that we should stop spending money on consultants, even this morning from Nick Ternette, and trust our staff to do their jobs instead. EPC chose to trust the administration.

Our salaries and benefit costs have grown by almost 25% in five years. Our staff complement has grown by almost 3% in the same period. And it's important to remember our next staff complement will likely increase this year as frontline services receive more dollars to improve the services we offer our citizens.

We're increasing frontline services in fire suppression with four FTE's added to the staff complement. We're increasing staff frontline service with a dozen more Paramedics and increased ambulance service. I would like to acknowledge Firefighters I see here today Mr. Speaker, as well as Paramedics that are here today and thank them for their loyalty, their dedication and their commitment to keeping our citizens safe and making our City a safer place to live, appreciate it very much. We're increasing Police Service deployment by almost 50 officers and hiring more staff to improve Water and Waste services as we build new facilities. These are the services that people value most. We're investing more in those areas. It's not easy but that's what making decisions about priorities is all about.

And that brings me to my second point, process. For me the measure of a good consultation process is not how many hours EPC is made to listen but rather whether we actually act on what we heard.

Councillor Steeves and the Protection and Community Services Committee asked us to find money, asked us to find room to return money to the Integrated Neighbourhood Support Program. We did preserving two FTE's.

Councillor Wyatt asked us to find room to increase investment in graffiti reduction. We did with a $200,000 increase over the $420,000 already budgeted.

Councillor Smith has long noted that we've neglected tree pruning for far too long and that's why we increased the pruning budget twice up $200,000 dollars in the draft budget and another $200,000 dollars in the final draft.

Councillors on the Community Services Committee argued that it was time to find more money for library books and we agreed with a $50,000 dollar increase that will continue in future budgets.

Councillors asked for a bit more flexibility to support community events in their Community Committee budgets. We did it with $3,000 per ward.

And we put Capital dollars aside to help maintain our new attack on the infrastructure deficit.

Not everyone on EPC liked those choices but Councillors proved their willingness to compromise and for that I thank them. Can we do better? Absolutely, and the secret is to realize that the status quo is not the best we can do.

Councillor O'Shaughnessy will soon be asking input from Councillors on how to improve the budget process and shift to service based budgeting in 2007. This Budget is part of an ongoing process in my mind and not something we can just put away and check-in when the year is done.

But for now I know Councillors must vote on the Budget today. You'll be supporting change for the better. Tough choices, yes, but the public's priorities come first in this Budget and that's what we were elected to deliver on. It's certainly is what I was elected to deliver on and I hope you will join me today in doing so. Thank you Mr. Speaker.

Mr. Speaker: Okay. We have, excuse me, we have one amendment that's been proposed to the Budget. It's Motion No. 1, moved by Councillor Benham and seconded by Councillor Lubosch. I'll invite Councillor Benham to open debate on the amendment and then we'll proceed to debating the clause and the amendment. Councillor Benham.

Motion No. 1
Moved by Councillor Benham,
Seconded by Councillor Lubosch,

WHEREAS the 2006 Operating Budget requires the Chief Administrative Officer to cut $2.89 million from management and professional staff salaries and benefits and;

WHEREAS City Councillors and the public do not know how many positions will be terminated, what departments will be affected, or how overall city services will be reduced;

THEREFORE BE IT RESOLVED THAT

1. The $2.89 million cut to salaries not be proceeded with at this time with offsetting reductions in corporate costs to reflect announced 2006 provincial transfers and;

2. The Chief Administrative Officer be directed to provide detailed analysis and make recommendations on ways to improve efficiency in the public service for consideration by Council.

Councillor Benham: Thank you. Thank you very much Mr. Speaker and I thank the Mayor for introducing the clause and speaking in debate on it. Mr. Speaker, and I thank Councillor Lubosch for seconding this amendment Mr. Speaker. Mr. Speaker what Councillor Lubosch and I are asking City Councillors to do today is very clearly stated in the amendment. The 2006 Operating Budget requires the Chief Administrative Officer to cut $2.89 million dollars from management and professional staff salaries and benefits. We know Mr. Speaker that we as City Councillors, and every member of Council here knows this, that even the privileged members of Executive Policy Committee and the Mayor has essentially confirmed this, that none of us, none of us as Councillors know first of all how many positions will be terminated. Quite an interesting little question to go after.

So we're cutting this much money. We know it's that amount of money. How many positions does that equal? Well Mr. Speaker the best estimate we had at one point was that that was equal to about 50 jobs. The Mayor challenged that at Executive Policy Committee and said where did this figure come from? Councillor O'Shaughnessy to his credit pointed out that most members of Council, or that all members of Council, had had access to that information.

So the Mayor, according to his own words at Executive Policy Committee, did not know even the estimate of how many positions would be terminated. Much more exactly how many will be cut because of this edict, because in fact Mr. Speaker none of us knows, because in fact Mr. Speaker those decisions have not been made. We do not know what departments will be affected. We have been told that this will not be simply divvied up among departments. That wouldn't be fair or prudent and I agree with that. But we don't know, it will not be divvied up equally, but it will be divided up in some way among departments.

Some departments will lose more people and proportionately more people and positions than others. Which department will those be? We're adding to Water and Waste in some numbers, perhaps. Are we going to be taking away in other numbers? What will those people in those positions be doing?

And finally this myth that frontline services will not be affected. Well I'm going to return to that in a minute Mr. Speaker, but let's make it clear. None of us have any idea of how overall City services will be reduced. Frontline services, back room services, any other services that the City provides, how will they be affected? I challenge any member. I challenge the Mayor and any member of Executive Policy Committee to stand in their place and answer these questions. How many jobs? What departments will be affected? What services will be affected? And how?

None of you know because there is no information to that effect and you are going to go ahead, those who choose to support the Mayor and his EPC Budget will be going ahead and voting blindly without that information. I would say that is not responsible and I would say no director on any board of directors of any private sector corporation would jump off that cliff holding hands with the chairman of the board or not.

Therefore be it resolved in this motion that this cut not be proceeded with. That we simply not go ahead today and that offsetting reductions in corporate costs reflecting the 2006 Provincial transfers be put in place, that Mr. Speaker is how EPC dealt with adding back into the Budget and that Mr. Speaker is how I would propose to do it. So if members of EPC get up and say where is your alternative, how would you rearrange the Budget in order to take account of this $2.89 million dollars, I would simply say the same way EPC did, with the same language in this resolution.

And finally Mr. Speaker, because I do want to make it clear, that I do not support an inefficient public service nor do I want to be tarred with that in debate. That I support an efficient public service, as I believe all Councillors do, as I believe quite frankly, all public servants do.

Public servants are among the most supremely rational people in the world Mr. Speaker. They are quite prepared to serve the public. They know that they serve at Council's will and if we were to present them with a well thought out argument as to why in a department where we have four engineers, we no longer need four, and we only need three, I am willing to bet dollars to doughnuts that the fourth engineer would put up his or her hand and say fine Mr. Speaker I'll go, because public servants understand that. If there is a plan and if there is a clear notion of how to better serve the public nobody will be on side more than public servants.

How do I know that? Not only my experience Mr. Speaker, but Councillor Magnifico in his experience with the Red Tape Commission, a commission which I think embarked on the exercise with some, some distrust between themselves and the bureaucracy, but by the end Councillor Magnifico was saying in his report that Winnipeg public servants had come forward with good ideas on reducing their own numbers, on streamlining the process and on serving citizens better.

That is what happens Mr. Speaker when we treat our public servants as partners in the process. When we invite them into the process and when we say to them we would like to work with you to better serve the citizens of Winnipeg but that is not what is happening in this Budget Mr. Speaker. Not even close.

No Mr. Speaker we start with an assumption. Mr. Speaker I was delighted to hear the Mayor, I started taking notes as soon as the Mayor said that some people have asked how we came to this figure. So I waited for an explanation and in fact Mr. Speaker we of course never, the explanation is that originally there was a vague target of $2.5 million dollars and we added to it. But Mr. Speaker not once have I heard the Mayor explain or any other member of Executive Policy Committee explain, where the figure $2.9 million dollars came from.

We have some indication that it might represent 5% of WAPSO employees but again Mr. Speaker that would just beg another question, where did you come up with the figure of 5%. Who decided that one out of every 20 employees doesn't do anything worthwhile? Who decided that one out of every 20 management or

professional staff is so little used, is so under utilized that you can eliminate their position and there won't be any effect on services at all? Well Mr. Speaker, if one in 20 public servants are doing nothing then in fact they shouldn't be working for us. But I see no evidence of that. I see no plan.

I see a vague supposition in the minds of the Mayor and the members of Executive Policy Committee. They commit it to paper, they make it a number to give it, and they think that gives it some reality and then they say I'm sure we've got this much slack, you go ahead, you go ahead and look after it. That's what they say to the CAO. And they devolve all the responsibility to her. No Mr. Speaker we shouldn't be micro-managing but Mr. Speaker we shouldn't be abdicating our responsibility as elected leaders and as managers of the public purse either.

So this number was determined in isolation. Could it be larger Mr. Speaker? Could we in fact be making a mistake today on the wrong side of the ledger? What if we could find $5 million dollars in savings Mr. Speaker? What about 6, what about 10? How do we not know? How do we know that those figures are not the correct figures and the figures we should be pursuing?

But of course Mr. Speaker if we concede that then we would have to concede that the figure could be wrong the other way as well. It might not be $2.89 it might be $2 or $1 or $500,000 or Mr. Speaker maybe we as managers of the public purse should concede that perhaps we need more public servants to do a better job. Maybe we do but we don't know because nobody's looked at it. Nobody has seen whether or not that is the case.

Mr. Speaker the argument is made that we can do without middle management. What do they do anyway? It's only the frontline services. Mr. Speaker, Mr. Speaker could you run a ball team with only the players? Could you run a baseball team without the coach, or the manager, or the accountant, or the payroll person or even the batboy Mr. Speaker? Well not for very long. You might leave all your frontline services in place Mr. Speaker but they wouldn't be able to get to the games and they wouldn't have any bats and they wouldn't have any balls.

So Mr. Speaker, let's take a look at the dress rehearsal for these cuts that we have gone through in this Budget in which four workers in Community Services were told you don't do anything, we don't need you anymore, and then at Committee, and Mr. Speaker it's important to correct an error that the Mayor has put on the record that Councillor Steeves somehow saved those jobs. Mr. Speaker I was at that Committee, Councillor Gerbasi proposed the motion. Councillor Steeves voted against it. So let's not have any nonsense about saving the Community Resource Coordinators from Councillor Steeves putting it forward. He voted against that motion Mr. Speaker.

Finally Mr. Speaker, I would just point out that those Coordinators are very valuable part of the City's relationship with the community. They are in fact frontline services but we were told that was the best Community Services could do and that they were cutting, this was the best place for them to cut. It wasn't Mr. Speaker and we face similar, serious mistakes in managing the public purse and managing public services. I urge all Councillors to support this amendment to the Budget. Thank you.

Mr. Speaker: Thank you Councillor Benham. Debate on the clause and the amendment, Councillor Thomas.

Councillor Thomas: Thank you.

Councillor Clement: Can I ask a question?

Mr. Speaker: Just a minute. Point of Order. Excuse me Councillor. Councillor Clement on a Point of Order.

(Point of Order)

Councillor Clement: Are we going to be able to debate this motion or are we expected to debate the motion and the clause at the same time?

Mr. Speaker: That's what we always do.

Councillor Clement: Well we don't always. We can do it other ways.

Mr. Speaker: Well I'm just following past practices so they're both here. Councillor Thomas.

Councillor Thomas: Thank you. This is the Budget that could have been. It could have been fair but it is not. It could have been helpful but it is not. And it could have had my support but it does not. This is a Budget of illusions, magician's tricks, and it doesn't solve the problems of the City at all.

The business community seems to benefit the most from this Budget in that there is a 15% cap in the natural increase to business revenues for a little over $6 million dollars less that is being taken from the business community. There is also a 2% reduction in the downtown business tax for $2.1 million dollars less, $8.1 million dollars. This is merely handing out lifejackets to the chosen few instead of steering the ship out of harms way.

This $8.1 million could have increased recreational programming. This $8.1 million could of provided support to our libraries and its board. This $8.1 million could of enhanced support to the Winnipeg Convention Centre. It could have honoured our employees that work so hard for us. And it actually could have put some real money towards the implementation of *The Municipal Aboriginal Pathways* by supporting our aboriginal communities with concrete action rather than fine paving words. This Budget has the orchestra playing for most of the citizens of our City while they are left without lifejackets.

How can we send out congratulatory letters to our Library Board thanking them for their hard work in securing us a $21 million dollar plus library and then reward them by cutting their budget in half. This is more than disrespect for our hard working volunteers. It is insulting, selfish and wrong headed.

How can the Capital Budget increase funding to our recreational facilities on one hand and then on the other hand the Operating Budget itself reduces staff turning these beautiful new facilities that we are about to build into unoccupied mausoleums? This is worse than bad timing. It is unconscious of the very important links between improving structures and enhancing programs.

This Budget promises opportunity and then takes it all back. Each department seems to have more money but then behind the curtain under another category called corporate, it claws back what the departments had just gained by specifically targeting the people within those departments whose job it is to see that the direction of Council is followed. Yes we are the captains of the ship but the administration is our crew and they are there to implement our direction.

Why has this Budget targeted our top advisors, those with the educational background and work experience to guide us through these tough economic waters? I guess if you don't plan on listening to the advice of the navigator you don't really need one. But they know where the shoals are located and this ship will easily run aground when there is no one there to chart the course or pilot the helm. I could say that the cuts to our administration is a joke but it is not funny.

This Budget squanders goodwill to all the citizens who are out there who are looking for support. This Budget rewards a few for the sacrifice of the many. This Budget fails to deliver fairness in every aspect on how revenues are collected and how expenditures are defined.

What has been done to the Winnipeg Convention Centre? Business community benefits the most when we bring in conventions. But they have been cut so that now we are giving more to the privately operated MTS Centre than we are to the Convention Centre. How can we do that? How can we do that to people who have worked so hard to support the whole business community and who have helped make the downtown a great place and a fun place

to be? How could we do that to them? I know I won't.

I'm not going to mince words. This document is a funhouse distortion of a budget and an abdication of leadership in the worst possible way. It puts its hands over its eyes to problems. It puts its hands over its ears to solutions and it is totally mum on direction. It must be redone and I cannot support this Budget the way it stands.

Mr. Speaker: Thank you Councillor. Councillor O'Shaughnessy on the clause and the amendment.

Councillor O'Shaughnessy: Thank you Mr. Speaker it's so good to be back to the old form of government with a true opposition, opposed for the sake of opposition. I love it.

This Budget Mr. Speaker, is not primarily a philosophical statement. It is an attempt to grind as much service as possible out of a restricted amount of money. It is where the talk stops and the action begins or in the vernacular, where the rubber hits the road.

We have the rest of the year to try and wrest more money from other sources, especially other levels of government. We also have the rest of the year to determine just what services we should be delivering and the most effective ways of delivering them. And we are today going to pass this Budget and get on with the job of making the effects of the next one better. But it is what we have.

And what we've done this year among many, many other things, we have more Police Officers in the Budget, we have more Firefighters in the Budget, we have more Paramedics, and we have more environmental protection personnel. The priorities. The frontline troops. The price is to a limited extent of these more troops is to have a few fewer generals and that may be regrettable to some. It's a sign of efficiency and confidence in our front level employees to others.

This government has never, since the day it came into being in 1972 been cruel to any of its employees, to any of its workers, and it is not today. But it is continuing to strive to deliver better service in a more efficient manner to all of the true beneficiaries, the people who really should be taken into account, the citizens of Winnipeg. And in this Budget I feel we do not have to apologize in any way.

Mr. Speaker: Councillor Steeves. On the clause and the amendment.

Councillor Steeves: Thank you Mr. Speaker. After hearing the smattering of discussion so far I guess the word unanimous support doesn't come to mind already. That's too bad I think in the context of this Budget.

Just for people's edification and so we have a starting point to frame debate, our estimates for 2005, were that as a City in our Operating Budget we were going to spend around $707 million dollars. This year we anticipate spending in the environment, if all goes according to plan about $721 million dollars. That's an increase of $14 million dollars or 2% more then we spent in total last year. And that does not translate to a 2% tax hit of course for our citizens because of growth in our City, revenues from other levels of government, etcetera. But those, that's about where we come down just for, just for everyone's knowledge and so we can keep the debate framed in a bit of reality. We're spending a little bit more money in what is a pretty difficult year financially.

Of the $14 million dollars, I'm speaking now as the chair of the Protection and Community Services Committee, who Councillor Smith and Councillor Gerbasi and Councillor Benham, my dear friends who sit with me on the Committee, we had purview over in our departments about a $15 million dollar increase in those three departments alone.

I don't say that for any other reason then to simply underline that this Budget has clearly made those safety concerns of the citizens we represent a priority. There's no other way to define it. If you look at the numbers in black and white there is no question that you could not make an

argument against that fact. I think that's representative of what we heard from our citizens and I think it's representative of the way that we've reacted.

You've heard the Mayor touch on this but that is in response to what we feel is a very real and a very pronounced increase in the demand for our Fire and our Paramedic services as well as our Police services in this City for a myriad of reasons. We are doing our best to react and get in front of a problem that we see as emerging not only in this City but in cities right across North America for again a variety of reasons Mr. Speaker.

The Mayor again alluded to the new increased complement of Police Services. We should of course I think at this stage acknowledge the assistance of our Provincial friends. We sometimes, and I put myself in this category as well, we offer constructive criticism to the Province of Manitoba in areas where they could do better. In the area of policing they have indeed in my opinion stepped to the fore and made this a priority and offered genuine assistance on this file.

We are experiencing an increase in our fire calls and certainly a graphic increase in our paramedic calls. Because as everyone knows, if you God forbid you come across some health concerns, you will in all likelihood receive a visit from both of our professional groups, reacting to a problem that we feel exists in a real way.

Community Services is the same thing. We've discussed better ways to do things and ways to support that with additional funding, again a priority that we see for our citizens.

The most difficult thing in this Budget is as Councillor Benham alluded to the administrative cuts totalling almost $3 million dollars. Councillor Thomas alluded to the same difficulty as well. I have a great deal of difficulty with those arguments as advanced by Councillor Thomas and Councillor Benham and in all likelihood Councillor Gerbasi who will no doubt follow me.

We have over the course of the last half dozen years cut our staff at the City of Winnipeg by almost 12,000 people to under 8,000 people, give or take. The numbers have been almost that pronounced. Have been, sorry, pardon me? From 12,000 to 8,000, my learned friend corrects me. But we have all presided over those cuts in frontline services, is that what we are going to call them?

One of Glen Murray's greatest stats that he liked to pronounce to people was how we have moved our workforce from this number down to this number. I wasn't on Executive Policy Committee for most of the time. Councillor Gerbasi and Councillor Thomas spearheaded those cuts. We sold Hydro which accounted for about one-third of those cuts. The other 3,000 were in cuts to personnel that were made by this Council throughout the course of the last half dozen years. And we're all complicit in those cuts, if that's the terms that we want to use. Why did we do that? Was there a report on each one of those people who was cut that clearly spelled out the effect of every one of those cuts? Does anyone here recall that?

When Glen Murray stood up prior to being elected Mayor of this City and said I'm going to cut taxes by 2% per year, five years in a row, was there a report that existed that told us exactly how and when those cuts were going to be implemented? There was not. So the answer to the question is where is the report is that these decisions are made because people philosophically feel that as a government we can do more with less.

Now what happens is of course as everyone knows as we cut the revenue coming in, or as we hold revenue in inflationary context, it puts pressure on our departments to do more with the money they have or to cut services that we offer globally. We've been doing that, as I understand that, for the last eight years and it ebbs and it flows, Mr. Speaker. We make decisions not to do things as a City. We make decisions that we are going to do other things that

produce revenue. We make decisions that we're going to implement user fees to try and cover the cost. That's the way it works.

It is completely incorrect for somebody to stand up in this Council chamber and say that over the course of the last seven years those 3,000 people that have been cut from our civic framework were only cut in the context of a report coming forward so everybody knew exactly what was going to happen. These were decisions that we all made together. Every single person to one extent or another is complicit in those decisions.

Councillor Gerbasi, Councillor Thomas, as members of the Executive Policy Committee do not have the right Mr. Speaker, to stand up here and say it was okay to cut 3,000 people when I was on Executive Policy Committee, but it is not okay to consider 50 more positions, or $3 million dollars worth of positions now because there is no report that clearly outlines exactly how its going to be done. That's the way it should be done. Is that the way it should be done now but not the way it should have been done vis-à-vis those 3,000 other positions? Because I'm not clear on that point and I would enjoy clarification on exactly what the point being made is here.

I would like to know why it was okay to be a member of Executive Policy Committee during the last seven years and cut those 3,000 positions without an inkling of how it was going to effect service, but yet we have to stop short right now and take on an entirely different process, one of which we have never seen before over the course of the last half dozen years Mr. Speaker.

The delegations did appear at Executive Policy Committee and we did listen. And we did put in more money for graffiti. We recognize it as a problem. We did reinstate the funding from the Province which came through in the Budget speech for the Arson Task Force.

The library books, the Board members did ask for $400,000 dollars in increased funding this year. Some people on Executive Policy Committee were probably willing to give more than the $50,000 dollars but I said wait a second, instead of putting in a larger lump sum, let's put in $50,000 dollars and include it as a line item so we don't revisit this every year. If a book costs Mr. Speaker, $25 bucks and I have no idea exactly what a book costs overall, but if it costs $25 dollars, $50,000 dollars buys 2,000 more books, every single year. And those books will go into our circulation and it will become divided amongst the population. That's good service and over the course of the years we may even find more money to buttress that.

This is a good Budget. It's a responsible Budget and it's one that should be supported. Over the course of the next month we should get together as a Council and discuss how we are going to raise the revenue we need over the course of this City's future so we can properly represent the taxpayers we represent. Thank you Mr. Speaker.

Mr. Speaker: Thank you. Councillor Gerbasi on the clause and the amendment.

Councillor Gerbasi: Thank you Mr. Speaker. I'll now make my comments so Gord can, he seems to have already heard them.

The first comment I would like to make is on the process for the 2006 Budget. As Mr. Ternette pointed out it's a very bad one. In the seven-and-a-half years that I've been here I've never seen a Budget being done in less than three weeks. And this is an unacceptable timeframe if there's going to be any opportunity for meaningful public input. How on earth are non-profit organizations and community groups supposed to have time for their boards to meet and discuss the Budget and agree on a presentation? It's near impossible. And that's why we saw few if any delegations at the Standing Policy Committees. And you can't listen to the public if the public isn't there and isn't part of the process.

And we hear the excuses that this ultra short and inaccessible budget process is

how it's always been done. Well that's falling very flat because it hasn't always been done this way. It's usually at least a six, up to six weeks, four to six weeks at the shortest. And secondly, Mayor Sam Katz ran on a platform of openness and yet this Budget does not reflect any commitment to citizen participation.

On the positive side in the Budget, mostly to the, thanks to the Provincial government we've got an increase in Police Service. The Fire Investigation Unit has been restored. We have a new ambulance. And there is going to be continued support for the 158 Firefighters that I've always supported and have been supportive for many years I would just like to point out.

We have significant, but we do have what I see as the biggest flaw in this Budget is that many things have not been very well thought out. And the job cuts we are talking about are not based on a plan or a proposal but are based on the opinion of elected officials and probably political staff.

We have no vision, outline for taking the City in a direction of fiscal sustainability. There is no long term plan to obtain revenue for City operations only pie in the sky tax cuts without an explanation of how they will be paid for in the future. We have a Budget that takes us through the next election and then leaves citizens guessing about what kind of services they can expect in the future.

This $2.9 million dollar cut that Councillor Steeves referred to, restructuring of Social Services, elimination of Winnipeg Hydro and other decisions that came to Council in the Budget process. That was how decisions were made in the past. But today we are being asked to vote for a number of 2.9 but what does that number mean and where does that notion come from that there's that many people sitting around doing nothing of our staff? We don't know if this or true or not as Councillor Benham has outlined.

During questioning, well I'll skip through that because it's already been said. There should have been some analysis done before a Budget like this was ever tabled. For example, in the past an internal review of the Police Service was done about the efficiency and the effectiveness. Out of the study came a restructuring plan and another significant point that has been missed is that in that review of the Police Service all of the staff were included in the discussion including the frontline staff. And what should happen here is that that's what should happen here. These are the people that are in touch with what is happening in the workplace and what is needed. Did anybody ask them?

As a former nurse I can tell you that in the 1980's when things went awry with cuts to the healthcare system it was because the frontline staff were not heard or included in restructuring plans. And how are the CAO and the department heads in isolation supposed to develop a plan that is in line with the reality of what is needed in the workplace and what will serve the public best? It is supposed to be a team. But the rest of the team has not been invited to the game.

And this highlights another problem of how this is being handled. EPC and the Mayor might consider taking a page out of Cindy Klassen's book. In her humble response to her own success she thanked the whole Olympic team, which included her opponents as being important to the success of the whole event. But this approach of taking one group of public servants, a group that cannot speak in their own defence and painting them as the problem is the opposite of teamwork.

A much better approach would be to work together as a team and figure out how to tackle financial challenges the City faces. That would involve a better budget process that included input from all members of Council, our workforce and the public. A different approach could foster the respect and dignity that our public servants deserve.

The environment of fear that has been created ever since the Mayor announced his intentions to cut these jobs in his "State of the City" speech continues to

reverberate through the staff spirit and level of morale. Can you imagine a private corporation such as IBM publicly criticizing and portraying its employees as overpaid and under-productive? These people can't defend themselves in the media from the anti-public service comments that are being thrown around.

In a briefing yesterday, the Mayor used the words "plan of attack" to introduce the information we were about to hear. In the past Councillor Magnifico has referred to the ex-City garbage workers who were about to lose their jobs as "casualties of war". I would like to remind Council that this isn't Iraq. Although there seems to be an attitude towards our workforce as if there was some kind of war going on.

There is no long term thinking in this Budget. It's all geared toward getting us through the upcoming election. The cap on assessment increase for business would make more sense if there was long term plan to phase in the increase so that ultimately businesses would be paying based on the value of their business. I understand the need to ease the pain but there is no long term thinking here. And if nothing is done to address this in the near future some businesses will have artificially low rates which will mean other businesses and residents will be shouldering their burden or we will be in the exact same situation next year with a rate shock for certain businesses.

The attempt to eliminate the business tax has been reiterated by the Mayor but there continues to be no plan outline to achieve this. The public will find out after the next election what this will mean to the City's ability to provide the service levels they expect. If next year, the business tax is reduced by 20% which is the same as the reduction in the downtown rate from 2005, that will cost close to $12 million dollars. How many more jobs will need to be eliminated and how many more services will be reduced to pay for this? We know with past reductions there were major effects on service such as the gutting of the Planning Department, which has barely been rebuilt. How many more jobs will need to be eliminated? The public has a right to know and so do Councillors who must vote on this Budget.

This year's Budget continues the tax cut to the downtown area and when the city-wide cut of 20% comes in in 2007 as the Mayor has promised, the downtown will lose its advantage which was the reason for giving it special treatment. And if Council is determined to cut business tax we should be targeting it to those who need it most, the Mom and Pop businesses and I've made those arguments before. We can't afford to give away revenue to those who don't need it and didn't even ask for it.

Where is the vision needed to look at ways to obtain revenue to operate our City? In the previous New Deal process there was a view to longer term approaches to obtain growth revenues and revenues that make sense in terms of the services delivered. We've tossed out the idea of new frontage levies without debate…

Mr. Speaker: Extension.

Councillor Gerbasi: Hotel taxes and limits on how much garbage we can throw out for free. Where has any vision of a sustainable City gone?

Time is short. I wanted to mention a couple of other issues. The same number of Transit operating hours we've had for a long time. The Province is finally increasing our operating grant which they haven't done in a decade in the last two years and as we continue this Council continues to approve sprawled out suburban developments we need, we have the same number of bus hours and I take the No. 18 and I'm, it's coming a lot slower than many years like many other routes. If we really want to deal with ridership we need to do something about that.

I don't know why we're cutting funding to the Library Board and why this responsible and diligent group of volunteers is being punished for being thrifty and planning for the future. This tiny token increase in library materials will have little impact. Winnipeg remains 30th

in comparison to other libraries in Canada.

And it was admitted at the briefing yesterday that the Community Resource Coordinator positions did represent a cut to frontline services. Two of those positions were restored but there are still two positions eliminated. So we cannot be truly set that this Budget will not affect frontline service.

So in conclusion I support the motion to have some analysis in place before we start eliminating staff positions which is what I recall doing Councillor Steeves in my years on EPC. It was always part of the budget discussion. I was never aware of cutting a position without knowing what that position was. I cannot support this pre-election, visionless and poorly thought out document. Thank you Mr. Speaker.

Mr. Speaker: Thank you. Councillor Lazarenko on the clause and the amendment.

Councillor Lazarenko: Thank you Mr. Speaker. I guess to start off the first seminar that we had dealing with this proposed Operating Budget I was the first one to ask a question of the administration, asked to give us a breakdown, what does it mean, the numbers, where do those numbers come from? And I continued. Some of the members did follow suit to that.

But yesterday's seminar I want to thank the administration. I know Annitta Stenning has provided me information, as did Cliff Jeffers. To receive information to vote on an issue like what we did in the past you must understand that there is a collective agreement that is in place with all unions. WAPSO, WAPSO Exempt, Senior Management, Professional, this, this, this is what we are looking at here today. I phoned Brian Verity the President of WAPSO yesterday and he did not recall, he did not return my call so I assume that he must be satisfied at least in part.

Mr. Speaker in February of 1994 this Council voted for *New Directions for Civic Administration*. And at that part was just a handful of Council at that time voted in opposition. Most did. I was one that I voted in favour. And that was to look at the downsizing the WAPSO, WAPSO Exempt and M Series management of the City of Winnipeg, to achieve a goal of savings that they were looking at.

At that time we had 977 positions. We targeted for 750, 250 what positions were to be eliminated. But we had a business plan put into place where there was volunteer early retirement package come into place and some people went on there, left under retirement and what we did 750 we felt was right. And from that time on in 12 years that number is still just about the same and maybe even a little bit more. This is our direction. This is what we must do but the answers that are needed and I got the answers that I wanted to a point that I can vote for this.

I know the Fire Department has an increase in their budget. The Paramedics. One thing that I can tell you now that what we did a few years ago, amalgamation took place Mr. Speaker there was a, you cannot have two collective agreements, two different collective agreements trying to do the same job. It's just not working, never will. That's one thing Council and Mr. Mayor that should be looked at seriously to try to because otherwise its not, I as one I'm not a happy camper with that.

But that, that's the funding that has been provided for them also with the Police I moved a motion on the status of the Police asking for additional Police Officers to be put into place and the Standing Committee was dealing with it and that has come about not to the magnitude what I had asked for. Also with the Fire Department, it's there.

Also with some of the others Mr. Mayor you have presented a Budget that I can live with and I voted most of the budgets in the past but let me tell you when we had the former Mayor deal with Executive Policy Committee even though we spoke, EPC never listened to us, never supported us on the issues, even motions were presented. The budget went through as it was presented.

You cannot have a motion now on the 11th hour to say that we want to lay this matter over. You cannot do that. There is a deadline that has to be set. And what the seminars that we've been having I think there was enough information provided as especially as of yesterday, to say that this Budget should go ahead.

No the frontline services aren't going to be cut because if that was the case you would have had the union representing themselves here today. You would have had the union calling some members. They have had one-on-one conversations with the union to know what positions they're talking about. We have a lot, quite a few that are vacancy management positions that were not filled. So the vacancy management that was passed by former Susan Thompson, seconded by Mike, Councillor O'Shaughnessy that was to introduce the vacancy management, there is about $8.6 million dollars saved. Which I in some cases I think vacancy management really does not work in some departments. It will not, you know, it just can't because positions are not filled and what you're doing now especially with the Police and Fire you're putting a lot of overtime.

Mr. Speaker when comments were made here it's just like a baseball game or hockey that you need managers. Well you don't have to have 10 managers to do a job of one, or three managers to do the job of one. It's a different scenario and it's a different format because what we experienced before with the *George Cuff Report* that we were top heavy in management and it was hurting the other frontline City employees.

When you talk about the number of people that have been gone from the City services, I remember when I came on here with Councillor O'Shaughnessy I forget I guess it must have been around 15,000, 15,000 employees if not more, or 17,500. So it just shows you what's happened within the last 30 years.

But even now with the former administration, with the former Mayor and Mayor Murray was one person that had made it very clear that I will cut, I will cut City forces by 2,500. And we lost 1,300 CUPE employees or thereabouts, 1,300. Not one member of Council voted ever in opposition. When that Executive Policy Committee report came with the former Mayor, even though some of us were talking about that but no one voted against it. It still went through.

The Budget process Mr. Speaker is we have to vote on this Budget whether we like it or not and it has to be done by the end of this month. If we don't then the government will do it for us and we could be out, outside looking in. I found that out back, back a number of years ago when I was one that was instrumental to defeat the Budget and the former Mayor Steve Juba when he called a Council meeting again, and he had said give us an ultimatum either you do your responsibility, carry out the responsibility or else you'll be outside, you'll be outside. Now this is where it's *The Charter* that tells that this is what we must do.

To prepare a Budget that is satisfactory, our mandate is that we instruct the administration what we're asking for. Councillor Magnifico yesterday had said it was a high percent cut of the number of positions, which is around 800. So you are looking roughly maybe about 40 jobs, that I doubt if it will be even close to 40 or even, but it may be around there. That in itself is going to be done through methods that the City administration knows how to communicate and talk with the unions. Some may, may be let go. I can't say. But it's one thing Mr. Speaker, we have to have that because we are not managers. Some Councillors said micro-managing. I think just about every member of Council likes to do a little bit of micro-managing.

But the question is do you still have to be, the delegated people that do this they're the ones that under *The Charter*, they're the ones that do the communication with our unions. We do not interfere. The only time we interfere is if you've got members of the union that come along and ask us questions which I've always said they have the full right to do so and I welcome that. I'll talk to anybody. I don't care what union it's in. And I've done that in the past and I will continue to do so.

So Mr. Speaker, we have to look at the overall responsibilities that we have. And I take the word of the administration no frontline services.

I also finally Mr. Speaker what I want to include, what I mentioned yesterday at the seminar, the *New Directions for Civic Administration*, we dealt with this in April of 1994, that's 12 years ago. In February of 1994 we had introduced the *New Directions* where it called for the reduction of staff and so forth. The Chief Commissioner at that time was able to present us and give us a highlight of all the proposed cuts that were to come into place, such as Parks and Recreation was minus 20. You had health and services fall apart, but they're gone now. Operations with a cut of 31, all of the positions that were, that were to be cut or were cut, it came to us and I hope that the Chief Administrator for the City of Winnipeg now will do the same thing for us and provide us that information within the next two or three months.

So Mr. Speaker I was hesitant, I said in the beginning I was not going to support these cuts but after the information that I received and I know there was no rebuttal from the union, even I phoned there, there was no rebuttal, so I'll be supporting the Budget.

Mr. Speaker: Thank you. Councillor Magnifico on the clause and the amendment.

Councillor Magnifico: Thank you Mr. Speaker. You know through this whole process, I'm fairly new to it and I've learned a lot and I think I bring to the table something, possibility a different perspective from the people sitting around the coffee shops in Winnipeg who talk about these things on a regular basis. Some Councillors have been here a long, long time and I think maybe some of that's missing.

But there's issues like I've noticed over the last few months should we contract out waste removal services after three comprehensive studies over many, many years? Should we finally make a serious attempt to start eliminating a regressive business tax, that over the years many Mayors have threatened at one time or another to eliminate? The integration of the Paramedics and the Firefighters has been on the shelf for what eight years, seven years, a long time. Are we finally going to do something about it? I don't know but it sounds like maybe we're moving in that direction.

Should we listen to our citizens that want us to prioritize frontline services and cut middle to upper management jobs, bureaucracies that they believe exist, that we believe exist or should we turn a blind eye to it because it's easier to do that like we've done with all these other issues? We have asked our CAO to find these savings for us and she believes it's attainable and that's good enough for me from that perspective. You know tough decisions are tough to make.

I for one am relieved finally to see a new attitude at City Hall. An attitude that's willing to attack and address some of these issues that have been around for a long, long time. Are all the decisions we're going to make going to be the best ones? We certainly hope so but at least decisions are being made on controversial items and that for me, and I think a lot of taxpayers in Winnipeg, is definitely a refreshing change at City Hall. And for these reasons and for the fact that it's a wonderful, wonderful Budget, I'll be in favour of it all the way.

(Councillor Lazarenko in the chair)

Mr. Deputy Speaker: Thank you Councillor. Councillor Smith.

Councillor Smith: Yes Mr. Speaker, this Budget, there are some good things about it. You know the emergency services, Police and Fire Paramedics enhancement, that that, this is really important. It's important that people feel safe in this City. So I'm very supportive of those measures.

Tree pruning, you know the Mayor had in his *Sam's Action Plan* that he was prepared to reduce the 37 year cycle to the seven or eight year cycle that the trees require. And you know the

neighbourhood is darker when the trees are not pruned, more inviting for crime. So it's important for the trees to be pruned on an eight year cycle. This reduces it a little bit. It's a good step but it's not enough but it's a start.

And then the third thing I like about this Budget is the cutting of consultants and the bonuses. I was the one, the only one on this Council that voted against the bonus scheme because I thought it, it would be abused. But there are, those are the good things about the Budget. Now let me tell you about a few of the bad things.

One of the things in the Budget and no one has ever even mentioned this is the extended replacement cycle for computer replacements. Now I'm not one to talk about you know, urging more for computers but you know there is a, it hasn't said how long? When will we extend this to? When will the replacements take place? No mention of this.

Well I want to talk now about a couple of things for my ward. The Public Works department, let me tell you this, I, I persuaded the Provincial government to sell these two lots on Sherburn Street to the City for a dollar, as long as we remain as green space. And you have to understand my ward has the least green space of any of the wards of this City.

They sent out a memo to all the departments and said what do you think about this? You know the Public Works department objected because they didn't want to spend the $1,051 dollars a year annually for grass cutting. That's how close their budget is. So you know when you look at budgets you see a lot of figures but what do they mean? Do they meet the need? So I, I'm very concerned about the Public Works having adequate funding.

You know I, I sent an email to the, to Mr. Larkin on March the 9th and it reads as follows: "Bill last year with your budget amount for your department you were not able to get potholes repaired within a reasonable time. For example, my office reported a pothole one month and had to report it again when we received a phone call from the resident the next month. And once again the resident phoned our office the following month very agitated as nothing had been done. So my question is will the operating budget for your department ensure that potholes are dealt with within a three week period?"

Well I sent this on March the 9th. Then on March the 16th I still hadn't an answer so I sent him another reply, "Bill I need this information tomorrow. I can't wait forever." Okay no reply. March the 14th, "Bill I know you are a busy man but I do need the answer to my question". Still no reply. So then I went to Bill Larkin's office on McPhillips, off McPhillips and then I got a reply.

Now what was the reply? Well it's a full page of words. It tells me all the things they're going to be doing. They're adding more of these road patchers, four more and they give a lot of details of what they are going to do but he still doesn't answer my question. Will potholes be repaired within a three week period? So all the figures in the Budget don't make me feel any more secure about this being handled in a proper manner.

Now libraries, we actually had the chairman of the Committee of Protection and Community Services saying that he recommended in effect a cut in the amount but that it would be in every year. Now let me tell you this. The $50,000 added after over a decade of freezing the Budget doesn't help the libraries very much. Arts funding, the former Mayor had promised $500,000, cut to $250,000.

But the main reason that I'm voting against this Budget is the $2.89 million savings from WAPSO and Senior Management salaries and professional staff. You know if this idea had come from the CAO I'd be more receptive to it. It didn't come from the CAO. She's been here for a number of years. No mention of this. What happened is EPC just came up with this out of the air not based on anything but the fact that they want a cut. Now I felt like going to EPC and giving each of them a hatchet you know, so they

can perform their job a lot more swiftly. In fact I'm sure that Councillor Steeves would be very good with the hatchet.

But I tell you, I tell you obviously this Budget is not very good. There are things in it that in effect appeal to me tremendously but overall when we talk about the $2.89 million savings what are we talking? You say no frontline services, no frontline services. Let me tell you this, the frontline services can't, can't function well without support staff and to say where they are going to cut we don't know this, we don't know that, you know you're asking us to buy something without any information. For that reason I urge you all, even Councillor Steeves, to vote against this Budget.

Mr. Deputy Speaker: Thank you Councillor Smith. Councillor Benham on the main clause only. He's not, he's speaking to the main clause. You, no, go ahead.

Councillor Benham: Okay, thanks Mr. Deputy Speaker and I apologize I would have been happy to hear Councillor Lubosch first but… Mr. Speaker I've already spoken about the amendment and I will be returning to that but I wanted to speak now, and just by the way of preliminary I want to talk about the honour I had of attending the dinner held only a few weeks ago by the Sons of Italy and the Canadian Italian Business Professionals Association. The Mayor was unable to attend unfortunately but was capably represented by Councillor Magnifico who will recall that at that dinner both those organizations honoured a woman who created an important business in the ward I represent.

That women being Maria De Nardi who along with her family, and Mr. Speaker I believe I get eight minutes on this, Maria De Nardi and her family especially her husband and her, husband Hugo and her son Tom, took land that had virtually no value and turned it Mr. Deputy Speaker into an oasis, the Piazza De Nardi at Waverley and Taylor in my ward. And they created a market, not just a store that didn't exist before and they showed true imagination and flair in presenting dining and retail and wine experiences and food experiences that simply aren't available anywhere else, in a setting that shows real architectural flair and imagination. Councillor Magnifico is accrediting it to their Italian background and Mr. Speaker I'm certainly not going to argue with that. And as I mentioned they were honoured by the Italian business community, by the media, and most importantly by a loyal following among customers.

But the de Nardi family has come to me as their representative and asked me to talk to Council and to ask the questions where did they go wrong? What have they done to offend the gods at City Hall? In a City that has a Mayor and they said this to me, in a City that has a Mayor who says he is in favour of business, why are we they say, why is the de Nardi family business faced with property tax increases and business tax increases, originally a business tax increase of 50%, now lowered to 40%, originally a property tax increase of 60%, now lowered to just under 40%. Mr. Speaker why are they paying that even though their revenues have not increased at all? A fair question.

So I tried the first line of defence that the Mayor and every Councillor who is blindly following him will be trying out on their voters this October and I said the Budget caps the increase in business tax at 15%, I told Mr. De Nardi. What about next year he shot right back? Well of course he would Mr. Deputy Speaker, of course business people know about their taxes and their money and what they are going to spend and they know darn well that this is simply a stopgap solution. It's simply a way to muddle through another year. The Mayor and the Councillors who support his Budget should be aware that business people like Tom De Nardi see right through them.

Why did the rental value of business, the basis for the business tax increase? And Mr. Saunders who has some knowledge of this case and of course has proven his own knowledge of our business tax system has talked in general about our system. In cases in which family businesses own the building in which they

operate, the City creates not one but two legal fictions.

First of all we imagine, the City imagines what the de Nardi family would pay itself in rent if they were renting their own building to themselves. Well Mr. Speaker that's chancy to begin with but then we compound, the City compounds the first legal fiction with a second one, which is the City imagines that Mr. De Nardi as his own landlord would raise the rent to match the rent that is being paid by big box stores a little ways down the street, some blocks away.

Well Mr. Speaker the economies of a major national retailer renting space in a big box store and a family-owned business owning its own building are obviously completely different. The City imagines that Mr. Di Nardi would increase his own rent by 40% a year in one year, absurd. Mr. Di Nardi also faces huge property tax increases, also driven by the big box store values not by any improvements to his property, which frankly we should welcome anyway.

Mr. De Nardi said to me that he thought this City Council was pledged to eliminate the business tax. So I told him about the steps. Well only one step really that this City Council has taken so far. I told Mr. Di Nardi that the Winnipeg Chamber of Commerce, as Councillor Gerbasi has alluded to, recommended that City Council cut the business tax in a way that would be fair to everyone across the City. It would have directly benefited his business, other businesses in River Heights-Fort Garry and indeed all the businesses other members of Council represent. The Chamber of Commerce plan would have set a threshold below which family-owned businesses and Mom and Pop stores throughout Winnipeg would not pay the business tax.

If we could afford to eliminate the business tax Mr. Speaker, if we can, then I say that would be a better plan than what happened. Because of the other plan that was put forward Mr. Speaker was not put forward by the Downtown BIZ, it was not put forward by the Exchange District BIZ, it was not put forward by one major downtown business or retailer, nobody who owns a business downtown save one. They Mayor called for a change to the business tax plan.

So last year business tax was cut but Mr. Speaker only for downtown businesses. And the cut was 20%. Let's not say it's 2%, from 9.75 to 7.75 that's a 20% cut. I assumed Mr. Deputy Speaker that 20% is a significant figure to businesses because we're capping the hike this year at 15%, so 20% is obviously greater than that. Mr. Di Nardi and every other retailer who is working to build a strong local business in our neighbourhoods and the neighbourhoods we represent sure could use a 20% cut in his business taxes instead of a 40% increase capped at 15%, with no knowledge what's going to happen next year.

Now the loss of revenue from the downtown business tax cut was also significant Mr. Deputy Speaker, almost $3 million dollars. And I say that must be a significant figure Mr. Speaker because that is the exactly the same amount of money as the Mayor has order the CAO to find out of the hides of loyal public servants. What a coincidence Mr. Speaker. What a coincidence. The City gives away $2.9 million dollars in revenue in the 2005 Operating Budget and finds itself $3 million dollars short, or $2.9 million dollars short in the 2006 Operating Budget. What a coincidence Mr. Speaker.

Mr. Speaker I was astonished as I said earlier while sitting in EPC last week to hear the Mayor query where does the figure of 50 jobs come from because he was not aware of it. Councillor O'Shaughnessy pointed it out. So Mr. Speaker we have the Mayor not even aware of the number of positions that are in jeopardy at the City. As I said before how do we know this is the right number of jobs to cut or the right amount of salary to cut? We don't. Maybe we should cut less, maybe we should cut more, but Mr. Speaker there is no reason for this particular number.

I respect our CAO Mr. Deputy Speaker and I don't envy her the difficult task the

Mayor and EPC have given her of finding 50 of her colleagues to sacrifice at the alter of their political ambitions. If the Mayor or any member of Council is really serious about examining the public service then let's do it right as is anticipated in this motion Mr. Speaker and the amendment to the Budget, hire outside consultants who can examine what the City does. Yes Mr. Speaker we are cutting consulting fees generally but this would be an investment. Hire outside consultants who can examine what the City does, who does it and what they get paid, compare with other cities, make a report to Council.

Mr. Deputy Speaker: Councillor Eadie moves a two minute extension.

All in favour? Contrary? Carried.

Councillor Benham: Thank you Mr. Speaker and I will wrap up quickly. Make a report to Council and the public. It's not hard but it does take a little more thought than sitting around a table in some room picking numbers out of the air and ordering the CAO to do the dirty work and make it happen. Mr. Deputy Speaker random sacrifices of loyal dedicated public servants to pay for the Mayor's downtown business tax cut. No Mr. Deputy Speaker, no. Thank you.

Mr. Deputy Speaker: Thank you. Councillor Eadie.

Councillor Eadie: Thank you Mr. Speaker, it's been a little while since I've taken the opportunity to participate in the debates since I was elevated to the chair of this place, but I think the Budget is always an important time to put some comments on the record and I'm not going to pass up on that opportunity today with the 2006 Budget.

I've gone through the Budget Mr. Speaker. I don't think there is very many surprises in this document for this particular fiscal year. For the 9th year in a row this Budget carries on and stays the course that was established back then. We are not raising property taxes if this Budget is passed the way it's been tabled. We have for nine years in a row either frozen property taxes in this City or reduced them and there still does not exist any other major city in Canada that I'm aware of that has been able to match that record in this past decade.

Even our major so called competitors in the west such as Calgary and Edmonton with all of the revenues that still come into their treasury every year from all sorts of growth taxes and other gifts from the Provincial government in Alberta are still raising property taxes and business taxes in each and every one of their annual operating budgets. And here in Winnipeg where we don't have the luxury of a lot of those financial resources we have been able, if this Budget passes, to achieve a further tax freeze, nine years in a row.

And I think that's worth, I think that's worth celebrating Mr. Speaker and I know that being able to accommodate that doesn't come easily. We still have reducing revenues. We have not got the access to growth taxes that we've been looking for. We still have an over reliance on realty taxes for our main source of revenue. Our costs as a government grow in our essential services and all over the place and still, and still we are able to maintain those essential services. We are able to maintain our frontline services and accomplish all of that without raising taxes. So I think that's, I think that's worth celebrating.

On the long haul somebody has complained that this Budget doesn't provide vision, well Mr. Speaker we are at the end of a mandate here. Those of us in this place today only have a mandate until November and then there will be other people perhaps in these seats come after the October election and they are going to have a four year opportunity to deliver a vision for that next term.

We have and had a New Deal policy that was our vision. It was established in 2004. Unfortunately a good part of that New Deal seems to be dead. My view is that we ought to be pursuing the Provincial government for the Provincial New Deal. I think that died on the vine unfortunately. Premier Doer said he would be happy to discuss a New Deal with the City once he got his health deal

and as soon as he got his health deal he quit talking to anybody period.

So we don't have a Provincial New Deal. We certainly have the aspects of a Federal New Deal which has been very helpful to our bottom line. In which we are dedicating to a lot of our infrastructure deficit which this City and most other major cities in Canada have to tackle these days.

The process has been talked about Mr. Speaker. Well this process has not been untoward. The basics of the Budget that we are dealing with today were presented to this Council three years ago in the three year multi-budget plan. Every year the Budget has to be tweaked in final form to take into account changes due to, caused by assessment and the increase of the roll.

This year the additional challenge is that it's a reassessment year. So there are major changes to make in the structure of the Budget but the basics of it are no secret. They were presented here some three years ago. Not much of the basics Mr. Speaker has changed. So you know there is nothing wrong with the process. The next Council is going to, going to have to deal in the more long term fashion and I would certainly like to see some changes to that process Mr. Speaker.

I would like to see us get back, whoever occupies these seats after October, to get back to multi-year budgeting dealing with the whole, if we could deal with the whole four years in one fell swoop with the annual tweaking to account for assessment, I would like to see us tackle that.

I would like to see us start adopting our budgets prior to Christmas so that's done and then the rest of the year is spent on implementing it and implementing other policies. Other cities in Canada do it even in an election year. For example in the Province of Quebec elections are held in the second week of November and by Quebec law all municipal budgets have to be passed by their councils before the end of December. Election year or not. If they can do it so can we.

And we have done it a couple of occasions Mr. Speaker in years past where we have passed our Current Budget prior to Christmas. I think it works well. It clears the rest of the next year for other policy and legislative matters which we are seized with at the time.

So that's where I would like to see us heading in terms of getting back to a process that I know Mayor Thompson tried to establish a number of years ago when she was in office and for various reasons we've lost track of it. But I think there is an opportunity to get back and improve that process.

I want to speak briefly to the amendment. No I want to speak first of all Mr. Speaker about the, about the Provincial Budget and their announcements for the City. And I'm glad to see that there has been some additional funding provided from the Building Manitoba Fund, which I believe is the successor to the Provincial Municipal Tax Sharing Agreement. This I understand although I'm happy to see the money, is money that was probably going to be coming our way anyway because of the growth in the Provincial economy. So whether it's PMTS or Building Manitoba, the money, the extra money is certainly welcome, but it was probably coming our way anyway whether under this formula or the old PMTS formula because of the growth in the Provincial economy and the increase in tax revenues coming to the Provincial government.

I'm happy to have the additional money, but Mr. Speaker I reiterate again this is only piecemeal. What we need to do is to sit down as a City government, and maybe all municipalities, with the Provincial government and talk about the long term. This is just a handout. We want to talk about being making municipal governments more self-sufficient when it comes to revenues.

That was supposed to be part two of the old *City of Winnipeg Act* changes which again this Provincial government was going to talk about after they dealt with part one. They do not talk about it today and I think we've got to push harder on that. It's too late now for this Council but I

think the next Council really has to grapple that Mr. Speaker because it's important to the future health of all municipalities in this Province including its capital city.

Briefly on the amendment Mr. Speaker, I'm not going to support the amendment. I know it's well intentioned and I don't challenge that. Mr. Speaker I've been here for awhile but I don't live in the past. Mr. Speaker I recall very well that Budget in 1994 when we were faced with some severe financial restraints, as were all municipalities in Canada at that time, and we did pass in the Budget process that year a very aggressive reduction policy for various levels of staff. I think the target was $7 million to $10 million dollars that year. This is very modest, $2.9 in round numbers, compared to what we were faced with then. But we challenged, it was passed by this Council and the Board of Commissioners structure as it was then in place, were able to meet that challenge.

Councillor Wyatt: Move extension.

Mr. Deputy Speaker: Councillor Wyatt moves extension of time.

All in favour? Contrary? Carried.

Councillor Eadie: We had to follow up on that next year Mr. Speaker with a very aggressive vacancy management strategy for an unprecedented decision of Council that delegated to a committee the job that the administration at the time didn't think could be done. And Councillor O'Shaughnessy and I had the, I don't know if you call it the good fortune, but anyway we were appointed to deal with the vacancy management of the City.

The administration at the time said you'd be lucky to get $5 million dollars savings out of it. At the end of two years we got over $24 million dollars of savings out of vacancy management just simply by being disciplined and showing the administration that it could be done and doing it by the way, without spilling blood on the floor, without treating our employees with disrespect, just simply showing management how it could be done.

That should have been a civil service activity Mr. Speaker, at the time it wasn't. When we changed from the Board of Commissioners to the CAO model, the acting CAO at the time who was Bob Gannon took it in hand because he believed that was a management decision. And it was done.

And the other one was done as well Mr. Speaker. It wasn't done easily but it was done. So I don't, I'm not fearful of the, of the proposal in this Budget for the $2.8 million, $2.9 million. It's modest and I believe that the Chief Administrative Officer of the City can do it. I believe it will be done respectfully. I believe it will be done without spilling blood on the floor because this is not a blood sport, even though there might be some columnist out there in low circulation newspapers who might think that this is a blood sport. It isn't and we've always as Councillor O'Shaughnessy said treated our employees with the greatest respect possible. And this will be done in my view in the same way. So I won't be supporting the amendment.

I am going to support the Budget as it's been tabled Mr. Speaker because it does stay the course that this Council established a number of years ago. We still have lots of challenges. We can't sit back on our laurels and rest as we have not sat back on our laurels in times past. We still have lots of work to do as a government and I think we should get on with it but I think this Budget should be passed because it is still a very sound financial budget. Thank you Mr. Speaker.

Mr. Deputy Speaker: Thank you. Councillor Wyatt.

Councillor Wyatt: Thank you Mr. Speaker. This, after hearing many of the speeches today Mr. Speaker I think it is, this Budget strikes me as the half full, half empty glass budget, if you'd like to put it that way. I think there is a lot of things in here that are very positive and I think Mr. Speaker there is a lot of things that are still problematic. And maybe I'll talk about the half empty glass first of all Mr. Speaker and then move on to the half full part of the glass.

The half empty glass with regards to the Budget is clear. I think the, we've heard today from a presentation this morning the business tax freeze coming into effect I think is positive. For this year the question is and it becomes problematic for future years with regards to exactly how that will work and exactly how that will be phased in or phased out as assessments rise in coming years, which no doubt they will if the economy continues to grow.

The other part of the Budget that I think it did not tackle and continues not to tackle based on how we've been budgeting in the past, it's a continuation of how we've been budgeting, not just under this EPC but previous EPCs, is that we continue to fail to take the monies that we are retiring, the cost servicing or retiring our debt annually and take those dollars and put it towards infrastructure.

We've had a number of reports Mr. Speaker that have said Council should have the discipline to take the monies that we are saving with the reduction in our debts, and we know that's going to increase in the coming years. Take those dollars which this year administration has informed me is $6 million dollars and take that and increase our cash to Capital towards our Budget, towards our actual Capital Budget.

We are increasing the cash to Capital by $500,000 but it's not really reflecting the full amount and we've had the *SIRP* report, we've had the *Transplan 2010*, which has called for that over a number of times Mr. Speaker and we should have the discipline to do that to ensure that we are getting a benefit from that reduction in debt financing.

The snow clearing budget; this year the snow clearing budget is up which is positive. Last year it was $14.4 million dollars, this year it's $15.2 million dollars. If you look though at a five year average, the snow clearing budget based on the historic five year average, should be in the range of $17.1 million. So we are still artificially under-budgeting snow clearing Mr. Speaker which can become a problematic source for us as we know as we face the coming year. And with inflation if you actually take inflation into account the amount we should be probably budgeting is closer to $19 million.

Policing; I think it's positive that we have some more Police resources and I'm going to talk about that in a minute, but as of now there is a sense, or I have a sense that there is really no strategic plan yet for our Police Service. We reacted as a Council to what happened last fall and created Operation Clean Sweep but I think that in itself shows exactly how important it is for us to have a proactive strategic plan for our Police Service this year and for the next five years.

We don't have that and if it does exist it has not been provided to Council. I think that is something Mr. Speaker for the amount of money that we are spending on policing now, basically the largest department that we are spending on throughout the City, that is the minimum this Council can request and require of that department.

Parks and playgrounds; we still under-fund the maintenance of our parks and playgrounds. Not to mention the capital improvements for the under-funding and the maintenance of parks and playgrounds. Forty percent cut since the 1990's Mr. Speaker, an amount of $17 million according to the department and it's frustrating because I know by the time this term is over I'll of had an opportunity working with the community to renew about a dozen parks and playgrounds in Transcona through leveraging of funds through grants, through land dedication, basically through a lot of hard work with the community representatives.

But the frustrating part of that, is knowing that the minute we renew that park and playground, within years it's dilapidated and decrepit again because we do not maintain them. We do not maintain our parks and playgrounds the way we should be maintaining them, and we all know that. And it's extremely frustrating to see what's happening out there.

Road maintenance; the same thing. We still do not, we don't have a curb

replacement program. We're not keeping up with our sidewalk maintenance that we know we need to do. These are the challenges Mr. Speaker that we have before us and that we have not tackled with this Budget.

Frankly I think it has to do a lot with the process and I guess Mr. Speaker I've spoken to other Council members about this before and the Mayor. I don't think this is a surprise. The process is not inclusive. We have a process which is the exception to the rule not the rule. Having had the opportunity to serve on FCM I've talked to Councillors, Mayors and Reeves from across the country and they do their budgets completely different. They work together as a Council.

The City of Regina locked themselves up for four or five weekends in a row back in January and February and sat down and discussed and put together their budget as a group bringing department and department in, all of Council and the Mayor. The City of Calgary has strategic planning sessions scheduled throughout the year. We do not have a strategic plan Mr. Speaker. If you ask any Councillor here what is our strategic plan for the future you'll get 15, 16 different answers and that's not acceptable because from the strategic plan for this City would flow the budget. And that's the challenge we have.

I think we need to sit down and work together. We have to bury our differences and say we are here for the good of all citizens and come together and I think we can to develop a strategic plan for the future of this City and then from that our Budget.

The other final thing Mr. Speaker is this issue of the tax freezes. I frankly believe that the tax freeze is one of the reasons why we have seen our services decline over the years. It's artificial. It's not real. We haven't gone out and necessarily saved tons of money other than back in '94 when the reorganization of the administration took place. We have to come to terms with it. We realize there is an election this year and so I think that's part of it. But Mr. Speaker sooner or later we're going to have to come to terms with the fact that inflation is going up 2.1% this year if you are in the City of Winnipeg, and our taxes are freezing, no business can operate this way and neither can a City.

On the positive side on the half full part of the glass Mr. Speaker, which I saved the best for last, I want (In audible) I don't have much time so I hopefully somebody will grab me an extension, is the wading pools. We fought for wading pools Mr. Speaker a number of years ago, wading pools were being shut down in the middle of August, and myself and Councillor Smith rallied the troops and we kept them open until the end of August, that has never been formally put in the Budget. This Budget puts it into the Budget. It formalizes that to ensure that wading pools will be open until the end of August. I think that's terrific.

More money for policing; 48 new police officers going on the job as well as accounting for the overtime hours Mr. Speaker. The overtime hours which continually has been a sore spot for this Council with regards to having to redefine our Budget halfway through the year because of the fact we did not properly budget for overtime, we are now doing that. We are now also taking out the photo radar money which is, was completely false. The assumptions made with that have now been accounted for in this Budget.

An ambulance has been added, which is positive. Do we need to do more? Yes. But we have been adding ambulances in the last number of years…

Mr. Speaker: Extension has been granted.

Councillor Wyatt: and the key to that Mr. Speaker I think will be to see the whole amalgamation, through Councillor Lazarenko spoke to that quite well.

Mosquito control; I'm glad to see that large increase in mosquito control. I think it's fantastic. I hope it's not all used on larviciding. I hope we have some aerial spraying this year because that's

definitely what we need to do to get the matter under control and that's what my constituents are asking for.
Graffiti elimination; a $200,000 dollar increase and I hope that that money will be used towards leveraging other monies and community businesses and BIZ zones throughout the City to make those dollars available in the community this year right away, so that we can leverage private sector money. So it's not just $200,000 then it's actually possibly a total of $400,000 dollar increase in the graffiti elimination.

A 25% increase in assessment costs, or in subsidizing the assessment from the Province. That's happening because of a lobby effort that's taken place by this Council and that's an extremely positive part of the Budget.

Overtime for Firefighters; again another artificial way of not accounting for the Budget fully at budget time and then having to find the money later on, a $750,000 dollar increase.

Spending is up 1.98%. Inflation is 2.1%. The Budget is within the rate of inflation. I think that's good fiscal management. And I think that's sound for the City. A City which is growing its expenditures beyond the rate of inflation ultimately is not sustainable.

Tree pruning is up; not $200,000 actually $400,000, an extremely positive step. We do need to do more but we are moving in that direction. And library book spending of $50,000 on top of last year's $100,000 and more increases to come. Mr. Speaker as well if I may add Public Works. Public Works is keeping up with inflation with regards to the maintenance with is the first time in a long time.

I'll be supporting this Budget Mr. Speaker because I think there has been a lot of accommodation made to the concerns expressed by Councillors over the last few weeks. I'm not happy with the fact that the process seems to be lacking still and that's going to be the challenge. And if we can amend the process and include a more inclusive budget, I think in the future we could have budgets adopted on a unanimous basis. Thank you very much.

Mr. Speaker: Thank you. I thought spending a weekend in a lock-up with you was the highlight Councillor. Councillor Lubosch.

Councillor Lubosch: Thank you Mr. Speaker. I want to speak to the amendment and the clause concurrently. The amendment that Donald, Councillor Benham has motioned for is a reasonable request. It asks for a detailed analysis so that we can make a rational decision in the same way that we've been doing on any of our other strategic initiatives over the past 10 years. It's I think a principle of confident governments and ultimately good policy makes for good politics.

There are a lot of, a lot of things in this, in this particular Budget that we don't know and it's probably, it's probably not adequate to dwell just on the $2.9 million dollar cut. I wish we had the time to express our views on the entire Budget but as some speakers previously have mentioned we haven't had a lot of time in this particular process, at least those Councillors who are not on Executive Policy Committee, haven't had a lot of time in this process to either engage in dialogue with their constituents or with other civic stakeholders.

But in beginning to address some of the unknowns and in specifics the $2.9 million dollar cut, we don't know what the cost of this initiative is going to be. There is a cost to the CAO and her staff looking at the organization and trying to determine where these cuts are most appropriately and most effectively made.

We are already into the year by three months which means we have to try and make up the savings of $2.9 million dollars in the nine months that are remaining. If it takes another month or two or three to get to the point where we actually have some action on this initiative we've got less than half of the year to go. At best we are going to be, and this was pointed out in our seminar, we are going to have to pay for this initiative through bridge financing which means we are

going to go to one of our reserves which are ultimately governed under our capital venture process where you take money out of that reserve in order to achieve the $2.9 million dollar savings in our Operating Budget. Now is that really saving $2.9 million dollars? Well on paper it is, but in terms of how we're presenting it it's not accurate.

We don't know what programs or people will be affected and whether you call it an axing or whether you call it a rationalization, there is ultimately a person or an activity behind the number and I think it's important that we don't dilute that fact. That if there was somebody out there talking openly about how perhaps the cost of City Council should be axed and maybe we should have four Councillors, like the City of Calgary and a Mayor, which one of us would be prepared to put our head on the block and make that sacrifice?

Certainly I don't see a lot of volunteers coming forward, even in spite of Councillor De Smedt's rationed approach to term limits, but ultimately there is a significant effort made by all of us here to maintain our own personal status quo whether it's to be a Councillor or to maintain our positions on Executive Policy Committee, etcetera. And most of us are not prepared to destabilize or shake-up that status quo.

This organization, this City government has worked very diligently to move away from bottom-line budgeting which is what we do when we take a number like $2.9 million or $7 million and hand it over to the CAO and say make it happen. We've worked over the past 10 years to develop a management reference model and I can recall many Council seminars and opportunities to learn and understand about how the administration is taking the activities of the employees and the activities and systems of the various programs, analysing them to determine what positive impact is on public service, what the cost is of delivering the program and how to best achieve both an effective program and an efficient program. And if it doesn't make sense well then this is the best and most scholarly and most academic way to determine that and to make adjustments within our very large organization.

Taking a number like $2.9 million or $10 million and handing it over to the administration and asking them to make it happen in the most humane way possible is a regressive step away from the management reference model where the program based budgeting that we believe would be the best and most effective way to deliver public services.

What we do know Mr. Speaker, is that a lot of the numbers in the Budget are not enough to get the work done. We have heard the refrain and I've heard it for at least two years in a row from our director of Public Works, that operating a Public Works department at half strength in spite of the new Capital money in the Budget, the operating side of our Public Works department is operating at nearly half strength.

And that means that over the last 10 years we have dropped nearly 50% of the revenue that, or the resources that was once given to that department, we've taken that away and that's why a lot of the work that needs to be done is not being done on a timely basis. Waiting 35 years for a tree to be pruned, or waiting 250 years for a sidewalk to be repaired or replaced, or waiting 10 or 15 years for a broken curb to be replaced, waiting 120 years for playground equipment to be replaced. These are not numbers that people either here or out in the community can wrap their heads around and ultimately our City shows it.

And whether you look at the state of our downtown, save the big events like the Pan American Games, etcetera, but when you look at the state of our City by in large, there is a significant loss of shine to the apple, or a lack of attention to detail. And that's the niggling complaining and the, I guess the black mark on our City that people comment on.

And when I look in my community or in your communities that you represent we see it in every quarter. It's not something that's just specific to the inner city or to North Kildonan or to St. James. We have

this kind of malaise spreading everywhere and it's because we are not spending enough. And to talk about raising taxes in an election year or any other year is not popular for any government. But the fact is it's not realistic as Councillor Wyatt pointed out to continue to delude yourself into thinking that you can hold the line or reduce it by 1% or 2% when everything else is going up.

In fact, if we were hoping to be entrepreneurial, if we were hoping to be forward thinking and progressive then as interest rates came down to unprecedented lows and as the opportunity to invest money became very lucrative for entrepreneurial business we would have been an entrepreneurial city and we would have made similar kinds of investments in our City, in our future. Not doing this has been an opportunity cost and the opportunity cost is not only in deferring the work that needs to be done now, but the increased cost of that work, having to do it in the future. And this gives me serious concern.

What we're doing in the case of the $2.9 million dollars Mr. Speaker is essentially robbing Peter to pay Paul certainly for this year. And although there may be savings in future years it behoves me and it completely, it completely confounds my sense of reason and rational to on the one hand see us pulling positions away when I look at the postings of positions that the CAO has been given to hire. As of March 16th there were six manager positions posted and I pulled them off the intranet and by golly these are jobs that I wouldn't mind applying for Mr. Speaker. The bi-weekly salary on one of these jobs is $4,347.51 and that's nearly a six figure salary.

And again these are six management positions that we're going to be hired. So while we are giving with one hand and saying go out and hire a business manager for the business office of Corporate Information Technology, a business manager for Business Solutions, these are career jobs. Some are WAPSO, some are WAPSO Exempt. And this is just March 16th so I would bet you that in six months or a year or eighteen months there is going to be more people hired. So we're firing people on one side or firing programs and we're hiring people on the other side.

And I just feel much more comfortable knowing that if we were going to be cutting $2.9 out of our bottom line that we had a plan and that we understood how it was going to be achieved and what the overall costs and benefits were not just for this year but for the next several years. So I'm with Councillor Eadie on that. I think we should be budgeting for a much longer period.

And I'll conclude my remarks Mr. Speaker by stating that if the amendment doesn't pass then I'm not going to be supporting the Budget. The amendment is pretty safe. There is nothing that says that this Council can't direct the CAO at anytime to find efficiencies and more effective ways to deliver public service and save us money. Thank you.

Mr. Speaker: Thank you Councillor. We only have a, Councillors I just want to draw your attention, we only have a couple of speakers left who can speak before we close. I'm just wondering is there agreement to sit past 12:00 o'clock and finish the agenda? Agreed. Fine. Councillor Clement.

Councillor Clement: Thank you Mr. Speaker. I'd like to start this morning by thanking our administrative staff, particularly the Finance department for helping us with this Budget. And I can assure everybody in the room that without them we wouldn't have a Budget and I think everybody knows that and they are all sitting here. And so thank you to Annitta and all your staff and particular to one that's not here today, who retired, but he's been the only Chief Financial Officer we've ever had, and I'm talking about Bob Gannon who has always been there to, ready to help us in our endeavours.

I'd also like to thank all the members of Council for helping with this Budget. I sat through a Public Works meeting and although not very many people came, some did, and they were welcomed with open arms Mr. Speaker and provided with

the time to ask questions of administrative staff. And I'm sure that the other Committees dealt with their meetings in the same way. So I'd like to thank everybody for participating in that.

I've heard a lot about the plan and the long term thinking Mr. Speaker and there's been a plan for quite some time. We actually have a financial model that we've been following. In fact our staff won an award for creating it, I don't know how many people remember that, but it's a fact. In fact it is used as a template around this country, frankly, by many cities. And we've been following it. And that's one of the reasons why Mr. Speaker that we've managed to, in the last eleven years have 10 tax freezes or tax reduction years. And the only increase was about a point and a half in 1996 or '97 pardon me.

How did that happen? Like what was the magic? In listening to some of the speeches and with all due respect Mr. Speaker, it's the same fertilizer different pile, you know. It's really frustrating to, you'd almost think that everything that we do is falling apart and that nothing is working out there. The fact of the matter though is that's not how it's happened. It's happened because we as a Council decided we weren't borrowing any money.

As a result of that one thing our tax-supported borrowing has dropped to zero and our interest rates have dropped, or interest costs have dropped in half. Our debt right now is down around $230 or $240 million dollars which is less than half of what it was only a few years ago. And by 2017 if successive Councils continue this, there will be no City debt tax-supported.

The difference in the challenge to meet those costs, is where we have been able to, for the most part, absorb the increases. There have been other increases as well. We've received some revenue from the Provincial government that we didn't have 10 years ago. We've had some growth over those 10 years. And we've also changed how we manage this City. And those things have contributed Mr. Speaker to how we have managed to have tax freezes and that's where the money came from. There wasn't any magic to it. It was a lot of hard work by a lot of folks.

A zero tax increase was the plan and continues to be so. How long I can't tell you because that will be up to the people in this chamber on a year to year basis. All I know is that when we passed the first zero in 1996 I never imagined that we were going to have 10 out of the next 11 years Mr. Speaker. I didn't occur to me at the time that a Council could hold together that long and do that type of thing, but they did, over the course of time.

Getting to this motion however, that's on the table, I can't support it Mr. Speaker. First of all if you pass this motion, you're passing a tax increase. It's plain and simple. I know what the words say and I know that they are similar to some words that EPC used last week. The difference was is there was actually some money last week and the $2.8 million dollars Mr. Speaker is real money and it's been taken out of the Budget. It's gone.

When you do what this says, and it says "off setting reductions in corporate costs", well that would be really neat if there was a corporate account that had some money in it that you could do this with. But it even goes on to say "to reflect announced 2006 Provincial transfers". Well that's pretty interesting because in the Provincial Budget that came down there wasn't this kind of room. There was some and that was the difference between one week and the next week when we were able to have that deciphered for us by our financial people.

And that's where the $500,000 dollars came from to increase our cash to Capital from $56 million to $56.5. The $200,000 for tree pruning; the $172,000 dollars, and by the way I don't know what happened at Community Services Mr. Speaker, I'm sure that Councillor Gerbasi moved the motion and it sounds like Councillor Steeves voted against it because he didn't know the money was there but I can tell you that when we were having a discussion about this money, that he was an absolute pain in the gluteus maximus and if you don't know what that is ask

your doctor. He fought hard for that $172,000 and it wouldn't be on the table likely if it wasn't for him, so there you go.

There was also $200,000 dollars for graffiti. Is it enough? Maybe not. Is it better? Absolutely. There is $430,000 dollars back on the table for the Arson Task Force which we took off because we thought it was Provincial responsibility and still do some of us, but based on how they budget and how they put language around the numbers, I can tell you that the language was worth a lot more than the dollar value that they gave us and so it got put back in, as did $50,000 dollars for library books and some money per capita.

That's where that money came from, the roughly $1.6 million dollars that was left on the table as a result of the public being able to understand what the Province gave us. I can tell you that there isn't another $2.89 in that account. In fact there isn't another $100,000 dollars in that account. So somebody can stand up and close on this motion and they can spew out all kinds of eloquent prose about how they are going to do this but the fact of the matter is and I just heard Councillor Lubosch speak on it, is that they don't really know where the money is coming from either Mr. Speaker. That's what he just said that maybe at the end of the year we've got a reserve or something that we could tap into. Well I guess, any year we can do that Mr. Speaker, if the Budget doesn't balance. This Budget happens to and I think it's fairly reflective of a lot of hard work and also touches on an awful lot of issues.

But when you talk about this issue of no plan, well there has been a plan Mr. Speaker. There has been a control of taxation. There's been a cap this year put on business tax revenue.

Mr. Speaker: Extension.

Councillor Clement: Frontline services are intact. Notwithstanding the doom and gloom that you hear from certain quarters in this room, frontline services are intact and they have been all through the course of this 10 or 11 year period Mr. Speaker.

We've added additional emergency services personnel in all departments. And it's not magic, like I said before it's all happened as a result of prudent management of our finances. And for somebody that sat on EPC when Councillor Thomas and Gerbasi were there as well as Councillor Steeves, I can tell you that there is no magic to this, that the decisions that are being made today are the same as the decisions that were being made a few years ago and they are being done in exactly the same manner Mr. Speaker.

People may not like the process but it is what it is and it is what it has been for a number of years. If you want to change it, change it. I've got, I've certainly got no problem with that, whatsoever. But right now under the rules that we have, EPC has to bring the Budget Mr. Speaker, and EPC did.

And subsequent to that there has been discussion debate and I challenge anybody to dispute the fact that Executive Policy Committee listened. That list I just read out, and Councillor Wyatt went through it a little earlier, and Councillor Eadie went through it a little earlier than that, that list happened as a result of public participation whether it was by Councillors, or whether it was by somebody from the Library Board or whether it was somebody that was just walking in off the street and there may not have been many of them. The fact of the matter is though that every single one of these changes reflects what was heard over that two week timeframe. Short or otherwise we listened and we took the little bit of money that we had difference from the Province and we spread it where we could to try and make as much as a hit everywhere as we could.

We know the numbers aren't significant and great in many of these columns and on some of these lines but they are better then what they were and it was an honest attempt to stay within the dollars we had Mr. Speaker. I intend to support the Budget but not the motion.

Mr. Speaker: Thank you. Is there any further debate on the clause? If not I'll

invite Councillor Benham to close debate on the amendment please.

Councillor Benham: Thank you. Excuse me, thank you very much Mr. Speaker and I'd like to thank all Councillors for participating in debate and for their comments all of which I think have been helpful.

In particular Mr. Speaker I'd like to thank Councillor Lubosch again for seconding the motion and his contribution to the debate. As he pointed out again all of us know, all of us know sitting at this table that even if we pass this Budget it is not going to save $2.89 million dollars in salaries this year. We know as Councillor Lubosch has pointed out, that there is first of all the time involved, the civil service time involved in implementing this.

And secondly there will be adjustments made. There will be severance, there will be re-deployment and in fact we will be dipping into a reserve just as Councillor Clement has suggested we can do, but we have been told that that is how that will be handled. The re-deployments and severance and so on will come out of a reserve, so let's not pretend it doesn't cost any money to do that.

Mr. Speaker Councillor Steeves talked about the fact that there was a reduction of at least 3,000, his figures kept changing, sometimes it was 3,000 and sometimes it was 4,000 employees who had been lost from the workforce, who were no longer with the City of Winnipeg. And according to Councillor Steeves' argument no paper had ever been produced on any of them. Well Mr. Speaker I would challenge Councillor Steeves that. I can think of a couple and no I wasn't here. So I wasn't in Council and I wasn't on EPC. For a very short part of that time I was of course political staff for the Mayor Mr. Speaker.

Mr. Speaker we know that Winnipeg Hydro was sold. Don't try to tell me there wasn't paper on that and there wasn't a debate on that. We know Mr. Speaker that the Province took over Social Assistance and allied Social Services. Don't try to tell me there wasn't paper on that and there wasn't a debate on that. I recall reading about it in the newspapers during the time.

Second and thirdly Mr. Speaker, there has of course been a move to contract out, sometimes controversial, not always the best move, but that's what's happened. That's another way in which the workforce has been reduced and for every one of those contracting out decisions Mr. Speaker, there was paper, there was debate.

And finally Mr. Speaker we have the most important point which is that a lot of the cutting has been done by initiatives from within the Winnipeg public service driven by public servants who as I said in my opening comment wish to have a more efficient public service, know themselves where things can be done. As Councillor Magnifico himself, has agreed.

So I would challenge Councillor Steeves back. If he has an example of where the City of Winnipeg with the City Council has cut the workforce without any information about what would happen, I challenge him to produce evidence of that.

Because as Councillor Smith said if the CAO had indeed proposed this cut, if the CAO had come forward as a result of an exercise conducted internally to tell us as City Councillors that they, that salaries could be reduced and the administration could be streamlined, of course we would have taken that seriously. Councillor Smith says he would have supported it and I certainly would have considered supporting it.

Councillor Eadie, Mr. Speaker when Councillor Eadie speaking from his seat talked about a vacancy management process with Councillor O'Shaughnessy several years ago, in which blood was not shed, I'm glad to hear that Mr. Speaker and I believe that of Councillor Eadie, I would simply point out that at that time those two Councillors had the facts. That was a very clear part of Councillor Eadie's story that the facts were presented and then the Councillors went ahead and made some decisions.

Councillor Clement has asked where would the money come from for this and he has answered his own question. He says "any year we can tap into a reserve". Well I would suggest Mr. Speaker that if Councillor Clement is supporting tapping into a reserve to get rid of civil servants he can also support tapping into a reserve to save their jobs. There is obviously not a lot of moral difference between the two.

Finally Mr. Speaker and I regret that we don't have more time to discuss that, but again Councillor Eadie from his seat talked about the importance of the New Deal. And I couldn't agree more Mr. Speaker. I think that all of us as City Councillors should be looking at alternative revenues. I think Mr. Ternette did us a service in reminding us that. I think Councillor Eadie as well in adding to debate.

And I submit Mr. Speaker that when we do that we should look at transferring tax points from the Federal government to the City, just as the Federal government transferred tax points to the Provinces to pay for health care. Cities deserve Federal government tax points to pay for infrastructure possibly from the Provincial government as well, as has been suggested.

Mr. Speaker I call on all members of Council to support this amendment. To stand up for a rational approach to our public service and if the amendment does not succeed I call on you to vote against this Operating Budget. Thank you Mr. Speaker.

Mr. Speaker: Thank you Councillor. Mayor Katz closing on the main clause.

Mayor Katz: Thank you Mr. Speaker. Sometimes you never know what might be said on the floor of Council. I certainly have come to the conclusion Mr. Speaker that if I stood here before you today and said today is Tuesday, March the 21st, 2006, 12:04, there would probably be some people on the floor of Council who would disagree with me. I can tell you I've come to accept that. I find it unfortunate but I can deal with that. What I find rather interesting is certain comments that are made about this Budget.

Number one, I tried biting my tongue but unfortunately Mr. Speaker you probably saw the blood dripping down my lip when I heard Councillor Gerbasi say she supports Firefighters. The reason I had difficulty with that, because when Firefighters get that call, they're out there not knowing if they are going to come back. Their families don't know if they're going to come back. They're out there risking their lives. And yet in 1999 Councillor Gerbasi and Councillor Thomas supported the elimination of 52 Firefighters, frontline people, these are individuals Mr. Speaker who basically their safety was in jeopardy.

Councillor Thomas: Point of Order Mr. Speaker.

(Point of Order)

Mr. Speaker: Point of Order, sorry. Councillor Thomas.

Councillor Thomas: I'm calling the Speaker to attention under 8.17 with regard to indulging in personalities and also in the course of debate reflecting on motives of members.

I also challenge with regard to the accuracy of the information that the Speaker is using with regard to my position with regard to elimination of jobs of Firefighters. I did not vote for that but I am most offended by subscribing motive to my vote under 8.17 and would ask that the Mayor be so ordered as not to engage in personalities.

Mr. Speaker: Thank you Councillor, I didn't hear a personal reference insofar as being offensive unless, all I heard the Mayor was referring to a vote that took place which is on the public record. But I would caution all members just to try and refrain from a lot of personal intervention if you can. It just keeps the debate on an even keel. So Mr. Mayor if you would continue please.

Mayor Katz: Thank you Mr. Speaker, I will continue and this did affect frontline

services and this did affect the safety of Firefighters and this did affect the safety of our citizens.

And I heard Councillor Benham challenge Councillor Steeves to show him a situation where there was no study, where there was no paper. I'll accept that challenge because in these cuts Mr. Speaker there was no paper, there was no study. It was just done.

Mr. Speaker this is a good Budget. Is it perfect? No. It can't be perfect Mr. Speaker because we don't have a blank cheque to write. In every single area that we're trying to do better we can always do more, there is no question about it.

What sometimes astounds me Mr. Speaker is when I hear comments about libraries and how there's been no new money for books for the last 10 years and yet today we are trying to put in money for new books. People will say it's not enough. And yet over the last 10 years nothing has happened. I'd like to say it's a good start. Let's start from there and let's make it better. And you can apply that to almost any area we're involved with.

There is no secret the City doesn't have enough money. There is no secret that the FCM along with Big City Mayors are basically lobbying for their share of growth revenues with the Federal government. We've been doing that almost since the day we've been elected. It doesn't happen overnight. But you know what I believe something positive will happen in the end.

And I very much thank Councillor Benham for his advice on how private sector companies and sports franchises are run. But in this case I will forgive him for his comments because I know he does lack the experience of running private sector companies or sports franchises, but I do appreciate the comments that were made.

In the end Mr. Speaker I think it's important we do what's best for the citizens of Winnipeg. I think it's important that we all act responsibly. I think it's extremely important that although we know we can't do everything we want to at least we work as a team and make sure that we try and work together to make our Budget work and to make sure.

Mr. Speaker: Excuse me again, excuse me. Councillor Thomas what is it?

Councillor Thomas: Again Mr. Speaker I am rising under 8.17, disrespect, shall not indulge in personalities. I would request the Mayor not to indulge in personalities by specifically referring to Councillor Benham and challenging his authority to his opinion. I think that's extremely (In audible).

Mr. Speaker: Councillor you are out of order.

Councillor Thomas: It is not allowed under the rules.

Mr. Speaker: Councillor sit. Councillor sit down, you are out of order. Other names have been referred to in this chamber in debate and it's perfectly in order and nobody has been slandered by it. So you have no Point of Order. Mr. Mayor would please continue winding up.

Mayor Katz: I find it rather unfortunate when Councillor Benham stood up and said I knew nothing about the number 50 that Councillor Thomas did not stand up on a Point of Order and try and correct that. But the bottom line is I knew about the number of 50. What I was referring to was that we should not be using any number in any conversation or any debate in the public forum because there is nobody on this floor who knows what that number may be. So instead of creating headlines with the number 50 we should refrain from using a number.

Bottom line Mr. Speaker, I'm very proud of the work the administration has put into this Budget. I'm proud of the time and energy that EPC has put into this Budget. And I certainly hope that Council will support this Budget and we can go forward and make this a better place to live for all citizens. Thank you Mr. Speaker.

Mr. Speaker: Thank you Mr. Mayor. Debate is closed on the motions. I take it

we are going to have a recorded vote. So let us deal with the amendment Motion No. 1, all in favour of the amendment please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

Councillors Benham, Gerbasi, Lubosch, Smith, Thomas.

Nays

His Worship Mayor Katz, Councillors O'Shaughnessy, Lazarenko, Clement, De Smedt, Magnifico, Pagtakhan, Steeves, Swandel, Wyatt, Mr. Speaker Councillor Eadie.

City Clerk: The vote Mr. Speaker, Yeas 5, Nays 11.

Mr. Speaker: The amendment is Lost.

On the main clause. All in favour please rise.

A RECORDED VOTE was taken the result being as follows:

Yeas

His Worship Mayor Katz, Councillors O'Shaughnessy, Lazarenko, Clement, De Smedt, Magnifico, Pagtakhan, Steeves, Swandel, Wyatt, Mr. Speaker Councillor Eadie.

Nays

Councillors Benham, Gerbasi, Lubosch, Smith, and Thomas.

City Clerk: The vote Mr. Speaker, Yeas 11, Nays 5.

Mr. Speaker: The clause is Carried.

Refer to By-laws, Mayor Katz.

EXECUTIVE POLICY COMMITTEE CONSIDERATION OF BY-LAWS

Mayor Katz: Thank you Mr. Speaker. I move that the following By-laws be read a first time, By-law No. 106/2006, By-law No. 107/2006 and By-law No. 108/2006.

Mr. Speaker: All in favour? Opposed? Carried.

Clerk: By-laws No.

Councillor Thomas: Recorded in opposition please.

Mr. Speaker: Yeah.

Clerk: By-laws No. 106/2006, 107/2006 and 108/2006.

Mr. Speaker: Mayor Katz.

Mayor Katz: Mr. Speaker I move that By-laws No. 106/2006 to 108/2006, both inclusive, be read a second time.

Mr. Speaker: All in favour? Opposed? Carried.

Councillor Thomas: Opposed.

Mr. Speaker: It's been recorded Councillor, we've got you.

Clerk: By-laws No. 106/2006 to 108/2006, both inclusive.

Mr. Speaker: Mayor Katz.

Mayor Katz: Mr. Speaker I move that the rule be suspended and By-laws No. 106/2006 to 108/2006, both inclusive be read a third time and that same be passed in order to be signed and sealed.

Mr. Speaker: All in favour? Opposed?

Councillor Thomas: Opposed.

Mr. Speaker: And that's Carried.

Councillor De Smedt moves adjournment.

Roll call please.

ROLL CALL

Mr. Speaker Councillor Eadie, Mayor Katz, Councillors O'Shaughnessy, Lazarenko, Benham, Clement, De Smedt, Gerbasi, Lubosch, Magnifico, Pagtakhan, Smith, Steeves, Swandel, Thomas, Wyatt.

COUNCIL ADJOURNED AT 12:12 P.M.