REPORT OF THE

EXECUTIVE POLICY COMMITTEE

DATED DECEMBER 3, 1997

On motion of Her Worship Mayor Thompson, the Report of the Executive Policy Committee dated December 3, 1997, was considered clause by clause.

Moved by Her Worship Mayor Thompson,
That the Consent Agenda, Clauses 1,2,3,4,5,6,7,8,9 and 10 be adopted.

Councillor Golden requested that Clause 1 be pulled from the Consent Agenda.

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

Councillor Murray requested that Clause 7 be pulled from the Consent Agenda.

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

The motion to adopt the Consent Agenda, Clauses 2,3,4,5,9 and 10 was put and declared carried.

Convention Centre Loan
File G-1 (Vol. 8)

105 - 1. The Executive Policy Committee has been advised that on July 8, 1992, Council approved a loan to the Winnipeg Convention Centre in the amount of $657,000 to meet serious cash flow deficiencies being encountered by the Centre as a result of the impact of the recession on the convention business.

On July 21, 1992, as required by Section 313 of The City of Winnipeg Act, the Minister of Finance approved the loan.

On August 4, 1992, the City Solicitor was instructed to prepare the necessary loan agreement which provided for a loan at the City's prime rate of interest for four years, with interest only payable semi-annually and a principal repayment in a lump sum at the end of four years.

The principal of the loan for the Convention Centre, in the amount of $657,000, became due in 1996. Since the time that the loan was taken, there have been several changes to the organization including the appointment of a new General Manager to the Convention Centre in 1993 as well as a revamping of the organizational structure. A change in financial management has resulted in the Convention Centre Corporation showing a year-end surplus position for the past three budgets. Cost-sharing of the Winnipeg Convention Centre operations by the Province of Manitoba began in 1995 and indicates a change in financing.

Notwithstanding the above significant positive changes to the Centre, they are still not in a financial position where they have $657,000 in cash available to repay the loan principal. During their 1996 budget deliberations, various alternatives respecting the loan repayment were discussed. They ranged from requesting a write-off of the loan amount to renegotiating the terms and conditions.

It was decided that the most responsible course of action was to approach the City with a proposal to repay the loan over time. The proposal, which was approved by the Board of the Winnipeg Convention Centre, would see the Centre paying off the loan by making principal payments of $44,000 per year, with no interest payable, over the next 15 years. This proposal has no budget implications for either the Centre or the City.

This plan would see the City fully reimbursed for the loan amount and at the same time not require the Winnipeg Convention Centre to secure other lines of credit to repay this obligation. The latter would be necessary, since the Centre does not have this amount of cash on hand available.

Report of the Executive Policy Committee dated December 3, 1997

The Executive Policy Committee recommends:

I. That Council approve the reconfiguration of the terms and conditions of the Convention Centre Loan.

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

Moved by Councillor Angus,
Adoption of the clause.

The motion for the adoption of the clause was put.

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

Yea: Councillors Prystanski, Angus, Lazarenko, Lubosch, Murray, O'Shaughnessy, Phillips, Silva, Steek, Thomas, Timm-Rudolph, Vandal, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Clement. 15

Nay: Councillor Golden. 1

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

By-law to Authorize the Borrowing of Monies during the year 1998, under Section 281(1) of The City of Winnipeg Act
File FC-2 (Vol. 18)

106 - 2. The Executive Policy Committee has been advised that on December 16, 1992, Council adopted a policy whereby the annually approved short-term borrowing limit is established based on an analysis of cash flow projections and estimates requirements.

The short-term borrowing limit for 1997 was $250 million.

An analysis of the City's cash flow projections for the balance of 1997 and 1998, indicates that a short-term borrowing limit of $250 million will meet the City's requirements for 1998.

The City is authorized under Section 281(1) of The City of Winnipeg Act to pass a by-law to provide for the borrowing for capital and current purposes from banks or from any other persons or corporations in such amounts as the Council may deem necessary, and to issue promissory notes in respect thereof.

The Executive Policy Committee recommends:

I. That Council approve the By-law duly approved as to financial details by the City Treasurer and certified as to form by the City Solicitor/Manager of Legal Services authorizing the City of Winnipeg to borrow monies for capital and current purposes during the year 1998, not exceeding in the aggregate the sum of $250 million at any one time, and to authorize the issuance and delivery of promissory notes in respect thereof.

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

Adopted by consent.

Report of the Executive Policy Committee dated December 3, 1997

By-law to Authorize the Expenditure of Monies in 1998 prior the adoption of the 1998 Estimates under Section 281(1)(d) of The City of Winnipeg Act
File FE-1 (Vol. 29)

107 - 3. The Executive Policy Committee has been advised that the City is authorized, under Section 281 (1)(d) of The City of Winnipeg Act, to pass a by-law authorizing the expenditure in any year prior to the adoption of the annual estimates for that year, of amounts not exceeding, in the aggregate, thirty percent of the estimate of expenditures adopted for the previous year.

Budgeted expenditures adopted in 1997 for both current and capital purposes totalled $1,214,512,100. The by-law provides for spending in 1998 of amounts not exceeding 30% of $1,214,512,100 or $364,000,000 prior to the adoption of the 1998 annual estimates.

The Executive Policy Committee recommends:

I. That Council approve the By-law duly approved as to financial details by the City Treasurer and certified as to form by the City Solicitor/Manager of Legal Services authorizing the expenditure of up to $364,000,000 in 1998 prior to the adoption of the 1998 annual estimates.

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

Adopted by consent.

1998 License Fees for Mobile Homes
File EL-8 (Vol. 4)

108 - 4. The Executive Policy Committee has been advised that on June 19, 1991, Council adopted a report from the Committee on Finance and Administration relative to the System of Taxing Mobile Homes in Winnipeg. The method of annually updating mobile home license fees for future years was also adopted at that same time.

The recommendations in the June 19, 1991 report adopted by Council were put in place in 1991. In subsequent years, license fees for mobile homes were increased by 1.2% in 1994, 2.3% in 1995, 2.5% in 1996 and .91% in 1997, using the method to calculate the fees approved by Council in 1991.

The method of calculating the mobile home license fees is based on the following formula: the assessed average square foot value of mobile homes x the portion share for the class x square footage x the average city wide mill rate for the prior year.

The license fees for mobile homes are to be adjusted by new assessment information reflecting the change in the average city wide mill rate (from 59.532 to 60.871). Appendix “A” outlines the rate calculation. Mobile home fees are based on the prior year's mill rates and assessment values.

The recommended License Fees for Mobile Homes for 1998 reflect a 2.3% increase over the 1997 License Fees for Mobile Homes, an average increase of $11.40 per annum for mobile home owners. The municipal mill rate increased by only 1.9% while the average of school division special levies increased by 3.7% which contributed to the requested 2.3% increase in the 1998 license fees. At present, approximately 610 mobile homes are being licensed, therefore, the revised fees should generate approximately $291,500 in 1998, an increase of approximately $6,500 over anticipated 1997 revenues.

The Executive Policy Committee recommends:

I. That Council enact the necessary by-law which will repeal Schedule "A" to By-law No. 821/74 and substitute the following schedule effective January 1, 1998. (The present schedule is shown for comparison purposes only.)

Report of the Executive Policy Committee dated December 3, 1997

LICENSE FEES FOR MOBILE HOMES		
Size of Mobile House (based on exterior dimensions)	Present Monthly Fee	Proposed Monthly Fee
(a) 400 square feet or less	$16.61	$16.98
(b) Over 400 square feet		
• First 400 square feet	16.61	16.98
• Each additional 100 square feet or part thereof	4.15	4.25

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

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

Adopted by consent.

1998 Local Improvement Interest Rates
File SL-1 (Vol. 20)

109 - 5. The Executive Policy Committee has been advised that Section 357 of The City of Winnipeg Act states that when local improvements are financed by means other than issuing debentures, the City Treasurer shall determine the appropriate rates of interest and the interest rates are to be authorized by resolution of Council.

Section 380 of The City of Winnipeg Act states that the City may establish the interest rates for local improvement assessment at up to 1% above the City's cost of funds to cover the costs of assessment and collection.

For many years all local improvements have been financed through the General Reserve Fund and it is appropriate that the 1998 interest rates be established before the end of 1997.

The Executive Policy Committee recommends:

I. That the interest rates for local improvements in 1998 be established as follows:

Term	Current Market Interest Rate	Amount Added for Assessment and Collection	Total Interest Rate for Assessment
2 - 5 years	5.25%	1%	6.25%
6 - 15 years	6.0%	1%	7.0%
16 - 20 years	6.25%	1%	7.25%

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

Adopted by consent.

Report of the Executive Policy Committee dated December 3, 1997

Discount(s) to be Allowed for the Prepayment of 1998 Realty and Business Taxes File FL-2.1 (Vol. 2)

110 - 6. The Executive Policy Committee has been advised that it is necessary to establish a discount rate for the prepayment of 1998 realty and business taxes which will financially assist in accommodating the City's fiscal requirements, and at the same time provide an attractive investment opportunity for Winnipeg taxpayers.

The proposed rate is based on information received from the Financial Services Division; which takes into consideration the 4.25% current cost of borrowing funds for a five month period. Current deposit rates available to taxpayers range between 2.375% and 3.9% for a six month rate. A rate of 3.25% is considered to be fair to both the City and to the taxpayer.

The statistics on the prepayment of discounted taxes for 1997 and 1996 comparative are outlined in Appendix "A".

The Executive Policy Committee recommends:

I. That Council pass a by-law to provide for discounts on the prepayment of the City's 1998 realty and business taxes - such discounts to be allowed on prepayments received in the Tax Office during the months of January and February, 1998 and at the following discount rates:

	Face Value Discount Rate	Equivalent Annual Discount Rate
REALTY TAX - PAYABLE AT PAR UP TO JUNE 30		
January	1.30%	3.20%
February	1.05%	3.17%
BUSINESS TAX - PAYABLE AT PAR UP TO MAY 29		
January	1.05%	3.28%
February	0.80%	3.27%

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

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

Moved by Councillor Angus,
Adoption of the clause.

In amendment,

Moved by Councillor Angus,
Seconded by Her Worship Mayor Thompson,

WHEREAS the Director of Corporate Finance has advised of increases in the short term bank rates that have taken effect since Executive Policy Committee's consideration of the administrative report on Discount(s) to be Allowed for the Prepayment of 1998 Realty and Business Taxes dated November 26, 1997;

THEREFORE BE IT RESOLVED:

i) That Recommendation No. I. be deleted and substituted with the following:

I. That Council pass a by-law to provide for discounts on the prepayment of the City's 1998 realty and business taxes - such discounts to be allowed on prepayments received in the Tax Office during the months of January and February, 1998 and at the following discount rates:

Report of the Executive Policy Committee dated December 3, 1997

	Face Value Discount Rate	Equivalent Annual Discount Rate
REALTY TAX - PAYABLE AT PAR UP TO JUNE 30		
January	1.50%	3.71%
February	1.25%	3.79%
BUSINESS TAX - PAYABLE AT PAR UP TO MAY 29		
January	1.20%	3.76%
February	0.90%	3.68%

ii) That By-law No. 7129/97 be amended accordingly.

The amendment was put and declared carried.

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

Winnipeg Development Agreement Program 1A - North Main Strategic Development File FR-3.2(PA-1)(Vol. 1)

111 - 7. On December 3, 1997, the Executive Policy Committee passed the following resolution, namely:

WHEREAS the Program Authorization for Program 1A: North Main Strategic Development was approved by all three levels of government effective August 4, 1995. The objective of the North Main Street Strategic Development Program is to address the serious physical, economic, and social decline of North Main Street through a comprehensive community based development strategy focused on the revitalizing the area. A total budget of $6 million has been allocated to this sub-program;

AND WHEREAS on January 29, 1997, Council approved a work plan for the North Main Strategic Development Program. This work plan provided for the appointment of a Mayor's Task Force which was given the mandate and responsibility for directing the overall strategy, setting priorities and a policy direction, and to report back to Council with a funding strategy for the implementation plan;

AND WHEREAS the Main Street Task Force has completed its work and has submitted its report and recommendations to the Executive Policy Committee;

THEREFORE BE IT RESOLVED, THAT Council:

1. accept the proposed plan of the North Main Task Force as tabled and approve the recommendations set out in Part III of the plan;

2. approve the allocation of Program 1A. funds in accordance with the Winnipeg Development Agreement, as provided in Part IV of the plan;

3. instruct the North Main Task Force to proceed with implementation of the plan and to report back to Executive Policy Committee within six months, and at regular intervals thereafter;

4. authorize the Proper Officers of the City of Winnipeg to do all things necessary to implement the foregoing recommendation;

Report of the Executive Policy Committee dated December 3, 1997

AND BE IT FURTHER RESOLVED THAT should the Ukrainian Cultural and Educational Centre (Oseredok) inform the City that they are ready to proceed with their Project in 1998, that $1 million be committed to the Project;

and submits same to Council for approval.

Moved by Her Worship Mayor Thompson,
Adoption of the clause.

In amendment,

Moved by Councillor Murray,
Seconded by Councillor Vandal,

BE IT RESOLVED THAT the clause be amended after the first "Be it Resolved" to add a fifth clause:

"5. direct the CentrePlan Committee to review the North Main Task Force Report "Our Place" in context of CentrePlan and report back to Council within 60 days."

In amendment to the amendment,

Moved by Councillor Silva,
Seconded by Her Worship Mayor Thompson,

THAT the motion proposed by Councillors Murray and Vandal be amended to add:

"6. That the implementation of the North Main Task Force Report proceed during the CentrePlan Review."

The amendment to the amendment was put and declared carried.

The amendment, as amended, was put and declared carried.

Councillors Phillips and Timm-Rudolph asked to be recorded as having voted against the amendment, as amended, in accordance with Rule 50.7 of the Procedure By-law.

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

"Marketing/Public Relations" Strategy for the Merchants of Nairn Avenue
File SB-13 (Vol. 3)

112 - 8. On June 25, 1997, Council referred the following motion to the Executive Policy Committee, namely:

Moved by Councillor Timm-Rudolph,
Seconded by Councillor Thomas,

WHEREAS the merchants of Nairn Avenue have been impacted by over two years of road reconstruction;

AND WHEREAS these impacts and losses of revenues exist;

THEREFORE BE IT RESOLVED that Council provide an amount of $5000.00 for the purpose of developing a "marketing/public relations" strategy for the merchants of Nairn Avenue.

Report of the Executive Policy Committee dated December 3, 1997

On July 2, 1997, the Executive Policy Committee referred the matter to the Board of Commissioners for report back on the possibility of establishing a policy for "Marketing/Public Relations Strategies" including the pros and cons.

Council, on November 19, 1997, approved a 30 day extension of time in which to consider the subject matter.

Inasmuch as Executive Policy Committee on December 3, 1997, has requested the Chief Administrative Officer to investigate the formulation of a policy, subject to the legal ramifications including liability of what is being proposed for report back within 60 days, the Executive Policy Committee recommends that Council approve an extension of time of 60 days for further consideration of the matter.

Moved by Deputy Mayor Eadie,
Adoption of the clause.

Carried.

Councillors Thomas, Timm-Rudolph and Vandal asked to be recorded as having voted against the clause, in accordance with Rule 50.7 of the Procedure By-law.

Site Access Plan for access to the Forks
File FR-4.1 (Vol. 3)

113 - 9. On October 22, 1997, Council ruled automatic referral of the following motion to the Executive Policy Committee, under Rule 16.1 of the Procedure By-law No. 5400/90:

Moved by Councillor Murray,
Seconded by Councillor Vandal,

WHEREAS development at the Forks is creating greater demand for transit and vehicle access to the site;

AND WHEREAS CentrePlan is working with the Forks and North Portage Partnership, the Exchange and Downtown Business Improvement Zone groups and the responsible civic departments to develop a downtown transportation plan;

THEREFORE BE IT RESOLVED THAT Council request a site access plan for the Forks to be developed through CentrePlan including consideration of transit, vehicle, "fixed link", cycling and pedestrian access.

On November 11, 1997, the Executive Policy committee referred the matter to the Standing Policy Committee on Property and Development.

Inasmuch as the Standing Policy Committee on Property and Development on November 25, 1997, referred the matter to the Administration for review in consultation with the CentrePlan Committee, the Executive Policy Committee recommends that an extension of time of 60 days be approved to further consider this matter in accordance with rule 16.4 of the Procedure By-law No. 5400/90.

Adopted by consent.

Report of the Executive Policy Committee dated December 3, 1997

Outstanding Bank Accounts in the name of Rainbow Stage Inc.
File PR-7.9.1 (Vol. 4)

114 - 10. The Executive Policy Committee has been advised that in March, 1993, the Bank of Montreal called in a loan held by Rainbow Stage Inc. in the amount of $72,000. The City of Winnipeg, as guarantor to the loan was required to pay the amount to the Bank of Montreal. The assets of Rainbow Stage Inc. were seized by the City pursuant to a General Security agreement in support of the Bank of Montreal's claim against the City as guarantor to the loan held by Rainbow Stage Inc.

In March, 1993, jurisdiction for operating the facility was given to a new company in the name of Rainbow Stage (1993) Inc.

A letter received from the Director, Rainbow Stage (1993) Inc. identifying accounts held at the Toronto Dominion Bank in the name of Rainbow Stage Inc. and proposes that the approximate amount of $18,000 held in these accounts be utilized as part of a proposal to compensate outstanding creditors from Rainbow Stage Inc.

If the proposal is acceptable to Council, it would be necessary to obtain access to the bank accounts. Since there is currently no hold on the accounts, two signatures are required from those persons with signing authority from Rainbow Stage Inc. An alternative would be for the City to seize the bank accounts under the General Security agreement.

Rainbow Stage Inc. left approximately $170,000 in outstanding payables to creditors which have not been paid. Rainbow Stage (1993) Inc. has no legal obligation to compensate creditors but they wish to present a proposal to creditors for partial compensation as a moral obligation and goodwill.

The letter from the Director identifies that their intention is to contribute $32,000 in addition to the $18,000 from the bank accounts in question. The $50,000 total would be utilized to compensate creditors (i.e. approximately 30 cents on the dollar).

A relinquishment of interest in the two bank accounts requires Council approval.

The Executive Policy Committee recommends:

I. That the City of Winnipeg relinquish its interest in the two accounts held at the Toronto Dominion Bank, 201 Portage Avenue in the name of Rainbow Stage Inc. in the approximate amount of $18,000.

II. That a condition be placed on the use of the funds as part of a proposal to compensate the outstanding creditors of Rainbow Stage Inc.

III. That Rainbow Stage (1993) Inc. receive the amounts held in the accounts at the Toronto Dominion Bank and contribute an amount not less than $18,000 as part of a proposal to compensate the outstanding creditors of Rainbow Stage Inc.

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

Adopted by consent.

REPORT OF THE

EXECUTIVE POLICY COMMITTEE

DATED DECEMBER 17, 1997

On motion of Her Worship Mayor Thompson, the rule was suspended and the Report of the Executive Policy Committee dated December 17, 1997, was considered.

Agreements to Supply:
1) Water Service to the Cartier Regional Water System
2) Wastewater Service to the R.M. of Headingley
File EP-1.5 (Vol. 5) & WW-3 (Vol. 11)

115 - 1. On June 25, 1997, City Council authorized Executive Policy Committee to explore negotiating a servicing agreement with the R. M. of Headingley which does not penalize Winnipeg taxpayers in any way and which provides a win/win scenario for both Winnipeggers and Capital Region residents.

Background:

a) Water:

The supply of services beyond the limits of the City has been a long standing issue. The Manitoba Water Services Board (MWSB) has approached the City on several occasions over the last couple of years for participation in a scheme to supply water to the Cartier Regional System which comprises the R. M.'s of Cartier, Headingley, Portage La Prairie, and St. Francois Xavier. Pursuant to direction from Council, discussions have taken place with the MWSB regarding details for a potential servicing arrangement with the City. Through these discussions, it was learned that the MWSB has concluded a two-step process to receive proposals from private consortia to design, construct and operate a regional water supply and treatment system for the aforementioned municipalities. Part of this system includes a water treatment plant, planned for construction at St. Eustache, to supply treated water to the regional system. Three proposals have been received by the MWSB, however, no party has yet to be awarded the regional system project.

The MWSB is still pursuing a supply from the City of Winnipeg as, presumably, if this supply is granted, the water treatment plant at St. Eustache could be reduced in capacity. An arrangement between the MWSB and the City of Portage La Prairie to supply up to 200,000 gallons per day for the Cartier Regional Water Supply has also been concluded on December 1, 1997. The City of Portage La Prairie and the R.M. of Portage La Prairie have also reached an arrangement independently, in principle, for sharing of municipal tax revenues from certain Municipality lands inside the Portage Highway By-pass that will be receiving water and sewer services from the City. The details of this arrangement have not been finalized.

In any event, it seems that the water treatment plant will be proceeding in some form and that the four municipalities involved, including Headingley, will be receiving treated water with or without the participation of the Winnipeg. The provision of water service from the City to the MWSB therefore represents an opportunity to cooperate and to participate in a sustainable development strategy for part of the Capital Region, in addition to realizing some increased revenue from the sale of the water.

Previous requests from other adjoining municipalities, such as East St. Paul, have been turned down by the City. These municipalities have proceeded anyway with their own municipal water and sewer systems in the absence of an arrangement with the City.

b) Wastewater:

The R.M. of Headingley is pursuing the installation of wastewater collection and treatment facilities to correct widespread problems with septic field systems within the Municipality, and to facilitate future development. Part of this proposal includes the construction of a wastewater treatment lagoon north of Saskatchewan Avenue and to the northwest of Assiniboia Downs and the Red River Exhibition site as shown on accompanying Figure 1. The lagoon could discharge between June 15th and November 1st to Sturgeon Creek provided that effluent quality requirements as stipulated by Manitoba Environment are met. The R. M. of Headingley has filed an application

Report of the Executive Policy Committee dated December 17, 1997

with Manitoba Environment for the lagoon proposal to proceed through the Provincial environmental review process including regulatory hearings. Manitoba Environment has advertised the proposal to commence the regulatory process on December 6, 1997. Submissions from the public on the proposed lagoon will be received by Manitoba Environment until January 6, 1998. Based on the submissions received, Manitoba Environment will determine whether a public hearing under the provisions of the Environment Act is warranted. The City is currently reviewing the details of the lagoon proposal and anticipates filing an objection to the project prior to the deadline. The Municipal Board has also provided authorization to the Municipality to proceed with this project in terms of undertaking the necessary borrowing.

Should the lagoon project proceed to regulatory hearings, they may be confrontational. Therefore there is an opportunity to negotiate an arrangement with the R. M. of Headingley to receive their wastewater at a City treatment facility to provide a more environmentally palatable solution. This will further enable the City to collaborate on some reasonable level of development growth within the Municipality.

Status of Agreement Preparation:

Two draft agreements have been prepared and are identified as Appendices “C” and “D”. The first is an agreement to supply water services to the Cartier Region and would be entered into between the City and the MWSB. The MWSB would then act as a water broker or wholesaler and sell the water to the four municipalities involved, which in turn would sell to individual customers within their municipalities. The MWSB was insistent that a separate agreement between the R. M. of Headingley and the City was not possible as Headingley is part of the Cartier Regional System. The second draft agreement is for acceptance of wastewater from the R. M. of Headingley for treatment at the City’s West End Water Pollution Control Centre (WEWPCC) and would be entered into between the City and the Municipality.

Both agreements have been reviewed in draft form with the MWSB which has generally agreed to their content and form. There has also been input to the draft agreements from the Legal Services Division. The draft agreements have not yet been reviewed with the R. M. of Headingley.

The MWSB further advises that the R.M. of Headingley is seeking a commitment from the City regarding the provision of wastewater services as soon as possible. As indicated above, Headingley is pursuing a lagoon alternative and the advertisement of their lagoon proposal by Manitoba Environment has occurred to commence the public hearing process. The timing for the agreement for the supply of water services is not as urgent to the MWSB. However, both draft agreements are being forwarded for consideration because of their inherent interrelationship. From the City’s perspective, the supply of water and sewer services cannot be separated. It is imperative that the agreements be concluded simultaneously. The MWSB would like an indication for the acceptability of entering into the agreement for water services from the City such that they may conclude their arrangements for their water treatment plant at St. Eustache.

Agreement Details:

a) Water:

Rate of Supply - The agreement as drafted provides that the City will supply water to the MWSB for the Cartier Regional Water System at a rate of 1.09 million litres per day (240,000 Imperial gallons per day). The water is to be withdrawn from the City’s distribution network between the hours of 12:00 midnight to 6:00 a.m. daily such that there are no adverse effects on the distribution system pressures within the City. The quantity specified represents the amount that can be supplied with minimal improvements to the City’s distribution network. The City could supply a greater quantity which would require more expenditure to increase distribution system capacity, however the MWSB indicated that their objective is to minimize their upfront expenditures, hence they were prepared to accept the lower volume. As the agreement deals with water supply to all four municipalities, there is no provision in the draft agreement to restrict or limit the rate of water supply to Headingley which would serve as an indirect influence on the amount of development which could occur. However, this can be accommodated through the agreement for wastewater services as described below.

Supply Location - The City will supply water to the MWSB at Portage Avenue at Camp Manitou Road which is at the westerly City limit where the boundary crosses Portage Avenue. Infrastructure required is an extension to an existing 300 mm (12-inch) watermain in Portage Avenue as shown on Figure 2 which is approximately 230 feet east of the supply location. A meter pit with appropriate meters, control devices, and valves will also be required.

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The draft agreement provides that the MWSB will reimburse the City for the full actual cost of these works estimated to be $180,000.00. In order for the City to undertake the construction of these works, funding will need to be included in the 1998 Capital Estimates.

Water Rates - A recent cost of service study has been conducted and the Department did an analysis of rates which would be applicable to a large volume or wholesale customer such as the MWSB. It was determined through this analysis that the existing declining block water rate structure closely approximates the rate which would be determined under a cost of service by class scenario for this of type customer. Therefore the draft agreements have been prepared based on charging the MWSB the same rates utilizing the three block system as currently charged to existing City customers as shown in the Table below. The majority of the water utilized by the MWSB would be charged at the Block 3 rate, however they would be required to move through each Block every quarter until their consumption reaches the limits specified to qualify for the Block 3 charge. The daily consumption by the Cartier Regional Water System is estimated to start at 100,000 Imperial gallons per day based on existing population. At these rates, the estimated revenue from the first full year is $91,000.

Included within the existing water and sewer rate structure is a 10% return to the General Revenue Fund, calculated on net sales after transfers to established reserves. This would equate to an increase in the annual transfer to the general revenue fund of approximately $5,855 from the Water Utility in the initial year of operation.

An argument can be made that for sales to customers outside the City of Winnipeg, a higher charge would be appropriate to provide a return on investment. Council could decide to establish a higher return amount, which would require a surcharge of some “x” amount to be applied to the existing rate structure. Appendix “B” shows the anticipated total revenue from the sales to the MWSB for the first 5 years with various surcharges.

Appendix “B” also provides an indication of the additional transfer to the General Revenue Fund that would occur at various “x” surcharge values above the current rates. This would not result in significantly more money being transferred into the General Revenue Fund. For example in 1998, at a surcharge rate of 10% above City rates, the additional amount transferred to the General Revenue Fund would be $8,977, that is $14,832 as compared to $5,855.

In establishing the rate to charge the MWSB, “market pricing” could also be considered. The MWSB has negotiated rates for water service with the City of Portage La Prairie as shown in the Table below. The cost that the MWSB would need to charge to recover the cost to construct and operate their own water treatment facility is estimated to be $2.00 per 1,000 gallons. Current City rates compared to the rates that the MWSB is expected to charge, and the ultimate rate that the Municipalities’ customers will realize are also summarized in the Table below. A surcharge rate of 10 to 15% above existing City rates would result in rates of $2.74 to $2.87 per 1,000 gallons at present as shown on Appendix B attached. These rates are projected to increase to approximately $3.48 to $3.64 per 1,000 gallons by 2001 if the same surcharge factors are applied. It is also worthwhile noting that while the rate the City may charge the MWSB will be of a magnitude of about $3.00 per 1,000 gallons, the ultimate rate that the customers in Headingley will be charged after the MWSB adds their costs for regional treatment and distribution, and the municipality adds their costs for local distribution, will be approximately $8.00 per 1,000 gallons.

	RATE (per 1,000 gallons)
Winnipeg:	
Block One (1998) - Up to 59,808 gallons	$3.72
Block Two (1998) - From 59,814 to 598,808 gallons	$3.07
Block Three (1998) - Above 598,808 gallons	$2.41
Winnipeg Average Rate (1998) (Assumes surcharge of 0% to 15%)	$2.49 - $2.87
MWSB to Municipalities (estimated)	$6.00
Municipality Customer cost (estimated)	$8.00
Portage La Prairie:	
Block One - Up to 50,000 gallons	$3.35
Block Two - From 50,001 to 450,000 gallons	$2.70
Block Three - Above 450,000 gallons	$2.20

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Term - The draft agreement provides for a term of twenty (20) years without automatic renewal provisions. The draft agreement may be terminated by either party by giving not less than three (3) years notice.

Assignment - The draft agreement may be assigned by the MWSB subject to concurrence by the City. This provision is included as the MWSB advises that ultimately they envision that a Cartier Regional Water Supply Cooperative will be formed which will take over as the wholesale supplier. The City has not expressed any objection to this anticipated future arrangement.

b) Wastewater:

Volume to be Accepted - The draft agreement provides that the City shall receive wastewater from the R. M. of Headingley commencing at the rate of 341,000 litres per day (75,000 gallons per day) in the initial year of operation and escalating at a rate of 5% per year thereafter for the term of the agreement. The initial rate of 341,000 litres per day provides for a reasonable volume to accommodate existing residents that will connect to the new wastewater collection system to be installed by the Municipality, while the additional 5% per year provides for some additional growth within the Municipality at levels consistent with their development plan.

Control of Discharges to Sewers - This section of the draft agreement provides for the same restrictions controlling discharges to the sewer systems as provided for in the City's Sewer By-law 7070/97. This is required to prevent the entry of unsuitable and prohibited materials to protect the City's systems. For example, entry of rainfall related extraneous flows originating from weeping tiles, rainwater down spouts, and surface land drainage are specifically prohibited. The draft agreement also precludes the Municipality from receiving discharges from wastewater disposal vehicles or truck haulers, again to ensure that entry of prohibited materials does not occur. The truck haulers are expected to continue to use the City's dump stations which are continually monitored.

Point of Acceptance of Wastewater - The draft agreement provides that the City will receive the wastewater from the R. M. of Headingley at its Perimeter Road wastewater pumping station which is located at the northeast corner of the Perimeter Highway (P.T.H. 100) and Wilkes Avenue. The Municipality is responsible for all costs of construction for pumping facilities and pipelines to convey their wastewater to this location as shown on accompanying Figure 3. The Perimeter Road Station discharges wastewater to the West End Water Pollution Control Centre (WEWPCC) for treatment.

An alternative conveyance scheme is included in the draft agreement, however this alternative scheme requires a commitment of capital funding by the City. The alternative scheme provides for construction of a gravity wastewater interceptor sewer from the Perimeter Road station northerly along the Perimeter Highway to the intersection with Roblin Boulevard as shown on Figure 4. The R. M. of Headingley would then connect to the City's system at Roblin Boulevard. This gravity interceptor sewer would have sufficient capacity to enable extension of the system to service lands north of the Assiniboine River within the limits of the City but outside the Perimeter Highway. These lands do not currently have full wastewater services. The cost of this interceptor sewer is estimated at $2.0 million and funding would need to be identified to enable its construction. In recognition that the location at which the Municipality would connect has been moved considerably closer, the agreement provides that the Municipality should make a contribution towards the sewer's construction. The draft agreement specifies that the Municipality shall pay to the City $550,000 as their share of the interceptor sewer. This contribution has been determined based on the saving that the Municipality will realize by not having to construct a pipeline along the Perimeter Highway. The Department considers this alternative scheme to have merit in that it utilizes the financial contribution from the R. M. of Headingley, and provides the capability for future installation of full wastewater services to lands within the City consistent with regional servicing plans. Ultimately, an additional $2.5 -3.0 million will be required to extend full regional wastewater services to all lands within the City limits west of the Perimeter Highway. Timing for the extension of regional wastewater services will depend on development activity west of the Perimeter Highway within the City boundaries, and on servicing conditions that can be negotiated with landowners and other development interests in the area.

Should Executive Policy Committee concur that there is merit in pursuing the alternate wastewater servicing scheme, the Administration will pursue funding such that the overall Capital Budget is not increased.

Sewer Rates - The rate included in the draft agreement to be charged to the R. M. of Headingley is consistent with the rate charged to existing City of Winnipeg customers. As described above under Water Rates, the existing rate structure is similar to the rate that would be charged based on a cost of service determination. Table 1 shows the anticipated annual revenue that would be realized from the sale of sewer services to the Municipality.

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As for the water rates, included within the sewer rate structure is a 10% return to the General Revenue Fund. This is calculated on net sales after transfers to established reserves. Based on the additional revenue from the sewer service to the Municipality in the initial year of operation, the increase in the annual transfer to the general revenue fund would be approximately $10,300 from the Sewer Utility.

Council could decide to establish a higher return amount and apply some "x" surcharge to the base sewer rate similar to that considered for the water rates. Table 1 also provides an indication of the additional transfer to the General Revenue Fund that would occur at various "x" surcharge values above the current rate. The surcharge does not significantly increase the amount being transferred to the General Revenue Fund. For example in 1998, the additional amount transferred at a surcharge rate of 10% above the City rates, while slightly more that double, is only $21,377 as compared to $10,320.

When establishing a price for sewer services (as was discussed on water), the question of "market price" is appropriate. In the case of sewer services, it is expected that the City rates are not that competitive compared to Headingley's alternative to construct and operate a simple lagoon system. This could be done at a lower cost. However, discussions between Headingley and the Provincial Environment Department have resulted in Headingley approaching the City for this service. It is concluded that the use of a lagoon is not as environmentally favourable.

Final negotiations on the charges will depend on the instructions of Executive Policy Committee.

Overstrength Wastewater - This section deals with charging for overstrength or high strength wastewater that would be contributed from industrial sources. The determination of the surcharge as included in the draft agreement is the same as included in the City's Sewer By-law 7070/97. The premise of including the industrial waste surcharge is to ensure that industries have no advantage to locate in the R. M. of Headingley from the perspective of sewer charges. Council may decide however that it is inappropriate for the City to receive industrial wastewater from an adjoining Municipality. This is a policy issue. Technically the City's facilities have the capacity and ability to treat industrial wastewater discharges. Should Council decide to receive the overstrength wastewater, they may further elect to apply an additional charge of some percent above the basic surcharge calculation.

Term - The draft agreement with Headingley for wastewater services provides for a term of twenty (20) years without automatic renewal provisions. The agreement may be terminated by either party by giving not less than three (3) years notice. These are the identical provisions as provided by the draft agreement for water supply with the MWSB.

Policy Development:

The technical review and negotiations for the preparation of the draft agreements have proceeded as far as possible. The draft agreements embody concepts and principles which are inherent to the formulation of an overall policy for the sharing of City resources within the Capital Region. However, direction on formulation of this policy , as reflected in the terms and conditions of the draft agreements, is required. This direction is particularly required in the determination of scope of services, appropriate rates including surcharges, capital contributions required, term of agreement, and servicing conditions. To assist in the development of this City policy, a Public Meeting is recommended to be held to inform the public and receive representations on the issue of service extension. A possible format for the Public Meeting is provided in Appendix "A".

This issue is being considered in a broader policy context for the Capital Region. Should the City establish a policy which supports service extension beyond the City boundaries it will be necessary to conclude negotiations with the Rural Municipality of Headingley and the Manitoba Water Services Board. The agreements with these two interests would serve as models for future agreements, however, it is anticipated that a case by case review of future servicing requests will be required because of the variability associated with other locations adjoining the City.

Following are milestone dates and activities anticipated to enable consideration of the matter of service extensions at the January 28, 1998 Council meeting:

Thursday, January 8	Public Meeting to be held in Westwood/Crestview.
Wednesday, January 21	Executive Policy Committee meeting at which report and recommendations from Public Meeting are heard.
Wednesday, January 28	Council meeting.

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The Executive Policy Committee recommends:

I. That an Ad Hoc Committee of Executive Policy Committee be created to hold a public meeting to hear representations towards development of a policy for extension of City services beyond City boundaries to the Capital Region.

II. That the attached draft agreements identified as Appendices "C" and "D" be considered in determining the key elements of a City policy.

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

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

Moved by Councillor Timm-Rudolph,
Adoption of the clause.

Council recessed at 11:57 a.m., and reconvened at 1:31 p.m., same members present, except Councillor Prystanski.

Councillors Lubosch, O'Shaughnessy and Steek entered the meeting after Council had reconvened.

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

In amendment,

Moved by Her Worship Mayor Thompson,
Seconded by Deputy Mayor Eadie,

THEREFORE BE IT RESOLVED that the clause be amended by adding the following words to the end of Recommendation No. I, namely:

> "said Ad Hoc Committee to be comprised of Councillor S. Timm-Rudolph, Chairperson, (Chairperson of the Standing Policy Committee on Public Works), Councillor Angus, (Chairperson of the Standing Committee on Fiscal Issues) and Councillor M. O'Shaughnessy, (Chairperson of the Standing Policy Committee on Property and Development)."

In amendment,

Moved by Councillor Murray,
Seconded by Councillor Lubosch,

BE IT RESOLVED THAT the clause be amended by deleting Recommendation No. I. and replacing it with the words:-

> "That the Standing Policy Committee on Public Works hold a public meeting to hear representations towards development of a policy for extension of city services beyond city boundaries to the capital region consistent with Plan Winnipeg".

The amendment proposed by Councillors Murray and Lubosch was put.

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

Yea: Councillors Lubosch, Murray, Thomas and Vandal. 4

Nay: Councillors Angus, Lazarenko, Phillips, Silva, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Clement. 8

and the amendment proposed by Councillors Murray and Lubosch was declared lost.

The amendment proposed by Her Worship Mayor Thompson and Deputy Mayor Eadie was put and declared carried.

Councillors Lubosch, Murray and Thomas asked to be recorded as having voted against the clause, in accordance with Rule 50.7 of the Procedure By-law.

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

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Angus, Golden, Lazarenko, O'Shaughnessy, Phillips, Silva, Timm-Rudolph, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Clement. 10

Nay: Councillors Lubosch, Murray, Thomas and Vandal. 4

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

EXECUTIVE POLICY COMMITTEE

MOTIONS

Moved by Councillor Timm-Rudolph,
Seconded by Councillor Lazarenko,
116 - WHEREAS Council on November 19, 1997 amended and adopted Clause 4 of the Report of the Executive Policy Committee dated November 12, 1997, which recommended the following, namely:

> "That two hour unmetered parking be provided on Portage Avenue between Fort Street and Spence Street, commencing November 24, 1997 until December 31, 1997, except a.m. and p.m. peak hours, at locations to be determined by the Director of Streets and Transportation";

AND WHEREAS parking on Portage Avenue at this location should be permitted indefinitely, except for a.m. and p.m. peak hours;

AND WHEREAS parking meters already exist in the block between Memorial Boulevard and Spence Street;

THEREFORE BE IT RESOLVED that the words, "until December 31, 1997" be deleted from the above Council approval;

AND BE IT FURTHER RESOLVED that "Spence Street" be amended to read "Memorial Boulevard", so that the corrected clause reads as follows:

> "That two hour unmetered parking be provided on Portage Avenue between Fort Street and Memorial Boulevard, commencing November 24, 1997, except a.m. and p.m. peak hours, at locations to be determined by the Director of Streets and Transportation".

The Speaker ruled automatic referral to Executive Policy Committee in accordance with Rule 16.1 of the Procedure By-law.

Moved by Councillor Timm-Rudolph,
That the rule be suspended to allow consideration of the motion at this time.

Carried.

The motion was put and declared carried.

Moved by Councillor Angus,
Seconded by Deputy Mayor Eadie,
117 - WHEREAS Section 10. (2) of By-law No. 5300/89 and amendments thereto, stipulates:

> *"Each Council Representative becomes a Board Member on the date the appointment becomes effective. Unless the Council Representatives dies, resigns from the Board or otherwise ceases to be eligible in accordance with rules established by Council, he or she shall continue to be a Board Member for the balance of the term specified by Council in the appointment."*

AND WHEREAS, Council on December 11, 1996, adopted Clause 4 of the Report of the Committee on Finance and Administration dated November 25, 1996, appointing Councillor Lubosch, Ms J. Ferrier, Mrs. E. Frame, Ms L. King, Mr. R. L. Borland and Mr. J. Linton for one year as representatives on the Employee Benefits Board, for a term expiring November, 1997;

AND WHEREAS Council at its Organizational Meeting held on November 5, 1997, referred the matter of six representatives of the City (need not be Councillors) to the Executive Policy Committee, however, the Executive Policy Committee has not yet made its recommendations for appointment;

THEREFORE BE IT RESOLVED THAT the term of the members appointed on December 11, 1996 be extended until such time as their successors are appointed by Council.

Executive Policy Committee - Motions (continued)

The Speaker ruled automatic referral to Executive Policy Committee in accordance with Rule 16.1 of the Procedure By-law.

Moved by Councillor Timm-Rudolph,
That the rule be suspended to allow consideration of the motion at this time.

Carried.

The motion was put and declared carried.

EXECUTIVE POLICY COMMITTEE

CONSIDERATION OF BY-LAWS

118 - On motion of Her Worship Mayor Thompson, the following by-laws were read a first, second and third time, the rule being suspended for the third reading of each by-law, and were passed and ordered to be signed and sealed, namely:

By-law No. 7126/97, a by-law of The City of Winnipeg to authorize the borrowing during the year 1998 of monies not exceeding the sum of $250,000,000.00 in aggregate for capital and current purposes and to authorize the issuance and delivery of promissory notes as security for such borrowing. File FC-2 (Vol. 18)

By-law No. 7127/97, a by-law of The City of Winnipeg to authorize the expenditure of monies in 1998 before the adoption of the 1998 annual estimates. File FE-1 (Vol. 29)

By-law No. 7128/97, a by-law of The City of Winnipeg to amend By-law No. 821/74, being a by-law relating to mobile houses, tourist camps and trailer parks. File EL-8 (Vol. 4)

By-law No. 7129/97, as amended, a by-law of The City of Winnipeg to provide for discounts where Realty or Business Taxes are prepaid. File FL-2.1 (Vol. 2)

By-law No. 7136/97, a by-law of The City of Winnipeg to establish a late payment charge on accounts receivable. File F-1 (Vol. 14)

By-law No. 7137/97, a by-law of The City of Winnipeg to establish a program of property tax credits in the year 1998 to encourage and assist in the renovation of residential premises in the City of Winnipeg. File FL-2.2 (Vol. 8)

On motion of Her Worship Mayor Thompson, the rule was suspended and By-law No. 7138/97, a by-law of The City of Winnipeg to impose and fix yearly a frontage rate on sewers and watermains and to provide for an additional levy for renewal and rehabilitation of wastewater sewers and combined sewers, was read a first, second and third time, the rule being suspended for the third reading, and was passed and ordered to be signed and sealed. File WW-2.4 (Vol. 8)

Councillors Lazarenko and Thomas asked to be recorded as having voted against all three readings of By-law No. 7138/97, in accordance with Rule 50.7 of the Procedure By-law.